

CONDOMINIUM OFFERING PLAN

ABBY COURT CONDOMINIUM

351-353 21st STREET, BROOKLYN, NEW YORK 11215

(16 RESIDENTIAL CONDOMINIUM and 6 PARKING SPACE CONDOMINIUM UNITS)

THIS PLAN HAS BEEN AMENDED
PLEASE SEE INSIDE FRONT
COVER

Total Amount of Offering.....	\$7,028,000.00
Working Capital Fund to be transferred to the Condominium*.....	6,000.00
Net to Sponsor.....	\$7,022,000.00

* May be reduced by closing adjustments, please see page 107.

SPONSOR AND SELLING AGENT
351-353 21st REALTY LLC
132 Remsen Street
Brooklyn, New York 11201

NAME AND ADDRESS OF CONDOMINIUM
ABBY COURT CONDOMINIUM
351-353 21st Street
Brooklyn, New York 11215

The date of Acceptance for Filing is May 25, 2006. The term of the initial offering is for twelve (12) months commencing on the date of the letter from the Department of Law stating that the Plan is filed. The term may be extended by an amendment to the Offering Plan. No Units may be offered under this Plan after May 24, 2007 unless the Plan is extended by amendment.

BECAUSE THE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL THE 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. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS. SEE PAGE i FOR SPECIAL RISKS TO PURCHASERS.

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



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SPECIAL RISKS

1. **Transfer Taxes paid by Purchaser.** New York City Property Transfer tax is currently 1% percent of consideration for condominiums if consideration is under \$500,000 and 1.425% if \$500,000 and over. Consideration includes both the purchase price of the Unit and the Transfer Taxes for both New York City and State and New York State Documentary Stamp taxes, presently \$2 per \$500 of consideration of a Unit. The Offering Plan provides that both New York State Transfer Tax and New York City Transfer Tax, taxes which in the first instance are the obligation of the Seller by statute, will be paid by the Purchaser. Please see "SCHEDULE A" beginning on page 11.

2. **Sponsor Retention of Units and Institutional Lenders Restrictions on Financing.** Pursuant to existing law and regulation, the Sponsor may declare the Plan effective by selling a minimum of fifteen percent of the Units in the Building and may retain 85% of the Units in the Building as Unsold Units based upon the conditions discussed below.

Purchasers should note that banks and other lenders impose various restrictions on loans. Such restrictions may require that a certain percentage of the Units in a building be Owner-occupied before they consider making a loan or, alternatively, that the Purchaser pay a higher percentage of the non-financed portion of the Purchase Price in cash (currently 25%). Thus a Purchaser may experience difficulty obtaining a loan in building where the percentage of Owner-occupied Units is lower than a lender's particular minimum or may have to pay a larger portion of the Purchase Price in cash.

While the Sponsor fully expects to sell all the Units eventually, **THERE IS NO GUARANTEE OF ITS DOING SO OR OF THE AMOUNT OF TIME IT WILL TAKE TO DO SO.**

FURTHERMORE THE SPONSOR RESERVES THE RIGHT TO RENT RATHER THAN SELL UNITS AS LONG AS THE SPONSOR IS UNABLE TO MARKET THEM AT MAXIMUM PRICE AS DISCLOSED IN THE OFFERING PLAN. BECAUSE THE SPONSOR RETAINS THE RIGHT TO RENT MORE THAN 49% OF THE UNITS IN THE BUILDING AFTER THE BUILDING IS CONVERTED TO CONDOMINIUM OWNERSHIP, FUTURE MARKETABILITY OF ALL UNITS MAY BE ADVERSELY AFFECTED AND PURCHASERS MAY NEVER GAIN EFFECTIVE CONTROL OF THE CONDOMINIUM BOARD OF MANAGERS. It is impossible to state the percentage of Units the Sponsor will sell and the time it will take to sell such Units, since that depends on factors that are not predictable at this point in time, such as the market conditions for Unsold Units. All Unsold Units may remain unsold indefinitely and the Sponsor may dispose of such Units as it chooses, including selling to investors, renting to tenants, permitting occupancy by relatives or others, allowing them to remain vacant or selling to Purchasers for personal occupancy. If the Sponsor later chooses to sell a greater number and percentage of Units to the public for personal occupancy than disclosed in the initial offering plan, the plan must be amended to disclose that fact, even though the Sponsor retains the right to sell to persons for personal occupancy under the initial offering. If the Sponsor makes a bulk sale of all or some of its unsold Units, the transferee is bound by the Sponsor's representations regarding its commitment, if any, to sell Units. It may then be difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum-occupancy requirements, or they may have to take out a smaller loan in order to obtain financing. Each Purchaser should check with his/her lending institution to verify the specific pre-sale requirements of such institution, since such requirements vary. Please see "INTRODUCTION" beginning on page 1.

3. **Control of Board of Mangers by Non-Residents of Building.** Although the By-Laws provide that after the sale of 50% of the Units or after two years from the First Closing, whichever first occurs, the Sponsor and/or Sponsor-Designee will not control the Board of Managers, such By-Laws do not provide that the Board of Managers shall be controlled by Owner occupants or members of owner-occupants' households who are unrelated to the Sponsor and its principals. Unless and until a majority of the Board of Mangers are residents of the Building and unrelated to the Sponsor, Owner occupants will not gain effective control and management of the building. Owner occupants and non-resident Owners of Units may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing or retaining a Unit in the Building, such as using it as a home as opposed to an investment. (An Owner may be an Owner occupant of a Unit and at another time an investor, subject to the Condominium's right of first refusal, and an investor may at any time become the Owner occupant of a Unit.) Please see "INTRODUCTION" beginning on page 1 and "CONTROL BY SPONSOR" beginning on page 63.

4. **Time of the Essence.** The Purchase Agreement provides that after the Plan is declared effective, the Purchasers will have thirty (30) days, after being given written notice, to pay the balance of their purchase price. In the event that the balance of the purchase price is not received within the time periods specified, the Sponsor shall give the Purchaser thirty (30) days written notice to cure the default. The curing of the default within the final thirty (30) days grace period is the essence of the agreement. If such default is not cured, the deposit, pursuant to the Purchase Agreement, will be forfeited. Please see the section entitled **"PROCEDURE TO PURCHASE"** beginning on page 35.

5. **Purchase Agreement and Financing Contingency and Extension of Commitments.** If the Purchase Agreement is subject to the Purchaser obtaining a mortgage, the Purchaser shall have thirty (30) business days from the signing of the Purchase Agreement to obtain a mortgage commitment. In the event that the Purchaser fails to obtain a commitment within the thirty-(30)-business-day period, either party may cancel the Purchase Agreement on five (5) business days written notice to the other party, and the Purchaser shall be entitled to a prompt refund of the Down Payment. **In the event that the Sponsor's attorney does not receive the notice within the specified time period, the Purchaser shall be expected to close whether or not the Purchaser has received financing, unless the Sponsor cancels the Purchase Agreement. In such a case, if the Purchaser fails to close, the deposit will be forfeited.**

For further details, please see the section entitled **"PROCEDURE TO PURCHASE"** beginning on page 35.

6. **Amending the Condominium By-Laws.** As long as the Sponsor shall continue to own a Unit, the Board of Managers may not, without the Sponsor's prior written consent (i) amend the Declaration or the By-Laws so as to in any way adversely affect the Sponsor, in the sole judgment of the Sponsor, or (ii) interfere with the offer and sale or leasing of Units; 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 shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the provisions of the By-Laws, the Sponsor 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. Please see **"CONTROL BY SPONSOR"** beginning on page 63.

7. **The Reserve Fund.** Since this building is a combination of renovation and new construction, other than the \$2,500 budgeted per year there is no reserve fund. The Sponsor believes that there should be no need for any capital improvements during the first five years of condominium operation, but it does not guarantee same. **The Sponsor does not represent or warrant that there will be no need for any Capital Improvements during the first five years of condominium operation. If there is such a need, Purchasers could be subject to special assessments and/or Common Charges may increase to cover such costs.** Please see **"RESERVE FUND"** beginning on page 107.

8. **Title Company and Additional Closing Costs** A Purchaser is required to accept only such title to the Property as FIRST MANHATTAN ABSTRACT CORP., 215 Park Avenue South, New York, New York 10003 (212) 460-5200, as agent for Fidelity Title Insurance Company of New York, agrees to issue. **THE SELLER SHALL NOT IN ANY WAY BE OBLIGATED TO CAUSE THE PURCHASER'S TITLE COMPANY (IF OTHER THAN FIRST MANHATTAN ABSTRACT CORP.) TO OMIT ANY EXCEPTION TO TITLE IF SUCH EXCEPTION OR SIMILAR EXCEPTION HAS BEEN OMITTED BY FIRST MANHATTAN ABSTRACT CORP. OR FIRST MANHATTAN ABSTRACT CORP. WOULD BE WILLING TO OMIT SUCH OBJECTION. IT SHALL BE THE PURCHASER'S OBLIGATION TO OBTAIN CLEARANCE IF PURCHASER CHOOSES A TITLE COMPANY OTHER THAN FIRST MANHATTAN. FAILURE BY THE PURCHASER TO OBTAIN CLEARANCE AND CLOSE, WHEN FIRST MANHATTAN ABSTRACT CORP. WILL INSURE, IS A DEFAULT UNDER THE PURCHASE AGREEMENT, ENTITLING THE SELLER TO RETAIN THE DOWN PAYMENT AS LIQUIDATED DAMAGES.** Furthermore, if clearance items are still open at the closing and it takes longer than 1.5 hours to close due to the Purchaser's title company (other than First Manhattan Abstract Corp.) clearance issues, the Purchaser shall pay the attorney for the Seller a fee of \$300 per hour starting at 1.5 hours from the beginning of the closing for her time in waiting for clearance of such items. Title will be subject only to the provisions set out in **"TERMS OF SALE,"** beginning on page 48, and the standard printed exceptions contained in the form of title-insurance policy-promulgated exceptions by the New York Board of Title Underwriters.

9. **Other Fees paid by Purchaser.** The Purchaser will contribute \$750 to the board of managers (the "Board of Managers") as an initial working-capital fund for unanticipated expenses in the operation of the Building.

In addition, The Purchaser will pay the Seller's attorney a fee of \$1,250 at Closing for the preparation of the closing documents. If the Closing is held at a place other than the offices of First Manhattan Abstract Corp. located at 215 Park Avenue South, Suite 714, New York, New York 10003 or such place as designated by the Seller, but within New York City, the Purchaser shall pay, the Seller's attorney an attendance fee of \$350 per Unit. If the Closing is held outside of New York City, the Purchaser will pay the Seller's attorney a reasonable attendance fee based upon distance, but in no event will the fee be less than \$600. The fee for closing in Nassau or Westchester County shall be \$600. If the Closing of Title is adjourned other than by the Seller, the Purchaser shall pay, in addition to the other applicable fees, a fee of \$300 per Unit to the Seller's attorney for costs in connection with such adjournment. In the event that the Purchaser defaults, the Purchaser shall pay to the Seller's attorney a fee of \$300 for preparation of the default letter. **All of the above fees due the Seller's attorney are cumulative to the extent applicable to the individual Closing, and shall be payable by certified or cashier's check at Title Closing, drawn on a bank that is a member of the New York Clearing House Association, and shall be the Purchaser's sole responsibility.** Please see "UNIT COSTS AND CLOSING ADJUSTMENTS" beginning on page 54.

10. **Limited Common Elements.** Unit #1R at 351 and Unit #1R at 353 each have exclusive use of a garden and Units #4F and #4R at 351 and Units #4F & #4R at 353 each have exclusive use of a roof terrace adjacent to their Units. Exclusive use of these areas means that the Owners of the other Units do not have a right to use these areas except for emergency ingress and egress and for purposes of repair to the Common Elements. Please see footnote 1 to "SCHEDULE A" on page 11.

11. **Risk of Loss Passes to Purchaser upon Possession.** The risk of loss due to fire or other casualty passes to the Purchaser upon possession of a Unit. Therefore all Purchasers who take possession prior to closing upon entering an interim lease, should obtain insurance to cover themselves against a loss by fire or other casualty. For further details, please see the section entitled "PROCEDURE TO PURCHASE" beginning on page 35.

12. **Sponsor to Control Certain Expenses as Long as Sponsor Controls Board of Managers.** The Sponsor has the right to designate the first members of the Board of Managers of the Condominium. Such members will have voting control of the Board until the first meeting of Unit Owners. So long as the Sponsor will continue to own one Unit in the Condominium, but not later than the second anniversary of the First Closing, the Board of Managers may not undertake certain actions. Until a Sponsor and/or persons appointed by the Sponsor shall continue to own a Unit, but in no event for a period in excess of two (2) years from the first closing of title to a Unit, the Board of Managers may not without the written consent obtained from the Sponsor (i) increase the number or change the types of employee from those described in the notes to Schedule B of the Offering Plan; (ii) provide for new or additional services from those indicated in the notes to Schedule B of the Offering Plan, unless the annual cost of such new or additional service or employee, when added to the annual cost of all other services being provided, is no greater than that provided in said notes; (iii) make any addition, alteration, or improvement in the Common Elements or to any Unit, except as established by the Offering Plan; or (iv) assess any Common Charge for the creation of, addition to, or replacement of all or part of a reserve, contingency, or surplus fund that may be created, except as already established by applicable law or the Offering Plan; that these shall not result in increasing the Common Charges for any year of operation by 5% or more of the previous year's Common Charges. However, notwithstanding anything contained in Section 2(q) of Article III of these By-Laws to the contrary, the Sponsor shall consent to the expense set forth in Schedule B of the Offering Plan or expenditures required to comply with applicable laws or regulations or expenses necessary to remedy notice of violations of law or work orders from an insurance carrier. The Condominium may take any of the actions enumerated in clauses (i) through (iv) above if the cost of such actions, when added to all other budgeted expenses of the Condominium, shall not result in increasing the Common Charges for any year of operation by more than 5% from the previous year's Common Charges. Please see "CONTROL BY SPONSOR" beginning on page 63.

13 **Recreation Room** Units #1F and #1R at 351 and Units #1F and #1R at 353 each have a recreation room in the cellar. This recreation room may not be used as a bedroom. To do so is a violation of the New York City Building Dept. regulations. Please see footnote 1 to "SCHEDULE A" on page 13.

14 **Real Estate Taxes.** The Sponsor will apply for exemption from an increase in the assessed valuation of the property due to renovation and an abatement against real estate taxes on the Units in the Building. There can be no assurance that such application will be granted. For a description of the particular problems in connection with the application, see **"REAL ESTATE TAXES"** beginning on page 82 of the Plan. If the J-51 application is not granted, there will be no exemption from the increase in assessed valuation or abatement from real estate taxes on the Units in the Building. If an exemption and abatements are granted, they will be for a limited period of time and will be subject to periodic decreases, resulting in increased real estate taxes after the first year of Condominium operation. Please see **"REAL ESTATE TAXES"** on page 82 of the Plan.

15 **Limited Warranty.** The Sponsor will not be obligated to correct, repair, or replace any and all defects relating to renovation and/or construction of Units, the General Common Elements, and Limited Common Elements, or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in this Plan. Except as expressly provided in the Limited Warranty described below, the Sponsor will not warrant the materials or workmanship of any Unit or any of the Common Elements. At the Closing of each Unit, the Sponsor will deliver to each Purchaser (for his/her/their Unit) a Limited Warranty substantially in the form set forth in Part II Page K1 of the Plan. Such Limited Warranty excludes all consequential, incidental, special and indirect damages except as required by law or except as otherwise set forth therein. Such Limited Warranty (a) excludes all other warranties of every kind, express and implied, on the construction and sale of the Units, its workmanship and materials, and its fitness for use and habitability, and (b) is in lieu of all other warranties (including without limitation those pursuant to The Housing Merchant Implied Warranty Law - New York General Business Law Article 36(B)). Notwithstanding anything else herein to the contrary, the Sponsor's obligations, regardless of any limitations in the warranty cannot go below the duty to construct the premises in accordance with all applicable codes and filed plans and specifications, and any conflict between the disclaimers and the Sponsor's obligations to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. Please see **"RIGHTS AND OBLIGATIONS OF SPONSOR"** beginning on page 58.

16 **No Bond.** The Sponsor represents and warrants that at this time it has the financial resources to enable it to meet its obligations with respect to Unsold Units for both Common Charges and Real Estate Taxes. However, no bond or other security has been furnished by the Sponsor, and the Sponsor's ability to perform will depend solely upon its financial condition at the time. If the financial condition of the Sponsor changes, the Plan will be amended to disclose the details of such change. Please see **"RIGHTS AND OBLIGATIONS OF SPONSOR,"** beginning on page 58.

17. **Requirement to Extend Bank Commitments.** Purchasers should note that financing commitments for the purchase of Units may have expiration dates prior to the actual Closing Date, unless the commitment is extended. If such extension is granted or another commitment issued, no guarantee can be made that the terms will be the same as the expired commitment. **Once a bank commitment has been issued, the Purchaser will be required to use his/her best efforts in obtaining and maintaining any and all extensions necessary to maintain such commitment in force and effect or to obtain another commitment.** Failure to do so will constitute a default under the Purchase Agreement and consequently loss of the Liquidated Sum. If the Purchaser is unable to obtain an extension by the Closing Date or within sixty (60) business days after the expiration of his/her commitment, whichever is longer, the Purchaser will notify the Sponsor within five (5) days of the time period pursuant to the Notice provisions of the Purchase Agreement, whereupon the Purchase Agreement will become null and void and the Down Payment will be returned to the Purchaser. **In the event that the Sponsor's attorney does not receive the above notice to cancel within five (5) days after such right arises and/or the Purchaser does not comply with the conditions in the Purchase Agreement, including but not limited to the time limits set forth in the Purchase Agreement, the Purchaser will be expected to close whether or not the Purchaser has received financing, unless the Purchase Agreement is cancelled by the Sponsor. IT SHOULD BE NOTED THAT CURRENTLY INTEREST RATES HAVE BEEN INCREASING AND AN EXTENSION OF THE COMMITMENT MAY VERY WELL BE AT A HIGHER INTEREST RATE.** Please see **"PROCEDURE TO PURCHASE,"** beginning on page 35.

18. The areas are not calculated from the interiors surfaces of interior walls, and therefore the actual areas are less than the areas set forth in Schedule A. Purchasers may measure these surfaces themselves to make their own calculations. Please refer to the Section of the Offering Plan entitled **"OFFERING PRICES AND RELATED INFORMATION, SCHEDULE A"** beginning on page 11.

19. In no event will the Sponsor control the Board of Managers after the second anniversary of the First Closing. However, the By-Laws do not provide that after two years, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household. They must, however, be unrelated to the Sponsor and its principals. Unless and until a majority of the Board of Managers are residents of the Building and unrelated to the Sponsor, owner-occupants will not gain effective control and management of the building. Owner-occupants and non-resident Owners of Units may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing or retaining a Unit in the Building, such as using it as a home as opposed to an investment (an Owner may be an Owner occupant of a Unit and at another time an investor (subject to the Condominium's right of first refusal) and an investor may at any time become the Owner occupant of a Unit.

20. **Masonry.** The facade surface at the exposed Cellar level and First through Third Floors is existing wire cut brick which is in good condition and is currently in the process of being repointed as the pointing is in poor condition. The existing exterior masonry walls are generally in good condition with the exception of the front facades, which upon completion of work will be completely cleaned and re-pointed. In addition the facade on 351 21st Street there was a large crack where the facade met the east sidewall which was repaired and attached with mortar and covered with an exterior waterproofing stucco application. The crack appeared to have been of an historical nature as the facade masonry was not connected, or stitched directly into the sidewall masonry but only connected with a mortar joint which most likely had not brick ties or other reinforcing. A hairline step crack formed along the edges of hter ear windows adjacent to the driveway at 353 21st Street during underpinning work in the cellar. The step crack was repaired and filled with mortar and covered with a waterproof cement stucco application once the underpinning operation was completed. See "DESCRIPTION OF PROPERTY, SPECIFICATIONS AND BUILDING CONDITIONS" beginning on page D1.

22. **Access to Utility and Mechanical Rooms.** There is no direct access to the utility and mechanical rooms, See "DESCRIPTION OF PROPERTY, SPECIFICATIONS AND BUILDING CONDITIONS" beginning on page D1.

23. **Handicapped Parking.** The Purchaser of handicapped parking must make their parking space available to the handicapped tenants and/or occupants, if any, of the Building at a reasonable rental in compliance with New York City Building Code. Under such circumstances, the parking space will not be available to the Owner thereof.

24. **Violations.** There are violations posted against the Building. See pages D24 through D32 of "DESCRIPTION OF PROPERTY, SPECIFICATIONS AND BUILDING CONDITIONS" beginning on page D1. All violations will be cleared from the Buildings at the conclusion of work as is mandated by New York City Department of Buildings Code and procedure prior to the issuance of a new Certificate of Occupancy.

It is recommended that you consult with your own attorney or financial advisor before purchasing a Condominium Unit and that you provide your advisor or attorney with a copy of the Plan.

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INTRODUCTION

The purpose of this Plan is to set forth all of the material terms of the offer for sale of sixteen (16) residential Units and six (6) accessory-use Parking Space Units in the Park Slope section of Brooklyn. The Units are being sold as Condominiums. The Parking Space Units are for accessory use only and therefore may only be sold to persons purchasing a residential Unit.

This introduction is intended to describe many of the important highlights of this Plan, but it does not summarize all of the Plan's relevant and major features. Prospective Purchasers should carefully read this Introduction, together with the Plan, for a more complete analysis of these and other material aspects of this offering.

Amendments to the Plan

The Sponsor of the Plan may amend it from time to time by filing an amendment with the Department of Law, State of New York. In the event that there is an amendment to the Plan, said amendment shall be served upon:

- (1) Purchasers who have executed and delivered Purchase Agreements to the Sponsor or Selling Agent, provided that the Purchaser is not in default under his/her Purchase Agreement; and
- (2) Any other person entitled to service pursuant to local law or regulation (the "Offerees").

Service shall be provided in the following manner:

- (1) personal delivery; or
- (2) mailing addressed to the Offeree at the last known residence address of such Offeree or, if the Offeree has provided written information of an alternative address for notices addressed to the Offeree, at the alternative address. If the Sponsor has no information of the last known residence address but has written information of the place of business or employment of such Offeree, the mailing shall be addressed to such last known business or employment address; and
- (3) service shall be deemed complete upon completion of personal delivery to all Offerees on the fifth day after mailing to all Offerees not personally served.

The Condominium and Condominium Act

The Condominium shall be known as "ABBY COURT CONDOMINIUM" (the "Condominium"). The Condominium is subject to the New York Condominium Act, New York Real Property Law Article 9-B, Sections 339-d to ii (the "Condominium Act").

The Sponsor

351-353 21st Realty LLC, a domestic limited liability company (the "Sponsor"), presents a Plan (the "Plan") for the conversion to Condominium ownership of the Building located at 351-353 21st Street, Brooklyn, New York 11215 (the "Building") consisting of sixteen (16) residential Units and six (6) parking spaces. The Land and Building are collectively referred to as the "Property" or the "Premises." 351-353 21st Realty LLC which acquired the land and the buildings on May 17, 2004.

The Offer

Under the Plan, the sixteen (16) residential and six (6) parking space Condominium Units will be offered for sale by the Sponsor. The Parking Space Units are only being offered to Purchasers of Residential Units. Except for the Working Capital Fund to be transferred to the Board of Managers (as discussed below), all the proceeds realized from the sale of the Units will be transferred to the Sponsor.

The Building is currently under renovation and construction and no Units are occupied. The First closing is expected to occur on or about January 1, 2006.

A designated percentage of the Common Interest of the Condominium (shown in Schedule A, beginning on page 11) has been allocated to each Unit in the Building.

Features of Condominium Ownership

A. The ownership of a Unit is similar in many respects to the ownership of a private home in which each Owner of a Unit ("**Unit Owner**" or "**Owner**") owns title to his/her Unit. The rights and benefits of such ownership include, but are not limited to, the following:

- (1) the right to exclusive possession of the purchased Unit;
- (2) the right to use all parts of the Property in addition to the Unit which a Unit Owner will own in common with the other Unit Owners, such as entry ways, stairways, and similar elements of the Building (the "**Common Elements**"). Unit Owners will share the non-exclusive right to use Common Elements with all of the other Unit Owners;
- (3) the right to exclusive use of Limited Common Elements (those areas appurtenant to a particular Unit or Units, the use of which is restricted to the Unit Owner(s) such as garden rights of Unit 1R at both 351 and 353 and the roof rights of Units 4F & 4R at both 351 and 353. Other Unit Owners cannot use the roof terraces or gardens, except for ingress or egress in the case of emergency.
- (4) the right to sell or lease his/her Unit to anyone without restriction or limitation, but any sale or lease of a Unit by a Unit Owner will be subject to a right by the Board of Managers to acquire or lease the Unit, or to produce a third party to acquire or lease the Unit on the same terms as were offered by the Unit Owner (see "**RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS**" beginning on page 71). Even though the Board of Managers has a right of first refusal, the right of first refusal does not apply to the Sponsor and/or Sponsor Designee or any sale or conveyance or lease of a Unit Owner of his/her Unit, together with the Appurtenant Interests, to his spouse or to any of his/her children, to his/her parent or parents or to his/her brothers or sisters, or any one or more of them, or to the acquisition or sale of any Unit, together with the Appurtenant Interests, by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. However, any of these persons will be subject to the condominium's right of first refusal upon sale of their Unit.
- (5) the right to mortgage his/her Unit;
- (6) the right of each Unit Owner to vote for members of the Board of Managers;
- (7) the right to use his/her Unit in any way permissible under applicable laws;

B. As is customary in ownership of Units, each Purchaser shall be obligated to:

- (1) pay "**Common Charges**" and special assessments, as provided for under the By-Laws and as provided by Section 339(i) and (m) of the Condominium Law;
- (2) abide by the terms of the Declaration, By-Laws, Rules, and Regulations, and other requirements of the Board of Managers;
- (3) abide by the decisions of the Board of Managers;
- (4) pay real estate taxes on his/her Unit, which will be separately taxed as are individual homes; and
- (5) in addition, each Unit Owner will be responsible for the cost of interior repairs in, and the maintenance, painting, and decoration of, his/her Unit (including, without limitation, the cost for maintaining and repairing equipment and appliances contained therein), as well as the cost of any insurance he/she may desire to obtain for fire and casualty covering (i) his/her furniture, belongings, equipment, and other personal property and improvements, and (ii) liability to others for personal injury or property damage as a result of occurrences within his/her Unit.

Purchase Price

The Offering Price for each Unit is set forth in Schedule A. **THE OFFERING PRICE FOR EACH UNIT IS BASED ON THE PRICE OF THE PROPERTY ESTABLISHED BY THE SPONSOR-SELLER WITHOUT ARMS-LENGTH NEGOTIATION. THESE PRICES ARE NOT SUBJECT TO APPROVAL BY ANY GOVERNMENTAL AGENCY, INCLUDING THE DEPARTMENT OF LAW, STATE OF NEW YORK, WHICH DOES NOT REVIEW PRICES.**

Obtaining A Mortgage and Institutional Lenders' Restrictions on Financing and Sponsor's right to Retain Unsold Units

Various savings and commercial banks and other lending institutions in New York State have generally financed from 60% to 90% or more of the purchase price of Units for Purchasers whose credit, income and reputation are acceptable to the lending institution or bank making the loan. However, no representation is made as to the terms, conditions, or availability of such financing at this time or in the future.

If a Purchaser obtains a mortgage, his/her rights to sell and/or rent the Unit, which were discussed above, will be subject to the rights of the lender set forth in the mortgage documents, which may restrict these rights while the mortgage is outstanding.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions may require that a certain percentage 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 or a Purchaser may have to wait until additional Units are under Contract and ready to close, before such Purchaser will be able to close.

Pursuant to existing law and regulations, the Sponsor may declare the Plan effective by selling a minimum of fifteen percent of the Units in the Building and the Sponsor may retain 85% of the Units in the Building as Unsold Units based upon the conditions discussed below.

While the Sponsor fully expects to sell all the Units eventually, **THERE IS NO GUARANTEE THAT IT WILL DO SO OR OF THE AMOUNT OF TIME SUCH SHALL TAKE.**

FURTHERMORE THE SPONSOR RESERVES THE RIGHT TO RENT RATHER THAN SELL UNITS, AS LONG AS THE SPONSOR IS UNABLE TO MARKET THEM AT MAXIMUM PRICE AS DISCLOSED IN THE OFFERING PLAN. BECAUSE THE SPONSOR RETAINS THE RIGHT TO RENT MORE THAN 49% OF THE UNITS IN THE BUILDING AFTER THE BUILDING IS CONVERTED TO CONDOMINIUM OWNERSHIP, FUTURE MARKETABILITY OF ALL UNITS MAY BE ADVERSELY AFFECTED AND PURCHASERS MAY NEVER GAIN EFFECTIVE CONTROL OF THE CONDOMINIUM BOARD OF MANAGERS. It is impossible to state the percentage of Units the Sponsor will sell and the time it will take to sell such Units, since it depends upon factors that are not predictable at this point in time, such as the market conditions for Unsold Units. All Unsold Units may remain unsold indefinitely and the Sponsor may dispose of such Units as it chooses, including selling to investors, renting to tenants, permitting occupancy by relatives or others, allowing them to remain vacant, or selling to Purchasers for personal occupancy. If the Sponsor later chooses to sell a greater number and percentage of Units to the public for personal occupancy than disclosed in the initial offering plan, the plan must be amended to disclose that fact, even though the Sponsor retains the right to sell to persons for personal occupancy under the initial offering. If the Sponsor makes a bulk sale of all or some of its unsold Units, the transferee is bound by the Sponsor's representations regarding its commitment, if any, to sell Units. It may then be difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum-occupancy requirements or they may have to have to take out a smaller loan in order to obtain financing. Each Purchaser should check with his/her lending institution to verify the specific pre-sale requirements of such institution, since such requirements vary.

Common Charges and Special Assessments

In accordance with the New York Condominium Act, Section 339(i) and (m), Common Charges, payable under the By-Laws, will be based strictly on the projected cash requirements of ownership and operation of the Property, and may include a reserve for contingencies, replacements, and/or repairs. **It is assumed that Common Charges will increase as cash requirements of the Condominium rise due to inflation and other factors.** Furthermore, the Board of Managers may impose special assessments in order to meet emergencies, contingencies, or other unforeseen events, which will become the financial obligation of each Purchaser of a Unit.

The estimated Common Charges for the first year of Condominium operation and the estimated real estate charges for each Unit are set forth in Schedule A below (page 11). The projected budget for the first year of operation is set forth below in Schedule B (page 21).

Exhibits to the Plan

The agreement to purchase a Condominium Unit is called a **"Purchase Agreement"** and may be found in Part II starting on page A1.

A form of power of attorney, to be executed by Purchasers in favor of the Board of Managers, which gives the Board the power to sell or lease the Unit of a Purchaser who defaults in his/her obligations, is found on page B1 of Part II of the Plan.

The form of deed, to be delivered to the Purchaser at Closing, is found on page C1 in Part II of the Plan.

A detailed description of the physical condition of the Property, prepared by Todd Ernst of Ernst Architects, independent architects, is set forth in Part II, beginning on page D1, and should be carefully reviewed by the prospective Purchaser.

The Declaration of Condominium, which is the recorded instrument which actually establishes the Condominium, is reproduced in Part II of the Plan beginning on page E1.

