
**CONDOMINIUM OFFERING PLAN
FREEDOM SQUARE CONDOMINIUM**

Located At
**2841 FORD STREET
BROOKLYN, NEW YORK 11235**

Total Purchase Price of Offering (4 Residential Units).....\$2,194,000.00

Sponsor/Selling Agent:

MAZIE, LLC
c/o Albert Agnese
2369 Royce Street
Brooklyn, New York 11234

Date of Acceptance for Filing: July 8, 2004

This Offering Plan May Not Be Used After July 7, 2005 Unless Extended By Amendment.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. (SEE SPECIAL RISKS SECTION OF THE PLAN.)

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

SEE PAGE 1 FOR SPECIAL RISK TO PURCHASERS

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

This Plan Has Been Amended.
See Inside Cover.

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SPECIAL RISKS

1. Upon the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds ninety (90%) percent; or (ii) five (5) years from the First Unit Closing, Sponsor, including any designee thereof, will relinquish control of the Board of Managers if it has such control and will not elect a majority of its nominees for positions on the Board of Managers, even though the total percentage of Common Interest may otherwise enable it to do so. Accordingly, it is possible that Sponsor and/or its designee(s) may control the Board of Managers for as long as five (5) years from the First Unit Closing. Please consult page 67 of the Offering Plan for further discussion.
2. As long as the Sponsor or any Sponsor-designee shall continue to own Condominium Units equaling at least twenty-five (25%) percent of the total Common Interest of the Condominium, but in no event for a period in excess of five (5) years from the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed 5.00% of the budgeted expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient). Please consult page 67 of the Offering Plan for further discussion.
3. If a Purchaser defaults under this Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. Time is of the essence for the Purchaser to cure any default under the Purchase Agreement within such thirty (30) day period. "Time is of essence" means that if the default is not timely cured the Sponsor may (but is not obligated to) elect to cancel the Purchase Agreement. In such event the downpayment deposit, any accrued interest and any other amounts paid by the Purchaser for any special or custom work shall be paid over to Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Please consult page 37 of the Offering Plan for further discussion.
4. All funds received by Sponsor for upgrades or extras must initially be placed in the escrow account with the Escrow Agent. However, Purchasers should note that such funds may be released from the escrow account by the Escrow Agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds for upgrades or extras. Please consult page 38 of the Offering Plan for further discussion.
5. In the event a Purchaser elects to include in his or her Purchase Agreement a mortgage financing contingency clause and fails to obtain a written loan commitment within the time period permitted, Purchaser must notify Sponsor of same within (5) days subsequent to such period or the financing contingency is deemed waived. Unless waived by Sponsor, Sponsor if it so desires, shall then have sixty (60) days after receipt of such notice to secure a mortgage loan commitment for Purchaser from the same, or other lending institution in the same amount at the same or then prevailing interest rate. Please consult page 38 of the Offering Plan in the section titled "Procedure to Purchase" for further discussion.

6. Each Unit Owner shall notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall install at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without full knowledge of the Managing Agent. Please consult page 85 of the Offering Plan in the section titled "Rights and Obligations of Unit Owners and The Board of Managers" for further discussion.

7. Pursuant to existing law and regulation the Sponsor may declare the Offering Plan effective by selling a minimum of fifteen percent of the Units in the Building which are being offered to the public. The minimum number needed is one Unit. Even if the Plan is declared effective with a minimum of sales, it is possible that the Sponsor may be able to convert the building with fewer than the minimum number of sales, if purchasers counted towards effectiveness do not ultimately purchase a Unit.

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

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

8. The Condominium Board of Managers shall reimburse the Sponsor in full for any electric, utility or other service deposits paid by Sponsor. These items are not items of closing adjustment. Sponsor has not had to fund any utility or other service deposits at this time.

9. Purchaser shall be entitled to one reasonable adjournment of up to fifteen (15) days, on five (5) days' written notice by Purchaser to Seller. In addition to any other rights Seller may have by reason of Purchaser's failure to timely close title when requested, Seller shall be reimbursed by Purchaser for the cost of any real estate taxes and Common Charges which Seller would not otherwise have had to pay if there had not been an unauthorized delay in closing of title by Purchaser beyond Purchaser's right of adjournment. Additionally, Purchaser shall pay to Seller a penalty in the amount of \$200.00 per day for each day subsequent to purchaser's fifteen (15) day right of adjournment that Purchaser fails to close title, provided Seller has met its obligations under the Offering Plan. Otherwise, such \$200.00 per day penalty shall commence after such 15 day adjournment period once Seller has complied with its obligations under the Offering Plan to close title with respect to the Unit. Please consult page 124 of the Offering Plan for further discussion.

10. Each Unit Owner is free to mortgage his or her Unit, provided that any such mortgage shall be a first mortgage or second mortgage made to a bank, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender, the Sponsor, a family member, business associate or employer, Sponsor-designee, or the Seller of such Unit(s). A mortgage may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers,

subsequent to the release of control by the Sponsor. Such approval shall be in the sole and absolute discretion of Sponsor or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearages for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens therefor. Please consult page 75 of the Offering Plan for further discussion.

11. Section 421-a Real Property Tax Law Partial Tax Exemption Benefits.

Sponsor, at its sole cost and expense, has applied for partial tax exemption pursuant to Section 421-a RPTL. In Schedule A to the Offering Plan titled "Offering Prices and Related Information" on pages 20 and 21, projections are made both with and without such benefits. Although Sponsor expects the Property to receive such benefits, there is no guaranty that such benefits will be obtained. Please consult page 20 in the Notes to Schedule A for further discussion.

12. Cross-defaults Under Interim Use and Occupancy Agreements.

An Interim Use and Occupancy Agreement will provide that an uncured default by the Purchaser under a Purchase Agreement will constitute a default under the Interim Use and Occupancy Agreement, entitling the landlord (i.e., Sponsor), at its sole option, to terminate the Interim Use and Occupancy Agreement. The Purchase Agreement contains a similar cross-default provision entitling Sponsor to cancel the Purchase Agreement in the event that the Purchaser fails to cure a default under the Interim Use and Occupancy Agreement within any applicable grace period. The interim occupant must vacate the Unit within five (5) days after any default under the Purchase Agreement which remains uncured after five (5) days. Please consult the section of the Offering Plan titled "Interim Use and Occupancy Agreements" on page 33 of the Offering Plan for further discussion.

13. No Bond or Other Security to Secure Sponsor Performance

No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at the time the Offering Plan is accepted for filing the Sponsor will be financially capable of performing Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. The construction work is being financed by a construction loan provided by North Coast Funding, Inc., 1010 Northern Boulevard, Suite 208, Great Neck, New York 11021. Please consult the section of the Offering Plan titled "Rights and Obligations of Sponsor" on page 55 for further discussion.

14. Sponsor Retains the Right to Rent

Sponsor is retaining the right to rent, rather than sell all the Units prior to their being occupied. Accordingly, if Sponsor retains Units aggregating more than fifty percent Common Interest, the Sponsor may retain control of the Board of Managers for up to five years from the first condominium unit closing. Please consult the section of the Offering Plan titled "Control By Sponsor" on page 68 of the Offering Plan for further discussion.

15. Sponsor Control

Since Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no Sponsor commitment to sell more Units than the fifteen (15%) necessary to declare the Offering Plan effective. Consequently, despite the requirement that Sponsor must give up control of the Board of Managers no later than five years from the first Condominium unit closing, owner-occupants may never gain effective control and management of the Condominium if sales are made to investors. Please consult the section of the Offering Plan titled "Control By The Sponsor" on page 68 for further discussion.

16. Owner-occupants versus Non-Resident Owners

The Condominium By-Laws do not include a provision that after the initial Sponsor voting control period a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing (i.e., purchase as a home as opposed to as an investment.) Please consult the section of the Offering Plan titled "Control By The Sponsor" on page 68 for further discussion.

17. No Washers or Dryers

The Sponsor shall be providing hook-ups only for a washing machine and dryer in each Residential Unit. Each Purchaser shall be responsible for supplying and installing, at his or her sole cost and expense, a washer and/or dryer.

18. No Direct Access to Meter Room

There is no direct access from a Common Element to the meter room, which is located in the cellar of Unit 1F. The Unit Owner of Unit 1F must allow access through his Unit to the meter room when it is necessary to enter such room.

19. Below Grade Recreation Rooms

Units 1F and 1R each contain a below grade recreation room. These rooms may not legally be used as bedrooms and doing so could result in municipal violations being posted against the Building.

INTRODUCTION

The Sponsor, Mazie, LLC, acquired title to the Property on July 23, 2003 from Al-Sal Restaurant Corp. The Sponsor is a New York limited liability company formed on February 13, 2003. The two managing members are Albert Agnese and Linda R. Agnese, his wife.

The purpose of the Plan is to set forth all the terms of the offer so that prospective Purchasers have an adequate basis upon which to determine whether to purchase units in the Condominium. The Plan may be amended from time to time when an amendment is filed with the New York State Department of Law. All filed amendments will be served on (i) purchasers who have executed and delivered Purchase documents to Sponsor, (ii) Unit Owners and (iii) any other offeree who is required by law to receive such amendment. Service shall be by either personal delivery, ordinary mail or registered mail. Service by personal delivery is deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day after the date of mailing.

The Condominium will be organized pursuant to Article 9B of the Real Property Law of the State of New York, as amended, commonly known as the New York Condominium Act.

The Condominium shall consist of four (4) Residential Units.

The Building is being newly constructed. The most recent previous use of the vacant site was as a restaurant and/or a parking lot for such restaurant.

The Building is to be three stories and a cellar. There are two balconies each on the second and third floors facing the street. There are two Residential Units on the first floor and cellar and one each on the second and third floors. The cellar floor areas within a Residential Unit are for recreation only and are not for legal living space. There is a center hall and stairway from the first floor to the third floor. The stairways from the first floor units to the respective cellar areas shall be part of the respective first floor units. The stairway from the first floor to the third floor, the first floor lobby, and hallways on the second and third floors shall be a limited common area for the exclusive use of the second and third floor Units.

Each Residential Unit is heated and cooled separately.

There is a front yard at the Property which is a general common area. There is a driveway on the side of the Building which is also a general common area. The driveway also serves as a walkway to the entrances to the first floor units and the entrance to the lobby and stairway to the second and third floor units. At the rear of the Building is a continuation of the driveway and four (4) parking spaces. Each Parking Space is a limited common area for the exclusive use of each of the four (4) Units, with one Parking Space allocated to each Unit. Any rear yard area which is not a Parking Space or part of the driveway is also a general common area. Accordingly, each Parking Space has access to the street. None of the Parking Spaces are specifically designated for handicapped.

There is no elevator in the Building and no on-site recreational facilities.

All of the Units being offered are intended to be sold as Condominium Units in accordance with this Plan at the prices noted in Schedule A, commencing at page 18. These prices have been

established solely by the Sponsor and are not subject to approval by the Department of Law or any other governmental agency, although the Department of Law reviews such prices.

Sponsor represents that it will endeavor in good faith to sell the Units. However, Sponsor is retaining the right to rent Units rather than sell all the Units prior to their being occupied.

The construction loan mortgage does not contain any requirement that Sponsor sell a certain number of Units. It does not contain any minimum number or percentage of Units which must be under contract before the Offering Plan can be declared effective. The release prices are eighty-five percent (85%) of the purchase price for the Unit with a minimum release price for each Unit set forth as follows:

1F	\$335,000.00
1R	370,000.00
2	435,000.00
3	435,000.00

These amounts must be paid to the construction lender in order for the construction lender to release its mortgage lien for the particular Condominium Unit being sold. There are no requirements of the construction mortgage lender that are imposed upon the Sponsor in order for the Sponsor to rent rather than sell.

In a condominium form of ownership, each Purchaser of a Unit owns his Unit similarly in many respects to the manner in which a private home owner owns his home. (References to the masculine gender in the Plan shall be deemed to refer to the feminine gender or plural where the context so requires and shall be deemed to include any duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association or any other entity permitted to own real property in the State of New York). The Residential Unit Owner owns the Unit in fee simple absolute and is entitled to the exclusive possession thereof. He is also the owner, in common with the owners of all other Units, of all remaining parts of the Property except for the Units themselves, including the land upon which the Units are built, the foundations and supports of the Building, the exterior walls and the roof (hereinafter called "Common Elements"). Each Unit Owner's proportionate share (hereinafter called "Common Interest") of the Common Elements has been determined upon the basis of such Unit's floor space, location, uniqueness, overall dimensions and similar factors of relative value to other space in the Condominium. These allocations are made pursuant to Section 339-i 1(iv) of the Real Property Law, which is part of Article 9-B of the Real Property Law of the State of New York (hereinafter called "the Condominium Act"). Any portion of the land or Building, other than the Units themselves, which are for the use of one or more specified Units to the exclusion of all others, are known as "Limited Common Elements." The Plan provides that any balconies and terraces adjacent to and with access directly from a particular Unit shall be Limited Common Elements. Each Unit Owner is privileged to mortgage his Unit generally on the terms and in such amount as he chooses. With respect to any Unit, a first mortgage or second mortgage shall be either with an institutional lender, the Sponsor, a family member, a business associate or employer or a selling Unit Owner. Purchasers pursuant to this Plan, however, if they seek mortgage financing, shall be required

to follow procedures set forth in the Purchase Agreement in Part II of the Plan. A mortgage may be made with a reputable private lender other than the Sponsor or selling Unit Owner subsequent to the obtaining of the written permission of either the Sponsor, prior to Sponsor's relinquishing control of the Board of Managers of the Condominium (sometimes herein referred to as the "Condominium Board" or the "Board of Managers"), or the Board of Managers. No Unit Owner shall be permitted to encumber his Unit with a third mortgage. His Unit is not subject to the lien of any mortgages placed by other Unit Owners on their Units.

A Unit Owner can sell or lease his Unit to anyone, without restriction or limitation, subject only to a right of first refusal by the Board of Managers at the same price and terms the Owner has been offered. Such right of first refusal is hereinafter described on page 74 of the Plan. A Unit Owner can alter and decorate the interior of his Unit in any way he desires, subject to local codes, and he is obligated for the cost of his own interior-decoration, maintenance and repair after closing. Each Unit will be taxed as a separate tax lot for real estate tax purposes and a Unit Owner will not be responsible if any of the other Unit Owners fail to pay their real estate taxes. In the opinion of counsel for the Sponsor, a Residential Unit Owner, like a home owner, may under most circumstances, deduct from his income for income tax purposes his real estate taxes and the interest paid on the mortgage encumbering the Unit(s) owned by him. The Board of Managers will assess against each Unit Owner, in proportion to his respective percentage of Common Interest as defined in the section of the Plan titled "Definitions", charges (hereinafter called "Common Charges") for the maintenance of the Common Elements and for the operating costs of the Property (hereinafter called "Common Expenses"), as provided in New York State Real Property Law Section 339-m. Each Unit Owner will pay for all electricity and gas consumed within his own Unit, the charges for which will be separately metered.

Each Unit Owner is obligated to comply with the Declaration, the By-Laws, the Rules and Regulations and any other requirements of the Board of Managers. Each Unit Owner shall also be responsible for maintaining his own Unit and for making repairs within his own Unit. The cost of maintenance and repair of the Common Elements shall be shared by all Unit Owners as provided above. Each Unit Owner shall have the same rights of access to, use of and benefit of the Common Elements which are not Limited Common Elements. Each Unit Owner shall also be responsible for obtaining and bearing the cost of casualty and liability insurance in connection with his respective Unit. The Board of Managers shall have the duty of obtaining casualty and liability insurance on behalf of the Condominium with respect to the Building as a whole.

The Board of Managers shall be elected by the Unit Owners with the number of votes allocated to each Unit Owner determined by the Unit Owner's percentage of Common Interest. The Board of Managers shall have the authority to manage and administer the affairs of the Condominium, including, but not limited to, the determination of Common Charges and the adoption of Rules and Regulations covering the Condominium. Please see the section entitled "Rights and Obligations of the Unit Owners and the Board of Managers" at page 74 for further discussion. Although the By-Laws of the Condominium contain a right of first refusal by the Board of Managers, the Board of Managers does not have the right to approve or disapprove purchasers. There is no limit on the number of owners who may purchase for investment rather than for personal occupancy. Accordingly, there may always be a substantial percentage of owners who are non-residents.

Units may be purchased either by natural persons over the age of 18 years or by a duly formed partnership, or corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint

venture, limited liability company, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York.

The Plan contains all of the material terms of the transaction. 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 will be available for inspection without charge and for copying at a reasonable charge to prospective Purchasers and their attorneys at the office of the Department of Law and at the office of the Sponsor or at any on-site sales office at all times such office are open.

THE PURCHASE OF A CONDOMINIUM 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.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property has an area of approximately 4,288.73 square feet. The Property is rectangular in dimension. It is located on the east side of Ford Street, Brooklyn, New York commencing 91 feet northerly from the northeasterly corner formed by the intersection of the easterly side of Ford Street with the northerly side of Emmons Avenue. The Property fronts approximately 40 feet on Ford Street and is generally 106 to 107 feet deep.

The Condominium shall consist of four (4) Residential Units. The Property will be improved and the Units constructed in accordance with all applicable zoning and building laws and requirements. The applicable zoning law is the Zoning Resolution of the City of New York. The applicable building law is the New York City Building Code. It is anticipated that construction of the Residential Units will be completed and a temporary certificate of occupancy or permanent certificate of occupancy covering all Residential Units will be issued by January 1, 2005. The Residential Units are being completed essentially at the same time.

The Building is to be three stories plus a cellar. There are two balconies each on the second and third floors facing the street. There are two Residential Units on the first floor and one each on the second and third floors. There is a center stairway from the first floor to the third floor.

The cellar floor is to be reinforced concrete slab on grade. The second and third level shall receive plywood on metal joist with insulation/soundproofing material. The balconies are cantilever construction in concrete on metal decking. All exterior wall construction shall be non-combustible metal studs with batt insulation. The exterior finish shall be a combination of brick and stucco finish. The brick finish shall cover the perimeter of the first floor exterior walls only and the balance of the exterior walls shall be stucco finish.

Each Residential Unit is heated and cooled separately.

There is a front yard at the Property which is a General Common Element. There is a driveway on the side of the Building which is also a General Common Element. The driveway also serves as a walkway to the entrances to the first floor units and the entrance to the lobby and stairway to the second and third floor units. At the rear of the Building is a continuation of the driveway and four (4) parking spaces. Each Parking Space is a Limited Common Element for the exclusive use of each of the four (4) Units, with one Parking Space allocated to each Unit. Any rear yard area which is not a Parking Space or part of the driveway is also a General Common Element. Accordingly, each Parking Space has access to the street. None of the Parking Spaces are specifically designated for handicapped.

There is no elevator in the Building and no on-site recreational facilities.

LOCATION AND AREA INFORMATION

Location:

The Property is located on the east side of Ford Street, Brooklyn, New York approximately 91 feet north of the intersection of Emmons Avenue and Ford Street.

Surrounding Area:

The Property is located in the Sheepshead Bay section of Brooklyn, New York. Sheepshead Bay contains numerous restaurants and shops as well as apartment buildings and multi-family homes.

Recreational:

There are numerous recreational facilities in the vicinity of the Property. Among the most popular are the following:

Astroland Amusement Park, located at 1000 Surf Avenue;

NY Zoological Society, located at 602 Surf Avenue;

New York Aquarium, located at Boardwalk and West 8th Street;

Wood Art, located at 320 Brighton Beach Avenue; and

Enrico Caruso Museum America, located at 1942 East 19th Street

There are also party fishing boats leaving from Sheepshead Bay.

Transportation:

The Property is located near the Belt Parkway, which runs through the southern perimeter of Brooklyn

Subways:

The nearest subway station is located at the Sheepshead Bay Station, which is a subway stop for the Q line, which provides service throughout Brooklyn and Manhattan.

Bus Lines:

The following bus lines service the area:

- B4 Bay Ridge Parkway/Neptune Avenue; runs between Narrows Avenue - 77th Street and Knapp Street - Voorhies Avenue, daily.
- B36 Avenue Z/Surf Avenue; runs between Avenue U - Nostrand Avenue and West 37th Street - Surf Avenue, daily.
- B44 Nostrand Avenue; runs between Williamsburg Bridge Plaza and Knapp Street - Emmons Avenue, daily.
- B49 Ocean Avenue/Bedford and Rogers Avenue; runs between Oriental Boulevard - Mackenzie Street and Fulton Street - Bedford Avenue, daily.

Schools:

Public schools located in the general vicinity are:

P.S. #52 at 2675 East 29th Street, Brooklyn, New York;

P.S. #195 at 131 Irwin Street, Brooklyn, New York;

Sheepshead Bay High School, located at 3000 Avenue X, Brooklyn, New York; and

Leon M. Goldstein High School, located at 2001 Oriental Boulevard.

Private schools are located in the area as well. They include:

St. Edmunds Catholic Elementary School, located at 2474 Ocean Avenue, Brooklyn, New York;

St. Marks Parochial School, located at 2606 East 19th Street, Brooklyn, New York;

St. Edmunds High School, located at 2474 Ocean Avenue, Brooklyn, New York.

The above listing is by no means inclusive. No representation is made that children of Unit Owners will be entitled to attend any particular school.

Nearby higher education institutions include:

Kingsborough Community College, located at 2001 Oriental Boulevard, Brooklyn, New York.

Nearby Places of Worship:

Congregation Israel-Kings Bay
3903 Nostrand Avenue, Brooklyn, New York;

St. Marks Roman Catholic
Ocean Avenue and Avenue Z, Brooklyn, New York;

Muslim American Society
1933 Bath Avenue, Brooklyn, New York;

Shore Park Jewish Center
2959 Avenue Y, Brooklyn, New York;

Medical:

The nearest hospital is Coney Island Hospital, located at 2601 Ocean Parkway, New York. Other medical facilities are as follows:

New York Community Hospital
2525 Kings Highway, Brooklyn, New York.

Beth Israel Medical Center
3201 Kings Highway, Brooklyn, New York;

Public Libraries:

The nearest public library branch is the Brooklyn Public Library, located at 2808 Gerritsen Avenue, Brooklyn, New York.

Police, Fire, Water, Sanitation, Snow Removal and Maintenance Services:

The above services are provided by the City of New York, and all charges (except water) are incorporated into the City Tax. The property is in the 61st Police Precinct. Precinct headquarters are located at 2575 Coney Island Avenue, Brooklyn, New York. The nearest Fire Department station is Fire Department Engine Company #321, located at 2165 Gerritsen Avenue, New York.

Postal:

The zip-code for the property is 11235, which is the Bay Station Postal Office located at 2628 East 18th Street, Brooklyn, New York.

Zoning:

The Property is located in C2-2 in R5 district and the Sheepshead Bay Special Purpose District. Permissible uses are Use Groups 1 through 9 and 14. C2 districts are local service districts which are

designed to provide for a wide range of essential local services not involving regular local shopping. Examples of permissible commercial uses include retail stores, offices and service establishments such as a bicycle shop or hobby center. Permissible residential uses are residences of all kinds, including apartments, hotels and non-profit residences for the elderly. The permitted services create relatively few objectionable influences for nearby residential areas. The Sheepshead Bay Special Purpose District is to promote the district's unique character as a prime location for waterfront-related commercial and recreational development.

HOMEOWNERS' ASSOCIATION

The Condominium does not have an independent storm water drainage system to Ford Street, which is directly in front of the Property. Two adjacent condominium projects being constructed by the same Sponsor, President Square Condominium to the immediate east and Liberty Square Condominium to the southeast, also do not have independent storm water drainage systems to the street directly in front of them. A fourth condominium project being constructed by the same Sponsor, Tower Square Condominium, located at the corner of Emmons Avenue and Coyle Street, does have its own independent storm water drainage system to a pipe located under Emmons Avenue. Accordingly, there shall be a storm water drainage line running from each of the three condominiums which do not have an independent storm water drainage system to a Common Storm Sewer Line. This Common Storm Sewer Line shall run under the Property located at President Square Condominium and under Liberty Square Condominium, then under the Property at Tower Square Condominium to connect to the pipe running under Emmons Avenue. Tower Square Condominium shall be subject to an easement for the maintenance, repair and/or replacement of this Common Storm Sewer Line. The three other Condominiums (President Square, Liberty Square and Freedom Square) shall be members of a homeowners' association, to be known as Castle Harbor Homeowners' Association ("HOA"). The purpose of the HOA shall be to maintain, repair and/or replace this underground Common Storm Sewer Line. The individual lines from each of the three condominiums connecting to the Common Storm Sewer Line shall be the responsibility of each respective Condominium, as the case may be. The Declaration of Covenants, Restrictions, Easements, Charges and Liens for the HOA and the By-Laws of the HOA appear in Part II of the Offering Plan, commencing at page 247. Once these underground lines are installed, it is not anticipated that any repair will be needed for years. The Declaration of Covenants, Restrictions, Easements, Charges and Liens and the By-Laws of the HOA set up the procedure for assessments in the event the Common Storm Sewer Line needs to be repaired and/or replaced. This Declaration and By-laws shall be recorded in the Register's Office prior to the closing of any Condominium Unit under any of three Condominiums subject to this HOA. Memberships by the three Condominium Associations is mandatory. It is not intended that any additional Condominiums shall be members.

The Covenants and Restrictions in the Declaration expire on December 31, 2050, unless otherwise expressly limited or extended. Subsequent to December 31, 2050 the covenants and restrictions shall be automatically extended for successive periods of ten (10) years unless any instrument signed by sixty-six and two-thirds percent (66 2/3%) of the Members has been recorded agreeing to change such covenants and restrictions in whole or in part with the exception of those restrictive covenants deemed to be perpetual. The encroachment of the storm water drainage line on any lot or common area shall be deemed perpetual. The construction loan encumbering the Property shall subordinate to the HOA Declaration and By-laws. The HOA incorporated as a not for profit corporation in New York on February 20, 2004.

The Board of Directors shall consist of three members. The Class A members consist of the Condominium Associations. The Class B member is the Sponsor, referred to as the Fee Owner in the By-laws of the HOA. The Class B member shall have the right to designate two (2) of the three directors until the earlier of (i) three (3) years from the first Condominium unit closing or (ii) until ninety (90%) percent of the Condominium Units in the development are sold. Subsequently, the

Class B Member (Sponsor) can designate one member as long as it owns one Condominium Unit. However, Class B membership shall cease to exist on the earlier of (i) when ninety (90%) percent of the Condominium Units in the Development are sold or (ii) four (4) years from the date of the first closing of title to a Condominium Unit, unless the Sponsor decides to terminate the Class B membership at an earlier time. Each of the Class A members is entitled to one vote.

The Declaration of Covenants, Restrictions, Easements, Charges and Liens and By-Laws can be amended by an affirmative vote of sixty-six and two-thirds (66 2/3%) percent of the members of Class A and Class B.

The current directors of the HOA are Albert Agnese, Linda R. Agnese and Tara Agnese. Albert and Linda Agnese are principals of the Sponsor and Tara Agnese is their daughter. Their business address is located at 2369 Royce Street, Brooklyn, New York 11234.

Each Condominium will initially be levied \$300.00 per annum during the first year of HOA operation. This fee will be to cover franchise taxes for the HOA and to start setting aside money for future repair, maintenance and/or replacement of the Common Storm Sewer Line. The Board of Directors each year shall determine whether to increase or decrease such annual fees and decide when they are to be paid. As set forth in the Declaration of Covenants, Restrictions, Charges and Liens, the Board of Directors may impose due dates for fees and impose late charges, interest and the cost of collection against the delinquent member. A late charge of \$25.00 shall be imposed for late payment of a maintenance assessment and the Board of Directors may determine to impose a higher late charge. If the assessment is not paid within fifteen (15) days after the delinquency (due) date, the assessment shall bear interest from the date of delinquency at the maximum permissible rate in the State of New York. Upon the delinquency of an assessment the Board of Directors may file a lien against the Condominium and the Condominium Units comprising such member of the HOA. Such lien shall subordinate to a first mortgage encumbering any Condominium Unit. During any period in which a member shall be in default in the payment of any assessment levied by the Association, the member's right to use the Common Properties (i.e. the Common Storm Sewer Line) may be suspended by the Board of Directors until such assessment has been paid.

There is no provision in the HOA Declaration and/or By-laws for suspension of voting rights. The Board of Directors has the right to abate nuisances and to enjoin or seek damages from members for violation of rules and regulations of the HOA.

DEFINITIONS

- "Appurtenant Interest" - With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.
- "Assessments" - The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest, (except as otherwise provided in the Declaration or in the By-Laws).
- "Board of Managers" or "Condominium Board" - The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest.
- "Building" - The structure located at 2841 Ford Street, Brooklyn, New York 11235.
- "Common Charges" - Each Unit's proportionate share of the Common Expenses in accordance with its Common Interest.
- "Common Elements" - All portions of the Property other than Units. Common Elements are comprised of General Common Elements and Limited Common Elements.
- "Common Expenses" -
a) Expenses of operation of the Property, and
b) All sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.
- "Common Interest" - The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
- "Condominium" - A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with

the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan "Condominium" specifically refers to "Freedom Square Condominium."

- "Condominium Act" - Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
- "Condominium Documents" - The Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.
- "Declaration" - The instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the By-Laws.
- "First Unit Closing" - The first closing of title with a bona fide purchaser of a Unit.
- "Floor Plans" - The floor plans of the Units certified by a licensed engineer or registered architect, and filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.
- "General Common Elements" - Shall mean those certain portions of the Property (other than the Units) as well as the fixtures and equipment therein, either existing for the common use of the Units or the Unit Owners or necessary for or facilitating the existence, maintenance, operations or safety of the Property, as more particularly described in the Declaration.
- "Insurance Trustee" - A bank, a trust company or savings and loan association, having both an office in the City of New York, from time to time appointed to serve as such by the Condominium Board.
- "Land" - All that certain tract, plot, piece and parcel of land situate, lying and being in the County of Kings, City and State of New York, as more particularly described in Schedule A to the Declaration.

- "Law"
- The laws and ordinances of any or all of the Federal, New York State, New York City, and Kings County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.
- "Limited Common Elements"
- Shall mean those portions of the Property (other than the Units) as well as the fixtures and equipment therein, either existing for the use and enjoyment of a particular Unit Owner or certain Unit Owners to the exclusion of all other Unit Owners, as more particularly described in the Declaration.
- "Majority"
- Majority of Unit Owners means either (i) more than fifty per cent in Common Interest in the aggregate, or (ii) more than fifty per cent in number of Units in the aggregate, or (iii) more than fifty per cent in the aggregate in both Common Interest and in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in number of Units in the aggregate, or (iii) such percentage in Common Interest and such percentage in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, provided, however, that different percentages in interest and in number of Units may be so specified.
- "Managing Agent"
- A person employed by the Condominium Board pursuant to Article II, Section 3 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.
- "Offering Plan"
- The document filed with the New York State Department of Law which describes the condominium property and pursuant to which individual Units in the Condominium are offered for

sale, as the same may be amended from time to time. Sometimes herein referred to as the "Plan".

- "Operation of the Property" - The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.
- "Person" - A natural person, corporation, partnership, association, trustee or other legal entity.
- "Property" - Means and includes the Land, the Building and all other improvements thereon, (i) owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.
- "Purchaser" - Any Person who has entered into an agreement with Sponsor to purchase any Unit and is not in default thereunder.
- "Recording officer" and "Recording" or "Recorded" - Shall have the meanings stated in section two hundred ninety of the New York State Real Property Law.
- "Residential Unit" - A designated apartment in the Building comprising the Condominium, which is owned in fee simple absolute.
- "Residential Units" - Collectively, all the apartments in the Building.
- "Residential Unit Owner" - Means the person, persons or entity owning a Residential Unit in fee simple absolute.
- "Rules and Regulations" - The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.

- "Selling Agent" - The entity which on behalf of the Sponsor, originates and supervises sales of Units. The Sponsor is the Selling Agent for this project.
- "Sponsor" - The promoter of the project and/or Offering Plan to convert a particular parcel of property to Cooperative or Condominium Ownership; Mazie, LLC is the Sponsor of this Offering Plan.
- "Sponsor-designee" - Any Person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".
- "Unit" - Any space in the Building designated as a Unit. Such Units are a part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or elements leading to a public street or highway, and may include such appurtenances as a storage room, balcony, or terrace. Any mechanical equipment located outside a Unit which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.
- "Unit Deed" - The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.
- "Unit Designation" - The number, letter or combination thereof or other official designations confirming the tax lot number, if any, designating the Unit in the Declaration and on the Floor Plans.
- "Unit Owner" - The person or persons, or entity owning a Unit in fee simple absolute. It collectively means the respective owners of the Residential Units.
- "Unsold Units" - Any Unit owned by Sponsor or its designee at the time in question.

FREEDOM SQUARE CONDOMINIUM
2841 Ford Street
BROOKLYN, NEW YORK
SCHEDULE A

Offering Prices and Related Information
(All Projected Charges are for the Twelve Month Period
Commencing January 1, 2005 and Ending December 31, 2005 except as noted)

Unit (1)	No. of Rooms & Baths (2)	Approx Sq. Ft. Area (3)	Offering Price (4)	Pctg. of Common Interest (5)	Estimated Annual/Monthly Common Charges (6)	Estimated 2005/2006 Annual/Monthly Real Estate Taxes (Including Section 421a Benefits) (7)	Estimated 2005/2006 Annual/Monthly Real Estate Taxes (Assuming No Section 421a Benefits) (8)	Estimated Annual/Monthly Carrying Charges (Including Section 421a Benefits) (9)	Estimated Annual/Monthly Carrying Charges (Assuming No Section 421a Benefits) (10)	Estimated Annual/Monthly Carrying Charges Deductible for Income Tax Purposes (Including Section 421a Benefits) (11)	Estimated Annual/Monthly Carrying Charges Deductible for Income Tax Purposes (Assuming No Section 421a Benefits) (12)
1F	3.5 / 1.5	1556	\$410,000.00	20.00	\$3,216.60/268.05	\$1,488.00/124.00	\$2,383.00/198.58	\$4,704.60/392.05	\$5,599.60/466.63	\$1,488.00/124.00	\$2,383.00/198.58
1R	3.5 / 1.5	1553	425,000.00	20.00	3,216.60/268.05	1,488.00/124.00	2,383.00/198.58	4,704.60/392.05	5,599.60/466.63	1,488.00/124.00	2,383.00/198.58
2	5.5 / 2.0	1547 B	670,000.00	30.00	4,824.90/402.07	2,071.00/172.58	3,317.00/276.42	6,895.90/574.66	8,141.90/678.49	2,071.00/172.58	3,317.00/276.42
3	5.5 / 2.0	1547 B	689,000.00	30.00	4,824.90/402.07	2,071.00/172.58	3,317.00/276.42	6,895.90/574.66	8,141.90/678.49	2,071.00/172.58	3,317.00/276.42
			\$2,194,000.00	100.00	\$16,082.99/1,340.25	\$7,118.00/593.16	\$11,400.00/950.00	\$23,201.00/1,933.42	\$27,482.99/2,290.25	\$7,118.00/593.16	\$11,400.00/950.00

B denotes Balcony

**NOTES TO "SCHEDULE A" OFFERING PRICES
AND OTHER FINANCIAL DETAILS FOR EACH UNIT**

1. Each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition.
2. The number of rooms set forth in column numbered (2) titled "Number of Rooms/Baths," is calculated on the basis of the following room count criteria:

2.5 Rooms = Studio
3.5 Rooms = 1 Bedroom Unit
4.5 Rooms = 2 bedroom Unit
5.5 Rooms = 3 bedroom Unit
6.5 Rooms = 4 bedroom Unit

The room count method conforms to the Zoning Resolution Room Count of The City of New York. Residential Unit plans depicting layouts of Residential Units in this Schedule A appear in Part II of the Plan.

3. Purchasers should note that the square footage of each Residential Unit as reflected in Schedule A is approximate and may change due to field conditions and construction variances and tolerances. B Denotes that the Unit has exclusive use of a balcony.
4. Sponsor's right to make changes in offering prices is set forth in the section of the Plan titled "Changes in Prices and Units" on Page 31. Please note that purchase prices are negotiable.

In addition to the purchase price, Purchaser will be responsible at closing of title for certain other expenses as explained in the section titled "Unit Closing Costs and Adjustments" at page 48. One of these costs is that at the time of the first closing of title to each Unit, the Purchaser of such Unit shall pay into the Working Capital Fund of the Condominium the sum equal to one (1) month of Common Charges for the Unit being purchased at the time of the closing.

While general guidelines to certain expenses of Purchaser are approximated in such section, Sponsor is unable to approximate the total amounts which will be incurred by Purchasers because these will vary according to such factors as the cost and size of a particular Unit, whether mortgage financing is obtained and Purchaser's attorney's fees. Purchasers are advised to consult with their attorney as to the exact closing costs they will incur in purchasing their Unit.

5. The percentage of Common Interest allocated to each Unit is based upon respective floor space, location, uniqueness, overall dimensions and similar factors of relative value to other space in the Condominium. These allocations are made pursuant to Section 339-i 1(iv) of

the Real Property Law, which is part of Article 9-B of the Condominium Act. The aggregate Common Interest of all Units equals 100%.

6. These estimates were based upon the "Projected Budget for the First Year of Condominium Operation" (the "First Year's Budget"), which was prepared for the year commencing January 1, 2005.

In addition to these estimated charges, each Unit Owner will be responsible for paying: (i) the cost of electricity and gas for the Unit, which will be separately metered on each Unit, (ii) mortgage payments under any loan or loans obtained to finance the acquisition of his Unit; (iii) the cost of interior repairs to, and the maintenance, painting and decoration of, his Unit (including, without limitation, the equipment and appliances contained therein); and (iv) the cost of any insurance covering (A) furniture, belongings, equipment and other personal property and (B) liability to others for personal injury or property damages as a result of occurrences in his Unit.

7. As set forth on the letter from Stempel Bennett Claman & Hochberg, P.C., appearing on page 102, the Property, if Section 421-a benefits are received, will obtain, for the period of construction (i.e., 2003/2004 and 2004/2005) and the first eleven years thereafter (i.e., 2005/2006 through 2015/2016), 100% exemption benefits for any increase in assessed valuation subsequent to 2002/2003, attributable to the construction. Accordingly, real estate taxes for 2005/2006 are based upon an assessed valuation of the Property of \$49,950.00. This number represents the 2002/2003 assessed value for tax lot 84, which is the tax year prior to commencement of construction. A small part of lot 84 will be apportioned to Tentative Tax Lot 70, which is being developed into another condominium. A small part of Lot 184 will be merged into tax lot 84. Accordingly, the 2002/2003 assessed value for tax lot 84 is used for projection purposes herein. The projected tax rate is 14.25 per cent. It is projected that the Property will be classified as Tax Class 1A, which is comprised of 3-story condominiums originally constructed as condominiums. New York City's assessment policy for properties in Tax Class 1A is to value them at 8% of market value. Increased values, other than for physical improvements, are limited to 6% per year or 20% over a five year period.

Sponsor, at its sole cost and expense, is applying for partial tax exemption pursuant to Section 421-a RPTL. The law firm of Stempel Bennett Claman & Hochberg, P.C., has issued an opinion that, based upon representations made to it, the project is eligible for Section 421-a RPTL benefits. Any retroactive real estate tax exemption benefits covering a particular Unit shall be the property of the Sponsor for the period of time prior to the closing of such Unit. Any such benefits covering the period subsequent to the closing of title to such Unit shall be the property of the owner of such Unit.

IT IS NOTED AS A SPECIAL RISK THAT THERE IS NO GUARANTY THAT SECTION 421-a REAL ESTATE TAX BENEFITS WILL BE OBTAINED. THE OFFER

FOR SALE OF RESIDENTIAL CONDOMINIUM UNITS PURSUANT TO THIS OFFERING PLAN IS NOT CONTINGENT UPON THE PROPERTY RECEIVING SEC. 421-a BENEFITS. See Note 8 below for an estimate of real estate taxes due for 2005/2006 Condominium operation without 421-a RPTL benefits.

The projections for the individual Residential Units were prepared by Jerome Mazursky MAI, CAE of the Mazursky Group, Inc., 42 Broadway, Suite 1744, New York, New York 10004. The projections are approximately equal to the percentages of Common Interest of the Residential Units. No warranties are made that either the assessments of the individual Residential Units or the distribution of the Section 421-a RPTL tax benefits will be arrived at in the manner stated above. Additionally, no guaranty is made as to the tax rate for 2005/2006 or any other future year. $\$49,950.00 \times 14.25\%$ tax rate = \$7,118 aggregate real estate taxes for the Residential Units with Section 421-a benefits.

If on the date of the First Unit Closing, each of the Units shall not have been separately assessed as an independent tax lot, then until such time as said independent tax assessment shall be made and in effect each Unit Owner, including Sponsor, shall be nonetheless responsible for the cost of their proportionate amount of the aggregate real estate taxes.

8. The figures set forth in column numbered (8) are based upon the post-construction appraisal of the assessed valuation as estimated by Jerome Mazursky. The projection assumes a tax rate of 14.25% for Class 1A residential properties, which is the class for three-story residential condominiums newly constructed as condominiums. The post-construction assessed valuations of the Residential Units, which would become effective for tax year 2005/2006, commencing July 1, 2005, based on the Building being completed by December 31, 2003, are set forth as follows:

<u>Unit</u>	<u>Land</u>	<u>Total</u>
Unit 1F	\$ 4,500	$\$16,720 \times 14.25\% = \$2,383$
Unit 1R	\$ 4,500	$\$16,720 \times 14.25\% = \$2,383$
Unit 2	\$ 5,800	$\$23,280 \times 14.25\% = \$3,317$
Unit 3	\$ 5,800	$\$23,280 \times 14.25\% = \$3,317$

These are estimated actual assessed values. No guaranty or warranty is made as to projected tax rates or the projected assessed valuation.

The projections for the individual Residential Units were prepared by Jerome Mazursky. They are approximately equal to the percentages of Common Interest of the Residential Units. No warranties are made that the assessments of the individual Residential Units will be arrived at in such manner.

If, on the date of the First Unit Closing, each of the Units shall not have been separately assessed as an independent tax lot, then until such time as said independent tax assessment

shall be made and in effect, each Unit Owner, including Sponsor, shall be nonetheless responsible for the cost of their proportionate amount of the aggregate real estate taxes based upon percentage of Common Interest.

The projected first year of Condominium operation is estimated to commence on January 1, 2005. At such time the 2004/2005 assessed valuation will be in effect. The post-construction assessed valuation number is used for Schedule A since Sponsor represents that the Building will be virtually complete by December 31, 2004. If the Building is not complete at this time the assessed value for 2005/2006 will be somewhat lower, with the additional assessed value reflected in 2006/2007.

9. The figures set forth in column numbered (9) equal the sum of Estimated Monthly Common Charges (column 6) and Estimated Annual/Monthly Real Estate Taxes (Including Section 421-a Benefits) (column 7).
10. The figures set forth in column numbered (10) equal the sum of Estimated Monthly Common Charges (column 6) and Estimated Annual/Monthly Real Estate Taxes (Assuming No Section 421-a Benefits) in column 8.
11. The figures set forth in column numbered (11) equal the Estimated Annual/Monthly Real Estate Taxes (Including Section 421-a Benefits) set forth in column (7). The projected tax deduction may vary in future years due to changes in the interest rate on the Unit Owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property.
12. The figures set forth in column numbered (12) equal the Estimated Annual/Monthly Real Estate Taxes (Assuming No Section 421-a Benefits) set forth in column 8. The projected tax deduction may vary in future years due to changes in the interest rate on the Unit Owner's mortgage (if any) or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property.

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

Beginning January 1, 2005

Projected Income

Common Charges (1)	<u>\$16,082.99</u>
TOTAL	\$16,082.99

Projected Expenses

Labor (2)	\$650.00
Gas Heat, Hot Water, Cooking Gas, (3)	0.00
Electricity (4)	0.00
Water Charges and Sewer Rents (5)	6,544.00
Repairs, Maintenance and Supplies (6)	500.00
Service Contracts (7)	1,888.99
Insurance (8)	4,200.00
Management Fees (9)	600.00
Legal and Audit (10)	900.00
Homeowners' Association (11)	300.00
Contingencies (12)	<u>500.00</u>
Total	\$16,082.99

Sponsor anticipates the First Condominium Unit closing of title to occur on or about January 1, 2005, which corresponds to the projected start date of the Budget for First Year of Condominium Operation. If the First Condominium Unit closing of title is delayed more than six (6) months from the projected start date of January 1, 2005, the Offering Plan will be amended to include a revised budget. Additionally, Sponsor represents that if, at a future date prior to the First Unit Closing, the Plan must be amended to include a revised projected budget and such amended projections exceed the projections set forth above by twenty-five percent (25%) or more, each Purchaser shall have the right to rescind his or her Purchase Agreement for a period of fifteen (15) days subsequent to the date of presentation of such amendment, and, if not otherwise in default, have his deposit promptly refunded. If the First Unit Closing of title is delayed more than twelve (12) months from the projected start date of January 1, 2005, purchasers shall be offered in writing the right of rescission for a period of fifteen (15) days subsequent to such written notification. Sponsor has attempted to make accurate estimates. However, due to inflation, changes in the economy and unforeseen factors, it is likely that actual expenditures will differ from estimates set forth herein. Sponsor may not declare the Offering Plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the Offering Plan.

NOTES TO SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

1. Common Charges

Annual Common Charges to be collected during the first year of Condominium Operation are based upon the estimated net total of Common Expenses for the Property. Each Unit shall pay Common Charges according to its percentage of Common Interest. There are no exemptions for any Unit with respect to any budget item.

2. Labor

Based upon the cost of a non-resident, non-union superintendent on a part time basis and as needed basis and as required by law. The superintendent would be responsible for maintaining the front yard and the driveway and performing various repairs and maintenance of Common Elements. Each Unit Owner shall bring his garbage out for a pick-up in a designated area. It is Sponsor's opinion that this letter of staffing in a Condominium complies with all applicable housing and labor laws. The cost of New York State Disability insurance and the payment of Workman's Compensation, which shall be a Common Expense of the Condominium, is included in the projection for insurance. The remuneration received by the superintendent for the number of hours on a part time basis will comply with the State Wage Order for Building Service employees.

The projection is based upon \$520.00 per year, for 1.0 hour per week at approximately \$10.00 per hour.

Other possible employee benefits are projected as follows, assuming such superintendent is not treated as an independent contractor:

FICA costs, which are calculated on the first 6.2% of gross payroll.
($\$520 \times 6.2\% = \$32.24$)

State Unemployment Tax Act (SUTA) costs, which are calculated at the rate of 4.4% of an employee's wages.
Minimum rate $\$520 \times 4.4\% = \$22.88$)

Medicare Tax, calculated at 1.45% of an employee's wages.
($\$520 \times 1.45\% = \$7.54$)

Federal Unemployment Tax Act (FUTA) costs, which are calculated at the rate of 6.2% of an employee's wages.
($\$520 \times 6.2\% = \$32.24$)

Summary of Labor Costs

Wages	\$520.00	
FICA	32.24	
SUTA	7.54	
FUTA	<u>32.24</u>	
Total	\$647.14	rounded to \$650.00

3. Gas Heat, Hot Water and Cooking Gas

Each Unit will have its own gas heat, hot water and cooking gas, which shall be separately metered for each Unit. Accordingly, please consult Schedule B-1, "Projected Budget For Individual Energy Costs for First Year of Operation."

4. Electricity

The lights on one side of the center hallway shall be metered to the Unit adjacent to that side of the hallway on which the light is located. Any ground floor level exterior lighting shall be metered to either Unit 1F or 1R depending upon which side of the middle of the center entrance to Units 2 and 3 the light is located. Accordingly, there shall be no common electric usage. Please consult Schedule B-1, "Projected Budget For Individual Energy Costs for First Year of Operation."

5. Water Charges and Sewer Rents.

There is one meter for the Building, which measures daily usage. The projection is based upon an estimate dated November 14, 2003, prepared by New York Design Architects, LLP located at 9170 Third Avenue, Brooklyn, New York 11209. The projection is as follows:

$$1400 \text{ gal/day/quarter} = 1,636.00 \times 4 = \$6,544$$

6. Repairs, Maintenance and Supplies

Based upon the fact that the Building is newly constructed. The figure does not include maintenance and repairs and supplies within specific Units, which are the obligation of the Unit Owner, but is designated to cover the cost of maintaining the Common Elements only. Each Unit Owner will be responsible for the cost of interior maintenance, repairs, decoration and painting of their respective Units, including, but not limited to the appliances. No provision has been made to cover the cost of any major capital expenditure. Although no such expenditure is expected because the Building has been newly constructed, each Unit

Owner will be obligated to pay his pro rata share of such expenditures in the event that any such expenditures are required.

Since the building is in the process of being constructed, it has no operating history upon which to project future costs for repairs and maintenance; therefore, the figures herein are estimated based on costs for comparable buildings.

The Condominium should periodically inspect the Building exterior with respect to caulking, painting, pointing and roofing to ensure that there will be no leaks or deterioration of the exterior finishes as a result of exposure to the natural elements.

7. Service Contracts.

The budgeted amount is based upon the following service agreement and/or proposals, with provision for a five (5%) percent increase:

a) Exterminator — A proposal from Total Pest Control, 266 Beach 140th Street, Belle Harbor, N.Y., for monthly service for all insects and rodents. Any termite control or bee and wasp control would be an extra cost. The projection, dated 2/1/03, is for \$1,080.00 per annum, plus sales tax.

$$1,080.00 \times 8.625\% = 93.15$$

$$\begin{array}{r} 1,080.00 \\ \underline{93.15} \\ 1,173.15 \times 105 = \$1,231.81 \end{array}$$

b) Landscaping —

A proposal from Pizzirusso Landscaping Corp., located at 2158 East 72nd Street, Brooklyn, New York 11234 for general common lawn area and garden area maintenance for the 2004 season is \$605.00 plus tax.

$$\$605.00 \times 8.625\% = 52.18$$

$$\begin{array}{r} 605.00 \\ \underline{52.18} \\ 657.18 \end{array}$$

$$\begin{array}{r} \text{Summary} \quad \$1,231.81 \\ \underline{657.18} \\ \$1,888.99 \end{array}$$

SPONSOR HAS RESERVED THE RIGHT TO MODIFY, RENEW AND REPLACE ANY EXISTING SERVICE, MAINTENANCE, EMPLOYMENT AND OTHER AGREEMENTS AND TO ENTER INTO NEW AGREEMENTS THAT WILL BE BINDING ON THE CONDOMINIUM BOARD ON COMMENCEMENT OF CONDOMINIUM OPERATION. ALL SUCH MODIFICATIONS, RENEWALS AND REPLACEMENTS OF EXISTING AGREEMENTS AND ANY NEW AGREEMENTS WILL BE REFLECTED IN AN AMENDMENT TO THIS PLAN.