The Condominium's By-Laws, also to be recorded, which govern the operation of the Condominium and the rights, powers, and duties of its officers, managers, and Unit Owners, is summarized in the section entitled **"RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS"** (beginning on page 71) and are reproduced in full beginning on page F1.

Special Risk Factors

There are certain factors of this Plan which constitute special risks and are set forth in the section immediately preceding the **"INTRODUCTION,"** beginning on page i, entitled **"SPECIAL RISKS."**

Effective Date

Prior to the Closing Date, the Sponsor will enter into Purchase Agreements with prospective Purchasers. When a specified number of Purchase Agreements have been executed, the Plan will be declared effective, as stated in the Section entitled **"EFFECTIVE DATE"** beginning on page 46. Thereafter, Closings of individually purchased Units will occur pursuant to the terms of each Purchase Agreement.

Working Capital Fund

The Sponsor shall establish a Working Capital Fund in the sum of \$6,000 on the Closing Date. The Working Capital Fund may be reduced as a consequence of closing adjustments. However, the Sponsor waives all closing costs in excess of \$6,000. Consequently, no note or bond will be executed by the Condominium for closing adjustments on the Closing Date.

No representation is made that the Working Capital Fund will be sufficient. If additional funds are required, it may be necessary to increase Common Charges and/or levy a special assessment.

Expenses

The expenses of the Condominium accruing to, and inclusive of, the First Closing or the Closing Date shall be the financial obligation of the Sponsor, which may, at the Sponsor's option, be paid from the proceeds of the sale of the Units, with the exception of those expenses which are to be apportioned on the Adjustment Date, in accordance with the Plan. Apportioned expenses include, but are not limited to: water and sewer charges; permit and license fees for assignable fees and licenses, if any; premiums on transferable insurance policies in effect as of the Adjustment Date, if such policies conform to the one(s) discussed in the footnotes to Schedule B (page 21); fuel; and utility deposits (including escrows).

All Terms of the Transaction and Document Copies

Part I and Part II, including all schedules and the exhibits, together constitute the entire Plan. 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 Hannah Vining, 39 East Pembroke Road, Danbury, CT 06811; at the office of the Sponsor, 351-353 21st Realty LLC, 132 Remsen Street, Brooklyn, NY 11201; and at the office of the New York State Department of Law, Investment Protection Bureau, 120 Broadway, 23rd floor, New York, New York 10271 by appointment upon reasonable telephone notice to the Sponsor and Ms. Vining, and by writing to the New York State Dept. Of Law at the above address under a freedom of information request. All documents referred to in this Plan are important. It is recommended that you consult your own attorney or financial advisor before purchasing a Condominium Unit and provide him/her with a copy of this Plan.

Legal Limitations of Offer

Any person or individual who may legally own real property in New York may purchase a Unit. However, the right of an individual to purchase is limited to those individuals 18 years old or older.

Part I and Part II, including all schedules and the exhibits, together constitute the entire Plan. This Plan delivered to prospective Purchasers contains all of the material terms of the transaction. All documents referred to in this Plan are important. It is recommended that you consult your own attorney or financial advisor before purchasing a Condominium Unit and provide him/her with a copy of this Plan.

Each Unit should be inspected prior to purchase to determine the exact layout and physical condition.

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

THE PURCHASE PRICE FOR EACH UNIT IS BASED ON THE PRICE OF THE PROPERTY ESTABLISHED BY THE SPONSOR-SELLER WITHOUT ARMS-LENGTH NEGOTIATION. THESE PRICES ARE NOT SUBJECT TO APPROVAL BY ANY GOVERNMENTAL AGENCY, INCLUDING THE DEPARTMENT OF LAW, STATE OF NEW YORK, AND ARE NOT SUBJECT TO REVIEW BY THE NEW YORK STATE DEPT. OF LAW.

DEFINITIONS

1. **ACCEPTANCE DATE** – The date the Plan is Accepted for Filing by the Department of Law of the State of New York.
2. **ACCEPTANCE FOR FILING** – After the Sponsor has submitted the Plan for Filing and after the Department of Law of New York State has completed the reviewing process, the formal act by the Department of Law which allows the Condominium Units to be offered for sale.
3. **ADJUSTMENT DATE** – Refers to the date of the First Closing of title to a Unit. This is also referred to as the First Closing and the Closing Date.
4. **APPURTENANT INTERESTS** – Refers to the interest of a Unit Owner in (i) the Common Elements, (ii) any Units acquired by the Board of Managers or its designee on behalf of all Unit Owners, or the proceeds of the sale therefrom or lease thereof, if any, and (iii) any other assets of the Condominium.
5. **ASSESSED VALUATION** – The value placed on the Condominium Units by the taxing authority, which, when multiplied by the tax rate, determines the real estate tax payable for that particular Unit.
6. **BOARD OF MANAGERS or BOARD or MANAGERS** – Shall mean the Board that represents Unit Owners and directs the operation of the Condominium pursuant to the provisions of the By-Laws, Declaration, and Plan.
7. **BUILDING** – Refers to the structure or structures and improvements, including below-grade segments at 351-353 21st Street, Brooklyn, New York.
8. **BY-LAWS** – Refers to the By-Laws governing the operation of the Condominium which shall be recorded and become covenants running with the Land at the time the Condominium is actually formed. A copy of the By-Laws is set forth in Part II of the Plan beginning on page F1.
9. **CLOSING** – Refers to the time, place, and procedure by which fee title to the Unit in question is conveyed to the Purchaser pursuant to a Purchase Agreement.
10. **CLOSING DATE or ADJUSTMENT DATE or FIRST CLOSING** – The first date on which fee title to a Condominium Unit in the Building is conveyed from the Sponsor to a Purchaser.
11. **COMMON CHARGES** – Refers to an assessment levied by the Board of Managers against every Unit Owner in an amount measured by such Unit Owner's percentage of interest in the Common Elements, based strictly upon the projected cash requirements of ownership of the Property, but which may also include reserves for contingencies.
12. **COMMON ELEMENTS** – Refers to the Land, all parts of the Building or Buildings (except the Units), including the foundations and support of the Building(s), and all areas or facilities for the common use of the Units and the Unit Owners, as described in the Declaration.
13. **COMMON EXPENSES** – Expenses incurred by all Unit Owners for the purpose of paying costs in connection with the repair, maintenance, replacement, restoration, operation, improvement, and alteration of, or addition to, the Common Elements.
14. **COMMON INTERESTS** – The proportionate, undivided interest in the Common Elements, appurtenant to each Unit, expressed as a numerical percentage, as such interest is determined in accordance with the Declaration.
15. **CONDOMINIUM** – The Property, when converted to Condominium ownership in accordance with the provisions of the Plan, will be known as **ABBY COURT CONDOMINIUM**.
16. **CONDOMINIUM ACT** – Refers to the New York Condominium Act, as amended from time to time and presently found in the New York Real Property Law, Articles 9-B, Section 339-d to Section 339-ii.

17. **DECLARATION** – The instrument creating the Condominium, as the same may be amended from time to time, by which the Property is submitted to the Condominium Act, the form of which is set forth in Part II of the Plan (page E1).
18. **DECLARATION OF EFFECTIVENESS** – A formal notice, mailed to Purchasers, that the Sponsor has obtained the required number of Purchasers for the First Closing to take place.
19. **DISCLOSURE** – The required statements and representations contained in an offering Plan or prospectus, as determined by the Martin Act and the regulations promulgated by the Department of Law of the State of New York.
20. **DOWN PAYMENT** – Refers to the money that a person desiring to purchase a Unit must deliver to the Sponsor at the time such person delivers an executed Purchase Agreement to the Sponsor.
21. **EFFECTIVE DATE** – Refers to the date the Plan is declared effective. (See section entitled “EFFECTIVE DATE” in Part I of the Plan, beginning on page 46.)
22. **FILING** – The act of submitting a proposed offering Plan for acceptance by the Department of Law of the State of New York.
23. **FIRST CLOSING** – The date fee title to a Condominium Unit is first conveyed to a Purchaser pursuant to this Plan. Also, the same as the Adjustment Date and the Closing Date.
24. **FLOOR PLANS** – Refers to the Floor Plans of the Building(s), as the same may be amended from time to time, filed in the Kings County office of the City Register, when the Plan is declared effective.
25. **INTERNAL REVENUE CODE** – The Internal Revenue Code of 1986 as amended, and regulations and rulings promulgated thereunder.
26. **LAND** – Refers to the Property, except the Building.
28. **LIMITED COMMON ELEMENTS** – Refers to Common Elements, the charges for which are paid by all Unit Owners, each according to such Unit Owner's Common Interest, but the use of which is limited exclusively to specifically designated Unit(s) (e.g., garden).
29. **MANAGING AGENT** – The Managing Agent is Goldin Management, located at 25 8th Avenue, Brooklyn, New York 11215
30. **OFFEREE** – Refers to (i) Purchasers who have executed and delivered Purchase Agreements and are not in default thereunder; and, (ii) any other person who, pursuant to law, is an Offeree of the Plan.
31. **PERMITTED ENCUMBRANCES** – Refers to those liens and encumbrances to which fee title to each Unit shall be subject.
32. **PLAN** – Refers to this Offering Plan for the conversion of the Property to Condominium ownership, as it may be amended from time to time.
33. **PROPERTY** – Refers to the Land and Building situated at 351-353 21st Street, Brooklyn, New York 11215 that the Sponsor plans to convert to Condominium ownership pursuant to the provisions of this Plan.
34. **PURCHASE AGREEMENT** – Refers to the contract for the purchase and sale of a Condominium Unit, the form of which is set forth in Part II of the Plan, beginning on page A1.
35. **PURCHASER** – Refers to person(s) named as Purchaser(s) in a Purchase Agreement which has been duly executed by such person(s) and accepted by the Sponsor.
36. **SELLING AGENT** – The Selling Agent in the Plan is 351-353 21st Realty LLC.
37. **SPONSOR** – Refers to 351-353 21st Realty LLC.

38. **UNIT, APARTMENT, APARTMENT UNIT, or CONDOMINIUM UNIT** – Refers to a space, designated as a Unit in the Declaration, consisting of, generally, a specific Unit in the Building and an appurtenant undivided interest in the Common Elements. Such Units are collectively referred to as "Units" or "Condominium Units" or "Apartments."

40. **UNIT OWNER or OWNER** – Refers to the Owner of fee title to a Condominium Unit.

41. **UNSOLD UNIT** – Refers to a Unit owned or retained by the Sponsor or a Sponsor Designee.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property is currently being renovated and constructed. The front entrance to the Units will provide access to 351-353 21st Street, Brooklyn, New York.

There are two buildings, each one containing 8 residential Units and three parking spaces with a total of 16 residential units and 6 accessory use parking-space units (the "Units"). Each building contains 4½ stories plus a cellar. There are no other no recreational facilities. Units #1F and #1R in each building will contain recreation rooms in the basement, which cannot be used as bedrooms.

The Sponsor expects the first closing of a Unit to occur on or about January 1, 2006, subject to unavoidable delays.

The Sponsor represents that it shall cure or cause to be cured at its sole cost and expense, all notices or violations of record, municipal ordinances, orders or requirements issued by the Department of Buildings, Department of Housing Preservation and Development, Fire Department, Labor Department, Health Department or other municipal departments having jurisdiction against or affecting the Property prior to the Closing Date. The Sponsor represents that it will eliminate all known dangerous and hazardous conditions of which it has received notice prior to closing. The Sponsor shall comply with all work orders received from mortgagees.

The property will be improved and the Units constructed in accordance with all applicable zoning and building laws requirements including the City and State of New York.

The fixtures and personal property contained therein are being offered as described in **"DESCRIPTION OF PROPERTY AND SPECIFICATIONS OR BUILDING CONDITIONS"** as set forth in Part II beginning on page D1 of the Plan up to the time of the transfer of title to the Unit in question, reasonable wear and tear excepted.

The Sponsor will renovate and construct and then maintain the Common Elements and Units up to the Closing and the fixtures and personal property contained therein as described in **"DESCRIPTION OF PROPERTY AND SPECIFICATIONS OR BUILDING CONDITIONS"** as set forth in Part II beginning on page D1 of the Plan up to the time of the transfer of title to the Unit in question, normal wear and tear excepted.

An Owner of a Unit may only use his/her Unit for a purpose consistent with local zoning ordinances, as amended from time to time, and any other applicable ordinances or states and any regulation of a governmental authority that has jurisdiction over the Unit, including but not limited to, local building codes and the Multiple Dwelling Law of the State of New York, as such statutes, ordinances and regulations may be amended from time to time, but in no event may a Unit Owner use his/her Unit for a use that violates the By-Laws of the Condominium.

References should be made to the **"DESCRIPTION OF PROPERTY AND SPECIFICATIONS OR BUILDING CONDITIONS"** as set forth in Part II beginning on page D1 of the Plan for a more detailed description of the Building and its physical condition.

LOCATION AND AREA INFORMATION

The Property is located at 351-353 21st Street, Brooklyn, New York in the Park Slope section of the Borough of Brooklyn. The entrance to the Units is on 21st Street, Brooklyn, New York. There is shopping on 5th Avenue, 3 blocks from the Building and on 7th Avenue, 12 blocks from the Building. The Park Slope Food CO-OP is located at 782 Union Street, Brooklyn, NY, 25 blocks from the Building.

There is access to Manhattan, shopping, schools, and religious institutions. The M, N and R train stops are located on 25th Street and 4th Avenue, 7 blocks from the Building and on Prospect Avenue and 4th Avenue also 7 blocks from the Building. The D, N, N and R train are on 36th Street and 4th Avenue, 17 blocks from the Building. The F train has stops on 15th Street and Prospect Park West, 9 blocks from the Building.

Access to Manhattan can be conveniently made by motor vehicle. Park Slope is served by the Brooklyn Bridge, which is served on the Brooklyn side by an entrance on Tillary Street and by the Manhattan Bridge, which is accessed by the Flatbush Avenue Extension. Three major airports located within 15 miles of the Condominium service New York City. Kennedy International and LaGuardia Airports are located in New York City and Newark International is located in Newark, New Jersey.

Museums, Parks, Libraries, the Brooklyn Academy of Music and Historic Greenwood Cemetery are located within easy access to the Condominium. The Brooklyn Museum of Art and the Brooklyn Botanical Gardens, located between Washington Avenue, Flatbush Avenue and Eastern Parkway, about 3 miles from the Building. Prospect Park is located between Flatbush Avenue, Ocean Avenue, Prospect Park Southwest, and Prospect Park West, about 10 blocks from the Building. The Brooklyn Academy of Music is located at Lafayette Avenue and Flatbush Avenue. The 6/15 Public Garden is located at 6th Ave. and 15th Street, 7 blocks from the Building. The Grand Army Plaza Brooklyn Public Library at Grand Army Plaza between Eastern Parkway and Flatbush Avenues is located 2 miles from the Building and the Brooklyn Public Library Park Slope Branch is located at 431 6th Avenue, Brooklyn, NY, 15 blocks from the Building. Historic Greenwood Cemetery is one block from the Building.

Educational facilities are in close proximity to the Condominium, including such institutions as the Magnet School of Math, Science and Design, P.S. 10, located 5 blocks from the Building; J.H.S. 88 is three blocks from the Building.

Medical facilities include the Methodist Hospital at 7th Avenue and 5th Street, Brooklyn, New York, 21 blocks from the Building.

Religious institutions include: St. John the Evangelist Church, 250 21st Street, Brooklyn, NY, 1 block from the Building; St. Nicholas Ukrainian Church, 261 19th St., Brooklyn, NY, 3 blocks from the Building; Emmanuel Pentecostal Church, 266 20th Street, Brooklyn NY, 2 blocks from the Building; Park Slope Jewish Center, 8th Avenue and 16th Street, 6 blocks from the Building; and Congregation B'nai Jacob, 401 9th Street, Brooklyn, NY, 13 blocks from the Building.

The Van Brunt Post Station of the U. S. Post Office is on Ninth Street between 4th and 5th Avenues. Police, fire, water, sanitation, snow removal, and road maintenance services are provided by the City of New York and paid by city taxes. The Property is in the 72nd Police Precinct, at 830 4th Avenue, 10 blocks from the Building. Fire Station, Engine Co. #220 is located at 530 11th Street, Brooklyn, NY, 12 blocks from the Building.

The Property is zoned R6 district, which permits residential occupancy as contemplated in the Plan. The Building is described as a renovated and new construction Brownstone-style structure.

SCHEDULE A

PURCHASE PRICE AND PERCENTAGE OF COMMON INTEREST 351-353 21st STREET, BROOKLYN, NEW YORK 11215

January 1, 2006—December 31, 2006

THIS SCHEDULE IS WITH J-51 BENEFITS SEE NEXT PAGE FOR SCHEDULE WITHOUT J-51 BENEFITS

UNIT	NUMBER OF ROOMS/BATHS (1), (8)	APPROX. AREA IN SQ. FT. (1)	OFFERING PRICE (2)	TRANSFER TAXES (3)	TOTAL, INCLUDING TRANSFER TAXES (2), (3)	PERCENT OF COMMON INTEREST (4)	PROJECTED MONTHLY COMMON CHARGES (5)	PROJECTED* MONTHLY REAL ESTATE TAXES WITH J-51 (6), (7)	PROJECTED* ANNUAL REAL ESTATE TAXES WITH J-51 (6), (7)	TOTAL MONTHLY CARRYING CHARGES WITH J-51 (5), (6)
351 21 st Street										
1F	3 1/2/1 1/2r	995	\$ 399,000.00	\$ 5,716.36	\$ 494,716.36	5.69%	\$ 304.52	\$ 121.00	\$ 1,452.02	\$ 425.52
1R	3 1/2/1 1/2rG	1148	\$ 490,000.00	\$ 7,007.10	\$ 487,007.10	6.97%	\$ 373.02	\$ 148.22	\$ 1,778.60	\$ 521.24
2F	4 1/2/1	512	\$ 349,000.00	\$ 4,955.83	\$ 363,955.83	4.96%	\$ 265.45	\$ 105.48	\$ 1,265.73	\$ 370.93
2R	4 1/2/1	512	\$ 349,000.00	\$ 4,955.83	\$ 363,955.83	4.96%	\$ 265.45	\$ 105.48	\$ 1,265.73	\$ 370.93
3F	4 1/2/1	512	\$ 349,000.00	\$ 4,955.83	\$ 363,955.83	4.96%	\$ 265.45	\$ 105.48	\$ 1,265.73	\$ 370.93
3R	4 1/2/1	512	\$ 349,000.00	\$ 4,955.83	\$ 363,955.83	4.96%	\$ 265.45	\$ 105.48	\$ 1,265.73	\$ 370.93
4F	4 1/2/2R	1063	\$ 569,000.00	\$ 10,624.94	\$ 579,624.94	8.10%	\$ 433.50	\$ 172.25	\$ 2,067.02	\$ 605.75
4R	4 1/2/2R	991	\$ 570,000.00	\$ 10,643.45	\$ 580,643.45	8.11%	\$ 434.03	\$ 172.46	\$ 2,069.57	\$ 606.49
PS1		216	\$ 30,000.00	\$ 559.30	\$ 30,559.30	0.43%	\$ 23.01	\$ 21.38**	\$ 256.50**	\$ 44.39**
PS2		144	\$ 30,000.00	\$ 559.30	\$ 30,559.30	0.43%	\$ 23.01	\$ 21.38**	\$ 256.50**	\$ 44.39**
PS3		144	\$ 30,000.00	\$ 559.30	\$ 30,559.30	0.43%	\$ 23.01	\$ 21.38**	\$ 256.50**	\$ 44.39**
353 21 st Street										
1F	3 1/2/1 1/2r	995	\$ 399,000.00	\$ 5,716.36	\$ 415,821.40	5.69%	\$ 304.52	\$ 121.00	\$ 1,452.02	\$ 425.52
1R	3 1/2/1 1/2rG	1148	\$ 490,000.00	\$ 7,007.10	\$ 487,007.10	6.97%	\$ 373.02	\$ 148.22	\$ 1,778.60	\$ 521.24
2F	4 1/2/1	512	\$ 349,000.00	\$ 4,955.83	\$ 363,955.83	4.96%	\$ 265.45	\$ 105.48	\$ 1,265.73	\$ 370.93
2R	4 1/2/1	512	\$ 349,000.00	\$ 4,955.83	\$ 363,955.83	4.96%	\$ 265.45	\$ 105.48	\$ 1,265.73	\$ 370.93
3R	4 1/2/1	512	\$ 349,000.00	\$ 4,955.83	\$ 363,955.83	4.96%	\$ 265.45	\$ 105.48	\$ 1,265.73	\$ 370.93
3R	4 1/2/1	512	\$ 349,000.00	\$ 4,955.83	\$ 363,955.83	4.96%	\$ 265.45	\$ 105.48	\$ 1,265.73	\$ 370.93
4F	4 1/2/2R	1063	\$ 569,000.00	\$ 10,624.94	\$ 579,624.94	8.10%	\$ 404.49	\$ 172.25	\$ 2,067.02	\$ 605.75
4R	4 1/2/2R	991	\$ 570,000.00	\$ 10,643.45	\$ 580,643.45	8.11%	\$ 404.98	\$ 172.46	\$ 2,068.57	\$ 606.49
PS1		144	\$ 30,000.00	\$ 559.30	\$ 30,559.30	0.43%	\$ 23.01	\$ 21.38**	\$ 256.50**	\$ 44.39**
PS2		144	\$ 30,000.00	\$ 559.30	\$ 30,559.30	0.43%	\$ 23.01	\$ 21.38**	\$ 256.50**	\$ 44.39**
PS3		144	\$ 30,000.00	\$ 559.30	\$ 30,559.30	0.43%	\$ 23.01	\$ 21.38**	\$ 256.50**	\$ 44.39**
			\$7,028,000.00	\$110,986.14	\$7,138,986.14	100.00%	\$5,351.80	\$2,199.96	\$26,339.26	\$7,551.76

THE NUMBER(S) IN PARENTHESES AT THE HEAD OF EACH COLUMN REFER TO NOTES TO THIS SCHEDULE, BEGINNING ON PAGE 13.

THE SQUARE FOOTAGE GIVEN ABOVE DOES NOT INCLUDE THE SQUARE FOOTAGE OF LIMITED COMMON ELEMENTS.

Each Purchaser will make a \$750 contribution to the Working Capital Fund.

***J-51 benefits are estimated to begin July, 2006. PLEASE SEE NEXT PAGE FOR TAXES WITHOUT J-51 BENEFITS.**

G = GARDEN

r = RECREATION ROOM IN BASEMENT—CANNOT BE USED AS BEDROOM AND IS NOT COUNTED IN ROOM COUNT ABOVE.

D = ROOF DECK

* = SAME AS TAX DEDUCTION, NOT COUNTING INTEREST ON ANY MORTGAGE OWNER MAY HAVE.

** = PARKING SPACES ARE NOT ELIGIBLE FOR J-51.

SCHEDULE A (CONT.)

**PURCHASE PRICE AND PERCENTAGE OF COMMON INTEREST
351-353 21st STREET, BROOKLYN, NEW YORK 11215**

January 1, 2006—December 31, 2006

**THIS SCHEDULE IS WITHOUT J-51 BENEFITS
SEE PREVIOUS PAGE FOR SCHEDULE WITH J-51 BENEFITS**

UNIT	(1)	PROJECTED* MONTHLY REAL ESTATE TAXES <u>WITHOUT J-51</u> (6), (7)	PROJECTED* ANNUAL REAL ESTATE TAXES <u>WITHOUT J-51</u> (6), (7)	TOTAL MONTHLY CARRYING CHARGES <u>WITHOUT J-51</u> (5), (6)
351 21st Street				
1F		\$ 282.85	\$ 3,394.22	\$ 587.37
1R		\$ 346.48	\$ 4,157.77	\$ 719.50
2F		\$ 246.56	\$ 2,959.76	\$ 512.01
2R		\$ 246.56	\$ 2,959.76	\$ 512.01
3F		\$ 246.56	\$ 2,959.76	\$ 512.01
3R		\$ 246.56	\$ 2,959.76	\$ 512.01
4F		\$ 402.65	\$ 4,831.84	\$ 836.15
4R		\$ 403.15	\$ 4,837.81	\$ 837.18
PS1		\$ 21.38**	\$ 256.50**	\$ 44.39**
PS2		\$ 21.38**	\$ 256.50**	\$ 44.39**
PS3		\$ 21.38**	\$ 256.50**	\$ 44.39**
353 21st Street				
1F		\$ 282.85	\$ 3,394.22	\$ 597.37
1R		\$ 346.48	\$ 4,157.77	\$ 719.50
2F		\$ 246.06	\$ 2,952.79	\$ 512.01
2R		\$ 246.06	\$ 2,952.79	\$ 512.01
3F		\$ 246.06	\$ 2,952.79	\$ 512.01
3R		\$ 246.06	\$ 2,952.79	\$ 512.01
4F		\$ 402.65	\$ 4,831.84	\$ 836.15
4R		\$ 403.15	\$ 4,837.81	\$ 837.18
PS1		\$ 21.38**	\$ 256.50**	\$ 44.39**
PS2		\$ 21.38**	\$ 256.50**	\$ 44.39**
PS3		\$ 21.38**	\$ 256.50**	\$ 44.39**
		\$4,971.02	\$59,652.36	\$10,322.82

Each Purchaser will make a \$750 contribution to the Working Capital Fund.

***J-51 benefits are estimated to begin July 1, 2006. PLEASE SEE PREVIOUS PAGE FOR TAXES WITH J-51 BENEFITS.**

G = Garden

R = Roof

* = Same as tax deduction, not counting interest on any mortgage owner may have.

** = Parking Spaces are not eligible for J-51.

NOTES TO SCHEDULE A

- (1) **Each Condominium Unit should be inspected prior to purchase in order to determine its actual dimensions, layout, and physical conditions.**

Actual dimensions and layouts may differ from the Floor Plans.

Measurements of individual Units are taken to the outside surface of the Building including structural and non-structural building walls, the centerline of the party walls, the centerline of the demising walls separating individual Units from one another within the Building, and to the centerline of walls separating individual Units from Common Elements such as common stairwells, common shafts. The floor area of Common Elements such as the main staircase, common mechanical, plumbing, electrical shafts and chases, and common mechanical rooms are not included in the square footage of Units.

The number of bedrooms and number of zoning rooms is indicated based on the New York City Zoning Resolution. The Zoning Resolution establishes the bath and kitchen facilities as one and one-half rooms and each "living room" (living room, bedroom, separate dining room, etc.) as defined by the New York Building Code, as one room. Therefore a one-bedroom apartment which has two rooms (bedroom and living room) would be three and one half zoning rooms. Recreation rooms are not counted in the room count.

- (2) Subject to the conditions hereinafter set forth, the Sponsor reserves the right, at any time, to change the amount of the purchase price of any of the Units from the amount shown on Schedule A, provided that the Sponsor first files an amendment to this Plan. As a result, any such change in the purchase price of Units affected by any such change means that a Purchaser may pay or have paid more or less than other Purchasers under the Plan for a Unit with the same percentage of Common Interest. The Offering prices set forth in Schedule A must be changed by a duly filed amendment to the Plan when the change in 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 prices and terms of sale are negotiable and the Sponsor may enter into an agreement with an individual Purchaser to sell one or more Units at prices lower than those set forth in Schedule A.

No change in the amount of the purchase price, or in the percentage interest allocated thereto, will be made with respect to any Unit for which a Purchase Agreement has been accepted and which is not then in default, unless written consent is first obtained from the Purchaser of such Unit.

See "CHANGES IN PRICES AND UNITS" for a fuller discussion on page 32.

Each Purchaser shall have to pay his/her attorney a legal fee in connection with the signing of a Purchase Agreement and the Closing of the Unit, as well as the cost of title insurance for the Unit. In the event that a Purchaser obtains a mortgage for a portion of the purchase price from a lending institution, the Purchaser should expect to pay any and all charges imposed by the lending institution, including, but not limited to, an application fee, origination fee (points), appraisal, and legal fees. Also, each prospective Purchaser is advised that the charges levied and interest rates charged by different lending institutions vary, and that any given lending institution may impose fees which are subject to change. Each prospective Purchaser is advised to consult with the lending institution of his/her choice regarding any charges imposed by it.

Additionally, the following fees shall be imposed in the following circumstances by the attorney for the Sponsor, which will be payable by the Purchaser at the Closing of his/her Unit:

- (a) It shall be the sole responsibility of the Purchaser to pay the Sponsor's attorney a fee of \$1,250.00 at Closing for the preparation of the closing documents.
- (b) If the Closing is held at a place other than the offices of First Manhattan Abstract Corp., 215 Park Avenue South, Suite 714, New York, NY 10003, or such place as

designated by the Seller, but within New York City, the Purchaser shall pay the Seller's attorney an attendance fee of \$350 per Unit. If the Closing is held outside of New York City, the Purchaser will pay the Seller's attorney a reasonable attendance fee based upon distance, but in no event will the fee be less than \$600. Closing held in Nassau and Westchester Counties shall be \$600.

- (c) If the Closing is adjourned at other than the Sponsor's request, there will be an additional fee of \$300.00 per Unit payable by the Purchaser.
- (d) In the event that a Purchaser defaults, a fee of \$300.00 will be payable at Closing to the attorney for the Sponsor for preparation of a letter of default.
- (e) If clearance items are still open at the closing and it takes longer than 1.5 hours to close due to the Purchaser's title company (other than First Manhattan Abstract Corp.) clearance issues, the Purchaser shall pay the attorney for the Seller a fee of \$300 per hour starting at 1.5 hours from the beginning of the closing for her time in waiting for clearance of such items.

All checks for the above fees must be paid by **certified or bank check** at the Closing. The above Closing fees are **cumulative** to the extent applicable to an individual Closing.

It should also be noted that the Common Charges for the Unit will be adjusted on the Closing Date for the month within which the transfer of the Unit was originally scheduled.

If a Purchaser requests an adjournment of Closing, such Purchaser shall be responsible for the Common Charges from the originally scheduled Closing Date until the date his/her Unit actually closes.

PURCHASERS SHALL ALSO BE REQUIRED TO CONTRIBUTE \$750 TOWARDS THE WORKING CAPITAL FUND AT CLOSING.

See "UNIT CLOSING COSTS AND ADJUSTMENTS" on page 54 for a more complete discussion of closing costs.

- (3) New York City Property Transfer tax is currently 1% percent of consideration for condominiums if consideration is under \$500,000 and 1.425% if \$500,000 and over. Consideration includes both the purchase price of the Unit and the Transfer Taxes for both New York City and State and New York State Documentary Stamp taxes, presently \$2 per \$500 of consideration of a Unit. The Offering Plan provides that both New York State Transfer Tax and New York City Transfer Tax, taxes which in the first instance are the obligation of the Seller by statute, will be paid by the Purchaser.
- (4) In accordance with Section 339-i(1)(iv) of the Condominium Act, the percentage interests of the respective Units in the Common Elements have been determined on the basis of the approximate proportion of floor area (*i.e.*, total square foot area) that each Unit bears to the total floor area of all of the Units as of the date the Declaration is filed and, if applicable, taking into account the substantially exclusive advantages enjoyed by some, but not all, of the Units in a part or parts of the Common Elements.
- (5) These estimates were based upon projected monthly Common Charges as set forth in "**SCHEDULE B—BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION**" for the year beginning January 1, 2006, as set forth on page 21. The Schedule represents an estimate, not a guarantee. The actual first year of operation may begin earlier or later than set forth above and Common Charges may be higher than estimated herein.