8. Insurance

The projection is based upon a proposal from Admiral Insurance Brokerage Corp., located at 5318 Avenue N, Brooklyn, New York 11234 by letter dated November 13, 2003. The proposal is as follows:

Building (Replac. Cost estimated @ \$ 100/Sq. Foot)	\$ 600,000
Deductible	\$ 2,500
Liability- each occurrence	\$1,000,000
Aggregate	\$2,000,000
Excess liability	\$5,000,000
Boiler and Machinery	Included
Officers and directors liability	\$1,000,000
Estimated annual premium	\$ 4,200

The Sponsor represents that it shall initially provide on behalf of the Condominium at the Condominium's expense, to be effective at the First Unit Closing, fire and casualty insurance in the amounts as set forth above. The policy will provide that each Unit Owner will be an additional insured and if permitted by the insurer, that there will be no cancellation without notice to the Board of Managers and the Unit Owners. In addition, the policy will contain a waiver of subrogation, a waiver because of the acts of the insured and Unit Owners and will waive a pro rata reduction if additional Unit Owners obtain coverage.

No coverage is provided for such risks as fire and casualty losses to the contents of each individual Unit, 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 Sponsor will deliver a fire and liability insurance binder or policy to the Board of Managers prior to or at the First Unit Closing. The cost for such binder or policy will be paid by the Board of Managers and shared by all Unit Owners as a portion of the Common Charges.

9. Management Fees

At or prior to the First Unit Closing, the Board of Managers will enter into an agreement with the Sponsor, having an office at 2369 Royce Street, Brooklyn, New York 11234, for a term of one (1) year, commencing on the date of the First Unit Closing at an annual fee of \$600.00, payable in twelve (12) equal monthly installments. This fee, in Sponsor's opinion, is below prevailing rate. It is estimated that the management fee would be two times higher if the Board were to hire an independent Managing Agent. Examples of duties performed by the Managing Agent are entering into service contracts at the direction of the Board of Managers, paying Condominium bills and billing monthly common charges. Please consult the section of the Plan titled "Management Agreement and Other Contractual Arrangements" for further discussion.

10. Legal and Audit Fees

Based upon the following estimates:

Legal Fees:	\$450.00
Audit Fees:	\$450.00

Vivian Britt, certified public accountant, having an office at 3030 Emmons Avenue, Brooklyn, New York 11235-2236, has estimated that it would cost approximately \$450.00 to prepare an audited financial statement for the first year of condominium operations and to prepare income tax returns. The budget also includes a provision for incidental legal services such as attendance at one or more Unit Owner meetings and furnishing answers to possible legal questions which may arise.

11. Homeowner's Association

This Condominium, together with Liberty Square Condominium and President Square Condominium, are members of The Castle Harbor Homeowners' Association for purposes of a common storm water drainage system to Emmons Avenue. The budgeted item is to contribute, together with the two other Condominiums, for franchise taxes for such Homeowners' Association and to start setting aside monies for future years if the storm water drainage line needs to be serviced or repaired.

12. Contingency

The contingency provides for possible expenses not included in the projected budget or possible increases in one or more categories of operating expense beyond the projected amounts. There can be no assurance that such fund will be sufficient to pay for major capital repairs or replacement items which may be needed within the first five years of condominium operation. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all Unit Owners.

SCHEDULE B-1

PROJECTED BUDGET FOR INDIVIDUAL ENERGY COSTS
DURING FIRST YEAR OF OPERATION, COMMENCING JANUARY 1, 2005

1. Heat, Hot Water, Cooking Gas

A projection from Keyspan Energy Delivery dated November 20, 2003, estimates the following costs for gas usage, assuming, with respect to heating, a temperature of 70° F for 16 hours per day and 60° F for 8 hours at night.

<u>Unit</u>	<u>Heat</u>	<u>Domestic Cost</u> <u>(Hot Water, Cooking)</u>
1F	\$999.00	\$300.00
1R	\$999.00	\$300.00
2	\$1,026.00	\$300.00
2	\$1,026.00	\$300.00

2. Electricity

Based upon a projection for monthly consumption dated November 25, 2003 by New York Design Architects, LLP, located at 9710 Third Avenue, Brooklyn, New York 11209.

<u>Unit</u>	<u>Connected Load</u>	<u>KWH</u> <u>Estimated</u>		<u>@15.6 cents/KWH</u>	
		<u>Winter</u>	<u>Summer</u>	<u>Winter</u>	<u>Summer</u>
1-F	30 KW	1120	1730	\$175	\$270
1-R	30 KW	1120	1730	\$175	\$270
2	36 KW	1340	2080	\$210	\$324
3	36 KW	1340	2080	\$210	\$324

Maximillion Realty Inc.

2931 Avenue S, Brooklyn, NY 11229
Tel: (718) 376-9300; Fax: (718) 339-7100

Mazie, LLC
C/o Albert Agnese
2369 Royce Street
Brooklyn, NY 11234

December 11, 2003

Re: Plan of Condominium Conversion
2841 Ford Street, Freedom Square
Brooklyn, NY
Compliance with Real Property Law Section 339-I

Gentlemen/Mesdames:

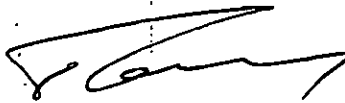
Our firm, Maximillion Realty Inc, has been retained by the Sponsor to prepare this opinion concerning compliance with Section 339-I of the New York Real Property Law.

My experience:

I have been a licensed Real Estate agent and broker for in excess of 9 years and have managed approximately 6 buildings in this area with extensive experience in the sale, management, and rental of cooperative and condominium units in Kings County. We have previously participated in the preparation of individual unit value appraisals for the purpose of inclusion in offering plans for the sales thereof.

The allocation of percentage of Common Interest for the Condominium Units in the plan is made pursuant to Section 339-I(1)(iv) of the Real Property Law, which considers each Unit's floor space, location, uniqueness, overall dimensions and similar factors of relative value to other spaces in the Condominium.

Very Truly Yours,

Boare 

CHANGES IN PRICES AND UNITS

Subject to conditions hereinafter set forth, Sponsor has the right to change the amount of any purchase prices from the amounts shown in Schedule A of the Plan. The purchase prices set forth in Schedule A must be changed by a duly filed amendment to the Plan when the change of price is an across the board increase or decrease affecting one or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual Purchaser. The Sponsor may enter into a Purchase Agreement with an individual non-tenant Purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment. Purchase prices are negotiable. The Sponsor also reserves the right to negotiate the following aspects of the purchase price of Units: decorating allowances, payment of fees otherwise paid by Purchasers, payment of all or part of Purchaser's financing costs, price reductions tied to rental of Units, reduced down payment deposits (but at least \$1,000.00) and extra custom work. Furthermore, Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms. No party will have the right to approve any changes in price, whether before or after the First Unit Closing.

If Sponsor changes the purchase price of one or more Units, the Purchaser of such Unit may pay, or may have paid, more or less than other Purchasers of comparable Units having the same Common Interest. However, a price change will not alter the Common Interest of, or the amount of the Common Charges payable by, the owners of Units.

In order to meet the possible varying demands for number and type of Units, or to meet the particular needs of prospective Purchasers, or for any other reason, Sponsor reserves the right to change: (a) the layout of, or number of rooms in, Unsold Units and (b) the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, by combining two or more separate Unsold Units into one or more Unsold Units, by altering the boundary walls of any Unsold Unit, or otherwise, including, without limitation, the use of any portion of the Common Elements adjacent to such Unsold Units to the extent that such portion is not required to be maintained as Common Elements pursuant to the terms of the Declaration and By-Laws. Subject to the terms of the last two paragraphs of this section, such right may be exercised by Sponsor from time to time, both before and after the First Unit Closing, without the consent or approval of any Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner, any mortgagee or any other party. However, Sponsor will first obtain the approval of all governmental authorities having jurisdiction thereof whose approval is required by law. No change will be made by Sponsor in the size or number of Units, their respective percentages of Common Interest, or in the size or quality of Common Elements except by amendment to the Offering Plan and, when applicable, to the Declaration. Unless the affected Purchaser provides a written consent, no material change will be made by Sponsor in Unit size, layout or percentage of Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and such Purchaser is not in default.

No material change will be made in the size or quality of Common Elements unless all Purchasers not in default consent in writing to such change.

The Sponsor also reserves the right to substitute for any of the materials specified in either the Building Plans, the Description of Property and Building specifications, or elsewhere in the Plan materials of equal or better quality. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in this Plan and in the architectural plans on file, but, due to unavailability of materials and supplies or for any other reason, Sponsor may substitute materials, fixtures, appliances and equipment of equal or better quality for any of those set forth in the specifications or otherwise in this Plan.

If Sponsor changes the size and/or number of Unsold Units, Sponsor will increase or decrease the Common Interests appurtenant thereto accordingly. However, the aggregate amount of the Common Interests of all the Units will always remain at 100%. The percentage of Common Interest must be in accordance with Real Property Law section 339-i(1)(iv). As a result of such reapportionment, the amount of the Common Charges and the real estate taxes and assessments payable by the owners of the Unsold Units affected thereby will be increased or decreased proportionately, but the amount of the Common Charges and the real estate taxes and assessments payable by the owners of Units unaffected thereby will not vary.

This Plan will be amended to reflect any change in the size of a Unit, number of Units, percentage of Common Interests of Unsold Units or a change in the size or quality of any Common Element. However, the layout and number of rooms in Unsold Units may be changed without prior notice. The Plan will be amended to reflect any such changes prior to executing a Purchase Agreement for any such Unsold Units.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls, or otherwise, nor may the Common Interest of any Unit be changed, unless the Declaration is amended and such amendment is duly recorded. The Plan will be amended in the event of any such changes. As more particularly provided in the Declaration, Sponsor or its designee, as the owner of an Unsold Unit, will have the right itself to so amend the Declaration to effectuate such change to any of its Units, without the Condominium Board, the other Unit Owners or any mortgagee consenting to, or executing, such amendment. However, no change of a Unit's Common Interest will be made without obtaining the prior written consent of the owner of such Unit.

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

INTERIM USE AND OCCUPANCY AGREEMENTS

Sponsor or its designee reserves the right, freely and without restriction, to rent or lease vacant Units, to Purchasers and non-Purchasers at any time, both before and after the First Unit Closing. However, once a Purchase Agreement is signed for a vacant Residential Unit, and for so long as such Purchase Agreement is in effect, such Unit may only be rented to the Purchaser thereof. Such agreement (an "Interim Use and Occupancy Agreement") will be for such use and occupancy fee, and upon such other terms as may be mutually agreed upon. The term of such Interim Use and Occupancy Agreement shall be for a period which will expire on the earlier of the date of the closing of such Unit or two months after the commencement date of the Agreement. In the event this Plan is abandoned, the Purchaser may, at any time at his or her sole option, cancel the use and occupancy agreement and remove from the Building upon thirty (30) days' prior written notice to the Sponsor at the address set forth on the cover page of this Plan. Additionally, in the event of such abandonment, the Purchaser who has entered into an Interim Use and Occupancy Agreement shall continue to be subject to whatever rental laws he or she was subject to prior to such abandonment. Should Purchaser rescind his or her Purchase Agreement pursuant to any permitted rescission, the Interim Use and Occupancy Agreement shall terminate thirty (30) days thereafter and Purchaser shall be obligated to vacate the apartment no later than that time.

An Interim Use and Occupancy Agreement will provide that an uncured default by the Purchaser under this Purchase Agreement will constitute a default under the Interim Use and Occupancy Agreement, entitling the landlord (i.e., Sponsor), at its sole option, to terminate the Interim Use and Occupancy Agreement. The Purchase Agreement contains a similar cross-default provision entitling Sponsor to cancel the Purchase Agreement in the event that the Purchaser fails to cure a default under the Interim Use and Occupancy Agreement within any applicable grace period. However, before the Sponsor may utilize a default under the Interim Use and Occupancy Agreement to declare a default under the Purchase Agreement, the Sponsor must (i) obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim occupant or (ii) the interim occupant must have vacated the Unit. The interim occupant must vacate the Unit within five (5) days after any default under the Purchase Agreement which remains uncured after five (5) days.

Sponsor's right and its designee's right to rent or lease any Unsold Unit will not be subject to any right of first refusal in favor of the Condominium Board to lease such Unit from Sponsor or its designee on the same terms offered to the prospective tenant or occupant.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit in the Condominium, or the authorized parties thereof if the Person is other than a natural person, shall be required to execute, in duplicate, a Purchase Agreement in the form set forth in Part II at page ¹²² of this Plan and return it to the Sponsor, together with a check in the amount of ten percent (10%) of the purchase price, drawn to the Order of "Stempel Bennett Claman & Hochberg, P.C., as attorneys." This deposit may be increased for special work ordered by the Purchaser and itemized in the Purchase Agreement. Stempel Bennett Claman & Hochberg, P.C. shall be the "Escrow Agent" pursuant to the Purchase Agreement and Offering Plan. Purchasers pursuant to this Offering Plan who have not had an opportunity to review the Offering Plan and any filed amendments for at least three (3) business days prior to their executing a Purchase Agreement shall be afforded seven (7) days after delivering an executed Purchase Agreement together with the required deposit to rescind the Purchase Agreement and have the full deposit refunded promptly. Such rescission must be in writing, addressed to the Sponsor, and be postmarked or hand delivered by midnight of the 7th day subsequent to Purchaser's executing and delivering such Agreement. Those Purchasers who execute a Purchase Agreement after having had an opportunity to review the Offering Plan and any filed amendments for not less than three (3) business days prior to their executing a Purchase Agreement shall not be permitted the aforementioned time period to rescind for any reason.

The Purchase Agreement shall not be binding upon the Sponsor until a duplicate thereof, executed by the Sponsor, is delivered to Purchaser. In any such case, unless the Purchase Agreement, executed as aforesaid, is delivered to Purchaser within twenty (20) days after same is received by the Sponsor, it shall be deemed rejected and cancelled and all monies paid by Purchaser shall be promptly refunded, without interest, and upon such refund being made, neither party shall have any further rights or obligations hereunder with respect to the other. The Sponsor shall have the right to reject the Purchase Agreement without cause or explanation to Purchaser, provided such rejection is not based upon sex, race, creed, color, national origin or ancestry or other ground proscribed by law.

After this Plan is declared effective, the Sponsor shall fix dates for closing title to all Units for which Purchase Agreements have been fully executed. Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place (in the City of New York) for the transfer of title to his Unit. Purchasers may, but are not required, to waive this thirty (30) day notice. At title closing, such Purchaser shall pay the balance of the purchase price stated in the Purchase Agreement with his unendorsed, personal certified check or by official cashier's check. However, such Purchaser may apply the proceeds of any financing obtained, by such Purchaser, to make such payment. Sponsor anticipates the First Unit Closing to occur approximately January 1, 2005. If this First Unit Closing date is delayed more than twelve (12) months the Purchasers will be offered the right of rescission for a period of fifteen days subsequent to such written notification.

All checks constituting the "Down Payment" are to be made payable to the order of "Stempel Bennett Claman & Hochberg, P.C., as attorneys" and all checks in payment of the balance of the purchase price (due at the closing date) are to be made payable to the order of "Stempel Bennett

Claman & Hochberg, P.C., attorneys" or as otherwise directed by Sponsor, with all checks, in either case, drawn on a member bank of the New York Clearing House Association.

In accordance with Section 71-a(3) of the Lien Law the Sponsor has appointed the law firm of Stempel Bennett Claman & Hochberg, P.C., as Escrow Agent to hold all monies, including all deposits, downpayments or advances, received by Sponsor, directly or through its agents, employees or agents (if any) either prior to or subsequent to the first closing of title to a Unit ("Consummation of Plan"), in trust in a segregated special escrow account titled, "Stempel Bennett Claman & Hochberg, P.C., Escrow Agent for 2841 Ford Street." The name of Purchaser and the apartment number shall be added to the title of the account, which shall be at Citibank, N.A., at its office located at 90 Park Avenue, New York, New York. Such funds shall be deposited within five (5) business days after the Purchase Agreement is executed by all necessary parties and held there until actually employed in connection with the Consummation of this Plan. The law office of Stempel Bennett Claman & Hochberg, P.C., is located at 675 Third Avenue, 31st Floor, New York, New York 10017. The signatories on this special escrow account authorized to withdraw funds are Richard C. Stempel, James R. Bennett, Richard L. Claman and Steven R. Hochberg, all of whom are located at 675 Third Avenue, 31st Floor, New York, New York 10017.

Sponsor shall deposit all downpayment deposits in an interest bearing escrow account, provided Purchaser furnishes an executed W-9 or W-8 form to Sponsor. Sponsor may only post a bond or indemnity contract in lieu of depositing the downpayment in escrow provided it first obtains approval from the Department of Law under special circumstances in accordance with regulations of the Attorney General. In the event Sponsor seeks and obtains such approval, it will subsequently amend the Offering Plan prior to posting any bonds or indemnity contracts.

Section 71-a(3) of the Lien Law, as applicable herein, also provides in part for the following, although the Department of Law regulations are more restrictive, as previously noted:

- (a) Downpayments shall be placed in an interest bearing account if so requested by Purchaser. Such downpayment, with any accumulated interest, shall remain the property of the Purchaser, except as otherwise provided by law.
- (b) Downpayments will be retained in escrow as set forth above until: (i) Sponsor performs under the terms of the Purchase Agreement or (ii) Purchaser rescinds, if permitted, or defaults in performance, thereby excusing performance by Sponsor or (iii) release and discharge of Sponsor's liability to refund such downpayment or (iv) transfer of title of the Unit to the Purchaser, or (v) release by mutual consent of Sponsor and Purchaser.
- (c) The Purchase Agreement shall contain the following:

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

The account will be interest-bearing, provided Purchaser furnishes a completed W-8 or W-9 form, and, unless the Purchaser defaults, interest will be credited to the Purchaser at closing. The interest rate to be earned will be prevailing rate for these accounts, which currently is approximately 1.00% per annum. Interest will begin to accrue upon deposit of the down payment, which is to be made in accordance with the preceding paragraphs.

Citibank, N.A. is covered by federal bank deposit insurance to a maximum of \$100,000.00 per individual deposit. The excess above \$100,000.00 of any downpayment deposit is not insured. No fees of any kind from the account principal may be deducted. Sponsor shall bear any administrative cost for maintenance of the account.

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

As set forth above, the only other time monies received for the purchase of a Unit shall be disbursed from the special account are at the closing of title to a Unit by such Purchaser or upon a default by a Purchaser which is not cured by any time periods permitted, provided that no Down Payment to be released pursuant to an uncured default shall be released prior to the Consummation of the Plan. Any withdrawal or disbursement of funds from this special account or accounts shall be made only upon the written approval by Stempel Bennett Claman & Hochberg, P.C., despite the fact that Citibank, N.A. may be a party to an escrow agreement with respect to such account or accounts. The amounts paid by the Purchasers prior to closing will be handled in accordance with the escrow and trust fund provisions of the Section 352-h and Section 352-e(2-b) of the New York General Business Law and the Attorney General's regulations promulgated thereto. If this Offering is not consummated for any reason, Purchaser shall not lose any of his Down Payment. Any provision of any Purchase Agreement, 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. Please refer to page 142 of the Offering Plan for a copy of the Escrow Agreement between Sponsor and the Escrow Agent.

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

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.

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

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

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

Purchasers and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the down payment and any interest thereon. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose appears in Part II of the Plan. The Party applying for a determination must send all other parties a copy of the application. Pending the determination of the Attorney General to grant or deny the application the Sponsor, Purchaser and Escrow Agent shall abide by any interim directive issued by the Attorney General.

Any conflict between the Plan and the Purchase Agreement shall be resolved in favor of the Plan. If Purchaser shall fail to pay any portion of the purchase price when due, fail to close title on the date, hour and place specified by Sponsor or fail to perform any of Purchaser's other obligations, including, without limitation, the obligation to furnish any lender promptly with such information as such lender may require, and the obligation to accept a commitment on the terms set forth in the Purchase Agreement, such failure shall constitute a default by Purchaser, and Sponsor may send notice to Purchaser of Sponsor's intention to cancel the Agreement if such default is not timely cured. **TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD.** "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date or thirty (30) days from the delivery of such written notice, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement by notice of cancellation sent after the cure period has expired. Upon such cancellation by Sponsor, the Down Payment monies held with respect to the particular Unit, but not more than ten percent (10%) of the purchase price, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Notwithstanding the above, Sponsor may receive the actual costs incurred for any special work ordered by Purchaser as a part of its liquidated damages even though the total amount of liquidated damages thereby exceeds ten percent (10%) of the purchase price plus interest. All funds received

by the Sponsor prior to closing for upgrades or extras must initially be placed in the escrow account. However, Purchaser should note as a special risk that such funds may be released from the escrow account by the Escrow Agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras. In the event a default is disputed in writing by Purchaser to Stempel Bennett Claman & Hochberg, P.C., during the time to cure period and the default, in Sponsor's opinion, is not timely cured, and Sponsor thereafter cancels the Purchase Agreement, then Stempel Bennett Claman & Hochberg, P.C. shall have the right to continue to hold the Down Payment Deposit pending resolution of such dispute (judicial or otherwise) or pay the Down Payment Deposit into court. Sponsor shall not seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser.

Any requests for upgrades or extras must be made in writing to Sponsor's attorney. Prices for upgrades or extras, together with a Custom Work Letter shall be furnished in writing by Sponsor to Purchaser if Sponsor desires to pursue such request. Purchaser must provide Sponsor with specific plans, details and specifications for such custom work before Sponsor can provide a Custom Work Letter and before any such work shall commence. Sponsor, in its sole discretion, can approve or reject such request for custom work. If agreement is reached between Sponsor and Purchaser as to the custom work to be performed, Purchaser must deliver a cashier's or certified check for such work to Sponsor's attorneys simultaneously with submitting a signed Custom Work Letter also signed by Sponsor and prior to any such work commencing. Such Custom Work Letter must be signed by Purchaser and returned to Sponsor or its attorneys within five (5) business days after Purchaser's receipt of such letter or Sponsor, in its sole discretion, can reject the Custom Work Letter or reissue a new letter with an increased price. Sponsor shall not be required to halt normal progression of work to wait for Purchaser. Accordingly, delays by Purchaser in furnishing plans and specifications to accompany Purchaser's formal request or delays by Purchaser in submitting the signed Custom Work Letter and check may cause Sponsor to reject the request or increase the price of such custom work.

At the closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the power of attorney to the Board of Managers in the form contained in Part II of the Plan. Purchaser shall deliver such executed power of attorney to Seller or as directed by Seller at the closing of title for recording and to pay the recording fee. Failure to do so shall constitute a default by Purchaser pursuant to the Purchase Agreement.

Each Purchaser may elect to include in his Purchase Agreement a mortgage financing contingency clause. The Purchase Agreement, as set forth in Part II of the Plan, contains a mortgage financing contingency clause for Purchasers of a Unit which must be completed by Purchaser.

If Purchaser elects such financing contingency, Purchaser must submit a copy of such financing applications for such mortgage financing to the Sponsor within five (5) days after Sponsor accepts and delivers to Purchaser the fully executed Purchase Agreement. Sponsor shall have the right, but not the obligation, to cancel the mortgage financing contingency if Purchaser fails to submit to Sponsor a copy of the application for such mortgage financing to the Sponsor within such five (5) day time period. The contingency clause provides that Purchaser shall have forty-five (45) days from the date Sponsor accepts and delivers the fully executed Purchase Agreement to obtain

a written loan commitment for financing from a lending institution. In the event Purchaser fails to obtain a written loan commitment within such time period, Purchaser must notify Sponsor of same within five (5) days subsequent to such forty-five (45) day period or the financing contingency is deemed waived. Unless waived by Sponsor, Sponsor if it so desires, shall then have sixty (60) days after receipt of such notice to secure a mortgage loan commitment for Purchaser from the same or another lending institution in the same amount at the same or the then prevailing interest rate. In the event no such financing is furnished, the Purchase Agreement may be declared null and void by Sponsor pursuant to written notice to Purchaser postmarked or delivered within ten (10) days subsequent to such sixty (60) day period or notification to Purchaser that such financing will not be furnished, whichever is sooner. In the event no such financing is furnished, Purchaser, provided it has not already waived the financing contingency as set forth above, may also declare the Purchase Agreement null and void by written notice to the Sponsor postmarked or delivered within ten (10) days subsequent to such sixty (60) day period or within ten (10) days subsequent to such notification by Sponsor to Purchaser that such financing will not be furnished, whichever is sooner. In such event, the Down Payment shall be returned to Purchaser with interest, if any. If such notice is not sent within such ten (10) day period, the financing contingency clause shall be deemed waived. No other financing contingency is permitted by this Offering Plan. Notwithstanding anything to the contrary contained herein, Sponsor shall have no obligation to secure a mortgage loan for Purchaser from another lending institution. Additionally, failure of Purchaser to comply with the terms and conditions of the commitment which are unrelated to Sponsor's responsibility to perform under the terms of the Plan does not relieve Purchaser of its obligation to close title.

If the Purchaser obtains a mortgage loan commitment within the time period set forth above, the Agreement shall nonetheless be subject to Purchaser's loan commitment being in full force and effect at the First Unit Closing, provided, however, that any expiration of a commitment as a result of Purchaser's refusal, inability or unwillingness to close title or delay in closing title or the revocation of a commitment by a lending institution resulting from Purchaser's acts or omissions, including but not limited to, Purchaser's failure to satisfy any of the conditions of the commitment, shall be excepted from this requirement, and Purchaser shall be deemed to have waived any financing contingency within the Agreement. Purchaser shall take all possible steps to maintain his commitment, including good faith application for an extension of such commitment to the same lending institution and written application to at least one (1) other lending institution, all at the prevailing rate of interest. In the event Purchaser notifies Sponsor within thirty (30) days after the expiration date of his previous loan commitment by registered mail of his inability to obtain an extension of such previous loan commitment or a new loan commitment, the Agreement shall be null and void and Purchaser's downpayment shall be returned by Sponsor. Failure to provide such notification shall be deemed a waiver of the financing contingency by Purchaser and that the Purchase Agreement is deemed binding.

The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit except as stated in the section of

the Plan titled "Rights and Obligations of Sponsor." Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit, and Sponsor shall not be obligated to repair any damages to the Unit or its appliances, fixtures and equipment. Accordingly, Purchaser, or one claiming by or through Purchaser, who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, Purchaser will remain obligated to purchase the Unit under the terms of this Purchase Agreement, without any abatement in the purchase price. Purchaser should consult with an attorney and/or insurance agent as to his insurance needs.

The Purchase Agreement and Plan do not contain, and will not be modified to contain, any provision waiving the Purchaser's rights or abrogating the Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law, other than the ability of Purchaser to waive his right to thirty (30) days prior written notice to the closing of title to Purchaser's Unit.

The Escrow Agent shall maintain all records concerning the escrow account for seven years after release of the funds. Upon the dissolution of any 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 notify the Department of Law of such transfer. The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

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 regulations of the Department of Law concerning this matter shall prevail over any conflicting or inconsistent provision in the Offering Plan or in a Purchase Agreement.

ASSIGNMENT OF PURCHASE AGREEMENTS

No Assignment of a Purchase Agreement shall be permitted without Sponsor's prior written consent.

EFFECTIVE DATE OF PLAN

All Purchase Agreements signed by the Sponsor shall be contingent upon Sponsor's declaring the Offering Plan effective pursuant to the requirements and terms of the Plan. The terms of the Offering Plan are valid for one year unless extended by amendment. The closing of title to any Unit may not occur until after the Plan has been declared effective and an amendment has been filed substantiating same, and the Condominium Declaration and By-Laws have been duly recorded.

The Plan may be declared effective when Purchase Agreements have been executed by bona fide purchasers, including investors, and accepted by Sponsor for the sale of one (1) Residential Unit, which represents a minimum of at least fifteen (15%) of the Units offered under the Plan, which is currently four (4) Residential Units.

The Plan will not be declared effective based upon Purchase Agreements: (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) if the Purchaser was not afforded at least three (3) business days to review the Offering Plan and all filed amendments prior to executing a Purchase Agreement or (iii) with any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent or is a principal of the Sponsor, the Selling Agent, or the Managing Agent or is related to the Sponsor, the Selling Agent, or the Managing Agent or to any principal of the Sponsor, the Selling Agent, or the Managing Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

The Plan must be declared effective when Purchase Agreements have been both executed and accepted by Sponsor for the sale of four (4) Residential Units, which represents a minimum of at least eighty (80%) of the Units offered under the Plan.

The Plan may be abandoned, at Sponsor's sole option, at any time before eighty (80%) percent of the Condominium Units have been purchased. However, once the Plan has been declared effective, the Plan can only be abandoned under limited circumstances set forth below. The Plan, if abandoned, shall be abandoned by amendment and Form RS-3 filed with the Department of Law in appropriate form. Such amendment shall explain the basis for abandonment and must state how any funds received pursuant to the Plan will be distributed. All Down Payment monies paid by Purchasers pursuant to Purchase Agreements shall be refunded to them in full, with interest, if any, within twenty (20) days of such abandonment. The Sponsor may not abandon the Plan after the Plan has been declared effective for any reason other than (i) a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total amount of the offering, or (ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than one half of one percent of the total amount of the offering, or (iii) the taking of any material portion of the Property by condemnation or eminent domain. Any stated dollar amount relied upon as a basis for abandonment after effectiveness must exclude any attorneys fees or any such title defects or determinations of any authority or regulatory association which exist on the date of the presentation of the Offering Plan and are either known to the Sponsor or are a matter of public record.

The Plan will be declared effective by the mailing or personal delivery of written notice to all Purchasers. Within five (5) days after such notice is given an amendment to the Plan may be submitted by Sponsor stating that the Plan has been declared effective. Such an amendment is not required since the project has less than five (5) units. If requested, Sponsor will submit to the Department of Law copies of all Purchase Agreements, together with any amendments or modifications to such Agreements, within five (5) business days after the request is received.

TERMS OF SALE

The Units, when sold by the Sponsor, will be sold in fee simple absolute to Purchasers, who may be individuals, a duly formed partnership, corporation, limited liability company, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, any department or agency thereof, or any other entity which is permitted to own property in the State of New York. The sale of the Units will be made at the respective offering prices set forth in either the column of Schedule A titled "Offering Price" as such prices may be changed by the Sponsor as set forth on page 31, and will include the respective undivided interests in the Common Elements. At the closing of title to an individual Unit the Purchaser will pay to the Sponsor the balance of the purchase price for the Unit. Good and marketable title to the Unit and its appurtenant interests in the Common Elements will be conveyed as directed by the Sponsor by Bargain and Sale Deed with Covenants against Grantor's Acts and containing the provisions set forth in subdivision 5, Section 13 of the Lien Law, free and clear of all liens and encumbrances other than those set forth below. The form of unit deed is set forth in Part II of the Plan. The existing construction loan mortgage is with La Jolla Bank, FSB. This lender shall subordinate the lien of its mortgage to the Declaration of Condominium and at the Unit Closing release its mortgage lien on the Condominium Unit being conveyed and its interest in the Common Elements at such closing.

Permitted Encumbrances:

1. Any state of facts a survey might show, provided same does not prevent legal use of the Units and also does not render title unmarketable;
2. Zoning and building ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the existing structure and use;
3. The Declaration, By-Laws, Maps and Floor Plans of the Condominium to be recorded in the Office of the City Register, as the same may be amended from time to time;
4. Easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction of the Building, or construction of the individual Units, or which may have come or may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any portion thereof, or of any adjoining Unit or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of any alteration or repair to the Common Elements, made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

5. Easements in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utilities and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;
6. Revocability of the right to maintain street vaults and other areas, if any, under sidewalks;
7. Consents by Sponsor or any former owner of the Property for the erection of any structure or structures on, under or above any street or streets on which the Property may abut;
8. Any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, and the right to use, maintain and repair wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like upon, under and across the Property;
9. Service, maintenance and union contracts and agreements, if any, in effect on the date of the First Unit Closing;
10. Encroachments of stoops, areas, cellar steps, doors, ledges, window sills, bay windows, trim, coping, cornices, vaults, chutes, fuel oil lines, gas lines, drainage pipes, standpipes, sewerage pipes, foundations, footings, retaining walls, fences, fire escapes, air conditioning units, canopy and similar projections, if any, on, over or under the Property or the streets or sidewalks or property abutting the Property and rights of governmental authorities and adjoining property owners to require the removal of any such projections, and variations between record lines of the Property and fences, walls, retaining walls and the like, if any;
11. All covenants, declarations, restrictions, reservations, agreements and easements of record, if any, which are still in force and effect on the date of the First Unit Closing, provided that they are not violated by and do not prevent residential use of the Residential Units at the Property nor prevent the existence of the present structure. The title report obtained by Sponsor dated October 19, 2003 and updated to February 12, 2004 reveals no such agreements.
12. Any service contracts to be assumed by the Condominium at the First Unit Closing;
13. The lien of any unpaid real estate tax, and the lien of any water charges or sewer rents generally, (which shall be apportioned at closing);
14. Any variations between tax lot lines and lines of record title;
15. Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring purchaser's title to its Unit.

The Closing of title shall take place concurrently with or after the following events have occurred:

- (a) The issuance of a new temporary or permanent Certificate of Occupancy for the Building or, alternatively, the issuance of a temporary or permanent Certificate of Occupancy for the Unit closed. Sponsor shall complete construction and obtain a permanent Certificate of Occupancy for the entire project within (2) years subsequent to the First Unit Closing or at such sooner time as the temporary Certificate of Occupancy, as same may be renewed, replaced or extended, expires. If, at the time of closing of title to a Residential Unit Sponsor has only obtained a temporary "Class A" residential Certificate of Occupancy covering such Unit, then Sponsor shall place in escrow with its attorney an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover the cost for such Unit of obtaining a permanent "Class A" residential Certificate of Occupancy covering that Unit. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent "Class A" residential Certificate of Occupancy covering such Unit. Alternatively, the Sponsor shall have the option of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond in the amount so determined.
- (b) The recordation in the Kings County Office of the Register of the City of New York of the Declaration, the By-Laws and other documents as required by law and the filing in said office of a set of as-built floor plans of the Building showing the layout, location and approximate dimensions of the Units and the Unit designations, certified by the Tax Assessor of the City of New York as conforming to the official tax lot number for each such Unit and including an Architect's statement required by Section 339-p of Article 9-B of the Real Property Law of the State of New York certifying that the plans fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units as built;
- (c) The discharge of all duly recorded liens affecting the Unit to be closed and its undivided Common Interest from such lien, if any, as required by Section 339-r of the Real Property Law;
- (d) The serving by personal delivery or ordinary mail to the Purchaser written notice of the closing date not less than thirty (30) days prior to closing of title unless Purchaser elects to waive the thirty (30) day requirement; and the affording to Purchaser of an opportunity to inspect the Unit and the Common Elements; and
- (e) The declaring effective of the Offering Plan by Sponsor and confirming that the Units to be closed have been constructed in accordance with the applicable plans and specifications and that the Sponsor has satisfied, or will satisfy prior to closing of title, all of the requirements of this section titled "Terms of Sale."

At the closing of title to a Unit, Sponsor will execute and deliver to each Unit Owner an instrument assigning to the respective Unit Owner any manufacturer's warranties with respect to

equipment and appliances, if any, installed within such Unit. At the First Unit Closing, Sponsor will execute and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed in the Common Elements. A copy of any manufacturer's warranties, to the extent available, will be delivered to the Board of Managers and/or Unit Owner, as the case may be, at the First Unit closing or promptly thereafter.

The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit except as stated in the section of the Plan titled "Rights and Obligations of Sponsor." Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit, and Sponsor shall not be obligated to repair any damages to the Unit or its appliances, fixtures and equipment. Accordingly, Purchaser, or one claiming by or through Purchaser, who takes possession of the Unit prior to the closing of title, should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, Purchaser will remain obligated to purchase the Unit under the terms of this Purchase Agreement, without any abatement in the purchase price. Purchaser should consult with an attorney and/or insurance agent as to his insurance needs.

All personal property located within the Unit on the date the Purchase Agreement is signed that is owned by the Sponsor is included in the conveyance to the Unit Purchaser, unless specifically indicated otherwise in the Purchase Agreement. All personal property affixed to or located within the Common Elements that is owned by the Sponsor is included in the property transferred to the Condominium by the Declaration.

UNIT CLOSING COSTS AND ADJUSTMENTS

I. General:

The estimated closing costs, expenses and adjustments to be borne by each Purchaser of a Unit will be as set forth below. Such costs are only estimates and are subject to change.

- A. If a Purchaser elects to obtain fee title insurance, the Purchaser will pay the premium therefor which will vary depending upon the Purchase Price of the Unit. Fee title insurance charges, if ordered, in accordance with the schedule of rates set by the New York Board of Title Underwriters and filed with the New York State Insurance Department are currently a base rate of \$402.00 for the first \$35,000.00 coverage; \$6.67 per additional thousand dollars of purchase price up to \$50,000.00, plus \$5.43 per thousand dollars of purchase price in excess of \$50,000.00 up to \$100,000.00, plus \$4.36 per thousand dollars of purchase price in excess of \$100,000.00 up to \$500,000.00; plus \$3.98 per thousand dollars of purchase price in excess of \$500,000.00 up to \$1,000,000.00; plus \$3.66 per thousand dollars of purchase price in excess of \$1,000,000.00 up to \$5,000,000. Title insurance will be available from First Manhattan Abstract Corp., (212-460-5200), as agent for United General Title Insurance Company. The Sponsor makes no representations regarding insurance from other insurers, should a Purchaser choose same. In the event that a Purchaser decides to use the services of a title company other than First Manhattan Abstract Corp., the Purchaser will be obligated to pay Stempel Bennett Claman & Hochberg, P.C. a fee of \$300.00 for their time in coordinating and arranging for closing with said title company, including repetitive title clearance.
- B. Recording fee for recording the deed and power of attorney of approximately \$175.00;
- C. If a purchase money mortgage is obtained from a lending institution, the Purchaser may expect to incur the following costs:
 - 1. Legal fees of the lending institution's attorney;
 - 2. Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured. Mortgage title insurance rates as quoted by First Manhattan Abstract, Corp., as of the date of this Plan will cost a base rate of \$344.00 for the first \$35,000.00 in coverage; \$5.55 per additional thousand dollars of coverage up to \$50,000.00, plus \$4.54 per thousand dollars of coverage in excess of \$50,000.00 up to \$100,000.00, plus \$3.64 per thousand dollars of coverage in excess of \$100,000.00 up to \$500,000.00, plus \$3.31 per thousand dollars of coverage in excess of \$500,000.00 up to \$1,000,000.00; plus \$3.05 per thousand dollars of

coverage in excess of \$1,000,000.00 to \$5,000,000.00. Please note that if a mortgage title policy is purchased simultaneously with a fee insurance policy and through the same company, mortgage insurance coverage rates shall be discounted;

3. A mortgage recording tax for Residential Units of one and three quarters percent (1 3/4%) of the first ten thousand dollars of the amount of the mortgage executed by the Purchaser and a mortgage recording tax of two percent (2%) of the amount of the balance of the mortgage actually executed by Purchaser for mortgages for Residential Units in the amount of less than \$500,000.00. The mortgage recording tax for mortgages for additional units in the amount of \$500,000.00 or more is 2.125% after the \$25.00 deduction on the first ten thousand dollars of mortgage amount. Lenders in most cases are required to pay one quarter of one percent of the two percent tax, or 2.125% tax, as the case may be, thereby reducing Purchaser's cost to one and three quarters percent (1 3/4%) less \$25.00 or 1.875 percent less \$25.00, as the case may be.
 4. Recording fee for recording of the mortgage, approximately \$150.00;
 5. Commitment fee or origination fee, appraisal fee, application fee, credit fee, if any, charged by the lending institution;
- D. New York City Real Property Transfer Tax, currently equal to one percent (1%) of the purchase price with respect to the Residential Units which are sold for \$500,000.00 or less, and which has been increased to 1.425% where the consideration is greater than \$500,000.00. If a Purchaser purchases more than one Unit the City of New York will impose the commercial rate, which is 1.425% if the aggregate price is \$500,000.00 or less and 2.625% if the aggregate price is greater than \$500,000.00. It is customary in real estate transactions involving sales of multi-family buildings or single family homes for the seller to pay these transfer taxes and the transfer taxes in (E) immediately below.

In condominium transactions, either the Seller or the Purchaser can pay these transfer taxes. The obligation is imposed on the Purchaser by the terms of the sale. Under the Offering Plan and the Purchase Agreement, Purchasers are required to pay these taxes as a closing cost. For purposes of paying this tax with respect to this project, consideration also includes the amount of New York City Real Property Transfer Tax and New York State Transfer Taxes (deed stamps) to be paid for the unit.

- E. New York State Transfer Taxes (deed stamps), which are currently at the rate of \$2.00 per each \$500.00 of consideration or part hereof. For purposes of paying this tax with respect to this project, consideration also includes the amount of New York

City Real Property Transfer Tax and deed stamps to be paid for the Unit. Pursuant to the terms of this Plan, this tax is an obligation of the Purchaser;

- F. The legal fees of Sponsor's attorneys in the amount of \$1,000.00 will be payable by Purchaser to Stempel Bennett Claman & Hochberg, P.C., provided that an additional fee of \$300.00 per closing shall be due and payable for any Unit Closing which occurs outside the offices of Seller's attorneys. Further fees of \$200.00 shall be payable by Purchaser to Sponsor's attorneys for the work involved for each assignment and/or cancellation of a Purchase Agreement or contract for other than failure to obtain an appropriate mortgage commitment. Assignments are permitted only pursuant to the terms of the Offering Plan.
- G. Under the State Tax Law, Section 1402-a, a tax of one percent (1%) of consideration (or part thereof attributable to the real property being conveyed) is payable by the grantee (Purchaser) on each conveyance of residential real property, including Condominium Units, where the consideration for the entire conveyance is \$1,000,000.00 or more. Residential real property includes a 1-3 family house, an individual condominium unit and a cooperative unit that is or may be used, in whole or in part, as a personal residence. This tax applies to conveyances occurring on or after July 1, 1989 other than conveyances pursuant to binding written conveyances entered into on or before February 16, 1989.
- H. At the time of the first closing of title to each Unit, the Purchaser of such Unit shall pay into the Working Capital Fund of the Condominium the sum equal to one (1) month of Common Charges for the Unit being purchased at the time of the closing.
- I. Real estate taxes from the midnight preceding the date of the closing through the end of the tax payment period within which the closing date occurs, which shall be either a quarter of a year or one half of a year, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in closing of title by Purchaser.

In addition to the above costs, each Purchaser of a Unit will be responsible for the fees and expenses of his own attorney, if any. As a result of the variable factors with respect to each Unit, such as purchase price, terms of a possible mortgage commitment, fees of Purchaser's attorney and fees of the attorney representing Purchaser's lending institution, Sponsor suggests that Purchasers review their closing costs with an attorney.

The Purchaser will be required to pay to the Board of Managers Common Charges allocable to his Unit monthly in advance. Common Charges assessed during the month in which title closes shall be adjusted with the Sponsor as of the midnight preceding the closing date, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any Common Charges which Sponsor

was obligated to pay to the Board of Managers as a result of any unauthorized delay in closing of title by Purchaser. The amount of such Common Charges to be assessed against each Unit will be fixed by the Board of Managers. Common Charges to be initially assessed are expected to conform to those shown in Schedule A contained herein.

Water and Sewer charges will be adjusted between the Sponsor and the Condominium as of the midnight preceding the First Unit Closing.

If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, and such First Unit Closing occurs during a tax payment period, Sponsor will have previously paid the real estate taxes through the end of such tax payment period. For example, if the First Unit Closing occurs on January 12, 2005, Sponsor will have paid the real estate taxes for the Property through June 30, 2005. Sponsor shall place in escrow with the Condominium Board of Managers at the First Unit Closing money sufficient to pay the real estate taxes for six months subsequent to the date of the First Unit Closing. If the real estate taxes have already been paid for part of this six month period, then this six month period shall be reduced by the amount of time subsequent to the First Unit Closing for which the taxes have been paid. For example, if the First Unit Closing occurs on January 12, 2005 and real estate taxes have been paid through June 30, 2005, then Sponsor shall only have to place into escrow with the Condominium Board of Managers an amount to cover no months of real estate taxes. Sponsor shall have the right to reduce this escrow on a Unit by Unit basis by requiring each Purchaser to fund into escrow, at such Purchaser's Unit Closing, the amount necessary, on the basis of percentage of Common Interest, to cover the period for which real estate taxes have not been paid for such Unit up to six (6) months from the First Unit Closing. This funding can occur by either Purchaser paying such funds to its mortgagee or by paying such monies into the escrow held by the Board of Managers. The Board of Managers shall pay the real estate taxes from this escrow account when they are next due and Sponsor shall be entitled to reimbursement from any Unit Owner who either did not pay any money into escrow or paid less than was required to cover the real estate taxes attributable to such Unit for the time Purchaser owned the Unit.

Subsequent to this six (6) month period, until a separate assessment for each Unit has occurred, each Unit Owner or its mortgagee shall, on January 1st and July 1st of each year, pay to the Board of Managers, for the purpose of paying such Unit Owner's share of the real estate taxes for the ensuing six months, an amount determined by multiplying such Unit Owner's percentage of Common Interest by the aggregate real estate taxes assessed against the tax lot comprising the Property for the six month time period. The Board of Managers shall keep all such funds in a separate account for the purpose of paying the real estate taxes for the Property when due. Sponsor shall also pay into this special account with respect to any Units owned by it.

At Unit Closings individual Purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit closing through the end of the tax payment period within which the closing date occurs. However, Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in closing of title by Purchaser. If no separate Unit apportionment has yet occurred, such

adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned, to correct any discrepancy between the adjustment on the basis of percentage Common Interest and adjustment on the basis of actual apportionment, it shall be made at that time.

II. Mortgage Tax Credit

Section 339-ee(2) of the New York Real Property Law provides as follows:

"In the event the proceeds of a construction mortgage were applied to construction of a unit of a condominium submitted to the provisions of this article, or in the event that a unit submitted to the provisions of this act was subject to a blanket mortgage whose proceeds were applied exclusively to payment of the construction mortgage or to capital expenditures or expenses for the development or operation of the condominium, or to purchase of land or buildings for the condominium provided that such purchase was no more than two years prior to the recording of the declaration of condominium, and a mortgage tax was duly paid on such construction or blanket mortgage in accordance with article eleven of the tax law, then, as each unit is first conveyed, there shall be allowed a credit against the mortgage taxes (except the special additional mortgage recording tax imposed by subdivision one-a of section two hundred fifty-three of the tax law) that would otherwise be payable on a purchase money mortgage, said credit to be in the amount resulting from the product of the purchaser's pro-rata percentage of interest in the common elements and the mortgage tax already paid on the construction or blanket mortgage. No credit shall be allowed under this subdivision (a) on account of the special additional mortgage recording tax imposed by subdivision one-a of section two hundred fifty-three of the tax law or (b) where the first condominium unit is sold more than two years after the construction or blanket mortgage was recorded."

The entire contents of this Paragraph "2" as well as those in Paragraph 1 above, as same may be revised or amended, shall be deemed to be incorporated into the Purchase Agreement for each Unit.

A numerical example for the costs set forth in this section of the Offering Plan for an apartment with a purchase price of \$689,000.00 and a mortgage of \$551,200.00 are set forth below. Tax, insurance and recording rates are subject to change.

1. Title insurance for fee \$3,270.00 and title insurance for mortgage \$685.00;
2. recording costs for deed and power of attorneys \$175.00;
3. mortgage recording tax (including any payment to Sponsor pertaining to mortgage tax credit) \$10,310.00;
4. recording cost of mortgage approximately \$150;

5. New York City Real Property Transfer Tax \$9,997.43 plus \$50.00 in processing fee;
6. New York State Transfer Taxes (deed stamps) \$2,808.00;
7. real estate tax escrow - For a closing occurring January 12, 2005 the second half of 2004/2005 real estate taxes will have been paid. Therefore, for the first half of 2005/2006 real estate taxes due July 1, 2005, probably three months of real estate tax escrow would be picked up at the Unit Closing. For Unit 3, for example, this amount would be estimated at \$276.42 per month, based upon the estimated assessed valuation of the Property and tax rate, without Section 421-a RPTL benefits and \$172.88 per month with Section 421-a RPTL benefits. It is also noted that a January 12, 2005 closing where the second half of 2004/2005 real estate taxes are paid would mean that the Purchaser would have to reimburse Seller for five months and nineteen days of real estate taxes (using 30 day months as a basis for the adjustment). For Unit 3, based upon the estimates in Schedule A, this amount would equal a minimum of \$276.42 or \$172.88 for one month, depending upon whether the Section 421-a RPTL benefits have commenced.
8. Payment of Seller's unit closing legal fee in the amount of \$1,000.00.
9. Payment at closing of a Working Capital Contribution equal to one month of common charges for the unit being closed.

Other fees which cannot be estimated because they pertain to events outside of Sponsor's control and/or statutory requirement include purchaser's attorney's fee, lender's attorney's fee, possible commitment fee or loan origination fee, appraisal fee, application fee, credit check fee and monthly common charges prospectively from the closing date.

CLOSING ADJUSTMENTS WITH THE CONDOMINIUM BOARD

Immediately prior to the First Unit Closing, Sponsor shall apportion the following items with the Condominium Board as of the day immediately preceding such closing:

- (a) Any Common Charges which are Sponsor's obligation for the period from the First Unit Closing to the end of the month in which same occurs.
- (b) employees' wages and any vacation pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Building, if any;
- (c) fees for assignable permits and licenses, if any;
- (d) cost of fuel plus sales tax, if any;
- (e) charges for electricity and natural gas, (if any) pertaining to the Common Elements;
- (f) payments under service and maintenance contracts;
- (g) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed or on the basis of meter readings, if applicable, which Sponsor shall obtain;
- (h) cost of supplies on hand at Sponsor's cost (plus sales tax); and
- (i) premiums for any transferable insurance policies.

The Condominium Board of Managers shall reimburse the Sponsor in full for any electric, utility or other service deposits paid by Sponsor. These items are not items of closing adjustment. Sponsor has not had to fund any utility deposits for any electric or other utility or service deposits at this time.

At the time of the first closing of title to each Unit to a bona fide Purchaser, such Purchaser shall pay the sum equal to one (1) month of Common Charges for the Unit being purchased at the time of the closing to the Board of Managers for its working capital (the "Working Capital Fund"). This fund would ordinarily be used for the payment of any net closing adjustments in favor of the Sponsor. However, Sponsor shall waive any such net closing adjustments with the Condominium Board in its favor which would reduce the Working Capital Fund below zero. If the net closing adjustments are in favor of the Condominium Board, the amount thereof will be paid or credited to the Working Capital Fund at the First Unit Closing by Sponsor. The amounts in the Working Capital Fund may be held or used at any time for working capital to make repairs or for such other appropriate purposes permitted under the Declaration and By-Laws as will be determined by the Board of Managers in its sole discretion.

RIGHTS AND OBLIGATIONS OF SPONSOR

No bond or other security has been furnished to secure the performance of the Sponsor's obligations. Although at the time the Offering Plan is accepted for filing the Sponsor will be financially capable of performing Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. The construction work is being financed with a construction loan from La Jolla Bank, FSB, which mortgage currently encumbers the Property.

Sponsor makes the representations set forth below with respect to certain obligations under the Plan.

1. The Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction of the Units and construction and/or renovation of Common Elements for the authorized and proper work performed and fixtures, material and equipment supplied or installed in said construction.
2. The Sponsor will diligently, expeditiously and at Sponsor's own cost, complete the construction of the Units and construction of the Common Elements substantially in accordance with the plans and specifications described herein. If any work still remains to be done to complete such work, Sponsor, at Sponsor's own cost and expense, will perform or cause to be performed all such work and will supply or cause all material therefor to be supplied and will pay for such work and materials and discharge or bond all mechanics' liens which may be filed as a result of the construction of the Units or Common Elements.

The Sponsor reserves the right to substitute for any of the materials specified in the New Building Plans, the Description of Property and Specifications or Building Condition or elsewhere in the Plan, materials of substantially equal or better quality and design. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in this Plan, and in the architectural plans on file, but, due to the possible unavailability of materials and supplies or for any other reason, Sponsor may substitute materials, fixtures, and equipment of substantially equal or better quality and design for any of those set forth in the specifications or otherwise in this Plan. The Sponsor may not, however, change the size or location of the Building or Units, other improvements or Common Elements if such changes affect the percentage of Common Interests or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change.

The Sponsor also reserves the right, without altering the total amount of space contained in the Building, to change the size, interior layout and location of any Unit or the number of Units, provided such changes are made in accordance with the Section titled "Changes in Prices and Units" at page 31 herein.

No change will be made by Sponsor in the size or number of Units, their respective percentages of Common Interest, and no material change in the size or quality of Common Elements will be made by Sponsor, except by amendment to the Offering Plan and when applicable, to the Declaration. Unless the affected Purchaser provides a written consent, no material change will be made by Sponsor in Unit size, layout or percentage of Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and if such Purchaser is not in default. To be affected the change in the size of a Unit must be to such Unit Owner's Unit or the change must be to his or her percentage of Common Interest or a material change in the amount or quality of Common Elements which he or she is entitled to use. However, Sponsor shall not be obligated to obtain consent of any Unit Owner for changes made prior to the execution of a Purchase Agreement for the affected Unit or Units, provided such changes are made by amendment to the Offering Plan and, if applicable, to the Declaration.

Unless all Purchasers who are not in default consent, no material change will be made in the size, and no adverse material change will be made in the quality of Common Elements.

3. The Sponsor, at Sponsor's sole cost and expense, will obtain, prior to the closing of a particular Unit, the issuance of a temporary or permanent Certificate of Occupancy for Class A residential use for the Residential Unit closed. Sponsor shall complete construction and obtain a permanent Certificate of Occupancy for the entire project within two (2) years subsequent to the First Unit closing or at such sooner time as the temporary Certificate of Occupancy, as same may be renewed, replaced or extended, expires. If, at the time of closing of title to a Residential Unit Sponsor has only obtained a temporary "Class A" residential Certificate of Occupancy covering such Unit, then Sponsor shall place in escrow with its attorney an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover the cost for such Unit of obtaining a permanent "Class A" residential Certificate of Occupancy covering that Unit. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent "Class A" residential Certificate of Occupancy covering that Unit. Alternatively, the Sponsor shall have the option of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond in the amount so determined.
4. The Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with its operation 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, except as noted in the section of the Plan titled "Closing Costs and Adjustments," and will pay or have paid, except as otherwise provided in the Plan, all selling expenses of Sponsor, including, but not limited to, advertising and printing costs, architect's fees, attorneys' fees for other than for individual Units, organization costs, brokerage commissions, engineer's fees, appraisal and any surveying fees and costs.

5. The Sponsor will pay all Common Charges, real estate taxes, special Assessments and other expenses allocable to any Units owned by the Sponsor, so long as Sponsor shall continue to own the same. As set forth on page 124 of the Plan, however, Sponsor, where Purchaser has caused an unauthorized delay in closing of title, shall be entitled to certain reimbursement of real estate taxes and Common Charges, in addition to monetary penalties. Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. Sponsor's financial obligations to the Condominium will be funded from sales proceeds and/or its own funds.
6. Prior to the First Unit Closing, any liens affecting the Property shall be paid and satisfied or bonded or the Units being conveyed and their appurtenant Common Interest shall be released therefrom by partial release duly recorded.
7. The Sponsor will promptly correct any patent defects in the construction of the Building and Units therein, or in the installation or operation of any newly installed mechanical equipment therein, due to substantially improper workmanship or materials substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to the Unit affected within sixty days from the date of closing of title to such Unit or, with respect to Common Elements, that Sponsor is notified by the Board of Managers within one year from the First Unit Closing. If any defect in the Common Elements can only be detected after said period by occupancy of a particular Unit, Sponsor will correct said defect in the construction of the Common Elements or in the installation or operation of any newly installed mechanical equipment therein due to improper workmanship or materials substantially at variance with the architectural plans and specifications, if notified by the Board of Managers within sixty (60) days from closing of title to or first leasing of that particular Unit. Sponsor will also correct any latent defects in the construction of the Building and the Units therein or in the installation or operation of any newly installed mechanical equipment therein due to substantially improper workmanship or material substantially at variance with the architectural plans and specifications, provided it is notified of such defects in writing by the Unit Owner as to such Unit within the earlier of one year from (i) the closing of title to such Unit or (ii) the first leasing of such Unit, or is notified by the Board of Managers with respect to Common Elements within one year after the First Unit Closing. Sponsor, in its sole discretion, shall select the method of correcting any defect. On three (3) days' notice from Sponsor, the Board of Managers and/or the Unit Owner in question shall allow Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Units in question on any weekday which is not celebrated as a federal or state holiday to inspect and/or correct such defect. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications.

Sponsor shall be deemed to have discharged any obligation it may have with respect to patent or latent defects, as the case may be, if (i) Sponsor is not notified within the time periods specified herein or (ii) the Board of Managers and/or the Unit Owner in question

prevents Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question as provided herein, or (iii) Sponsor shall have corrected the defect in accordance with the practice of the industry as determined by Sponsor's general contractor or architect or engineer, in their sole discretion.

Sponsor makes no warranties as to kitchen appliances, except that it will assign to the Purchaser any manufacturer's warranties thereon and any manufacturer's warranties existing for other items in Purchaser's Unit to the extent same are assignable.

Notwithstanding the foregoing, Sponsor will not be responsible for correcting or repairing any latent defects of construction or defects in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen, or others, are assigned to the Board of Managers or Unit Owners. In addition, in no event shall the Sponsor be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building; (ii) for defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in formica or porcelain surfaces, bath and kitchen tile grouting, adjustment of any bi-fold or sliding doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, (iv) variations in any floor levels, (v) ceiling imperfections, (vi) minor painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing system, heating system and air conditioning system noises, (x) normal floor noises and creaking, (xi) carpet or floor discoloring or stretching, (xii) variations in width, length or tone of wood floor strips, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, (xiii) repair of chips, scratches, mars, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances, or replacement of fluorescent light ballasts, (xv) cracks or variations in tone, finish or color of any marble use in bathrooms or cracks, or variations in tone, finish or color of vanity tops or other marble used in bathrooms or cracks, variations in tone, finish or color of vanity tops or other marble, aggregate surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, or (xviii) cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped formica and

porcelain surfaces, which repair shall be made by filling the formica or refinishing the porcelain, but Sponsor shall not be obligated to replace such formica or surfaces.

In addition to Sponsor's obligations set forth above and notwithstanding anything above to the contrary, on March 1, 1989 a new law became effective which grants Purchasers of newly constructed condominium units and cooperative apartments in buildings of five (5) stories or less who execute Purchase Agreements on or after March 1, 1989 a Housing Merchant Implied Warranty which can be limited by the seller. Accordingly, to the extent applicable, the Housing Merchant Implied Warranty shall apply to Condominium Units in this Offering Plan unless limited by Sponsor. The Sponsor has limited the Housing Merchant Implied Warranty as follows:

This Limited Warranty is extended to the initial purchasers of Residential Condominium Units located at Liberty Square Condominium. The warranty is not extended to any subsequent owners. **ADDITIONALLY, THE LIMITED WARRANTY SPECIFICALLY EXCLUDES ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES AS A RESULT OF DEFECTS COVERED BY THE LIMITED WARRANTY. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF.**

(1.) The Limited Warranty covers the following items:

a) defects in the construction of the Building and Units therein, due to materials substantially at variance with the architectural plans and specifications or (ii) materials or workmanship which does not meet the specific standards of the applicable building code, or, where a specific standard does not exist, the standards of locally accepted building practices;

b) defects in the plumbing, electrical, heating, cooling and ventilation systems in the Unit due to (i) materials substantially at variance with the architectural plans and specifications or (ii) materials or workmanship which does not meet the specific standards of the applicable building code, or, where a specific standard does not exist, the standards of locally accepted building practices;

c) physical damage to the following load-bearing portion of a Unit caused by failure of such 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, partitions, floor systems and roof framing systems.

(2.) The items pertaining to the Building and/or Unit which are specifically excepted or excluded from warranty coverage are set forth immediately below, together with the standard as to whether a defect exists.

(a) defects of construction or in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings

(however denoted) from contracts, materialmen or others exist and are assigned to the Unit Owner or the Board of Managers as the case may be;

(b) conditions resulting from normal wear and tear or natural deterioration or from normal settling or shifting of the Building;

(c) defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in formica or porcelain surfaces, bath and/or kitchen tile grouting defects, adjustment of any bi-fold doors, walls not being exactly square, electrical plates not being exactly straight, slight discoloration or shrinkage of materials, slight separation between base and floor;

(d) normal settlement and deflection or any consequential damage resulting therefrom, including, without limitation, cracks in any concrete roof pavers or concrete cracks which do not impair the structural soundness of the Building;

(e) variations in any floor levels;

(f) ceiling imperfections;

(g) minor painting defects;

(h) alignment of bathroom finishes;

(i) minor air filtration from windows;

(j) normal plumbing, heating and air conditioning noises;

(k) normal floor noises and creaking;

(l) carpet or floor discoloring or stretching;

(m) variations in width, length or tone of wood floor strips; also normal shrinkage or expansion of wood flooring due to changes in moisture content of wood;

(n) repair of chips, scratches, mars, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring;

(o) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances, or replacement of fluorescent light ballasts;

(p) variances in tone or color of any marble used in bathrooms or variations in tone or color of vanity tops or other marble aggregate surfaces;

(q) salting or color variation in exterior color mortar and deep colored brick;

(r) ponding and/or controlled drainage on any roof surface; or

(s) cracks in any pressure treated wood or redwood used or intended for use outside the Building.

(t) Also, specifically excluded from this Limited Warranty is any patent defect which an examination ought in the circumstances to have revealed, when the Purchaser, before taking title or accepting title as complete, has examined the Unit as fully as the Purchaser desires or if Purchaser has refused to examine the Unit, provided that patent defects listed by Purchaser on any punchlist inspection statement are not excluded by the provisions of subparagraph (t) herein.

(3.) The Sponsor shall, within thirty (30) days upon receiving written notice of a defect not specifically excluded under the Limited Warranty, provided such notice is delivered or postmarked within the time requirement set forth below, verify such defect and, if such defect is verified, give three (3) days notice to the Unit Owner in question and/or the Board of Managers, as the case may be, that the necessary repairs shall be made. Sponsor in its sole discretion shall select the method of correcting any defect. On the aforementioned three (3) days' notice from Sponsor, the Board of Managers and/or the Unit Owner in question shall allow Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question on any weekday which is not celebrated as a federal or state holiday to inspect and/or correct such defect.

Notwithstanding the above, if the defect is of a nature covered by the warranty of a subcontractor to the Sponsor, Sponsor shall have ninety (90) days to give the aforementioned three (3) days notice to commence any necessary repairs instead of thirty (30) days. Sponsor shall, however, still verify such defect within thirty (30) days, as set forth above.

(4.) The term of the Limited Warranty coverage shall be as follows:

(a) one year from the date of the earlier of (i) the passing of title to the first owner for occupancy by such owner or his/her family as a residence or (ii) the date of first occupancy of the home as a residence ("Warranty Date") with respect to defects due to (i) materials substantially at variance with the architectural plans and specifications or (ii) a failure of the workmanship and materials to meet or exceed the specific standards of the

applicable building code or, where a specific standard does not exist, the standard of locally accepted building practices;

(b) Two years from and after the Warranty Date with respect to defects in the plumbing, electrical, heating, cooling and ventilation systems of the Unit being purchased due to (i) materials substantially at variance with the architectural plans and specifications or (ii) workmanship which does not meet the specific standards of the applicable building code or, where a specific standard does not exist, the standard of locally accepted building practices;

(c) Six years from and after the Warranty Date with respect to physical damage to the following load-bearing portion of the Unit caused by failure of such 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, partitions, floor systems and roof framing systems.

An action for damages or other relief caused by the alleged breach of the Limited Warranty may be commenced no later than one year after the expiration of the applicable 1, 2 or 6 year warranty periods as described in this paragraph. **In no event shall Sponsor's Liability for defects covered by this Limited Warranty exceed the purchase price of the Unit.**

(5.) Written notice of a warranty claim made under this Limited Warranty must be received by the Sponsor no later than thirty (30) days after the expiration of the applicable warranty period set forth above in paragraph numbered 4 or the Sponsor's obligations pursuant to such Limited Warranty shall be deemed to have been satisfied.

Except as expressly set forth herein, Sponsor has no obligation to correct or repair any other defect or conditions in the Units, Common Elements or the Building and all other installations, apparatus, fixtures and appurtenances. The foregoing sets forth the entire obligation of Sponsor to correct any defects and none other shall be implied. Sponsor shall have no obligation to repair or replace any defect resulting from the failure by the appropriate Unit Owner or the Board of Managers to properly service or maintain a particular item or items. Additionally, Sponsor shall have no obligation to repair or replace any defect resulting directly or indirectly from work done by any individual or entity retained by the Board of Managers or any Unit Owner(s).

Notwithstanding any provision to the contrary herein, Sponsor shall not be obligated to correct, and shall not be liable to any Purchaser as a result of, (i) any insubstantial variations from the plans and specifications or the description of the Building or a Unit set forth in the Offering Plan or (ii) variations from the plans and specifications or description of the Building or a Unit set forth in the Offering Plan which are neither in violation of applicable building codes, nor require approval of any governmental authority having jurisdiction, provided such variations are of substantially equal or better quality.

As set forth in the section of the Plan titled "Effective Date," in the event casualty which cannot be repaired for an aggregate cost, together with possible expenses for other items stated in such section of the Plan, of less than an amount equaling one half of one percent of the Total Purchase Price set forth on the front cover of the Plan as estimated by an insurance adjuster retained by Sponsor), occurs prior to the First Unit Closing and the Sponsor elects not to make repairs, then the Sponsor may, at its option, abandon or withdraw this Offering Plan. In such case all Purchase Agreements will be deemed automatically canceled and Purchasers in good standing will be refunded their deposits with any interest earned thereon. Upon such refund being made, the Condominium and the Sponsor will be relieved and discharged of all liability under the Plan and Purchase Agreements.

In the event the Sponsor elects to repair and restore the damage to the Building from a casualty occurring before the First Unit Closing, or if the casualty occurs after the First Unit Closing, but before the closing of the damaged Unit, and Sponsor elects to repair and restore the Unit, then the following shall be applicable:

The term "Affected Unit" means a Unit that has been directly damaged in the casualty (other than minor damage not rendering the Unit uninhabitable) or is without such essential services as gas, electricity and heat, or no longer has a reasonably adequate means of ingress and egress to the street.

The Purchase Agreements for all Units, other than "Affected Units" (as previously defined), shall remain in full force and effect and the Purchasers thereunder shall pay the full purchase price at the closing. Such Purchasers shall not be entitled to adjourn the closing nor be allowed any abatement in the purchase price, nor credit against same, nor retain (in escrow or otherwise) any portion of such purchase price pending restoration and repair of the damage to the Building and the Affected Units.

Except as provided in the next paragraph, a Purchaser of an Affected Unit shall not be required to pay the balance due under the Purchase Agreement unless and until (i) the damage to its Affected Unit has been substantially repaired as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity or heat) and a reasonable means of ingress and egress to the street have been restored. Any delay in repairing damage to an Affected Unit shall not be unreasonable.

Notwithstanding the foregoing, if the Purchaser is given possession of the Affected Unit under an Interim Use and Occupancy Agreement or otherwise prior to the casualty, such Purchaser shall assume the risk of loss to the Unit and the obligation to repair the damage, unless the cause of such loss originated outside his or her Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his failure to repair the damage shall not excuse him from paying the balance due under his Purchase Agreement and accepting title to the Unit.

The Sponsor and/or the Condominium will in no event be liable to Purchasers under this Plan, and the Sponsor will not be liable to the Condominium, in the event of any delay in repairing the damage.

8. Immediately following the First Unit Closing, Sponsor will assign to the Condominium Board, and the Condominium Board will, on behalf of all Unit Owners, assume, all assignable service and maintenance contracts and agreements relating to the Property. The Condominium will indemnify Sponsor against all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the First Unit Closing occurs. However, Sponsor shall indemnify the Condominium and Unit Owners with respect to any claims thereunder arising prior to the First Unit Closing and/or arising out of Sponsor's acts or omissions.
9. Sponsor shall procure fire and casualty insurance coverage on behalf of the Condominium, at the Condominium's expense, to be effective at the First Unit Closing, in the amount set forth in Note numbered 8 to Schedule B, which Schedule sets forth the Projected Budget for First Year of Condominium Operation.
10. In the event of the dissolution or liquidation of the Sponsor or the transfer in bulk of twenty percent (20%) or more of the total number of Units in the Condominium, the principal comprising the Sponsor will provide financially responsible entities or individuals who will assume the status and the obligations of the Sponsor for those units under the Offering Plan, applicable laws or regulations.
11. Sponsor shall deliver to The Board of Managers a set of architectural plans upon completion of the project.
12. Sponsor shall be obligated to defend any suits or proceedings arising out of its acts or omissions. Sponsor shall indemnify the Condominium and Unit Owners with respect to any claims arising prior to the First Unit Closing and/or arising out of Sponsor's acts or omissions.

Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims (i) as to any Unit arising out of any occurrence taking place on or after the earlier of the closing of title to such Unit or the leasing thereof to, or at the direction of, any Purchaser, or (ii) as to the Common Elements, arising out of any occurrence taking place on or after the date of the First Unit Closing, except suits, proceedings or claims arising out of acts or omissions of Sponsor or representations made by Sponsor in the Offering Plan. Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims arising out of any occurrence which was prior to the date of the First Unit Closing except suits, proceedings or claims arising out of acts or omissions of Sponsor.

13. Sponsor shall keep copies of the Plan, Exhibits and documents referred to in the Plan on file at Sponsor's offices for six (6) years from the date the Declaration is recorded.
14. 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 a substantially accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings.
15. During the time the principal of the Sponsor controls the Board, it is within its sole power to enforce the obligations of the Sponsor pursuant to the Plan and pertaining to the Common Elements. Therefore, Sponsor agrees that during such period it will, in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.
16. The Sponsor (its successors, assigns or designees) may offer all or any Unsold Units, for lease. Purchasers of any leased Units will be purchasing Units that have been previously occupied. Sponsor will notify purchasers of Units that have been previously occupied prior to the execution of a Purchase Agreement of such occupancy and will set forth the condition in which such Unit will be delivered (including outstanding warranties, if any). There shall be no obligation of Sponsor or any other offeror of such Unit to decorate, refurbish or in any way repair such Unit.
17. Since Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no Sponsor commitment to sell more Units than the fifteen (15%) necessary to declare the Offering Plan effective. Consequently, despite the requirement that Sponsor must give up control of the Board of Managers no later than five years from the first Condominium unit closing, owner-occupants may never gain effective control and management of the Condominium if sales are made to investors.

The construction loan mortgage does not contain any requirement that Sponsor sell a certain number of Units. It does not contain any minimum number or percentage of Units which must be under contract before the Offering Plan can be declared effective. The release prices are eighty-five percent (85%) of the purchase price for the Unit with a minimum release price for each Unit set forth as follows:

1F	\$335,000.00
1R	370,000.00
2	435,000.00
3	435,000.00

These amounts must be paid to the construction lender in order for the construction lender to release its mortgage lien for the particular Condominium Unit being sold. There are no requirements of the construction mortgage lender that are imposed upon the Sponsor in order for the Sponsor to rent rather than sell. Although Sponsor intends to sell all the Units comprising the Condominium, it is retaining the unconditional right to rent Units.

Each of the obligations of the Sponsor contained in this section shall be enforceable by any Unit Owner as to its Unit or the Board of Managers on behalf of the Unit Owners as to Common Elements. The representations contained in paragraphs 1 through 16 of this section shall survive delivery of the deed. Sponsor makes no other representation or warranties except as provided above. However, nothing herein shall be construed to limit any rights which Purchasers may otherwise have pursuant to Article 23-A of the General Business law, Part 20 of the Regulations promulgated by the Attorney General and the Offering Plan.

Sponsor's Rights of Access

(a) General

As a condition of sales of Units pursuant to this Plan, Sponsor reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees and tenants any and all easements and rights of access, in and to Units, Common Elements and Limited Common Elements consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder.

(b) Examples of Specific Easements and Rights of Access Reserved by Sponsor

Without in any way limiting the generality of rights reserved in Paragraph "a" above, such rights reserved to Sponsor and its designee(s) specifically include the following:

1. The right to maintain any vacant and Unsold Unit(s) as general and sales and leasing office(s) and/or Model Unit(s) and to maintain personnel at the Property, to post signs, and to conduct other activities connected with promotion, sales or leasing, such as inspection by and display of vacant or leased Units, as well as all Common Elements and Limited Common Elements, to prospective purchasers or lessees;
2. Right of access in and to Units, Common Elements and Limited Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing (including, but not limited to garbage collection) and similar work;
3. Right to show vacant or leased Units;

4. Utility and other easements for the benefit of Unit Owners, Common Elements and Limited Common Elements.

Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor shall exercise all rights of access so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners. Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor agrees to repair damage directly attributable to and caused by Sponsor, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor or its agents as a result of exercising such rights of access.

Sponsor's Right to Perform Alterations

Sponsor (and its successors, assigns and designees) shall have the right to alter any Unit, Common Element or Limited Common Element consistent with the terms of this Plan.

CONTROL BY SPONSOR

Title to all Units which have not been sold by the time of the First Unit Closing will remain with the Sponsor or its designee(s) until such Units shall thereafter be sold to bona fide purchasers. Such sales do not require a right of first refusal to the Board of Managers. Until the first annual meeting of the Condominium, the Board of Managers shall consist of three persons designated by Sponsor. Accordingly, until such first annual meeting, Sponsor will have absolute voting control of the Board of Managers and will thus have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners. Sponsor shall, unless it decides to relinquish voting control earlier, relinquish voting control of the Board of Managers, upon the earlier of (i) the transfer of title to Units, the percentage Common Interest of which, in the aggregate, equals at least ninety (90%) or (ii) five (5) years after the First Unit Closing. Sponsor, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers Sponsor will not use such vote to elect a particular Sponsor affiliated individual to the Board of Managers which would, by the election of such individual, give Sponsor voting control of the Board. It is noted that although Sponsor does not have to relinquish voting control of the Board of Managers until the earlier of the aforementioned dates, the Sponsor is required to hold the first election to the Board of Managers prior to that time. Please consult the section of the Offering Plan titled "Board of Managers." Sponsor shall call for the first annual meeting of the Unit Owners to elect a new Condominium Board, consisting of four Managers, one of whom shall be designated by each Unit Owner, within thirty (30) days after the expiration of the aforementioned Sponsor control period. Please consult the section of the Plan titled "Board of Managers" for further discussion.

As long as the Sponsor or any Sponsor-designees shall continue to own Condominium Units equaling at least twenty-five (25%) percent of the total Common Interest of the Condominium, but in no event for a period in excess of five (5) years from the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit; or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund and/or capital replacement reserve, provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed 5.00% of the budgeted expenses of the Condominium; or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient). Sponsor or Sponsor-designee may not exercise veto power over expenses described in Schedule B of the Offering Plan or over expenses required: (i) to comply with applicable laws or regulations or (ii) to remedy any notice of violation or (iii) to remedy any work order by an insurer. As long as the Sponsor or any Sponsor-designee shall continue to own a Unit the Board of Managers may not, without the Sponsor's or Sponsor designee's prior written consent (i) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or its designees, or (ii) interfere with: the offer and sale or leasing of Units at the Property; the operations of general or sales or leasing offices at the Property; actions necessary for construction, renovation, repair or correction at the Property,

as required by Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law.

Members of the Board of Managers will serve without compensation. All officers of the Condominium shall also serve without compensation. Sponsor represents that for as long as it or any of its designees are members of the Board of Managers, neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

An officer may be removed, with or without cause, by an affirmative vote of majority of the members of the Board of Managers.

BOARD OF MANAGERS

Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of not less than three and not more than five persons. The Unit Owners shall hold annual meetings and at each such meeting they shall elect members of the Board of Managers. Each Unit Owner, including the Sponsor or its designee, shall be entitled to cast one vote for each .0001% of interest in the Common Elements attributable to their Unit(s) on all matters put to a vote at all meetings of the Unit Owners except that, when voting for the election of members of the Condominium Board, each Unit Owner shall have the right to designate one member of the Board of Managers for each Unit Owner. If Units are owned by more than one person or entity as joint tenants, tenants by the entirety or as tenants in common, the persons or entities owning said Unit shall agree among themselves and cast the votes for their Unit.

The Board of Managers of the Condominium for the period terminating upon the earlier of (i) the closing of title to Units whose percentage of Common Interest equals, in the aggregate, at least fifty percent (50%) or (ii) two years after the First Unit Closing, shall be selected by the Sponsor. During this period the Board of Managers will consist of Albert Agnese, Linda R. Agnese and Tara Agnese. Albert and Linda Agnese are principals of the Sponsor and Tara Agnese is their daughter. All three shall resign as board members upon the termination of the period and will call for the first annual meeting of the Unit Owners to elect a new Condominium Board, consisting of four Managers, within thirty (30) days after the expiration of the aforementioned period. Thereafter, elections to the Condominium Board will be held at the regular annual meeting of Unit Owners. It is noted, however, as set forth in the section of the Plan titled "Control by Sponsor," that Sponsor still has the right to control the Board of Managers until the earlier of (i) the transfer of title to Units, the percentage of Common Interest which in the aggregate equals at least ninety percent (90%) or (ii) five (5) years after the First Unit Closing.

The Condominium By-Laws do not include a provision that after the initial Sponsor voting control period a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals.

The annual meetings shall be held on or about the anniversary of the date of the first annual meeting. A special meeting of the Unit Owners shall be called by the President of the Condominium 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.

Notice of the annual meeting of Unit Owners or of any special meetings of Unit Owners shall be given by the Secretary, as directed by the Board of Managers, to all Unit Owners not less than ten (10) days or more than thirty (30) days before such meeting. Minutes of all meetings of Unit Owners and of all meetings of the Board of Managers shall be kept by the Board, together with records of all actions taken by the Board and the financial records of the Condominium. The Board shall retain an independent certified public accountant to prepare an annual report of the receipts and expenditures of the Condominium, which report shall be promptly sent to each Unit Owner.

Each of the members of the four member Condominium Board will serve until the next regular annual meeting of Unit Owners and until a successor is elected and qualified. Members of the Board of Managers, except for those members elected by the Sponsor, to be eligible for election, must be either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Except for a member of the Board of Managers designated by Sponsor or a Sponsor-designee, Managers may be removed from office, with or without cause, by the affirmative vote of Unit Owners owning, in the aggregate, a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee can only be removed for cause by affirmative vote of Unit Owners (including Sponsor and/or any other Holder of the Unsold Units) owning, in the aggregate, a percentage of Common Interest in excess of fifty percent of the Common Interest of the Condominium. In the event of such removal, the Sponsor or Sponsor-designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers. Subsequent to the date when the Sponsor relinquishes control of the Board of Managers and so long as the Sponsor or a Sponsor-designee shall continue to own at least two (2) Units, the Sponsor or Sponsor-designee shall have the right to elect at least two of the four members of the Board of Managers or one member less than a majority of the Board of Managers, as the case may be. Also, subsequent to the date when the Sponsor relinquishes control of the Board of Managers and as long as the Sponsor or a Sponsor-designee shall continue to own one Unit, the Sponsor or Sponsor-designee shall have the right to elect one of the members of the Board of Managers. The Unit Owners may transact such other business at such meetings as may properly come before them. All members of the Board of Managers shall serve without compensation, and the Sponsor represents that, for as long as it or any of its designees are members of the Board of Managers, neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, including but not limited to: determination of the Common Charges, adoption of rules and regulations covering the details of the Property, opening of bank accounts, purchasing, leasing or otherwise acquiring Units, selling, leasing or mortgaging of Units owned by the Board of Managers and generally managing or supervising the Condominium property as provided in the Declaration and By-Laws. The Common Expenses shall include such amounts as the Board of Managers deems proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, and to make up any deficit in the Common Expenses for any prior year. The Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Condominium. The Board of Managers is authorized to employ for the Condominium, a Managing Agent on such terms as the Board of Managers may deem proper. As set forth in the Plan, in the section titled "Management Agreement, Contracts and Leases," at or immediately prior to the First Unit Closing the Board of Managers shall enter into a management agreement with Sponsor, having an office at 2369 Royce Street, Brooklyn, New York 11234, for a term of one year, commencing on the date of the First Unit Closing at an annual fee of \$600.00 being payable in twelve (12) equal monthly installments.

In order to limit the liability of the Unit Owners, the members of the Board of Managers, the Managing Agent, if any, and any officers of the Condominium, any contract or other commitment shall be made by the Board of Managers or the Managing Agent or an officer of the Condominium, as the case may be, only as agent for the Unit Owners. The members of the Board of Managers, the Managing Agent or the officer, as the case may be, shall have no personal liability on any such contract or commitment (except as Unit Owners), and the liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners. The Board of Managers and the officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, or otherwise, except for willful misconduct, negligence or bad faith. The Unit Owners shall severally indemnify the members of the Board of Managers and the officers of the Condominium against any liability or claims except those arising out of the bad faith, negligence or willful misconduct of the members of the Board of Managers or the officers of the Condominium, but the liability of any Unit Owner on account of such indemnification shall be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners.

Officers

The principal officers of the Condominium shall be: The President, the Vice- President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The President and the Vice President each must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Other officers need not be either a Unit Owner, principal or officer of a Unit Owner or the spouse of a Unit Owner or a member of the Board of Managers. The Board of Managers may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in its judgment may be necessary. All officers shall serve without compensation from the Condominium. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Board of Managers and of Unit Owners. The Vice President shall take the place of the President in his or her absence. The Secretary shall be empowered to take and keep minutes of all meetings and to keep the books and records of the Condominium. The Treasurer shall be responsible for the funds of the Condominium and for accurately keeping the financial records and books of the Condominium. The Board of Managers, in its discretion, shall delegate such powers to the officers as it sees fit to execute agreements, contracts, deeds, leases and checks etc. on behalf of the Condominium.

Severance of Ownership Prohibited

Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed, its undivided interest in the Common Elements, together with its interest in any Unit or Units acquired by the Board of Managers from Unit Owners electing to sell or lease such Unit or at a foreclosure or other judicial sale involving such Unit or Units, in accordance with the provisions of the By-Laws, all of which are interests appurtenant to its Unit.

Right of First Refusal; Units Acquired or Leased by Board of Managers

In administering the right of first refusal granted to the Board of Managers with respect to any sale or lease of a Residential Unit the Board shall be required to exercise such rights, if at all, within twenty (20) days of its receipt of written notice from a Unit Owner of the Unit Owner's intention to sell or lease the Unit to a bona fide grantee or lessee. Notice of the decision to exercise or waive such right must be given to the Unit Owner within five (5) days after the exercise of such decision and in any event within said twenty (20) day period by certified or registered mail. Failure of the Board to either exercise such right or to give notice of the exercise of such right within the time periods provided above shall constitute a waiver of the right of first refusal.

In the event the Board does exercise its right of first refusal, the acquisition or lease of the Unit may be made from the working capital and Common Charges or, if such funds are insufficient, the Board of Managers may assess each Unit Owner, other than the offering Unit Owner, in proportion to each Unit Owner's percentage of Common Interest or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The Board of Managers may also assess each Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of such Unit. In the event any Units are acquired or leased by the Board of Managers, the title or lease shall be held by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interest and any sale or lease of such Unit shall be made by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interests. Such Unit, while owned or leased by the Board of Managers, may be used for any purpose for which it could be used by an individual Unit Owner. In no event, however, may the Board of Managers at any meeting of Unit Owners vote the votes appurtenant thereto.

Each Unit Owner, at the closing of title to its Unit, shall be required to execute an instrument in the form of that contained in Part II in the section of the Plan titled "Power of Attorney", designating the Board of Managers and their successors, as his or her attorneys in fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or their designee, on behalf of all Unit Owners.

Review of Real Estate Tax Assessments

At each Unit Closing the new Unit Owner shall execute a Unit Owner's Power of Attorney, which among other things, gives a power of attorney to the Board of Managers to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect only to Residential Units in the Condominium, including retaining counsel and taking other actions which the Board of Managers deem appropriate. Notwithstanding the foregoing, if proceedings are pending for the reduction of real estate taxes on the land and building for the tax year in which the First Unit Closing occurs, the Condominium will continue such proceedings with the attorney previously employed by the Sponsor. Sponsor shall have the sole right to negotiate and settle all claims in connection with said proceedings. The cost of such proceedings, including legal fees, and (in the event taxes are reduced) any refund shall be apportioned between

the Sponsor and the respective Unit Owners according to the ownership of the Property during respective portions of the tax year. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with the obtaining such refund, shall belong to and be incurred by the Sponsor alone.

Amendments to Condominium Declaration and By-Laws

The By-Laws of the Condominium may be modified or amended by the affirmative vote of Unit Owners owning not less than sixty-six and two-thirds percent of the Units and whose percentage of Common Interest, in the aggregate equals or exceeds sixty-six and two-thirds percent. However, for as long as Sponsor or its designee owns title to one or more Units, the Rules and Regulations of the Condominium, or the By-Laws may not be amended so as to adversely affect the Sponsor or its designee in any way, in Sponsor's sole discretion, unless the Sponsor or its designee, gives its written consent to such an amendment. Additionally, no such amendment may change the percentage of Common Interests allocated to any Unit or Units without the written consent of such Owner.

The Declaration may be amended, modified, added to or deleted from by the vote of at least 66 2/3% in number and in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by 66 2/3% in number and in Common Interest of all Unit Owners, provided, however:

- (a) No amendment, modification, addition or deletion which shall adversely affect the lien of any mortgage may be made without the written consent of the mortgagee;
- (b) No amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner(s); no amendment which shall increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagee(s) of such Unit, or Units, if any;
- (c) No amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against Sponsor, its designee or any Unsold Unit until Sponsor or such designee, as the case may be, shall consent thereto in writing.

The Sponsor reserves to itself and its designee(s) the right to amend the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by the New York Real Property Law Section 339-p for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded, further amending such Floor Plans with respect to its Units, and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations, and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p.

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

Sale and Lease of Units

Each Unit Owner, other than Sponsor or its designee, with respect to any Unsold Units may sell or lease his or her Unit, but only after the owner first gives the Condominium Board written notice of his or her intention to do so, accompanied by the terms of the offer as set forth in Article VIII of the By-Laws. The Condominium Board, on behalf of all Unit Owners, will have the exclusive right to elect, within twenty (20) days after receipt of the notice of sale, to purchase the Unit, or to elect, within twenty (20) days after receipt of the notice of lease, to lease the Unit, on the same terms set forth in the offer, as more specifically set forth in Article VIII of the By-Laws. Notice of the decision to exercise or waive such right must be given to the Unit Owner within five (5) days after the exercise of such decision and in any event within said twenty (20) day period by certified or registered mail. If the Condominium Board does not notify the Unit Owner of its election to purchase or lease the Unit within the aforementioned time periods, the Unit Owner will have thirty (30) days after the expiration of the twenty (20) day period to contract to sell the Unit or lease the Unit in accordance with the terms stated in the offer to the Condominium Board. After the expiration of the thirty (30) day period, the Unit Owner will again be required to first offer the Unit to the Condominium Board as provided above.

In the event the Board does exercise its right of first refusal, the acquisition or lease of the Unit may be made from the working capital and Common Charges or, if such funds are insufficient, the Board of Managers may assess each Unit Owner, other than the offering Unit Owner, in proportion to each Unit Owner's percentage of Common Interest for any funds so borrowed in the Unit to be acquired. The Board of Managers may also assess each Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of such Unit. In the event any Units are acquired or leased by the Board of Managers the title or lease shall be held by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interest and any sale or lease of such Unit shall be made by the Board on behalf of all Unit Owners in proportion to their percentage of Common Interests. Such Unit, while owned or leased by the Board of Managers, may be used for any purpose for which it could be used by an individual Unit Owner. In no event, however, may the Board of Managers at any meeting of Unit Owners vote the votes appurtenant thereto.

Each Unit Owner, at the closing of title to his or her Unit, shall be required to execute an instrument in the form of that contained in Part II in the section of the Plan titled "Power of Attorney", designating the Board of Managers and their successors, as his or her attorneys in fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or their designee, on behalf of all Unit Owners.

The foregoing restrictions upon the sale and lease of Units will not apply to Sponsor or its designee with respect to any Unsold Units, or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure, each of which will be free to sell or lease without first offering to sell or lease to the Condominium Board.

Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's: (i) Common Interest; (ii) undivided interest in any Unit or Units acquired by the Condominium Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit, other than mortgages placed on such Unit in compliance with the By-Laws, are paid and satisfied at or prior to closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner will be required to execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Condominium Board, in the form set forth in Part II of this Plan.

The lease for any Residential Unit (other than Unsold Units) will be in substantially the form of lease recommended by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Condominium Board.

A Unit Owner may, without restriction, make a gift of his or her Unit to anyone during his or her lifetime, to devise such Unit by will or to pass same by intestacy.

The Condominium Board may not discriminate against any person for a reason proscribed by the laws of the State of New York.

Mortgage of Units

Each Unit Owner is free to mortgage his or her Unit, provided that any such mortgage shall be a first mortgage or second mortgage made to a bank, trust, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender, the Sponsor, a family member, business associate or employer, Sponsor-designee, or to the Seller of such Unit(s). A mortgage may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval shall be in the sole and absolute discretion of Sponsor or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearages for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens therefor.

Determination of and Liens for Nonpayment of Common Charges

Each Unit Owner shall have an obligation to pay Common Charges and assessments on other expenses when due. Common Charges for each Unit shall be determined by multiplying that Unit's percentage of Common Interest by the total annual net expenses incurred or anticipated to be incurred for those items listed in Schedule B herein, together with the expense of any special repairs, major capital improvements or other expenses deemed by the Board of Managers to be a part of the Common Expenses and to be paid as Common Charges, all in accordance with Article VI, Section 1 of the By-Laws of the Condominium. Common Charges will be established on an annual basis and be paid in equal monthly installments, due and payable on the first day of each month. The Board of Managers may, in accordance with Article VI, Section 1 of the By-Laws, impose special assessments as it deems necessary, to meet unanticipated or extraordinary expenses, including, but not limited to, expenses incurred for major capital improvements. The special assessment to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest.

Under the provisions of Section 339-z of the Real Property Law of the State of New York, the Board of Managers on behalf of the Unit Owners will have a lien on each Unit for unpaid Common Charges assessed by the Board of Managers. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of notice thereof in the Register of the City of New York, County of Kings, New York and until all sums secured thereby with the interest thereon shall have been fully paid or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever may be earlier. Such lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien.

Upon the failure of a Unit Owner to pay Common Charges for the Unit within thirty days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against the Unit Owner's Unit for the unpaid Common Charges as set forth above. Failure of the Board of Managers to place such a lien shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a sale, transfer, or other conveyance made by him or her of his or her Unit, with appurtenant Common Elements, in accordance with the Declaration and By-Laws.

All Unit Owners shall be required to comply with the Declaration, By-Laws, Rules and Regulations of the Condominium and with any other requirements duly imposed by the Board of Managers pursuant to the authority granted to them. The Board of Managers shall have the power

to impose appropriate sanctions where a Unit Owner is in default. Such sanctions include placing a lien against the Unit Owner's Unit, instituting foreclosure proceedings and filing suit against a Unit Owner. 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 thirty (30) days in arrears of Common Charges while it is in control of the Board of Managers.

As long as the Sponsor or any Sponsor-designee shall continue to own Condominium Units equalling at least twenty-five (25%) percent of the total Common Interest of the Condominium, but in no event for a period in excess of five (5) years from the "First Unit Closing", the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit; or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed 5.00% of the budgeted expenses of the Condominium; or (iii) borrow money on behalf of the Condominium, except where necessary to perform work required by applicable laws or regulations, to remedy a notice of violation or remedy a work order by an insurer, to the extent that existing reserves are insufficient.

Repairs

All maintenance of and repairs to any Unit, ordinary or extraordinary, including any skylights of a Unit, and to the doors (except painting the exterior side of a Residential Unit entrance door and exterior side of the entrance door to the first floor lobby), windows (except painting exterior side of Residential windows), electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures and air conditioning units within the Unit or belonging to the Unit Owner or exclusive to certain Unit Owners shall be at the Unit Owner's or at certain Unit Owners' expense, excepting as otherwise specifically provided in the By-Laws.

All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Residential Unit entrance doors and exterior side of the entrance door of the first floor lobby and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, excepting to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed by (a) the Board of Managers as a Common Expense, if such Limited Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Unit Owner having direct and exclusive access thereto), or (b) by the Unit Owner or Unit Owners having direct and exclusive access thereto at his or her or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, except that the Condominium shall be responsible for all maintenance and repair of the Parking Spaces.

The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in the By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the By-Laws (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; and (c) in any event charge the Unit Owner with the cost of reasonable legal and other fees and costs incurred in enjoining, abating or remedying such violation.

Additions, Alterations and Improvements

Sponsor or its designee may make non-structural alterations in any Unit owned by it or with respect to any Limited Common Element for which it has exclusive use without prior consent of the Board of Managers. With respect to other Unit Owners, a non-structural alteration to a Unit that does not affect the exterior of the Building or the value of other Units may be made by any Unit Owner without consent of the Board of Managers. No Unit Owner, other than the Sponsor, or its designee, as a holder of Unsold Units, may make a structural alteration in a Unit or with respect to any Limited Common Element for which it has exclusive use or which affects the exterior of the Building or the value of other Units without the prior written approval of the Board of Managers. The Sponsor or its designee needs no such consent for any of its Units. Any approval, if granted, shall provide that such alteration shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such addition in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration or due to improper design or construction of the structural alteration. Such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration. Such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with the request by a Unit Owner for approval of a structural alteration.

All alterations performed by other than the Sponsor or its designee, whether structural or non-structural, shall be subject to regulation by the Condominium as to any one or more of the following aspects of construction:

1. time periods during which work is permitted;
2. the manner in which construction debris will be handled;
3. measures which must be taken to prevent compromising security of the Building during construction;
4. the interruption of services during construction; and
5. liability insurance for contractors during construction.

No work shall commence until all permits required by the City of New York and all insurance certificates required by the Managing Agent acting on behalf of the Board of Managers are provided to the Managing Agent. Additionally, all electrical and plumbing work shall be done by licensed contractors.

The Board of Managers and/or the manager or managing agent shall have a right of access to any Unit for the purpose of inspection, making any repairs or replacements to any of the Common Elements or Limited Common Elements contained in such Unit or elsewhere in the Building, remedying any condition which would result in damage to any other Unit or to the Common Elements or Limited Common Elements, or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by the By-Laws.

Certain structures cannot be built as of right with respect to the City of New York Building Code and require a variance from the City Board of Standards and Appeals. If the Board does not consent to the proposed alteration, an application for a variance is moot, since the Board would not permit the proposed alteration in any event.

If a Unit Owner does not need the consent of the Condominium for such alteration, but a variance is needed, such a variance may be denied if it is opposed by the Board of Managers at the Condominium. Structures that increase the size of the Building require a variance. These structures include, but are not limited to: additional floors, additional penthouses, roof mezzanines, enclosure of a balcony and greenhouses. Subject to the By-Laws and Rules and Regulations of the Condominium, which, among other requirements, assigns responsibility for negligence, misuse or neglect, a Unit Owner who has an exclusive roof terrace area may, without a Department of Buildings permit, install plantings and furniture on it.

Insurance

The Board of Managers shall be required to obtain and maintain the following insurance: fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units, including all of the Units and all fixtures installed therein by the Sponsor and any property customary to the servicing and general occupancy, (but not including furniture, furnishings, equipment or other personal property supplied or installed by Unit Owners), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an aggregate amount to be determined by the Board of Managers but in no event to be less than the full replacement cost of the Building, including the above noted items, but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker. All such policies shall provide that adjustment of loss, if over \$100,000.00, shall be made by the Board of Managers with approval of the Insurance Trustee, if any. Additionally, the net proceeds of such adjustment, if \$100,000.00 or less, shall be payable to the Board of Managers, and if more than \$100,000.00 shall be payable to the Insurance Trustee, if any, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners. At the First Unit Closing, the fire insurance coverage of the Building shall be \$600,000.00. Said coverage shall be maintained while Sponsor is in control of the Board of Managers.

The Board of Managers shall have the right to select an Insurance Trustee as such term is defined in Article XII, Section 5 of the By-Laws of the Condominium.

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 insured or any Unit Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of Units. The standard mortgagee loss payable clause shall be attached to all policies.

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) worker's compensation insurance for Condominium employees, if any; (2) 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, and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements or the Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit. The Board of Managers shall review such limits once each year. The public liability insurance will also cover cross- liability claims of one insured against another. Until the first meeting of the

Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least \$1,000,000.00 covering all claims for bodily injury with respect to any one occurrence.

If, by reason of the occupancy or use of any particular Unit, the rate of fire or liability insurance for the Property shall be increased, such Unit Owner shall (if such occupancy or use continues for more than thirty (30) days after written notice from the Board of Managers specifying the occupancy or use) become liable for the additional insurance premiums incurred by the Condominium as if such additional premium constituted an assessment.

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

In the event of a fire or other casualty which destroys or substantially damages less than seventy-five (75%) percent of the Building, the insurance proceeds shall be dedicated to the repair and/or renovation of the Building and the Units but not the repair or replacement of any improvements made by individual Unit Owners. If the cost of such repair exceeds the insurance proceeds available the excess cost shall constitute a Common Expense and Unit Owners may be accordingly assessed a proportional amount to be paid as Common Charges.

In the event of a fire or other casualty in which more than seventy-five percent (75%) of the Building is destroyed or substantially damaged, repairs and/or restoration will be made if Unit Owners whose percentage of Common Interest, in the aggregate, is at least seventy-five per cent (75%) of the Total Common Interest, affirmatively vote for such a course of action. If no such affirmative vote is given then the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor.

Use of Units

The Residential Units may be used only for a private residence, except that a Residential Unit Owner may use his or her Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any zoning law and ordinances and provided further that the prior written consent of the Board of Managers to such professional use is obtained. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, nonilluminated, not larger than the size permitted by the Board of Managers.

Except as set forth above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Units or Common Elements, nor

shall any "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Unit therein or adjoining Common Elements, nor shall any Unit be rented for transient, hotel or motel purposes. The right, however, is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale", "For Rent" or "For Lease" or similar signs on any Unsold or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one (1') foot by two (2') feet. Additionally, the right is reserved by Sponsor and its designee to maintain and staff one or more vacant and Unsold Units in the Building as a sales office and/or model Unit. Sponsor and its designee shall have the right to place "For Sale," "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building or on the facade of the Building without regard to size. Sponsor or its designee shall be responsible for installing and removing such signs.

There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, stairways, or fire towers of the Building, except in any recreational areas, if any, or other areas designated as such in the Declaration or by the Condominium Board.

Except as elsewhere provided, no exterior of any Unit or the windows or doors thereof or any other portions of the Common Elements shall be painted or decorated by any Owner in any manner without prior written consent of the Board of Managers or except as provided in the By-Laws.

No personal articles (including, but not limited to, garbage cans or bottles) and no furniture, artwork or equipment shall be placed or stored in entrances, hallways, stairways, or other Common Elements (General or Limited) which are not limited to the exclusive use of a specific Unit Owner. No Unit Owner shall change or alter in any way the design, layout, color scheme or furnishings in entrances, hallways, stairways or other Common Elements, which are not limited to the exclusive use of a specific Unit Owner. Notwithstanding the foregoing, a Unit Owner has the right to change the lock on the door on his Unit or to add an additional lock, provided that such lock confirms in color with the other lock or locks.

No Unit Owner shall make, cause, or permit any unusual, disturbing or objectionable noises or odors to be produced upon or to emanate from his Unit or its appurtenant Limited Common Elements or permit anything to be done therein that will interfere with the rights, comforts or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction

or repair work is necessitated by an emergency. No jackhammering shall be permitted without prior written approval of the Board of Managers.

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 of a Unit, any dirt or other substances. No clothes, sheets, blankets, or other articles of any kind shall be hung or shaken from any doors, windows, open terraces or open balconies, or placed upon the window sills of the Building.

No exterior shades, awnings, window guards, ventilators, fans or air-conditioning devices shall be used on or about the Building or Common Elements except such as shall have been approved by the Board of Managers or as required by law.

Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of a Unit or adjoining Common Element except such as shall have been approved in writing by the Board of Managers, nor shall anything be projected out of any window of the Building without similar approval.

All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct. Unit Owners shall be responsible for complying with all applicable recycling laws pertaining thereto.

Water closets and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed; nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damage resulting from misuse of any water closet or other apparatus shall be paid for by the Unit Owner causing such damage.

No Unit Owner shall engage any employee of the Condominium for any private business of the Unit Owner without prior written consent of the Board of Managers.

One dog or one cat shall be permitted in each Residential Unit without consent of the Board of Managers. Otherwise, no bird or animal shall be kept or harbored in any Residential Unit of the Building unless the same in each instance be expressly permitted in writing by the Board of Managers. Any such consent, if given, shall be revocable at any time by the Board of Managers. In no event shall dogs be permitted in any of the public portions of the Building unless carried or on a leash. The individual Unit Owners who keep an animal in the Building shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of having any animal in the Building. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

No radio or television aerial or dish shall be attached to or hung from the exterior of the Building without written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Units.

All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

The Board of Managers or the Managing Agent shall retain a pass-key to each Unit. No Unit Owner shall change any lock on any door leading into his Unit without the prior written consent of the Board of Managers. As a condition to obtaining such consent, the Unit Owner must provide the Board of Managers with a key to such changed lock for their use. If Sponsor or the Board of Managers must gain access to a Unit for emergency purposes and a Unit Owner has not furnished a key to the Board of Managers as provided in this paragraph, then the affected Unit Owner shall be liable and responsible for any damage to the Common Elements or such Unit caused by Sponsor or the Board of Managers in gaining access to such Unit. Furthermore, if the Unit Owner is not personally present to open and permit an entry to his Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

If any key or keys are entrusted by a Unit Owner, by any family member thereof, or by his agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the Managing Agent shall (except as provided above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

No Unit Owner or any visitor, guest, patient, employee or any client of a Unit Owner shall be allowed in any mechanical equipment area without the express permission of the Board of Managers.

All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.

No Unit Owner shall interfere in any manner with any portion of any air conditioning equipment and/or lighting apparatus which are part of the Common Elements and not part of the Unit Owner's Unit.

Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements, that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his family members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his Unit or Limited Common Elements any inflammable, combustible, or explosive fluid, material, chemical, or substance.