The Sponsor reserves the right, but is not presently offering or procuring financing, and if the Purchaser obtains financing, the Purchaser's debt service will be an additional expense. The mortgage, payable by a Purchaser obtaining his/her own financing, shall be the responsibility of such Purchaser, and the cost of such financing is not included in the estimated Common Charges, but shall be in addition thereto.

Estimated Common Charges include electricity for Common Elements, water charges, sewer charges, and fees, as discussed above, and other operational expenses. They do not include the cost of real estate taxes. Nor do they include the cost of repairing and maintaining the individual Units, or heat, hot water, cooking and electricity for each of them, as each Unit shall be separately metered and billed, and the cost of these utilities will be the responsibility of each Unit Owner. For estimated costs of utilities and heat within the Unit, please see Schedule B-1 beginning on page 27. In addition, each Unit Owner will be responsible for the cost of interior repairs in, and the maintenance, painting, and decoration of, his/her Unit (including, without limitation, the cost for maintaining and repairing equipment and appliances contained therein), as well as the cost of any insurance he/she may desire to obtain covering (i) furniture, belongings, equipment, and other personal property and (ii) liability to others for personal injury or property damage as a result of occurrences within his/her Unit.

- (6) Each Condominium Unit will be taxed as a separate tax lot for real estate purposes. Each Unit Owner will be responsible for the payment of real estate taxes on his/her Unit. However, no Unit Owner will be responsible for the payment of real estate taxes on a Unit not owned by him/her, nor will his/her Unit be subjected to any lien arising from the non-payment on other Units. Real Estate taxes may be deductible if they meet the requirements of the Internal Revenue Code. Please see "OPINION OF COUNSEL" (beginning on page 87)

If the Units have not been separately assessed for real estate tax purposes prior to the First Closing, the Board of Managers will collect taxes monthly, as proportioned in Schedule A, which they will hold in escrow for the payment of real estate taxes, until such time as the Units have been separately assessed. It should be noted that actual figures from the City of New York are not available for the 2006/07 tax year and the taxes as set forth on Schedule A are good-faith estimates.

Pursuant to Section 164 of the Internal Revenue Code, real estate taxes are deductible within the limitations set by the Code.

By letter dated April 29, 2005 from Meir Mishkoff of Mishkoff Associates, LLC Real Estate Tax Abatement Consultants, 38-08 Bell Blvd., Bayside, New York 11361, a specialist in J-51 benefits, estimates that if J-51 abatement and exemption benefits are awarded, and assuming a J-51 Certificate of Reasonable Cost is issued by HPD by April 30, 2006, both abatement and exemption benefits will begin July 1, 2006.

If the Property qualifies under the conditions contained in the statute and its regulations, the City will grant an exemption from any increase in the Assessed Valuation of the Building resulting from the certified reasonable cost of the alterations and improvements performed pursuant to Section 11-243 of the Administrative Code. Such exemption will continue for a period for fourteen (14) years. However, beginning in the 10th year the exemption will decrease in the amount of 1/5 of the exemption each year for five (5) years and real estate taxes paid by the Unit Owners will increase accordingly. There will be no exemption beginning in the 15th year after receipt of same. Mr. Mishkoff estimates exemption in the amount of \$415,000.

In addition, if the Property qualifies under the conditions contained in the statute and its regulations, the City will also grant an abatement of, or credit against the real estate taxes due on the taxable assessment of the Property up to ninety percent (90%) of the CRC as determined by HAD. A limit of 8-1/3% or 1/12 of the CRC or \$16,600 per year may be deducted from the Property's real estate taxes per year. If in any year the abatement is greater than the tax due, the Unit Owner's taxes will be reduced to zero, with the remaining dollars of abatement available until ninety (90%) percent of the CRC is used, but in no event for more than twenty (20) years. The amount disclosed in Schedule A for real estate taxes paid by the Unit Owners during the Condominium's first year of operation assumes that HAD will issue a Certificate of Eligibility and Reasonable Cost with a CRC in the amount of \$199,200 beginning on July 1, 2006, as estimated by Mr. Mishkoff. The Sponsor makes no representations or warranties that a Certificate of Eligibility and Reasonable Cost will be issued, and if issued, that it will be in that amount.

According to Mr. Mishkoff, based upon a CRC of \$199,200 the City should grant a maximum abatement of annual taxes in the amount of up to 8-1/3 or 1/12 of the CRC for a period of not less than six (6) years and not more than twenty (20) years, until \$179,280, or 90% of the CRC is used. Mr. Mishkoff estimates that the abatement benefits will last approximately 11 years.

The Sponsor shall file the applications which are necessary in order to obtain the real estate tax benefits referred to above. The Sponsor has agreed to pay all legal fees and costs in connection therewith. The Sponsor will make its best efforts to obtain said real estate tax benefits. See counsel's "**REAL ESTATE TAX EXEMPTION BENEFITS LETTER**" beginning on page 99, which should be read carefully.

All records of expenses in connection with renovation must be kept and made available to HAD upon request. After J-51 benefits are received, HAD routinely conducts audits of expenses in connection with renovation. If proper documentation of such expenses is not provided, loss of J-51 benefits would result and real estate taxes would increase accordingly.

The Sponsor has represented that it will file all applications and documents required to properly process and maintain J-51 benefits. Upon Closing, the Sponsor will make all J-51 documentation available to the Board of Managers for inspection and photocopying for the life of such J-51 benefits.

The property is currently assessed in Tax Class 2A, which is comprised of primarily residential rental buildings containing four to six units. After conversion to a condominium, the units will be assessed in Tax Class 2, under the classification system adopted by the State Legislature in its revision of the Realty Property Tax Law (Section 305, Article 1802 and Section 581, applicable to the assessment of cooperative apartments and condominium.

Tax Class 2 is comprised of residential rentals, cooperatives or condominiums with more than ten units. The City assessment policy for Tax Class 2 is to value each property as income or vacant land at an assessment ratio of 45% of market value. Increases to assessed value are unlimited, but except for increases resulting from physical changes, are required to be phased-in over a five-year period. The taxable value is the lower of the actual or transitional values.

The recent history of the assessed valuations for each of the two buildings is as follows:

2003/04	Land	Total
Actual	\$69,678	\$77,420
Transitional	\$69,678	\$77,420
2004/05	Land	Total
Actual	\$71,972	\$79,970
Transitional	\$71,972	\$79,970
2005/06	Land	Total
Actual	\$69,164	\$79,970
Transitional	\$69,164	\$79,970

The 2004/05 tax rate for Class 2A/2 rates are \$12.216 per \$100 of assessed value. In a letter dated March 21, 2005, Mr. Jerome Mazurka of Jerome Mazurka Associates located at 42 Broadway, Suite 1744, New York, NY 10004, estimates that the 2005/06 and 2006/07 tax rates for Class 2 at \$12.45 per \$100 of assessed valuation. He has also estimated that after the completion of construction the assessed valuation of the property will be:

2006/07	Land	Total
Actual	\$90,000	\$815,000

Transitional

\$73,331

\$798,331

Mr. Mazurka has estimated the taxes for the 2005/06 tax year as \$19,912.53 and the 2006/07 tax year as \$99,392.20 without J-51 benefits and \$31,125.00 with J51 benefits. Assuming the first year of operation is January 1, 2006—December 31, 2006, the first year of operation is estimated to consist of the last two quarters of the 2005/06 tax year and the first two quarters of the 2006/07 tax year. Aggregate real estate taxes for the first year of operation would then be \$59,652.36 for the first year of operation without J-51 benefits and \$25,518.76 with J-51 benefits, assuming both abatement and exemption benefits are received by July 1, 2006. **THE SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY AND THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL BE AS PROJECTED HEREIN OR THAT J-51 BENEFITS WILL BE RECEIVED BY JULY 1, 2006.**

Please refer to the sections of the Plan entitled “REAL ESTATE TAXES” (beginning on page 82) and “OPINION OF COUNSEL” (beginning on page 87) regarding real estate taxes and benefits.

The real estate tax estimate for each Unit was calculated on the assumption that real estate taxes for the Property payable with respect to each Unit for the first year of Condominium operation will be allocated by percentage of Common Interest. Upon determination of individual tax lots and individual Units assessments, the New York City tax authorities may allocate taxes between the Units based solely on other criteria, such as exact square footage rather than percentage of common areas which includes other criteria. See (3) above. If such is the case, it is possible that Units having the same percentage of Common Interest may pay different real estate taxes.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) that the New York City tax assessor will allocate individual Unit assessments on the basis of each Unit's percentage of Common Interest or (ii) of the assessed valuation of the Property in the first year of Condominium Operation or thereafter (iii) of the tax rate for the first year of Condominium Operation, or (iv) that the Property will qualify for or receive benefits under the J-51 Program.

Purchasers should consult their own tax advisors before signing a Purchase Agreement. For a more complete discussion of Real Estate Taxes and exemption benefits, please see the section entitled “REAL ESTATE TAXES” beginning on page 82.

- (7) This percentage does not include interest paid by Purchasers who finance the purchase of their Units, which may also be tax deductible if the interest charges meet the Internal Revenue Code's definition of qualified interest. Please see “OPINION OF COUNSEL” beginning on page 87.

Income tax deductions may vary in the future due to changes in the interest rate on the mortgage payable by Unit Owners or from changes in the allocation of constant debt service payments between interest and principal; and/or from changes in the real property taxes from the changes in the Assessed Valuation, the tax rate, or the method of assessing real property.

- (8) Areas of the Building not set forth herein as belonging or appurtenant to a Unit are called “Common Elements.” They include, but are not limited to, common cellar areas, front stoops, public halls, as well as the pipes, conduits, and public utility lines. The Common Elements are owned proportionately by all Unit Owners and are to be maintained by the Condominium. The following are Limited Common Elements:

- a. The garden adjacent to Unit #1R at 351 21st Street as shown on the floor plans and the garden adjacent to Unit #1R at 353 21st Street as shown on the floor plans shall not be deemed a General Common Element, but gardens shall be a Limited Common Element of Owners of Unit #1R at 351 21st Street and Unit #1R at 353 21st Street. Except for the structural areas of the Building, the Unit Owner shall be responsible

for the repair and maintenance of the garden except that, anything to the contrary herein notwithstanding, the use of garden by the said Owner shall be subject to the following conditions and limitations.

- (1) The Board of Managers and its agents shall have the use of this space for the following purposes, subject to the following obligations:
 - (a) Access to the Common Elements for inspection, repair and maintenance purposes, to the extent that the same affect the repair and maintenance of the Building's structure, which shall be the sole and only obligation of the Condominium with regard to the rear garden.
 - (b) For ingress and egress from the Building in case of fire or for other emergency, which right shall extend to other occupants of the Units in the Building, their guests, lessee(s) and/or residents; and
 - (c) For any purpose as required by law, appropriate governmental rule or regulation or the Building's Certificate of Occupancy.
 - (2) No structure may be built in the garden, but the Unit Owner may add fencing and other decorative features, provided same do not violate any existing law or regulation of any governmental agency having jurisdiction thereof.
- c. The roof terraces of the Building as shown on the floor plans shall be a Limited Common Element of Units #4F and #4R at 351 21st Street and Units #4F and #4R at 353 21st Street. The Unit Owners shall exclusively use and maintain the roof terraces as shown on the floor plans, subject to the conditions and limitations set forth below. The Unit Owners of Units #4F and #4R at 351 21st Street and Units #4F and #4R at 353 21st Street shall be responsible for any repairs or improvements for such areas of the roof which are necessitated by their use. Anything to the contrary notwithstanding, the use of the such area of the roof by the Owners of Units #4F and #4R at 351 21st Street and Units #4F and #4R at 353 21st Street is subject to the following conditions and limitations:
- (1) All required means of egress from and to the roof shall remain clear and unobstructed.
 - (2) The Board of Managers and its agents shall have the use of this space for the following purposes, subject to the following obligations:
 - (a) For the purpose of inspecting and maintaining any chimney and any equipment or Building systems located on or near the roof;
 - (b) For ingress and egress to and from the Building in case of fire or other emergency, which right shall also extend to other Owners of Units in the Building, their guests, invitees, lessees and/or residents;
 - (c) The Board of Managers shall be solely and only responsible for the repair and maintenance of the structural elements of the roof and the normal and usual repair of the roof surface as the same are an integral part of the structural aspects of the Building, which in time may need maintenance, repair and improvement, so long as the same is not necessitated, or deterioration accelerated, by the Owners' use. A dispute as to who will pay the costs of any repairs shall be submitted to Arbitration proceedings pursuant to Article XIII of the By-laws.

- (3) The Owners of Units #4F and #4R at 351 21st Street and Units #4F and #4R 353 21st Street may build a deck on their portion of the roof, but no other permanent structure, provided such is done in compliance with all applicable laws and regulations of all governmental authorities having jurisdiction thereof and further provided that such is done in compliance with the By-Laws of the Condominium and the conditions and limitations set forth below. The Unit Owners of Units #4F and #4R at 351 21st Street and Units #4F and #4R at 353 21st Street shall be responsible for any repairs or improvements on the roof necessitated by their use.

d. No Unit Owner may add bulk to the building.

The provisions of this footnote (8) concerning Limited Common Elements shall be set forth in the Declaration.

Any work that adds additional bulk to the Premises would require a variance, as the Building occupies all the allotted square feet of the permissible lot area. However, no Owner of a Unit may add such bulk under the Declaration.

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SCHEDULE B

BUDGET FOR THE FIRST YEAR OF CONDOMINIUM OPERATION

Beginning January 1, 2006

<u>Projected Income:</u>	
Common Charges ¹	\$64,222.00
TOTAL:	\$64,222.00
 <u>Projected Expenses:</u>	
Labor ²	\$10,000.00
Heating (including Hot Water) ³	0.00
Utilities (Electricity) ⁴	2,472.00
Water Charges and Sewer Rents ⁵	9,250.00
Repairs, Maintenance ⁶	14,300.00
Insurance ⁷	8,500.00
Management Fees ⁸	10,200.00
Legal Fees and Audit Fees ⁹	5,500.00
Other ¹⁰	500.00
Contingency ¹¹	1,000.00
Reserve Fund ¹²	<u>2,500.00</u>
TOTAL:	\$64,222.00 ¹³

In the opinion of the Sponsor's Experts, the Projected receipts are adequate to meet the projected expenses for the Condominium's first year of operation. The Foregoing Schedule, however, is not intended, and should not be taken, as a guarantee by anyone that the annual Common Charges or expenses for the first or any subsequent year of operation of the Building by the Board of Managers will be as set forth in the Schedule, and it is likely that the actual Common Charges and expenses will exceed or be less than the amount shown in the above Schedule.

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NOTES TO BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

(1) RECEIPTS

Total estimated receipts do not include any interest income that may be earned by the Condominium from the investment of the Working Capital Fund to be transferred to the Condominium after the First Closing. Correspondingly, no income taxes have been budgeted. See "COUNSEL'S TAX OPINION LETTER," following page 98.

(2) LABOR AND RELATED EXPENSES

The Building staff shall consist of one part-time superintendent, who works approximately fifteen (15) hours per week in the Building. The superintendent will live within 200 feet of the premises. The superintendent will receive \$9.50 per hour or \$7,695 per year, which includes a two-week vacation at \$142.50. It is anticipated that the employee will not be a member of a union. Payroll taxes include F.I.C.A. at 7.65% (\$588.67), Worker's Compensation at approximately \$1,250 per year, Unemployment Insurance at approximately \$348.50 and disability at \$50. Total yearly cost of the part-time Superintendent is estimated at approximately \$10,000 per year. The salary of the Superintendent meets minimum-wage-law requirements. After the first year of operation, the Condominium may replace this Superintendent. If he should be replaced or if for any other reason the superintendent is unable to perform his duties, then the Board of Managers will have to replace the superintendent with someone who resides within 200 feet of the buildings.

(3) HEATING AND HOT WATER

Heat and Hot water for the Units are budgeted separately. Please see schedule B-1 on page 27.

(4) UTILITIES

Electric

The budgeted amount includes electrical charges for the Common Elements, including Common Areas of the lighting, vestibule, exterior lighting, stair lighting, and cellar common electric power. Unit Owners will be responsible for the payment of electricity in their respective Units.

By letter dated March 14, 2005, Klein, Levin Associates, 1839 Ocean Parkway, Brooklyn, New York 11223 have advised the Sponsor that the total estimated usage for public light and power load at the Building is approximately 6,000 kWh annually at a cost 15¢ per kW or \$900 per year for lighting and 8,400 kW per year for electrical heaters in the public hall ways at 15¢ per kW or \$1,260 for 5 hours per day times 30 days for 7 months. Sales tax @ 4% is estimated at \$86.40 per year bringing the total to \$2,246.40 per year including taxes.

The estimate has been increased by 10% to include possible inflation to \$2,472.00 (rounded up). It is not possible to predict with certainty whether the budgeted amount will be in accord with the actual cost incurred during the first year of Condominium operation. It is not possible to predict how closely the estimated figures will reflect the actual expenses for electricity during the first year's operation since such expenses will vary with the occupancy rate, temperature set points, fluctuations in fuel-cost adjustments, State and City Surcharges, and variations in annual climatic conditions. The electric rate is largely affected by increases in the price of fuel paid by the utility company, among other factors. The cost of electricity is largely influenced by the cost of foreign fuel oil, which is the principal source of oil used in this section of the United States.

Gas

Gas for hot water, heat, and cooking for gas stoves will be individually metered and billed and is the responsibility of the individual Unit Owner. Please see Schedule B-1 immediately following this section.

(5) WATER CHARGES AND SEWER RENTS

One Water meter will be provided for the building. The following estimates are based on a letter dated March 14, 2005 from Klein, Levin Associates, 1839 Ocean Parkway, Brooklyn, New York 11223.

Water and Sewer Charges for the building are assessed by the City of New York based on the actual amount of usage. The City of New York currently charges \$1.35 per hundred cubic feet of water (approximately 748 gallons). Charges for water and storm sewer services are billed at 159% of water charges.

$$\begin{aligned} 16 \text{ apartments} \times 300 \text{ gallons} \times 365 &= 1,752,000 \text{ gallons} = 2,342 \text{ HCF} \\ 2,342 \times \$3.90 &= \$9,134 \text{ per year} \end{aligned}$$

based on current combined water and sewer rates of \$3.90 per HCF. This calculation incorporates inflation rates.

Although the Sponsor's expert has budgeted an amount to include inflation, there is no guarantee that the City will not increase rates above those estimated. If in fact the City does do this, Common Charges will increase. Common Charges will also increase if consumption of water is more than estimated by the Sponsor's expert.

(6) REPAIRS AND MAINTENANCE AND SERVICE AND SUPPLIES

This figure provides for the maintenance of and repairs of the Common Elements of the Building including, but not limited to interior and exterior repairs, supplies required to operate, repair, and maintain the Building as well as painting of the interior and exterior Common Elements. The amount budgeted is calculated based on a letter dated May 31, 2005 from Golden Management, 25 8th Avenue, Brooklyn, New York, a management company in the area in which the Building is located. Since the building was recently built, very little is anticipated for maintenance and repairs during the first year of operation. The cost of these items will probably increase after the first year of operation. Individual Unit Owners shall be responsible for the repair and maintenance as well as painting of their respective Units. There are no service contracts.

\$ 0	for roofing, masonry, walls, foundation, and interior carpentry (renovated and/or constructed prior to closing);
\$ 300	for window breakage, doors, locks and vandalism correction;
\$ 6,600	for plumbing system repairs, exterminating of Common Areas and ground maintenance (snow removal and ground maintenance);
\$ 0	for landscaping (no landscaping)
\$ 4,800	for maintenance supplies, including light bulbs, rock salt, detergents, paint, plaster brushes, and janitorial supplies;
\$ 600	for an annual allowance for painting of Common Areas, on basis of 1/5 of year cycle on \$3,000 aggregate cost;

\$ 0 for heating system maintenance and sprinkler system testing (not a common element); and
\$ 2,000 for miscellaneous work.

(7) INSURANCE

The Property will be insured with a special multi-peril insurance policy which will be delivered to the Condominium on the Closing Date:

\$ 1,980,000 for fire and extended insurance (\$5,000.00 deductible per occurrence to a maximum of \$25,000);
\$ 240,000 for loss of income;
\$ 1,980,000 for boiler and machinery (\$1,000 deductible per occurrence);
\$ 1,000,000 per occurrence \$2,000,000 aggregate for liability insurance.

Umbrella Liability of an additional \$10 million

The cost of insurance is estimated at \$8,500, which is a projection based upon current market conditions and is not guaranteed to be available to the insured at the time the building is occupied as a residential condominium.

By letter dated May 27, 2005, from Sarah-Anne Trayner of The Trayner Group Ltd., an independent insurance broker, 66 Bowman Avenue, Rye Brook, New York 10573-2004, Ms. Trayner advised the Sponsor that in her opinion the amount of coverage is sufficient to replace the structure if totally destroyed by fire or other insured peril. The policy is written on an agreed-amount basis which waives the standard coinsurance requirement. Ms. Trayner advises that the fire and casualty policy in effect will provide that each unit owner is an additional insured and there will be no cancellation without notice to the Board of Managers of the Building. Further she advises that the policy will contain a waiver of subornation, a waiver of invalidity because of the acts of the insured and/or Unit Owners and a waiver of pro-rata reduction if the Unit Owners obtain additional coverage.

It should be noted that in the event the Property is totally destroyed by fire or other casualty, the insurance coverage as stated above does not cover the full equity investment of the Unit Owners. However, the amount of insurance which will be in effect on the Closing Date will be sufficient to prevent the imposition of any coinsurance factor in the event of partial loss or replacement of the Building. In addition, pursuant to Section 254 of the New York Real Property Law, the Holder of the Mortgages encumbering the Condominium Units have the right to retain the proceeds of the fire insurance policy in the event of damage by fire.

Individual Unit Owners should consider obtaining insurance coverage at their own expense, which would insure them for fire and casualty losses in their Units and any Limited Common Elements, their personal contents, as well as personal injury due to accidents.

This policy does not include officers' liability coverage, which would be available at the following additional cost: Officers' and Directors' Liability: \$1,000,000 coverage for approximately \$1,000 per year.

(8) **MANAGEMENT FEES**

At the First Closing, the Board of Managers will enter into a Management Agreement with the Goldin Management, 25 Eighth Avenue, Brooklyn, New York 11217. For an initial period of one year, the management fee shall be \$850 per month, which is the same fee the management agent charges for similarly sized buildings. The Management Agreement will be automatically renewed from month-to-month after the first year. The Managing Agent may also receive additional compensation as a result of commissions and fees from Unit Owners (other than the Sponsor) who resell or sublet their Units in connection with the processing of deeds and/or lease to a Unit Owner's Unit. Reference should be made to the section **"MANAGEMENT AGREEMENT, CONTRACTS AND LEASES"** for a more complete analysis of the Management Agreement beginning on page 109. The Sponsor has no relationship whatsoever with the Managing Agent, except for fees it will pay as part of the Common Charges for Unsold Units to it for services rendered to the Association.

(9) **LEGAL AND AUDIT FEES**

The budgeted figure consists, in the main, of the accountant's fee for the preparation of the Condominium's first year's audited financial statements and its federal, state and city income tax returns based upon a letter dated February 28, 2005 from Scott S. Ackerman, of Wagner, Francis, Richman & Ackerman, PLLC, certified public accountants, 66 South Tyson Avenue, Floral Park, New York 11001, an accountant and partner of said firm. An additional small sum of \$500 has been factored in for miscellaneous legal services of a minor nature, though it is not anticipated that the Board of Managers shall have the need to engage an attorney during its first year of operation.

(10) **OTHER**

Includes other expenses of a minor nature that may be necessary during the first year of operation.

(11) **CONTINGENCIES**

Includes \$1,000 for contingencies not anticipated or budgeted in other lines. If such contingencies cost more than Common Charges may have to be increased in order to cover them

(12) **RESERVE FUND**

This money can only be used for capital improvements and then only with the approval of the Unit Owners and may not be used for emergencies. Since the Building and Units were either newly renovated or newly constructed just prior to sale, the Sponsor does not anticipate (but does not guarantee) that there should be a need for capital improvements within the next five (5) years. For further details, please see page 107 of the Plan.

(13) **In the event that the projected commencement of the budget year differs from the anticipated date by more than six months, the Plan will be amended to include a revised budget disclosing the then current projections. If such amended projections exceed the original projections by 25% or more, as budgeted, the Sponsor will offer all Purchasers the right to rescind their Purchase Agreements and any deposit paid in connection therewith will be returned promptly. The right of rescission must be exercised within fifteen (15) days from the Presentation Date of the amendment.**

It is recommended that each Purchaser consult with his/her own attorney or financial advisor before purchasing a Unit and provide him/her with a copy of this Plan

SCHEDULE B-1

The following estimates are made by Klein, Levin Associates, 1839 Ocean Parkway, Brooklyn, New York 11223, by letter dated March 14, 2005.

It is not possible to predict how closely the estimated figures will reflect the actual expenses for gas and electricity during the first year's operation since such expenses will vary with occupancy rate, temperature set points in individual units, or fluctuations in fuel-cost adjustments, State and City Surcharges, variations in annual climatic conditions and the actual usage for gas and electricity in the Units.

The attached are estimations of the energy calculation based on electric utility. The following parameters were used to determine same:

1. Indoor design temperature—72 degrees F.
2. Winter outdoor design temperature—15 degrees F.
3. Ground temperature—50 degrees F.
4. Normal heating season—500 degree days per year.
5. The efficiencies of gas fired boiler and hot water heater—75%.
6. Insulation factors which are met by subject premises:
 - a. Roof "R" value = 19
 - b. Exterior Wall "R" value = 18
 - c. Glass "R" value = 1.7.

Each apartment unit will have its own electric and gas meter for lighting, appliances, cooking, etc.

1st-Floor duplex Units in both buildings:

ELECTRICAL USAGE

Lighting:	4.5 kW x 2 hr/day x 30 days	= 270 kWh/month
A/C Units:	6.0 kW x 8 hr/day x 30 days	= 1,440 kWh/month
Refrigerator:	1.5 kW x 24hr/day x 30 days x 1/4	= 270 kWh/month

Winter:	540 kWh/month x 7 months	= 3,780 kWh
Summer:	1,980 kWh/month x 5 months	= 9,900 kWh
		13,680 kWh

Winter:	3,780 kWh x 13.7C/100	= \$ 517.86
Summer:		

	1,250 kWh x 15.5C/100	= \$ 193.75
	8,650 kWh x 16.1C/100	= \$ 1,392.65
		\$ 1,586.40

Total winter and summer:	=	\$2,104.26
Sales tax @ 4.00%	=	84.17
Total Annual usage	=	\$2,188.43 or \$182.37 per month

GAS USAGE

Heating Cost

$\frac{70\text{MBH}}{\text{hr}} \times 10\text{hrs/day} \times 30\text{days/month} \times 7\text{months} = 1,470\text{ therms/yr}$
100MBH/therm

$1,470/\text{yr} \times \$1.00/\text{therm} = \$1,470.00/\text{yr}$

Domestic Hot Water Cost

$\frac{60\text{MBH}}{\text{hr}} \times 3\text{hrs/day} \times 30\text{days/month} \times 12\text{months} = 648\text{ therms/yr}$
100MBH/therm

$$648 \text{ therms/yr} \times \$1.00/\text{therm} = \$648.00/\text{yr}$$

Cooking Cost
 $\frac{65\text{MBH/hr} \times 2\text{hrs/day} \times 30 \text{ days/month} \times 12 \text{ months}}{100\text{MBH/therm}} = 468 \text{ therms/yr}$

$$468 \text{ therms/yr} \times \$1.00/\text{therm} = \$468.00/\text{yr}$$

Gas Dryer
 $\frac{35\text{MBH/hr} \times 5 \text{ hrs/week} \times 52 \text{ weeks/yr}}{100\text{MBH/therm}} = 91 \text{ therms/yr}$

$$91 \text{ therms/yr} \times \$1.00/\text{therm} = \$91.00/\text{yr}$$

$$\text{Total Annual Gas Usage: } \$2,677.00 + 4\% \text{ sales tax of } \$107.08 = \$2,784.08 \text{ or } \$232 \text{ per month}$$

2nd and 3rd—Floor Units in both buildings:

ELECTRICAL USAGE

Winter: $1,000 \text{ kWh} \times 13.7\text{C}/100 = \$137.00$

Summer: $1,250 \text{ kWh} \times 15.5\text{C}/100 = \$193.75$

$1,190 \text{ kWh} \times 16.1\text{C}/100 = \$191.59$

Total winter and summer = $\$522.34$

Sales tax @ 4.00% = $\underline{20.89}$

Total Annual usage: $\$543.23 \text{ or } \$45.27 \text{ per month}$

GAS USAGE

Heating Cost
 $\frac{40\text{MBH/hr} \times 10\text{hrs/day} \times 30 \text{ days/months} \times 7 \text{ months}}{100\text{MBH/therm}} = 840 \text{ therms/yr}$

$$840 \text{ therms/yr} \times \$1.00 = \$840/\text{yr}$$

Domestic Hot Water Cost
 $\frac{40\text{MBH/hr} \times 3\text{hrs/day} \times 30 \text{ days/month} \times 12 \text{ months}}{100\text{MBH/therm}} = 432 \text{ therms/yr}$

$$432 \text{ therms/yr} \times \$1.00/\text{therm} = \$432.00/\text{year}$$

Cooking Cost
 $\frac{65\text{MBH/hr} \times 2 \text{ hrs/day} \times 30 \text{ days/month} \times 12 \text{ months}}{100\text{MBH/therm}} = 468 \text{ therms/yr}$

$$468 \text{ therms/yr} \times \$1.00/\text{therm} = \$468.00/\text{yr}$$

Gas Dryer
 $\frac{35\text{MBH/hr} \times 5 \text{ hrs/week} \times 52 \text{ weeks/yr}}{100\text{MBH/therm}} = 91 \text{ therms/yr}$

$$91 \text{ therms/yr} \times \$1.00/\text{therm} = \$91.00/\text{yr}$$

Total Annual Gas Usage: $\$1,831.00 + 4\%$ sales tax of $\$73.24 = \$1,904.24$ or $\$150.80$ per month

4th-Floor duplex Units in both buildings:

ELECTRICAL USAGE

Winter: 540 kWh/month x 7 months = 3,150 kWh
Summer: 1,749 kWh/month x 5 months = 7,500 kWh
Annual Total: 10,650 kWh

Winter 3,400 kWh x 13.7C/100 = \$ 465.80
Summer 1,250 kWh x 15.5C/100 = \$ 193.75
7,600 kWh x 16.1C/100 = \$ 1,223.60
\$ 1,417.35

Total winter and summer: = \$1,883.15
Sales tax @ 4.00% = 75.33
Total Annual usage: \$1,958.48 or \$163.21 per month

GAS USAGE

Heating Cost
 $\frac{60\text{MBH/hr}}{100\text{MBH/therm}} \times 10 \text{ hrs/day} \times 30 \text{ days/months} \times 7 \text{ months} = 1,260 \text{ therms/yr}$

$1,260 \text{ therms/yr} \times \$1.00/\text{therm} = \$1,260.00/\text{yr}$

Domestic Hot Water Cost
 $\frac{60\text{MBH/hr}}{100\text{MBH/therm}} \times 3 \text{ hrs/day} \times 30 \text{ days/month} \times 12 \text{ months} = 648 \text{ therms/yr}$

$648 \text{ therms/yr} \times \$1.00/\text{therm} = \$648.00/\text{yr}$

Cooking Cost
 $\frac{65\text{MBH/hr}}{100\text{MBH/therm}} \times 2 \text{ hrs/day} \times 30 \text{ days/months} \times 12 \text{ months} = 468 \text{ therms/yr}$

$468 \text{ therms/yr} \times \$1.00/\text{therm} = \$468.00/\text{yr}$

Gas Dryer
 $\frac{35\text{MBH/hr}}{100\text{MBH/therm}} \times 5 \text{ hrs/week} \times 52 \text{ weeks/yr} = 91 \text{ therms/yr}$

$91 \text{ therms/yr} \times \$1.00/\text{therm} = \$91.00/\text{yr}$

Total Annual Gas Usage: $2,467.00 + 4\%$ sales tax of $\$98.68 = \$2,565.68$ or $\$213.81$ per month

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BRENTON REALTY

322 Fifth Avenue, Brooklyn, NY 11215

Telephone (718) 768-4566
Facsimile (718) 768-4265

COMPLIANCE LETTER FOR SECTION 339(i)

June 6, 2005

ABBY COURT CONDOMINIUM
351-353 21ST Street
Brooklyn, New York 11215

Re: 351-353 21st Street
Brooklyn, New York 11215

Ladies and Gentlemen:

We reviewed the percentage of Common Interest allocated to each Unit as shown in Schedule A, for inclusion in the above referenced Offering Plan, which has been prepared by the Sponsor. In accordance with Section 339-i(1)(iv) of the Condominium Act, the percentage interest in the Common Elements allocated to each Unit has been determined on the basis of the approximate proportion of floor area (i.e., total square foot area) that each Unit bears to the total floor area of all of the Units in the Building as of the date the Declaration will be filed, taking into account the substantially exclusive advantages enjoyed by some, but not all, of the Units in a part or parts of the Common Elements.