Except as provided above, no Unit Owner shall be allowed to put his or her name on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes.

Any damage to the Building or equipment caused by Unit Owners, their guests, visitors, clients, patients or employees shall be repaired at the expense of the said Unit Owner.

Complaints regarding the management of the Building or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or owners of adjoining Units; nor shall any nuisance or immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

Certain parts of the Common Elements are intended for use for the purpose of affording pedestrian movement within the Condominium and of providing access to the Units. No part of the Common Elements shall be obstructed as to interfere with its use for the purposes hereinabove recited; nor shall any part of the Common Elements be used for general storage purposes, except maintenance storage or where specifically designated as such; nor shall anything be done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvements situated thereon.

No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

Smoke detectors must be installed in every Residential Unit as required by New York City Building Code. It is the obligation of the Unit Owner to maintain the alarms and to make certain the units are in working order at all times.

Each Residential Unit Owner shall notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall install at such Unit Owner's expense, the required window guards in all

windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without full knowledge of the Managing Agent.

The entrances, passages, public halls, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a family member of a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Building by another vehicle.

No group tour or exhibition of any part of a Residential Unit or its contents shall be conducted nor shall any auction sale be held in any part of a Residential Unit without the consent of the Board of Managers or the Managing Agent in each instance.

Plantings on any terrace or balcony shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches from the terrace or balcony surface, and, if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace or balcony, but shall stand on supports at least two inches above such surface. It shall be the responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.

The agents of the Board of Managers or the Managing Agent, and any contractor or workman authorized by the Board of Managers or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

The cost of maintenance and repair of the front yard, driveway, Parking Spaces, sidewalks and adjacent curbs, including keeping them free from snow, ice, dirt and rubbish, shall be the responsibility of the Condominium. Any fees or fines assessed or levied for failure to properly keep the sidewalks and adjacent curbs free from snow, ice, dirt and rubbish and to otherwise properly maintain and repair such sidewalks and adjacent curbs shall be the responsibility of the Condominium.

The parking spaces may be used only for the parking of (a) motor vehicles no larger than a van and/or (b) motorcycles.

No structures of any type may be constructed or installed or placed in the driveway, Parking Spaces or front yards other than fencing or gates.

No dog shall be kept in any yard area.

The Rules and Regulations govern the use of the Units and Common Elements and may be amended from time to time by the Board of Managers. However, no amendment of the Rules and Regulations shall be applicable to any Unsold Unit unless agreed to by Sponsor or Sponsor-designee, as the case may be.

Any consent or approval given under the Rules and Regulations of the Condominium may be amended, modified, added to, or repealed at any time by resolution of the Board of Managers. Further, any such consent or approval may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature.

REAL ESTATE TAXES

Each Unit will be taxed as a separate tax lot for real estate tax purposes. No Unit Owner will be responsible for the payment of, nor will his or her Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. The City of New York subdivides tax lots into separately assessed lots as of July 1st of every year. Accordingly, depending upon when the Declaration and By-Laws are recorded, there can be a delay of up to a year and several months until a separate assessment can be obtained.

The projection in Notes to Schedule A on page 20 for real estate taxes, including Section 421-a RPTL benefits covers the period July 1, 2005 through June 30, 2006, which is tax year 2005/2006. The projection in Notes to Schedule A on such page for real estate taxes without Section 421-a RPTL benefits is based upon the post-construction assessed value number estimated by Jerome Mazursky. It is assumed that this number will be in effect for July 1, 2005, based upon a completed Building. If not, then it is expected that the number will be less for 2005/2006, with the projected assessed valuation being implemented for 2006/2007.

The Property comprises most of a site (Block 8804, lot 84), a small portion of which is to comprise part of an adjacent Condominium project. The Property will become a new lot 84, slightly smaller than the previous lot 84, prior to its being further subdivided into condominium lots.

Accordingly, there is no complete prior tax history for the tax lot on which this Condominium project is being built since a small portion of it is being split off. The recent tax history for tax lot 84 is as follows:

Block 8804, lot 84

	<u>Transitional Land</u>	<u>Transitional Total</u>	<u>Actual Land</u>	<u>Actual Total</u>
2003/04	\$49,950	\$49,950	\$49,950	\$49,950
2002/03	49,950	49,950	49,950	49,950
2001/02			49,950	49,950
2000/01			49,950	49,950

The Sponsor is applying, at its sole cost and expense, for partial real estate tax exemption benefits for the Condominium pursuant to Section 421-a of the Real Property Tax Law of the State of New York and the Regulations issued pursuant thereto by the City of New York. It is anticipated that the Property will receive such benefits, for the period of construction (i.e., 2003/2004 and

2004/2005 tax years) plus for a fifteen year period commencing for the 2005/2006 tax year on a declining basis as set forth below.

If this Property receives partial real estate tax benefits pursuant to Section 421-a of the RPTL the Residential Units shall receive 100% exemption on any increase in assessed valuation in effect during the tax year preceding commencement of construction for the period of construction not to exceed three (3) years and for ten years thereafter. Subsequently, the exemption benefits are reduced at the rate of twenty percent every year. Full real estate taxes commence at the beginning of the sixteenth year.

Sponsor anticipates that the Department of Housing Preservation and Development of the City of New York ("HPD") will issue a Preliminary and Final Certificate of Eligibility pursuant to Section 421-a of the RPTL and the Department of Finance of the City of New York will grant a partial exemption from real property taxes which shall be applied to the entire increase in the assessed valuation of the Property above the assessment which was in effect for tax year 2002/2003.

Section 421-a of the RPTL provides for real estate tax exemption benefits for "multiple dwellings" which are not concurrently receiving real estate tax exemption benefits under any other law. (Section 421-a2(c)(1)). Additionally, construction must have commenced after January 1, 1975 and prior to December 31, 2007 (Section 421-a2(c)(ii)). Said statute also provides, in Section 421-a2(d) that to be eligible for exemption such construction must take place on land which thirty-six months prior to commencement of construction was "vacant, predominantly vacant, under-utilized or improved with a non-conforming use."

Construction of footings and foundations at the site is anticipated to commence in April, 2004. The site was previously a parking lot for a restaurant, and therefore was vacant.

Since tax exemption benefits pursuant to Section 421-a RPTL have not yet started, any benefits obtained by Sponsor for the period of construction must be obtained from the City of New York by remission. Accordingly, Sponsor shall be entitled to any such benefits by remission for the period during which it owns the Property and for that portion of the benefits by remission allocated to the Units owned by Sponsor or its designees during the time period Sponsor or its designees owns such Units. Each respective Unit Owner will be entitled to any benefits by remission allocated to the Unit owned by such Unit Owner during the time period which the Unit was owned by the particular Unit Owner.

The estimates set forth in Schedule A, both with and without Section 421-a RPTL benefits, which were projected by Jerome Mazursky, are approximately in the proportion that each Unit's percentage of Common Interest bears to the aggregate Common Interest of all Residential Units. However, no assurance can be given that this method of apportionment of real estate taxes will be the final method used by the City of New York taxing authorities in establishing real estate taxes. The estimates without Section 421-a RPTL benefits are also based upon a real estate appraisal made

by Jerome Mazursky, MAI, CAE that the post-construction assessments for the Units will be as follows:

<u>Unit</u>	<u>Land</u>	<u>Total</u>
Unit 1F	\$ 4,500	\$16,720
Unit 1R	\$ 4,500	\$16,720
Unit 2	\$ 5,800	\$23,280
Unit 3	\$ 5,800	\$23,280

However, no representation or warranties are herewith given by the Sponsor that the actual assessed valuation of the Residential Units will not exceed or be less than that amount.

Subsequent to the recordation of the Declaration of Condominium, each Unit will be given its own tax lot and each Unit Owner will only be responsible for payment of real estate taxes on his own Unit. A Unit Owner will not be responsible for the payment of, nor will his or her Unit be subject to, any lien arising from the non-payment of real estate taxes on other units.

If on the date of the First Unit Closing, each of the Units shall not have been separately assessed as an independent tax lot, then until such time as said independent tax assessment shall be made and in effect each Unit Owner, including Sponsor, shall be nonetheless responsible for the cost of their proportionate amount of the aggregate real estate taxes. Please consult the section of the Offering Plan titled "Unit Closing Costs and Adjustments" for discussion of requirements that Unit Owners, including the Sponsor, place money in escrow for payment of real estate taxes prior to the issuance of a separate real estate tax bill for each tax lot.

Sponsor represents that it will keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits, which can result in the reduction or revocation of benefits if proper documentation is not provided. Sponsor represents that upon the First Unit Closing it will make all Section 421-a RPTL real estate tax benefit documents available to the Board of Managers for inspection and copying for the life of the benefits. Sponsor further represents that it will file all applications and timely comply with all procedures required to properly process and maintain the Section 421-a RPTL real estate tax benefits.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

A Unit Owner will own his or her Unit and its appurtenant Common Elements in fee simple absolute and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Unit Owner owns his or her Unit in fee simple absolute, he or she may mortgage his or her Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

As fully set forth in the tax opinion of Stempel, Bennett, Claman & Hochberg, P.C., counsel to the Sponsor, in Part I of this Plan (the "Tax Opinion"), under present law, a Residential Unit Owner will, for Federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid or accrued under sections 163 and 164.* These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Tax Opinion. These deductions may also affect an individual Residential Unit Owner's liability for the alternative minimum Federal income tax. Each individual Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to similar deductions for the mortgage interest and real estate taxes paid or accrued during the taxable year. Such deductions may also affect his or her New York City minimum tax liability.

Once the Building is converted to condominium ownership, the affairs of the Condominium will be governed by a Condominium Board. Common Charges will be borne by all Unit Owners and assessed and collected by the Condominium Board. Under present law, the exact tax status of the Condominium Board is uncertain and no opinion has been rendered with respect to it. The Federal income tax consequences to the Condominium Board with respect to the receipt of the Common Charges and of the expenditure of Condominium funds will depend on whether the Condominium Board:

- (i) is treated as a conduit,
- (ii) qualifies and elects to be taxed under section 528, or
- (iii) is treated as a corporation.

If the Condominium Board is treated as a conduit, it will not be subject to tax. Rather, items of income, expenses, credits and deductions will be attributed to each Unit Owner in proportion to his Common Charges. Thus, for example, interest earned on funds reported by the Condominium Board would be taxed to the Unit Owners. There appear to be no judicial precedents directly supporting such treatment and the position of the Internal Revenue Service

* All section references are to the Internal Revenue Code of 1986 unless otherwise indicated.

(the "Service"), which is described more fully below, appears to be that a condominium management association is an association taxable as a corporation.

If it satisfies the requirements of section 528, the Condominium Board may elect to be exempt from Federal income tax on the Common Charges. Generally, those requirements are:

- (i) The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance, and care of association property;
- (ii) Sixty percent or more of the gross income of the condominium management association must consist of assessments from residential unit owners ("Exempt Function Income");
- (iii) Ninety percent of the expenditures of the condominium management association must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;
- (iv) No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the condominium management association's property or by rebates of excess assessments; and
- (v) Substantially all of the units must be used as residences.

Under the Treasury regulations issued pursuant to section 528, a condominium management association must qualify annually for the election under section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue.

It appears, with respect to this Building, that the requirements for a section 528 election will be met, at least for the first year of condominium operation.

A condominium management association meeting the requirements of section 528 and electing to be exempt from Federal income tax on Exempt Function Income would be taxable at a rate of 30% on the amount by which its other income exceeds the amount of allowable deductions that are directly connected with the production of such income. Such an association, however, would not be allowed certain deductions that are available to corporations that are not taxable under section 528.

Certain published rulings of the Service implicitly state that a condominium management association which cannot qualify to elect the benefits under section 528, will be treated as an association taxable as a corporation. Consequently, unless a valid election pursuant to section 528 has been made, it appears that the Condominium Board would be taxable on that portion of the Common Charges which exceeds the deductible expenses paid or incurred by the Condominium Board for the operation of the Condominium property. The Condominium would also be taxable on income derived from the interim investment of the Common Charges, on income from nonresidential leases of Common Elements, and on income from the operation of facilities that are available to outsiders, net of deductible expenses related to the production of such income.

If the Condominium is treated as a corporation for Federal income tax purposes, the Condominium Board might still contend that a portion of the Common Charges that it receives should not be includible in its gross income. For example, published rulings of the Service indicate that assessments collected by a condominium management association and expressly designated for use for specified capital improvements that are owned in common, and which are not commingled with funds collected for operating expenses or as contingency reserves, should not be included in the gross income of a condominium management association. No part of such an assessment may, however, be expended by the condominium management association for the benefit of an individual owner.

In addition, in connection with assessments for ordinary operating expenses, such as the Common Charges, a condominium management association may not have any taxable income if the expenses of the condominium management association with respect to managing, operating, and replacing the common elements of the Condominium either equal the assessment or any excess amount is annually returned to unit owners or applied to the next year's assessment. Based on the facts in existence at the present time, it appears that the Condominium Board is unlikely to have a substantial amount of income other than the Common Charges.

If section 528 is not applicable, moreover, the Service has noted that a condominium management association may be eligible for the tax treatment afforded to certain cooperatives under Subchapter T of the Code. However, there is very little guidance with respect to the applicability of these provisions to an association managing residential condominium units since generally only farming cooperatives avail themselves of these provisions.

If the Condominium Board makes additional assessments to cover the amounts of any Federal, New York State, or New York City tax liability incurred, such additional assessments may also be taxable to the Condominium.

The foregoing summary is for informational purposes only and Sponsor's counsel expresses no opinion with respect to the likelihood of which method of taxation will be applied to the Condominium.

EACH PURCHASER SHOULD CONSULT HIS OR HER OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF THE PLAN AND OF RESIDENTIAL UNIT OWNERSHIP.

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COUNSEL'S TAX OPINION LETTER

Mazie, LLC
2369 Royce Street
Brooklyn, NY 11234

May 10, 2004

Re: Offering Plan for the Conversion to Condominium Ownership of Premises
2841 Ford Street, Brooklyn, New York

Gentlemen/Mesdames:

You have requested our opinion concerning (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes (but not for purposes of the New York City earnings tax on non-residents) to persons who purchase Residential Units for private residential use ("Residential Unit Owners") under the Plan; and (ii) the proper treatment by the Condominium Board for such income tax purposes of the Common Charges paid or borne by all Unit Owners. Except where otherwise indicated herein, the terms used in this opinion have the same meanings as in the Plan.

In this connection, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986 ("Code"), the New York State Tax Law, the New York City Administrative Code, the Regulations promulgated thereunder and such other materials as we deemed relevant, and we have assumed that the closing under the Plan will occur in 2004.

I. Deductions for Mortgage Interest and Real Estate Taxes

A Unit Owner will own his Unit and its Appurtenant Interest in the Common Elements in fee simple absolute. Accordingly, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will be individually liable for the payment of such real estate taxes. A Unit Owner, per terms of the Offering Plan, may also mortgage such Unit(s) and become individually liable for the payment of any finance charges or interest on such mortgage indebtedness.

In our opinion, a non-corporate Residential Unit Owner who itemizes his deductions will be entitled to a deduction in computing his taxable income for Federal income tax purposes for bona fide mortgage interest incurred with respect to his Unit in the year paid or accrued

provided that, up to the aggregate amount of \$1,000,000.00 for all qualifying mortgages on all qualifying Units, A) the mortgage does not exceed the lesser of (i) the Owner's original basis in his Unit plus the cost of improvements, if any, or (ii) the fair market value of the Unit and B) his Unit is a qualified residence." A unit will be a "qualified residence" if it is either (i) the Owner's "principal residence" as that term is defined by Section 1034 or (ii) a residence as defined by Section 280A(d)(1) and the Owner selects it as a qualified residence. Thus, a single taxpayer or a married couple filing a joint return may have two, and only two, qualified residences. In the case of a married couple filing separate returns, each taxpayer may take into account a single "qualified residence", unless by written agreement they consent to one of them taking into account a principal residence and one other residence. Under Section 461(g) of the Code, no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

In our opinion, a Residential Unit Owner whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit in the year paid or accrued under Section 164 of the Code.

It is also our opinion that each Unit Owner whose Unit is used in an active profession and/or trade or business, other than the rental of such Unit, in which the Unit Owner materially participates, will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit in the year paid or accrued under Section 164 of the Code.

Other rules are applicable to a Unit Owner if the Unit is to be used in a trade or business or is to be held for rental. In these cases, the Tax Reform Act of 1986 will have broad impact, and no opinion is offered as to the consequences to such a Residential Unit Owner.

It is also our opinion that each Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year. Section 615 of the New York State Tax Law.

It should be noted, however, the benefit of a Unit Owner's deductions for interest and real estate taxes may be reduced if the Unit Owner is subject to the Federal alternative minimum tax, or the State or City minimum taxes. Section 55 of the Code. Sections 615 and 622 of the New York State Tax Law; Sections 11-1715 and 11-1722 of the City Code. In addition, it should be noted that state and local taxes, including real estate taxes, are not deductible for purposes of calculating an individual's federal alternative minimum taxable income, and that interest with respect to a "qualified residence" is generally deductible only to the extent incurred in acquiring, constructing or rehabilitating a "qualified residence" or in refinancing, without an increase in the principal amount thereof, such an indebtedness; the difference in the treatment of these and other items, for federal alternative minimum tax purposes may result in a taxpayer becoming subject to such tax even though he has no items of tax

preference.

It should be noted that our opinion as to the availability of deductions to a Unit Owner with respect to mortgage interest and real estate taxes in connection with his or her Unit used in an active profession and/or trade or business, other than the rental of such unit, is based on the assumption that such owner will have "at risk", within the meaning of Section 465 of the Internal Revenue Code, in such profession, trade or business, an amount equal to, or in excess of his losses in connection with said profession, trade or business, including such deduction.

II. Common Charges

Common Charges will be borne by the Unit Owners and assessed and collected by the Board of Managers ("Condominium Board").

Under Section 528, added to the Code by the Tax Reform Act of 1976, some Condominium Boards may be eligible to be exempt from tax on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met.

Generally, these requirements are:

- (i) The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance and care of association property;
- (ii) Sixty percent or more of the gross income of the condominium management association must consist of assessments from residential unit owners ("Exempt Function Income");
- (iii) Ninety percent of the expenditures of the condominium management association must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;
- (iv) No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the condominium management association's property or by rebates of excess assessments; and
- (v) Substantially all of the units must be used as residences.

Under the Treasury regulations issued pursuant to section 528, a condominium management association must qualify annually for the election under section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to

elect the benefits of section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue.

It appears, based upon your representations to us, that the requirements for election under section 528 will be met as the Offering Plan is currently structured. With respect to requirement (v) above "Substantially all" is interpreted in Treasury Regulation 1.528-4(b) as meaning at least 85% of the total square footage of all units in the project. Units which are used for purposes auxiliary to residential use (such as laundry areas, swimming pools, tennis courts, storage rooms and areas used by maintenance personnel shall be considered for residential purposes. Accordingly, the "Substantially all" requirement is satisfied.

Assuming the Condominium Board is eligible to make a Section 528 election, it would still be subject to tax on any income not received as assessments or other such payment from Unit Owners; thus, if the Condominium Board realized interest income from funds on deposit, such interest might be taxable to it.

If an election under Section 528 is not in effect for the taxable year, the tax status of the Condominium Board will be governed by the rules in effect prior to the enactment of Section 528 ("existing law").

Under existing law, the tax status of the Condominium Board is uncertain. The By-Laws provide that the Condominium Board will act as the agent of the Unit Owners. Thus, the Condominium Board may take the position that it is simply a conduit for receipts and payments of the Unit Owners for whom it acts as agent and not a separate entity. In such case, the Unit Owners would themselves be taxable on any interest or similar income which is earned from investments of the amounts which are assessed and collected from the Unit Owners and/or held as reserve funds.

However, the Internal Revenue Service may contend that for purposes of those matters administered through the Condominium Board, such as the assessment and expenditure of Common Charges, the Unit Owners through the Condominium Board, constitute an association taxable as a corporation. In such event, such association may be deemed subject to the Federal corporate income tax (and also to New York State and New York City corporate income taxes) on the portion of the Common Charges which is deemed to constitute gross income of such association, to the extent that such portion (together with any income earned from other sources, such as interim investments of funds by such association) exceeds the current expenses paid or incurred through the Condominium Board which are deductible for Federal income tax purposes.

In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to such Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected, Rev. Rul. 75-370, 1975-2 Cum. Bull. 25, or because the assessed Common Charges are deemed to be nontaxable contributions to the capital of the

association. Rev. Rul. 75-371, 1975-2 Cum. Bull. 52 Cf. *Concord Village, Inc.*, 65 T.C. 142 (1975). However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be treated as receiving a distribution equal to the fair market value of that benefit; under the usual rules applicable to distributions of associations, a distribution is first treated as taxable ordinary income to the extent of the distributee's proportionate share of the association's earnings and profits, then as a tax-free recovery of basis to the extent thereof, and the balance, if any, as capital gain.

In this connection, it should be noted that if the Condominium Board is determined to be a separate taxable entity for federal income tax purposes, it is possible that the limitations of Section 277 may be found to apply. If this were the case, the Condominium Board's income from sources other than Unit Owners, if any, could not be offset by the Condominium Board's expenses incurred in the provision of services to Unit Owners. It is unclear how interest or other income earned on the investment of a required reserve fund would be treated for this purpose; if such income were treated as not derived from the Unit Owners in consideration of services rendered them by the Condominium Board, then such income may not be reduced by the Condominium Board's operating expenses with respect to the property and may result in a liability for taxes.

In the event that the Condominium Board is required to pay any Federal, New York State or New York City income tax, and the Condominium Board makes an additional assessment in order to meet this tax liability, it should be noted that the additional amount collected through such assessment may itself be subject to tax. See, *Old Colony Trust Co. v. Commission*, 279 U.S. 716 (1929); Rev. Rul. 74-75. 1974-1 Cum. Bull. 19; Rev. Rul. 86-14 I.R.B. 1986-5, 33.

We express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to any tax status of the Plan of a Unit under the laws of any other U.S. or foreign jurisdiction.

Thus, this opinion does not deal with tax consequences which may result from ownership of a Unit in connection with the Unit Owner's trade or business, other than set forth herein, or for purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences which may arise if Units or Limited Common Elements are acquired and/or leased by the Condominium Board. It is also to be noted that under certain circumstances an owner of any Residential Unit, by virtue of such ownership, may be deemed to become a resident of New York City and that this opinion does not deal with the circumstances under which this may occur, or with the income, estate or other tax consequences that may arise therefrom. Thus, each person contemplating the purchase of a Unit is strongly advised to consult his own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion).

In our opinion, Unit Owners will be entitled to income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause Unit Owners not to be entitled to income tax deductions.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan.

Very truly yours,

Stempel Bennett Claman & Hochberg P.C.
Stempel Bennett Claman & Hochberg, P.C.

STEMPEL BENNETT CLAMAN & HOCHBERG, P.C.

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May 10, 2004

**COUNSEL'S OPINION CONCERNING
SECTION 339-i OF THE REAL PROPERTY**

Mazie, LLC
2369 Royce Street
Brooklyn, New York 10012

Re: Offering Plan for the Conversion to Condominium Ownership
of Premises 2841 Ford Street, Brooklyn, New York

Gentlemen/Mesdames:

You have requested our opinion concerning compliance with New York Real Property Law Section 339-i in assigning the percentage of common interest to each unit. In this connection we have reviewed the appropriate schedules in the Offering Plan.

In our opinion the assignment of percentages of Common Interest complies with Section 339 of the New York State Real Property Law. The allocation of percentage of Common Interest for the Condominium Units in the plan is made pursuant to Section 339-i(1)(iv) of the Real Property Law, which considers each Unit's floor space, location, uniqueness, overall dimensions and similar factors of relative value to other space in the Condominium. This opinion is also based upon expert factual determination set forth earlier in the Offering Plan.

Very truly yours,

Stempel Bennett Claman & Hochberg, P.C.
Stempel Bennett Claman & Hochberg, P.C.

-102-
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OF COUNSEL
CHERYL R. BLOOMBERG

May 10, 2004

COUNSEL'S REAL ESTATE TAX BENEFITS OPINION

Mazie, LLC
2369 Royce Street
Brooklyn, New York 10012

Re: 2841 Ford Street, Brooklyn, New York
Block 8804, lot 84

Gentlemen/Mesdames:

You have requested that I advise you with respect to the applicability of the City of New York's program for partial real estate tax exemption under Section 421-a of the Real Property Tax Law ("Section 421-a RPTL or the "Statute") and whether the building being newly constructed at the captioned premises is eligible to receive partial tax exemption benefits pursuant to such statute and regulations promulgated thereunder.

The cited Statute was enacted with the specific intent to encourage residential construction. The Statute does so by providing for partial real estate tax exemption on increases in assessed valuation of eligible property which result from the new construction of a Class "A" Multiple Dwelling, during the construction period and on a descending sliding scale for a period of either ten, fifteen or twenty-five years after completion of construction, depending upon the nature of the project and its geographic location within the City of New York. The Owners of the property must, at all times, continue to pay real estate taxes on the assessed valuation of the property in effect for the fiscal tax year prior to the tax year in which construction commences and on any subsequent assessed valuations for local improvements.

You have advised me that you are in the process of constructing a condominium which will contain four (4) residential units, consisting of two three (3) bedroom and two one (1) bedroom apartments. You have also advised me that the average square footage of each residential apartment will be in excess of 1,000.00 square feet. In order for the completed property to be eligible for partial real estate tax exemption under Section 421-a of the RPTL and the Rules and Regulations, the following major requirements must be satisfied:

1. The project must consist of a new multiple dwelling with three or more dwelling units. Since the Condominium will contain four (4) residential units, this requirement will be satisfied.
2. The construction of the Condominium must have commenced on or after January 1, 1975 and prior to December 31, 2007. You have advised us that the new building permit was issued by the Department of Buildings on December 5, 2003, and that the construction of initial footings and foundations is anticipated to commence in April, 2004 and that you expect to complete construction of the Condominium by approximately December 31, 2004. The commencement and completion of the Condominium within the aforesaid time periods will satisfy this second requirement.
3. The land on which the Condominium is to be constructed must have been vacant, predominantly vacant or under-utilized or improved with a non-conforming use thirty-six months prior to commencement of construction.

New York City real estate tax assessment records for the tax years 2000/2001, 2001/2002 and 2002/2003 for physical improvements at the site was zero. Based upon the foregoing, the site qualifies as vacant for the purposes of Section 421-a.

In 1994, The New York City Department of Housing Preservation and Development ("HPD"), as the local housing agency, adopted rules and regulations providing for a period of partial exemption of 15 years for new construction of multiple dwellings located in the Borough of Brooklyn.

Although there are a number of additional criteria for determining eligibility for Section 421-a benefits, most of them are not applicable to condominium buildings. If any of the other requirements are applicable to the condominium, we assume that they will be satisfied.

If the foregoing information and assumptions are accurate and valid, and, therefore, the Section 421-a requirements are met, the Property shall be partially exempted from taxation for local purposes, other than assessments for local improvements, for a period subsequent to the taxable status date immediately following completion of construction as set forth on the schedule below.

FIFTEEN YEAR EXEMPTION

<u>Year</u>	<u>Percent of Increased Assessed Valuation Which Is Exempt</u>
First through Eleventh	100%
Twelfth	80%
Thirteenth	60%
Fourteenth	40%

Fifteenth	20%
Sixteenth	0%

The Section 421-a RPTL requires that in addition to any taxes due which are attributable to the non-exempt portion of the assessment as set for the above, the unit owners will be liable for real estate taxes based upon the current tax rate on the assessed valuation of the land and any improvements thereon during the tax year preceding the commencement of construction, which is commonly known as the "mini-tax."

4. An application for a Preliminary Certificate of Eligibility may be filed with HPD after the commencement of construction, but must be filed prior to the completion of construction. For buildings to be owned as a condominium, it is now required that the Preliminary Certificate of Eligibility be filed with the Department of Finance prior to creation, by the City Surveyor, of the individual tax lots representing the individual condominium apartments. In the event the Preliminary Certificate of Eligibility is not granted prior to the filing of the condominium declaration, the 421-a exemption will be granted, but the Offering Plan must state how the benefits will be divided among the condominium units.
5. An application for a Final Certificate of Eligibility must be filed with HPD after the issuance of a Temporary Certificate of Occupancy for the residential portions of the condominium or the date of issuance of the Permanent Certificate of Occupancy, whichever occurs first, but in any event, prior to the first taxable status date following the completion of construction. Copies of both the Preliminary and Final Certificates of Eligibility must be filed with the Real Property Assessment Bureau of the New York City Department of Finance at the required times. We have been retained to make an application for a Preliminary and a Final Certificate of Eligibility to HPD.

Since the Property is located in Brooklyn, New York it is outside the geographic exclusion zone. Accordingly, its geographic location does not negatively impact eligibility.

The total assessed valuation for Block 8804, lot 84, most of which comprises the Property, was \$49,950.00 for 2002/2003, the year prior to the start of construction.

Utilizing a projected 2004/2005 Class 1A tax rate of 14.25%, which Class applies to three-story residential condominiums originally built as condominiums, results in a mini-tax of \$7,118.00 for the entire Property. Assuming the project commenced in tax year 2003/2004 and was completed by December 31, 2004, the first year of 421-a RPTL post construction tax exemption will be 2005/2006. Accordingly, the schedule of exemptions for eligible tax years would be as follows:

<u>Year</u>	<u>Percentage of Exemption</u>
2005/2006 through	
2015/2016	100%
2016/2017	80%

2017/2018	60%
2018/2019	40%
2019/2020	20%
2020/2021	0%

The tax year 2004/2005 will receive exemption benefits at the rate of 100% of the increased assessed valuation attributable to the new construction (subject to the mini-tax) as a construction period year.

Our opinion is based upon Real Property Tax Law 421-a as presently in effect, as well as the current Rules and Regulations of HPD.

421-a benefits are not automatic. An application must be made to HPD. This application must contain supporting documentation. All information contained in a 421-a application must be true and complete. These benefits may be revoked if an application contains false information. The Rules and Regulations of HPD require that the books and records which support the application must be available for an audit at any time during the life of the abatement or the exemption.

We have issued this letter with the specific understanding that we make no warranties that Section 421-a partial tax exemption will be forthcoming. This letter was prepared by the undersigned based solely on the information as supplied to us by the Sponsor and its architect. There has been no independent verification of that information. We have not passed upon the accuracy of any figures or estimates contained in the Plan, including Schedule A.

The opinion expressed herein is the opinion of the undersigned, and does not necessarily express the opinion of HPD, the Real Property Assessment Bureau or any City or government agency. Opinions of these departments may be different from the undersigned's and may result in radically different determination. We consent to the inclusion of this letter in the Offering Plan, with the understanding that its purchasers are aware of the various conditions precedent to obtaining 421-a exemption, as well as the determination of an assessed valuation.

THIS LETTER IS BASED UPON INFORMATION PROVIDED BY THE SPONSOR AND THE FACTS, ASSUMPTIONS AND INTERPRETATIONS MADE ABOVE. NO WARRANTIES OR ASSURANCES ARE GIVEN BY THIS FIRM THAT THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK OR THE TAX COMMISSION OF THE CITY OF NEW YORK OR THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT WILL ALLOW SECTION 421-A PARTIAL EXEMPTION BENEFITS OR THAT THE TAX LAWS AND/OR REGULATIONS ON WHICH THIS LETTER IS BASED WILL NOT CHANGE. IN NO EVENT WILL THIS FIRM BE LIABLE IF FOR ANY REASON DUE TO CHANGES IN FACTUAL REPRESENTATIONS MADE BY SPONSOR, ORAL REPRESENTATIONS MADE BY SPONSOR, ASSUMPTIONS MADE HEREIN OR CHANGES IN APPLICABLE LAW, REGULATIONS OR DECISIONAL LAW, IT SHALL BE DETERMINED THAT THE PREMISES DOES NOT MEET OR AT ANY FUTURE TIME CEASES TO MEET THE REQUIREMENTS OF SECTION 421-A OF THE REAL PROPERTY TAX LAW OF THE STATE OF NEW YORK,

AS AMENDED, OR THE REGULATIONS PROMULGATED THEREUNDER.

Very truly yours,
Stempel Bennett Claman + Hochberg, P.C.
Stempel Bennett Claman & Hochberg, P.C.

RESERVE FUND AND WORKING CAPITAL FUND

Reserve Fund

No provision has been made for any Reserve Fund. Sponsor can make no guaranty or warranty that there will be no need for replacement of capital equipment within five (5) years subsequent to the First Unit closing. However, as a result of the Building having been newly constructed, it is not anticipated that major capital improvements will be needed within the next five (5) years.

Working Capital Fund

At the time of the first closing of title to each Unit to a bona fide Purchaser, from Sponsor, such Purchaser shall pay the sum equal to one (1) month of Common Charges for the Unit being purchased at the time of the closing to the Board of Managers for its working capital (the "Working Capital Fund"). This fund would ordinarily be used for the payment of any net closing adjustments in favor of the Sponsor. However, Sponsor shall waive any such net closing adjustments with the Condominium Board in its favor which would reduce the Working Capital Fund below zero. If the net closing adjustments are in favor of the Condominium Board, the amount thereof will be paid or credited to the Working Capital Fund at the First Unit Closing by Sponsor. The amounts in the Working Capital Fund may be held or used at any time for working capital to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Board of Managers in its sole discretion.

General

No provision had been made for any Reserve Fund or for any Working Capital Fund other than the above. If additional funds are required, it may be necessary to increase Common Charges or make Assessment on Unit Owners.

For such period as Sponsor retains control of the Board of Managers, neither the Working Capital Fund nor the Reserve Fund shall be used to reduce Common Charges.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF EITHER THE WORKING CAPITAL FUND OR THE RESERVE FUND.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Management Agreement

At or prior to the First Unit Closing, the Condominium Board ("Principal") will enter into a management agreement with the Sponsor, having an office at 2369 Royce Street, Brooklyn, N.Y. 11234 ("Managing Agent" or "Agent"). The agreement will be for an initial term of one year, commencing on the date of the First Unit Closing. The Managing Agent will receive a stated annual fee of \$600.00, payable in equal monthly installments. After the first year, the management agreement shall automatically renew on a month to month basis until terminated as set forth below. At any time after the first year, this agreement may be terminated at the option of either party at the end of any calendar month upon thirty (30) days' previous notice in writing from one party to the other. Upon termination, the parties shall account to each other with respect to all uncompleted business, and the Agent shall promptly deliver to the Principal all books and records and other instruments relating to the Building and the Principal that may be in the possession of the Agent.

The duties and services to be rendered by the Managing Agent include, among others:

(a) Cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the Building, who, in each instance shall be the Principal's and not the Agent's employees, and cause to be discharged all persons unnecessary or undesirable, except that no person presently employed at the Building shall be discharged, nor shall any new personnel be hired, without the prior consent of the Principal. It is expressly understood and agreed, however, that all employees are in the employ of the Principal, solely and not in the employ of Agent and that Agent is in no way liable to employees for their wages or compensation nor to the Principal, or others for any act or omission on the part of such employees.

(b) Cause the Building to be maintained in such condition as may be deemed advisable by the Owner, including interior and exterior cleaning, and cause repairs and alterations of the Building to be made, including, but not limited to, electrical, plumbing, steamfitting, carpentry, masonry, decorating, and such other incidental alterations or changes therein as may be proper, subject only to the limitations contained in this agreement or in the Condominium Declaration or By-Laws. Ordinary repairs or alterations involving an expenditure of over \$1,000.00 for any one item shall be made only with the approval of the Principal, but emergency repairs, i.e., those immediately necessary for the preservation of the Building or for the safety of the Unit Owners, the occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building, may be made by the Agent irrespective of the cost thereof, without the prior approval of the Principal, after consultation, if feasible, with the president, vice president or treasurer of the Principal (in the order given). In the event that the Principal undertakes any capital improvement or major repair of the Building, the Agent shall be responsible for seeing that the work is done with as little interference or interruption of Building services as possible, and shall be responsible for seeing that all reasonable precautions are taken to preserve and protect the Building and the property of the Unit Owners and the occupants of the Building. In the event that the Owner

undertakes such a capital improvement or repair involving an expenditure in excess of \$10,000.00, the Agent shall not be required to undertake supervisory responsibilities except under the provisions of a separate instrument setting forth the Agent's obligations and compensation relating thereto.

(c) Recommend and, with the approval of the Principal, cause all such acts and things to be done in or about the Building as shall be necessary or desirable to comply with any orders or violations affecting the Building, as a result of any action by any federal, state, or municipal authority having jurisdiction thereover, or any order of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange or other similar body, except that if failure promptly to comply with any such order or violation would or might expose the Principal or the Agent to criminal liability, the Agent may cause such order or violation to be complied with after consultation, if feasible, with the president, vice president or treasurer of the Principal (in the order given). The Agent shall notify the Principal promptly after receipt of any order or violation, as aforesaid. The Principal shall be responsible for the cost of complying with any order that may be issued in respect of the Building.

(d) Enter into contracts for electricity, gas, air conditioning, telephone, window cleaning, rubbish removal, fuel oil, security services, vermin extermination, other essential services, or such of them as shall be advisable, but any such contract having a term longer than one (1) year or requiring annual payments in excess of \$1,000.00 must be authorized by an officer of the Principal.

(e) Purchase all supplies and engage all repair persons as shall be necessary to properly maintain and operate the Building; make all such contracts and purchases in either the Principal's or the Agent's name, as the Agent shall elect; and credit to the Principal any discounts or commissions obtained for purchases or otherwise. Purchases in excess of \$1,000.00 must be authorized by an officer of the Owner.

(f) Advise the Principal, in conjunction with an insurance broker, with respect to proper insurance coverage for the Building, its employees and occupants; if requested by the Principal, cause to be effected and/or maintained, in such amounts and through such carriers as the Principal shall designate or approve, fire, rent, plate glass, boiler, water damage, liability, workers' compensation, disability and any other insurance the Principal may elect to carry; and to cooperate with any independent insurance broker or consultant that the Principal may designate or approve and engage for the purpose of effecting insurance and protecting its interests with respect thereto. Agent, or its affiliates may receive commissions if duly licensed to do so.

(g) Check all bills received for services, work, and supplies ordered in connection with maintaining and operating the Building; pay or cause to be paid or forward to the Principal for payment as the Principal may direct, all such bills, as well as ground rent (if any), water charges sewer rent, assessments, and corporate income and other taxes assessed against the Principal or the Building as and when the same shall become due and payable.

(h) Bill or cause to be billed, Unit Owners for common charges, rent or other charges; use its best efforts to collect such common charges, rent and other charges; and, when and if directed by the Principal, serve notice upon Unit Owners, tenants or sub-tenants to quit and surrender space occupied by them. Also, when directed by the Principal, and on its behalf, in the name of the Agent, or in the name of the Principal, cause liens for common charges to be filed, sue for common charges, rent and other charges which may at any time be or become due to the Principal from any Unit Owner, tenant or sub-tenant in respect of space in the Building, and with Principal's consent employ special counsel, if necessary, for the purposes of commencing foreclosure proceedings or other appropriate action (subject to Principal's approval).

(i) Consider and, when reasonable, attend to complaints of the Unit Owners. If the Agent shall deem any such complaint unreasonable, it shall advise the Principal of the complaint and the reason for its opinion that the complaint is unreasonable.

(j) Cause to be prepared and filed the necessary forms for unemployment insurance, withholding and social security taxes and all other tax and other forms relating to employment of Building employees and maintenance and operation of the Building required by any federal, state or municipal authority.

(k) Not later than the tenth day of each month, render or cause to be rendered regular monthly statements, supported by disbursement vouchers, to the Principal, with remittance of amounts collected during the previous month less disbursements made on behalf of and for the account of the Principal, but only one such copy need be supported by disbursement vouchers. A copy of each such monthly statement shall be sent by the Agent to the President and Treasurer of the Principal.

(l) Set up and keep in good order a separate, accurate income and operating expense statement (other than books of account maintained by the Principal's accountants) and maintain orderly files containing rent records, insurance policies, correspondence, receipted bills and vouchers, and all other documents and papers pertaining to the Building or the operation thereof. In the event that Principal notifies Agent of any error in bookkeeping, billing or payment of expenses, Agent shall use its best efforts to correct such error immediately.

(m) Cooperate with the Principal's accountants in regard to the annual audit of the books of account of the Principal, including the annual report of the operations of the Principal for the year then ended. A copy of each such annual report after receipt from accountant shall be sent by the Agent to each Unit Owner.

(n) Cooperate with the Principal's accountants in regard to the preparation and filing on behalf of the Principal of federal, state, city and any other income and other tax returns required by any governmental authority.

(o) Assist Board of Managers in preparing an operating budget prior to the last meeting of the Board of Managers held in each calendar year, setting forth the anticipated income

and expenses for the Principal for the ensuing year, a comparison of said budget to the income and expenses of the preceding and current years, and any required explanations with respect thereto.

(p) Provide a suitable meeting place for the Board of Managers, send notices to managers and Unit Owners, prepare agendas for, and cause a representative of its organization to attend, the annual meeting of the Unit Owners and quarterly meetings of the Board of Managers of the Principal.

(q) Prepare, type, and send out all letters, newsletters and reports as the Board of Managers of the Principal may request, and in that connection, make available reproduction facilities of the Agent at a reasonable charge.

(r) Accept applications and references from all prospective unit owners, prospective tenants of unit owners, obtain credit reports relating to such prospective unit owners and tenants; obtain from unit owners proposing to sell their units such record searches as the Principal may require, and submit same to the Principal; including the preparation of all necessary documents required for approval and the scheduling of interviews and assisting the Principal's committee in obtaining such other reasonable information it may require in respect of prospective owners, and make recommendations to the Principal respecting its exercise of a right of first refusal. Agent shall cooperate with Principal's counsel when required.

(s) When the books of tentatively assessed valuations of the City of New York are opened for public inspection in each year, ascertain the assessment of the land on which each Unit is located and the assessment of each Unit and report such assessments to the Principal. Should any Unit Owner consider such assessments excessive the Agent will, if requested by such Unit Owner, cooperate with the Owner's attorneys in the preparation of an application for correction of the assessed valuation to be filed with the Tax Commission of the City of New York and, if the Unit Owner shall not have regular attorneys, retain special counsel (at Unit Owner's expense) to prepare such application (with the Agent's cooperation and to institute tax certiorari proceedings.

(t) Generally, do all things reasonably deemed necessary or desirable by the Board of Managers of the Principal for the proper management of the Building.

(u) Agent shall have the authority to prepare and secure signs to the Building with Agent's name thereon.

Everything done by the Agent under and in accordance with the provisions of this Agreement shall be done as Agent of the Principal, and all obligations or expenses incurred thereunder shall be for the account, on behalf, and at the expense of the Principal. Disbursements such as postage, messenger, photocopying, courier or overnight delivery expenses will be reimbursed to Agent by Principal. Any payments to be made by the Agent hereunder shall be made out of such sums as are available in the special account of the Principal, or as may be provided by the Principal. The Agent shall not be obliged to make any advance to or for the account of the Principal or to pay any sum, except out of funds held or provided as aforesaid, nor shall the Agent be obliged to incur any liability

or obligation for the account of the Principal without assurance that the necessary funds for the discharge thereof will be provided. The Board shall reimburse Agent promptly for any moneys which Agent may elect to advance for the account of the Principal. Nothing herein contained, however, shall be construed to obligate Agent to make any such advances.

Agent shall be entitled to the following additional fees.

(a) For selling property of the Principal or for leasing or subleasing space in the building on behalf of the Principal, when engaged for such purposes by the Principal, in a prior writing, reasonable commissions to be computed in a matter and in cash amounts as are agreed upon between Principal and Agent, when Agent is engaged.

(b) For the processing of purchase or rental or sublease applications, Agent may charge unit owners who make application to rent or sell their unit, a processing fee in the sum of Three Hundred Dollars (\$300), which fee may be increased in the event additional or special credit reports are required.

(c) For the coordination and assistance with financing or refinancing of residential mortgages, Agent may charge Unit Owners who finance or refinance their unit, a fee in the sum of Three Hundred Dollars (\$300).

(d) For processing and obtaining any approval required by the Department of Buildings of the City of New York the Agent may charge a Unit Owner a fee in the sum of Five Hundred Dollars (\$500).

The Agent shall not be liable to the Principal for any loss or damage not caused by the Agent's own negligence or failure to comply with its obligations hereunder. The Principal will indemnify the Agent against and hold the Agent, its officers and employees harmless from (a) any liability, damages, costs and expenses (including reasonable attorneys' fees) sustained or incurred for injury to any person or property in, about and in connection with the Building, from any cause whatsoever, unless such injury shall be caused by the Agent's, its officers', Agents' or employees' own willful or gross negligence, or the Agent's failure to comply with its obligations hereunder, (b) any liability, damages, penalties, costs and expenses, statutory or otherwise, for all acts properly performed by the Agent pursuant to the instructions of the Principal, (c) any liability, damages, penalties, costs and expenses (including reasonable attorneys' fees) arising out of, resulting from, or being in any way connected with any liens filed by or on behalf of any architects, contractors, engineers, or others against the Condominium, the Board of Managers, or the party indemnified hereunder; provided, in each of the foregoing instances, that the Agent promptly advises the Principal of its receipt of information concerning any such injury and the amount of any such liability, damages, penalties, costs and expenses. The Owner further agrees to reimburse Agent upon demand for any moneys which the latter is required to pay out for any reason whatsoever, either in connection with, or as an expense in defense of, any claim, civil or criminal action, proceeding, charge or prosecution made, instituted or maintained against Agent or the Principal and Agent jointly or severally, affecting or due to the condition or use of the Building, or acts or omissions of Agent

or employees of the Principal or Agent, or arising out of or based upon any law, regulation, requirement, contract or award relating to the hours of employment, working conditions, wages and/or compensation of employees or former employees of the Principal, or otherwise; and to defend promptly and diligently, at the Principal's sole expense, any claim, action or proceeding brought against Agent or Agent and the Principal jointly or severally arising out of or connected with any of the foregoing, and to hold harmless and fully indemnify Agent from any judgment, loss or settlement on account thereof. It is expressly understood and agreed that the foregoing provisions of this article shall survive the termination of this Agreement, but this shall not be construed to mean that the Principal's liability does not survive as to other provisions of this Agreement. Nothing contained in this article shall relieve Agent from responsibility to the Principal for gross or willful negligence. The Principal will carry liability insurance, workers' compensation and employer's liability insurance, will include the Agent as an additional insured under the liability policy and will deliver a copy of such liability policy to the Agent or a certificate evidencing the same.

The Agent, at the Principal's expense, if requested by the Principal, shall procure a fidelity bond satisfactory in form to the Principal, and issued by a bonding, insurance or casualty company satisfactory to the Principal, pursuant to which the Principal will be held harmless by the surety in an amount up to a minimum of \$50,000, which may be in the form of a blanket policy, from any loss of money or other personal property belonging to the Principal or for which the Principal is legally liable, caused by larceny, embezzlement, forgery, misappropriation, or any dishonest or fraudulent acts committed on or after the date of such bond, by the Agent, its directors, officers or employees. The Agent agrees to keep the bond in full force and effect throughout the term of the Management Agreement.

The annual certified financial statement with respect to the Condominium will not be prepared by the Managing Agent. Such statement will be prepared by an independent certified public accountant engaged by the Condominium Board whose fees are to be paid by the Condominium Board and charged to the Unit Owners as a Common Expense.

Other Contractual Agreements

At or prior to the First Unit Closing, the Board of Managers or properly authorized entity acting on its behalf may enter or re-enter into any of the service or concession agreements and/or proposals set forth below. These proposals are also set forth in the footnotes to Schedule B, commencing at page 24.

a) Exterminator — a proposal dated February 21, 2003 from Total Pest Control, 266 Beach 140th Street, Belle Harbor, N.Y. for monthly service for all insects and rodents.

b) Landscaping — a proposal from Pizzirusso Landscaping Corp., located at 2158 East 72nd Street, Brooklyn, New York 11234 for general common lawn and garden area maintenance for the 2004 season

Sponsor has reserved the right, prior to the First Unit Closing, to enter into other contracts which will be binding on the Board of Managers, provided that such contracts do not materially increase the estimated Common Charges for the First Year of Condominium Operation nor bind the Board of Managers for a period of more than three years from the date of the First Unit Closing, unless it is customary for such type of contract to be more than three years.

IDENTITY OF PARTIES

Sponsor/Selling Agent:

The Sponsor/Selling Agent of the Offering Plan is Mazie, LLC, a New York limited liability company formed on February 13, 2003. The Sponsor/Selling Agent has an office at 2369 Royce Street, Brooklyn, New York 11234. There are two (2) principals of the Sponsor/Selling Agent, both of whom are the managing members of the Sponsor. These principals are Albert Agnese and Linda R. Agnese, his wife.

The Sponsor/Selling Agent simultaneously submitted to the Department of Law four Condominium Offering Plans, including this one, all at adjacent properties. These Offering Plans and addresses are:

Freedom Square Condominium at 2841 Ford Street, Brooklyn, N.Y.

President Square Condominium at 2838 Coyle Street, Brooklyn, N.Y.

Liberty Square Condominium at 2844 Coyle Street, Brooklyn, N.Y.

Tower Square Condominium at 3149 Emmons Avenue, Brooklyn, N.Y.

Albert Agnese is a managing member of the Sponsor/Selling Agent. Formerly, he was the president of Al-Sal Restaurant Corp., which operated a restaurant on the site of which this project comprises a part. He has not been the Sponsor or principal of the Sponsor of any other condominium, cooperative or homeowners association offerings which were initially offered within the last five (5) years. However, Mr. Agnese is the principal of the Sponsor of the adjoining new construction condominium projects of similar size which are being constructed simultaneously to this project. Mr. Agnese has never filed for bankruptcy and has not been a principal of any entity which has filed bankruptcy within the last fifteen years. There are no judgments against him or any entity in which he is a principal which are material to this Offering.

Linda R. Agnese is a managing member of the Sponsor/Selling Agent. Formerly, she was the host/manager at Al-Sal Restaurant Corp., which operated on the site of which this project comprises a part. She has not been the Sponsor or principal of the Sponsor of any other condominium, cooperative or homeowners association offerings which were initially offered within the last five (5) years. However, Mrs. Agnese is the principal of the Sponsor of the adjoining new construction condominium projects of similar size which are being constructed simultaneously to this project. Mrs. Agnese has never filed for bankruptcy and has not been a principal of any entity which has filed bankruptcy within the last fifteen years. There are no judgments against him or any entity in which she is a principal which are material to this Offering.

Managing Agent:

The managing agent in the first year of condominium operation is to be the Sponsor. Neither the Sponsor nor its principals have previously managed or are currently managing any other condominiums or cooperatives.

Architect:

The architect for the project is New York Design Architects, LLP, located at 9710 Third Avenue, Brooklyn, New York. The firm has been in business for approximately ten (10) years. The firm is active in the design of commercial office spaces and has also designed apartment buildings and numerous homes, primarily in New York City. The firm's two partners are Joseph J. Smerina, AIA and Giuseppe R. Anzalone, AIA.

Counsel To Sponsor

The Sponsor has retained the law firm of Stempel, Bennett, Claman & Hochberg, P.C., 675 Third Avenue, New York, New York 10017 to represent it in the preparation and consummation of the Offering Plan. This firm drafted the Declaration, the By-Laws, this Plan, the form of Purchase Agreement, the form of deed and all other documents necessary in connection with the formation of the Condominium. James R. Bennett of the firm primarily drafted these documents. No separate counsel has been retained to represent the Condominium. It is suggested and expected that each purchaser will consult and be represented by his own counsel in connection with this Offering.

The law firm has no financial interest in the Property or the Sponsor/Selling Agent, except that it is paid a fee for legal services.

REPORTS TO UNIT OWNERS

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

- (1) The financial statement of the Condominium prepared by a certified public accountant or public accountant by March 15th of each calendar year for the prior fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers;
- (2) A prior notice of the annual Unit Owner's meeting; and
- (3) A copy of the proposed annual budget, if any, of the Condominium within ten (10) days prior to the date set for adoption thereof by the Board of Managers.

While the Sponsor is in control of the Board of Managers, the budget of the Condominium shall be certified as to its adequacy.

DOCUMENTS ON FILE

Copies of this Plan and all exhibits or documents referred to herein shall be available for inspection by prospective purchasers and by any person who shall have purchased a Unit offered under this Plan or shall have participated in the offering of such Unit, at the office of Sponsor during convenient weekday hours and shall remain available for such inspection for a period of six years from the date of the First Unit Closing. The Sponsor shall, at the time of the First Unit Closing, deliver to the Board of Managers a copy of all documents filed with the appropriate recording office.

GENERAL

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

There are no lawsuits or other legal proceedings now pending or any judgments outstanding that could materially affect this offering, the Purchasers of Units, the Property, the Condominium or the operation thereof or the Sponsor's capacity to perform all its obligations under the Plan.

To the best of Sponsor's knowledge the Property has not been the subject of any prior public offering. As of the acceptance date of this offering, the Sponsor has not entered into any agreements or contracts and has not collected any deposits or advances of funds for the sale of Units in the Building. All Units offered in the Plan are vacant.

In accordance with the provisions of the laws of the State and City of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person because of sex, race, creed, color, national origin, ancestry or other ground proscribed by law in the sale of Units offered by Sponsor pursuant to this Plan, or in the leasing of any such Units or any other portion of the Building.

Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers or prospective Purchasers, without obtaining the consent of Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided, such as in the case of an uncured default, nor unilaterally change the purchase price or the payment terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to this Plan. In the case of a material revision adversely affecting the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations of Sponsor, such Purchasers will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreements by written notice to Sponsor and be refunded all monies paid thereunder, with any interest earned thereon. However, such rescission, as to a Purchaser who first became a tenant of the Building after the acceptance date of this Plan and pursuant to a Purchase Agreement, will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Unit within thirty (30) days thereafter.

All statements and representations made in this Plan with respect to items prepared by others such as the section of the Plan titled "Sponsor's Statement of Description of Property and

Specifications or Building Condition" and the Floor Plans of the Building, have been made in reliance upon the respective firms and their authority as experts.

Unless the context otherwise requires, words used in the singular in Part I of this Plan include the plural and vice versa, and a reference to any one gender, masculine, feminine, or neuter, includes the other two.

No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. The Plan may not be changed or modified orally.

The Sponsor is not reserving the right to transfer any air or developmental rights to other buildings. Neither the current owner nor a prior owner has conveyed, transferred or reserved air or developmental rights for use in other buildings. The Property is not located in any landmark district.

Real Property Law Section 339-kk

In July, 1998, Governor Pataki signed into law the repeal of subdivision 2-d of section 352-e of the General Business Law ("GBL") and signed into law GBL Section 352-L and Real Property Law ("RPL") Section 339-kk. GBL Section 352-L pertains to cooperatives. RPL Section 339-kk pertains to condominiums.

In summary, RPL Section 339-kk provides that if a non-occupying owner fails to pay in full, within sixty (60) days after the expiration of any grace period, any common charges, assessment or late fees due for his or her unit, then the Board of Managers shall provide written notice to the tenant and the non-occupying owner stating that the tenant is to forthwith commence paying rent directly to the Condominium Association. The Board may elect not to send such notice if a majority of the Board is elected from unit owners who are in occupancy of their units. Payments of rent directly to the Board shall continue until the non-occupying owner once again becomes current with respect to common charges, assessments and late fees to the Board of Managers.

A text of RPL Section 339-kk is appears in Part II of the Plan.

**SPONSOR'S STATEMENT OF DESCRIPTION OF PROPERTY AND
SPECIFICATIONS OR BUILDING CONDITION**

Sponsor adopts the Description of Property and Specifications or Building Condition set forth in Part II of the Plan. The Sponsor represents that, to the best of its knowledge, the Description of Property and Specifications or Building Condition set forth in Part II, prepared by Giuseppe R. Anzalone, R.A., a registered architect in the State of New York, accurately states the description of property and specifications or building conditions as of the date it was prepared. Giuseppe R. Anzalone is a registered architect in the State of New York. Sponsor does not know of any material defect or need for material repairs except as indicated in such Description.

Sponsor is newly constructing the Building, which will contain four (4) Class "A", residential condominium units.

Sponsor shall obtain a temporary or permanent "Class A" residential Certificate of Occupancy which shall cover each Residential Unit prior to the closing of title to such Unit. In the event that a permanent Certificate of Occupancy has not been obtained by such closing, Sponsor is subsequently obligated to obtain same. The proposed usage of the Units in the Offering Plan will be identical to the number of Units stated in the Certificate of Occupancy. Sponsor estimates that the construction of the Building will be completed by January 1, 2005.

PART II

FREEDOM SQUARE CONDOMINIUM

PURCHASE AGREEMENT

PURCHASER(S) NAME: _____

Address: _____

Telephone: (bus.) _____ (home) _____

Social Sec. No.: _____

UNIT NO.: _____

Down Payment Herewith: \$ _____

*Amount of Mortgage
(for a term of not
less than ____ years): \$ _____

Balance Due at Closing: \$ _____
(Unfinanced)

Total Purchase Price: \$ _____

Name(s) and manner
in which title
will be taken: _____

* If Purchase Agreement is contingent on financing, see paragraph numbered 8 herein.

Statement of Seller

MAZIE, LLC, with an office at 2369 Royce Street, Brooklyn, New York 11234 ("Seller" or "Sponsor"), has promulgated a Plan of Condominium Ownership of Freedom Square Condominium (the "Plan") pursuant to which the land with appurtenances, and the Residential Units (the "Units") located in Kings County, City of New York, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions set forth in the Plan.

Statement of Purchaser

Purchaser acknowledges as follows:

AFTER DELIVERING AN EXECUTED PURCHASE AGREEMENT, TOGETHER WITH THE REQUIRED DEPOSIT, I WILL BE AFFORDED SEVEN (7) DAYS TO RESCIND THIS PURCHASE AGREEMENT AND HAVE THE FULL DEPOSIT REFUNDED TO ME PROMPTLY, PROVIDED THAT I HAVE NOT HAD AN OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SUCH DELIVERY. SUCH RESCISSION MUST BE BY WRITTEN NOTICE, ADDRESSED TO SPONSOR, AND BE POSTMARKED OR HAND DELIVERED NO LATER THAN MIDNIGHT OF THE 7TH DAY SUBSEQUENT TO MY DELIVERING THE EXECUTED PURCHASE AGREEMENT. IF I HAVE HAD AN OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR NOT LESS THAN THREE (3) BUSINESS DAYS PRIOR TO MY MAKING THE AFORESAID DELIVERY, I SHALL NOT BE PERMITTED THE AFOREMENTIONED SEVEN (7) DAY TIME PERIOD TO RESCIND THIS PURCHASE AGREEMENT.

The seven (7) day rescission period is (delete which ever is incorrect): applicable; not applicable.

Purchaser has been given an opportunity to examine the architectural plans for the above numbered Unit and for the building in which it is located (the "Building"), prepared by New York Design Architects, LLP (the "Architect").

Said Plan, which includes the Declaration to be made by the Seller and to be recorded in the Office of the Register of the City of New York, County of Kings, the schedules, By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein.

Purchaser is desirous of purchasing the above-numbered Unit, as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid Register's Office, together with an undivided interest in the Common Elements appurtenant thereto (the above-mentioned Unit and the undivided interest being hereafter collectively called the "Unit");

Agreement Between Seller and Purchaser

For good and valuable consideration, receipt of which is hereby acknowledged, Seller and Purchaser mutually agree as follows:

1. **Payment for Unit.** Sponsor hereby agrees to sell or have conveyed and Purchaser hereby agrees to purchase the Unit for the Total Purchase Price stated above. The Down Payment

stated above has been made on the signing of this Agreement, receipt of which by check subject to collection is hereby acknowledged by Seller. The Balance Due at Closing (together with the proceeds of the mortgage loan referred to in Paragraph 8 hereof, if any) shall be payable at the closing of title, as hereinafter provided in Paragraph 2, by unendorsed certified or cashier's check of Purchaser drawn on a bank or trust company which is a member of the New York Clearing House Association to the order of Seller or as otherwise directed by Seller.

2. Closing of Title. The closing of title shall take place on no less than thirty days' prior written notice to Purchaser at such place as Seller may designate, at an hour and on a date (hereinafter called the Closing Date) to be specified by Seller. Such date shall be no earlier than thirty (30) days after the date on which written notice is given to Purchaser that the Plan has been declared effective (unless Purchaser and Seller shall agree on an earlier Closing Date). Seller shall have the right from time to time, to adjourn the Closing Date on written notice to Purchaser. If adjourned, Seller shall fix a new date and time for the closing of title to the Unit and shall give Purchaser not less than five (5) days written notice of the newly scheduled Closing Date. Purchaser shall be entitled to one reasonable adjournment of up to fifteen (15) days, on five (5) days written notice by Purchaser to Seller. In addition to any other rights Seller may have by reason of Purchaser's failure to timely close title when requested, Seller shall be reimbursed by Purchaser for the cost of any real estate taxes and Common Charges which Seller would not otherwise have had to pay if there had not been an unauthorized delay in closing of title by Purchaser beyond Purchaser's right of adjournment. Further, Purchaser shall pay to Seller a per diem amount of \$200.00 commencing with and including the sixteenth (16th) day after the Closing Date fixed by Seller through the actual closing date, provided Seller has met its obligations under the Offering Plan to close title with respect to the Unit. Otherwise, such \$200.00 per day penalty shall commence after such fifteen (15) day adjournment period once Seller has complied with its obligations under the Offering Plan to close title with respect to the Unit.

At the closing of title Seller shall deliver to Purchaser or direct the delivery to Purchaser of a bargain and sale deed, with covenant against grantor's acts, conveying the Unit to Purchaser, such deed to be in the form contained in Part II of the Plan, executed and acknowledged by Seller or as directed by Seller in form for recording.

Simultaneously with the delivery of the deed, Purchaser (i) shall cause the proceeds of any mortgage loan to be transferred to the Seller on account of the Total Purchase Price and (ii) shall execute and deliver to the mortgagee the note and mortgage, and any other documents required by the mortgagee, as well as any documents required by Seller.

3. Power of Attorney to Board of Managers. At the closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the power of attorney to the Board of Managers in the form contained in Part II of the Plan. Purchaser agrees to deliver such power of attorney to Seller or as directed by Seller at the closing of title for recording and to pay the recording fee.

4. Binding Effect of Declaration, By-Laws, Plan, Rules and Regulations. Purchaser hereby agrees to be bound by the Declaration, the By-Laws, the Rules and Regulations and the Plan.

5. Condition of Title. Seller agrees to convey to Purchaser title in fee simple to the Unit free and clear of all liens and encumbrances other than those set forth in the Plan, specifically in Part I thereof in the section titled "Terms of Sale," and Exhibits submitted in connection therewith and the mortgage referred to in Paragraph 8 hereof, if any (as well as other mortgages, if any obtained by Purchaser).

Notwithstanding the above, the existence of unpaid taxes or liens of any kind at the time of closing shall not constitute an objection to title, provided that a reputable title insurance company licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the Property, not provided for in the Plan or this Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

6. Expenses of Closing and Closing Adjustments. At the closing of title or prior thereto as the case may be, Purchaser will pay the closing costs and expenses referred to in the Section of the Plan (as same may be amended to date) titled "Unit Closing Costs and Adjustments," including but not limited to, the amount of any credit for mortgage recording tax as set forth in such Section, payment for title insurance, if Purchaser elects or is required by lender to obtain same, recording fees for recording the Deed and Power of Attorney, New York City Real Property Transfer Tax, New York State Transfer Tax, transfer tax on Units which are \$1,000,000.00 or more in price (if applicable), Seller's attorneys' fees for closing the Unit and costs associated with obtaining a mortgage loan. The legal fees of Seller's attorneys are in the amount of \$1,000.00 and will be payable by Purchaser to Stempel Bennett Claman & Hochberg, P.C., provided that an additional fee of \$300.00 per closing shall be due and payable for any Unit Closing which occurs outside the office of Seller's attorneys. A further fee of \$250.00 shall be payable by Purchaser to Seller's attorney for any work involved for each assignment and/or cancellation of a purchase agreement or contract for other than failure to obtain the appropriate mortgage commitment. Purchaser will also pay to the Board of Managers a sum equal to one month of common charges for the Unit being purchased as Purchaser's contribution to the Working Capital Fund of the Condominium. Except as otherwise provided in this agreement or in the Plan, real estate taxes and Common Charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Plan. Any such expenses or adjustments payable to Seller in excess of \$1,000.00 will be paid by certified check or bank check drawn on a bank or trust company which is a member of the New York Clearing House Association or any successor organization.

7. Agreement Subject to Mortgages. Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage or development loan mortgage heretofore or hereafter made and any advances heretofore made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof,

to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this Paragraph 7, however, on the Closing Date the only mortgage to which the Unit will be subject will be any mortgage obtained by Purchaser.

8. Financing Contingency. (DELETE THIS NUMBERED PARAGRAPH IF PURCHASE WILL NOT BE CONDITIONED ON FINANCING) This Agreement is conditioned upon Purchaser obtaining a written mortgage loan commitment from a lending institution in the amount of \$ _____ or such lesser sums as Purchaser shall be willing to accept, for a term of not less than _____ years at prevailing rate of interest. The Purchaser agrees to furnish to Seller and to any prospective mortgagee such information and data pertaining to his financial condition as may be required by Seller or such prospective mortgagee. Purchaser shall be obligated, upon request from Seller, to forward a copy of his filed mortgage application to Seller. Purchaser shall have forty-five (45) days from the date Sponsor accepts and delivers the fully executed Purchase Agreement to obtain a written loan commitment for financing. In the event Purchaser fails to obtain a written loan commitment within such time period or in the event the loan commitment is subsequently withdrawn, Purchaser must notify Sponsor of same within five (5) days subsequent to such forty-five (45) day period or the date the loan commitment is withdrawn, whichever is applicable, or this financing contingency is deemed waived. Unless waived by Sponsor, Sponsor, if it so desires, shall then have sixty (60) days after receipt of such notice to secure a mortgage loan commitment for Purchaser from the same, or another lending institution in the same amount at the same or the then prevailing interest rate. In the event no such financing is furnished, the Purchase Agreement may be declared null and void by Sponsor pursuant to written notice to the Purchaser postmarked or delivered within (10) days subsequent to such sixty (60) day period or within ten (10) days subsequent to such notification by Sponsor to Purchaser that such financing will not be furnished, whichever is sooner. In the event no such financing is furnished, Purchaser, provided Purchaser has not already waived the financing contingency as set forth above, may also declare the Purchase Agreement null and void by written notice to the Sponsor postmarked or delivered within ten (10) days subsequent to such sixty (60) day period or within ten (10) days subsequent to notification by Sponsor to Purchaser that such financing will not be furnished, whichever is sooner. If the Purchase Agreement is properly declared null and void pursuant to this paragraph, the Down Payment shall be returned to Purchaser with interest, if any. If the notice declaring the Purchase Agreement null and void is not sent within the above mentioned ten (10) day period, this financing contingency clause shall be deemed waived. No other financing contingency is permitted by this Purchase Agreement. Notwithstanding anything to the contrary contained herein, Sponsor shall have no obligation to secure a mortgage loan for Purchaser from another bank.

Notwithstanding the preceding provisions of this paragraph numbered 8, if Purchaser obtains a mortgage loan commitment within the time period set forth above, this Agreement shall nonetheless be subject to Purchaser's loan commitment being in full force and effect at the First Unit

Closing; provided, however, that any expiration of a commitment as a result of Purchaser's refusal, inability or unwillingness to close title or delay in closing title or the revocation of a commitment by a lending institution resulting from Purchaser's acts or omissions, including but not limited to, Purchaser's failure to satisfy any of the conditions of the commitment, shall be excepted from this requirement, and Purchaser shall be deemed to have waived any financing contingency within this Agreement. Purchaser shall take all possible steps to maintain his commitment including good faith application for an extension of such commitment to the same lending institution and written application to at least one (1) other lending institution, all at the prevailing rate of interest. In the event Purchaser notifies Sponsor within thirty (30) days after the expiration date of his previous loan commitment by registered mail of his inability to obtain an extension of such previous loan commitment or a new loan commitment, this agreement shall be null and void and Purchaser's Downpayment shall be returned by Seller. Failure to provide such notification shall be deemed a waiver of this paragraph by Purchaser and that this Agreement is deemed binding.

9. Default by Purchaser. If Purchaser shall fail to pay any portion of the purchase price when due, fail to close title on the date, hour and place specified by Seller pursuant to Paragraph 2 hereof or fail to perform any of Purchaser's other obligations hereunder (including, without limitation, the obligation to furnish any lender promptly with such information as such lender may require and the obligation to accept a commitment on the terms set forth in this Agreement), such failure shall constitute a default by Purchaser and Seller may send notice to Purchaser of Seller's intention to cancel this agreement if such default shall not be cured within thirty (30) days from the mailing date of such notice or thirty (30) days after personal delivery of such notice within which to cure such default. **TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD.** "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date or personal delivery of such written notice, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement by notice of cancellation to Purchaser sent after the cure period has expired. In the event that Seller shall elect so to cancel this Agreement, Seller shall certify to its attorneys, Stempel Bennett Claman & Hochberg, P.C., that title has not closed because of Purchaser's default and that Seller has elected to cancel this Agreement by reason thereof, and Stempel Bennett Claman & Hochberg, P.C., shall thereupon pursuant to Paragraph 16 hereunder, cause to have paid over to Seller as liquidated damages the Down Payment (and the actual cost incurred by Seller for any special work in the Unit ordered by Purchaser) and any interest earned thereon (if any), and upon such payment being made each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. If this Agreement shall be canceled by Seller pursuant to the provisions of this Paragraph 9, Seller may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. Stempel Bennett Claman & Hochberg, P.C., may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

Notwithstanding the above, Stempel Bennett Claman & Hochberg, P.C., 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.

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

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

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

Purchasers and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the down payment and any interest thereon. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is in Part II of the Offering Plan. The Party applying for a determination must send all other parties a copy of the application.

If Purchaser becomes an occupant of the Building pursuant to an Interim Use and Occupancy Agreement, his failure to pay rent or otherwise comply with his use and occupancy obligations shall constitute default under this Purchase Agreement. Upon occurrence of such default, Sponsor shall have the right to cancel this Agreement upon sending Purchaser ten (10) days prior written notice of its intention to do so. If Sponsor elects to cancel, Purchaser shall have thirty (30) days from the giving of the cancellation notice within which Purchaser must cure the specified default. If the default is not timely cured the lease or use and occupancy agreement will be deemed canceled by Sponsor upon the occurrence of either of the following: (i) Sponsor having obtained an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser or (ii) the Purchaser having vacated the Unit. Upon such cancellation, Sponsor shall have the right to retain, as and for liquidated damages, all payments made hereunder (but in no event to exceed ten percent (10%) of the Total Purchase Price, plus any interest, excluding the actual cost

incurred by Seller for any special work in the Unit ordered by Purchaser). Any additional deposits in excess of ten percent (10%) of the Total Purchase Price, plus any interest, subject to the exception with respect to the actual cost incurred by Seller for any special work in the Unit ordered by Purchaser, shall be refunded to Purchaser promptly thereafter. Upon cancellation of this Agreement and making such refund to Purchaser (if any), the Purchaser and the Seller will be released and discharged of all further liability and obligation hereunder and under the Plan. The Unit may thereafter be sold to another as though this Agreement had never been made and without accounting to Purchaser for the proceeds of such sale.

Failure to comply with all obligations under this Agreement shall also constitute default under any use and occupancy obligations. Upon occurrence of any such default, Sponsor, in addition to any other rights available to it, shall have the right to terminate the occupancy upon sending Purchaser five (5) days prior written notice of its intention to do so. If Sponsor elects to terminate, Purchaser shall have five (5) days from giving of cancellation notice within which to cure the specified "failure to comply". If there is no timely cure, the occupancy obligation is terminated as of the expiration of said five (5) day period. This provision does not limit in any way other rights of Sponsor in the event of a failure to comply with the terms of this Agreement.

10. No Assignment. Purchasers shall have no right to assign this Agreement without Seller's prior written consent. Any purported assignment of this Agreement in violation thereof shall be voidable at the option of Seller.

11. Notices. Any notice to be given hereunder shall be in writing and sent by registered or certified mail or personal delivery to Purchaser at the address given above and to Seller at 2369 Royce Street, Brooklyn, New York 11234 (with copy to Stempel, Bennett, Claman and Hochberg, P.C., 675 Third Avenue, 31st Floor, New York, N.Y. 10017) or at such other address as either party may hereafter designate to the other in writing. The date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

12. No Representation. Except as herein or in the Plan specifically set forth, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's Counsel or Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Building or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the building services, the estimated Common Charges and expenses allocable to the Unit or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans, mechanical plans, plumbing plans, structural plans and specifications for the Building is not accurate or correct, provided such layout or dimensions conform substantially to the floor plans and the architectural plans, mechanical plans, plumbing plans, structural plans and

specifications for the Building and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from its obligations hereunder by reason of any minor inaccuracy or error.

13. Recording of Deed and Power of Attorney. At the closing of title, Purchaser will deliver the executed deed received from Seller and executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the Register of the City of New York, County of Kings. Such deed and power of attorney will be in the form set forth in the Plan.

14. Binding Effect. This Agreement shall not be effective or binding on Seller until a counterpart hereof is executed by Seller and delivered to Purchaser. Subject to the provisions hereof, this Purchase Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

15. Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel. This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior to its being declared effective, provided Purchase Agreements for Units totaling not more than 80% of the Common Interests of the Condominium have been executed and accepted. If the Plan is abandoned or does not become effective this Purchase Agreement shall be deemed cancelled, and the Plan terminated and Purchaser is to receive back, not later than twenty (20) days thereafter, in full, all monies paid by him hereunder, and upon such repayment no party shall have any claim against any other party, person or entity, and all parties shall be released from all obligations hereunder and under the Plan. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth in the Plan for any reason other than Purchaser's default, then, at Purchaser's option, upon prior written notice sent by Purchaser to Seller within fifteen (15) days subsequent to the end of the scheduled closing date, after permitted adjournments, this Purchase Agreement shall be deemed cancelled. If this Purchase Agreement is cancelled pursuant to the provisions of this paragraph, then, not later than twenty (20) days thereafter, Purchaser shall receive a refund in full, of all monies paid by Purchaser hereunder, with the interest earned thereon, if any. Upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations.

16. Monies to be Held in Trust; Payment of Purchase Price; Notice of Closing. The required Down Payment pursuant to this Agreement will be ten percent (10%) of the purchase price for the Unit set forth in the Plan, as amended, which Down Payment shall be increased by special work or materials, if any, offered by Seller and ordered by Purchaser as itemized in this Agreement. All monies, including all deposits, down payments or advances, received by Seller through its agents or employees pursuant this Agreement either prior to or subsequent to the Consummation of the Plan will be deposited with Citibank, N.A., in a segregated, special escrow account or accounts titled "Stempel, Bennett, Claman and Hochberg, Escrow Management Account - 2841 Ford Street" or similar name, with the name of Purchaser and Unit number added to the title of the account at its branch located at 90 Park Avenue, New York, New York. Such account or accounts shall be interest

bearing if so requested by Purchaser in accordance with Section 71-a(3) of the Lien Law. Such funds shall be deposited within five (5) business days after this Agreement is executed by all necessary parties. Such funds will be held in trust in accordance with the escrow and trust provisions of Sections 352(h) and 352-e(2-b) of the New York General Business Law, the terms and conditions of the Plan and the Regulations promulgated pursuant to said Section 352-e(2-b) by the Attorney General's Office. Such funds will be disbursed only upon written instructions of Stempel, Bennett, Claman and Hochberg, P.C., Seller's attorney, as follows: (i) to Seller or as directed by Seller if the Plan is declared effective and title closes hereunder or if Purchaser defaults hereunder; or (ii) to Purchaser if the Plan is abandoned or withdrawn or title does not close because of Seller's default, or this Agreement is cancelled (without default by either party) in accordance with its terms. Down Payments, with any accumulated interest, shall remain the property of the Purchaser except as provided by law.

Down Payments will be retained in the special account as set forth above until: (i) Seller performs under the terms of the Purchase Agreement or (ii) Purchaser rescinds or defaults in performance, thereby excusing performance by Seller or (iii) release or discharge of Seller's liability to refund such Downpayment or (iv) upon transfer of title to the Unit to the Purchaser, or (v) by mutual consent of Seller and Purchaser, including provisions in the previous paragraph, or (vi) as provided for in the section of the Plan titled "Procedure to Purchase", which is incorporated herein by reference.

As an alternative to depositing Down Payments in escrow as set forth above, Seller, provided it first obtains an exemption from the Department of Law, may post a bond or indemnity contract with a licensed surety company ensuring return of such monies, which bond or contract is to be delivered to Purchaser.

YOU, AS THE PURCHASER OF THIS RESIDENCE, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT.

In the event of an uncured default by Purchaser in its obligations under the Purchase Agreement, the Down Payment plus any interest earned thereon and the actual cost incurred by Sponsor for any special work in the Unit ordered by Purchaser may also be retained as liquidated damages. Seller agrees not to seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. No Down Payment or other monies shall be released pursuant to an uncured default by Purchaser prior to the First Unit Closing.

The balance of the purchase price will not be payable until closing of title to the Unit.

Following the declaration of effectiveness of the Plan, Purchaser will be given at least thirty (30) days prior written notice of the closing date for his Unit, which notice will also remind Purchaser of its obligation to pay the balance of the purchase price at that time and will state when Common Charges will be due and payable.

17. Equipment and Furnishings. Seller will provide Purchaser only with the fixtures, equipment, hardware, appliances, and furnishings referred to in the Plan, which are included in the purchase price of the Unit. Furnishings, equipment, appliances and decorations in any model unit or sales office not referred to in the Plan are excluded from this sale unless specifically included by a rider to this Purchase Agreement. The cost of any such items will be added to the purchase price of the Unit.

18. Acceptance of Condition of Unit: Risk of Loss.

(a) Purchaser shall accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit or the Building in which it is located or (b) other Units or (c) any recreation facilities or (d) the landscaped areas or (e) other portions of the Common Elements have not been completed. Minor details referred to in (a) above shall include but not be limited to any items which Purchaser may set forth on a Punch List Inspection Statement, if any, prepared by him prior to closing.

(b) Prior to the closing of title to a Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Seller. Purchaser shall have the right to enter and inspect such Unit prior to the closing of title, but shall be obliged to make an inspection appointment with Seller. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the closing of title thereto.

(c) Purchaser represents to Seller that he has examined the Unit and agrees that his execution of this Purchase Agreement shall constitute acceptance of the Unit and the Building and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein, in their present condition on the date of this Purchase Agreement, subject to reasonable use, wear, tear and natural deterioration between the date of this Purchase Agreement and the Closing Date and subject to any other obligations of Seller under the terms of the Plan to complete the Unit.

(d) Except as set forth below, the risk of loss from fire or other casualty with respect to the Unit shall remain with the Seller until the closing of title for the Unit. The Seller, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Subsequent to the filing of an amendment substantiating effectiveness of the Plan, Seller may be required to repair or restore as set forth below. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Seller shall not be obligated to repair any damages to the Unit or his appliances, fixtures and equipment. However, Purchaser does not assume the risk of loss to the Unit if the cause of such loss originated outside his Unit and did not result from the acts of Purchaser or the other occupants of the Unit or Purchaser's guests, invitees

or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his failure to repair the damage shall not excuse him from paying the balance due under this Purchase Agreement and accepting title to the Unit.

(e) With respect to all risk of loss after an amendment substantiating effectiveness of the Plan has been filed but prior to closing, Seller is not obliged or liable to repair the damage or restore the Unit other than to repair damage or destruction from fire or other casualty to the Property to the extent of an aggregate of an amount equaling one half of one percent of the Total Purchase Price set forth on the front cover of the Plan (minus certain amounts which Seller is required to spend to cure or comply with any work order from an insurer or to secure or comply with a defect in title or hazardous or dangerous condition against the Property which did not exist on the date of acceptance of the Plan). If Seller or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage which Seller is not required to repair or replace, this Agreement shall continue in full force and effect, Purchaser will not have the right to reject title to the Unit or to receive a credit against, or abatement of, the purchase price, and Seller will be entitled to a reasonable period of time to complete (or to permit the Condominium Board to complete) such repairs or replacements. Purchaser will not be required to pay the balance of the purchase price unless and until (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss will belong entirely to Seller (subject to the rights, if any, of the Condominium Board or other Unit Owners) and if such proceeds are paid to Purchaser, Purchaser will promptly, upon receipt, turn them over to Seller. The provisions of the preceding sentence will survive the closing.

(f) In the event Seller is not obligated to restore or repair as set forth above and notifies Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, this Agreement will be deemed canceled and of no further force or effect and Seller will instruct its attorneys to return to Purchaser all sums deposited hereunder (with interest, if any) whereupon the parties will be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Seller will retain the sums as liquidated damages.

19. Possession of Unit Prior to Closing. It is expressly understood and agreed that the Purchaser shall in no event take possession of the Unit prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Agreement, and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove him from the Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the Seller, and if the Seller so elects, the Seller may cancel this Agreement and the amount deposited hereunder shall belong to the Seller as liquidated damages deemed earned hereunder. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to

Purchaser whether same is delivered to the Property before, on or after the closing of title herein. Seller may, in its discretion, grant Purchaser possession of the Unit prior to closing under an interim use and occupancy agreement, if the Unit is currently or hereafter becomes vacant.

20. Limitation of Seller's Liability. The Seller's liability under this agreement for failure to complete and/or deliver or have delivered title for any reasons whatsoever shall be limited to the return of the money deposited hereunder (with interest, if any), and upon the return of said money, this Agreement shall be null and void and the parties hereto released from any liability hereunder. In any event, the Seller shall not be required to bring any action or proceeding to render the title to the Unit marketable or to cure any objection to title. The Seller shall be excused from performing any obligation or understanding provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplied in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of the Seller. The Seller's time to perform such obligations or undertaking shall be tolled for the length of the period during which such performance was excused.

21. Definitions. The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be deemed joint and several. The terms used herein shall have the same meanings as ascribed thereto in the Plan.

22. Gender. The use of the masculine gender in this Purchase Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

23. Other Agreements. This Purchase Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them and no oral representations or statements shall be considered apart hereof.

24. Amendment of Purchase Agreement. This Purchase Agreement may not be amended, altered or discharged except by agreement in writing signed by the party sought to be charged therewith or by his, her or its duly authorized agent.

25. Brokerage. Purchaser represents and warrants to Seller that Purchaser did not negotiate with any broker for the purchase of the Unit other than _____. Purchaser hereby agrees to indemnify, defend and hold Seller harmless from any claims by any other broker that alleges that he has dealt with Purchaser in connection with the purchase of the Unit.

26. Prohibition Against Advertising. Prior to the closing of title, the Purchaser agrees not to list the Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without the Seller's prior written consent. Any listing of the Unit or form of advertising, promotion or publicizing of the Unit by the Purchaser prior to Closing of title shall be a default by the Purchaser.

27. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of New York.

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

29. Acceptance by Seller. Within twenty (20) days after delivery to Seller or its Agent by Purchaser of this Purchase Agreement, executed by Purchaser, Seller will either:

- (a) accept this Agreement and cause to be returned to Purchaser a fully executed counterpart thereof or;
- (b) reject this Agreement offer and refund the downpayment tendered by Purchaser.

30. Transfer Tax Return. At closing, Purchaser and Seller will duly complete and sign before a Notary Public the transfer tax return required to be filed with the City of New York and the appropriate New York State form (TP-584 or its successor) required to be filed with the King's County Register's office. This transfer tax return and TP-584 form shall be delivered at closing to the representative of purchaser's title insurance company (or, if none, to Seller's attorney) for filing with the proper governmental officer. Purchaser shall also execute and deliver to Seller a W-8 or W-9 Internal Revenue Service form.

31. Survival. The closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom.

32. Conflict with Plan. Any conflict between the Plan and this Purchase Agreement will be resolved in favor of the Plan.

33. Foreign Investment in Real Property Tax Act. Pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA), upon disposition of a United States real property interest by a foreign person on or after January 1, 1985, the Purchaser of such real property interest must deduct and withhold a tax equal to ten percent (10%) of the purchase price unless the Seller furnishes a certificate that it is not a foreign entity or individual. Seller, a New York limited liability company, will furnish to Purchaser a non-foreign certification at closing, thereby complying with FIRPTA and relieving Purchaser from any withholding obligations.

34. Costs of Enforcing and Defending Agreement. The Purchaser shall be obligated to reimburse the Seller for any legal fees and disbursements incurred by the Seller in defending the Seller's rights under this Agreement or, in the event the Purchaser defaults under this Agreement

beyond any applicable grace period, in canceling this Agreement or otherwise enforcing the Purchaser's obligations hereunder.

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

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

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

Dated: _____, New York

_____ L.S.

Purchaser

Accepted:

MAZIE, LLC

By: _____
Albert Agnese

Dated: _____

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:

1. 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: _____

2. 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: _____

ATTORNEY GENERAL
OF THE STATE OF NEW YORK
MODEL FORM
FOR ESCROW AGREEMENT

AGREEMENT made this 30 day of December, ~~19~~ 2008
between Mazie, LLC ("SPONSOR") as sponsor of the
offering plan and Stempel Bennett Claman & Hochberg, P.C. ("ESCROW
AGENT") as escrow agent.

WHEREAS, Mazie, LLC is the sponsor of
offering plan to convert to cooperative/condominium ownership of
premises located at 2841 Ford Street, Brooklyn, N.Y. which premises are
known as Freedom Square Condominium; and

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

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

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

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow account has been opened with Citibank, N.A. at its depository bank branch located at 90 Park Avenue, New York, New York address. The account number is [REDACTED].

1.2 The name of the account is Stempel Bennett Claman & Hochberg, P.C.
Escrow Management Account Escrow Account.

1.3 ESCROW AGENT is the sole signatory on the account.

1.4 The escrow account shall be an interest-bearing account as disclosed in the offering plan.

1.5 The escrow account ~~is~~ is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All

instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser or subscriber in the order of Stempel Bennett Claman & Hochberg, P.C. as escrow agent for the Freedom Square Condominium offering plan. Any instrument payable to or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of the Agreement.

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

3. RELEASE OF FUNDS.

- 3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.
- 3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.
- 3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.
- 3.4 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to SPONSOR unless the purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's

regulations and has so notified ESCROW AGENT in accordance with such provisions.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

4.2 Upon the dissolution of a law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the former partners or members of the firm or by the successor firm. The firm shall notify the Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General upon his request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the accounts called for in the Escrow Agreement under the direct supervision and control of ESCROW AGENT.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and the Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF SPONSOR.

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is cancelled, by either:

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(c) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts and documents maintained by ESCROW AGENT to the new escrow agent.

8. SUCCESSORS AND ASSIGNS.

8.1 This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

9. GOVERNING LAW.

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

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

11. SEVERABILITY.

11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining 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.

12. ENTIRE AGREEMENT.

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

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

ESCROW AGENT
Stempel Bennett Claman & Hochberg, P.C.

By: James R. Bennett

By: James R. Bennett

Print Name

SPONSOR
Mazze, LLC

By: Albert Agnese

By: Albert Agnese, managing member

Print Name & Title

UNIT OWNER POWER OF ATTORNEY

The undersigned, _____, the Owner of Unit No. _____ in the Condominium known as FREEDOM SQUARE CONDOMINIUM, consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration dated _____, 20____, and recorded in the Kings County office of the Register of the City of New York on _____, 20____ in CRFN# _____ and on the Floor Plans on file in said office as Map No. _____, do hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of Freedom Square Condominium, jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution: (i) to acquire in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in said Property, in accordance with their Common Interests, any Unit whose Owner desires to abandon or sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale; or (ii) to lease any Unit whose Owner desires to rent the same; at such price and on such rental, as the case may be, pursuant to the offer as required by the right of first refusal, and on such terms as said attorneys-in-fact shall deem proper, and (iii) thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) to otherwise deal with any such Units so acquired by them, or to sublease any Unit so leased by them on such terms as said attorney-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present; (iv) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units, including retaining counsel and taking any other actions which the Board of Managers deems necessary or appropriate; and (v) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the property which the Board of Managers deems necessary or appropriate to comply with any law, ordinance, regulations, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Property (or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Property or the Common Elements which the Board of Managers deems necessary or appropriate.

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

The undersigned do hereby nominate, constitute and appoint Mazie, LLC ("Sponsor"), as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium,

or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its Designee in accordance with Article 16 of the Declaration, or (2) shall be required by (a) an institutional lender procured by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) and the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph, shall remain in full force and effect until such time as the Sponsor or Sponsor-designee(s) shall cease to own any Units in the Condominium.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this day
of , 20 .

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

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

Signature and office of individual
taking acknowledgment

FORM OF UNIT DEED

THIS INDENTURE made the day of , 20__ , between Mazie, LLC, a New York limited liability company having an office at 2369 Royce Street, Brooklyn, New York 11234, "Grantor", and , having an address at . ("Grantee").

W I T N E S S E T H:

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

The Unit known as Unit No. in the Building known as Freedom Square Condominium, located at 2841 Ford Street in the Borough of Brooklyn, County of Kings, City and State of New York, and also designated and described as Unit No. in the Declaration comprising Freedom Square Condominium (hereinafter called the "Property") made by the Grantor under the Condominium Act of the State of New York, as amended (Article 9-B of the Real Property Law of the State of New York), dated , 20__ , and recorded in The Kings County Office of the Register of the City of New York, on the day of , 20__ , in CRFN# (hereinafter called the "Declaration"), which Unit is also designated as Tax Lot No. on the Floor Plans of the Building certified by , and filed simultaneously with said Declaration in the said Office of the Register of the City of New York, County of Kings as Map No. (hereinafter called the "Unit"). The Property is described as follows:

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

BEGINNING at a point on the easterly side of Ford Street, distant 91 feet 1/2 inch northerly from the corner formed by the intersection of the northerly side of Emmons Avenue with the easterly side of Ford Street;

RUNNING THENCE easterly at right angles to the easterly side of Ford Street, 107 feet 3 inches;

THENCE northerly at right angles to the last mentioned course, 37 feet 1 1/4 inches to a point;

THENCE northwesterly along a line forming an interior angle of 157 degrees 2 minutes 38 seconds with the last mentioned course, 3 feet 1 3/4 inches;

THENCE westerly along a line at right angles to the easterly side of Ford Street, 106 feet 1/2 inch to the easterly side of Ford Street;

THENCE southerly along the easterly side of Ford Street, 40 feet to the point or place of BEGINNING.

TOGETHER with all right, title and interest of the Grantor in and to the land lying in the streets and roads in front of and adjoining the Property.

TOGETHER with any strips or gores adjoining the above described Property on any of the sides thereof.

TOGETHER with an undivided _____ percent interest in the common elements of the Property described in said Declaration (hereinafter called the "Common Elements");

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

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

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

TOGETHER with and SUBJECT to all easements of necessity in favor of the Unit or in favor of other Units or the Common Elements;

SUBJECT to easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements, after damage, condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

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

TOGETHER with and SUBJECT TO EASEMENTS, rights of way, restrictions and encumbrances created by the Declaration for Freedom Square Condominium recorded in The Kings County Office of the Register of the City of New York on the day of , 20___, in CRFN#

SUBJECT to the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in The Kings County Office of the Register of the City of New York, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein;

EXCEPT as otherwise specifically permitted by the Board of Managers of the Condominium or provided in the Declaration or in the By-Laws, the Unit is intended for (Residential) and/or (Commercial) use only;

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

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

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of clause 17 of the Declaration shall control.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first

to the payment of the cost of the improvements before using any part of the same for any other purpose.

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

MAZIE, LLC

By: _____
Albert Agnese

STATE OF NEW YORK)
) SS.:
COUNTY OF _____)

On the _____ day of _____ in the year _____ before me, the undersigned, 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 by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and office of individual
taking acknowledgment

STATE OF NEW YORK)
) SS.:
COUNTY OF _____)

On the _____ day of _____ in the year _____ before me, the undersigned, 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 by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and office of individual
taking acknowledgment

**DESCRIPTION OF PROPERTY
AND SPECIFICATIONS OR BUILDING CONDITION**



LOCATION

The building site is located at the address current known as 2841 Ford Street **[(Freedom Square)]**, which is 91.00 feet north formed, by the intersection of Ford Street and Emmons Avenue.

ZONING INFORMATION

BLOCK: 8804
LOT: 84
ZONING MAP: 29a
ZONING DISTRICT: C2-2 IN R5 (Sheepshead Bay Special District Area "G")
PERMISSIBLE USE: Use Group 1 thru 9, & 14

STATUS OF CONSTRUCTION

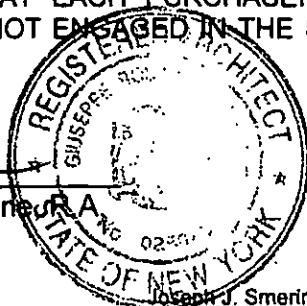
YEAR BUILT: At the time of report writing, the building is under construction, estimated completion date 2004.
CLASS OF CONSTRUCTION: I-D Non Combustible
CERTIFICATE OF OCCUPANCY: Will be obtained by the contractor upon completion of work.
[C of O or temporary C of O to be obtained prior to closing.]
OCCUPATION CLASSIFICATION: Residential

LIABILITY OF THE UNDERSIGNED IS STRICTLY LIMITED TO COMPLIANCE WITH THE PROVISION OF ARTICLE 23 A OF THE GENERAL BUSINESS LAW AND THE REGULATIONS OF THE DEPARTMENT OF LAW PURSUANT THERETO.

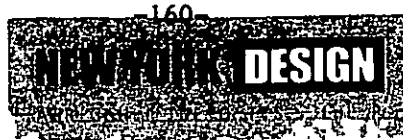
NO OBLIGATION OR LIABILITY IS ASSUMED FOR DEFECTS, ERRORS, VARIATIONS OR CHANGES MADE IN THE CONSTRUCTION OF THE BUILDING. MY PARTICIPATION IN THE PROJECT IS LIMITED TO THE PREPARATION OF THE BUILDING PLANS AND THE PREPARATION OF THIS REPORT.

I HAVE NO CONTROL WHETHER OR NOT THE FINISHES, MATERIALS OR EQUIPMENT MENTIONED IN THIS REPORT ARE FURNISHED OR INSTALLED AS DESCRIBED. IT IS SUGGESTED THAT EACH PURCHASER MAKE HIS OR HER INSPECTION PRIOR TO CLOSING. I AM NOT ENGAGED IN THE SUPERVISION OF THE CONSTRUCTION OF THIS BUILDING.


Giuseppe Anzalone



Date: JUN 23, 2004



[NOTE:

Plans submitted with attached are approved by the New York City Department of Buildings].

SITE

SIZE:

The building is situated in block 8804 lot 84 as follows: Beginning at a point on the south side of Ford Street distant 91.00 feet north of the corner formed by the intersection of Emmons Avenue and Ford Street.

Running thence east 107.26 feet;

Thence north 37.11 feet;

Thence north west 3.13 feet;

Thence west 106.04 feet;

Thence north 40.00 feet

Total lot area is 4,288.73 S.F.

STREET:

The façade of the building faces Ford Street on southbound one-way street 60'-0" wide. The street is public and owned by the city of New York.

PAVING:

Ford Street is a fair asphalt paved roadway, typical of New York City.

CURBING:

Along Ford Street is a fair condition concrete curb. New common curb cut to be installed where new driveway occurs.

DRAINAGE:

The roadway is to be pitched to catch basins located at the intersection of Ford Street and Emmons Avenue.

STREET LIGHTING:

No street lights on the frontage on the building site.

DRIVEWAY AND PARKING:



Parking spaces are provided at the back of the building. Each apartment unit shall have designated parking space and will be identified by painted markings on the concrete. Driveway and parking spaces are to be concrete slab on grade.

SIDEWALK:

New concrete sidewalk to be installed for the full length of the lot frontage along with new concrete curb cut on one side to access parking spaces.

YARD

FRONT YARD:

There shall be a landscaped grass area in front yard of the building that extends to the sidewalk. Front yard inclusive of walkway will be general common area. Dense shrubbery will be provided around front window well for privacy and aesthetic.

Front Yard Area:

1. Front yard fronting Unit 1-F = 376 sq. ft.

BUILDING ENTRY:

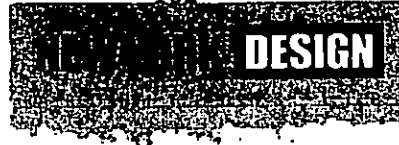
There shall be 3 entrances centrally located at the side of the building to access units 1-F, unit 1-R and central stairs.

NUMBER OF BUILDINGS AND USE

There shall be one building occupying the building site. The building will be classified as Class "A" multiple dwelling. Occupancy group J-2, four dwelling units. The building will have three stories plus a cellar floor. Description of each floor level as follows:

CELLAR FLOOR LEVEL:

Cellar floor shall contain recreation rooms, storage rooms, laundry and mechanical spaces, the recreation use is an accessory use exclusively for the first floor dwelling units. This floor will also contain a common utility / meter room that will house all utility connections for the building. Cellar to have natural ventilation via window wells. Ceiling height shall be approximately 8'-0" high. ***[Floor to be made of poured concrete, walls of 5/8" water resistant gypsum board over 3-5/8" metal studs, ceiling of 5/8" gypsum board. Cellar rooms shall not be used as bedrooms under any circumstance, to do so could result in violations being posted against the building].***



FIRST FLOOR LEVEL:

First floor shall contain two (2) apartment units designated as unit 1-F and unit 1-R. One dwelling unit complies with the requirements of Local Law 58/87 as handicapped adaptable dwelling unit. Each apartment shall have one bedroom with full bathroom, living room, kitchen / dining area, powder room and linen / closet spaces. General ceiling height shall be approximately 8'-0" high and 8'-6" high recessed ceiling at living room. Each apartment has its own separate staircase down to the cellar floor part of its respective unit.

SECOND FLOOR LEVEL:

2nd floor shall contain one (1) apartment unit designated as unit 2 with a balcony, which opens onto front of the building. Apartment is accessible through a central staircase from the ground level. Apartment shall have three (3) bedrooms, living room, dining room, kitchen, laundry closet, full bathroom, and masters' bathroom and closet spaces. General ceiling height shall vary and can be approximately 8'-0" high and 8'-6" high recessed ceiling at living and dining room.

THIRD FLOOR LEVEL:

3rd floor shall contain one (1) apartment unit designated as unit 3 with a balcony, which opens onto the front of the building. Apartment is accessible through a central staircase from the ground level. Apartment shall have three (3) bedrooms, living room, dining room, kitchen, laundry closet, full bathroom, masters bathroom and closet spaces. General ceiling height shall be approximately 8'-0" high. Living room, dining room and kitchen shall be cathedral ceiling with approximate height varying from 7'6" to 12'-0" (+/-) high.

FLOOR AREA

The approximate physical dimensions of each Residential Unit consist of the area enclosed horizontally on each of one or more floors by the interior (unit side) face of the masonry or block walls or the line of the concealed metal or wood studs on the exterior walls of the Building or to the face of the metal or wood studs or the unexposed face of drywall of the interior walls and partitions separating one Unit from another Unit, stairs, shafts or other Common Elements. For the purpose of measuring square footage, Residential Units are measured to the centerline of any walls separating one Residential Unit from another Residential Unit. Vertically, each Residential Unit consists of the space between the upper face of either the subfloor or concrete floor and the upper face of the dry wall ceiling on each of one or more floors. Note: cellars have much thicker walls therefore room will seem much smaller.



CELLAR FLOOR AREA BREAKDOWN

UNIT 1-F	794 SQ. FT.
UNIT 1-R	816 SQ. FT.
METER ROOM (GENERAL COMMON ELEMENT)	46 SQ. FT.

FIRST FLOOR AREA BREAKDOWN

UNIT 1-F	762 SQ. FT.
UNIT 1-R	737 SQ. FT.
STAIRS (LIMITED COMMON ELEMENT for Unit 2 and Unit 3)	46 SQ. FT.

SECOND FLOOR AREA BREAKDOWN

UNIT 2	1,547 SQ. FT.
BALCONY	64 SQ. FT.
STAIRS (LIMITED COMMON ELEMENT for Unit 2 and Unit 3)	117 SQ. FT.

THIRD FLOOR AREA BREAKDOWN

UNIT 3	1,547 SQ. FT.
BALCONY	64 SQ. FT.
STAIRS (LIMITED COMMON ELEMENT for Unit 2 and Unit 3)	117 SQ. FT.

ELECTRICAL SERVICE AND UTILITIES

A new electrical service of 200 amps has been designed to provide adequate light, power heat and air conditioning for the residential apartments. The service shall be provided by Consolidated Edison Company New York. The main feeders and disconnect switches shall be located in the cellar floor meter room. Individual apartments shall be separately metered for electricity. Each respective tenant and or owner shall pay the cost of this service.

All Electric meters shall be located at the exterior sidewall of the building. Apartments on the first floor shall be as follows unit 1-F & unit 1-R, 200 ampere-208/120V, 3 phase, 4 wire service 26 circuits each apartment. The 2nd and 3rd floor unit 2 and unit 3 shall have 200-ampere 120/208 volt



three phase service and contain 26 circuits each. Each apartment shall contain a circuit breaker panel box within the apartment and all service shall be fed from the box. All wiring shall be in accordance with New York City code. A hardwire combination carbon monoxide and smoke detector shall be provided in each apartment.

Gas service shall be provided by Keyspan of New York, all gas shall be located in the meter room at the cellar floor. Individual apartments shall separately metered. The cost of this service shall be paid by each respective tenant and or owner. Each apartment shall be provided with individual central heating/ cooling mechanical unit and instantaneous hot water heater. All gas piping shall be black steel pipe.

Any mechanical equipment located outside the unit which only services a particular unit, shall be the personal property of the unit owner of the unit it services. Such unit owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.

Water for domestic use shall be supplied by the city of New York. One meter shall be provided for domestic water and one for the sprinkler system. Each apartment shall be installed with central water filtration system.

Sanitary sewage system shall be connected to the existing Public City Sewer. Charges for sewer use are proportional to metered water consumption and shall be allocated by the City of New York to the residential users. Back up pumps for flood protection of cellar areas will be provided and maintenance of such pumps shall be the responsibility of individual owners of such unit they serve.