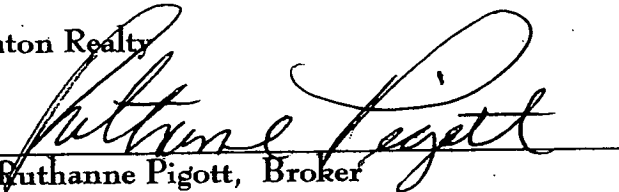
In our opinion, therefore, the Condominium Plan and the allocation of percentage interest in the Common Elements in the Land and Building at 351-353 21st Street, Brooklyn, New York 11215, attributable to each such Unit conforms to the Section 339-1(1)(iv) of the New York Real Property Law.

We are licensed real estate brokers who have been engaged in the real estate brokerage business for four years during which time we have represented both purchasers and sellers of condominium units

We are an independent company and not affiliated with the Sponsor. We have no beneficial interest in the Sponsor or the profitability of the project. We have no interest in the sale of the units under the Plan, other than our fee for services that may be earned at a future date in connection with the sale of the units.

We hereby consent to the reproduction of this letter in the Offering Plan.

Brenton Realty


By: Ruthanne Pigott, Broker

CHANGES IN PRICES AND UNITS

Subject to the conditions hereinafter set forth and in accordance with the Plan, the Sponsor reserves the right, at any time prior to the First Closing, to change the amount of the purchase price of any of the Units from the amount shown on Schedule A. Such change shall also include the right to change other terms of the purchase and the manner of payment with respect to any such Unit. As a result, any such change in the purchase price of Units affected by any such change means that a Purchaser may pay or have paid more or less than other Purchasers under the Plan for a Unit with the same percentage of Common Interest. The Offering prices set forth in Schedule A must be changed by a duly filed amendment to the Plan when the change in 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 prices and terms of sale are negotiable and the Sponsor may enter into an agreement with an individual Purchaser to sell one or more Units at prices lower than those set forth in Schedule A.

The Sponsor reserves the right, prior to and after the First Closing, to place "For Sale" signs in, at, or on the Building and to maintain and staff a Building Manager's office and/or one or more vacant and unsold Unit(s) as sales offices and/or model Units, provided such use complies with all applicable building and zoning laws. If the Sponsor elects to sell any model Unit, the Sponsor may require the Purchaser to also purchase all or any of the furniture, furnishings, equipment, or decorations and pay, in addition to the purchase price, such amounts as the Sponsor determines. The Sponsor may change the designation of the sales office and/or model Units from time to time, at its discretion after notice to the Board of Managers. The Sponsor also reserves the right, prior to the First Closing, without prior notice or amendment to the Plan, to use vacant and unsold Units in the Building for the purpose of storing construction materials and supplies, provided such use is in a safe, neat, and workmanlike manner.

For any Unit owned by the Sponsor or Sponsor Designee, if not prohibited by the Condominium Act, as the same may be amended, the Sponsor shall have the right, without the vote or consent of the Board of Managers, other Unit Owners, or holder 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 rooms in the Unit; (iv) 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; and (v) reapportion among such Units affected by such change in size or number, subdivision, combination, or alteration, their appurtenant interests in the Common Elements, provided, however, that the Sponsor and/or Sponsor Designee shall comply with all rules, ordinances, and regulations of all governmental authorities having jurisdiction, and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. In accordance with the 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. Contract vendees, if any, pursuant to Purchase Agreements with the Sponsor and/or Sponsor Designee for a Unit adversely affected as a result of the above changes, will be given the right to rescind their Purchase Agreements and receive a refund of any deposit or down payment. The above changes, if made, will be disclosed in an amendment to the offering plan for the Property. No change in the percentage of Common Interest or the size and quality of Common Areas and/or size or number of Units will be made except by amendment to the Plan, and when applicable to the Declaration.

No change in the amount of the purchase price or layout of any Unit, or in Unit size, or in the percentage of Common Interest allocated thereto, will be made with respect to any Unit for which a Purchase Agreement has been executed and delivered, unless written consent is first obtained from the Purchaser of the Unit. If there is a material change in the size or quality of Common Areas, Purchasers not in default under their Purchase Agreements shall be given a right to rescind their Purchase Agreements and obtain the return of their Down Payments together with interest thereon, if any, provided that no later than fifteen (15) days from the presentation of the Amendment the rescinding Purchaser sends to the Sponsor written notice of rescission by regular mail, overnight delivery or personal delivery. Down Payments will be returned within fifteen (15) days of such rescission to non-defaulting Purchasers together with interest thereon, if any.

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

INTERIM LEASE

Any prospective non-occupant Purchaser under the Plan who is not in default under his/her Purchase Agreement, may, at the sole discretion of the Sponsor, be given the right to take possession of a vacant Unit prior to the Closing Date.

In such event, the Purchaser and the Sponsor shall enter into an Interim Lease. The Agreement shall provide that the Purchaser shall pay to the Sponsor rent for the Unit from the date of possession to the closing of title to such Unit. The rent charge shall be agreed upon by the parties.

If rents are under \$2,000 per month and the Lessee of a Unit makes less than the amount specified by applicable law and/or regulation, interim leases are subject to Rent-Stabilization in apartment buildings over five (5) units in New York City. **Notwithstanding the fact that a lease may be subject to Rent-Stabilization, a default in the Interim Lease is a default under the Purchase Agreement; a default in the Purchase Agreement is also a default under the Interim Lease, which shall result in the eviction of the Interim Lessee; and rescission of the Purchase Agreement by a Purchaser, as described below, is a surrender of the Interim Lease by the Purchaser.** In the event of the abandonment of the Plan, the Purchaser may continue in possession of the Unit, but the rent shall increase to the maximum allowed by law, and at such time, and in such event the Purchaser may be entitled to the rights and benefits of a Rent-Stabilized tenant, which shall include, but not be limited to the right to obtain lease renewals and such other benefits as provided by applicable law. Neither the Sponsor nor the Condominium Association makes any representations that the Rent Stabilization law will continue to exist, or if it continues to exist, whether or not it will be modified or that 421-a benefits will be received.

The Purchaser shall accept the Unit in its "as is" condition, as of the date the Interim Lease is signed.

The Interim Lease shall provide for a term commencing on the date of the execution of the Lease and will expire on the earlier of the Closing of title to the Unit, or one year after the commencement of the agreement, or as sooner terminated under the terms set forth in the agreement. Any renewal may be permitted only at the sole discretion and option of the Sponsor.

The Interim lease shall provide that if a Purchaser rescinds his Purchase Agreement pursuant to its terms or fails to comply with his/her obligations pursuant to the Purchase Agreement, including, but not limited to, payment of any portion of the purchase price or his/her obligation to obtain financing, the Interim Lease shall be deemed cancelled, at the option of the Sponsor, upon the expiration of thirty (30) days after mailing of notice to the defaulting Purchaser by certified mail, return receipt requested, unless the default is cured within the thirty-(30)-day period. In such event, the Purchaser shall vacate the Unit within thirty (30) days after the written notice of default is mailed to the Purchaser. **The notice of default is deemed a notice to vacate, as well.** Before the Sponsor may utilize a default under the Purchase Agreement to declare a default under the lease, either: (i) the Sponsor must obtain a warrant of eviction or other judgment or order from a court of competent jurisdiction against the lessee, or (ii) the lessee must have vacated the Unit.

Any default under the terms of the Interim Lease including, but not limited to:

- a. non-payment of rent which is not cured within ten (10) days of receipt of written notice sent by certified mail, return receipt requested, and
- b. default of any term or condition of the Interim Lease.

shall also be a default of, and under, the Purchase Agreement as well. In the event of a default, the Sponsor shall have the sole option to cancel the Purchase Agreement. If the Sponsor exercises its option, the Purchaser shall forfeit his/her down payment (not to exceed ten (10%) percent of the purchase price, plus the cost of any special work ordered by the Purchaser) as Liquidated Damages. In such event, the Purchase Agreement shall be deemed cancelled and of no further force and effect. **If the default is not cured, the notice of default is deemed a notice to vacate the Unit as well.** In such a case the Purchaser shall vacate the Unit within thirty (30) days after the notice of default is mailed to the Purchaser by certified mail, return

receipt requested. Before the Sponsor may utilize a default under the lease to declare a default under the Purchase Agreement, either: (i) the Sponsor must obtain a warrant of eviction or other judgment or order from a court of competent jurisdiction against the lessee, or (ii) the lessee must have vacated the Unit.

In the event a Purchaser, after entering into possession of a Unit, rescinds or terminates his/her Purchase Agreement in accordance with the terms of the Purchase Agreement and this Plan, the Purchaser shall vacate the Unit within thirty (30) days of giving notice of termination or rescission. **The notice of termination or rescission shall be deemed a notice of intent to surrender possession as well.** The Sponsor shall not be obligated to return the Purchaser's down payment until the Unit is vacated and possession is restored to the Sponsor.

The tenant shall also be responsible for the payment of the Sponsor's reasonable costs and attorney's fees in connection with obtaining any judgment or order against the tenant for any default described herein.

It should be noted that income tax deductions described in the Tax Opinion will only become available to a Purchaser (a) when and if the Plan is declared effective and the Purchaser closes title to the Unit and (b) when and if the conditions set forth in the "OPINION OF COUNSEL" have been met, and then only for the period subsequent to the Closing Date.

Rent charges paid under any Interim Lease will be equitably adjusted as of the Closing Date. In no event shall such rent charges inure toward the purchase price.

There will be a \$250 fee payable to the Sponsor's attorney for preparing the interim lease due on execution of such lease.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit will be required to execute in quadruplicate a Purchase Agreement in the form contained in Part II of the Plan beginning on page A1 and return it to the Selling Agent, together with a check for 10% of the purchase price, or lesser amount if agreed to by Sponsor, drawn to the order of "HANNAH VINING, AS ESCROW AGENT." After a Purchaser executes a Purchase Agreement and tenders the Down Payment, the Sponsor or Selling Agent must within twenty (20) days either accept the executed Purchase Agreement and return a duly executed counterpart to the Purchaser, or reject the Purchase Agreement. In the event the Sponsor or Selling Agent rejects the Purchase Agreement, the Sponsor shall be required to return the full contract deposit tendered previously. The failure of the Sponsor or Selling Agent to execute a Purchase Agreement within the twenty (20) day period shall be deemed a rejection of the Purchase Agreement.

The Sponsor will comply with the escrow and trust fund requirements of Section 71-a(3) of the Lien Law, the General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto, and all funds paid by Purchasers shall be handled in accordance with these statutes and regulations. Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds, is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision of the offering plan or in a Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All deposits, down payments or advances made by Purchasers prior to the closing of each individual transaction, whether received before or after the date of consummation of the Plan, must be placed pursuant to Section 71(a)(3) of the Lien Law, within five (5) business days after the execution of a Purchase Agreement by the Purchaser and Sponsor, in a segregated special escrow account. The Sponsor will cause such monies to be deposited in such an account called 351-535 ATTORNEY IOLA ACCOUNT with JP Morgan Chase Bank, 4 Metro Tech Center, Brooklyn, NY 11245. Hannah Vining, the sole signatory on the account and authorized to withdraw funds, is an attorney-at-law admitted to practice in the State of New York, whose address is 39 East Pembroke Road, Danbury, CT 06811 and whose telephone number is (203) 798-7215. This bank is covered by federal bank deposit insurance to a maximum of \$100,000 per account. Since this is an IOLA account, individual deposits themselves are not sub-accounts and are not individually insured.

The account will be an IOLA which will earn interest. However, pursuant to the judiciary law, interest will be turned over to New York State for the legal expenses of needy persons.

All funds received from Purchasers, whether in the form of checks, drafts, money orders, wire transfers or other instruments which identify the payor, shall be made payable to the order of Hannah Vining, as escrow agent or Hannah Vining as attorney. Ms. Vining will comply with the Appellate Division rules for the preservation of client funds of the Judicial Department having jurisdiction over her.

The Escrow Agent is acting as an accommodation to the Sponsor. She shall incur no liability with respect to any action taken or suffered by her in reliance upon any notice, direction, instruction, consent statement or other paper or document reasonably believed by her to be genuine. The Escrow Agent shall not be bound by any modification, cancellation or rescission of the escrow agreement unless in writing and signed by both parties and delivered to her. Under the Escrow Agreement, the Sponsor has agreed to indemnify and hold Ms. Vining harmless from any liability, obligation, damage, claim, cost and expense (including reasonable attorneys' fees and disbursements) incurred by her by reason of the agreement and the actions contemplated by the agreement, except for Ms. Vining's gross negligence or willful misconduct. Ms. Vining shall not be liable or responsible for the collection of any check deposited into the account under her supervision as Escrow Agent. Ms. Vining may act only upon instructions from either party to the Agreement or their attorney, or in the event of a dispute, upon the instructions of the Attorney General. Except for such obligations imposed by Section 352-e(2)(b) and 352(h) of the General Business Law of the State of New York, Ms. Vining is acting as a stakeholder only with respect to the escrowed funds. Upon payment of funds in accordance with the terms of the agreement, Ms. Vining will be discharged from liability by the Sponsor.

and will be discharged by the Purchaser as to compliance with requirements under the Attorney General's regulations. In the event there is a dispute as to the disposition of the escrowed funds and in the event the application to the Attorney General seeking the release of funds is denied, the Escrow Agent may bring (but is not required to bring) an appropriate action or proceeding for leave to deposit the escrow funds into a court of competent jurisdiction. Ms. Vining shall be reimbursed by the Sponsor for all costs and expenses of such action or proceedings including, without limitation, reasonable attorneys' fees and disbursements. Ms. Vining shall have no further liability to any party if the funds are delivered in the manner provided for in this paragraph.

Within 10 business days after the tender of the deposit submitted with the Purchase Agreement, the escrow agent will notify the Purchaser (through the Purchaser's attorney if the Purchaser has an attorney) that such funds have been deposited into the escrow account and will provide the account number. If the Purchaser or the Purchaser's agent does not receive notice of such deposit within 15 business days after tender of the deposit, the Purchaser may cancel the purchase and rescind the Agreement so long as the right to rescind is exercised within 90 days after tender of the deposit or he or she 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 or otherwise delivered to the Purchaser (or to the Purchaser's attorney, provided the Purchaser has an attorney) in conformity with the Attorney General's regulations.

Before funds are transferred to a new escrow account, or if Ms. Vining is replaced, the Plan must be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as was originally provided. A bond, letter of credit or other security may not be substituted for the escrow account, unless a special exemption under exceptional circumstances is first requested by the Sponsor and is granted by the Attorney General pursuant to the applicable regulations. In such event, and only after the Department of Law grants such exemption in writing, may such bond or letter of credit be used.

Under no circumstances shall the Sponsor apply for release of the escrowed funds of a defaulting Purchaser until after consummation of the Plan for those Purchase Agreements which are contingent upon the Plan's becoming effective.

Ms. Vining will hold the funds in escrow until the individual Unit is closed and the Purchaser takes title or until otherwise directed in:

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

The Sponsor will not object to the release of the escrowed funds to a Purchaser who is not in default and who timely rescinds his/her Purchase Agreement in accordance with a rescission offer contained in the plan or amendment to the plan or contained in the Purchase Agreement itself, or to all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

In the event of a default by the Purchaser under the Purchase Agreement, and 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 Seller unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and has so notified the escrow agent in accordance with such provisions.

If there is no written agreement between the parties to release the escrowed funds, the escrow agent shall not pay the funds to the Sponsor until the escrow agent has given 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 contained in the applicable regulations of said Department of Law and has so notified the escrow agent in accordance with such provisions.

In the event of a dispute, the Purchaser and the escrow agent may apply to the Attorney General for a determination or disposition of the down payment, together with interest thereon, if any (No interest is expected to be earned). The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is attached to the Purchase Agreement and is set forth in Part II of the Plan on page A15 and is also available from the Department of Law, 120 Broadway, New York, New York 10271. 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 and the Purchaser shall abide by any interim directive issued by the Attorney General. If the application permitting release of sums is granted, the deposit shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted. If the application seeking release of funds is denied, the escrow agent shall continue to hold the deposit until:

- a. both the Sponsor and the Purchaser direct payment to a specified party in accordance with a written direction signed by both the Sponsor and Purchaser, or
- b. a judgment or order of a court of competent jurisdiction is served on the escrow agent, or
- c. the escrow agent deposits the disputed amount into court.

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

A sample escrow agreement between the Sponsor and the Escrow Agent is set forth in Part II beginning on page A17.

Pursuant to the regulations, the Attorney General shall act upon the application for release of the Escrow Monies thirty (30) days after its submission to the Department of Law, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for reasons stated in such notification.

The Escrow Agent will maintain all records concerning the escrow account for seven years after the release of funds. Upon Ms. Vining leaving practice or ceasing to practice in New York State, Ms. Vining shall make appropriate arrangements for the maintenance of these records by her and shall notify the Department of Law of any transfer.

Nothing herein contained shall diminish or impair the Sponsor's statutory obligation to each Purchaser pursuant to GBL Section 352-h to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the transaction with such Purchaser. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL Section 352-h. Funds from the escrow account remain the property of the Purchaser until consummation of the transaction. Such funds shall not be part of the estate of the Sponsor or the escrow agent upon bankruptcy, incapacity or death.

Pursuant to Section 71-a(3) of the lien law all proceeds from the sale of a Unit must be held in trust to pay off any mechanics' lien's on the Unit. The Sponsor will comply with this provision and such language is in the deed.

In the event that a Purchaser rescinds his/her Purchase Agreement in accordance with the terms and conditions contained therein, then the Down Payment together with interest thereon, if any, shall be fully

returned to the Purchaser within fifteen (15) days of such notice of cancellation, except for the cost actually incurred of any additional work ordered by the Purchaser, if any.

In the event that 80% of the Units have not been purchased, or in the event insufficient funds are raised through the offering to effectuate the consummation of the Plan, or if a Purchaser rescinds his/her Purchase Agreement in accordance with the terms and conditions contained therein, then Down Payments shall be returned to those non-defaulting Purchasers within fifteen (15) days after the date of abandonment of the Plan together with interest thereon, if any. With respect to any Purchaser who has defaulted under his/her Purchase Agreement, and who has failed to cure the default within the applicable grace period, or whose Purchase Agreement had been cancelled previously, the Sponsor shall retain as liquidated damages all payments made thereunder (but in no event to exceed ten (10%) percent of the purchase price plus the cost of any special work in the Unit ordered by the Purchaser)(the "Liquidated Sum"). Any monies in excess of the Liquidated Sum will be refunded to the delinquent Purchaser within fifteen (15) days thereafter.

Purchasers shall be given at least thirty (30) days advance written notice of the Closing, which Purchasers may waive if they wish, which shall be served in compliance with the Regulations of the Attorney General in the same manner that amendments are served. Please see the "INTRODUCTION." The Closings shall be at the offices of First Manhattan Abstract Corp., 215 Park Avenue South, New York, New York 10003 (212) 460-5200, or such other place designated by the Sponsor. The Sponsor may permit the Purchasers to waive the thirty (30) day notice provision by including waivers in the Plan, or in an amendment thereto.

After the effective amendment is accepted for filing, the Sponsor will fix dates for Closings to all Units for which Purchase Agreements have been executed. Each Purchaser will be given thirty (30) days written notice for his/her Closing. Upon Closing the Unit, each Purchaser must deliver to the Sponsor or Selling Agent, if so designated, his/her unendorsed personal certified check or official cashier's check, in either case drawn on a New York bank which is a member of the New York Clearing House in the amount of the balance of the un-financed purchase price. Any portion of the purchase price to be financed by a bank, trust company or other lending institution, may be paid at the Closing from the proceeds of the loan, provided, however, that before the Closing, the Sponsor is furnished with a copy of (i) a written commitment from the lending institution (in a form satisfactory to the counsel for Sponsor) for the portion of the purchase price to be financed and (ii) all documents which the Board of Managers must execute. The un-financed portion of the purchase price is also due upon Closing.

If thirty (30) days after receipt of the Closing Notice a Purchaser fails to pay the balance of his/her purchase price and any such failure continues for 30 days after sending written demand for payment (totaling a 60-day period), the Sponsor's sole remedy is to cancel the Purchase Agreement and transfer to the Sponsor the Liquidated Sum. Any payments received in excess of the Liquidated Sum shall be refunded to the Purchaser with reasonable promptness after cancellation. **The curing of the default within the final 30 day grace period is the essence of the Agreement. "Time is Of The Essence" means that no further adjournment, extension, or grace period may be permitted to the Purchaser within which he/she will be permitted to consummate his/her purchase of the Unit, and the provisions regarding liquidated damages shall immediately be applicable.** In the event the Purchase Agreement is cancelled, the Sponsor will have the right to sell the Unit to others as though the Purchase Agreement had never been signed (and without accounting to the Purchaser for the proceeds of such sale), and the Purchaser and the Sponsor shall be relieved of all further liability and obligation thereunder and under the Plan.

At each Closing, the Purchasers will also execute and deliver a Unit Power of Attorney, coupled with an interest, in the form set forth on page B1 in Part II of the Plan. The Unit Power of Attorney irrevocably designates the Board of Managers as such Unit Owner's attorney-in-fact for the sole purpose of managing, selling, mortgaging, leasing, or otherwise dealing with (but not voting the votes appurtenant thereto) any Unit acquired by the Board of Managers, in accordance with the provisions of the By-Laws set forth on page F1 in Part II of the Plan. Failure to execute the Power of Attorney shall result in a default by the Purchaser under the Purchase Agreement, and the provisions regarding liquidated damages shall apply.

All Purchasers shall be offered not less than three (3) business days to review the Plan and all filed amendments prior to executing a Purchase Agreement, unless fewer than three business days remain in the statutory time period to declare the Plan effective.

No Purchase Agreement is assignable or transferrable without the prior written consent of the Sponsor or Selling Agent; the Sponsor will grant permission to assign or transfer the Purchase Agreement prior to the Declaration of Effectiveness under the same conditions that the Sponsor will accept a Purchase Agreement. See "ASSIGNMENT OF PURCHASE AGREEMENTS" on page 45 for a further discussion.

It is the Purchaser's option whether or not the Purchase Agreement is subject to financing and the Purchaser's obligation will be subject to financing if the Purchaser so desires and the following provisions apply. If the Purchase Agreement is subject to the Purchaser, the amount of the loan will be specified and interest will be at the prevailing rate of interest, whether "fixed" or "variable." **IT IS STRONGLY RECOMMENDED THAT EACH PURCHASER OBTAIN AN ATTORNEY BEFORE ENTERING A PURCHASE AGREEMENT TO PURCHASE A UNIT.** The Purchaser will have thirty (30) business days from the receipt of a fully-executed Purchase Agreement to obtain the loan commitment. In the event that the Purchaser fails to obtain a commitment within the thirty (30) business day period, either party may cancel the Purchase Agreement on five (5) days written notice to the party (or party's attorney) pursuant to the Notice Provisions of the Purchase Agreement, after the expiration of the thirty-(30)-business-day period. The Purchaser will be entitled to a prompt refund of his/her Down Payment, together with interest thereon, in the event of such cancellation. The Purchaser will apply for a Mortgage through an Institutional Lender or through a mortgage broker registered pursuant to Article 12-D of the New York Banking Law ("Mortgage Broker") and notify the Sponsor or the Sponsor's attorney within ten (10) days from the date of receipt of a fully executed Purchase Agreement as to the identity of the lending institution to which the Purchaser has applied and further the Purchaser will immediately (within five days) notify the Sponsor or the Sponsor's attorney when a commitment or declination has been obtained and deliver a copy of such commitment or declination to the Sponsor's attorneys within the five (5) days receipt thereof. **In the event that the Sponsor's attorney does not receive the above notice to cancel within five (5) days after such right arises and/or the Purchaser does not comply with the conditions in the Purchase Agreement, including but not limited to the time limits set forth in the Purchase Agreement, the Purchaser will be expected to close whether or not the Purchaser has received financing unless the Purchase Agreement is cancelled by the Sponsor.** In case of cancellation, a copy of any loan refusal letter or non-complying Loan Commitment Letter (as the case may be) issued by the Institutional Lender (not the Mortgage Broker) shall accompany the Notice of cancellation, if available, or if not then available, shall be provided promptly after receipt.

Purchasers should note that financing commitments for the purchase of Units may have expiration dates prior to the actual Closing Date, unless the commitment is extended. If such extension is granted or another commitment issued, no guarantee can be made that the terms will be the same as the expired commitment. **Once a bank commitment has been issued, the Purchaser will be required to use his/her best efforts in obtaining and maintaining any and all extensions necessary to maintain such commitment in force and effect or to obtain another commitment.** Failure to do so will constitute a default under the Purchase Agreement and consequently loss of the Liquidated Sum. If the Purchaser is unable to obtain an extension by the Closing Date or within sixty (60) business days after the expiration of his/her commitment, whichever is longer, the Purchaser will notify the Sponsor within five days of the time period pursuant to the Notice provisions of the Purchase Agreement, whereupon the Purchase Agreement will become null and void and the Down Payment, together with interest thereon, if any, will be returned to the Purchaser. **In the event that the Sponsor's attorney does not receive the above notice to cancel within five (5) days after such right arises and/or the Purchaser does not comply with the conditions in the Purchase Agreement, including but not limited to the time limits set forth in the Purchase Agreement, the Purchaser will be expected to close whether or not the Purchaser has received financing unless the Purchase Agreement is cancelled by the Sponsor.** In case of cancellation, a copy of any loan refusal letter or non-complying Loan Commitment Letter (as the case may be) issued by the Institutional Lender (not the Mortgage Broker) shall accompany the Notice of cancellation, if available, or if not then available, shall be provided promptly after receipt.

To the extent a Commitment is conditioned on the sale of Purchaser's current home, payment of any outstanding debt, no material adverse change in Purchaser's financial condition or any other customary conditions, Purchaser accepts the risk that such conditions may not be met; however, a commitment conditioned on the Institutional Lender's approval of an appraisal shall not be deemed a "Commitment" hereunder until an appraisal is approved (and if that does not occur before the Commitment Date, Purchaser may cancel under the Purchase Agreement unless the Commitment Date is extended). Purchaser's obligations under the Purchase Agreement are conditioned only on issuance of a Commitment. Once a Commitment is issued, Purchaser is bound under this Contract even if the lender fails or refuses to fund the loan for any reason, except as specifically stated in the Plan and in the Purchase Agreement. Purchasers should also note that the Purchase Agreement provides that a Purchaser's failure to apply for a Mortgage within the time limits set forth above, or provide accurate and complete information to the lender promptly as required by the lender, or pay all fees, points and charges required in connection with such application and loan, or pursue such application with diligence, or cooperate in good faith with such Institutional Lender to the end of securing such mortgage loan, or refuse to accept a commitment issued to the Purchaser by the lender on terms set forth in the Purchase Agreement, or comply with all requirements of the commitment when received, will constitute a default by the Purchaser under the Purchase Agreement, whereupon the Sponsor will be entitled to retain the Liquidated Sum.

For purposes of the Purchase Agreement, the term "**Institutional Lender**" shall mean any bank, savings bank, private banker, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of this state, the United States or any other state; foreign banking corporation licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State; insurance company duly organized or licensed to do business in New York State; mortgage banker licensed pursuant to Article 12-D of the Banking Law; and any instrumentality created by the United States or any state with the power to make mortgage loans.

Any conflict between the Plan and the Purchase Agreement shall be resolved in accordance with the terms of the Plan to the extent that it enlarges upon or deals at greater length with the Sponsor's obligations or imposes greater obligations on the Sponsor.

Any notice given under the Purchase Agreement shall be in writing and shall be deemed duly given (i) when delivered by hand or by courier, or (ii) when five (5) days have elapsed after its transmittal by mail, or (iii) when sent by facsimile (the sender's apparatus having received the addressee's confirmation). Notices shall be sent to the addresses as set forth on the first page of the Purchase Agreement. Notices of change of address shall be effective only upon receipt, notwithstanding the previous sentence. All notices sent to the Seller and to the Purchaser will also be sent to their attorneys in the same manner as described above and shall be sent at the same time. The respective attorneys for Purchaser and Seller are authorized to give and receive any notice which Purchaser or Seller must or may give under the Contract and Plan.

Prior to Closing or possession of the Unit by a Purchaser, the Sponsor shall assume the risk of loss for damage of a Unit and the property from fire or other cause and not due to the fault of a Purchaser or Purchaser's Contractors, agents or servants. In the event of a loss the Sponsor shall have the option, but not the obligation, to restore the Unit and property to as near as reasonably possible to the condition immediately prior to the Loss. The Sponsor shall notify the Purchaser of such Loss pursuant to the notice provisions of the Purchase Agreement within ten (10) business days after such loss occurs. If the Sponsor elects not to restore the Building and/or Unit, then the Purchaser's sole remedy is either (i) to cancel the Purchase Agreement, by notifying the Sponsor's attorney pursuant to the notice provisions of the Purchase Agreement within ten (10) business days of the giving of notice of damage to Purchaser of his/her rescission, or (ii) complete the Purchase of the Unit in accordance with the Purchase Agreement without a reduction in the Purchase price or claim against the Sponsor, but with the right to receive any Insurance Proceeds attributable to that Unit without recourse to the Sponsor of any uncollected proceeds, which assignment shall be delivered to the Purchaser at Closing. If the Purchaser fails to notify the Sponsor's attorney of his/her option within the requisite time period, then the Purchaser will have been deemed to accept option (ii). Notwithstanding anything else to the contrary, the Purchaser shall have the right to cancel his/her Purchase Agreement if, prior to the Unit Closing and possession by the Purchaser and through no fault of the Purchaser or the Purchaser's contractors, agents, employees and servants, either (i) a loss occurs to the Unit which

would cost more than 15% of the Purchase Price to restore; or (ii) more than 20% of the Units in the Premises are damaged and rendered uninhabitable by fire or other cause, regardless of whether the Unit is damaged. If the Purchaser fails to notify the Sponsor's attorney pursuant to the Notice provisions of the Purchase Agreement of his/her option within the ten (10) business days of giving the notice of damage, then the Purchaser will have been deemed to waive his/her right to cancel the Purchase Agreement. If the Purchaser rescinds pursuant to this Paragraph, the Purchaser's down payment will be returned within fifteen (15) days upon receipt of Purchaser's rescission together with interest thereon, if any.