Storm water drainage system to be connected to a detention tank system within the boundary of the property and will be discharged through a common storm sewer easement connected to the public city storm sewer at Emmons Ave. Easement agreement shall be referred to the Declaration of Covenants and By-laws for the Homeowner's Association as per attached Exhibit "A" and Schedule "B".

STRUCTURAL SYSTEM

The foundation and footing is poured in-place reinforced concrete resting on a pile anchoring system penetrating into virgin soil. Underground drainage system shall be provided to disperse storm water off the site to approved storm system. Perimeter foundation wall shall be waterproofed and water stop where wall abuts concrete slab for watertight condition. Cellar floor to received reinforced slab on grade.

First , second and third floor level to receive T&G plywood on metal joist with insulation/soundproofing material. The balconies are cantilever construction in concrete on metal decking. Roof construction will be metal Spanish tile roof on T&G plywood over metal rafters with



insulation material. Floor/ceiling construction assembly to be one hour fire rated as required by code.

EXTERIOR OF BUILDING

[PILES:

All piles shall be astm class b timber piles with minimum tip diameter 6", pressure treated creosoted with minimum retention of 14lbs. / cft, driven with single or double action steel or steam pile hammer having minimum energy out put of 9,500 lbs, /ft. and shall be driven to 15 tons per pile capacity minimum.]

WALLS:

All exterior wall construction shall be non-combustible metal studs with batt insulation. Fire rating provided where required by code. Exterior finish shall be a combination of brick and stucco finish ***[over 5/8" dens gold shething]***. Extent of brick finish shall cover the perimeter of the first floor exterior walls only and the balance of exterior wall to be stucco finish. House wrap to be provided all around exterior walls for protection against moisture. ***[All exterior wall insulation to have a minimum "R" value of 19.]***

BALCONY:

Cantilevered balcony shall be provided at second floor level exclusively for Unit 2 and at third floor level exclusively for Unit 3. Balcony opens to front of the building fronting Ford Street. Guardrail shall be painted metal mounted 42" high above finish floor. ***[Balcony floor made of metal decking & concrete shall be pitched 1/8" outward slightly, provided with a sconce, and a painted dens gold soffit. Doors leading to balcony shall be an Anderson inswing vinyl door.]***

WINDOWS AND VENTILATION:

All windows shall be manufactured by Andersen Windows ***[20 year on glass, 10 year on non-glass warranty]*** or approved equal. Window type shall be vinyl/clad tilt and wash double hung, casement, gliding, fixed picture window and fixed transom which varies in width and height. All glazing will be clear tempered insulated glass. All habitable rooms and bathrooms shall be provided with natural light and ventilation as required by code.



The Cellar floor area to be ventilated with a window well located at front and rear of the building that will permit light and air to penetrate inside the space. Window well will be secured with fiberglass grating at the ground level.

ROOF:

Roofing material shall be metal Spanish tile or equal. Color to be selected by sponsor and approved by architect. Storm water shall be collected in aluminum gutter and leader and shall flow by gravity to approved detention tank system that restricts the flow of storm water. **[Roof material gaurenteed 20 years. Roof to have an "R" value of 30.]**

INTERIOR OF BUILDING

INTERIOR STAIRS:

The building shall have a common staircase centrally located for exclusive use of second floor Unit 2 and third floor Unit 3. Stair enclosure shall be two hour rated construction. Adequate natural light and ventilation provided by means of operable windows.

Staircase to cellar floor level will be provided to each Unit 1-F and Unit 1-R such stairs are interior stairs comprising part of each unit. The stair construction shall be concrete treads on metal pan stairs with painted metal railing mounted 30" to 34" above stair nosing.

INTERCOM SYSTEM:

Audio intercom system shall be provided for communication between Unit 2 and Unit 3 apartment and entry foyer at common staircase. The system shall include an electronic strike at the front door capable of being activated from the intercom panel within Unit 2 and Unit 3. The doorbell buzzer shall be provided for Unit 1-F and Unit 1-R at first floor level.

DOORS AND FRAMES:

Apartment entry doors shall be stain paneled solid oak doors 1 1/2 hour rated with wood frames, saddle and weather stripping. Peephole shall be provided in the entry door of each apartment unit. Interior apartment doors shall be 6 paneled stain wood door and wood frames. Bathroom to received marble saddle.



LAUNDRY:

There shall be one laundry closet for each apartment and will have laundry hookups available for electric stacked washer and dryer. The prospective buyer shall be responsible for purchase and installation of stacked washer and dryer.

FIRE PROTECTION

SPRINKLER SYSTEM:

The entire residential building shall be wet sprinkled in compliance with New York City Building Code requirements. The water for the sprinkler system shall be supplied from the city water main. Connection to be located at limited common meter room at cellar floor level. ***[Piping shall be welded or seamless steel pipe, per ASTM A53 schedule 40. Sprinkler heads shall be recessed].***

SMOKE DETECTORS:

New York City hardwired combination smoke detector and carbon monoxide detector with battery back up shall be provided for each apartment as required by code.

HEATING AND AIR CONDITIONING SYSTEM

Each apartment shall be provided with individual central split heating and cooling mechanical system as manufactured by Comfort Maker or approved Equal. The gas furnace will be housed inside the mechanical closet and the condenser unit will be located outside the building. The mechanical equipment outside the building which only services a particular unit, and shall be the responsibility of the apartment owner for the cost of any maintenance, repair or replacement of such mechanical equipment.

Mechanical ductwork, supply and return ***[for adequate heating and air conditioning]*** shall be design to provide maximum comfort and proper airflow within the apartment. Electrostatic filter and humidifier accessory to mechanical system shall be provided. In addition to central heating system, electric base heater will be provided at some bathrooms only.



Domestic hot water shall be supplied by gas tankless instantaneous hot water heater by Tagaki or approved Equal. The unit will be housed inside mechanical closet. Water filtration system shall be provided to filter domestic cold water to kitchen area only.

The following is a list of mechanical specifications to be installed in each apartment:

First floor Unit 1-F and Unit 1-R (Typical mechanical units for each apartment)

- Comfort Maker 3 ton up flow/horizontal sealed combustion gas furnace model # GNL075N12C, input 75,000 BTU, Heating Cap. 60,000 BTU.

Comfortmaker 3 ton split system condenser unit model #CA436AKA, cooling CAP 36,000 BTU

- Tagaki tankless instantaneous gas water heater Model #FLASH T-KD20, 240 GPH, 185,000 BTU max.

Second floor Unit 2 and third floor Unit 3 (Typical mechanical units for each apartments)

- Comfort maker 5 ton up flow/ horizontal sealed combustion gas furnace model # GNL 125N200, input 125,000 BTU, Heating CAP 100,000 BTU

Comfortmaker 5 ton split system condenser unit model #CA460AKA, cooling CAP 58,000 BTU

- Tagaki tankless instantaneous gas water heater Model #FLASH T-KD20, 240 GPH, 185,000 BTU max.

EXHAUST VENT

Mechanical Bathroom exhaust fan shall be provided in addition to natural ventilation. Kitchen hood exhaust and dryer exhaust shall be provided with required C.F.M by the manufacturer. All mechanical unit gas vent shall be discharged thru the roof through a mechanical chase wall.

LIGHTING

EXTERIOR LIGHTING:

9710 Third Avenue
Brooklyn, New York 11209
web: www.newyorkdesignusa.com

Joseph J. Smerhã, AIA

Giuseppe R. Anzalone, AIA

Tel: 718.
Fax: 718.
e-mail: nyda@nyda.com



Parking spaces shall be illuminated with 2 heads mounted exterior light fixture with motion sensor. Main entry to apartment units and common stairs shall be illuminated by exterior type recessed incandescent light fixture with photocell located underneath projected overhang.

INTERIOR LIGHTING:

Interior space shall be illuminated as follows:

Living Room: Indirect light fluorescent strip cove lighting around recessed ceiling at first and second floor only. Recessed incandescent light fixture shall be provided at third floor cathedral ceiling.

Dining Room, Kitchen, Hallway: Recessed incandescent light fixture shall be provided as per plan.

Bedrooms: Available electrical hook-up with heavy duty fan supports shall be provided for each bedroom. Prospective buyer shall be responsible for purchase and installation of fan fixture.

Bathrooms: Two or Three bulb incandescent light strip fixture shall be provided and mounted directly above the sink.

Closet, Mech'l, Laundry Spaces: Wall mounted fluorescent light strip shall be provided and controlled by a door switch.

General Common Stairs: Surface mounted fluorescent light fixture and incandescent wall mounted at intermediate landing shall be provided and will be controlled by timer.

Balcony: Exterior type wall mounted sconce light fixture shall be provided.

Recreation Room: Cellar space shall be illuminated by surface mounted fluorescent light fixture.



FINISH SCHEDULE

TYPICAL APARTMENT FINISH:

ROOM	FLOOR	BASE	WALLS	CEILING
Recreation Room	Ceramic Tile	Ceramic Tile	Gypsum Board Painted	Gypsum Board Painted
Living Room	Oak Wood With cherry border	Painted Wood	Gypsum Board Painted	Gypsum Board Painted
Kitchen/Dining at First floor only	Granite Tile	Painted Wood	Gypsum Board Painted	Gypsum Board Painted
Dining Room at Second and Third Floor	Oak Wood with cherry border	Painted wood	Gypsum Board Painted	Gypsum Board Painted
Bedroom	Oak Wood	Painted Wood	Gypsum Board Painted	Gypsum Board Painted
Bathroom	Ceramic Tile	Ceramic Tile	Ceramic Tile	Gypsum Board Painted
Common Stairs	Granite Tile	Painted Wood	Gypsum Board Painted	Gypsum Board Painted
Common Meter Room	Exposed Painted Concrete	None	Gypsum Board and exposed concrete wall	Gypsum Board Painted



KITCHEN APPLIANCE

Typical Kitchen Appliance at first floor Unit 1-F and Unit 1-R as follows:

- Refrigerator:** Make "Kitchenaid Model # KBRA22KLSS" stainless steel, 21.8 CU. FT. or equal.
- Cooktop:** Make "Kitchenaid Model # KGCS105GSS" stainless steel, 30" Gas Cooktop with 4 sealed gas burners or equal.
- Wall Oven:** Make "Kitchenaid Model # KEBC107KSS" stainless steel, 30" Electric convection oven or equal.
- Kitchen Hood:** Make "Whirlpool Model # "KHTU100KSS" stainless steel or equal.
- Dishwasher:** Make "Bosch Model # SHX33AOX" stainless steel, 3 cycle dishwasher or equal.

Typical Kitchen Appliance at Second Floor Unit 2 and Third Floor Unit 3

- Refrigerator:** Make "Amana Model # ARB9059CS", stainless steel, 21 CU. FT. or equal.
- Cooktop:** Make "Thermador Model # PSC366ZS", stainless steel, 36" Gas cooktop with 6 burners or equal.
- Wall Oven:** Make "Thermador Model # SC302ZS" stainless steel, 30" convection double wall oven, upper convection or equal.
- Kitchen Hood:** Make "Thermador Model # HNW36YS" stainless steel, 36" Chimney style wall hood or equal.
- Dishwasher:** Make "Bosch Model # SHX33AOX" stainless steel, 3 cycle dishwasher or equal.

[Casework: *Make "Diamond Cabinets" fine hard-wood, with Granite counters.*



NOTE:

All kitchen appliances to be as specified above or approved equal. All appliances shall receive manufacturer's warranty as stated in the instruction manual.

RESTROOM FIXTURES

- Shower Stall:** **Make "Kohler Profile Model# K-9850" or equal.**
- Toilet Bowl:** **Make "Kohler Follo Model# K-3448" or equal.**
- Pedestal Sink:** **Make "Kohler Follo Model# K-2017-8" or equal.**
- Cabinet Sink:** **Make "Kohler Model# K-2009-4" or equal.**
- Bath Tub:** **Make Kohler Follo Model# K-1262" or equal.**
- Sink Faucet:** **Make "Decta Model# 2577-LHP-H215".**
- Shower Faucet:** **Make "Decta Model# 1348" or equal.**
- Bath Tub Faucet:** **Make "Decta Model# 2780 LHP-H64-A64" or equal.]**

PLUMBING

Water service shall be connected from city water main at Ford Street. All domestic water pipes shall be copper and shall be insulated where required.

Sanitary sewage system shall be cast iron piping. The sanitary sewage system shall be discharge by gravity to the house trap and connected to city sewer with extra heavy cast iron, XHCI piping. All underground drainage system shall be perforated trench drain and will be discharged by gravity to the ejector pit. Pumps will then discharge excess storm water to outside of the building.

Date: _____

Giuseppe Anzalone, R.A.

9710 Third Avenue
Brooklyn, New York 11209
web: www.newyorkdesignusa.com

Joseph J. Smerina, AIA

Giuseppe R. Anzalone, AIA

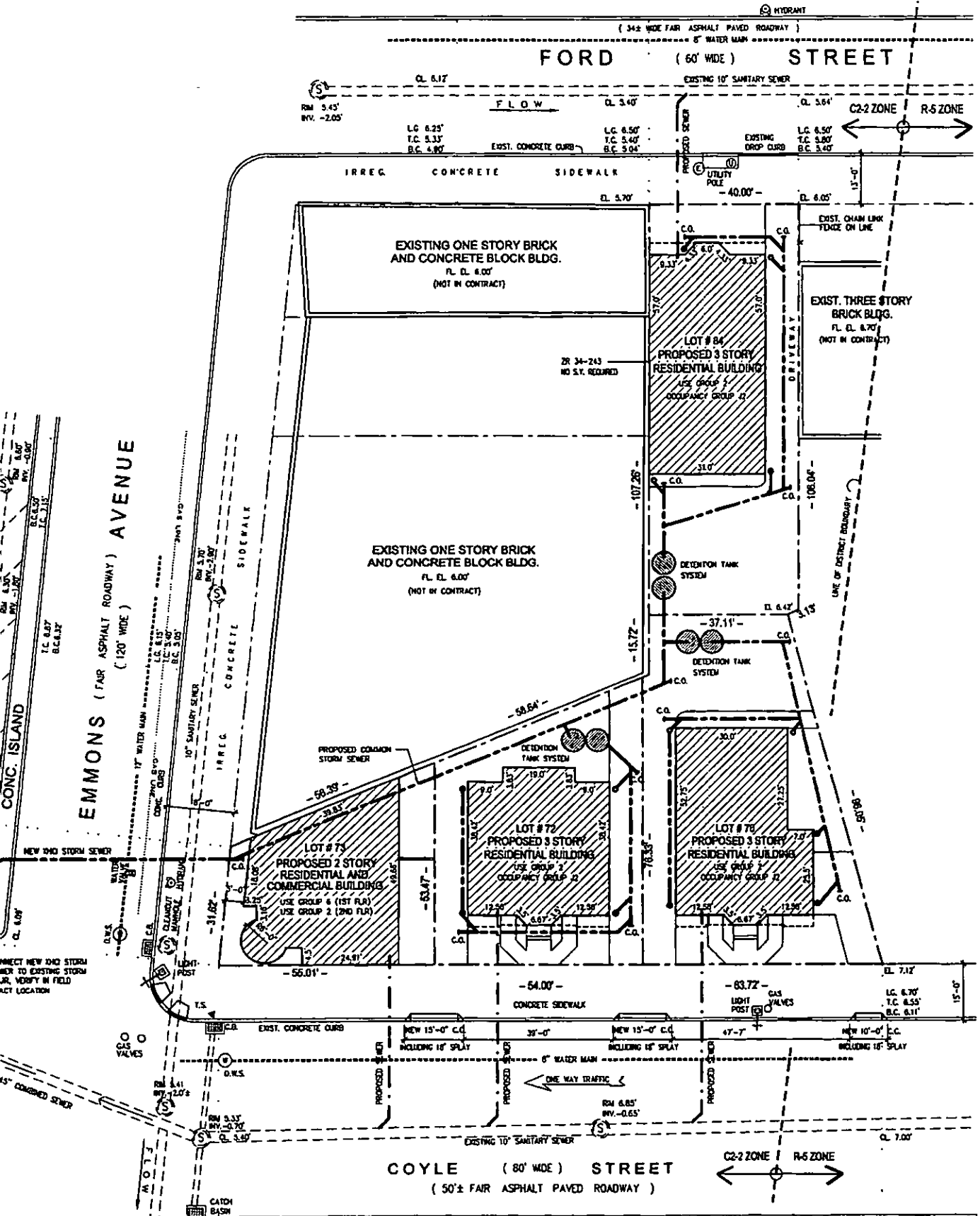
Tel: 718.8
Fax: 718.8
e-mail: nyda@nyda.com

FLOOR PLANS OF UNITS

AND

PLOT PLAN

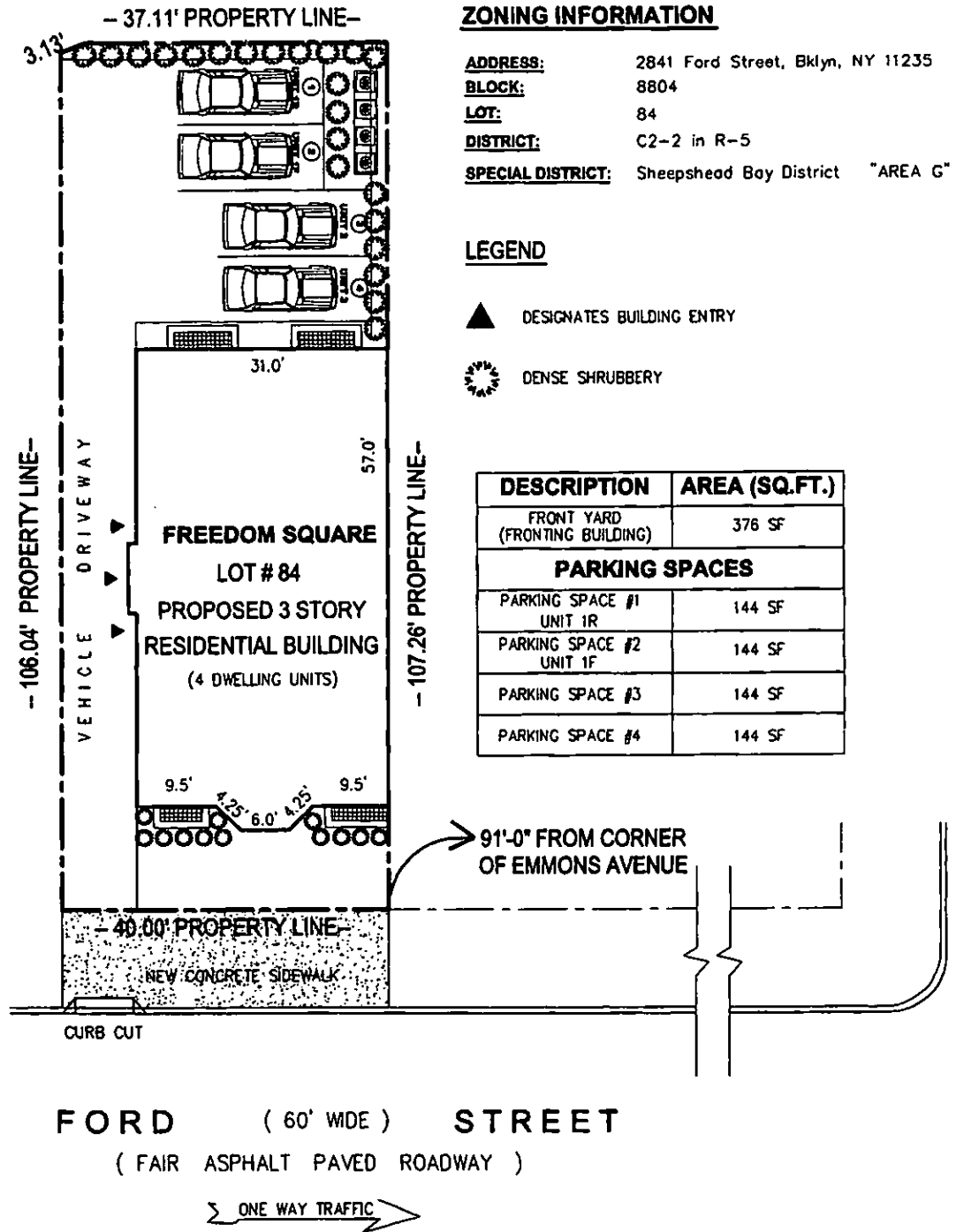
(Please note that all dimensions are approximate.)



PROPOSED STORM DRAINAGE CONNECTION PLAN

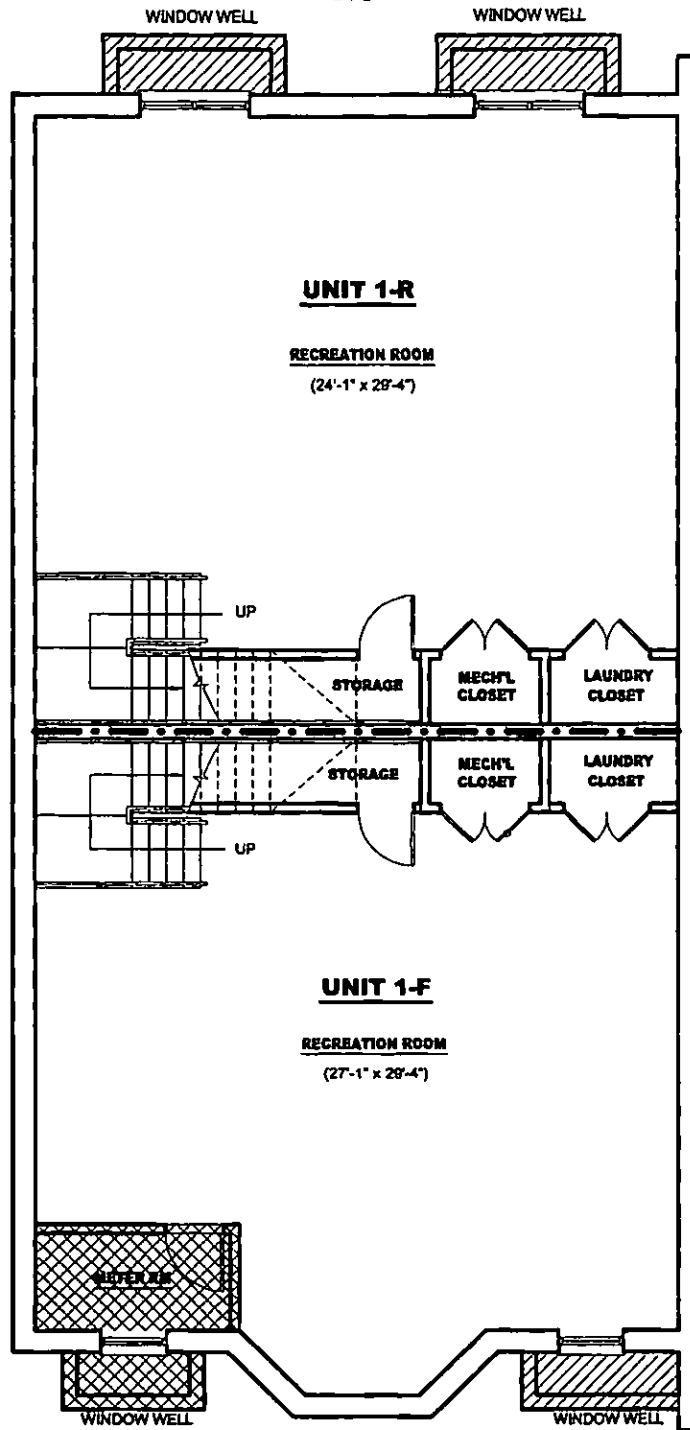
0 5 10 20 40 80
FEET





SITE PLAN





CELLAR FLOOR PLAN



LEGEND



LINE OF DEMISING WALL



HATCH DESIGNATES
LIMITED COMMON ELEMENT



HATCH DESIGNATES
GENERAL COMMON ELEMENT

FLOOR AREA BREAKDOWN

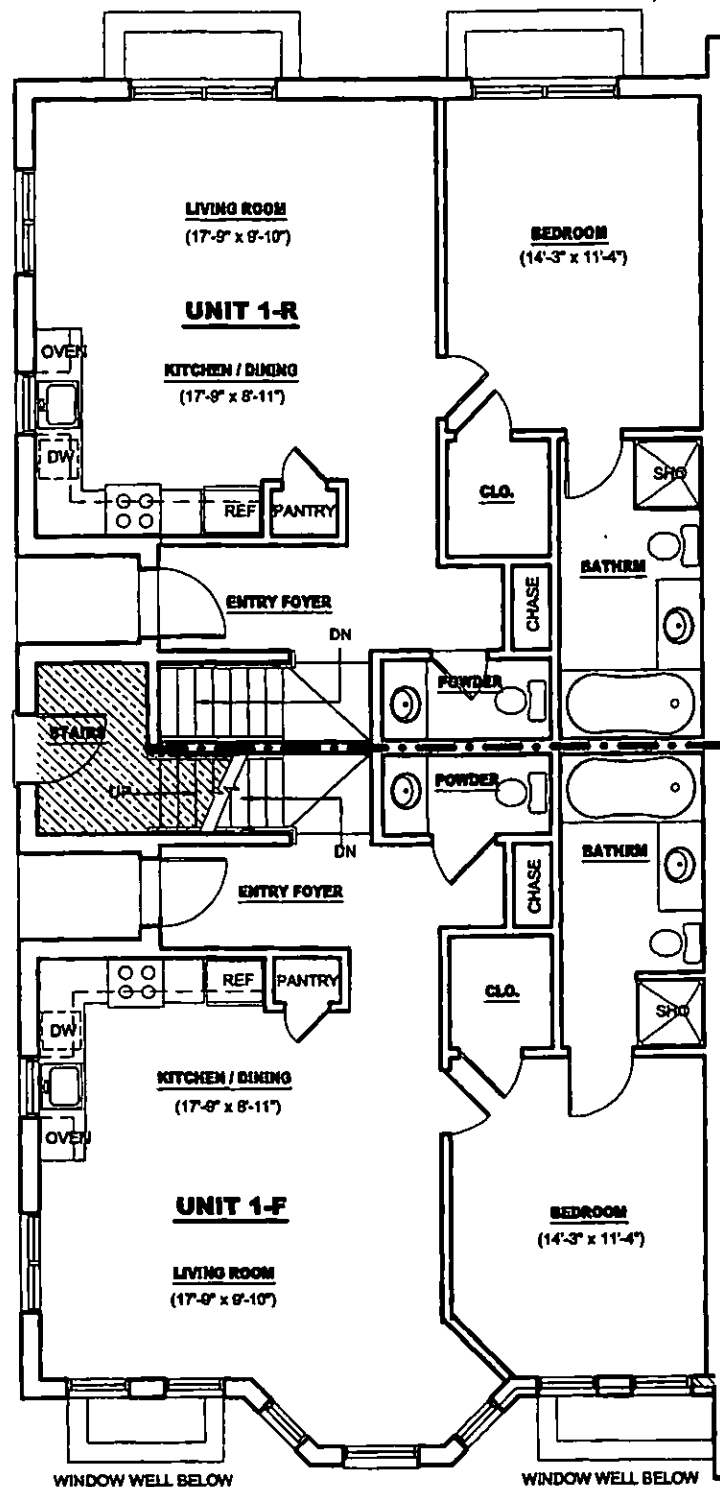
UNIT 1-F	794 SQ. FT.
UNIT 1-R	816 SQ. FT.
GENERAL COMMON ELEMENTS	
- METER ROOM	46 SQ. FT.
- WINDOW WELL	17 SQ. FT.

LIMITED COMMON ELEMENTS

- WINDOW WELL (UNIT 1-F)	20 SQ. FT.
- WINDOW WELL (UNIT 1-R)	43 SQ. FT.

NOTE:

ALL DIMENSIONS ARE APPROXIMATE AND
SUBJECT TO NORMAL CONSTRUCTION
VARIANCES AND TOLERANCES



FIRST FLOOR PLAN



LEGEND



LINE OF DEMISING WALL.



**MATCH DESIGNATES LIMITED
COMMON ELEMENT FOR UNIT 2
AND UNIT 3**

FLOOR AREA BREAKDOWN

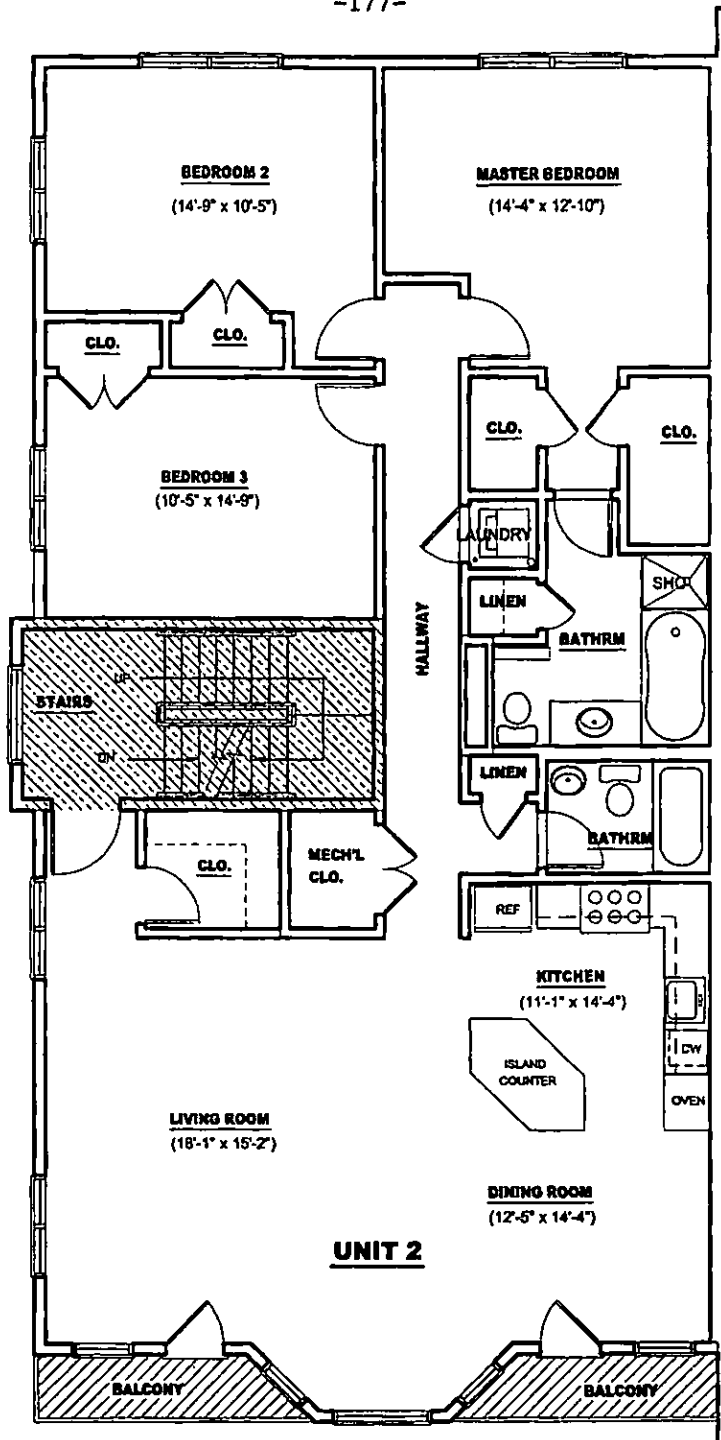
UNIT 1-F	762 SQ. FT.
UNIT 1-R	737 SQ. FT.

**LIMITED COMMON ELEMENT
FOR UNIT 2 AND UNIT 3**

• STAIRS **45 SQ. FT.**

NOTE:

**ALL DIMENSIONS ARE APPROXIMATE AND
SUBJECT TO NORMAL CONSTRUCTION
VARIANCES AND TOLERANCES**



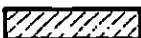
SECOND FLOOR PLAN



LEGEND



LINE OF DEMISING WALL



HATCH DESIGNATES LIMITED COMMON ELEMENT



HATCH DESIGNATES LIMITED COMMON ELEMENT FOR UNIT 2 AND UNIT 3

FLOOR AREA BREAKDOWN

UNIT 2 FLOOR AREA 1,547 SQ. FT.

LIMITED COMMON ELEMENT FOR UNIT 2 AND UNIT 3

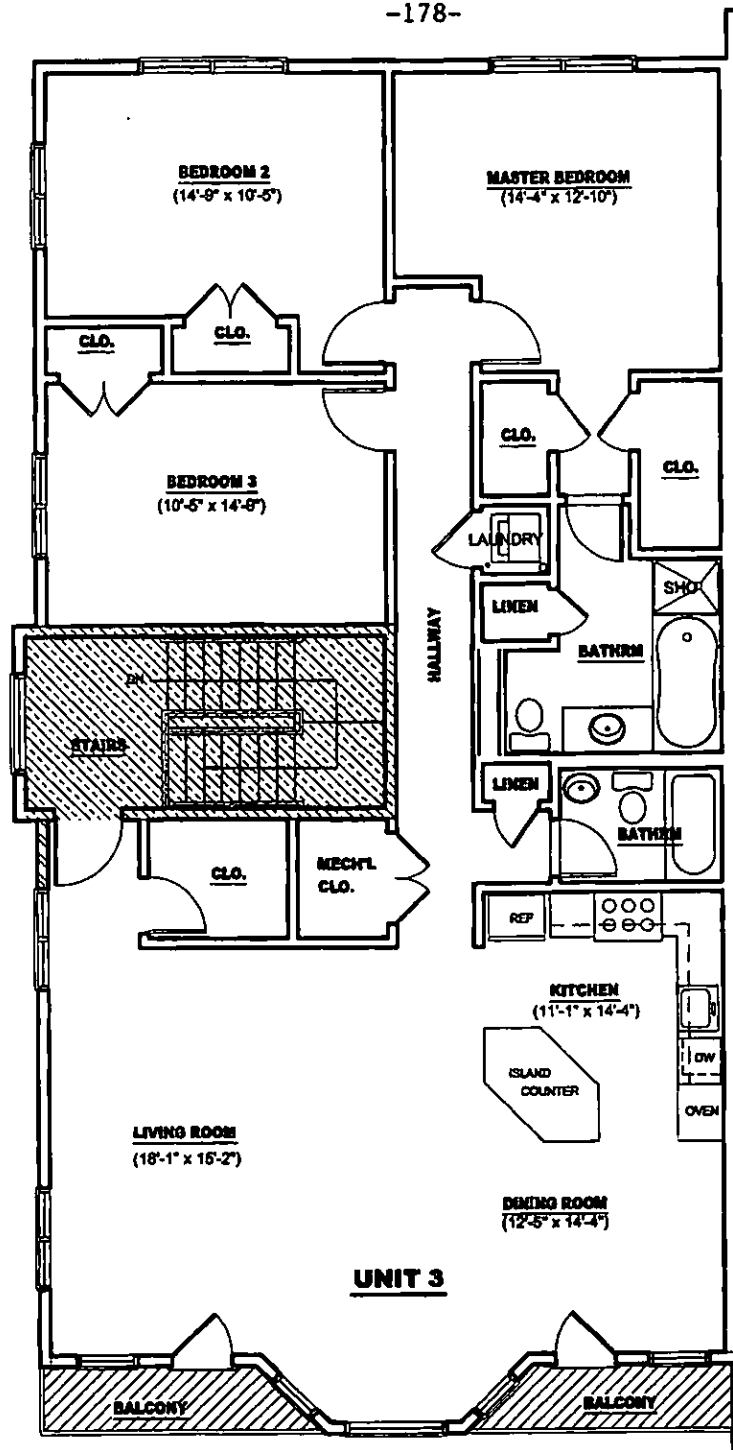
- STAIRS 117 SQ. FT.

LIMITED COMMON ELEMENT

- BALCONY FOR UNIT 2 32 SQ. FT. (EACH)

NOTE:

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES



THIRD FLOOR PLAN



LEGEND

-  LINE OF DEMISING WALL
-  HATCH DESIGNATES LIMITED COMMON ELEMENT
-  HATCH DESIGNATES LIMITED COMMON ELEMENT FOR UNIT 2 AND UNIT 3

FLOOR AREA BREAKDOWN

UNIT 3 FLOOR AREA	1,847 SQ. FT.
LIMITED COMMON ELEMENT FOR UNIT 2 AND UNIT 3	
• STAIRS	117 SQ. FT.
LIMITED COMMON ELEMENT	
• BALCONY FOR UNIT 3	32 SQ. FT. (EACH)

NOTE:
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO NORMAL CONSTRUCTION VARIANCES AND TOLERANCES

DECLARATION

Establishing a Plan for Condominium Ownership of Premises located at 2841 Ford Street, County of Kings, City and State of New York Pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME: FREEDOM SQUARE CONDOMINIUM

SPONSOR: MAZIE, LLC
c/o Albert Agnese
2369 Royce Street
Brooklyn, New York 11234

DATE OF DECLARATION: _____

The land affected by the within instrument lies in Block 8804, Lot ____ on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York.

F.K.A. Old Lot Number _____
N.K.A. New Lot Numbers ____ - ____

Record and Return:

STEMPEL BENNETT CLAMAN & HOCHBERG, P.C.
Attorneys for Sponsor
655 Third Avenue - 22nd Floor
New York, New York 10017

Declaration Establishing a Plan for Condominium Ownership of Premises to be known as Freedom Square Condominium, located at 2841 Ford Street, Borough of Brooklyn, County of Kings, City and State of New York, Pursuant to Article 9-B of Real Property Law of the State of New York.

MAZIE, LLC, a limited liability company organized under the laws of the State of New York, with an office at 2369 Royce Street, Brooklyn, New York 11234, hereinafter referred to as "The Sponsor," does hereby declare:

1. **Submission of Property.** Sponsor hereby submits the land hereinafter described, together with the building and improvements thereon erected (the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York.
2. **Area and Location of Land.** The land ("Land") has an area of approximately 4,288.73 square feet and consists of all that certain tract, plot, piece and parcel of land situate, lying and being in the County of Kings, City and State of New York, more particularly described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Sponsor in fee simple absolute.
3. **Name of Condominium.** The Condominium shall be known as Freedom Square Condominium.
4. **Description of Building.** The Building is three (3) stories in height plus a cellar. The second and third floors of the Building each contain one unit. The first floor contains two units. The cellar level is the lower level of each of the two first floor units.

There is a front yard at the Property which is a General Common Element. There is a driveway on the side of the Building which is also a General Common Element. The driveway also serves as a walkway to the entrances to the first floor units and the entrance to the lobby and stairway to the second and third floor units. At the rear of the Building is a continuation of the driveway and four (4) parking spaces. Each Parking Space is a Limited Common Element for the exclusive use of each of the four (4) Units, with one Parking Space allocated to each Unit.

The cellar floor is reinforced concrete slab on grade. The second and third level consists of plywood on metal joist with insulation/soundproofing material. The balconies are cantilever construction in concrete on metal decking. All exterior wall construction is non-combustible metal studs with batt insulation. The exterior finish is a combination of brick and stucco finish. The brick finish shall cover the perimeter of the first floor exterior walls only and the balance of the exterior walls are stucco finish.

Each Unit is separately heated with gas heat.

There is no elevator.

5. **The Units.** Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: unit designation; tax lot number; approximate area; location; number of rooms and baths; the portion of the Common Elements, including Limited Common Elements, if any, to which the Unit has immediate access and the percentage of interest in the Common Elements. The location of each Unit is more clearly designated on the Floor Plans (as hereinafter defined) and reference should be made thereto for the statement of the location of each Unit.

As shown on the Floor Plans of the Building (the "Floor Plans"), certified by _____, Registered Architect, and intended to be filed in the Kings County Office of the Register of the City of New York, simultaneously with the recording of this Declaration, the approximate physical dimensions of each Residential Unit consist of the area enclosed horizontally on each of one or more floors by the interior (unit side) face of the masonry or block walls or the line of the concealed metal or wood studs on the exterior walls of the Building to the face of the masonry or block walls or the line of the concealed metal or wood studs of either the opposite exterior walls of the Building or to the face of the metal or wood studs or the unexposed face of drywall of the interior walls and partitions separating one Unit from another Unit, stairs, shafts or other Common Elements. For the purpose of measuring square footage, Residential Units are measured to the centerline of any walls separating one Residential Unit from another Residential Unit. Vertically, each Residential Unit consists of the space between the upper face of either the subfloor or concrete floor and the upper face of the dry wall ceiling on each of one or more floors.

Doors, windows and skylights which open from or form the border of a Unit shall be deemed part of the Unit.

Any mechanical equipment located outside a Unit which only services a particular Unit, shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.

Any mailbox on the exterior of the Building shall be the property of the Unit Owner to whom such mailbox is allocated. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mail boxes.

Any Common Elements located within a Unit will not be considered a part of such Unit.

6. **Common Elements.** The Common Elements of the Condominium consist of the entire Property, including all parts of the Building and improvements thereon other than the Units or unless otherwise specified. Common Elements are comprised of General Common Elements and Limited Common Elements. They include, without limitation, the following:

A. General Common Elements:

- (1) The land on which the Building is physically erected; the front yard, the driveway and continuation thereof at the rear of the Building, excluding the four (4) delineated Parking Spaces; any rear yard area which is not a part of the Parking Spaces;
- (2) All foundations, columns, girders, beams, supports, bearing walls; the exterior walls of the Building, or, where applicable, those portions of the exterior walls beyond the interior face of the exterior wall; those portions of the walls and partitions dividing the Units from corridors, lobby, shaft and stairs located beyond the block, brick, concrete work or the unexposed face of the drywall of the interior walls of the Building separating one Unit from another Unit, or from the corridors, shaft, lobby or stairs not within a Unit; floor slabs and any metal decking; any support beams, and joists, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached, roof bulkheads; skylights which do not open from or form the border of a Unit, water towers and tanks, if any; roofs, corridors, halls, stairs and stairway areas which are not designated as a Limited Common Element located beyond the unexposed face of the studs or block, brick or concrete work of the walls enclosing a Unit; any storage and utility areas which are not part of a Unit or not otherwise specifically designated as a Limited Common Element, located beyond the block, brick or concrete work enclosing a Unit; the main entrance to and exit from the Building, excluding the door to such entrance;
- (3) Sidewalks;
- (4) All installations outside the Units for services such as gas, power, light, telephone and water; intercom system, if any;

- (5) All sewer pipes and drainage pipes;
- (6) Any tanks, pumps, motors, fans compressors, ducts and in general all apparatus and installations existing for common use;
- (7) The meter room in the cellar of Unit 1F;
- (8) All other apparatus and installations existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building;

B. Limited Common Elements. The following portions of the Common Elements will be Limited Common Elements:

- (1) Any balconies adjacent to and with access directly from a particular Residential Unit, which shall be for the exclusive use of such Residential Unit Owner;
- (2) Each of the four (4) demarcated Parking Spaces, which shall be for the exclusive use of a particular unit so that each Unit has the exclusive use of one Parking Space. Parking Space numbered 1 shall be for the exclusive use of Unit 1R. Parking Space numbered 2 shall be for the exclusive use of Unit 1F. Parking Space numbered 3 shall be for the exclusive use of Unit 2. Parking Space numbered 4 shall be for the exclusive use of Unit 3.
- (3) The lobby on the first floor leading to the stairway from the first floor to the third floor and the front entrance door to such lobby, all of which shall be for the exclusive use of the Unit Owners of Units 2 and 3.
- (4) The stairway from the first floor to the third floor and hallways on the second and third floors, which shall be for the exclusive use of the Unit Owners of Units 2 and 3.
- (5) Any utility meter for a particular Unit, which shall be for the exclusive use of such Unit Owner.
- (6) Any mailbox in the lobby, which shall be for the exclusive use of the Unit to which mailbox is allocated.
- (7) The intercom system for Units 2 and 3, which shall be for the exclusive use of Units 2 and 3.

7. **Use of Units.** Each of the Residential Units may be used only for private residential use, except that a Residential Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances and provided further that the prior written consent of the Board of Managers to such professional use is obtained. Notwithstanding the foregoing, the Sponsor or its designee, may, without the permission of the Board of Managers, retain ownership of one or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units.
8. **Determination of Percentages in Common Elements.** The percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.
9. **Encroachments.** If any portion of the Common Elements now encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers, or (c) as a result of repair or restoration of the Building or a Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings; a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand.
10. **Easements.**
 - A. Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, ducts, cables, wires, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to all General Common Elements, to each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained within a particular Unit or elsewhere in the Building. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit and in favor of other Units and the Common Elements.

- B. The Sponsor and its designees, their successors, assigns, invitees, licensees, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, installation and development thereon of any recreation facilities, and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility lines for the benefit of the recreation facilities, if any, Common Elements and Units and (ii) construction and installation, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables, and (iii) ingress to and egress from all land areas (in common with Unit Owners) for any lawful purpose.
- C. The Sponsor, its designees and their successors, assigns, invitees, licensees, contractors, employees and tenants (i) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Building and elsewhere on the Property for the purposes of advertising the sale of Units and the leasing of any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of the Offering Plan for the Property, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements and (ii) reserve the right to establish, grant and create easements for any additional underground electric transformer, amplifier, gas, cable television, telephone, water, storm drainage, sewer or other utility lines and appurtenances in, under and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Sponsor or designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, or users of the recreation facilities, if any, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Residential Units for dwelling purposes or home occupation purposes. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right of access is exercised in such a manner as not unreasonably to interfere with the use of the Units.

- D. In addition, each Unit shall have an easement for (i) the exclusive use, alone or in common with one or more other specified Units, of its Limited Common Elements; and (ii) access to any mechanical equipment located outside a Unit which only services a particular Unit, which shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.
 - E. The user of any easement granted by subparagraphs B, C and D of this Paragraph 10 shall have the responsibility of repairing any damage resulting therefrom. No fee or charge may be imposed by the Board of Managers for any easement granted herein.
11. **Power of Attorney to Board of Managers and Sponsor.** Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney in fact, coupled with an interest and with power of substitution, (i) the Sponsor and/or Sponsor-designee to amend the Condominium Documents pursuant to the terms of Paragraph 15 hereof, and (ii) the persons who shall from time to time constitute the Board of Managers for the following purposes:
- a) employ counsel for purposes of protesting the New York City real property tax assessments with the appropriate party and distributing tax certiorari proceedings on behalf of the Unit Owners for the reduction of the assessed valuation of their Units, such Unit Owners agreeing not to protest said assessments and bring such tax certiorari proceedings at their own initiative and on their own behalf;
 - b) acquire or lease any Unit, together with its Appurtenant Interests whose owner desires to sell, convey, transfer, assign, or lease such Unit and its Appurtenant Interest, in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners at such price, or rental, as the case may be, as the attorneys-in-fact deem proper.
 - c) to acquire any Unit, together with its Appurtenant Interest which becomes the subject of a foreclosure, or similar sale, on such terms and at such price or rental as the case may be, as the attorneys-in-fact deemed proper, in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners;
 - d) convey , sell, lease, sublease, mortgage, or otherwise deal with (but not to vote the Common Interest, appurtenant to) any Unit so acquired or to sublease any Unit so leased without the necessity of further authorization on such terms as the attorneys-in-fact may determine; and

e) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Condominium that the Board of Managers deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Board of Managers deems necessary or appropriate or (3) any protests and tax certiorari proceeding affecting Units.

In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either the Sponsor or the Board of Managers, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Power of Attorney in the form set forth in the Offering Plan, as amended, for the Property.

12. **Acquisition of Units by Board of Managers.** In the event any Unit Owner shall surrender his Unit, together with: (i) the undivided interest in the Common Elements, general and limited, appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium; (hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Real Property Law of the State of New York, or in the event the Board of Managers shall purchase from any Unit Owner who has elected to sell the same, a Unit, together with the Appurtenant Interests, pursuant to Section 1 of Article VIII of the By-Laws, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, such Unit and Appurtenant Interests shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. The lease covering any Unit leased by the Board of Managers, or its designee, corporate or otherwise, shall be held by the Board of Managers, or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interests.
13. **Person to Receive Service.** The Secretary of State of New York is hereby designated to receive service of process in any action brought against the Condominium. For the period during which Sponsor is in control of the Board of Managers, Mazie, LLC, with an office at 2369 Royce Street, Brooklyn, New York 11234 is hereby designated to receive a copy of the notice of process from the Secretary of State in any action which may be brought against the Condominium. After Sponsor relinquishes control of the Board of Managers a copy of the notice of process in any action which may be brought against the Condominium shall be

served on the President of the Condominium at the Office of the Condominium, 2841 Ford Street, Brooklyn, New York 11235.

14. **Units Subject to Declaration, By-Laws and Rules and Regulations.** All present and future Owners, tenants, subtenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.
15. **Amendment to Declaration.** This Declaration may be amended, modified, added to or deleted from by the vote of at least 66% in number and in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by 66% in number and in Common Interest of all Unit Owners, provided, however:
 - (a) No amendment, modification, addition or deletion which shall adversely affect the lien of any mortgage may be made without the written consent of the mortgagee;
 - (b) No amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner(s); no amendment which shall increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagee(s) of such Unit, or Units, if any;
 - (c) No amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against Sponsor, its designee, or any Unsold Unit until Sponsor or such designee, as the case may be, shall consent thereto in writing.

The Sponsor hereby reserves to itself and its designee(s) the right to amend this Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by the New York Real Property Law Section 339-p for any portion or portions of the Building and appurtenances which are incomplete at the time the

Declaration is recorded or to subdivide and/or combine any of its Units or alter the boundary walls thereof or boundaries of Limited Common Elements and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations, and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p.

No such amendment shall be effective until recorded in the Kings County Office of the Register of the City New York.

16. **Changes in Unsold Units.** For any Unit owned by the Sponsor or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Sponsor or its designee(s) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (i) make alterations, additions, or improvements in, to and upon the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise altering the boundaries of Limited Common Elements; and (iv) reapportion among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that the Sponsor or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. Written consents shall also be obtained from contract vendees (if any and provided that they are not then in default), who, pursuant to their Purchase Agreements with Sponsor or its designee are Purchasers of Units adversely affected as a result of the above changes. The above changes, if made, will be disclosed in an amendment to the Offering Plan for the Property. The provisions of this Paragraph 16 may not be added to, amended or deleted without the prior written consent of the Sponsor or its designee(s).

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

17. Invalidity.

- (a) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under the other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act.
- (b) Subject to the terms of subparagraph (a) of this Paragraph 17, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration or the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest thereon under other applicable law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

- 18. Termination of Condominium.** The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners that own not less than eighty (80%) percent in number and in Common Interest of the Units. Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event

Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such net proceeds all liens on his Unit, in order of priority of such liens.

19. **Definitions.** All capitalized terms used in this Declaration that are not defined herein shall have the meanings set forth in Schedule C to this Declaration. Each of the capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.
20. **Waiver.** No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.
21. **Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision thereof.
22. **Gender.** The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the party has caused this Declaration to be executed by its duly authorized representative this ____ day of _____, 20__.

Mazie, LLC

By: _____

By: _____

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and office of individual
taking acknowledgment

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and office of individual
taking acknowledgment

SCHEDULE A
TO THE DECLARATION OF
FREEDOM SQUARE CONDOMINIUM

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

BEGINNING at a point on the easterly side of Ford Street, distant 91 feet 1/2 inch northerly from the corner formed by the intersection of the northerly side of Emmons Avenue with the easterly side of Ford Street;

RUNNING THENCE easterly at right angles to the easterly side of Ford Street, 107 feet 3 inches;

THENCE northerly at right angles to the last mentioned course, 37 feet 1 1/4 inches to a point;

THENCE northwesterly along a line forming an interior angle of 157 degrees 2 minutes 38 seconds with the last mentioned course, 3 feet 1 3/4 inches

THENCE westerly along a line at right angles to the easterly side of Ford Street, 106 feet 1/2 inch to the easterly side of Ford Street;

THENCE southerly along the easterly side of Ford Street, 40 feet to the point or place of BEGINNING.

**SCHEDULE B
TO THE DECLARATION OF
THE CONDOMINIUM KNOWN AS
FREEDOM SQUARE CONDOMINIUM
2841 FORD STREET
BROOKLYN, NEW YORK 11235**

Unit	Percentage of Interest in Common Elements	Tax Lot Number	Approximate Square Foot Area	Approximate Square Foot Area of Terrace(s) and/or Balconies and/or Window Walls	Location	Number of Rooms/Baths	Common Elements to Which Unit Has Immediate Access
IF	20.00		794 cellar 762 1 st floor 1,556 total	20 W	first floor and cellar front	3.5/1.5	Driveway
IR	20.00		816 cellar 737 1 st floor 1,553 total	43 W	first floor and cellar rear	3.5/1.5	Driveway
2	30.00		1,547	32 B 32 B	second floor	5.5/2.0	Stairs
3	30.00		1,547	32 B 32 B	third floor	5.5/2.0	Stairs

Unit IF shall have exclusive use of Parking Space #1F totalling approximately 144 square feet.
Unit IR shall have exclusive use of Parking Space #1R totalling approximately 144 square feet.
Unit 2 shall have exclusive use of Parking Space #2, totalling approximately 144 square feet.
Unit 3 shall have exclusive use of Parking Space #3, totalling approximately 144 square feet.

B denotes Balcony

W denotes Window Well

**SCHEDULE C
TO THE DECLARATION
OF CONDOMINIUM OF THE PREMISES
KNOWN AS**

**Freedom Square Condominium
2841 Ford Street
Brooklyn, New York 11235**

DEFINITIONS

- | | | |
|---|---|--|
| "Appurtenant Interest" | - | With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium. |
| "Assessments" | - | The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws). |
| "Board of Managers" or
"Condominium Board" | - | The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest. |
| "Building" | - | The structure located at 2841 Ford Street, Brooklyn, New York 11235 |
| "Common Charges" | - | Each Unit's proportionate share of the Common Expenses in accordance with its percentage of Common Interest. |
| "Common Elements" | - | All portions of the Property other than Units. Common Elements are comprised of General Common Elements and Limited Common Elements. |
| "Common Expenses" - | - | (a) Expenses of operation of the Property, and |

(b) All sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.

- "Common Interest" - The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
- "Condominium" - A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as Common Elements. In the context of this Offering Plan "Condominium" specifically refers to "Liberty Square Condominium."
- "Condominium Act" - Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
- "Condominium Documents" - The Declaration and all Schedules thereto, the By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.
- "Declaration" - The instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the By-Laws.
- "First Unit Closing" - The first closing of title with a bona fide purchaser of a Unit.
- "Floor Plans" - The floor plans of the Units certified by a licensed engineer or registered architect, and filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.
- "General Common Elements" - Shall mean those certain portions of the Property (other than the Units) as well as the fixtures and equipment therein, either existing for the common use of the Units or the Unit Owners or necessary for or facilitating the existence, maintenance, operations or safety of the Property, as more particularly described in the Declaration.

- "Insurance Trustee" - A bank, a trust company or savings and loan association, in any event having both an office in the City of New York from time to time appointed to serve as such by the Condominium Board.
- "Land" - All that certain tract, plot, piece and parcel of land situate, lying and being in the County of Kings, City and State of New York as more particularly described in Schedule A to the Declaration.
- "Law" - The laws and ordinances of any or all of the Federal, New York State, New York City, and Kings County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.
- "Limited Common Elements" - Shall mean those portions of the Property (other than the Units) as well as the fixtures and equipment therein, either existing for the use and enjoyment of a particular Unit Owner or certain Unit Owners to the exclusion of all other Unit Owners, as more particularly described in the Declaration.
- "Majority" - Of Unit Owners means either (i) more than fifty percent in Common Interest in the aggregate, or (ii) more than fifty percent in number of Units in the aggregate, or (iii) more than fifty percent in the aggregate in both Common Interest and in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in number of Units in the aggregate, or (iii) such percentage in Common Interest and such percentage in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters, provided, however, that different percentages in interest and in number of Units may be so specified.
- "Managing Agent" - A person employed by the Condominium Board pursuant to Article II, Section 3 of the By-Laws, who shall undertake to

perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the By-Laws.

- "Offering Plan" - The document filed with the New York State Department of Law which describes the condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time. Sometimes herein referred to as the "Plan".
- "Operation of the Property" - The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.
- "Person" - A natural person, corporation, partnership, association, trustee or other legal entity.
- "Property" - Means and includes the Land, the Building and all other improvements thereon, (i) owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.
- "Purchaser" - Any Person who has entered into an agreement with Sponsor to purchase any Unit and is not in default thereunder.
- "Recording officer" and
"Recording" or "Recorded" - Shall have the meanings stated in section two hundred ninety of the New York State Real Property Law.
- "Residential Unit" - A designated apartment in the Building comprising the Condominium, which is owned in fee simple absolute.
- "Residential Units" - Collectively, all the apartments in the Building.
- "Residential Unit Owner" - Means the person, persons or entity owning a Residential Unit in fee simple absolute.
- "Rules and Regulations" - The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same

may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.

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| "Selling Agent" | <ul style="list-style-type: none"> - The entity which on behalf of the Sponsor, originates and supervises sales of Units. The Sponsor is also the Selling Agent for this project. |
| "Sponsor" | <ul style="list-style-type: none"> - The promoter of the project and/or Offering Plan to convert a particular parcel of property to Cooperative or Condominium Ownership; Mazie, LLC is the Sponsor of this Offering Plan. |
| "Sponsor-designee" | <ul style="list-style-type: none"> - Any Person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a Person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under this Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee". |
| "Unit" | <ul style="list-style-type: none"> - Any space in the Building designated as a Unit. Such Units are a part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or elements leading to a public street or highway, and may include such appurtenances as a storage room, balcony or terrace. Any mechanical equipment located outside a Unit which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment. |
| "Unit Deed" | <ul style="list-style-type: none"> - The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute. |
| "Unit Designation" | <ul style="list-style-type: none"> - The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the Floor Plans. |

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| "Unit Owner" | - | The person or persons, or entity owning a Unit in fee simple absolute. It collectively means the respective owners of the Residential Units. |
| "Unsold Units" | - | Any Unit owned by Sponsor or its designee at the time in question. |

BY-LAWS
OF
FREEDOM SQUARE CONDOMINIUM

Borough of Brooklyn
County of Kings, City and State of New York

STEMPEL BENNETT CLAMAN & HOCHBERG, P.C.
655 THIRD AVENUE - 22ND FLOOR
NEW YORK, NEW YORK 10017

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BY-LAWS
OF
FREEDOM SQUARE CONDOMINIUM

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership. The property, located in the Borough of Brooklyn, County of Kings, City and State of New York at 2841 Ford Street, Brooklyn, New York (hereinafter called the "Property") has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in Kings County Office of the Register of the City of New York, simultaneously herewith. The Condominium thereby created shall hereinafter be known as Liberty Square Condominium.

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Building and all other improvements thereon (including the Units, the Common Elements and Limited Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The Condominium Units are hereinafter sometimes referred to as "Unit" or "Units."

Section 3. Application. All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations attached hereto as Schedule A.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. Definitions. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Schedule C to the Declaration, unless the context in which the same are used shall otherwise require. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise

require. Each of the afore described capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 5. Office. The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II

BOARD OF MANAGERS

Section 1. Status of the Board of Managers. Unless and until the Board of Managers shall incorporate in accordance with the terms of Section 3 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Board of Managers shall incorporate in accordance with the terms of Section 3 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Board of Managers shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2. Number and Term. The number of Managers which shall constitute the whole Board shall not be less than three (3) and not more than five (5). Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose, Managers need not be Unit Owners; thereafter, all Managers, other than a representative of Sponsor, shall be Unit Owners, the principal or officer of a Unit Owner or the spouse of a Unit Owner. The number of Managers elected at the first such meeting shall be four, with each Unit Owner having the right to designate one Manager for each Unit owned. The Managers shall be elected at the annual meeting of the members. The Managers shall hold office until their successors have been elected and hold their first meeting. But, in any event, the terms of the members of the Board of Managers shall expire annually.

Section 3. Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

- a. Contracting for the necessary services for operation, care, upkeep and maintenance of the Common Elements.
- b. Determination of the Common Expenses and Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.

- c. Collection of the Common Charges and expenses of the Condominium from the Unit Owners.
- d. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.
- e. Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property subject to a right of the Unit Owners to overrule the Board (See Article VI, Section 16).
- f. Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.
- g. Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Managers.
- h. Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.
- i. Acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, as described in the Declaration and these By-Laws.
- j. Selling, leasing, mortgaging (but not voting the votes appurtenant to), or otherwise dealing with Units acquired by, and subleasing Units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.
- k. Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners.
- l. To incorporate, to the extent and in the manner provided by the Condominium Act, provided, however, that: (i) the certificate of incorporation and By-Laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (ii) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and by laws;

- m. Obtaining and reviewing of insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof.
- n. Making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- o. Negotiation and settlement of all claims and actions relating to the Condominium.
- p. Borrowing 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 a majority of all Unit Owners shall be required for the borrowing of any sum in excess of \$25,000.00 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 Unit Owner. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (p) is not repaid by the Board, a Unit Owner who pays to the creditor such proportional share thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.
- q. Levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property and levying late payment charges against Unit owners for late payment of their Common Charges, including Assessments and Special Assessments.
- r. Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or any Sponsor-designee shall continue to own Condominium Units equaling at least twenty-five (25%) percent of the total Common Interest of the Condominium but in no event for a period in excess of five (5) years from the closing of title to the first Unit ("First Unit Closing"), the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Offering Plan for the

Property to the extent that the aggregate amount of such fund does not exceed 5.00% of the budgeted expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by applicable laws or regulations, or to remedy a notice of violation or remedy a work order by an insurer to the extent that existing reserves are insufficient). As long as the Sponsor or any Sponsor-designee, shall continue to own a Unit the Board of Managers may not, without the Sponsor's or Sponsor designee's prior written consent, (i) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or its designees, or (ii) interfere with the offer and sale or leasing of Units at the Property (iii) interfere with the operation of general or sales and leasing offices at the Property or actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the provisions of this Section 3, the Sponsor or Sponsor-designee shall not withhold its consent to the making of repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable laws or regulations, to remedy any notice of violation or to remedy any work order by an insurer.

Section 4. Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to the manager or managing agent, all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (k), (l), (o), (p) and (q) of Section 3 of this Article II. All Unit Owners of Units occupied by a non-purchasing tenant, other than Sponsor or its designee, herein agree to irrevocably appoint the Managing Agent of the Condominium and its successors and assigns or to appoint the Board of Managers, if no Managing Agent is employed by the Condominium, as his or her Agent to provide to the non-purchasing tenant(s) all services and facilities required by law.

Section 5. First Board of Managers. The first Board of Managers shall consist of persons designated by the Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first meeting of Unit Owners called for the purpose of electing Managers. 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 7 of this Article.

Section 6. Removal of Members of the Board of Managers. At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor or a Sponsor-designee, may be removed with or without cause by an affirmative vote of Unit Owners whose aggregate Common Interest exceed seventy percent (70%) of the Common Interest of the Condominium, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal

has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee may only be removed for cause by the affirmative vote of Unit Owners (including Sponsor and/or any other Holder of Unsold Units) owning in the aggregate a percentage of Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. In the event of such removal, the Sponsor or Sponsor designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers. If a member of the Board of Managers ceases to be a Unit Owner, the principal or officer of a Unit Owner or the spouse of a Unit Owner, unless such member is a Sponsor-designee, he shall be deemed to have resigned, effective as of the date such ownership interest ceased.

Section 7. Vacancies. Vacancies in the Board of Managers caused by any reason, other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by a vote of the majority of the remaining members at a special meeting of the Board of Managers held for that purpose, promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until a successor shall be elected at the next annual meeting of the Unit Owners to serve the remaining term. Notwithstanding the foregoing, vacancies of members designated by the Sponsor or Sponsor-designee shall be filled only by the Sponsor or Sponsor-designee.

Section 8. Organization Meeting. The first meeting of the members of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Managers, elected at the meeting at which they shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Managers in order to legally constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

Section 9. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or telegraph, at least five (5) business days prior to the day named for such meeting.

Section 10. Special Meetings. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers, given by mail, telegraph or personal delivery to the Unit owned by such member of the Board of Managers, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Managers if the number of Managers is three; and at least three (3) members of the Board of Managers if the number of managers is four (4).

Section 11. Waiver of Notice. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum of Board of Managers. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If, at any meeting of the Board of Managers, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board or the committee.

Section 13. Fidelity Bonds. The Board of Managers may obtain fidelity bonds in the amount of \$50,000.00 or more for all officers and employees of the Condominium handling or responsible for Condominium funds and for the managing agent. The premiums on such bonds, if obtained, shall constitute a Common Expense.

Section 14. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 15. Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers, who are members of the Sponsor or designated by the Sponsor, to contract with the Sponsor and affiliated entities without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the members

of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 16. Executive Committee. The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Board of Managers, at least one of whom shall be a member designated by the Sponsor or Sponsor-designee so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the managing of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the Common Charges and expenses required for the affairs of the Condominium, (b) to determine the Common Charges payable by the Unit Owners to meet the Common Charges and expenses of the Condominium, (c) to adopt or amend the Rules and Regulations covering the details of the operation and use of the Property or (d) to exercise any of the powers set forth in subdivisions (g), (h), (i) and (p) of Section 3 of Article II.

Section 17. Other Committees. The Board of Managers may by resolution create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be designated by the Sponsor or a Sponsor-designee, so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board, shall be appointed by the President of the Condominium. The members of any such committee need not be a member of the Board of Managers, but must be eligible to be elected to the Board of Managers. Such committee shall not have power to do any act which the Executive Committee may not do under subsections (a)-(d) of Section 16 of Article II.

ARTICLE III

UNIT OWNERS

Section 1. Annual Meetings.

(a) Within thirty (30) days, after the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds fifty (50%) percent or (ii) two (2) years from the First Unit Closing, or such earlier time as Sponsor deems to be in the best interest of the parties the Sponsor shall call a special Unit Owners meeting for the purpose of electing a Board of Managers. At such meeting the Board of Managers shall resign and a new Board shall be elected by the Unit Owners. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings, there shall be elected by ballot of the Unit Owners a Board of Managers in

accordance with the requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

(b) **Sponsor's Right to Elect Members of the Board of Managers.** Upon the earlier of five (5) years subsequent to the date of the First Unit Closing or the date of the closing of title to a Unit or Units, resulting in the aggregate Common Interest of the Condominium exceeding ninety (90%) percent, which has been sold to bona fide purchasers, Sponsor and/or Sponsor-designee(s) will relinquish control of the Board of Managers if they have such control and will not elect a majority of the Board of Managers of the Condominium even though the aggregate percentage of Common Interest owned by them may enable them to otherwise do so. Subsequent to the date when the Sponsor relinquishes control of the Board of Managers and so long as the Sponsor or a Sponsor-designee shall continue to own at least two (2) Units, the Sponsor or Sponsor-designee shall have the right to elect at least two of the four (4) members of the Board of Managers or one member less than a majority of the Board of Managers, as the case may be. Also, subsequent to the date when the Sponsor relinquishes control of the Board of Managers and as long as the Sponsor or a Sponsor-designee shall continue to own one Unit, the Sponsor or Sponsor-designee shall have the right to elect one of the members of the Board of Managers. The Unit Owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners as defined in Section 9 of this Article III having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the building or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least ten (10) days prior to such meeting. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

- a. Roll call;
- b. Proof of notice of meeting;
- c. Reading of minutes of preceding meeting;
- d. Reports of officers;
- e. Report of Board of Managers;
- f. Reports of committees;
- g. Election of inspectors of election (when so required);
- h. Election of members of the Board of Managers (when so required);
- i. Unfinished business;
- j. New business.

Section 7. Title to Units. Title to Units may be taken in the name of an individual or in the names of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety or in the name of a corporation or partnership, or in the name of a fiduciary or trust, estate, unincorporated association, syndicate, joint venture, limited liability company, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. The above shall not constitute consent or condonation of any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 8. Voting. The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on his or their behalf, who need not be an Owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of the Unit Owners. The Owners of each Unit (including the Sponsor or Sponsor-designee, if the Sponsor or its designee shall then own one or more Units) shall be entitled to cast one vote for each .0001% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to a vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Unit Owner shall have the right

to elect or designate one member of the Board of Managers for each Unit owned. If Units are owned by more than one person as joint tenants, tenants by the entirety or as tenants in common or by a partnership, corporation or other entity, the persons owning said Unit shall agree among themselves and cast the votes for their Unit. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote.

Section 9. Majority of Unit Owners. As used in these By-Laws the term "majority of Unit Owners" shall mean those Unit Owners having greater than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 8 of this Article III.

Section 10. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 11. Majority Vote. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where, in the Declaration or these By-Laws or by law, a higher percentage vote is required.

Section 12. Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or applicable law, consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV

OFFICERS

Section 1. Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Managers.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his

successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint members of committees created by the Board of Managers from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers is to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9. Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

Section 10. Liability of Officers. The officers of the Condominium shall have the same rights and liabilities as the members of the Board of Managers under Article II Section 15 of these By-Laws.

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, Unit Owner or mortgagee, 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 or mortgagee at such address as appears on the books of the Condominium. Members of the Board of Managers may be given notice in writing personally delivered to them.

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

OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Fixing of Common Charges. The Board of Managers shall from time to time, at least annually, prepare a budget for the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners according to their respective Common Interests. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article VI and the fees and disbursements of the Insurance Trustee, if any. The Common Expenses shall also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium for a general operating reserve, and for a reserve fund for replacements, to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale, together with such amounts as may be necessary to maintain such Unit(s). The Board of Managers shall also, where necessary, impose an assessment or additional Common Charge in order to meet any unanticipated Common Expense. All such Assessments or additional Common Charges shall be levied against all Unit Owners in proportion to their respective Common Interest. Assessments may be payable either in one lump sum or in installments, as the Board of Managers shall determine,

provided, however, that the Board of Managers shall give each Unit Owner not less than 15 days written notice prior to the date upon which such Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth in reasonable detail, the nature and purposes thereof. The Board of Managers shall have all rights and remedies for the collection of Assessments as are provided herein for the collection of Common Charges, such Assessments constituting a Common Charge. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such charges are based, to all Unit Owners and to their mortgagees, if so required.

The Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide purchaser. However, notwithstanding the foregoing, the Sponsor reserves the right to indefinitely suspend the imposition of Common Charges on all Units at the First Unit Closing, provided Sponsor gives a written undertaking to pay and does pay all expenses of the Condominium during the time period in which Common Charges are suspended. Thereafter, upon fifteen (15) days prior written notice to all Unit Owners and the Board of Managers, Sponsor may impose the payment of Common Charges from the date set forth in the notice provided Sponsor pays the Common Charges for all Unsold Units from that date forward.

Section 2. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (a) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount to be determined by the Board of Managers but in no event to be less than the full replacement cost of the Building, including the above noted items but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker; each of said policies shall contain a Condominium Property Endorsement and 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, if any, as herein provided; (b) worker's compensation insurance, if the Condominium has employees; (c) a fidelity bond or bonds in sufficient amounts, to fully protect the interest of the Condominium, may be carried on each member of the Board of Managers, officers of the Condominium, managing agent and managers, including any person or persons handling or responsible for funds of the Condominium; (d) disability benefits insurance if the Condominium has employees; and (e) such other insurance as the Board of Managers may determine. All policies of physical damage insurance shall provide that adjustment of loss shall be made by the Board of Managers (with the approval of the Insurance Trustee, if any, if more than \$100,000.00), and that the total proceeds thereof, if \$100,000.00 or less, shall be payable to the Board of Managers and if more than \$100,000.00 shall be payable to the Insurance Trustee, if any.

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 invalidity arising from any acts of the insured or any Unit Owners, and the individual Unit Owners as well as the Condominium shall be primary insureds to the extent as their interests shall also appear. 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 Units at least ten (10) days prior to expiration of the then current policies if so requested in writing by them.

In the event that the damage resulting from a fire or other casualty loss shall (a) render one or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (b) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such casualty loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a family member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Board of Managers with respect to such Unit.

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, the manager 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 elected by the Unit Owners the public liability insurance will be in a limit of at least \$1,000,000 covering all claims for bodily injury with respect to any one occurrence.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies shall be so endorsed as to state that they will in no way conflict with any insurance carried by the Board of Managers.

If, by reason of the occupancy or use of a particular Unit, the rate of fire or liability insurance for the Property shall be increased, such Unit Owner shall (if such occupancy or use continues for more than thirty (30) days after written notice from the Board of Managers specifying the occupancy or use) become liable for the additional insurance premiums incurred by the Condominium as if such additional premium constituted an assessment.

Section 3. Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building containing the Units as a result of fire or other casualty, unless seventy-five percent (75%) or more of the Building containing the Units are destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five (75%) in the aggregate of the total Common Interest 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 Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by the Sponsor, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. 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 seventy-five percent (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five percent (75%) in the aggregate of the total Common Interest 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 proceeds 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 Interest, after first payment 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.

Whenever in this Section the words "promptly repair" are used it shall mean repairs are to begin not more than sixty days from the date the Insurance Trustee notified the Board of Managers and the Unit Owner or Unit Owners that it shall hold proceeds of insurance funds sufficient to pay the estimated costs of such work; or not more than ninety days after Insurance Trustee notified said Board of Managers and Unit Owner or Owners that such funds are insufficient to pay said estimated costs and advising them of the amount of the required completion bond, if necessary. If there is no Insurance Trustee, then the aforementioned sixty and ninety day periods shall be from date of notification by an insurance adjuster retained by the Board of Managers. Wherever the words, "promptly resolve" are used it shall also mean not more than sixty days from the date of receipt of said insurance funds.

Section 4. Payment of Common Charges. All Unit Owners shall be obligated to pay the Common Charges (including Assessments and Special Assessments) assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges (including Assessments and Special Assessments) assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VIII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VIII hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his Unit is free and clear of liens and encumbrances, other than permissible mortgages and the statutory lien for unpaid Common Charges, convey his Unit, together with the "Appurtenant Interests" to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of Common Charges assessed and unpaid against such Unit prior to the acquisition by him of such Unit, except that a mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for and such Unit shall not be subject to a lien for the payment of Common Charges assessed prior to the foreclosure sale.

Section 5. Collection of Common Charges and Assessments. The Board of Managers shall assess Common Charges against the Unit Owners from time to time at least annually and shall take prompt action to collect any Common Charge due from any Unit Owner which remains unpaid for more than 30 days from the due date for payment thereof. The Board of Managers shall also take prompt action to collect any assessment due from any Unit Owner which remains unpaid for more than 30 days from the due date thereof. Common Charges shall be paid by the fifth day of the month in which they are due or they shall be deemed to be late. Common Charges are deemed to include Assessments and/or Special Assessments.

Section 6. Default in Payment of Common Charges or Assessments. In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the highest legal rate on such Common Charges or assessments from the due date thereof, together with all expenses, including late fees charged by the Board of Managers and attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339aa thereof. A Unit Owner defaulting in payment of Common Charges or assessments shall not be permitted to vote at any regular or special meeting of Unit Owners.

Section 7. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to),

convey or otherwise deal with the same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Common Charges and Assessments. The Board of Managers, managing agent or manager shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 9. Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; and (c) in any event charge the Unit Owner with the cost of reasonable legal and other fees and costs incurred in enjoining, abating or remedying such violation.

Section 10. Maintenance and Repairs.

- a. All maintenance of and repairs to any Unit, ordinary or extraordinary, including any skylights of a Unit, and to the doors (except painting exterior side of Unit entrance door and exterior side of the entrance door to the first floor lobby), windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating and/or hot water fixtures and air conditioning units within the Unit or belonging to the Unit Owner or exclusive to certain Unit Owners shall be at the Unit Owner's expense, excepting as otherwise specifically provided herein.
- b. All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and the exterior side of the entrance door to the first floor lobby and the exterior side of Unit windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (a) by the Board of Managers as a Common Expense, if such

Limited Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of the Unit Owner, having direct and exclusive access thereto), or (b) by the Unit Owner or Unit Owners having direct and exclusive access thereto at his or their sole cost and expense, if it is involving nonstructural ordinary maintenance, repairs or replacements, such as a balcony surface or first floor lobby and stairway from the first to third floor or as a result of the Unit Owner's negligence, misuse or neglect. However, the Condominium shall be responsible for all maintenance and repair of the Parking Spaces. The Unit Owners of Units 2 and 3 shall be completely responsible for the repairs, maintenance and replacement of the intercom system serving Units 2 and 3 on an equally shared basis.

- c. Promptly upon obtaining knowledge thereof, each Unit Owner shall report in writing delivered by mail to the Board of Managers or to the Managing Agent any defect or need for repairs for which the Board of Managers is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner of the Condominium Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.
- d. Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any balcony, terrace, roof, or other part of the Property exposed to the elements) by the Unit Owner or the Board of Managers, whichever is responsible for the maintenance thereof as set forth herein (the cost of snow removal from public walks, the driveway and Parking Spaces shall be a Common Expense and shall be the responsibility of the Board of Managers), and such Unit Owner or the Board of Managers, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Board of Managers, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of terraces, balconies, windows and shades, Venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his Unit.

Section 11. Restrictions on Use of Units. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

- a. The Residential Units shall be used only for a private residence, except that a Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Any Residential Unit may also be used as a professional office by a resident thereof, provided such professional use does not violate zoning regulations and provided further that the prior consent of the Board of Managers to such professional use is obtained. Notwithstanding the foregoing the Sponsor or Sponsor-designee shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to comply with its obligations.
- b. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units. In addition, no furniture, packages, or objects of any kind other than a doormat at the entrance door shall be placed in the public stairways or any other part of the Common Elements (except for those areas designated as storage areas, if any) without the prior written consent of the Board of Managers. The public stairways shall be used only for normal passage through them.
- c. No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.
- d. No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.
- e. Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

- f. No portion of a Unit or other Limited Common Elements appurtenant thereto (other than the entire Unit, including the Limited Common Elements appurtenant thereto) may be rented.

The terms of sub-paragraph (b) of this Section 11 shall not apply to Sponsor or its designee for so long as there are any Unsold Units. So long as Sponsor owns any Unit, Sponsor or its designee shall have the right, without charge or limitation, to: (i) erect and maintain signs of any size or content determined by Sponsor or such designee, on or about any portion of the Common Elements chosen by Sponsor or such designee, including, without limitation, on the exterior walls of the Building or adjacent to any entrance thereof; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements, to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Offering Plan and the Condominium Documents.

Section 12. Additions, Alterations or Improvements by Board of Managers. Subject to the provisions of Section 3 of Article II of these By-Laws, whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements (but not maintenance) costing in excess of \$25,000.00, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements costing \$25,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Section 13. Additions, Alterations or Improvements by Unit Owners. Except as provided below, no Unit Owner shall make any structural addition, alteration or improvement in or to his Unit, or which affects the exterior of the Building or the value of other Units, without prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer in writing any written request by a Unit Owner for approval in such Unit Owner's Unit of a proposed structural addition, alteration or improvement or which affects the exterior of the Building or the value of other Units, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent, either affirmatively or by its inaction, to any structural addition, alteration or improvement or addition, alteration or improvement which affects the exterior of the Building or the value of other units to be made by a Unit Owner, the consent shall provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi- governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and workmen's compensation insurances (certificate for which shall be delivered to the Managing Agent on behalf of the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by the structural alteration, addition or improvement, or due to improper design or construction of the structural alteration, addition or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and in connection with any services provided to such alteration, addition or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work. All alterations, including non-structural alterations and improvements to Units that do not affect the exterior of the Building or the value of other Units, which are performed by other than the Sponsor or its designee, as well as any consent given by the Board of Managers, through inaction or otherwise pursuant to this paragraph, shall be subject to regulation by the Condominium as to any one or more of the following aspects of construction:

- a) time periods during which work is permitted;
- b) the manner in which construction debris will be handled;
- c) measures which must be taken to prevent compromising security of the building during construction;
- d) the interruption of services during construction; and
- e) liability insurance and worker's compensation for contractors during construction.

No work shall commence until all permits required by the City of New York and all insurance certificates required by the Managing Agent acting on behalf of the Board of Managers, are provided to the Managing Agent. Additionally, all electrical and plumbing work shall be done by licensed contractors.

The provisions of this Section 13 which require the consent of the Board of Managers in connection with a structural addition, alteration or improvement or which affect the exterior of the Building or the value of other Units shall not apply to Units owned by the Sponsor or its designee, and shall not apply with respect to any Limited Common Element for which the Sponsor or its designee has exclusive use. Sponsor or its designee shall not need such consent with respect to such Unit or Limited Common Element. All other provisions of this Section 13 shall apply to all Units. For example, with respect to any structural addition, alteration or improvement to a Sponsor-owned Unit, such work shall be at the sole cost and expense of the Sponsor and/or its designee, as the case

may be, and be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances. All work must be done by reputable contractors with adequate liability, property damage and workmen's compensation insurances (certificates for which shall be delivered to the Managing Agent acting on behalf of the Board of Managers prior to the commencement of construction). Any Sponsor or Sponsor-designee-made additions, alterations or improvements, shall be maintained in their entirety by said Sponsor or its designee, as the case may be, who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by any structural alteration, addition or improvement, or due to improper design or construction of any structural alteration, addition or improvement. Additionally, the Sponsor and/or its designee as the case may be, shall reimburse the Board of Managers any out-of-pocket expenses incurred by the Board of Managers in connection with any services provided to such alteration, addition or improvement.

Non-structural alterations and improvements to Units that do not affect the exterior of the Building or the value of other Units may be made without the prior approval of the Board of Managers.

Section 14. Use of Common Elements and Facilities. A Unit Owner shall not place or cause to be placed in the public halls, stairways or other common areas or common facilities, any furniture, packages or objects of any kind other than a doormat in front of the entrance to his or her Unit. The public halls and stairways shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-designee shall have the right to use the Common Elements, without charge, for the purposes set forth in Section 11 of this Article VI. The owner of any two Residential Units, which Units are the only Units serviced or benefited by any General Common Element adjacent or appurtenant to such Units (for example, the portion at the end of any hallway that is directly adjacent to any such Unit located on opposite sides of such hallway) will, with the consent of the Board of Managers (which consent will not be unreasonable withheld or delayed), have the right to use such General Common Elements exclusively, as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests will be made by reason thereof. In such an event, however, such owner shall, at his or their sole cost and expense, both (i) operate, maintain and repair such General Common Element for so long as such owner exercises such exclusive right of use and (b) restore such Common Element to its original condition, reasonable wear and tear excepted, after such owners or owners cease to exercise such exclusive right of use.

Section 15. Right of Access. A Unit Owner shall grant a right of access to his Unit, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building in which the Unit is located, provided that requests for

entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 15, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI.

Section 16. Rules of Conduct. Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. A majority vote of Unit Owners at a meeting may overrule the Board. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers are annexed hereto and made a part hereof as Schedule A. Notwithstanding this provision, for as long as Sponsor or its designee remains the Owner of one or more Units, the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect Sponsor or its designee without Sponsor's prior written consent.

Section 17. Water Charges and Sewer Rents. Water shall be supplied to all of the Units and the Common Elements through one or more building meters or pursuant to a frontage charge and, the Board of Managers shall pay, as a Common Expense, all charges for water consumed by the Units, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. Any water and sewer bills received by a Unit Owner shall immediately be rendered to the Board of Managers for payment. In no event shall the Board of Managers be responsible for loss of service to any Unit, interest or penalties, due to a delay in paying such bills resulting from a Unit Owner not tendering a bill. Any interest or penalties due for such late payments will be an additional assessment to be paid by the Unit Owner who failed to timely tender any bill. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner, shall execute and deliver to the Purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Unit as of the date of closing of title to such Unit, promptly after such charges shall have been billed. Such Unit Owner shall be responsible for paying the cost of its water consumption and sewer usage.

Section 18. Electricity and Gas. Electricity shall be supplied by the public utility company serving the area directly to each Unit through separate meters and each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit. There is no common electric. The lights on one side of the center hallway shall be metered to the Unit adjacent to that side of the hallway on which the light is located. Any ground floor level exterior lighting shall be metered to either Unit 1F or 1R depending upon which side of the middle of the center entrance to Units 2 and 3 the light is located. Accordingly, there shall be no common electric usage. Gas service to each Residential Unit for heat, cooking and hot water shall be metered by separate meters for each Unit and each Unit owner shall be required to pay the bills for gas consumed or used in his Unit.

Section 19. Vault Charges. All license fees and all periodic taxes and charges for street vaults, if any, or other protrusions beyond the lot line shall be paid by the Board of Managers to the City of New York as a Common Expense.

Section 20. Review of Real Estate Tax Assessments. At each Unit Closing the new Unit Owner shall execute a Unit Owner's Power of Attorney, which among other things gives a power of attorney to the Board of Managers to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units in the Condominium, including retaining counsel and taking any other actions which the Board of Managers deem appropriate. Notwithstanding the foregoing, if proceedings are pending for the reduction of real estate taxes on the land and building for the tax year in which the First Unit Closing occurs, the Condominium will continue such proceedings with the attorney previously employed by the Sponsor. Sponsor shall have the sole right to negotiate and settle all claims in connection with said proceedings. The cost of such proceedings, including legal fees, and (in the event taxes are reduced) any refund shall be apportioned between the Sponsor and the respective Unit Owners according to the ownership of the Property during respective portions of the tax year. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with the obtaining of such refund, shall belong to and be incurred by the Sponsor alone.

ARTICLE VII

MORTGAGES

Section 1. Notice to Board of Managers. A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 2. Notice of Unpaid Common Charges. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 4. Examination of Books. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium, at reasonable times, upon reasonable notice to the manager, managing agent or Board of Managers on business days.

ARTICLE VIII

SALES, LEASES AND MORTGAGES OF UNITS

Section 1. Sales and Leases. No Unit Owner other than the Sponsor or Sponsor-designee may sell or lease his Unit or any interest therein except by complying with the provisions below. Sponsor or Sponsor-designee need not comply with such provisions. Sponsor or Sponsor-designee shall have the right, without the payment of any fees or charges to the Board of Managers or the Managing Agent, to sell its Unit(s) or lease its Unit(s), without the Board of Managers having any right of first refusal to purchase or lease such Unit, and all sale and/or rental proceeds shall belong solely to such Sponsor or Sponsor-designee as the case may be. However, any deed or lease made by a Sponsor or Sponsor-designee with respect to a Unit as grantor or lessor, in the Building, shall provide that acceptance thereof by the grantee or lessee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as same may be amended from time to time.

Except as provided above, any Unit Owner who receives a bona fide offer for the sale of his Unit together with: (i) the undivided interest of the Common Elements and any Limited Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (iii) the interest of such Unit Owner in any other assets of the Condominium; as defined in the Declaration, (hereinafter collectively called the "Appurtenant Interests"), or a bona fide offer for a lease of his Unit; (hereinafter called an "Outside Offer"), which he intends to accept, shall give notice by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the Owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within twenty (20) days after receipt of such notice, the Board of Managers may elect, by notice given within five (5) days after making such election, and in any event, within said twenty (20) day period, to such Unit Owner, by certified or registered mail, to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Condominium in accordance with the terms of such offer but in no event less than

forty-five days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner, if such Unit, together with the Appurtenant Interests, is to be sold, shall convey the same to the Board of Managers, or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall execute and deliver to the Board of Managers, or to its designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or its designee, as tenant, covering such Unit, for the rental and term contained in such Outside Offer.

In the event the Board of Managers or its designee fail to notify the offering Unit Owner of its decision to accept such offer within twenty (20) days after receipt of notice as aforesaid or notify the offering Unit Owner within said period of its decision not to accept such offer, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, within thirty (30) days after the expiration of the twenty (20) day period in which the Board of Managers or its designee might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such deed to any Outside Offeror shall provide that acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned, without the prior consent in writing of the Board of Managers, and that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, and that the Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. Except as hereinbefore set forth, the form of any such lease for Residential Units shall be the then current form of apartment lease recommended by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Board of Managers. In the event the offering Unit Owner shall not, within such thirty (30) day period, contract to sell such Unit together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell or lease his Unit within such thirty (30) day period, but such sale or lease shall not be consummated pursuant to the terms of such contract, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another Outside Offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VIII.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board of Managers.

Section 2. Consent of Unit Owners to Purchase or Lease of Units by Board of Managers. The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners.

Section 3. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4. Release by Board of Managers of Right of First Refusal. The right of first refusal contained in Section 1 of this Article VIII may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold, conveyed, or leased, free and clear of the provisions of such section.

Section 5. Certificate of Termination of Right of First Refusal. A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VIII have been met by a Unit Owner, or have been duly waived by the Board of Managers and the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers in favor of all persons who rely thereon in good faith. Such certificates shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VIII or in respect to whom the provisions of such section have been waived, upon request.

Section 6. Financing of Purchase of Units by Board of Managers. Acquisition or lease of Units by the Board of Managers, or its designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his ownership in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article VI, or, the Board of Managers, in its discretion, may borrow money to finance the acquisition or lease of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers. Notwithstanding the above, no assessment may be levied under this Section 6 against any mortgagee who has acquired title to a Unit, whether by foreclosure or deed in lieu thereof.

Section 7. Exceptions. The provisions of Section 1 of this Article VIII shall not apply with respect to any sale or conveyance or lease by a Unit Owner of his Unit, together with the Appurtenant Interests, to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one or more of them, or to any Unit owned by the Sponsor or Sponsor-designee, or to the acquisition or sale of any Unit, together with the Appurtenant Interests, by a mortgagee herein authorized who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. However, the provisions of this section shall apply with respect to any purchaser of a Unit from a mortgagee.

Section 8. Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy, without restriction.

Section 9. Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or its Designee, on Behalf of All Unit Owners as Tenants in Common. In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 10. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Board of Managers all unpaid Common Charges and assessments theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 11. Mortgage of Units. No Unit Owner shall mortgage his Unit, except by a first and/or second mortgage made to a bank, trust, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender, a family member, business associate or employer or a purchase money mortgage made to the Sponsor or Sponsor-designee, or to the seller of the Unit. Any such mortgage shall be substantially in the form on file with the Board of Managers, except for such changes or additions as may be required in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers. A mortgage may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval shall be in the sole and absolute discretion of Sponsor or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or assessments and discharge any liens therefor.

Section 12. Fees and Charges. The Board of Managers shall have the right to require the Unit Owner who is selling or is a prospective lessor to pay a fee to the Board of Managers and/or the Managing Agent to cover reasonable legal and other expenses of the Board of Managers and the Managing Agent in connection with the sale or lease of a Unit pursuant to the provisions of this

Article VIII except such charges and fees shall not apply to a sale or lease of any Unit by a Sponsor, a member of the Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor. Any other fees in connection with the sale or lease of a Unit may only be enacted by action of Unit Owners, except any such fee shall not apply to a sale or lease of any Unit by a Sponsor, a member of the Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor.

ARTICLE IX

CERTAIN REMEDIES

Section 1. Self Help. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, including, without limitation, any breach of his obligation to paint, decorate, maintain, repair, or replace his Unit or its appurtenant Limited Common Elements pursuant to the terms of Article VI hereof, and shall fail to cure such violation or breach within five days after receipt of written notice of the same from the Board of Managers, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five day period and, thereafter, to prosecute such cure with due diligence to completion), the Board of Managers shall have the right to enter such Unit Owner's Unit and/or its appurtenant Limited Common Elements and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Board of Managers shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Board of Managers may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 2. Abatement and Enjoinment.

- a. In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, the Board of Managers shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.
- b. The violation or breach of any of the terms of the Condominium Documents with respect to any of the rights, easements, privileges, or licenses granted to Sponsor or its designee shall give to Sponsor or such designee the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 3. Remedies Cumulative. the remedies specifically granted to the Board of Managers or to the Sponsor or its designee in this Article IX or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Board of Managers or Sponsor or such designee, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 4. Costs and Expenses. All sums of money expended, and all costs and expenses incurred, by (i) the Board of Managers in connection with the abatement, enjoinder, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 1 or paragraph (a) of Section 2 hereof or (ii) Sponsor in connection with any abatement, enjoinder, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (b) of Section 2 hereof, shall be immediately payable by such Unit Owner to the Board of Managers in the event set forth in subparagraph (i) hereof or by the offending party (i.e., the Board of Managers or the Unit Owner) to Sponsor, in the event set forth in subparagraph (ii) hereof, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two percent per month, but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law. All sums payable by a Unit Owner to the Board of Managers pursuant to the terms of this Section 4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE X

CONDEMNATION

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to \$100,000.00 or less, and to the Insurance Trustee, if any, if such award amounts to more than \$100,000.00. If seventy-five percent (75%) or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five percent (75%) or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Element, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

If a portion of any Unit shall be taken in condemnation or by eminent domain and the Condominium shall not be terminated, the Common Interest appurtenant to such Unit shall be

adjusted in the proportion that the total floor area of such Unit and its appurtenant Limited Common Elements after such taking bear to the total floor area of such Unit and its appurtenant Limited Common Elements prior to such taking. The Board of Managers shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and Lienors, the same may execute a consent to such amendment in recordable form). Following the taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest of such Unit, and, in the event of a taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Board of Managers and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

ARTICLE XI

RECORDS

Section 1. Records and Audits. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. In addition, it is the obligation of the Board of Managers of the Condominium to give to all Unit Owners annually, the following:

- (a) The financial statement of the Condominium prepared by a certified public accountant or, public accountant by March 15th of each calendar year for the prior fiscal year;
- (b) Prior notice of the annual Unit Owner's meeting;
- (c) A copy of the proposed annual budget, if any, of the Condominium, within ten (10) days prior to the date set for adoption thereof by the Board of Managers.

ARTICLE XII

MISCELLANEOUS

Section 1. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 3. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4. Waiver. No restriction, condition, obligation, or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5. Insurance Trustee. The Insurance Trustee, if selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers. In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers. The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense of the Condominium.

Section 6. Definition of "Mortgagee". As used in these By-Laws, the term "mortgagee" or "holder of a first mortgage" shall include the holder of any construction loan mortgage which shall be a lien on a unit.

ARTICLE XIII

AMENDMENTS TO THE BY-LAWS

Section 1. Amendment to By-Laws. These By-Laws may be modified or amended by the vote of 66 2/3% in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose. However, for as long as Sponsor or its designee remains the Owner of one or more Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect Sponsor or its designee, in Sponsor's sole discretion without the prior written consent of Sponsor or its designee.

No amendment may change the percentage of Common Interests allocated to any Unit or Units without the written consent of such Owner.

ARTICLE XIV

CONFLICTS

Section 1. Conflicts. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law 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 said statute or of the Declaration, as the case may be, shall control.

SCHEDULE A
RULES AND REGULATIONS
OF
FREEDOM SQUARE CONDOMINIUM

1. The Residential Units may be used only for private residential use, except that a Residential Unit Owner may use his or her Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Units may also be used as professional offices by a resident thereof provided such professional use does not violate any zoning law and ordinances and provided further that the prior written consent of the Board of Managers to such professional use is obtained. In the event that any Residential Unit shall be used for home occupation or professional purposes in conformity with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any public hallway. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, non-illuminated, not larger than the size permitted by the Board of Managers.
2. Except as set forth above and herein, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Units or Common Elements, nor shall any "For Sale", "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Unit therein or adjoining Common Elements, nor shall any Unit be rented for transient, hotel or motel purposes. The right, however, is reserved by the Sponsor, its designee and the Board of Managers, or its agent, to place "For Sale", "For Rent" or "For Lease" or similar signs on any unsold or unoccupied Units, and the right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one (1') foot by two (2') feet. Additionally, the right is reserved by Sponsor and its designee, to maintain and staff one or more vacant and unsold Units in the Building as a sales office and/or model Units. Sponsor and its designee shall have the right to place "For Sale," "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building without regard to size. Sponsor or its designee shall be responsible for installing and removing such signs.
3. There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, stairways, or fire towers of the Building, except in any recreational areas, if any, or other areas designated as such in the Declaration or by the Condominium Board.
4. Except as elsewhere provided, no exterior of any Unit, including the windows or doors thereof or any other portions of the Common Elements shall be painted or decorated by any

Owner in any manner without prior written consent of the Board of Managers or except as provided in the By-Laws.

5. No personal articles (including, but not limited to, garbage cans or bottles) and no furniture, artwork or equipment shall be placed or stored in entrances, hallways, stairways, or other Common Elements which are not limited to the exclusive use of a specific Unit Owner. No Unit Owner shall change or alter in any way the design, layout, color scheme or furnishings in entrances, hallways, stairways or other Common Elements, which are not limited to the exclusive use of a specific Unit Owner. Notwithstanding the foregoing, a Unit Owner has the right to change the lock on the door to his Unit or to add an additional lock, provided that such lock conforms in color with the other lock or locks.
6. No Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or its appurtenant Limited Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency. No jackhammering shall be permitted without prior written approval of the Board of Managers.
7. 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 of a Unit, any dirt or other substances. No clothes, sheets, blankets, or other articles of any kind shall be hung or shaken from any doors, windows, open terraces or open balconies, or placed upon the window sills of the Building.
8. No exterior shades, awnings, window guards, ventilators, decorations, fans or air-conditioning devices shall be used on or about the Building or Common Elements except such as shall have been approved by the Board of Managers or as required by law.
9. Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of the Building, except such as shall have been approved in writing by the Board of Managers, nor shall anything be projected out of any window of the Building without similar approval.

10. All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers and/or City of New York may direct. Unit Owners shall be responsible for complying with all applicable recycling laws pertaining thereto.
11. Water closets and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed; nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damage resulting from misuse of any water closet or other apparatus shall be paid for by the Unit Owner causing such damage.
12. No Unit Owner shall engage any employee of the Condominium for any private business of the Unit Owner without prior written consent of the Board of Managers.
13. One dog or one cat shall be permitted in each Residential Unit without consent of the Board of Managers. Otherwise, no bird or animal shall be kept or harbored in the Building unless the same in each instance be expressly permitted in writing by the Board of Managers. Any such consent, if given, shall be revocable at any time by the Board of Managers. In no event shall dogs be permitted in any of the public portions of the Building or Property unless carried or on a leash. The individual Unit Owners who keep an animal in the Building shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in the Building. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk adjacent to the Building.
14. No radio or television aerial or dish shall be attached to or hung from the exterior of the Building without written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Units.
15. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.
16. The Board of Managers or the Managing Agent shall retain a pass-key to each Unit. No Unit Owner shall change any lock on any door leading into his Unit without the prior written consent of the Board of Managers. As a condition to obtaining such consent, the Unit Owner must provide the Board of Managers with a key to such changed lock for their use. If Sponsor or the Board of Managers must gain access to a Unit for emergency purposes and a Unit Owner has not furnished a key to the Board of Managers as provided in this paragraph, then the affected Unit Owner shall be liable and responsible for any damage to

the Common Elements or such Unit caused by Sponsor or the Board of Managers in gaining access to such Unit. Furthermore, if the Unit Owner is not personally present to open and permit an entry to his Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

17. If any key or keys are entrusted by a Unit Owner, by any family member thereof, or by his agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the Managing Agent shall (except as provided above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.
18. No Unit Owner or any visitor, guest, patient, employee or any client of a Unit Owner shall be allowed in any mechanical equipment area without the express permission of the Board of Managers.
19. All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.
20. No Unit Owner shall interfere in any manner with any portion of any air conditioning equipment and/or lighting apparatus which are part of the Common Elements and not part of the Unit Owner's Unit.
21. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements, that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his family members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his Unit or Limited Common Elements any inflammable, combustible, or explosive fluid, material, chemical, or substance.
22. Except as provided above, no Unit Owner shall be allowed to put his or her name on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes.

23. Any damage to the Building or equipment caused by Unit Owners, their guests, visitors, clients, patients or employees shall be repaired at the expense of the said Unit Owner.
24. Complaints regarding the management of the Building or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.
25. No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or owners of adjoining Units; nor shall any nuisance or immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.
26. Certain parts of the Common Elements are intended for use for the purpose of affording pedestrian movement within the Condominium and of providing access to the Units. No part of the Common Elements shall be obstructed as to interfere with its use for the purposes hereinabove recited; nor shall any part of the Common Elements be used for general storage purposes, except maintenance storage or where specifically designated as such; nor shall anything be done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvements situated thereon.
27. No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.
28. Smoke detectors must be installed in every Residential Unit as required by New York City Building Code. It is the obligation of the Unit Owner to maintain the alarms and to make certain the units are in working order at all times.
29. Each Residential Unit Owner shall notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall install at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without full knowledge of the Managing Agent.
30. The entrances, passages, public halls, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a family member of a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Unit Owner shall be

parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Building by another vehicle.

31. No group tour or exhibition of any part of a Residential Unit or its contents shall be conducted nor shall any auction sale be held in any part of a Residential Unit without the consent of the Board of Managers or the Managing Agent in each instance.
32. Plantings on any terrace or balcony shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches from the terrace or balcony surface, and, if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace or balcony, but shall stand on supports at least two inches above such surface. It shall be the responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.
33. The agents of the Board of Managers or the Managing Agent, and any contractor or workman authorized by the Board of Managers or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.
34. The cost of maintenance and repair of the driveway, Parking Spaces, front yard, sidewalks and adjacent curbs, including keeping them free from snow, ice, dirt and rubbish shall be the responsibility of the Condominium. Any fees or fines assessed or levied for failure to properly keep the sidewalks and adjacent curbs free from snow, ice, dirt and rubbish and to otherwise properly maintain and repair curbs shall be the responsibility of the Condominium.
35. The Parking Spaces may be used only for the parking of (a) motor vehicles no larger than a van and/or (b) motorcycles.
36. No structures of any type may be constructed or installed or placed in the driveway, Parking Spaces or front yards other than fencing or gates.

37. No shrubs, bushes, trees or other plantings may be planted or maintained on the exterior walls of the Building.
38. No dog shall be kept in any yard area.
39. The Rules and Regulations govern the use of the Units and Common Elements and may be amended from time to time by the Board of Managers. However, no amendment of the Rules and Regulations shall be applicable to any Unsold Unit unless agreed to by Sponsor or Sponsor-designee, as the case may be.
40. Any consent or approval given under the Rules and Regulations of the Condominium may be amended, modified, added to, or repealed at any time by resolution of the Board of Managers. Further, any such consent or approval may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature.

**DECLARATION OF COVENANTS, RESTRICTIONS,
EASEMENTS, CHARGES AND LIENS**

CASTLE HARBOR HOMEOWNERS' ASSOCIATION, INC.