If the Purchaser assumes possession of a Unit pursuant to an Interim Lease, the Purchaser assumes all risk of loss from fire or other casualty after he/she obtains possession of the Unit and the Purchaser shall be obligated to complete the purchase of the Unit in accordance with his/her Purchase Agreement and without a reduction in the Purchase Price or claim against the Sponsor and without delay. Each Purchaser who takes possession of a Unit, pursuant to an Interim Lease, should consider the advisability of obtaining insurance to cover the cost of any casualty.

The Purchase Agreement and the Plan do not contain, and shall not be modified to contain, a provision waiving the Purchaser's rights or abrogating the Sponsor's obligations pursuant to Article 23-A of the GBL.

The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth under section entitled **"TERMS OF SALE"** beginning on page 48. As a result, if all other prerequisites not involving the renovation and construction of the Unit are met, the Purchaser shall be obligated to close and complete payment of the full Purchase Price (without provision for escrow) once a temporary or permanent certificate of occupancy is issued for the Unit (notwithstanding any construction items noted on the Purchaser's inspection statement remaining for the Sponsor to complete and/or correct in accordance with its obligation under the Plan, and notwithstanding the incomplete renovation and/or construction and/or decoration of any other portions of the Building not affecting the Unit).

The actual date for the First Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of renovation and construction and compliance with the other prerequisites recited in the section entitled **"TERMS OF SALE"** beginning on page 48. Renovation and/or construction may be delayed by late delivery of material or equipment, labor difficulties, unavailability of building trades, casualty, inclement weather and other events beyond the Sponsor's reasonable control. The Units in the Building will be completed at varying times over a period that could extend well beyond the First Closing. The order in which these Units will be completed is in the discretion of the Sponsor. Except as otherwise provided in the Plan, a Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against the Sponsor for damages or losses, in the event that the First Closing occurs substantially later than the projected date, or the time to complete or to close title to the Unit is delayed or is postponed by the Sponsor. Notwithstanding anything else herein to the contrary, the Sponsor anticipates that the First Closing will occur on or about January 1, 2006. If such date is delayed twelve months or more, Purchasers will be offered rescission.

Each Purchaser of a Unit must execute a consent in recordable form in which such Purchaser agrees to a building-wide allocation of J-51 benefits. Failure to execute such consent is a default under the Purchase Agreement allowing the Seller to retain the down payment as liquidated damages. A copy of such consent is printed beginning on page A21 of the Offering Plan.

FINANCING FOR QUALIFIED PURCHASERS

Availability of Mortgages From Institutional Lenders

Generally, savings and commercial banks, as well as savings and loan associations, are authorized to finance the purchase of Condominium Units. Some of those institutions have advertised that they are making this type of loan.

In the event that a Purchaser finances a portion of the purchase price from a lending institution, the Purchaser should expect to pay any charges imposed by the lending institution, including, but not limited to, the application fee, appraisal fee, title insurance, origination fee (points), and a legal fee to the lending institution's attorneys. Each prospective Purchaser is also advised that the charges levied by different lending institutions, as well as interest rates, vary, and that any given lending institution may impose fees which are subject to change. Each prospective Purchaser is advised to consult with the lending institution of his/her choice regarding any interest rates and charges imposed by it as well as other terms of the mortgage.

Responsibility of Purchaser to Obtain Financing

The Selling Agent and the Sponsor are not obligated to obtain financing on behalf of any Purchaser. Consequently, each person who desires to finance the purchase of any Unit is solely responsible for obtaining a commitment for such financing from the lender of his/her/their choice. Accordingly, Purchasers should inquire about the availability, terms, cost, and Purchaser's eligibility for such financing before signing and returning the Purchase Agreement.

In the event that a Unit Closing is held at a place other than the office of the attorney for the Sponsor or such other place designated by the Sponsor, such Purchaser shall be obligated to pay the sum of \$250.00 as a fee to the Sponsor's attorney for such outside closing within New York City. The fee for closing outside New York City depends upon distance but in no event will it be less than \$350.00. The fee for closings in Westchester County or Nassau County is \$600.00.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions may require that a certain percentage 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, or a Purchaser may have to wait until one or more additional Unit(s) are under Contract and ready to close, before such Purchaser will be able to close. Each Purchaser should check with his/her lending institution to verify the specific requirements of such institution, since such requirements vary.

No warranty is made that bank financing will be available to anyone who purchases a Unit under the Plan or as to the terms, costs, and conditions upon which such financing may be granted or the cost of obtaining the same.

THE SPONSOR RESERVES THE RIGHT TO RENT RATHER THAN SELL UNITS, AS LONG AS THE SPONSOR IS UNABLE TO MARKET THEM AT MAXIMUM PRICE AS DISCLOSED IN THE OFFERING PLAN AND ANY AMENDMENTS THERETO.

As any prudent developer of a project in New York, the Sponsor, Abby Court Realty, 132 Remsen Street, Brooklyn, New York 11201 reserves the option to grant financing to some individual Purchasers. The Sponsor reserves this right in case market conditions change so that it has more options in marketing the property. If the Sponsor grants financing to a Purchaser, the financial terms of which shall be negotiated between the parties. **THE SPONSOR HAS NO OBLIGATION TO OFFER SUCH FINANCING, AND IF GRANTED IT WILL BE ON AN INDIVIDUAL BASIS AND NOT AVAILABLE TO ALL PURCHASERS AND ONLY IN THE SOLE DISCRETION OF THE SPONSOR IF THE SPONSOR DEEMS IT NECESSARY BECAUSE OF MARKET CONDITIONS AND SUBJECT TO A GOOD**

CREDIT RATING OF THE PURCHASER. If the Sponsor grants financing to an individual Purchaser, the amount of the loan is negotiable between the parties but may not be more than 90% of the Purchase Price, the interest rate is also negotiable, but shall not be more than 5% above the prime rate at the time of Closing, term of the Mortgage, also negotiable between the parties (no more than ten years, but extensions will be granted on the basis set forth below), whether the mortgage will be interest only or will include payments of principal (option shall be with the Purchaser) shall be negotiated between the parties, prior to any contract being executed and such terms shall be included in the contract. Payments shall be monthly. If it the loan payments are contain principal, monthly payments shall be equal and shall be first in payment of interest at a rate of no more than 5% above prime, balance in reduction of principal If the payments are interest only then all of the payment shall go towards interest. **Unless the Purchaser wishes to have the loan fully amortized (paid off monthly in 10 years, the Mortgage will contain a balloon payment, which is calculated using the normal amortization tables. A balloon is the amount of principal remaining on the loan at the end of the term. If the Purchaser elects to pay the loan within the 10 year time period, monthly payments would be considerably higher than if the Purchaser amortizes over a 20 year of 30 year period. If the Sponsor grants financing to a particular Purchaser and it contains a balloon payment at the end of the term, the borrower must pay the entire principal balance due together with any interest accrued thereon at such time. If the loan is an interest only loan, the entire amount of money borrowed will have to be paid at the time the note is due. A Purchaser may wish to refinance in order to pay off the balloon and refinancing may not be available at same or better terms. If at the end of the term the Purchaser is unable to obtain other financing, the Purchaser could lose his/her entire investment.**

The Sponsor will extend the term of such financing for a second term of 10 years only if (i) the Purchaser has been current in all payments of the mortgage (ii) has not been in default during the term, (iii) has applied to at least three (3) other lending institutions through a mortgage broker that regularly places condominium unit loans on this type of building in this area and is turned down by such institutions through no fault of the Purchaser (fault includes but is not limited to such items as "bad credit," "not submitting information requested by lender," etc.), and (iv) the Purchaser pays any and all costs in connection with such extension (legal fees, title fees, recording fees, etc.).

No Sponsor loan will have variable or adjustable rate interest or contain negative amortization.

The following terms of any such sponsor financing are fixed.

The borrower may prepay the loan in increments of \$500 or more at any time without penalty. Any time the Purchaser wishes to pay at least \$500 towards principal, he or she may do so. If, and only if, the loan is an interest only loan, the amount of the monthly payments will be reduced, thereafter.

If payments are more than ten (10) days late, the borrower will have to pay a late penalty of 2% of the monthly payment.

If any one or more of the following events ("**Events of Default**") take place, then the Lender has the right to require the Borrower to pay the entire Indebtedness immediately. Furthermore, the Lender need not first present the Note to the Borrower or demand payment on the Note before it can take any such action:

- a. If any payment required by the Note is not made within fifteen (15) days after it is due; or
- b. If the borrower fails to pay or bond any judgment and/or any tax deficiency; or
- c. If the borrower leases the Unit without first paying all the amounts owed under the note and the mortgage; or
- e. If the borrower does not comply with any term, condition or provision of the note and/or mortgage.

If the Sponsor offers financing and the Purchaser accepts, the Purchase Agreement and/or the Contract will contain the financing terms and the Purchase Agreement and/or the Contract will not be subject to the Purchaser obtaining financing from an institutional lender.

The building will be required to have hazard insurance (the insurance in Schedule A meets this requirement and the By-Laws require the Condominium to have sufficient insurance).

The Sponsor has the option to escrow for real estate taxes, but agrees not to do so for as long as the Purchaser is current in such payments.

The mortgage will be due in full upon the sale of the Unit, and the Purchaser may only lease with the approval of the Sponsor.

Financing Costs of the Purchaser if the Sponsor offers financing will include:

- a. mortgage title insurance: please see "UNIT CLOSINGS AND ADJUSTMENTS" beginning on page 50.
- b. As with all lenders, including banks, the borrower will pay the lender's fee for drafting of loan papers, which in this case is \$750.
- c. There will be no points, appraisal fee, or application fee as are usually charged by lending institutions.

The Sponsor and virtually all lending institutions require that the Board of Mangers have hazard insurance covering the Building with a certificate naming the lender as co-insured. The insurance discussed in footnotes to Schedule B meets this requirement and the insurer will produce a certificate. The By-Laws of the Condominium also require the Board of Mangers to carry hazard insurance covering the Building.

A sample mortgage and note that a borrower must sign are printed in part II of the Plan, beginning on page H1.

ASSIGNMENT OF PURCHASE AGREEMENTS

No Purchase Agreement is assignable or transferrable without the prior written consent of the Sponsor or Selling Agent. No assignment of a Purchase Agreement will count towards the fifteen (15%) percent necessary to declare the Plan effective.

The Sponsor reserves the right to refuse an assignment to an assignee for any reason except as to discrimination based on race, creed, color, national origin, sex, age, disability, marital status or any other basis prohibited by law.

No Purchase Agreement is assignable or transferrable without the prior written consent of the Sponsor or Selling Agent; the Sponsor will grant permission to assign or transfer the Purchase Agreement prior to the Declaration of Effectiveness under the same conditions discussed above.

EFFECTIVE DATE

This offer to sell is contingent upon the Plan being declared effective within 12 months from the Acceptance Date of the Plan unless the plan is otherwise amended. In order for the Plan to be declared effective, compliance with the relevant conditions described in the Plan is required.

The Plan will be declared effective by written notice declaring the Plan effective stating that the plan was declared effective on a particular date, the percentage used to declare the plan effective and a list of the Units counted towards the effectiveness of the Plan. The notice will be served upon:

- (1) Purchasers who have executed and delivered Purchase Agreements to the Sponsor or Selling Agent and whose Purchase Agreements are in effect;
- (2) Any other person entitled to service pursuant to local law or regulation (the "Offerees").

Service will be provided in the following manner:

- (1) personal delivery; or,
- (2) mailing by regular mail or registered or certified mail with or without return receipt requested addressed to the Offeree at the last known residence of such Offeree or, if the Offeree has provided written information of an alternative address for notices, addressed to the Offeree at the alternative address. If the Sponsor has no information of the last known residence address but has written information of the place of business or employment of such Offeree, the mailing will be addressed to such last business or employment address.
- (3) service by personal delivery will be deemed complete upon delivery. Service by mailing will be deemed complete upon delivery to all Offerees on the fifth day after mailing to all Offerees not personally served.

The Sponsor will submit an amendment to the Department of Law within five business days thereafter to disclose that the Plan has been declared effective on a specific date together with an affidavit of Service. No closing of title to the Units will occur until the amendment disclosing that the Plan has been declared effective is filed with the Department of Law.

The following provision will determine whether and when the Plan will be declared effective:

1. The Plan may not be declared effective until executed Purchase Agreements of bona fide Purchasers, including investors, have been accepted by the Sponsor for not less than fifteen (15%) percent of the Units offered under the Plan (3 Units).
2. The Plan must be declared effective when Purchase Agreements are executed and accepted for 80% of the Units offered under the Plan (12 Units).

Units of a primarily ancillary nature such as parking spaces, boat slips or cabanas, may not be counted towards effectiveness. Such Units may be excluded from the base in calculating the percentage needed to become effective. The Sponsor must submit to the Department of Law, if requested, copies of all Purchase Agreements (and any amendments or modifications thereto) within five (5) business days after the request is made.

The Plan will not be declared effective based upon Purchase Agreements:

1. signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived;
2. if the Purchaser executed a Purchase Agreement prior to three (3) business days to review the Plan and all filed amendments thereto;
3. with any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent or is related to the Sponsor, the Selling Agent or the Managing Agent or to any principal of the Sponsor or the Selling agent or the Managing Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner or member of a limited liability company; 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 may be abandoned by the Sponsor at its sole option before it has been declared effective and before 80% of the Units are purchased. In the event of such abandonment the Sponsor will promptly file a notice of abandonment on form RS-3 or any such form as the Department of Law may require setting forth reasons for such abandonment and accounting for the disposition of all funds previously received pursuant to the Offering and amending the Offering Plan to disclose that it has been abandoned.

Upon the abandonment all Purchase Agreements executed by Purchasers will terminate, thus becoming null and void. Furthermore, upon such abandonment the rights of any Purchaser pursuant to the Plan will cease. All monies paid by Purchasers will be refunded to said parties within 15 days from the filing with the Department of Law of the notice of abandonment.

The Sponsor may not abandon the Plan after the Effective Amendment is accepted for filing by the Department of Law 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 ($\frac{1}{2}$) of one percent (1%) of the total amount of the Offering (the "Upset Price"), or (ii) work orders of a mortgagee or violations that cannot be cured for less than the Upset Price or (iii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than the Upset Price, (iv) the taking of any material portion of the property by condemnation or eminent domain. The Upset Price relied upon as a basis for abandonment after effectiveness excludes any such title defects, work orders or determinations of any authority or regulatory association which exist on the date the Plan is accepted for filing by the Department of Law and either are known to the Sponsor or are a matter of public record on the Effective Date and also excludes attorney's fees.

Prior to the First Closing, the Declaration and By-Laws will be recorded and the Floor Plans will be filed in the Kings County Office of the City Register.

The Sponsor may elect to accelerate the Closing Date, but in such event no Purchaser will be obligated to pay the balance due under his/her Purchase Agreement until a date which is at least thirty (30) days after the amendment disclosing that the Plan has been declared effective has been accepted for filing by the Department of Law and notice thereof provided to Purchasers. The offer to sell is contingent upon the Plan being declared effective and upon compliance with the relevant conditions and time periods described in the Offering Plan.

TERMS OF SALE

At the Closing of each Unit, the Sponsor shall deliver a bargain and sale deed with covenants against grantor's acts in the proper form for recording in the form set forth, beginning on page C1 in Part II of the Plan.

Prior to Closing, the Sponsor shall assume the risk of loss for damage of a Unit and the property from fire or other cause not due to the fault of a Purchaser or Purchaser's Contractors, agents or servants. In the event of a loss, the Sponsor shall have the option, but not the obligation, to restore the Unit and property as near as reasonably possible to the condition immediately prior to the Loss. The Sponsor shall notify the Purchaser of such Loss pursuant to the notice provisions of the Purchase Agreement within ten (10) business days after such loss occurs. If the Sponsor elects not to restore the Building and/or Unit, then the Purchaser's sole remedy is either (i) to cancel his/her Purchase Agreement, by notifying the Sponsor's attorney pursuant to the notice provisions of the Purchase Agreement within ten (10) business days of the giving of notice of damage to Purchaser of his/her rescission, or (ii) complete the Purchase of the Unit in accordance with the Purchase Agreement without a reduction in the Purchase price or claim against the Sponsor, but with the right to receive any Insurance Proceeds attributable to that Unit without recourse to the Sponsor of any uncollected proceeds, which assignment shall be delivered to the Purchaser at Closing. If the Purchaser fails to notify the Sponsor's attorney of his/her option within the requisite time period, then the Purchaser will have been deemed to accept option (ii). Notwithstanding anything else to the contrary, the Purchaser shall have the right to cancel his/her Purchase Agreement if, prior to the Unit Closing and possession by the Purchaser, if through no fault of the Purchaser or the Purchaser's contractors, agents employees and servants, either (i) a loss occurs to the Unit which would cost more than 15% of the Purchase Price to restore; or (ii) more than 20% of the Units in the Premises are damaged and rendered uninhabitable by fire or other cause, regardless of whether the Unit is damaged. If the Purchaser fails to notify the Sponsor's attorney pursuant to the Notice provisions of the Purchase Agreement of his/her option within the ten (10) business days of giving the notice of damage, then the Purchaser will have been deemed to waive his/her right to cancel the Purchase Agreement. If the Purchaser rescinds pursuant to this Paragraph, the Purchaser's down payment will be returned within fifteen (15) days upon receipt of Purchaser's rescission, together with interest thereon, if any.

If a Purchaser assumes possession of a Unit pursuant to an Interim Lease, the Purchaser assumes all risk of loss from fire or other casualty after he/she obtains possession of the Unit and the Purchaser shall be obligated to complete the purchase of the Unit in accordance with his/her Purchase Agreement and without a reduction in the Purchase Price or claim against the Sponsor and without delay. Each Purchaser who takes possession of a Unit pursuant to an Interim Lease, should consider the advisability of obtaining insurance to cover the cost of any casualty.

In the event of damage to a Unit or the Common Areas, provided that less than 80% of the Units have been contracted for, the Plan may be abandoned by the Sponsor at its sole option before it has been declared effective. In the event of such abandonment, the Sponsor shall promptly file an amendment together with form RS-3 or any such form as the Department of Law may require setting forth the reasons for such abandonment and accounting for the disposition of all funds received previously pursuant to the offering.

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 ($\frac{1}{2}$) of one percent (1%) of the total purchase price (the "Upset Price"), or (ii) work orders of an insurer or violations that cannot be cured for the Upset Price, or (iii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for the Upset Price, or (iv) the taking of any material portion of the Property by condemnation or eminent domain. The Upset Price relied upon as the basis for abandonment after effectiveness excludes any such title defects, violations, work orders, or determinations of any authority or regulatory association which exist on the Acceptance Date of the Plan, and either are known to the Sponsor or are a matter of public record on the Effective Date.

The Sponsor will in no event be liable to the Purchaser in the event of a delay in the Closing of Title caused by a delay in repairing damage resulting from a casualty. In repairing damage resulting from a casualty, the Purchaser shall be responsible for any special work that he/she has ordered.

The term "Closing of Title" or "Closing", as used herein, means the time, place, and procedure by which fee title to the Unit in question is conveyed to the Purchaser pursuant to such Purchaser's Purchase Agreement. Closings will take place concurrently with, or after the occurrence of, the following events:

1. The Purchaser shall be given title to his/her Unit and its appurtenant interest in the common elements, free and clear of all liens, encumbrances and title exceptions other than the following Permitted Encumbrances:

- a. The terms, burdens, conditions, covenants, restrictions, easements, and provisions as set forth in the Declaration of the Condominium, the By-Laws and the Rules and Regulations made thereunder; the Power of Attorney from the Purchaser to the Board of Managers; and the Floor Plans, as they may be amended from time to time;
- b. Any state of facts which an accurate survey or inspection of the Unit would show, provided such facts would not prevent the use of the Unit for dwelling purposes;
- c. Covenants, restrictions, easements, and agreements of record, if any, provided the same do not prevent the use and maintenance of the structure;
- d. Zoning regulations and ordinances which are not violated by the existing structures;
- e. Consents by the Seller, or any former owner, of the premises for the erection of any structure or structures on, under, or above any street or streets on which any premises may abut;
- f. Beams and beam rights, and party wall and party wall agreements, if any;
- g. Possible lack of right to maintain vault or vaulted areas under and coal chutes in the sidewalks;
- h. Projections and encroachments, if any, of retaining walls, doors, ledges, water tables, standpipes, chimneys, lintels, coal chutes, windows, bay windows, trim, coping, cornices, ornamental projections, fences, and retaining walls;
- i. Mechanics' liens, if any, provided that any reputable title company licensed to do business in the State of New York agrees to insure the Purchaser against the collection thereof out of the Unit, but not against other Units in the Property;
- j. Rights, if any acquired, by any utility or licensed public service company to maintain and operate lines, wires, cables, poles, and distribution boxes, in, over and upon the Property;
- k. Variations, if any, between tax lot and lines of record title;
- l. Party wall agreements;
- m. Legislative restrictions, if any;

n. Standard printed exceptions contained in the form of title insurance to be issued by the title insurance company insuring the Purchaser's title to the Property, included but not limited to:

(i) Defects and encumbrances arising or becoming a lien after the date of the title policy, except as therein provided;

(ii) Consequences of the exercise and enforcement or attempted enforcement of any governmental war or police powers over the Property;

(iii) Any laws, regulations or ordinances (including, but not limited to zoning, building, environmental protection) as to the use, occupancy, sub-division or improvement of the premises; adopted or imposed by any governmental body, or the effect of any non-compliance with, or any violation thereof;

(iv) Judgments against the insured or estates, interests, defects, objections, liens or encumbrances created, suffered, assumed or agreed to by or with the privity of the insured;

(v) Title to any property beyond the lines of the premises or to areas within or rights or easements in any abutting street, roads, avenues, lanes, ways or waterways, with a right to maintain train vaults, tunnels, ramps or any other structure or improvement, unless the policy specifically provides that such titles, rights or easements are insured. Notwithstanding any provision in this paragraph to the contrary, the policy, unless otherwise excepted, shall insure the ordinary rights of access and egress belonging to the abutting owners;

(vi) Title to any personal property, whether the same be attached to or used in connection with the premises or otherwise.

o. Service, maintenance and license agreements, if any, of other Units or portions of Common and Limited Common Elements;

p. The lien of any unpaid Common Charges and/or real estate tax provided the same are adjusted at the Closing;

q. The lien of any unpaid assessment payable in installments (other than assessments levied by the Board of Managers except that the Sponsor shall pay all such assessments due prior to the Closing and the Purchaser shall pay all assessments from and after such date (however, the then current installment shall be adjusted at Closing);

r. Any other Declaration or other instrument affecting the Property which the Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning, resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair, or restoration of the Building;

2. The recording or filing as required by law, of the Declaration, By-Laws, Floor Plans and Architect's and tax authority Certifications in Kings County required by Section 339-p of the New York Condominium Act and other documents as may be required by law. The recording of the Declaration transfers all property within the Common

Elements, unless specifically excluded in the Declaration and the Offering Plan to the Condominium;

3. The due recording of the release of every mortgage and other liens affecting the Unit to be closed and its undivided Common Interest, as required by Section 339-r of the Condominium Act, or if any mortgage encumbering the Premises will not be satisfied at or prior to the First Closing, each mortgagee will either: (a) consent to the formation of a condominium and acknowledge that its lien will be limited to Unsold Units, or (b) subordinate the lien of its mortgage to the Declaration of Condominium, or © release its lien on the Condominium Unit being conveyed (there are no mortgages encumbering the Premises);
4. The Sponsor has given each Purchaser at least thirty (30) days prior written notice of the date on which title to his/her Unit will close and the opportunity to inspect the Unit and Common Elements, such inspection to be during normal business hours and to be undertaken in the company of the Sponsor's agent;
5. If the Purchaser has requested title insurance, the issuance to the Purchaser (at the Purchaser's expense) of a policy of title insurance, in at least the amount of the purchase price of the Unit, insuring (i) that the Purchaser has fee title to his/her Unit free and clear of all liens and encumbrances except for Permitted Encumbrances WITHIN THE LIMITATIONS SET FORTH BELOW, and except for any mortgage and related documents which a Purchaser executes as part of the purchase price of the Unit and (ii) the Condominium has been validly created pursuant to the Condominium Act;
6. The Sponsor has amended the Plan to disclose that it has been declared effective and the Sponsor has complied with the applicable requirements of this section of the Plan;
7. The Sponsor has received either a temporary or permanent Certificate of Occupancy for the entire Building in which the Unit is located.

A Purchaser is required to accept only such title to the Property as FIRST MANHATTAN ABSTRACT CORP., 215 Park Avenue South, New York, New York 10003 (212) 460-5200, as agent for Fidelity Title Insurance Company of New York, agrees to issue. **THE SELLER SHALL NOT IN ANY WAY BE OBLIGATED TO CAUSE THE PURCHASER'S TITLE COMPANY (IF OTHER THAN FIRST MANHATTAN ABSTRACT CORP.) TO OMIT ANY EXCEPTION TO TITLE IF SUCH EXCEPTION OR SIMILAR EXCEPTION HAS BEEN OMITTED BY FIRST MANHATTAN ABSTRACT CORP. OR FIRST MANHATTAN ABSTRACT CORP. WOULD BE WILLING TO OMIT SUCH OBJECTION. IT SHALL BE THE PURCHASER'S OBLIGATION TO OBTAIN CLEARANCE IF PURCHASER CHOOSES A TITLE COMPANY OTHER THAN FIRST MANHATTAN. FAILURE BY THE PURCHASER TO OBTAIN CLEARANCE AND CLOSE, WHEN FIRST MANHATTAN ABSTRACT CORP. WILL INSURE, IS A DEFAULT UNDER THE PURCHASE AGREEMENT, ENTITLING THE SELLER TO RETAIN THE DOWN PAYMENT AS LIQUIDATED DAMAGES.** Furthermore, if clearance items are still open at the closing and it takes longer than 1.5 hours to close due to the Purchaser's title company (other than First Manhattan Abstract Corp.) clearance issues, the Purchaser shall pay the attorney for the Seller a fee of \$300 per hour starting at 1.5 hours from the beginning of the closing for her time in waiting for clearance of such items.

If the Sponsor is unable to deliver title to the Unit to the Purchaser in accordance with the provisions of the Purchase Agreement and the Plan by reason of a defect in title, substantial damage or destruction of the building by fire or other casualty, or the taking of any material portion of the property by condemnation or eminent domain, the Sponsor shall not be obligated to bring any action or proceeding or otherwise incur cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If the Sponsor is not so obligated under the Plan and notifies the Purchaser of its election or

inability to cure such title defect, and if the Purchaser is not in default hereunder, the Purchaser's sole remedy shall be either to (a) take title to the Unit subject to such title defect (without any abatement in, or credit against the purchase Price, or any claim or right of action against the Sponsor for damages or otherwise), or (b) terminate the Purchase Agreement. If the Purchaser so elects to terminate the Purchase Agreement, the Sponsor shall within 15 days after receipt of notice of termination from the Purchaser, return to the Purchaser all sums deposited by the Purchaser together with interest earned thereon, if any. Upon making such payment, the Purchase Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under the Purchase Agreement or the Plan. The foregoing remedy must be exercised by notice of the Purchaser in writing within 15 days after giving of notice to Purchaser pursuant to the notice provisions of the Purchase Agreement of election not to cure such inability, failing which it shall be conclusively deemed that the Purchaser elected the remedy described in clause (a) above (i.e. to acquire title subject to such inability).

The existence of mortgages, liens, and encumbrances, other than the Permitted Encumbrances, shall not be objections to title, provided the properly executed instruments, in form for recording, necessary to satisfy or release Units from such impermissible liens or encumbrances, are delivered at Closing and proper adjustments made for the cost of recording or filing such instruments. The Sponsor will bear the responsibility and cost of recording or filing such instruments, other than recording of mortgages placed on the Unit by the Purchasers.

At the Closing of Title, the Sponsor will convey to the Purchaser all fixtures and articles of personal property which are attached to, or used in connection with, the operation of the Unit that are the property of the Sponsor and that were in the Unit on the date the Purchase Agreement was signed. Such fixtures and articles of personal property (including kitchen appliances, equipment, and fixtures) will be conveyed by the Sponsor to the Purchaser in the condition in which they are described in the **"DESCRIPTION OF PROPERTY SPECIFICATIONS OR BUILDING CONDITION,"** in Part II, beginning at page D1. All kitchen appliances and lighting fixtures in the Unit owned by the Sponsor at the Closing of Title will become the property of the Purchaser as the Closing of Title.

All Property located within the Common Elements on the date the Declaration is filed will be included in the property transferred to the Condominium unless specifically excluded in the Plan.

In the event that the net closing adjustments are in favor of the Purchaser, the amount thereof shall be paid or credited to the Purchaser at Closing.

If any of the foregoing items to be apportioned cannot be adjusted as of the Closing of Title because they are not fully ascertainable, they shall be apportioned and adjusted at such Closing of Title to the extent reasonably possible and the balance as soon thereafter as the undetermined amounts are ascertained.

Any and all representations and obligations which are imposed upon the Sponsor by virtue of the Plan or the General Business Law, the performance of which shall occur after the transfer of title, shall survive the delivery of the deed.

The Condominium shall have public liability insurance at, or prior to, the First Closing.

The acceptance of a deed by a Purchaser shall be deemed an acknowledgment by the Purchaser (but no other person or entity) that the Sponsor has performed and discharged every agreement and obligation on the part of the Sponsor to be performed under the Plan except those (if any) to survive delivery of the deed, which may be expressly stated in the Plan, in the Purchase Agreement, in 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the Acceptance for Filing of the Plan) and New York General Business Law.

At each Closing, the Purchasers will also execute and deliver a Unit Power of Attorney, coupled with an interest, in the form set forth on page C1 in Part II of the Plan. The Unit Power of Attorney irrevocably designates the Board of Managers as such Unit Owner's attorney-in-fact for the sole purpose of managing, selling, mortgaging, leasing, or otherwise dealing with (but not voting the votes appurtenant thereto) any Unit

acquired by the Board of Managers in accordance with the provisions of the By-Laws set forth on page B1 in Part II of the Plan.

UNIT CLOSING COSTS AND ADJUSTMENTS

The Purchaser will pay the following estimated closing costs at the time of Closing of Title for the Purchaser's Unit; these estimates are based on current costs and charges, which are subject to change:

1. 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:

<u>FEE AMOUNT</u>	<u>PREMIUM</u>
\$ 35,000	\$ 281 + \$4.67 per thousand up to \$ 50,000
\$ 50,000	351 + \$3.80 per thousand up to \$ 100,000
\$ 100,000	542 + \$3.05 per thousand up to \$ 500,000
\$ 500,000	1,763 + \$2.79 per thousand up to \$1,000,000
\$ 1,000,000	3,157 + \$2.57 per thousand up to \$5,000,000

Where a mortgage title policy is simultaneously issued, the price for such policy is 30% of the fee insurance. A Purchaser is required to accept only such title to the Property as FIRST MANHATTAN ABSTRACT CORP., 215 Park Avenue South, New York, New York 10003 (212) 460-5200, as agent for Fidelity Title Insurance Company of New York, agrees to issue. **THE SELLER SHALL NOT IN ANY WAY BE OBLIGATED TO CAUSE THE PURCHASER'S TITLE COMPANY (IF OTHER THAN FIRST MANHATTAN ABSTRACT CORP.) TO OMIT ANY EXCEPTION TO TITLE IF SUCH EXCEPTION OR SIMILAR EXCEPTION HAS BEEN OMITTED BY FIRST MANHATTAN ABSTRACT CORP. OR FIRST MANHATTAN ABSTRACT CORP. WOULD BE WILLING TO OMIT SUCH OBJECTION. IT SHALL BE THE PURCHASER'S OBLIGATION TO OBTAIN CLEARANCE IF PURCHASER CHOOSES A TITLE COMPANY OTHER THAN FIRST MANHATTAN. FAILURE BY THE PURCHASER TO OBTAIN CLEARANCE AND CLOSE, WHEN FIRST MANHATTAN ABSTRACT CORP. WILL INSURE, IS A DEFAULT UNDER THE PURCHASE AGREEMENT, ENTITLING THE SELLER TO RETAIN THE DOWN PAYMENT AS LIQUIDATED DAMAGES.** Furthermore, if clearance items are still open at the closing and it takes longer than 1.5 hours to close due to the Purchaser's title company (other than First Manhattan Abstract Corp.) clearance issues, the Purchaser shall pay the attorney for the Seller a fee of \$300 per hour starting at 1.5 hours from the beginning of the closing for her time in waiting for clearance of such items.

2. Fees for recording the deed, mortgage and Unit Power of Attorney in favor of the Board of Managers and any mortgage the Purchaser receives: The current amount of such fees are \$20 per document plus \$5.00 per page and \$1.00 service charge per instrument.
3. If the Purchaser obtains a mortgage loan, the Purchaser will pay a mortgage tax, which is currently 2.05% of the principal amount of the mortgage if under \$500,000; and 2.75% of the principal amount if the mortgage is \$500,000 or more. If a mortgage tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure to the benefit of the Sponsor. Accordingly, at closing, each Purchaser electing mortgage financing will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount to be financed. The Sponsor, at closing, will be reimbursed to the extent of any mortgage tax credit allowed.
4. All legal costs, fees and expenses charged by the Purchaser's attorney will be the sole responsibility of the Purchaser;
5. New York City Property Transfer tax, currently 1% of consideration if consideration is under \$500,000 and 1.425% percent of consideration for condominiums, if \$500,000 or more.

Consideration includes both the purchase price of the Unit and the Transfer Taxes for both New York City and State and New York State Documentary Stamp tax, presently \$4 per \$1,000 of consideration of a Unit. The Offering Plan provides that both New York State Transfer Tax and New York City Transfer Tax, taxes which in the first instance are the obligation of the Seller by statute, will be paid by the Purchaser.

6. Each Purchaser will be required to make a contribution of \$750 to the Working Capital Fund; and

7. All costs with regard to any mortgage that the Purchaser will place on his/her Unit.

All quotes for recording charges, mortgages, transfer and other taxes are subject to change.

Those Purchasers obtaining mortgage loans will be responsible for the payment of all closing costs and expenses in connection therewith, in amounts determined by the applicable lender. These costs and expenses will probably include an origination fee ("points"), appraisal fee, fees of lender's counsel and a fee for mortgage title insurance, as well as other related fees. In addition to the specified costs and expenses, a mortgage on a Unit probably will provide that Unit Owners deposit monthly with the lender one-twelfth of the estimated real estate taxes, and assessments which are assessed or to be assessed against the Unit, or other amounts, and at the Closing of Title the Purchaser may be required to deposit with the lender a multiple of the aggregate of one month's real estate taxes, assessments, or other amounts so that sufficient funds will be available for the lender to pay real estate taxes, sewer charges, and water rate. No representation or warranty is made with respect to the amount of such closing costs and expenses or the availability or cost of mortgage loans from any source.

It shall be the sole responsibility of the Purchaser to pay the Sponsor's attorney a fee of \$1,250 at Closing for the preparation of closing documents.

If the Closing is held at a place other than the offices First Manhattan Abstract Corp., 215 Park Avenue South, Suite 714, New York, New York or such place as designated by the Seller, but within New York City, the Purchaser shall pay the Seller's attorney an attendance fee of \$350 per Unit. If the Closing is held outside of New York City, the Purchaser will pay the Seller's attorney a reasonable attendance fee based upon distance, but in no event will the fee be less than \$600.

If the Closing is adjourned other than by the Sponsor, there will be an additional fee of \$300 per Unit, payable to the Sponsor's attorney, which will be the sole responsibility of the Purchaser.

In the event that a Purchaser defaults, a fee of \$300 will be payable at Closing to the attorney for the Sponsor for preparation of the letter of default.

All checks for the above fees must be paid by certified or bank check at Closing. The above closing fees and expenses are cumulative to the extent applicable to a Unit Closing.

Common Charges assessed during the period in which the Closing occurs shall be adjusted as of the originally scheduled Closing Date for each Unit. The Board of Managers will fix the amount of such Common Charges to be assessed against each Unit. It is estimated that the Common Charges for the first year of operation of the Building will not exceed the amounts for each Unit set forth in Schedule A in Part I of the Plan, but such amounts vary to the extent that the costs of services change and/or to the extent the Board of Managers decides to provide increased services or discontinue any present services within the framework of the By-Laws (see "BY-LAWS" beginning on page F1 in Part II of the Plan).

Real estate taxes for each Unit for the tax year in which title to a Unit closes and the estimated Common Charges and Expenses for each Unit (as shown in Schedule A in Part I of the Plan) for the month in which a Closing occurs, will be apportioned between the Sponsor and the Purchaser of each Unit as of the Closing Date. In the event that a Unit has not been separately assessed on the Closing Date for the current tax year, the apportionment of real estate taxes shall be based upon the projected assessment for the Property and such Unit's percentage interest in the Common Elements, as set forth in Schedule A in Part I of the Plan.

If the Units have not been separately assessed for real estate tax purposes prior to the First Closing, the Sponsor will place in escrow in the name of the Board of Managers an amount equal to the unpaid real estate taxes (or estimates thereof based on current assessments) due for the next ensuing six (6) months (or until the Units are separately assessed, whichever period is shorter), provided, however, that as Closings occur, the portion of such funds held in escrow, which represent the portion allocable to the Unit being sold, shall be disbursed to the Sponsor with interest accrued thereon, if any. All interest accrued on such escrow, if any, shall inure to the benefit of, and belong to, the Sponsor. All monies held in escrow by the Sponsor's attorney for the payment of real estate taxes will be turned over to the Board of Managers to pay the real estate taxes when taxes are due and payable. Any monies collected by the title company at First Closing to pay real estate taxes will be paid to the City of New York for such taxes when due and payable and any future Purchaser for a Unit for such taxes taken by the Title Company will be insured for such payment of real estate taxes.

The following items will be apportioned between the Sponsor and the Board of Managers on behalf of the Unit Owners, as of the Adjustment Date:

1. Water and Sewer charges;
2. Charges for electricity and other utilities, if any, for the Common Elements;
3. Charges and receipts in connection with service and maintenance contracts, if any;
4. Wages and payroll expenses, if any;
5. Deposits with utility companies, if any, and fees for assignable permits and leases;
6. Cost of building supplies on hand (plus sales tax); and
7. Other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted as of the Adjustment Date because they are not fully ascertainable, they shall be apportioned and adjusted on the Adjustment Date, to the extent reasonably possible and the balance as soon thereafter as the undetermined amounts are ascertained.

Any closing adjustments the Sponsor owes the Board of Managers will be paid by the Sponsor into the Condominium's Working Capital Fund. Any closing adjustments the Board of Managers owes the Sponsor will be paid by the Board of Managers from the Condominium's Working Capital Fund. However, closing adjustments to be paid by the Board of Managers to the Sponsor at the First Closing shall not exceed the Working Capital Fund. The Sponsor hereby waives all closing adjustments in excess of the Working Capital Fund.

Assuming the purchase price of a Unit is \$349,000, the following figures are estimates of closing costs, less the costs which would be imposed by a lender.

Fee Title Insurance:	\$ 1,859.00 ¹
Mortgage Title Insurance:	\$ 437.00 ²
Mortgage Tax:	\$ 7,154.50 ³
Recording Fees:	\$ 500.00 ⁴
NYC and NYS Transfer Tax:	\$ 4,955.63 ⁵

¹ This figure depends upon the purchase price and will vary accordingly.

² This assumes that there will be financing in the amount of \$279,200

³ This figure will vary depending upon the amount of the mortgage.

⁴ This figure will vary depending upon the number of pages to be recorded. It is impossible to know precisely how many pages the mortgage documents will be since they vary from lender to lender.

⁵ This figure will vary depending upon the actual purchase price of the Unit.

Common Charge Adjustments:	\$ 123.60 ⁶
Real Estate Tax Adjustment:	\$ 157.90 ⁷
Contribution to Working Capital Fund	\$ 750.00 ⁸
Sponsor's Attorney's Fee:	\$ 1,250.00 ⁹
	\$ 17,375.53 ¹⁰

Except as specifically set forth in the Plan, the Sponsor must pay all costs and expenses incurred in connection with the promulgation and consummation of the Plan, the creation of the Condominium, and the initial commissions payable for initial sale of the Units pursuant to the Plan, advertising, printing, architects' and engineers' fees, the fees of the Sponsor's attorney except as specified herein, engineering and appraisal costs, and governmental filing fees incurred prior, or subsequent, to the Effective Date in connection with the obligations of the Sponsor.

⁶ This assumes Common Charges are \$247.19 per month and the Unit closing occurs half-way through the month.

⁷ This assumes the Closing will take place in the middle of a tax quarter and taxes are \$1,263.18 yearly and \$315.80 quarterly. This amount will vary depending on the date of the Closing.

⁸ This is fixed for all units.

⁹ This assumes the closing occurs at such place as designated by the Sponsor and that there will be no other additional fees such as a default letter, which are disclosed in this section, and that the Purchaser uses First Manhattan Abstract as his/her title company.

¹⁰ This figure is an estimate and should not be relied upon. It will vary depending upon the actual purchase price of the Unit and the amount of financing received. It also does not include any financing fees such as points, short-term interest, appraisal fees, escrow adjustments, bank's attorney's fee or other charges imposed by the Purchaser's lending institution, which cannot be estimated. Each Purchaser should check with his/her lending institution concerning financing fees.

RIGHTS AND OBLIGATIONS OF SPONSOR

Except as expressly provided in the Offering Plan, or as required by applicable law, the Sponsor will not defend any suits or proceedings arising out of the Sponsor's acts or omissions and will not indemnify the Board of Managers and the Unit Owners. In the event that there are any judgments or liens or if litigation has been commenced, the Sponsor will amend the Plan to so state.

Any and all representations and obligations which are imposed upon the Sponsor by virtue of the Plan or the General Business Law, the performance of which will occur after the closing of title to any Unit, will survive delivery of deed for the Unit in question.

The Sponsor is 351-353 21st Realty LLC, a New York limited liability company with its principal office in New York. All Units owned by the Sponsor are Unsold Units and retain their character as such, until (a) such Unit becomes the property of a Purchaser in an arms-length transaction or (b) an Owner or a member or members of the Sponsor become bona fide occupants of an Unsold Unit.

The Sponsor agrees to fulfill all of its obligations pursuant to the Condominium Act, Attorney General's Regulations and the By-Laws, including the payment of all Common Charges, special assessments and real estate taxes on Unsold Units, and the Condominium will have a lien upon the Units to secure payment of all Common Charges by the Sponsor. The Sponsor will pay such obligations from the sales of the Units and, if necessary, from other income of the principals of the Sponsor. The Sponsor represents and warrants that at this time it has the financial resources to enable it to meet its obligations with respect to Unsold Units. **However, no bond or other security has been furnished by the Sponsor, and the Sponsor's ability to perform will depend solely upon its financial condition at the time.** If the financial condition of the Sponsor changes to adversely affect the condition of the Sponsor, of the building and/or Purchasers, the Plan will be amended to disclose such change and all contract vendees will be offered, and if necessary, sales will cease.

Prior to Closing or possession of the Unit by a Purchaser, the Sponsor will assume the risk of loss for damage to a Unit and the property from fire or other cause, not due to the fault of a Purchaser or Purchaser's Contractors, agents or servants. In the event of a loss, the Sponsor will have the option, but not the obligation to restore the Unit and property to as near as reasonably possible to the condition immediately prior to the Loss. The Sponsor will notify the Purchaser of such Loss within ten (10) business days after such loss occurs pursuant to the notice provisions of the Purchase Agreement. If the Sponsor elects not to restore the Building, then the Purchaser's sole remedy is either (i) to cancel his/her Purchase Agreement, by notifying the Sponsor's attorney pursuant to the notice provisions of the Purchase Agreement within ten (10) business days of giving of notice of damage to Purchaser of his/her recision, or (ii) complete the Purchase of the Unit in accordance with the Purchase Agreement without a reduction in the Purchase price or claim against the Sponsor, but with the right to receive any Insurance Proceeds attributable to that Unit without recourse to the Sponsor for any uncollected proceeds. Such assignment will be delivered to the Purchaser at Closing. If the Purchaser fails to notify the Sponsor's attorney of his/her option within the requisite time period, then the Purchaser will have been deemed to accept option (ii). Notwithstanding anything else to the contrary, the Purchaser will have the right to cancel his/her Purchase Agreement if, prior to the Unit Closing and possession by the Purchaser, if through no fault of the Purchaser or the Purchaser's contractors, agents employees and servants, either (i) a loss occurs to the Unit which would cost more than 15% of the Purchase Price to restore; or (ii) more than 20% of the Units in the Premises are damaged and rendered uninhabitable by fire or other cause, regardless of whether the Unit is damaged. If the Purchaser fails to notify the Sponsor's attorney pursuant to the notice provisions of the Purchase Agreement of his/her option within ten (10) business days of mailing of the notice of damage, then the Purchaser will have been deemed to have waived his/her right to cancel the Purchase Agreement. If the Purchaser rescinds pursuant to this Paragraph, the Purchaser's down payment will be returned within fifteen (15) days upon receipt of Purchaser's recision, together with interest thereon, if any.

If the Purchaser assumes possession of a Unit pursuant to an Interim Lease, the Purchaser assumes all risk of loss from fire or other casualty after he or she obtains possession of the Unit and the Purchaser will be obligated to complete the purchase of the Unit in accordance with his/her Purchase Agreement and without a reduction in the Purchase Price or claim against the Sponsor and without delay.

The Sponsor will secure a policy covering fire and liability insurance on the Closing Date. The policy will be an agreed-amount value policy, avoiding the requirements of coinsurance, as reflected in Schedule B. The premium for the policy will be paid by the Condominium and the cost thereof is provided for in Schedule B. (See footnotes to Schedule B for further details beginning on page 21)

The Sponsor agrees to pay for the authorized and property work involved in the construction and establishment and sale of the condominium that the Sponsor is obligated to complete under the Plan and will cause all mechanics liens with respect to such construction to be promptly discharged or bonded.

The renovation and construction of the Building and the Units including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the Plans and Specifications, subject to the right of the Sponsor to amend the Plans and the Plans and Specification in order to substitute materials, equipment or fixtures of equal or better quality, provided the approval of any governmental authorities having jurisdiction is first obtained (if required). The issuance of a temporary or permanent certificate of occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been substantially completed in accordance with the Plan and the Plans and Specifications.

The renovation and construction of the Building and the Unit under the Plan are the sole responsibility of the Sponsor. The Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and Plans and Specifications and will not be obligated to correct and will not be liable to any Board or Unit Owner as a result of any renovation or construction defects or in the installation or operation of any mechanical equipment, appliances, other equipment, finishes, materials or fixtures (including kitchen appliances and bathroom fixtures).

As set forth in this Plan and Regulations, the Sponsor is obligated to pay Common Charges on Unsold Units and is guaranteeing payment of all Common Charges, assessments and real estate taxes with respect to Unsold Units. After title to the last Unit is closed and there are no Unsold Units, the sponsoring entity may be dissolved or liquidated. Upon dissolution or liquidation of the sponsoring entity, the obligations of the Sponsor under the plan will cease. However, in the event the Sponsor so elects, there will be no effect upon the Condominium as the Sponsor's guarantee of Common Charges will have terminated at the time of such sale. In the event of the dissolution or liquidation of the Sponsor or the transfer of ten (10) or more Units or twenty percent (20%) or more the total number of Units in the condominium, whichever is less, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations.

There is no construction financing and none is anticipated. The Sponsor is using its own funds to construct and renovate the Building.

The Sponsor will complete the building of the Condominium in accordance with the building plans and specifications identified in the plans. However, the Sponsor has the right to substitute equipment or materials and make modifications of layout or design, provided however, that the Sponsor may not:

- a. Substitute equipment or materials of less quality or design, or
- b. Change the size, location of buildings 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 has filed building plans with the Department of Buildings of the City of New York, County of Kings, for two building each to have 8 residential Units and 3 accessory-use parking spaces. At the time of the First Closing the Sponsor will produce a Certificate of Occupancy for each Building for eight (8) residential units and three (3) accessory-use parking spaces for a total of 16 residential units and six accessory parking spaces. For these purposes, a temporary Certificate of Occupancy will be deemed sufficient. If a temporary Certificate of Occupancy is obtained, the Sponsor's attorney will hold all deposits and funds required by GBL Section 352-e(2)(b) in an escrow account at Chase Manhattan Bank, 4 Metrotech Center, Brooklyn, New York, until a permanent

Certificate of Occupancy is issued and guarantees to perform any work necessary to obtain the permanent Certificate of Occupancy within two (2) years from the Closing Date and prior to the expiration of the temporary Certificate of Occupancy unless:

- a. The Unit Owners have made any change or modification in their Unit(s) or in the Building as a whole which would prevent the issuance of a permanent Certificate of Occupancy, in which event the Sponsor's responsibility will be limited to correcting those items indicated to be completed at the time of issuance of the temporary Certificate of Occupancy.
- b. Upon amendment to the Plan, the Sponsor's engineer or architect certifies that a lesser sum will be reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy, in which event those sums exceeding the amount so certified by the Sponsor's engineer or architect may be released from the escrow account, provided that the Sponsor will deposit with an escrow agent in the form of an unconditional, irrevocable letter of credit or posts a surety bond in the amount so certified.

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

The Premises and the Units are being delivered in their newly renovated and newly constructed condition and prospective Purchasers are cautioned to carefully inspect the physical condition of the Unit which they intend to acquire. All Units are to be conveyed in their newly renovated or newly constructed condition, as the case may be, as described in "DESCRIPTION OF PROPERTY AND SPECIFICATIONS OR BUILDING CONDITIONS," as set forth below, beginning on Page D1 of the Plan.

The Sponsor will not be obligated to correct, repair or replace any and all defects relating to renovation or construction of Units, the General Common Elements and Limited Common Elements, or in the installation or operation of any appliances, fixtures or equipment therein, except as expressly provided in this Plan. Except as expressly provided in the Limited Warranty described below, the Sponsor will not warrant the materials or workmanship of any Unit or any of the Common Elements. At the Closing of each Unit, the Sponsor will deliver to each Purchaser (for his/her/their Unit) a Limited Warranty substantially in the form set forth in Part II Page K1 of the Plan. Such Limited Warranty excludes all consequential, incidental, special and indirect damages except as required by law or except as otherwise set forth therein. Such Limited Warranty (a) excludes all other warranties of every kind, express and implied, on the renovation and/or construction and sale of the Units, its workmanship and materials, and its fitness for use and habitability, and (b) is in lieu of all other warranties (including without limitation those pursuant to The Housing Merchant Implied Warranty Law—New York General Business Law Article 36(B).

The Sponsor is only warranting workmanship and materials as specified in "THE HOUSING MERCHANT IMPLIED WARRANTY" and then in an amount not to exceed 75% of the purchase price of the Unit. Purchasers of newly constructed and renovated Units are entitled to a Housing Merchant Implied Warranty. A copy of the Limited Warranty is attached in Part II of the plan, beginning on page K1. The Limited Warranty covers the following for the following periods of time:

- (a) For one (1) year, the Unit must be free from defects caused by workmanship or materials that do not meet the standards of the applicable building code; for items not in accordance with locally accepted building practices;
- (b) For two (2) years, the plumbing, electrical, heating, cooling and ventilation systems must be free from defects caused by unskilled installation; and
- (c) For six years, the Unit must be free from physical defects in the structural elements (foundation, floors, walls, roof framing) which make it unsafe or unlivable.

The following items are not covered by the Limited Warranty:

- (a) A defect not caused by defective workmanship, materials or design;

- (b) A patent defect which was obvious or would have been obvious upon inspection; and
- (c) Defects in items sold with the Unit, such as stoves, refrigerators, air conditioners, etc. There are limited warranties from the manufacturers of such goods, which will be transferred to the Purchaser upon the closing of the Unit.

Purchasers must give notice of any defects in their Units in writing no later than thirty (30) days after the end of the warranty period. A form of notice is attached to the Limited Warranty.

Notwithstanding anything else herein to the contrary, the Sponsor's obligations, regardless of any limitations in the warranty cannot go below the duty to construct the premises in accordance with all applicable codes and filed plans and specifications, and any conflict between the disclaimers and the Sponsor's obligations to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter.

The Sponsor makes no warranties as to appliances except that it will deliver to each Purchaser the manufacturer's warranties with respect to equipment and appliances installed in the Unit to the Unit Owner and assign any warranties with respect to equipment and appliances installed in the Common Elements to the Board of Managers. Subsequent to the Unit closing, the Sponsor has no obligation to make any repair to the Units or the Common Elements, except as expressly set forth in the Offering Plan.

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

The Sponsor agrees to deliver a set of "as-built" plans to the Board of Managers.

In the event there is any casualty to be repaired by the Sponsor or work to be completed by the Sponsor in the Units is not fully completed at the time the Building becomes occupied, the Sponsor will have the right to enter the premises to complete work the Sponsor deems necessary to fulfill its obligations under the Plan or Purchase Agreement. Any such entry will be conducted in such a manner as to produce a minimum of discomfort to Unit Owners, and may be done provided:

- a. such work is performed on Common Elements and vacant Units only between 8:00 A.M. and 10:00 P.M. on any day;
- b. such work is performed in any occupied Unit only between 8:00 A.M. and 6:00 P.M. on non-holiday weekdays;
- c. any damage created by virtue of such work, whether to the Common Elements or any Unit, is repaired in a good and workmanlike manner.

If the Sponsor does such repair or construction work, it may be noisy and/or dusty. If there is damage because of a casualty to Common Elements that must be repaired, access to Units by the Sponsor or the Board of Managers may be necessary to repair such damage.

Each Unit, and the fixtures and personal property contained therein, is being sold and delivered "AS BUILT", as described in the Plan, at the time of transfer of title to such Unit, unless the Sponsor and Purchaser of such Unit otherwise agree in writing. The Purchaser of a Unit will inspect such Unit prior to the Closing Date and will execute at such time an Inspection Statement acknowledging the Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if a Purchaser finds that the Sponsor's improvements as described in the Plan or in the Purchase Agreement for such Unit or other writing duly executed and delivered by the Sponsor have not been fully completed, although such improvements have been substantially completed, then the Sponsor or its designated representative and the Purchaser will at the time of such execution agree upon and set forth in the Inspection Statement a list of the incomplete work to be completed in the Unit by the Sponsor following the Closing for such Unit. The Sponsor's obligation thereunder will survive delivery of the deed to the Purchaser. The failure of the Sponsor to complete such work will not be a ground for the Purchaser to delay the closing. No monies

shall be escrowed by the Sponsor for completion of such work. The Sponsor and its contractors, subcontractors, agents and employees, will have a right of access to enter the Unit after closing in order to complete such work.

The Sponsor will deliver to the Board of Managers all books of account and records pertaining to the Building's operation which are in the Sponsor's possession on the Closing Date.

The Sponsor has the right to designate the first members of the Board of Managers of the Condominium. Such members will have voting control of the Board until the first meeting of Unit Owners. So long as the Sponsor or its designee(s) will continue to own one Unit in the Condominium, but not later than the second anniversary of the First Closing, the Board of Managers may not undertake certain actions discussed in the following section, "**CONTROL BY THE SPONSOR**" beginning on page 63, without the Sponsor's prior written consent.

The Sponsor may sell, mortgage and lease its Unit(s) without the requirement of any consents. Any Unit owned by a Sponsor will have the right to use, lease, sell, mortgage or transfer the Unsold Units subject only to the consent of the Sponsor, without first obtaining the consent of the Board of Managers and without being charged any fee, levy or any assessment arising from such occurrence.

Copies of the Plan and all exhibits or documents referred to herein, including Exhibits, A, B and C, will be available for inspection by prospective purchasers and by any person who will have purchased Units under the Plan or will have participated in the offering of such Units, at the office of the Sponsor's attorney, Hannah Vining, Esq., 39 East Pembroke Road, Danbury, CT 06811 and will remain available for a period of six years from the date of the First Closing for such inspection and will be available at the office of the Attorney General of the State of New York, Real Estate Financing Bureau, 120 Broadway, New York, New York 10271. All documents may be copied at a reasonable charge after reasonable notice is given to the attorney.

The Sponsor will comply with the trust fund and escrow provisions of the New York General Business Law Section 352-h and Section 352-e(2-b) and all applicable regulations of New York State Department of Law. The Sponsor will provide prospective Purchasers of Units from the Sponsor with a copy of the Plan and all filed amendments thereto.

The Sponsor shall comply with Local Law 58—Handicapped Access Law.

THE SPONSOR RESERVES THE RIGHT TO RENT RATHER THAN SELL UNITS, AS LONG AS THE SPONSOR IS UNABLE TO MARKET THEM AT MAXIMUM PRICE AS DISCLOSED IN THE OFFERING PLAN. BECAUSE THE SPONSOR IS RETAINING THE RIGHT TO RENT MORE THAN 49% OF THE UNITS IN THE BUILDING AFTER THE BUILDING IS CONVERTED TO CONDOMINIUM OWNERSHIP, FUTURE MARKETABILITY OF ALL UNITS MAY BE ADVERSELY AFFECTED AND PURCHASERS MAY NEVER GAIN EFFECTIVE CONTROL OF THE CONDOMINIUM BOARD OF MANAGERS. It is impossible to state the percentage of Units the Sponsor will sell and the time it will take to sell such Units, since it depends upon factors that are not predictable at this point in time, such as the market conditions for Unsold Units. All Unsold Units may remain unsold indefinitely and the Sponsor may dispose of such Units as it chooses, including selling to investors, renting to tenants, permitting occupancy by relatives or others, allowing them to remain vacant or selling to Purchasers for personal occupancy. If the Sponsor later chooses to sell a greater number and percentage of Units to the public for personal occupancy than disclosed in the initial offering plan, the plan must be amended to disclose that fact, even though the Sponsor retains the right to sell to persons for personal occupancy under the initial offering. If the Sponsor makes a bulk sale of all or some of its unsold Units, the transferee is bound by the Sponsor's representations regarding its commitment, if any, to sell Units, as they become vacant. It then may be difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum occupancy requirements, or they may have to take out a smaller loan in order to obtain financing. Each Purchaser should check with his/her lending institution to verify the specific pre-sale requirements of such institution, since such requirements vary.

CONTROL BY THE SPONSOR

The Sponsor's control of the Board of Managers of the Condominium will be subject to the following conditions:

The By-Laws are reproduced in Part II, beginning on Page F1. A summary of certain pertinent provisions of these By-Laws is set forth below: the By-Laws limit the number of individuals on the Board of Managers to not less than three (3) and not more than seven (7) members. The first Board of Managers to be elected by the Unit Owners shall consist of five (5) members.

At the time of the First Closing there will be three Managers designated by the Sponsor. However, these Managers will resign in favor of Managers who will be elected by Purchasers at a meeting to be convened within thirty (30) days after the First Closing. They may, however, be re-elected at such a meeting.

The Managers shall be elected at the Annual Meeting of Unit Owners or at a Special Meeting called for that purpose as provided by law, by a plurality of votes cast at such meeting. The Sponsor shall vote for Managers. However, until the second anniversary of the first closing of title to a Unit, or until such time as the Sponsor owns less than 50% of the Units in the Building, whichever shall first occur, the Sponsor shall control the Board of Managers. After such time, the Sponsor shall not control the Board of Managers. In no event will the Sponsor control the Board of Managers after the second anniversary of the First Closing. The term of office of Managers shall be until their respective successors are elected and qualify, but in any event, the members of the Board shall serve a term of one (1) year. A meeting to elect a new Board of Managers shall be held within thirty (30) days after the sale of more than 50% Units or 2nd anniversary of the First Closing, whichever shall first occur. The By-Laws do not provide that after two years, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household. They must, however, be unrelated to the Sponsor and its principals. Unless and until a majority of the Board of Managers are residents of the Building and unrelated to the Sponsor, owner-occupants will not gain effective control and management of the building. Owner-occupants and non-resident Owners of Units may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing or retaining a Unit in the Building, such as using it as a home as opposed to an investment (an Owner may be an Owner occupant of a Unit and at another time an investor, subject to the Condominium's right of first refusal, and an investor may at any time become the Owner occupant of a Unit).

The Board of Managers will be responsible for the operation of the affairs of the Condominium, including but not limited to, the fiscal operation, repairs, and maintenance of the Common Elements of the Property, replacement and capital improvements to the Common Elements of the Property, the hiring, supervision and discharging of employees and Managing Agent (if any), and the enforcement of the provisions of the By-Laws of the Condominium. The Managers shall serve without compensation or remuneration.

So long as a majority of the Board of Managers consists of the Sponsor or persons elected by it, the Managers elected by the Sponsor:

1. Shall not eliminate or reduce the number of employees, insurance coverage, or any service to a level less than that provided in Schedule B of the Plan unless a majority of those Managers who are unrelated to the Sponsor vote in favor thereof (in which case the Managers elected by the Sponsor may vote in favor of, or against, such action, in their sole discretion);

2. Shall to the extent of their authority as Managers, use all reasonable efforts to cause the Building (including its equipment, services, and installations) to be kept operational, clean, and in a good state of repair and condition;

3. The By-Laws further provide that until such time as the Sponsor owns less than 25% of the Units, or by the second anniversary of the First Closing, whichever shall first occur, the Board of Managers shall not take any of the following actions unless the Sponsor approves such actions in writing:

- (a) Increase the number or change the type of employees from that described in the footnotes to Schedule B;

- (b) Provide for new or additional services from those indicated in the footnotes to Schedule B, unless the annual cost of such new or additional services, when added to the annual cost of all other service being provided, is no greater than provided in said footnotes;
- (d) Impose any rent, Common Charge, assessment or other charge (regular or special against Unit Owners for the purpose of making any capital or major improvement or addition, unless required by law or established by the Offering Plan; or
- (e) Establish any reserves (other than reserves already established by law and/or by the Offering Plan), including a reserve for contingencies, repairs, improvements or replacements other than a twelve-(12)-month reserve for contingencies not exceeding five percent (5%) of the budgeted operating expenses for the ensuing twelve (12) months of Condominium operation.