DECLARANT: MAZIE, LLC

DATE OF DECLARATION: _____, 2004

BLOCK: 8804

LOTS: 70, 72, 84

COUNTY: KINGS

Record and Return:

**STEMPEL BENNETT CLAMAN & HOCHBERG, P.C.
655 Third Avenue
New York, New York 10017**

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**DECLARATION OF COVENANTS, RESTRICTIONS,
EASEMENTS, CHARGES AND LIENS**

Declaration made as of this Day of _____, 2004, by Mazie, LLC, a New York limited liability company having an office at 2369 Royce Street, Brooklyn, New York 11234.

W I T N E S S E T H:

WHEREAS, the Fee Owner is the owner of the real property described in Article II of this Declaration which Fee Owner desires to develop as three condominium projects (the "Community") with a private storm water drainage system for the benefit of condominium units in the Community;

WHEREAS, the Fee Owner desires to provide for the preservation of the values and amenities in said Community and for the maintenance of the private storm water drainage system and to this end, desires to subject the real property described in Article II to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof;

WHEREAS, Fee Owner has deemed it desirable for the efficient preservation of the private storm water drainage system to create an agency to which should be delegated and assigned the powers of maintaining and administering the Common Property and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Fee Owner has incorporated Castle Harbor Homeowners' Association, Inc., under Not-For-Profit Corporation laws of the State of New York for the purpose of exercising the aforesaid functions;

NOW, THEREFORE, the Fee Owner for itself, its successors and assigns, declares that the real property described in Article II is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I. DEFINITIONS

The following words when used in this Declaration or any Supplemental Declaration shall unless the context otherwise prohibits, have the meaning set forth below:

(a) "Association" shall mean refer to Castle Harbor Homeowners' Association, Inc., a New York Not-for-Profit-Corporation.

(b) "The Property" shall mean and refer to each such existing properties as are subject to this Declaration.

(c) "Condominium Unit" shall mean and refer to eachall of the residential housing units situated in and upon the Development.

(d) "Owner" shall mean and refer to the record owner of fee simple title to any Condominium Unit, including the Fee Owner with respect to any unsold Condominium Unit. Every Owner of a Condominium Unit shall be treated for all purposes as a single owner for each Condominium Unit held, 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, a majority vote of such owners shall be necessary to cast any vote to which such owners are entitled.

(e) "Member" shall mean and refer to each holder of a membership interest in the Association, as such interest is set forth in Article III.

(f) "Development" shall mean the twelve (12) condominium units within the three condominium projects being constructed on the Property. The Fee Owner reserves the right to build a greater or lesser number of Condominium Units.

(g) "Fee Owner" shall mean and refer to Mazie, LLC, a New York limited liability company, and its successors and assigns, if such successors and assigns should contract to develop an undeveloped or a developed but unsold portion of the Property for the purpose of development.

(h) "Common Property" "Common Properties" or "Common Areas" shall mean and refer to the Common Storm Sewer installed in the Lots on the Property and intended to be devoted to the common use and enjoyment of three condominium projects located on such lots and owners of the Condominium Units comprising each of the three condominium projects. The Common Areas are intended to be devoted to the common use and enjoyment of the Members of the Association as herein defined, and are not dedicated for use by the general public.

(i) "Lot" shall mean and refer to any plot of land intended and subdivided for

residential uses shown on the subdivision map of the Property as it pertains to the three condominium projects to be located on each of Lots 70, 72 and 84 but shall not include the Common Properties, as defined herein.

(j) "Sponsor" shall mean Mazie, LLC, a New York limited liability company.

(k) "Storm Water Drainage System" shall mean the storm water drainage inlets and pipe line within the boundary of the Property and extending beyond the Property across other property owned by Fee Owner to a pipe or pipes owned by the City of New York under Emmons Avenue.

(l) "Common House Drains" shall mean each of the storm water drainage lines connecting each of the three condominium projects to the common storm sewer.

(m) "Common Storm Sewer" shall mean the storm water drainage line connecting the Common House Drains to the public sewer line or lines.

(n) "Zoning Lot" shall mean the group of Lots joined together and designated on the subdivisions as separate zoning lots by the New York City Department of Buildings.

(o) "Fee Owner" shall mean Mazie, LLC.

ARTICLE II. PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Property. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is all those certain plots, pieces, or parcels of land situate, lying and being in Kings County, State of New York, being more particularly bounded and described in Schedule A annexed hereto.

Section 2. Additions to the Property by the Association. Annexation of additional property shall require the assent to two-thirds of the Class A Members and two-thirds of the Class B Members, if any, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty days nor more than sixty days in advance of the meeting setting forth the purpose of the meeting. The presence of the Members or of proxies entitled to cast sixty percent of the votes of each class of membership shall constitute a quorum for this purpose. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. Such subsequent meeting shall be held not more than sixty days following the preceding meeting. In the event that two-thirds of the Class A membership or two-thirds of Class B membership are not present in person or by proxy, Members not present may give their written assent to the action taken thereat.

Section 3. Mergers. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or, alternatively, the properties, rights and obligations or another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration within the Property, together with covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall affect any revocation, change or addition to the covenants established by this Declaration with the Property, except as hereinafter provided.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

The Association shall have two (2) classes of membership interest. Each of the three (3) Condominium Associations shall, upon the recording of the Declaration of Condominium automatically become a Member of the Association.

Class A - Class A Members shall be each of the three (3) Condominium Associations located on the Property. Each Class A Member shall be entitled to one (1) vote.

Class B - Class B membership shall be the Fee Owner, its assigns or successors in interest who own Condominium Units. Each Class B Member shall be entitled to one (1) vote irrespective of the number of Condominium Units it owns.

The Class B membership shall cease to exist on the happening of the earlier of the following events:

- (a) When ninety (90%) percent of the Condominium Units in the Development are sold.
- (b) Four (4) years from the closing of title to the first Condominium Unit, unless Fee Owner decides to terminate Class B membership at an earlier time.

An affirmative vote of sixty-six and two-third (66-2/3%) percent of the members of Class A and Class B, if such class exists, is required to amend the Declaration or By-Laws.

Each Class A member Condominium Association shall designate an individual to attend meeting and who shall be authorized to vote at such meetings.

ARTICLE IV. PROPERTY RIGHTS IN THE PROPERTY

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 3, every Member shall have a right and easement of enjoyment in and to the Property.

Section 2. Title to Common Properties. Legal title to the Common Properties are with the Association and are subject to the following covenant which shall be deemed to run with the land and shall be binding upon the Association, its successors and assigns:

In order to preserve and enhance the property values and amenities of the Development, the Common Properties and all facilities now or hereafter built or installed thereon, shall at all times be maintained in good repair and condition and shall be operated in accordance with high standards by the Association. The maintenance and repair of the Common Properties shall include, but not be limited to, the repair, replacement and maintenance of the Common Storm Sewer.

This section shall not be amended, as provided for in Article X, Section 2, to reduce or eliminate the obligation for maintenance and repair of the Common Properties.

Section 3. Extent of Members' Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Association to dedicate or transfer all or any part of the Common Property to any public agency, authority or utility for such purposes and subject to such conditions as maybe agreed to by the Members.

(b) The right of the Fee Owner and of the Association to grant and reserve easements and rights-of-way, in, through, under, over and across the Property, for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities, and the right of the Fee Owner to grant and reserve easements and rights-of-way, in, through, under, over, upon and across the Property for the completion of the Fee Owner's work under Section 1 of Article V.

(c) The right of the Association to take such steps as are reasonably necessary to protect the Common Area against foreclosure.

(d) The right-of-way and easements of the Association in, through, under, over and across the Property for the maintenance, inspection and any future installation required for the Storm Water Drainage System.

ARTICLE V. DEVELOPMENT OF THE PROPERTY

Section 1. The Property. Fee Owner intends to construct four Condominium Units in each of three condominium projects for an aggregate of twelve Condominium Units in the Development on the three parcels of land set forth on the attached Schedule A, being in Kings County Borough of Brooklyn, City and State of New York. Owner also intends to construct a two unit Condominium immediately adjacent to the Property. The Common Storm Sewer shall pass underground through this adjacent parcel to connect to a public sewer line or lines.

Section 2. Encroachments on Lots. In the event that any portion of any driveway, building, utility line, water line, sanitary sewer line, storm water drainage line or dry well or any other structure as originally constructed by Fee Owner encroaches on any Lot or the Common Area, it shall be deemed that the owner of such Lot of the Association has granted a perpetual easement to the owner of the adjoining Lot or the Association as the case may be for continuing maintenance and use of such encroaching driveway, building, utility line, water line, sanitary sewer line, storm water drainage line or drywell or structure. The foregoing shall also apply to any replacements of any such driveway, building, utility line, water line, sanitary sewer line, storm water drainage line or drywell or structure if same are constructed in substantial conformance to the original. The foregoing conditions shall be perpetual in duration and shall not be subject to amendment of these covenants and restrictions.

Section 3. Easements. Fee Owner does hereby establish and create for the benefit of the Association and for all Members of the Association subjected to this Declaration and does hereby give, grant and convey to each of the aforementioned, the following easements, licenses, rights and privileges in addition to any other such easements, licenses, rights and privileges given elsewhere in this document:

(a) Rights to connect with, maintain and make use of the Common Storm Sewer which may from time to time be in or along the streets and roads or other areas of the Property. Connection to such Common Storm Sewer shall be at the sole expense of the respective Condominium Associations subject to this Declaration which shall also be obligated to restore the affected area after the connection has been made.

Section 4. Reservation of Easements. Fee Owner reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Property, for the purpose of completing its work under Section 1 above and toward this end, reserves the right to grant and reserve easements and right-of-way in, through, under, over and across the Property for the installation, maintenance and inspection of lines and appurtenances for public or private storm sewer drainage, and for any other materials or services necessary for the completion of the work. Fee Owner also reserves the right to connect with and make use of the storm sewer drainage lines which may from time to time be in or along the streets and roads or other areas of the Property. In addition, Fee Owner, and any Selling Agent retained by Fee Owner reserves the right to continue to use the Property and create and /or use any sales offices, model Condominium Units, unsold Condominium Units, signs and parking spaces located on the Property in its efforts to market Condominium Units constructed on the Property. This Paragraph may not be amended without the written consent of Fee Owner.

Section 5. Location of Common Properties. The Fee Owner and/or the Association and each Member thereof shall keep the Common Storm Sewer wholly within the boundaries of the Property except that such the Common Storm Sewer shall exit the Property and cross underground on the parcel located at 3149 Emmons Avenue, Brooklyn, New York to connect to a public sewer line or lines under Emmons Avenue. Such parcel shall be subject to an easement in favor of the

Association and its Members to maintain, replace and replace such Common Storm Sewer at the expense of the Association. Such easement shall run with the land.

ARTICLE VI. COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien. Each Member of the Association, whether or not it shall be expressed in any deed, declaration, or other conveyance shall be deemed to covenant and agree, to pay to the Association such assessments as are fixed by the Associations' Board of Directors and assessed to the Members as hereinafter provided. All sums assessed to the Association but unpaid, together with such interest shall be a charge on the land and shall be a continuing lien upon the property owned by such Member and the Condominium Units owned by Condominium Units Owners comprising such Member against which each sum assessment is made. Such liens shall subordinate to a first mortgage encumbering any Condominium Unit.

Section 2. Purpose of the Assessment. The assessments levied by the Association shall be used exclusively for the repair and maintenance of the Common Properties including the payment of taxes (if any), and insurance and the costs of operating the Association.

Section 3. Assessments. The Association's Board of Directors 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 Association and shall send a copy of the budget and any supplement to the budget to each Member prior to assessing the Members thereon. The Board shall determine the total amount required as well as charges to cover any deficits from prior years. The total annual requirements and any supplemental requirements shall be allocated between, assessed to and paid by the Members as follows:

Each Class A Member shall pay a portion of said requirement the numerator of which shall be one (1) and the denominator of which shall be equal to the sum of the number of Class A Members subject to this Declaration. Class B Members shall not have to pay any such requirements since, if they own Condominium Units they will be responsible as Unit Owners to pay their proportionate share of any assessment to the respective Condominium Board of Managers, which then shall pay is proportionate share to the Association. The sum due the Association from each Member shall constitute an assessment of the Board of Directors and unpaid assessments shall constitute liens on the respective Condominium Associations, subject to foreclosure as hereinafter provided.

Section 4. Due Dates; Duties of the Board of Directors. All Assessments shall be payable annually in advance or in installments as ordered by the Board of Directors. The Board of Directors of the Association shall fix the date of commencement and the amount of the assessment against each Class A Member and shall prepare a roster of the Class A Members and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection

by any Member. Upon the written request of a Member, the Board shall promptly furnish such Member with a written statement of the unpaid charges due from such Member.

Section 5. Effect on Non-Payment of Assessment: The Lien: Remedies of the Association. If any assessment is not paid on the date when due, as fixed by the Board of Directors, then such assessment shall become delinquent and shall, together with the late charges and with such interest thereon and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property owned by such Member and the Condominium Units owned by Condominium Unit Owners comprising such Member which shall bind such property in the hands of the Member, its heirs, devisees, personal representatives and assigns. Such lien shall be prior to all other liens except (a) tax or assessment liens on the Condominium Units by the taxing subdivision of any governmental authority, including but not limited to State and City taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any Condominium Unit. The obligation created by a lien on a Condominium Unit when the assessment fell due to pay such assessment, shall run with the land and shall be released only if such Condominium Unit Owner pays his or her proportionate share of the amount due from such Unit Owner to the Member Condominium Association.

If the assessment is not paid within fifteen (15) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the maximum permissible rate in the State of New York and shall be subject to late charges as set in the manner provided for in the Association's By-Laws and the Association may bring an action at law against the Member obligated to pay the same and may foreclose the lien against the property. There shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and reasonable attorney's fees to be fixed by the court, together with the cost of the action.

ARTICLE VII. ARCHITECTURAL CONTROL

No building, fence, wall or other structure, or material change in landscaping, shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change, including clotheslines, antennas and air conditioner, or alteration thereto be made until the plans and specifications showing the nature, kind, shape, height, materials, locations of the same shall have been submitted to and approved in writing only with respect as to there being no negative effect on Common Areas or easements granted under this Declaration in relation to surrounding structures and topography, by the Board of Directors of the Association, or by an architectural committee composed of three or more representatives appointed by the Board. In the event said Board, or its designated committee fails to approve such design and location within thirty (30) days after said plans and specification have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. The provisions of this Article VII shall not apply to the Fee Owner.

ARTICLE VIII. PARTY WALLS OR PARTY FENCES AND COMMON CURB CUTS

Section 1. General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Article VIII, the general rule of law regarding party walls and liability for property damage due to negligence or willful acts or omissions, shall apply to each party wall or party fence or common curb cut which is built as part of the original construction of the Buildings upon the Property and any replacement thereof.

Section 2. Sharing of Repair and Maintenance The costs of reasonable repair and maintenance of a party wall or party fence or common curb cut shall be shared equally by the Association Members which make use of the wall or fence or curb out.

Section 3. Destruction by Fire or Other Casualty. If a party wall or party fence or common curb cut is destroyed or damaged by fire or other casualty, and such damage is not otherwise covered by insurance as set forth in Article X, any Member who has used the wall or fence must restore it, and if the other Members thereafter make use of the wall or fence, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Members to call for a larger contribution from others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, a Member who by its negligent or willful act causes the party wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Member to contribution from any other Member under this Article shall be appurtenant to the land.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall or party fence or curb cut, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. The decision of the arbitrators shall be binding and conclusive upon the parties. However, any party to the dispute shall thereafter have the right to institute any action or proceeding, at law or equity, which he deems necessary or desirable to appeal this decision.

ARTICLE IX. MAINTENANCE

Section 1. Maintenance. The Association shall be responsible for maintaining the Common Properties.

Section 2. Access at Reasonable Hours. For the purpose solely for performing the maintenance required by this Article, or to perform maintenance or make repairs to Common Properties that are in or under the Property, the Association, through its duly authorized agents and employees, shall have the right on reasonable notice to enter upon any Lot or Building comprising

a Condominium at reasonable hours, on any day except Sundays (or the Owner's Sabbath, if on a different day) and holidays (except that in an emergency situation such notice need not be given and such work may be performed on such days.

Section 3. Abatement of Nuisance. The Fee Owner and/or the Association and each Member thereof, as the case may be, shall be responsible for the abatement of any nuisance due to the use of the Storm Water Drainage System, that would have an adverse effect on the health, safety and welfare of the City and State of New York.

Section 4. Construction and Utilization of Storm Water Drainage System. Fee Owner shall construct the Storm Water Drainage System with respect to size, shape, slope and velocity to have sufficient capacity to remove the estimated peak flow from the Property. The Fee Owner and/or the Association and each Member thereof, as the case may be, shall utilize the Storm Water Drainage System, in such a manner that it will not have an adverse effect on the City of New York's completed or pending sanitary and storm water drainage plans for the tributary drainage area for the separate sewer outlets.

ARTICLE X. INSURANCE

Section 1. Common Areas. The Board of Directors shall maintain public liability insurance, which may include Officers and Directors liability coverage to the extent obtainable, covering the Association, each Association Member, lessee and occupant and the managing agent, if any, against liability for any negligent act of commission or omission attributable to them which occurs on or in the Common Area. All insurance premiums for such coverage shall be paid for by the Association.

ARTICLE XI. USE OF PROPERTY

The use of the Common Properties by a Member shall be subject to the rules, regulations and provisions of this Declaration, the By-Laws and Rules and Regulations of the Board of Directors and the following covenants and restrictions:

1. No part of the Common Properties shall be used for other than the purposes for which it was designed.
2. No Member shall change the grading of its Lot or the direction of the flow of storm water without the approval of the Board of Directors.
3. No materials, liquids or other items shall be disposed of in the Storm Water Drainage System, not intended to be disposed of in such system or which will violate any federal, state or local law.
4. Regulations promulgated by the Board of Directors concerning the use of the

Common Properties shall be observed by the members, provided, however, that copies of such regulations are furnished to each Member prior to the time the said regulations become effective.

5. The maintenance assessments shall be paid when due. A late fee in the sum of TWENTY-FIVE (\$25.00) DOLLARS or such higher sum as determined by the Board of Directors will be imposed for each late maintenance assessment payment.

6. No fences, including living fences, or gates shall be erected nor shall any structures (including decks) or material landscaping changes be installed or constructed on the Property without the prior written consent of the Board of Directors pertaining only to whether such installation would in any way negatively affect the Common Properties, including the Storm Water Drainage System. The Fee Owner, however, shall have the right to erect or plant fences or gates without the need for such consent.

ARTICLE XII. GENERAL PROVISIONS

Section 1. Beneficiaries of Easements, Rights and Privileges. The easements, licenses, rights and privileges established, created and granted by this Declaration shall be for the benefit of, and restricted solely to, the Association and the Members thereof. The Fee Owner shall have the right to transfer to any other entity all of its right and obligations hereunder. Upon such transfer and the assumption of such obligations by the transferee, the Fee Owner shall have no further obligations thereunder.

Section 2. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association to any Member, or the owner of any land subject to this Declaration their respective legal representatives, heirs, successors and assigns, until December 31, 2050, unless otherwise expressly limited or extended herein, after which time said covenants and restrictions shall be automatically extended for successive periods of ten (10) years unless any instrument signed by sixty-six and two-thirds percent (66-2/3%) of the Members has been recorded agreeing to change said covenants and restrictions in whole or in part, with the exception of those restrictive covenants that are deemed perpetual. Unless specifically prohibited herein, this Declaration may be amended by an instrument signed by Members of Class A and, if it exists, Class B Members holding not less than sixty-six and two-thirds percent (66-2/3%) of the votes of the membership. Any amendment must be properly recorded to be effective.

Section 3. Disposition of Assets upon Dissolution of Association. Upon dissolution of the Association, its real and personal assets, including the Common Properties, shall be dedicated to an appropriate public agency or utility to be devoted to purposes, as nearly as practicable, to the same as those to which they were required to be devoted by the Association. In the event such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to purposes, as nearly as practicable, to the same as those to which they were required to be devoted by the Association. No

such disposition of the Association Property shall be effective to divest or diminish any right or title to any Member vested in it under the licenses, covenants and easements of this Declaration, or under any subsequently recorded covenants, deeds or other documents applicable to the Property, except as may be otherwise provided in this Declaration or said covenants, deeds or other documents, as the case may be, nor shall any other party under any such deeds, covenants or other documents be deprived of any rights thereunder on account of such disposition.

Section 4. Notices. Any notice required to be sent to any Member under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the entity which appears as the Member on the records of the Association at the time of such mailing.

Section 5. Administration. The administration of the Association shall be in accordance with the provisions of the Association By-Laws which are made a part of this Declaration and attached hereto as Schedule B.

Section 6. Severability. Invalidation of any of the covenants, limitations or provisions of this Declaration by judgment or court order shall in no way affect any of the remaining provisions hereof and the same shall continue in full force and effect.

Section 7. Enforcement. The Association or any Member shall have the right to enforce these covenants and restrictions by any proceeding at law or in equity, against any person or persons violating or attempting to violate any covenant or restriction, to restrain violation, to require specific performance and/or to recover damages; and against the land to enforce any lien created by these covenants; and failure by the Association, or any Member to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The expense of enforcement by the Association shall be chargeable to the Member violating these covenants and restrictions, and shall constitute a lien on such Condominium Association collectible in the same manner as assessment hereunder.

MAZIE, LLC

Attest:

By: _____

By: _____

Attest:

By: _____

By: _____

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and office of individual
taking acknowledgment

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

On the _____ day of _____ in the year _____ before me, the undersigned, 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 by his/her/their signatures on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Signature and office of individual
taking acknowledgment

**PROPERTY DESCRIPTION
SCHEDULE A
(PARCEL #1)**

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

BEGINNING at a point on the westerly side of Coyle street, distant 55 feet $\frac{1}{8}$ of an inch northerly from the corner formed by the intersection of the northerly side of Emmons Avenue with the westerly side of Coyle Street;

RUNNING THENCE westerly along a line forming an interior angle of 90 degrees 0 minutes 12 seconds with the westerly side of Coyle Street, 53 feet $5\frac{3}{4}$ inches;

THENCE northerly along a line forming an interior angle of 112 degrees 57 minutes 10 seconds with the last mentioned course, 58 feet $7\frac{3}{4}$ inches;

THENCE easterly along a line forming an interior angle of 67 degrees 2 minutes 50 seconds with the last mentioned course, 76 feet 4 inches to the westerly side of Coyle Street;

THENCE southerly along the westerly side of Coyle Street, 54 feet to the point or place of BEGINNING.

**PROPERTY DESCRIPTION
SCHEDULE A
(PARCEL #2)**

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

BEGINNING at a point on the easterly side of Ford Street, distant 91 feet 1/2 inch northerly from the corner formed by the intersection of the northerly side of Emmons Avenue with the easterly side of Ford Street;

RUNNING THENCE easterly at right angles to the easterly side of Ford Street, 107 feet 3 inches;

THENCE northerly at right angles to the last mentioned course, 37 feet 1 1/4 inches to a point;

THENCE northwesterly along a line forming an interior angle of 157 degrees 2 minutes 38 seconds with the last mentioned course, 3 feet 1 3/4 inches;

THENCE westerly along a line at right angles to the easterly side of Ford Street, 106 feet 1/2 inch to the easterly side of Ford Street;

THENCE southerly along the easterly side of Ford Street, 40 feet to the point or place of BEGINNING.

**PROPERTY DESCRIPTION
SCHEDULE A
(PARCEL #3)**

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

BEGINNING at a point on the westerly side of Coyle Street, distant 109 feet $\frac{1}{8}$ of an inch northerly from the corner formed by the intersection of the northerly side of Emmons Avenue with the westerly side of Coyle Street;

RUNNING THENCE westerly along a line forming an interior angle of 90 degrees 0 minutes 12 seconds with the westerly side of Coyle Street, 76 feet 4 inches to a point;

THENCE northerly along a line forming an interior angle of 112 degrees 32 minutes 39 seconds with the last mentioned course, 1 foot 9 inches to a point;

THENCE westerly along a line forming an exterior angle of 112 degrees 57 minutes 22 seconds with the last mentioned course, 15 feet $8\frac{3}{4}$ inches to point;

THENCE northerly at right angles to the last mentioned course, 37 feet $1\frac{1}{4}$ inches;

THENCE easterly along a line forming an interior angle of 82 degrees 7 minutes 50 seconds with the last mentioned course, 96 feet $\frac{1}{2}$ inch to the westerly side of Coyle Street;

THENCE southerly along the westerly side of Coyle Street, 63 feet $8\frac{5}{8}$ inches to the point or place of BEGINNING.

SCHEDULE B
BY-LAWS
OF
CASTLE HARBOR HOMEOWNERS' ASSOCIATION, INC.

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BY-LAWS
OF
CASTLE HARBOR HOMEOWNERS' ASSOCIATION, INC.
A New York No-for-Profit Corporation

ARTICLE I. NAME, LOCATION AND PRINCIPAL OFFICE

These are the By-Laws of Castle Harbor Homeowners' Association, Inc., hereinafter referred to as the "Association". The principal office of the Association shall be located at 2369 Royce Street, Brooklyn, New York 11234.

ARTICLE II. DEFINITIONS

The following words when used in these By-Laws shall, unless the context otherwise prohibits, have the meanings set forth below:

- (a) "Association" shall mean and refer to Castle Harbor Homeowners' Association, Inc., a New York Not-for-Profit Corporation.
- (b) "Declaration" shall mean and refer to the Declaration of Covenants, Restrictions, Easements, Charges and Liens recorded among the land records in the Office of the Register, Kings County, New York.
- (c) "The Property" shall mean and refer to all those areas of land described in and subject to the Declaration as set forth in the Declaration.
- (d) "Lot" shall mean and refer to any plot of land intended and subdivided for residential uses shown on the subdivision map of the Property as it pertains to the three Condominium projects to be located on each of Lots 70, 72 and 84 but shall not include the Common Properties as herein defined.
- (e) "Member" shall mean and refer to each holder of a membership interest in the Association, as such interest is set forth in Article VI.
- (f) "Condominium Unit" shall mean and refer to each of the residential housing units situated in and upon the Development.

(g) "Owner" shall mean and refer to the record owner of fee simple title to any Condominium Unit, including the Fee Owner with respect to any unsold Condominium Unit. Every Owner of a Condominium Unit shall be treated for all purposes as a single owner for each Condominium Unit held, 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, a majority vote of such owners shall be necessary to cast any vote to which such owners are entitled.

(h) "Common Properties" or "Common Areas" shall mean and refer to the Common Storm Sewer, installed in the Lots on the Property and intended to be devoted to the common use and enjoyment of each of the three Condominium projects located on such Lots and owners of the Condominium Units comprising each of the Condominium projects. The Common Areas are intended to be devoted to the common use and enjoyment of the Members of the Association as herein defined and are not dedicated for use by the general public.

(i) "Development" shall mean twelve (12) condominium units within the three condominium projects being constructed on the Property. The Fee Owner reserves the right to build a greater or lesser number of Condominium Units.

(j) "Sponsor" shall mean Mazie, LLC, a New York limited liability company.

ARTICLE III. PURPOSE

This Association is formed to own, operate and maintain the Common Properties for the benefit of the members of the Association.

ARTICLE IV. APPLICABILITY

All present and future Members shall be subject to these By-Laws and to the rules and regulations issued by the Association to govern the conduct of its Members.

ARTICLE V. USE OF FACILITIES

The Common Properties shall be limited to the use of the Members.

ARTICLE VI. MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. The association shall have two classes of voting membership.

Class A - Class A Members shall be each of the three (3) Condominium Associations located on The Property. Each Class A Member shall be entitled to one (1) vote.

Class B - Class B Members shall be the Fee Owner, its assigns or successors in interest who own Condominium Units. Each Class B Member shall be entitled to one (1) vote irrespective of the number of Condominium Units it owns.

The Class B membership shall cease to exist and shall be converted to Class A membership on the happening of the earlier of the following events:

- (a) When ninety (90%) percent of the Condominium Units in the Development are sold.
- (b) Four (4) years from the closing of title to the first Condominium Unit, unless Fee Owner decides to terminate Class B membership at an earlier time.

Section 2. Suspension of Membership. The rights of membership are subject to the payment of periodic assessments levied by the Board of Directors, the obligation of which assessment is imposed against each Member and becomes a lien upon the property of any Member and the Condominium Units owned by Condominium Unit Owners comprising such Member pursuant to the terms of the "Declaration". During any period in which a Member shall be in default in the payment of any assessment levied by the Association, the Member's right to use the Common Properties may be suspended by the Board of Directors until such assessment has been paid. Such rights of a Member may be suspended, after notice and a hearing, for a period not to exceed thirty (30) days, for violation of any rules and regulations.

ARTICLE VII. QUORUM, PROXIES AND WAIVERS

Section 1. Quorum. So many Members as shall represent at least fifty-one (51%) percent of the total authorized votes of all Members present in person or represented by written proxy shall be requisite to and shall constitute a quorum at all meetings of the Association for the transaction of business, except as otherwise provided by Statute, by the Declaration, the Certificate of Incorporation of the Association or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Association, the Members entitled to vote thereat, present in person or represented by written proxy, shall have the power to adjourn the meeting at least five (5) days written notice of such adjourned meeting shall be given to all Members. 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 members as shall represent at least thirty three and one-third (33-1/3) of the total authorized votes of all Members shall constitute a quorum.

Section 2. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Members present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Members, unless the question is one upon which by express provision of the Statute, Declaration, Certificate of Incorporation 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 3. Right to Vote. Members shall be entitled to vote either in person or by proxy at any meeting of the Association. Any such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 4. 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 5. Waiver and Consent. Wherever the vote of the membership at a meeting is required or permitted by statute or by any provision of the Declaration, Certificate of Incorporation or of these By-Laws to be taken in connection with any action of the Association, the meeting and vote of the membership may be dispensed with if all Members 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 6. Place of Meetings. Meetings shall be held at any suitable place convenient to the Members as may be designated by the Board of Directors and designated in the notices of such meetings.

Section 7. Annual Meetings. The annual meeting of the membership of the Association shall be held on such date as is fixed by the Board of Directors. At such meeting there shall be elected by ballot of the membership a Board of Directors in accordance with the requirements of Article VIII of these By-Laws. The Members may also transact such other business as may properly come before the meeting.

Section 8. Special Meetings. It shall be the duty of the President to call a special meeting of the Association, if so directed by the Board of Directors, or upon the presentation to the Secretary of a petition signed by a majority of the Members.

Section 9. 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 member at least ten (10) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 10. Order of Business. The order of business at all meeting 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) Appointment of inspectors of election (in the event there is an election)

- (g) Election of Directors (in the event there is an election)
- (h) Unfinished business
- (i) New business

ARTICLE VIII. BOARD OF DIRECTORS

Section 1. Number and Term. The number of Directors which shall constitute the whole Board shall not be less than three nor more than five. An initial Board consisting of three Directors shall be designated by the Fee Owner to serve until the first annual meeting of the Association. At the first annual meeting and at all subsequent annual meetings the Members shall vote for and elect three Directors to serve for one year terms and until their successors have been duly elected and qualified. All directors, other than those the Fee Owner shall have the right to designate, must be either Unit Owners of a Condominium Unit within one of the Condominium Associations which are Members of the Association or immediate family members of such Condominium Unit Owners residing in such Condominium Unit. As required by law, each Director shall be at least eighteen years of age.

Section 2. Cumulative Voting and Right of the Class B Member to Designate Certain Board Members. In an election of Directors, each member shall be entitled to as many votes as shall equal the number of Directors to be elected and a Member may cast all of such votes for a single Director or may distribute them among two or more Directors as he sees fit.

Notwithstanding the foregoing, the Class B Member shall have the right to designate two (2) or a majority of Directors, whichever is greater, until the third anniversary date of the closing of title of the first Condominium Unit or until ninety (90%) percent of the Condominium Units in the Development are sold, whichever is sooner. Thereafter, the Class B Member shall have the right to designate one Director for so long as it owns at least one Condominium Unit. When the Class B Member no longer owns any Condominium Units it may not designate any Directors. The Class B Member may not cast its votes to elect any Directors in addition to the designated Directors set forth above. This paragraph may not be amended without the consent of the Class B Member.

Section 3. Vacancy and Replacement. If the office of any Director becomes vacant by reasons of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Directors though less than a quorum, at a special meeting of Directors duly called for this purpose, shall choose a successor, who shall hold office for the unexpired term in respect of which such vacancy occurred and until his successor is duly elected and qualified. In the event a Director appointed by the Fee Owner resigns, the Fee Owner shall have the right to appoint another Director in his place.

Section 4. Removal. Directors may be removed for cause by an affirmative vote of a majority of the Members. No Director, other than a designee of the Fee Owner shall continue to

serve on the Board if, during his term of office, he shall cease to be Member.

Section 5. Powers.

(a) The property and business of the Association shall be managed by its Board of Directors, which may exercise all such powers of the Association and do all such lawful acts and things as are not by statute, Declaration, Certificate of Incorporation or by these By-Laws, directed or required to be exercised or done by the Members. These powers shall specifically include, but not limited to, the following items:

1. To determine and levy annual assessments ("Association Assessments") to cover the cost of operating and maintaining the Common Properties payable in advance annually or in installments as the Board shall determine. The Board of Directors may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses;
2. To collect, use and expend the assessments to maintain, care for, preserve, repair and replace the Common Properties;
3. To make repairs, restore or alter the Common Properties after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;
4. To open bank accounts and borrow money on behalf of the Association and to designate the signatories to such bank accounts;
5. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from members for violations of the house rules or rules and regulations herein referred to;
6. To make reasonable rules and regulations and to amend the same from time to time. Such rules and regulations and amendments thereto shall be binding upon the Members when the Board has approved them in writing and delivered a copy of such rules and all amendments to each Member. Such rules and regulations may without limiting the foregoing include reasonable limitations on the use of the Common Properties as well as reasonable fees for such use.
7. To employ workmen, contractors and supervisory personnel, and to purchase supplies and equipment, to enter into contracts to provide maintenance and other services and generally to have the power of Directors in connection with the matters hereinabove set forth;
8. To bring and defend actions by or against one or more Members and pertinent to the operation of the Association and assess special assessments to pay the cost of such litigation; and
9. To hire a Managing Agent to perform and exercise the powers of the Board of

Directors in the management of the Development.

(b) The Board of Directors may, by resolution or resolutions, passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least three (3) individuals comprised of a Unit Owners of a Condominium Unit within one of the Condominium Associations which are Members of the Association or an immediate family member of such Condominium Unit Owner residing in such Condominium and one of whom shall be a Director, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Association and may have power to sign all papers which may be required, provided the said resolution or 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 Directors. Committees established by resolution of the Board of Directors 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 there is Class B membership, but in no event later than two (2) years from the closing of title to the first Condominium Unit, the Board of Directors may not, without the prior written consent of the holders of the Class B Membership interest (i) make any addition, alteration or improvement to the Common Properties, or (ii) assess any Association charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, or (iii) enter into any service or maintenance contract for work not covered by contracts in existence on the date the first Condominium Unit was conveyed, or (iv) borrow money on behalf of the Association, or (v) purchase any materials, equipment or other goods costing in excess of \$1,000.00. The Class B Members shall not use this veto power or control of the Board of Directors to prevent capital repairs or prevent expenditures required to comply with applicable law or regulations. This paragraph may not be amended except with the consent of a majority of the holders of the Class B Membership interests.

Section 6. Compensation. Directors and officers, as such, shall receive no compensation for their services, but shall be entitled to be reimbursed for reasonable expenses incurred in their performance of their duties, as approved by the Board.

Section 7. Meetings.

(a) The first meeting of each Board newly elected by the members 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 Directors shall be held at the same place as the annual meeting of Association Members and immediately after the adjournment of same, at which time the dates, places and times of regularly scheduled meetings of the Board shall be set.

(b) Regularly scheduled meetings of the Board may be held without specific notice.

(c) Special meetings of the Board may be called by the President on two (2) days' notice to each Director either personally, by mail, by telefax or telegram. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

(d) At all meetings of the Board, a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specially provided by statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meeting of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting until a quorum is present.

(e) Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by the Director at any meeting of the Board shall be waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 8. Annual Statement. The Board of Directors shall furnish to all Members and shall present annually (at the annual meeting) and when called by a vote of the members at any special meeting of the members, a full and clear statement of the business conditions and affairs of the Association, 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 Members and a notice of the holding of the annual meeting of the Association members.

Section 9. Fidelity Bonds. The Board of Directors shall, at its option, require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be an expense of the Association.

ARTICLE IX. OFFICERS

Section 1. Elective Officers. The officers of the Association shall be chosen by the Board of Directors and shall be a President, a Vice President, a Secretary and a Treasurer. The Board of Directors 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 either members of the Board of Directors, Members of the Association, or members of immediate family residing with the member. Two or more offices may not be held by the same person.

Section 2. Election. The Board of Directors, at its first meeting after each annual meeting of Association Members, 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 Offices. The Board may appoint such other officers and agents as it shall deem necessary who shall hold their office 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 for a period of only one year or until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Directors may be removed with or without cause, at any time, by the affirmative vote of a majority of the Board of Directors present at such meeting, provided prior notice was given to all Board members that this item was on the agenda for such meeting. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5. The President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the Association Members and the Board of Directors, shall be ex-officio member of all standing committees, shall have general and active management of the business of the Association, 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 corporation organized under the Not-for-Profit 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 powers and duties as are usually vested in the office of Vice President of a corporation organized under the Not-for-Profit 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 meetings of Association members 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 meetings of Association Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or by the President under whose supervision he shall be.

Section 8. The Treasurer. The Treasurer shall have the custody of the Association funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Association including the vouchers for such disbursements, and shall deposit all monies, and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. These duties may also be exercised by the Managing Agent, if any. However, such Management Agent shall not replace the Treasurer.

He shall disburse the funds of the Association as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Directors, at the regular meetings of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association.

He shall keep detailed financial records and books of account of the Association, including a separate account for each member, which among other things, shall contain the amount of each assessment, the date when due, the amount 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 Directors.

ARTICLE X. NOTICES

Section 1. Definitions. Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Directors or to any Director or Association Member, 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 Directors, such Director or Member, at such address as appears on the books of the Association.

Section 2. Service of Notice - Waiver. Whenever any notice is required to be given under the provisions of the Declaration, or by 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 XI. ASSESSMENTS AND FINANCES

Section 1. Creation of Lien. The creation of the lien from assessments is governed by Section 1 of Article VI of the Declaration.

Section 2. Purpose of Assessments. The purpose of assessments is specified in Section 2 of Article VI of the Declaration

Section 3. Basis of Assessments. The basis of the assessments is as specified in Section 3 of Article VI of the Declaration.

Section 4. Date of Commencement of Assessments; Due Dates. The date of commencement and the due dates of assessments are as specified in Section 4 of Article VI of the Declaration.

Section 5. Effect of Non-Payment of Assessment; Remedies of the Association. The effect of non-payment of assessments and the remedies of the Association shall be as specified in Section 5 of Article VI of the Declaration.

Section 6. Checks. All checks or demands for money and notes of the Association 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 Directors may from time to time designate.

Section 7. 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 members. Disbursements from said account shall be for the general needs of the operation including, but not limited to, wages, repairs, betterments, maintenance and other expenses of the Association.

Section 8. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purposes.

ARTICLE XII. AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called meeting of Association Members provided; (1) that the notice of the meeting shall contain a full statement of the proposed amendment and (2) that the amendment shall be approved by vote of at least sixty-six and two-thirds (66-2/3%) percent of the Members. No amendments, however, shall affect or impair the validity of priority of the Members' interest nor shall any amendment infringe upon the rights of Class B members.

ARTICLE XIII. GENERAL PROVISIONS

Section 1. Fiscal Year. The fiscal year of the Association shall be fixed by resolution of the Board of Directors.

Section 2. Seal. The Association seal shall have inscribed thereon the name of the Association and the year of its incorporation under the laws of the State of New York. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

Section 3. Architectural Control. No building, fence, wall or other structure, or material change in landscaping shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration thereto be made until the plans and specifications showing the nature, kind, shape, height, materials and locations of the same shall have been submitted to and approved in writing only with respect to their having no negative effect on the Common Properties by the Board of Directors of the Association, or by an architectural committee composed of three or more representatives appointed by the Board. In the event the Board, or its designated committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Section will be deemed to have been duly complied with. The provisions of this paragraph shall not apply to Fee Owner.

Section 4. Examination of Books and Records. Each Member, or their respective representatives shall be entitled to a reasonable examination of the books and records of the

Association at any time upon reasonable notice to its Board of Directors. The Declaration, Certification of Incorporation and the By-Laws of the Association shall be at the principal office of the Association.

Section 5. Construction. Whenever 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, whenever the context so required.

In the case of any conflict between the Certificate of Incorporation and these By-Laws, the Certificate shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 6. Severability. Should any of the covenants, terms or provision herein imposed be or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall nevertheless, be and remain in full force and effect.

In July, 1998, Governor Pataki signed into law the repeal of subdivision 2-d of section 352-e of the General Business Law ("GBL") and signed into law GBL Section 352-L and Real Property Law ("RPL") Section 339-kk. GBL Section 352-L pertains to cooperatives. RPL Section 339-kk pertains to condominiums.

In summary, RPL Section 339-kk provides that if a non-occupying owner fails to pay in full, within sixty (60) days after the expiration of any grace period, any common charges, assessment or late fees due for his or her unit, then the Board of Managers shall provide written notice to the tenant and the non-occupying owner stating that the tenant is to forthwith commence paying rent directly to the Condominium Association. The Board may elect not to send such notice if a majority of the Board is elected from unit owners who are in occupancy of their units. Payments of rent directly to the Board shall continue until the non-occupying owner once again becomes current with respect to common charges, assessments and late fees to the Board of Managers.

A text of RPL Section 339-kk appears below.

§ 3. The real property law is amended by adding a new section 339-kk to read as follows:

§ 339-KK. RENTS. (A) FOR THE PURPOSES OF THIS SECTION, "NON-OCCUPYING OWNER" SHALL MEAN A UNIT OWNER IN A CONDOMINIUM ASSOCIATION WHO DOES NOT OCCUPY THE DWELLING UNIT.

(B) IF A NON-OCCUPYING OWNER RENTS ANY DWELLING UNIT TO A RENTAL TENANT AND THEN FAILS TO MAKE PAYMENTS DUE FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES FOR SUCH UNIT WITHIN SIXTY DAYS OF THE EXPIRATION OF ANY GRACE PERIOD AFTER THEY ARE DUE, UPON NOTICE IN ACCORDANCE WITH SUBDIVISION (C) OF THIS SECTION, ALL RENTAL PAYMENTS FROM THE TENANT SHALL BE DIRECTLY PAYABLE TO THE CONDOMINIUM ASSOCIATION.

(C) IF THE COMMON CHARGES, ASSESSMENTS OR LATE FEES DUE FOR ANY UNIT HAVE NOT BEEN PAID IN FULL, WITHIN SIXTY DAYS AFTER THE EXPIRATION OF ANY GRACE PERIOD OF THE EARLIEST DUE DATE, THE BOARD OF MANAGERS SHALL PROVIDE WRITTEN NOTICE TO THE TENANT AND THE NON-OCCUPYING OWNER PROVIDING THAT, COMMENCING IMMEDIATELY AND UNTIL SUCH TIME AS ALL PAYMENTS FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES ARE MADE CURRENT, ALL RENTAL PAYMENTS DUE SUBSEQUENT TO THE ISSUANCE OF SUCH NOTICE ARE TO BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION AT THE ADDRESS LISTED ON THE NOTICE. WHERE A MAJORITY OF THE BOARD OF MANAGERS HAS BEEN ELECTED BY AND FROM AMONG THE UNIT OWNERS WHO ARE IN OCCUPANCY, THE BOARD MAY ELECT NOT TO REQUIRE THAT RENTAL PAYMENTS BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION. AT SUCH

TIME AS PAYMENTS FOR COMMON CHARGES, ASSESSMENTS AND LATE FEES FROM THE NON-OCCUPYING OWNER ARE ONCE AGAIN CURRENT, NOTICE OF SUCH FACT SHALL BE GIVEN WITHIN THREE BUSINESS DAYS TO THE RENTAL TENANT AND NON-OCCUPYING OWNER. THEREAFTER, ALL RENTAL PAYMENTS SHALL BE MADE PAYABLE TO THE NON-OCCUPYING OWNER OR A DESIGNATED AGENT. A NON-OCCUPYING OWNER WHO DISPUTES THE ASSOCIATION'S CLAIM TO RENTAL PAYMENTS PURSUANT TO THIS SECTION SHALL BE ENTITLED TO PRESENT FACTS SUPPORTING SUCH OWNER'S POSITION AT THE NEXT SCHEDULED MEETING OF THE BOARD OF MANAGERS, WHICH MUST BE HELD WITHIN THIRTY DAYS OF THE DATE THAT SUCH BOARD RECEIVES NOTICE THAT SUCH OWNER SEEKS TO DISPUTE SUCH CLAIM.

(D) NOTHING IN THIS SECTION SHALL LIMIT ANY RIGHTS OF UNIT OWNERS OR OF THE BOARD OF MANAGERS EXISTING UNDER ANY OTHER LAW OR AGREEMENT.

(E) PAYMENT BY A RENTAL TENANT TO THE CONDOMINIUM ASSOCIATION MADE IN CONNECTION WITH THIS SECTION SHALL RELIEVE THAT RENTAL TENANT FROM THE OBLIGATION TO PAY SUCH RENT TO THE NON-OCCUPYING OWNER AND SHALL BE AN ABSOLUTE DEFENSE IN ANY NON-PAYMENT PROCEEDING COMMENCED BY SUCH NON-OCCUPYING OWNER AGAINST SUCH TENANT FOR SUCH RENT.

§ 4. This act may be enforced by any party by means of a special proceeding brought pursuant to article 4 of the civil practice law and rules.

§ 5. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

CHAP. 422

The Legislature of the STATE OF NEW YORK SS:

Pursuant to the authority vested in us by section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this session law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

JOSEPH L. BRUNO
TEMPORARY PRESIDENT OF THE SENATE

SHELDON SILVER
SPEAKER OF THE ASSEMBLY

**CERTIFICATION BY SPONSOR
PURSUANT TO SEC.20.4(b)
OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED**

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

Attn: Investment Protection Bureau

Re: Freedom Square Condominium
2841 Ford Street
Brooklyn, New York 11235

The undersigned certify as follows:

We are the Sponsor and principals of Mazie, LLC, the Sponsor of the Condominium Offering Plan for the captioned property.

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

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for making this certification. We jointly and severally certify that the offering plan does, and that all documents submitted hereafter by us which amend or supplement the offering plan will:

- i) set forth the detailed terms of the transaction and be complete, current and accurate;
- ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- iii) not omit any material fact;
- iv) not contain any untrue statement of a material fact;

- v) not contain any fraud, deception, concealment, 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 representations or statements made.

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

Mazie, LLC

Sworn to before me this 10
day of March, 2008
James R. Bennett
Notary Public

By: Albert Agnese
Albert Agnese

JAMES R. BENNETT
Notary Public, State of New York
No. 02BE4636535
Qualified in Nassau County
Commission Expires Aug. 31, 2006

Sworn to before me this 10
day of March, 2008
James R. Bennett
Notary Public

By: Linda R. Agnese
Linda R. Agnese

JAMES R. BENNETT
Notary Public, State of New York
No. 02BE4636535
Qualified in Nassau County
Commission Expires Aug. 31, 2006

Sworn to before me this 10
day of March, 2008
James R. Bennett
Notary Public

By: Albert Agnese
ALBERT AGNESE

JAMES R. BENNETT
Notary Public, State of New York
No. 02BE4636535
Qualified in Nassau County
Commission Expires Aug. 31, 2006

Sworn to before me this 10
day of March, 2008
James R. Bennett
Notary Public

By: Linda R. Agnese
LINDA R. AGNESE

JAMES R. BENNETT
Notary Public, State of New York
No. 02BE4636535
Qualified in Nassau County
Commission Expires Aug. 31, 2006

February 20, 2004

Re: 2841 Ford Street
Brooklyn, New York
Freedom Square

NYDA Job # 2019

"The sponsor of the offering plan for condominium ownership of the captioned property retained our firm to prepare a report describing the construction of the building when built in accordance with the plans prepared by this office. We prepared the building plans dated 09-03-03 and prepared the report dated February 20, 2004 a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are a registered architect in the State of New York in which 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 Department of Law in Part 20 insofar as they are applicable to this Report.

We have read the entire Report and investigated their facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report

- (i). Sets forth in detail the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that the construction is in accordance with the plans and specifications that we examined and information supplied by the sponsor.
- (ii). in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgement concerning the description and/or physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined and the information supplied to us by the sponsor.
- (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 we:
 - a. knew the truth;
 - b. with reasonable effort could have known the truth;
 - c. made no reasonable effort to ascertain the truth; or
 - d. did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in sponsor and that our 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.



Date: 4-19-04

S worn to before me on
April 19, 2004

Notary Public

Leonard R. Gendelberg
Notary Public, State of New York
No. 01GB603759
Qualified in Kings County
Commission Expires June 9, 2007

Maximillion Realty Inc.

2931 Avenue S, Brooklyn, NY 11229
Tel: (718) 376-9300; Fax: (718) 339-7100

New York State Department of Law
120 Broadway, 23rd Floor
New York, NY 10271
Attn: Investment Protection Bureau

May 10, 2004

Re. Mazie, LLC
2841 Ford Street, Freedom Square
Brooklyn, NY 11235

The Undersigned certifies as follows.

The Sponsor of the condominium offering plan for the above captioned property retained me to review SCHEDULE B and SCHEDULE B-1, the projections of income and expenses for the first year of condominium operation

Our experience in the field includes being a licensed real estate agent and broker for over 9 years; the management of approximately 6 buildings; and the sale of numerous condominium and rental properties. We are familiar with prices, practices, and procedures in the area of this condominium.

We understand that we are responsible for complying with Article 23-a the General Business Law and the regulations promulgate by the Department of Law in Part 20, in so far as they are applicable to SCHEDULE B and SCHEDULE B-1.

We have reviewed SCHEDULES and investigated the facts set forth in the SCHEDULES, and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in SCHEDULE B and SCHEDULE B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be

sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedules:

- (i) Set forth in detail the projected income and expense for the first year of condominium operation;
- (ii) Afford 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; and
- (vii) Does not contain any representation or statement which is false where we:
 - (a) knew the truth;
 - (b) with reasonable effort, could have known the truth;
 - (c) made no reasonable effort to ascertain the truth, or
 - (d) did not have knowledge concerning the representation or statements made

We further certify that we are not owned or controlled by the Sponsor. We understand that 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 of the first year of condominium operation.

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

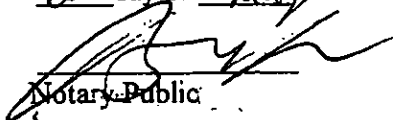
MAXIMILLION REALTY INC

Dated: May 10, 2004

BY: 
Boris Tansky
President
Licenses Real Estate Broker

Sworn to be me this

10 day of MAY


Notary Public

SEAL
BARRY BESHKIN
Notary Public State Of New York
No. 01BE6080378
Qualified In Kings County
Commission Expires Nov. 23, 2006