However, notwithstanding anything contained herein to the contrary, the Sponsor shall not veto the expenses set forth in Schedule B, capital repairs, or expenditures required to comply with applicable laws or regulations and/or expenses or capital repairs necessary to remedy notice of violations of law or of a work order by an insurance carrier.

The Condominium may take any of the actions enumerated in clauses (a) through (e) above if the cost of such actions, when added to all other budgeted expenses of the Condominium, shall not result in increasing the Common Charges for any year of operation by more than 5% from the previous year's Common Charges.

As long as the Sponsor shall continue to own a Unit, the Board of Managers may not, without the Sponsor's prior written consent (i) amend the Declaration or the By-Laws so as to in any way adversely affect the Sponsor, in the sole judgment of the Sponsor; (ii) interfere with the offer and sale or leasing of Units or the operation of general sales and leasing offices at the Property; or (iii) interfere with actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor. The Sponsor shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the provisions of the By-Laws, the Sponsor 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.

All members of the Board of Managers shall serve without compensation. Any member of the Board of Managers who is elected by the Sponsor, may contract or deal with the Sponsor, or a partner, affiliate or entity controlled by the Sponsor, and no other member of the Board of Managers or any Unit Owner may claim that such person elected by the Sponsor is self-dealing, unless such contract is not commercially reasonable (commercially reasonable means performing like services of similar kinds of contracts at the prevailing cost of such services or less), or fraudulent, or the members of the Board of Managers acted in bad faith or there was misconduct or the part of the members of the Board of Managers.

Any Manager or Officer may be removed from office at any time with or without cause upon the affirmative vote of Unit Owners who own at least 50% of the Common Interest of the Condominium at a Unit Owners meeting duly called for the purpose, provided, however, that the Manager(s) elected by the Sponsor can be removed only for cause by a vote of the majority in Interest of Unit Owners or without cause by the Sponsor.

The members of the Board of Managers, including the Sponsor, shall not be liable to the Unit Owners for any mistake of judgment or negligence, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each member 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 such contract shall have been made in bad faith or contrary to the provisions of the Declaration or 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 designated by the Sponsor, to contract with the Sponsor and affiliated persons and/or entities without fear of being charged with self-dealing, unless such contract is not commercially reasonable (commercially reasonable means performing like services of similar kinds of contracts at the prevailing cost of such services or less), or fraudulent, or the members of the Board of Managers acted in bad faith or there was misconduct on the part of the

members of the Board of Managers. Notwithstanding anything else herein to the contrary, all members of the Board of Directors shall have a fiduciary duty to the Unit Owners. The Sponsor shall indemnify all original members of the Board of Managers prior to the first meeting with Unit Owners for all actions, except willful misconduct or bad faith. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers shall be limited to such proportion of the total liability thereunder represented by his/her percentage of interest in the Common Elements. Every agreement made by the Board of Managers or by the Managing Agent or by the Managers 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 of the Unit Owners. 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 each member of the Board of Managers, or Managing Agent or the Manager, as the case may be, are acting only as agent of 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 represented by his/her percentage of interest in the Common Elements.

THE SPONSOR RESERVES THE RIGHT TO RENT RATHER THAN SELL UNITS, AS LONG AS THE SPONSOR IS UNABLE TO MARKET THEM AT MAXIMUM PRICE AS DISCLOSED IN THE OFFERING PLAN. BECAUSE THE SPONSOR IS RETAINING THE RIGHT TO RENT MORE THAN 49% OF THE UNITS IN THE BUILDING AFTER THE BUILDING IS CONVERTED TO CONDOMINIUM OWNERSHIP, FUTURE MARKETABILITY OF ALL UNITS MAY BE ADVERSELY AFFECTED AND PURCHASERS MAY NEVER GAIN EFFECTIVE CONTROL OF THE CONDOMINIUM BOARD OF MANAGERS. It is impossible to state the percentage of Units the Sponsor will sell and the time it will take to sell such Units, since it depends upon factors that are not predictable at this point in time, such as the market conditions for Unsold Units. All Unsold Units may remain unsold indefinitely and the Sponsor may dispose of such Units as it chooses, including selling to investors, renting to tenants, permitting occupancy by relatives or others, allowing them to remain vacant or selling to Purchasers for personal occupancy. If the Sponsor later chooses to sell a greater number and percentage of Units to the public for personal occupancy than disclosed in the initial offering plan, the plan must be amended to disclose that fact, even though the Sponsor retains the right to sell to persons for personal occupancy under the initial offering. If the Sponsor makes a bulk sale of all or some of its unsold Units, the transferee is bound by the Sponsor's representations regarding its commitment to sell Units. It then may be difficult for a Purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum occupancy requirements, or they may have to take out a smaller loan in order to obtain financing. Each Purchaser should check with his/her lending institution to verify the specific pre-sale requirements of such institution, since such requirements vary.

THE BOARD OF MANAGERS

The By-Laws limit the number of Managers to not less than three (3) nor more than seven (7) persons. The first Board of Managers to be elected by Unit Owners will consist of five (5) Managers.

Any or all such Owners (including the Sponsor, if the Sponsor shall own one or more Units) shall be entitled to cast one vote for each .01 percent 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 as specifically provided by these By-Laws. For instance if a Unit has 4.95% interest in the Common Elements, its Owner would have 495 votes. 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 the Unit shall agree among themselves and cast the votes for their Unit as a single vote. A fiduciary shall be the voting member with respect to any Unit held in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote. A Unit Owner defaulting in payment of Common Charges or assessments shall not be permitted or entitled to vote at any regular or special meeting of Unit Owners.

Although the By-Laws provide that after the sale of 51% of the Units in the Condominium or after two years from the First Closing, the Sponsor and/or Sponsor-Designee will not control the Board of Managers, such By-Laws do not provide that the Board of Managers shall be controlled by Owner occupants or members of owner-occupants' households who are unrelated to the Sponsor and its principals. Unless and until a majority of the Board of Managers are residents of the Building and unrelated to the Sponsor, owner-occupants will not gain effective control and management of the building. Owner-occupants and non-resident Owners of Units may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing or retaining a Unit in the Building, such as using it as a home as opposed to an investment (an Owner may be an Owner occupant of a Unit and at another time, by renting his/her/their Unit, an investor (subject to the Condominium's right of first refusal) and an investor may at any time become the Owner occupant of a Unit.

The number of Managers of the Condominium shall not be less than three (3), nor more than seven (7), as may from time to time be herein provided and in the absence of such provisions shall be five (5). Until the first election of Managers by the Unit Owners, the number of managers shall be as disclosed in the offering plan for the Property. Commencing with the first election of Managers by Unit Owners, and until changed by amendment to these By-Laws, the number of Managers shall be not less than five. Such a meeting will be held within a reasonable time after the First Unit Closing. The number of Managers shall not be decreased to a number less than the number of Managers then in office except at any Annual Meeting of Unit Owners. The Managers shall hold office until their successors have been elected and hold their first meeting. But in any event, the members of the Board of Managers shall serve a term of one (1) year each. Each Manager may be re-elected for another term, however.

The Managers shall be elected at the Annual Meeting of Unit Owners or at a Special Meeting called for that purpose as provided by law, by a plurality of votes cast at such meeting. The Sponsor shall vote for Managers. However, after the second anniversary of the first closing of title to a Unit, or until such time as the Sponsor owns less than 50% of the Condominium, whichever shall first occur, the Sponsor shall not control the Board of Managers. The term of office of Managers shall be until their respective successors are elected and qualify, but in any event, the members of the Board shall serve a term of one (1) year. A meeting to elect a new Board of Managers shall be held within thirty (30) days after the sale of 51% of the Common Interest of the Condominium.

The Annual meeting of the Unit Owners of the Condominium, for the election of the Board of Managers and for such other business as may properly come before such meeting, shall be held in the Borough of Brooklyn, City of New York, at such time and place each year as may be designated by the Board. The notice of the meeting shall be in writing and signed by the President or a Vice President or the Secretary or assistant Secretary. Such notice shall state the time when and the place within the state where it is to be held, and the Secretary shall cause a copy thereof to be delivered personally or mailed to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than 40 days before the meeting. If mailed, it shall be directed to each Unit Owner at his/her address as it appears in the records of the Condominium, unless he/she shall have filed with the Secretary of the Condominium a written request that notices intended for him/her be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Special meetings of Unit Owners, other than those the calling of which is regulated by statute, may be called at any time by the President or Secretary or by a majority of the Board of Managers. Also, it shall be the duty of the Secretary to call such meetings; however, the special meetings must be requested in writing by Unit Owners owning at least twenty-five percent (25%) in number and Common Interest of the Condominium. The Secretary shall cause a notice of such Special Meeting, stating the time, place, and object thereof and the officer or other person or persons by whom the meeting is called, to be delivered personally or mailed, as provided in the By-Laws, to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before such meeting. No business other than that stated in such notice shall be transacted at such Special Meeting unless the Owners of all the Units of the Condominium be present thereat in person or by proxy.

At the time of the First Closing, officers and Managers shall be designated by the Sponsor. Managers and Officers of the Condominium will be: Louis Greco, the principal of the Sponsor and Hannah Vining, the attorney for the Sponsor, and Thomas Adams, an assistant to Ms. Vining. However, these officers and Managers will resign in favor of officers and Managers who will be elected by the Unit Owners at the first annual meeting of Unit Owners to be convened within a reasonable time after the First Closing or they may be re-elected at such meeting.

Managers shall be elected annually at the regular Unit Owners meeting by a plurality of votes cast at a meeting at which a quorum is present. Each Unit Owner shall be entitled to cast for each Manager to be elected by him/her the number of votes appurtenant to his/her Unit.

The first meeting of the Board of Managers shall immediately follow the annual meeting of Unit Owners and thereafter regular meetings of the Board of Managers shall be scheduled as often as the Managers deem desirable, but at least once monthly. Special meetings of the Board of Managers shall be held upon the request of any Manager then holding office.

The officers and Managers will be responsible for the operation of the affairs of the Condominium, including, but not limited to, the fiscal operation, repairs, and maintenance of the General Common Elements of the Property, replacement, and capital improvements to the General Common Elements of the Property, the hiring, supervision and discharging of employees and Managing Agent (if any), and the enforcement of the provisions of the By-Laws. The officers and Managers shall serve without compensation or remuneration.

Any Manager may resign at any time by written notice delivered in person or sent by certified mail to the President or Secretary of the Condominium. Such resignation shall take effect at the time specified therein, and unless, specifically requested acceptance of such resignation shall not be necessary to make it effective.

Any Manager may be removed from office at any time with or without cause upon the affirmative vote of Unit Owners whose aggregate interest in the General Common Elements is at least 50% (a quorum) at a Unit Owners' meeting duly called for the purpose, provided, however, that the Manager(s) elected by the Sponsor can be removed only for cause by vote of a majority of the Unit Owners or without cause by the Sponsor.

Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of Unit Owners shall be filled by a vote of a majority of the remaining members of the Board of Managers at a special meeting of the Board of Managers held for the purpose promptly after the occurrence of 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, any vacancy on the Board by a member elected by the Sponsor, whether arising from resignation, removal, death, or otherwise, shall be filled only by the Sponsor.

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 those which by law or by the Declaration or the 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:

1. Contracting for the necessary services for the operation, care, upkeep and maintenance of the Common Elements.

2. Determination of Common Charges required for the affairs of the Condominium, including without limitation the operation and maintenance of the Property.
3. Collection of Common Charges and expenses of the Condominium from the Unit Owners.
4. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.
5. 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.
6. Opening of bank accounts on behalf of the Condominium and designating the signatories required therefore.
7. 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.
8. 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.
9. Acquiring in the name of the Board of Managers, or its designee, corporate or limited liability company 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.
10. 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.
11. Organizing corporations and limited liability companies to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners.
12. Obtaining and reviewing of insurance for the Property.
13. 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.
14. Negotiation and settlement of all claims and actions relating to the Condominium.
15. Borrowing money on behalf of the Condominium when required in connection with the operation, maintenance, care, upkeep, repair, restoration, improvement, alteration and replacement 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 \$50,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of Unit Owners. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority of the By-Laws is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his/her interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which the creditor shall have filed or shall have the right to file against the Unit Owner's Unit.
16. Levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property.

17. To enter into and upon the Units when necessary and at as little inconvenience to the Unit Owners as possible in connection with the maintenance, care, and preservation of the Property.
18. To enforce by legal means the terms, covenants and conditions contained in the By-Laws and Declaration and to bring or defend against any proceedings that may be instituted on behalf of or against Unit Owners;
19. To execute, acknowledge and deliver: (a) any declaration (including a declaration of single zoning lot) or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building and (b) any consent, covenant restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate;
20. To prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration or the By-Laws, whenever, in the Board of Managers' estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions therefore made to the same.
21. To prepare, execute, acknowledge and institute on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, protests of real property tax assessments and tax certiorari proceedings with respect to all Units and to assess any costs incurred thereby as a Common Expense. In the event any Unit Owner individually seeks to have the assessed valuation of his/her/their Unit reduced by bringing a separate certiorari proceeding, the Board of Managers, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing such reduction provided that such Unit Owner indemnifies the Board of Managers from all claims, costs and expenses (including without limitation, reasonable attorneys' fees) resulting from such proceedings.
22. To maintain complete and accurate books and records with respect to the finances and operation of the Condominium, including without limitation: (a) detailed accounts, in chronological order, of receipts and expenditures affecting the Property; (b) detailed books of account of the Board of Managers (and other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of the By-Laws); and (c) minutes and other records of all meetings held pursuant to the terms of the By-Laws.
23. To adopt a budget for the Condominium for each fiscal year thereof setting forth without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year; and (b) a detailed projection of all sources and amount of income necessary to discharge same.
24. To carry out any other duties imposed upon the Board of Managers pursuant to the Declaration and By-Laws.

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 willful misconduct or bad faith. The Unit Owners shall severally indemnify the members of the Board of Managers against any liability or claims except those arising out of bad faith or willful misconduct of a member or members of the Board of Managers. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. The original Board of Managers, who are designated by the Sponsor, may contract with the Sponsor and affiliated entities or individuals without being charged with self-dealing unless such contract is not commercially reasonable (commercially reasonable means performing like services of similar kinds of contracts at the prevailing cost of such services or less), or fraudulent, or the members of the Board of Managers acted in bad faith or there was misconduct on the part of the members of the Board of Managers. Notwithstanding anything else herein to the contrary, the members of the Board of Managers have a fiduciary duty to the Unit Owners. The original Board of Managers prior to the first meeting with Unit Owners shall be indemnified for all actions by the Sponsor, except for willful misconduct or bad faith. 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 aggregate interest in the General Common Elements of all Unit Owners. Every agreement made by the Board of Managers or by the Managing Agent on behalf of the Condominium shall provide that the members of the Board of Managers, or the Managing Agent, 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 or except for willful misconduct or bad faith), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his/her interest in the General Common Elements bears to the aggregate interest in the General Common Elements of all Unit Owners.

All members of the Board of Managers and all officers shall serve without compensation or remuneration.

The Principal officers of the Condominium shall be the President and the Vice President, who are automatically Board Members, and 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, must be members of the Board of Managers.

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 each officer shall hold office at the pleasure of the Board of Managers, or until his/her successor is elected or until his/her resignation, or upon his/her death or incapacity.

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/her successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

The 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. As long as the Sponsor shall continue to own a Unit the Board of Managers may not, without the Sponsor's prior written consent (i) amend the By-Laws so as to in any way adversely affect the Sponsor, in the sole judgment of the Sponsor, or (ii) interfere with the offer and sale or leasing of Units or with the operation of general or sales and leasing offices at the Property; or (iii) interfere with actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor. The Sponsor shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the provisions of the By-Laws, the Sponsor 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.

The Declaration may be amended, modified, added to or deleted from by vote of at least 66-2/3% in number and 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 common interest of all Unit Owners. However, the Sponsor and adversely affected mortgagees and Unit Owners must consent in writing. The Sponsor has the right to amend the Declaration at any time for the purpose of filing Floor Plans required by the New York State Real Property Law Section 339-p. The Sponsor may also amend the Declaration at any time to change percentages of General Common Interest of Unsold Units resulting from changes in layout and other alterations as permitted by the Plan and Declaration.

The Condominium shall continue (unless terminated by reason of casualty loss or by condemnation) until such time as the Condominium shall be legally abandoned and terminated as a result of the vote of at least eighty (80%) percent in number and common interest of the Unit Owners, at which time the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, and the net proceeds of the sale resulting therefrom shall be divided among all Unit Owners in proportion to their respective interests in the General Common Elements, after first applying the share of the net proceeds of such sale otherwise payable to each Unit Owner to the payment of any liens on his/her Unit in the order of the priority of such liens.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

SALES, LEASES, AND MORTGAGES OF UNITS

All Unit Owners may sell or lease their Units. However, no Unit Owner other than the Sponsor may sell or lease his/her Unit or any interest therein except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer for the sale or lease of his/her Unit ("**Outside Offer**") which he/she intends to accept shall notify the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee (the "**Outside Offeror**"), the terms of the proposed transaction, and such other information as the Board of Managers may reasonably require, and shall offer ("**Board Offer**") to sell or lease such Unit, 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 an Outside Offer to the Board of Managers on behalf of the other Unit Owners that such Unit Owner believes that the Outside Offer is bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may elect, by notice given within five (5) days after making of such election, and, in any event, within the thirty-(30)-day period to such Unit Owner, by certified or registered mail, to purchase or lease such Unit on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

In the event the Board of Managers shall elect to purchase or lease the Unit, title shall close, or the lease shall be executed, in accordance with the terms of such Offer, but in no event more than ninety (90) days after giving of notice by the Board of Managers of its election to accept the Board Offer. If the selling Unit Owner's existing mortgage is not satisfied, the Board of Managers will purchase the Unit and assume or take title subject to the existing mortgage, if possible.

In the event the Board of Managers or its designee shall fail to accept the Outside Offer within thirty (30) days after receipt of notice as aforesaid, the offering Unit Owner shall be free to contract to sell or lease his/her Unit within thirty (30) days after the expiration of the period in which the Board of Managers or its designee might have accepted the Board Offer, to the Outside Offeror on substantially the same terms as in the Board Offer.

Any such deed to an Outside Offeror shall provide that the 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 the 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, that the tenant shall not sublet the demised premises or any part thereof without the prior written consent of the Board of Managers, and the Board of Managers shall have the power to terminate the lease and/or bring summary proceedings to evict the tenant in the performance of the lease. The terms of the lease for Units shall be approved in writing by the Board of Managers.

Any purported sale or lease of a Unit in violation of the above right of first refusal, except by the Sponsor, shall be voidable at the election of the Board of Managers.

The Board of Managers shall not exercise any option herein above set forth to purchase or lease any Unit without the prior approval of the Unit Owners owning a majority of the Common Interest of the Condominium and the unanimous consent of the Sponsor(s). The Board of Managers may lease or sell such Unit. The Board of managers may not discriminate against any person on the basis of race, creed, color, national origin sex, age, disability, marital status, sexual orientation or other grounds prohibited by law. The Unit may be used in any manner consistent with the By-Laws, as long as such use conforms with all applicable laws, regulations, rules, and ordinances of governmental authorities having jurisdiction thereof.

Subject to the provisions described above requiring the Board of Managers to obtain the consent of Unit Owners and the consent of the Sponsor, acquisition of Units by the Board of Managers may be made from the working capital and Common Charges in the hands of the Board of Managers. If such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner in proportion to his/her ownership in the Common Elements as a Common Charge. The Board of Managers may also in their discretion borrow money to finance the

acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit to be acquired by the Board of Managers or its designee. If the Board of Managers leases the Unit it may at its discretion sublet the Unit to any person it so desires, provided it does not discriminate on any grounds prohibited by law and the proceeds for the sublease may be used in any manner deemed appropriate by the Board of Managers. If the Board of Managers sells a Unit, it may dispose of the proceeds, subject to the terms of any loan on the Unit, in any manner it deems appropriate including but not limited to using the proceeds to lower Common Charges or adding the proceeds to the Building's reserve fund.

The provisions describing the Board of Managers' right of first refusal shall not apply with respect to any sale or conveyance by a Unit Owner of his/her Unit to his/her spouse or any of his/her children or grandchildren, to his/her parent or parents, or to his/her brothers or sisters or to any one or more of them; and they shall not apply to a Unit owned by the Sponsor or to the acquisition or sale of a Unit by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. However, the provisions describing the right of first refusal shall apply with respect to any purchaser of such Unit from such mortgagee.

The Board of Managers may not discriminate against any person in the sale and/or leasing of a Unit on the basis of race, creed, color, national origin, sex, age disability, marital status, or other grounds prohibited by law.

The restrictions and limitations upon the sale and lease of Units set forth in this Section may be amended from time to time by 66-2/3% in number and Common Interest of all Unit Owners, as specifically provided in the By-Laws. However, it should be noted that the By-Laws cannot be amended in any way that would adversely affect the interests of the Sponsor without the written consent of the Sponsor.

It is a condition of renting a Unit owned by any person other than the Sponsor that both the Owner and Renter of a Unit appoint the Board of Managers as the Owner's agent to collect rent due on the rented Unit. It is to be agreed to and understood by both the Owner who rents and tenant of such Unit that the Board of Managers has no obligation to collect such rent, but has the option to do so. If the Board of Managers elects such option, the monies will be paid as follows: (i) the Board of Managers will be reimbursed for any monies previously owed it; (ii) the Board of Managers will be paid for any monies presently due it; and (iii) any excess will be paid to the Owner by mailing to him/her/it at the address provided by such Owner to the Managing Agent of the Condominium.

By renting a Unit, the Owner thereby appoints the Board of Managers as his/her/its agent to enforce all rights of such Owner and the Board of Managers and all of the obligations of the tenant under any lease and grants to the Board of Managers the right to cure any breach thereunder, including, but not limited to, any right to bring any action or proceeding at law or in equity that the Owner or the Board of Managers may have. It is understood and agreed to that this agency does not in any way obligate the Board of Managers to act, but merely gives the Board of Managers the right to do so, at the sole option of the Board of Managers.

The provisions contained in the above two paragraphs (Article XV, Section 6 of the By-Laws) shall be added to any and all leases of Units in the Building, except those of the Sponsor. Any lease of a Unit, except as excluded hereby, without this language shall be deemed to include the provisions of Article XV, Section 6 of the By-Laws.

MORTGAGES

Unit Owners may mortgage their Units. However, no Unit Owner shall mortgage his/her Unit except by a first and/or second mortgage made to a bank, trust company, insurance company, federal savings and loan association, pension fund, or other institutional lender or a purchase-money mortgage made to the Sponsor or to the seller of the Unit. Any such mortgage shall be as required by the Lender and a copy of such mortgage shall be filed with 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, as the case may be. However, the Sponsor may mortgage any of its Units to any person or entity without the prior approval of the Board of Managers or any other person. 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 thereto.

NO SEVERANCE OF GENERAL COMMON ELEMENTS

No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging his/her Unit without including therein the Unit Owner's interest in the General Common Elements, it being the intention of this rule of the By-Laws to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Unit Owner's interest in the General Common Elements may be sold, transferred, or otherwise disposed of, except as part of a sale, transfer, or other disposition of the Unit or as part of a sale, transfer, or other disposition of the specific interests in the General Common Elements by all Unit Owners.

COMMON CHARGES AND ASSESSMENTS

The Board of Managers shall from time to time, but at least annually, prepare a budget for the Condominium; determine the amount of Common Charges payable by the Unit Owners; and allocate and assess such Common Charges among the Unit Owners according to the General Common Elements. 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. The Common Expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operation reserve, for a reserve fund for capital replacements (within the limits set by the By-Laws), and 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 Owners have elected to sell or lease such Unit, or of any Unit which is to be sold at foreclosure or other judicial sale. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such Common Charges are based to all Unit Owners and their mortgagees of record.

Notwithstanding anything to the contrary contained in the By-laws, so long as the Sponsor, new Sponsor, or Sponsor shall continue to own a Unit, but in no event for a period in excess of two (2) years from the first closing of title to a Unit, the Board of Managers may not without the written consent obtained from the Sponsor (i) increase the number or change the type of employees from those described in the notes to Schedule B of the Offering Plan; (ii) provide for new or additional services from those indicated in the notes to Schedule B of the Offering Plan, unless the annual cost of such new or additional service or employee, when added to the annual cost of all other services being provided, is no greater than that provided in said notes; (iii) make any addition, alteration or improvement in the Common Elements or to any Unit; or (iv) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund that may be created, except as already established by applicable law or the Offering Plan; that these shall not result in increasing the Common Charges for any year of operation by more than 5% of the previous year's Common Charges. However, notwithstanding anything contained in the By-Laws to the contrary, the Sponsor, shall consent to the expense set forth in Schedule B of the Offering Plan or expenditures required to comply with applicable laws or regulations or expenses necessary to remedy notice of violations of law or work orders from an insurance carrier. The Condominium may take any of the actions enumerated in clauses (i) through (iv) above if the cost of such actions, when added to all other budgeted expenses of the Condominium, shall not result in increasing the Common Charges for any year of operation by more than 5% from the previous year's Common Charges.

Under the provisions of Section 339-z of the Condominium Act, the Board of Managers on behalf of the Unit Owners shall have a lien on each Unit for unpaid Common Charges assessed against such Unit by the Board of Managers, together with interest thereon. Such lien shall be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on the first mortgage of record on such Unit. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of a notice thereof in the Kings County Office of the City Register, and until all sums secured thereby with 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 unpaid Common Charges without foreclosing the lien.

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 attorney's 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 attorney's 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-aa of the Condominium Act. 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.

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 after judgment of foreclosure for the use of his/her Unit. The plaintiff in such a foreclosure action shall be entitled to the appointment of a receiver to collect the rent. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at a 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. The proceeds from the sale of any Unit pursuant to this section shall be used first to pay the unpaid Common Charges and/or assessments of such defaulting Unit Owner, plus reasonable attorney's fees and administrative costs and any other lawful liens of the defaulting Unit. If after the sale of the Unit for nonpayment of Common Charges and/or assessments, the sale does not recover the full amount due and owing, the Board of Managers has the right to assess all Unit Owners as a Common Expense for the difference between the amount received by the Condominium from the sale of the Unit and the amount owed to the Condominium.

In the event payment of Common Charges, special assessments or late fees by a Sponsor or other investor who does not occupy the Unit is more than 30 days late, rental payments from the tenant shall become directly payable to the Board of Managers. When the non-occupying owner resumes payment of Common Charges on a current basis, tenants of such Units will be notified within three business days of such payments becoming current and their rental payments will once again be payable to the non-occupying Owner.

Payment by the tenant to the Board of Managers done pursuant to New York State General Business Law, Section 352-e(2-d) relieves the tenant from the obligation to pay that rent to the non-occupying owner.

The Sponsor will cause the Board of Managers to file a lien as provided in Section 329-aa as the Real Property Law on Units in which the Sponsor is more than 30 days in arrears of Common Charges while it is in control of the Board of Managers.

The above requirements for investors apply to a Sponsor and all purchasers who are owners of occupied Units (Units occupied by someone other than the Unit Owner).

Prior to the permissible sale, transfer or other conveyance of a Unit, any seller or purchaser of a Unit shall be entitled to a statement (an "Estoppel Letter") from the Board of Managers, setting forth the amount of unpaid Common Charges accrued against the Unit, and neither such seller nor purchaser shall be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set forth in such statement.

No Unit Owner may exempt himself/herself from liability for his/her Common Charges or Expenses by waiver of the use or enjoyment of any of the General Common Elements or by abandonment of his/her Unit. The liability of each Unit Owner for the payment of Common Charges and Expenses thereafter assessed or becoming due against his/her Unit shall terminate upon a permissible sale, transfer or other conveyance of such Unit, together with the Appurtenant Interests in the Common Elements in accordance with the applicable provisions of the By-Laws.

In addition, any Unit Owner may, subject to the terms and conditions specified in the By-Laws, convey his/her Unit, together with the Appurtenant Interests to the Board of Managers or its nominee on behalf of other Unit Owners, and in such event be exempt from all Common Charges and Expenses thereafter assessed.

Except as set forth above pursuant to an Estoppel Letter, a purchaser of a Unit shall be required by the Board of Managers to pay unpaid Common Charges, with interest thereon, and expenses assessed against his/her Unit prior to his/her acquisition of such Unit, except that either (i) a mortgagee acquiring title to a Unit or (ii) a purchaser at a foreclosure sale shall not be liable and the Unit shall not be subject to a lien for the payment of the Common Charges and Expenses assessed prior to the acquisition of title to such Unit. In the event the Board of Managers forecloses a statutory lien for unpaid Common Charges, and the proceeds of the foreclosure sale are insufficient to pay the unpaid Common Charges, the unpaid balance may be proportionately charged to all Unit Owners as a Common Expense.

REPAIRS

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 the Unit entrance doors 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 maintenance, repair and replacement in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Common Expense, or if it involves structural 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 (ii) by the Unit Owner having direct and exclusive access thereto at his/her sole cost and expense, if involving nonstructural ordinary maintenance, repairs, or replacements as a result of the Unit Owner's acts or omissions.

All maintenance of, and repairs to, any Unit, ordinary or extraordinary, and to the doors (except painting the exterior side of Unit entrance doors), windows (except painting exterior side of windows), electrical (except General Common Elements), plumbing (except General Common Elements) and heating fixtures and air conditioning units within the Unit or belonging to the Unit Owner shall be at the Unit Owner's expense, excepting as otherwise specifically provided herein.

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 or in any manner without prior written consent of the Board of Managers.

Each Unit Owner shall keep his/her 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 exterior shades, awnings, window guards, ventilators, fans, or air conditioning devices shall be used on or about the Building(s) or Common Elements except such as shall have been approved by the Board of Managers, which approval shall not be unreasonably refused.

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.

A Unit Owner shall grant a right of access to his/her Unit to the Manager 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/her 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/her 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 event of the exercise of the right of access provided by the By-Laws, any costs for repairs shall be borne in accordance with the provisions of Section 10 of Article VI of the By-Laws (explained in the first two paragraphs of this subsection). Each Unit Owner will be required to give a copy of his/her keys to his/her Unit to the Board of Managers or its designee for purposes provided herein.

REPAIR 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(s) containing the Units is destroyed or substantially damaged and seventy-five percent (75%) or more of the Unit Owners do not duly and promptly resolve to proceed with repair and restoration, the Board of Managers shall arrange for the prompt repair and restoration of the Building(s) containing the Units (including any damaged Units, and any kitchen or bathroom fixtures initially installed therein on the date of recording of the Declaration, but not including any wall, ceiling, or floor decorations or coverings or other furniture, furnishings, fixtures, appliances, or equipment installed in the Units by the Unit Owners). Any costs of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense, and the Board of Managers may assess all 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 (as determined by the Board of Managers) and seventy-five percent (75%) or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the above paragraph, and the amount of insurance proceeds shall have exceeded the cost of such repairs or restoration, then the excess of such insurance proceeds) shall be divided among all the Unit Owners in proportion to their respective interests in the General Common Elements, after first paying out of the share of each Unit Owner the amount of unpaid liens on his/her Unit, in the order of priority of such liens.

No portion of insurance proceeds shall be applied to the payment of the mortgage indebtedness of any Unit Owner, unless the Unit Owners determine not to repair, restore, or rebuild the Building(s).

ADDITIONS, ALTERATIONS, AND IMPROVEMENTS

No Unit Owner shall make any structural addition, alteration, or improvement in or to his/her 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 of a proposed structural addition, alteration, or improvement in such Unit Owner's Unit, 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 material man 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 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 worker's compensation insurance (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 the Unit Owner, who shall also be responsible for any repairs, including structural repairs, to such areas 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 or improvements; 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 for such work.

The Sponsor need not receive permission from the Board of Managers in connection with structural addition, alteration or improvement to Units owned by them. All other provisions of this Section 13 shall apply to all Units, including Unsold Units.

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.

INSURANCE

The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (i) fire insurance with extended coverage, including vandalism and malicious mischief endorsements insuring the Building(s) containing the Units (including all of the Units and fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the serving and general occupancy, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners), together with other service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers, and all Unit Owners and their mortgagees with certificates of insurance, as their interests may appear, in the amount to be determined by the Board of Managers, but in no event to be less than eighty percent (80%) of the full replacement cost of the Building(s), 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 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, as provided in the By-Laws; (ii) worker's compensation insurance, if the Condominium has employees; (iii) disability insurance; and (iv) such other insurance as the Board of Managers may determine or is required by law. 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 \$50,000), and that the total proceeds thereof, if \$50,000 or less shall be payable to the Board of Managers, and if more than \$50,000 shall be paid to the Insurance Trustee, if any.

All policies of physical damage insurance shall contain waivers of subrogation, and the individual Unit Owners as well as the Condominium shall be primary insureds and shall appear to the extent of their interests. Such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including mortgagees of the 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.

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, if any, or the Manager, if any, and each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another.

The Board of Managers shall not carry insurance for Unit Owners' contents and liability. 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 endorsed as to state that they will in no way conflict with any insurance carried by the Board of Managers.

The Board of Managers is not required to cover blanket fidelity bond, which is also available and not budgeted for. For more details of the insurance coverage please see the footnotes to Schedule B.

RESTRICTIONS ON OCCUPANCY AND USE

In order to provide for congenial occupancy of the Building, and for the protection of the values of the Units, the By-Laws provide that the use of the Units shall be restricted to, and be in accordance with, the following provisions:

m. No radio or television aerial 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, if such service is available.

n. The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Building Rules and Regulations.

o. The Board of Managers may retain a passkey to each Unit. No Unit Owner shall alter any lock on any door leading into his/her Unit without the prior consent of the Board of Managers. If such consent is given, the Unit Owner shall provide the Board of Managers with a key for its use.

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

q. 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.

r. No Unit Owner shall interfere in any manner with any portion of the lighting apparatus which is part of the Common Elements and not part of the Unit Owner's Unit.

s. No Unit Owner shall use, or permit to be brought into the Building, any inflammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the written consent of the Board of Managers.

t. Except as provided above, the Unit Owner shall not be allowed to put his/her name on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers.

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

v. Complaints regarding the management of the Building and grounds and complaints regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

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

x. 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 herein above recited; nor shall any part of the Common Elements be used for general storage purposes, except maintenance storage; 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.

y. No 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, or 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.

z. These Building Rules and Regulations are made to be added to or repealed by the Board of Managers within the limits set by the By-Laws.

aa. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of the Units.

bb. 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.

m. No radio or television aerial 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, if such service is available.

n. The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Building Rules and Regulations.

o. The Board of Managers may retain a passkey to each Unit. No Unit Owner shall alter any lock on any door leading into his/her Unit without the prior consent of the Board of Managers. If such consent is given, the Unit Owner shall provide the Board of Managers with a key for its use.

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

q. 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.

r. No Unit Owner shall interfere in any manner with any portion of the lighting apparatus which is part of the Common Elements and not part of the Unit Owner's Unit.

s. No Unit Owner shall use, or permit to be brought into the Building, any inflammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the written consent of the Board of Managers.

t. Except as provided above, the Unit Owner shall not be allowed to put his/her name on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers.

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

v. Complaints regarding the management of the Building and grounds and complaints regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

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

x. 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 herein above recited; nor shall any part of the Common Elements be used for general storage purposes, except maintenance storage; 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.

y. No 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, or 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.

z. These Building Rules and Regulations are made to be added to or repealed by the Board of Managers within the limits set by the By-Laws.

aa. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of the Units.

bb. 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.

cc. No portion of a Unit or other Limited Common Element appurtenant thereto (other than the entire Unit including the Limited Common Elements appurtenant thereto) may be rented.

dd. 80% of the usable floor area of each Unit must be covered with carpets or rugs to lessen noise.

NOTICES

Whenever, under the provisions of the Declaration or of the 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 notice may be given in writing (a) delivered by hand or by courier, or (b) by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper or (c) sent by facsimile or telex addressed to the Board of Managers, such Manager or Unit Owner or mortgagee at such address or facsimile number or telex number as appears on the books of the Condominium, as the case may be.

Whenever any notice is required to be given under the provisions of the Declaration or of the 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.

ABATEMENT AND ENJOINTMENT 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, 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 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 herein (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.

ARBITRATION

Any matter required or permitted to be determined by arbitration, pursuant to the terms of the Condominium Documents, may be submitted for resolution by a single arbitrator in a proceeding held in New York State, in the city or township in which the Condominium is located, in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association will not then be in existence and has no successor organization, any such arbitration will be held in the city or township in which the Condominium is located before one arbitrator as appointed, upon the application of any party, by the Real Estate Board of New York.

The parties to any dispute required or permitted to be resolved by arbitration, pursuant to the terms of the Condominium Documents, may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute, or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3302 of the New York City Practice Law and Rules and known as "*New York Simplified Procedure for Court Determination of Disputes*."

The decision in any arbitration conducted pursuant to the terms of Section 1 and 2 hereof will be binding upon all of the parties thereto and may be entered in any court of competent jurisdiction. (a) The fees, costs, and expenses of the arbitrator will be borne by the losing party in the arbitration or, if the position of neither party to the dispute will be substantially upheld by the arbitration, such fees, costs and expenses will be borne equally by the disputants. Each disputant will also bear the fees and expense of his/her counsel and expert witnesses.

All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, will constitute a Common Expense. The decision in any arbitration conducted pursuant to the terms of the above two paragraphs will be binding upon all of the parties thereto and may be entered in any court of competent jurisdiction. The fees, costs, and expenses of the arbitrator will be borne by the losing party in the arbitration or, if the position of neither

party to the dispute will be substantially upheld by the arbitration, such fees, costs and expenses will be borne equally by the disputants. Each disputant will also bear the fees and expense of his/her counsel and expert witnesses.

The only item required to be brought to arbitration under the By-Laws and/or Declaration is a dispute as to who pays repairs for Limited Common Elements.

Arbitration is not in derogation of other rights Purchasers may have, including the right to contact New York State Department of Law.

REPORTS

All Unit Owners of the Condominium will be entitled to receive, annually, from the Condominium at its expense, copies of the following:

- a. A statement of the Condominium's financial condition within four months of the end of the Condominium's fiscal year, prepared by an accountant or public accountant. While the Sponsor is in control of the Board of Managers such statement will be certified.
- b. Prior notices of annual Unit Owners' meeting; and
- c. A copy of the proposed annual budget of the Condominium within thirty days prior to the date set for adoption by the Board of Managers. While the Sponsor controls the Board of Managers, the Sponsor will obtain a letter from an independent expert certifying that such proposed budget is sufficient to meet the needs of the Condominium.

REAL ESTATE TAXES

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

If the Units have not been separately assessed for real estate tax purposes prior to the First Closing, the Board of Managers will collect taxes monthly, as proportioned in Schedule A, which they will hold in escrow for the payment of real estate taxes, until such time as the Units have been separately assessed. It should be noted that actual figures from the City of New York are not available for the 2006/07 tax year and the taxes as set forth on Schedule A are good-faith estimates.

Pursuant to Section 164 of the Internal Revenue Code, real estate taxes are deductible within the limitations set by the Code.

The real estate tax estimate for each Unit was calculated on the assumption that real estate taxes for the Property payable with respect to each Unit for the first year of Condominium operation will be allocated by percentage of Common Interest. Upon determination of individual tax lots and individual Units assessments, the New York City tax authorities may allocate taxes between the Units based solely on other criteria, such as exact square footage rather than percentage of common areas, which includes other criteria. If such is the case, it is possible that Units having the same percentage of Common Interest may pay different real estate taxes.

By letter dated April 29, 2005 from Meir Mishkoff of Mishkoff Associates, LLC Real Estate Tax Abatement Consultants, 38-08 Bell Blvd., Bayside, New York 11361, a specialist in J-51 benefits, estimates that if J-51 abatement and exemption benefits are awarded and assuming a J-51 Certificate of Reasonable Cost is issued by HPD by April 30, 2006, both abatement and exemption benefits will begin July 1, 2006.

If the Property qualifies under the conditions contained in the statute and its regulations, the City will grant an exemption from any increase in the Assessed Valuation of the Building resulting from the certified reasonable cost of the alterations and improvements performed pursuant to Section 11-243 of the Administrative Code. Such exemption will continue for a period of fourteen (14) years as follows:

Years 1-10	100% of exemption benefits
11 th Year	80% of exemption benefits
12 th Year	60% of exemption benefits
13 th year	40% of exemption benefits
14 th year	20% of exemption benefits
15 th year	0% of exemption benefits

Mr. Mishkoff estimates exemption in the amount of \$415,000.

In addition, if the Property qualifies under the conditions contained in the statute and its regulations, the City will also grant an abatement of, or credit against, the real estate taxes due on the taxable assessment of the Property up to ninety percent (90%) of the CRC as determined by HPD. A limit of 8-1/3% or 1/12 of the CRC or \$16,600 per year may be deducted from the Property's real estate taxes per year. If in any year the abatement is greater than the tax due, the Unit Owner's taxes will be reduced to zero, with the remaining dollars of abatement available until ninety percent (90%) of the CRC is used, but in no event for more than twenty (20) years. The amount disclosed in Schedule A for real estate taxes paid by the Unit Owners during the Condominium's first year of operation assumes that HPD will issue a Certificate of Eligibility and Reasonable Cost with a CRC in the amount of \$199,200 beginning on July 1, 2006, as estimated by Mr. Mishkoff. The Sponsor makes no representations or warranties that a Certificate of Eligibility and Reasonable Cost will be issued, and if issued, that it will be in that amount.

According to Mr. Mishkoff, based upon a CRC of \$199,200 the City should grant a maximum abatement of annual taxes in the amount of up to 8-1/3 or 1/12 of the CRC for a period of not less than six (6) years and not more than twenty (20) years, until \$179,280, or 90% of the CRC is used. Mr. Mishkoff estimates that the abatement benefits will last approximately 11 years.

The Sponsor shall file the applications which are necessary in order to obtain the real estate tax benefits referred to above. The Sponsor has agreed to pay all legal fees and costs in connection therewith. The Sponsor will make its best efforts to obtain said real estate tax benefits. See counsel's "REAL ESTATE TAX BENEFITS OPINION," beginning on page 95, which should be read carefully.

All records of expenses in connection with renovation must be kept and made available to HPD upon request. After J-51 benefits are received, HPD routinely conducts audits of expenses in connection with renovation. If proper documentation of such expenses is not provided, loss of J-51 benefits would result and real estate taxes would increase accordingly.

The Sponsor has represented that it will file all applications and documents required to properly process and maintain J-51 benefits. Upon Closing, the Sponsor will make all J-51 documentation available to the Board of Managers for inspection and photocopying for the life of such J-51 benefits.

The property is currently assessed in Tax Class 2A, which is comprised of primarily residential rental buildings containing four to six units. After conversion to a condominium, the units will be assessed in Tax Class 2, under the classification system adopted by the State Legislature in its revision of the Realty Property Tax Law (Section 305, Article 1802 and Section 581, applicable to the assessment of cooperative apartments and condominium.

Tax Class 2 is comprised of residential rental, cooperatives or condominiums with more than ten units. The City assessment policy for Tax Class 2 is to value each property as income vacant land-producing at an assessment ratio of 45% of market value. Increases to assessed value are unlimited, but except for increases resulting from physical changes, are required to be phased-in over a five-year period. The taxable value is the lower of the actual or transitional values.

The recent history of the assessed valuations for each of the two buildings is as follows:

2003/04	Land	Total
Actual	\$69,678	\$77,420
Transitional	\$69,678	\$77,420
2004/05	Land	Total
Actual	\$71,972	\$79,970
Transitional	\$71,972	\$79,970
2005/05	Land	Total
Actual	\$69,164	\$79,970
Transitional	\$69,164	\$79,970

The 2004/05 tax rate for Class 2A/2 rates are \$12.216 per \$100 of assessed value. In a letter dated March 21, 2005, Mr. Jerome Mazurka of Jerome Mazurka Associates located at 42 Broadway, Suite 1744, New York, NY 10004, estimates the 2005/06 and 2006/07 tax rates for Class 2 at \$12.45 per \$100 of assessed valuation. He has also estimated that after the completion of construction, the assessed valuation of the property will be:

2006/07	Land	Total
Actual	\$90,000	\$815,000
Transitional	\$73,331	\$798,331

Mr. Mazurka has estimated the taxes for the 2005/06 tax year as \$19,912.53 and the 2006/07 tax year as \$99,392.20 without J-51 benefits and \$31,125.00 with J-51 benefits. Assuming the first year of operation is January 1, 2006—December 31, 2006, the first year of operation is estimated to consist of the last two quarters of the 2005/06 tax year and the first two quarters of the 2006/07 tax year. Aggregate real estate taxes for the first year of operation would then be \$59,652.36 for the first year of operation without J-51 benefits and \$25,518.76 with J-51 benefits, assuming both abatement and exemption benefits are received by July 1, 2006. THE SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY AND THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL BE AS PROJECTED HEREIN OR THAT J-51 BENEFITS WILL BE RECEIVED BY JULY 1, 2006.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) that the New York City tax assessor will allocate individual Unit assessments on the basis of each Unit's percentage of Common Interest (as shown on Schedule A) or (ii) of the assessed valuation of the Property in the first year of Condominium Operation or thereafter (iii) of the tax rate for the first year of Condominium Operation, or (iv) that the Property will qualify for or receive benefits under the J-51 Program.

There are no tax Certiorari proceedings pending.

Under Article III, Section 7v of the By-Laws, the Board of Managers have the authority to prepare, execute, acknowledge and institute on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, protests of real property tax assessments and tax certiorari proceedings with respect to all Units and to assess any costs incurred thereby as a Common Expense. In the event any Unit Owner individually seeks to have the assessed valuation of his/her/their Unit reduced by bringing a separate certiorari proceeding, the Board of Managers, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing such reduction provided that such Unit Owner indemnifies the Board of Managers from all claims, costs and expenses (including without limitation reasonable attorneys' fees) resulting from such proceedings.

See "SCHEDULE A" for the projected monthly real estate taxes for each Unit with and without benefits under the J-51 program.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The following discussion provides a summary of certain significant Federal income tax consequences of, or relating to, the ownership of a Unit and the Federal income taxation of the Condominium. No income tax rulings will be requested from the Internal Revenue Service (the "Service") or any other administrative agency with respect to any of the income tax consequences attributable to the Condominium's activities or ownership of a Unit. Although the Sponsor will receive an opinion from Hannah Vining, Esq. (hereinafter referred to as the "Opinion" and "Counsel" respectively) with respect to the includability of Common Charges in the gross income of the Condominium and with respect to the deductibility of mortgage interest and real estate taxes with respect to the Units, such Opinion is not binding on the Service. Each Purchaser should consult his/her own tax counsel or advisor as to the tax consequences of the Plan and of Unit ownership.

The statements set forth herein are based upon the analysis of the Internal Revenue Code of 1986, as amended (the "Code"), New York State Law, the Administrative Code of the City of New York, the applicable regulations promulgated or proposed thereunder, the current position of the applicable administrative agency, in particular, the position of the Service stated in published Revenue Rulings and Revenue Procedures, and judicial decisions. It is emphasized, however, that legislative, judicial, or administrative changes may be made which would require modification of such statements, or that the Service or other applicable administrative agency may disagree with Counsel's interpretations and conclusions.

Each Unit Owner will own his/her Unit and an undivided interest in the Common Elements in fee simple. Each Unit will be a separate tax lot for purposes of real estate taxes and assessments. Since each Unit Owner owns his/her Unit in fee simple, he/she may mortgage his/her Unit and becomes individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

Unit Owners who itemize their deductions may, 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 of the Code. These deductions, however, are subject to certain exceptions and limitations that are more particularly discussed in the Opinion, including, but not limited to limitations on interest deductions to qualified interest under the Code and to passive loss limitations for non-resident Unit Owners. Each individual Owner may also, for New York State and New York City income tax purposes, be entitled to similar deductions for mortgage interest and real estate taxes paid or accrued during the taxable year.

Because of the intricacies of the tax law, it is recommended that each Purchaser consult with his/her own tax advisor regarding the tax consequences of purchasing a Condominium Unit prior to signing a Purchase Agreement.

The Condominium will be governed by a Board of Managers. The Board of Managers will assess and collect Common Charges from the Unit Owners and will have certain discretionary powers over the operating expenses and the application of the assessments. While there is presently no direct authority as to the tax status of the Condominium for Federal income tax purposes, Counsel is of the opinion that the Condominium will be treated as an association taxable as a corporation. As a result, the Condominium will be subject to Federal corporate income tax, as well as both New York State and New York City corporate income taxes, to the extent of its taxable income, if any. (The proposed budget projects no taxable income.)

The Condominium will be deemed to be a management association in the business of rendering services to the members of its organization (the Unit Owners). As such its receipt of assessments for operating expenditures will constitute gross income. The Condominium will be entitled to offset against this income expenses incurred in providing services, such as electricity and insurance costs. However, the Condominium will be deemed to have taxable income to the extent that the Common Charges for operating expenditures exceed the expenses of the management association (the Condominium). Also, any interest earned from the temporary investment of the Working Capital Fund and/or Common Charges will be taxable income to the Condominium.

Under the circumstances, excess assessments (assessments collected by the Condominium in excess of the actual requirements for the years' operating expenditures) and special assessments may not be included in the income of the Condominium. Excess assessments will not be included when the management association has no discretion as to the application of the excess funds. See "OPINION OF COUNSEL" on page 83 for instances in which the

Service has determined that special assessments and excess assessments were not included in the Condominium's taxable income.

If the Condominium satisfies the requirements of Section 528 of the Code, and if it has filed a timely election to have this section apply, the Condominium may be exempt from Federal Income taxes on the Common Charges and will be taxed on its other non-exempt income at the corporate tax rate. The general requirements which must be met for Section 528 to apply are the following:

- (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;
- (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; and
- (v) Substantially all of the Units must be used as residences.

Under the Treasury Regulations issued pursuant to Code Section 528, a Condominium management association must qualify annually for the election under the applicable section and make a separate election for each taxable year.

Neither the Sponsor nor Counsel for the Sponsor nor the Selling Agent makes any warranty that the United States Treasury Department or the New York State Department of Taxation and Finance or The Department of Finance of the City of New York will allow the deductions or exemptions or that the tax law or regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which Counsel to the Sponsor bases her opinion, will not change so as to disallow the deductions or exemptions in whole or in part.

COUNSEL'S TAX OPINION LETTER

June 10, 2005

ABBY COURT CONDOMINIUM
351-353 21st Street
Brooklyn, New York 11215

Re: 351-353 21st Street
Brooklyn, New York 11215

Ladies and Gentlemen:

In connection with the offering of condominium units under a plan entitled Condominium Offering Plan for ABBY COURT CONDOMINIUM (the "**Plan**"), you have requested my opinion concerning (i) the deductibility for Federal, New York State and New York City income tax purposes of mortgage interest and real estate taxes paid by an individual residing in New York City who purchases a unit (such unit is referred to herein as a "**Unit**") pursuant to the Plan and (ii) the income tax treatment of the Board of Managers of Abby Court Condominium (the "**Board of Managers**") for the assessments and charges payable by owners of Units ("**Unit Owners**") to meet common expenses of the Condominium ("**Common Charges**").

All capitalized terms not otherwise defined herein are as defined in the Plan.

I understand that under the Plan, each owner of a Unit ("**Unit Owner**") will hold title to his/her/their residential Unit and an undivided interest in the Common Elements of the Condominium in fee simple. Under New York State and New York City law, each Unit and its interest in the Common Elements will be taxed as a separate parcel for real estate tax purposes. Each Unit Owner may place a separate mortgage on his/her/their Unit and, by doing so, incur direct liability for the interest payable on such mortgage.

My opinions are based, in part, upon materials furnished to me, including: (1) the Plan, including the exhibits thereto, dated the date hereof; (2) the Declaration Establishing a Plan Of Condominium Ownership of 351-353 21st Street, Brooklyn, New York, dated the date hereof (the "**Declaration**"); and (3) such other documents and materials that I have deemed necessary or appropriate to review for purposes of my opinion.

My opinions assume that: (1) the Plan becomes effective and is consummated in accordance with its terms; (2) condominium ownership of Units located in the premises known as Abby Court Condominium is established under applicable law; (3) the legal consequences of the Plan are as described therein; and (4) at least 85% of the total square footage of all units within the project will be used by individuals for residential

purposes or for purposes accessory thereto. I have further assumed: the legal capacity of all individuals; the genuineness of all signatures; the enforceability of all documents in accordance with their respective terms; the authenticity of all documents submitted as originals; and the conformity to original documents of all documents submitted to me as certified, conformed or photostatic copies.

My opinions rely on, and are subject to, the facts and assumptions set forth herein. Although I am unaware of anything that would contradict them, I have not undertaken an independent investigation or verification of the facts and assumptions or other information set forth herein or in the documents referenced herein. Any inaccuracy or subsequent change in the facts and assumptions on which I have relied may adversely affect the conclusions reached in this opinion.

My opinion is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations applicable thereunder, judicial decisions, the rulings and current administrative practice of the Internal Revenue Service and such other legal authorities as I have deemed relevant, all as in effect on the date hereof. My opinion is subject to any changes in the applicable law.

I express no opinion concerning: (a) any Federal, New York State or New York City tax consequences to any person other than a New York City resident individual who purchases a residential Unit for use as a primary or secondary residence; (b) any Federal, New York State or New York City tax consequences not explicitly discussed in this opinion, including, without limitation, the New York City earnings tax on non-residents; (c) any other aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion; or (d) the tax status and tax consequences of the Plan under the laws of any other local or foreign jurisdiction. Except as explicitly provided, this opinion does not address: (i) tax consequences which may result with respect to any Unit held in connection with a trade or business, or any Unit held for purposes of investment or for the production of income; or (ii) tax consequences which may result to a foreign Unit Owner by reason of his/her foreign status. This opinion also does not discuss the tax consequences which may arise if Units or Common Elements are acquired and/or leased by the Condominium Board or the issue of whether a Unit Owner may be deemed to be a resident of the United States, New York State or New York City as a result of the ownership of a Unit and the attendant income, estate or other tax consequences. I advise each person contemplating the purchase of a residential Unit to consult his/her own tax advisor concerning all such tax matters as well as the matters discussed in this opinion.

It should be noted that this opinion is based solely on the facts and documents referred to above and is not binding on the Service, the New York State Department of Taxation and Finance or the New York City Department of Finance. Moreover, the Federal, New York State and New York City tax laws and regulations and the rulings and decisions thereunder may change and thereby affect the opinions stated above in whole or in part. I undertake no obligation to update, modify or supplement this opinion in the event of any such change in the applicable law, although I have advised the Sponsor that it is obligated to do so.

This opinion is not a guarantee; it is based on existing rules of law applied to the facts, assumptions and documents referred to above. No assurances can be given that

the tax laws upon which counsel bases this opinion will not change. In no event will the Sponsor, or any other person or entity connected with the Plan, be liable if at any time it is held that Unit Owners are not entitled to the income tax deductions described herein.

Opinion

1. Deductibility of Mortgage Interest and Real Estate Taxes

Pursuant to the Plan, each Unit Owner will own his/her/their Unit and an undivided interest in the Common Elements in fee simple and, under New York State Law, each Unit (including its undivided interest in the Common Elements) will be taxed as a separate parcel for real estate tax purposes. Pursuant to the Plan, each Unit Owner may mortgage his/her/their Unit and become individually liable for the payment of principal and any finance charges or interest on such mortgage indebtedness, and will be liable to the local tax authority for the tax assessment with respect to his/her interest in the property.

Based on the foregoing (consistent with Rev. Rule. 64-31, 1964-1 C.B. 300), it is my opinion that each individual Unit Owner who itemizes deductions will be entitled under current law to deduct from his/her/their gross income for Federal, New York State and New York City income tax purposes, subject to limitations imposed on itemized deductions, real estate taxes assessed against his/her/their Unit and paid to the local authority. However, no deduction for real estate taxes is permitted for purposes of the Federal alternative minimum tax. Unit Owners should consult their tax advisors regarding the applicability of limitations imposed on itemized deductions to the deductibility of real estate taxes and the effect of the alternative minimum tax.

A taxpayer generally is entitled to a deduction for Federal income tax purposes for interest paid during the taxable year on "acquisition indebtedness" or "home equity indebtedness" with respect to a "qualified residence" of the taxpayer. "Qualified residence" means the principal residence of the taxpayer and one other residence of the taxpayer selected by the taxpayer for the taxable year. "Acquisition indebtedness" means any indebtedness that is secured by any qualified residence (or which constitutes a refinancing thereof to the extent that such indebtedness does not exceed the amount of refinanced debt). A Unit Owner who itemizes deductions and who uses his Unit as a qualified residence generally will be entitled, under current law, to deduct from his gross income, subject to limitations imposed on itemized deductions, interest paid by him/her/them on (i) acquisition indebtedness incurred with respect to such Unit (ii) home equity indebtedness with respect to such Unit with respect to a second qualified residence. Since the rules and limitations regarding the deductibility of home mortgage interest are complex, purchasers are urged to consult their own tax advisors regarding the application of such rules to them, as well as regarding the deductibility of interest with respect to their Unit for alternative minimum tax purposes (which at present is subject to rules different from those described above for regular tax purposes). In addition, Unit Owners should consult their tax advisors regarding potential limitations on the

deductibility of points and prepaid interest, if any, on their mortgage loans and the limitations imposed on the allowance of itemized deductions.

I note that in some cases the amount of mortgage interest deductible by a Unit Owner subject to the alternative minimum tax may be less than the amount deductible by a Unit Owner subject to the regular income tax because no deduction is allowed under the alternative minimum tax for interest paid on home equity indebtedness. As indicated, real estate taxes are not deductible for alternative minimum tax purposes.

Each Unit Owner who uses his/her/their Unit as a residence generally will be entitled to the same deduction for interest and real estate taxes paid or accrued with respect to such Unit for New York State and New York City income tax purposes as is allowed for Federal income tax purposes. However, under New York State and New York City income tax law, itemized deductions, such as interest and real estate tax deductions, are subject to reduction by as much as 25% for individuals having taxable income of up to \$100,000 (\$150,000 for heads of households and \$200,000 for married individuals filing jointly), and by as much as 50% for individuals having taxable income of greater than \$475,000. Furthermore, Purchasers should consult their tax advisors to determine the application, if any, of the New York State and New York City minimum tax to the deduction for interest and real estate taxes with respect to their Unit.

Common Charges

Assuming that the Condominium is treated as an association taxable as a corporation, the receipt of Common Charges, or substantially all of such Common Charges, may be excluded from the income of the Condominium in the event that (i) the Condominium is acting as agent of the Unit Owners as to collection and receipt of such funds; (ii) the Condominium is not acting as agent and receives the Common Charges as non-taxable contributions of capital or receives the Common Charges as service income which is fully offset by the Condominium's service expenses; or (iii) the Condominium elects to be taxed under Code Section 528 and the Condominium has only "exempt function income" within the meaning of such Section.

1. Condominium as Agent of the Unit Owners. In revenue Ruling 75-370, 1975-2 C.B. 257, the shareholders of a condominium management corporation approved special accounts which were not commingled with the general funds of the condominium management association.

The assessments could be used only to replace the roof and the elevators located in the common elements of the condominium property. The Service ruled that these special assessments were not included in the condominium's gross income, since they did not benefit the condominium, which had a fiduciary obligation to expend the funds collected in the manner approved by its unit owners. The Service found that there was an agent and principal relationship between the condominium and its unit owners insofar as the special assessments were concerned.

However, Rev. Rul. 75-370 specifically exempted funds collected by a condominium management corporation to provide services for which it was formed, such as the maintenance of the Common Elements. Thus, funds collected by the Board for painting, general repairs, gardening, and janitorial services would constitute gross income to the Condominium.

Article II, Section 1 of the By-Laws provides that the Board of Managers will act as the agent of the Unit Owners. Article VI, Section 13 of the By-Laws requires that all capital improvements in excess of \$50,000 be approved by a vote of the Unit Owners. If a portion of the Common Charges is designated for such special capital improvements, deposited in special accounts and not commingled with the general funds, then that portion of the Common Charges should not be included in the income of the Condominium, according to Revenue Ruling 75-370, supra. Assessments totaling less than \$50,000 or operational expenditures would not be excluded from the income of the Condominium, based on the theory that the Condominium is acting as the agent of the Unit Owners as to these Common Charges, since the Board of Managers does not have mere ministerial powers with respect to the operation of the Condominium.

2. Assessments as Non-Taxable Contributions to Capital. Under certain circumstances, special assessments for specific capital improvements may be considered non-taxable contributions to the capital of the association, pursuant to Code Section 119.

In Revenue Ruling 75-371, 1975-2 C.B. 82, the condominium management corporation collected special assessments which were assessed pro-rata upon each unit owner to replace outdoor furniture. The By-Laws required that any assessments had to be approved at a stockholder meeting by a majority vote of the unit owner-shareholders. The special assessment was approved and the proceeds were deposited in a special account and were not commingled with the general assessment funds. The assessment could only be used for the specific purpose intended. The Service held that the Special Assessment was a nontaxable contribution to the capital of the condominium management corporation, id.; See also Rev. Rul. 74-563, 1974-2 C.B. 38 (special assessments to pave a parking lot of the homeowners association are contributions to the capital of the association).

Under the Plan, the Unit Owners must approve all special improvements in excess of \$50,000. Therefore, as to such amounts of Common Charges which are specifically designated for capital improvements deposited in special accounts and not commingled with the general funds, such Common Charges should not be characterized as income of the Condominium, according to Revenue Ruling 75-371, supra, but would constitute contributions to the capital of the Condominium. Even if a special capital assessment is not specifically voted upon and approved by the Unit Owners of the Condominium, there is judicial authority which would support the characterization of such assessment as a capital contribution. See Concord Village, Inc., 65 T.C. 142 (1975).

It should be noted that if the special assessments are treated as contributions to the capital of the Condominium, the subsequent expenditure of these funds (together with any other funds accumulated by the Condominium) may be viewed by the Service as a distribution to the Unit Owners, taxable under Section 301 of the Code. Each Unit Owner may therefore be subject to tax on his pro-rata share of the amounts expended.

Rev. Rul. 75-371 went on to distinguish special assessments from assessments collected for the purpose of normal operating expenses and excess assessments, which could be returned directly to the individual Unit owner-stockholders. These general assessments and the excess assessments, which are not credited to subsequent taxable years or returned to the unit-owners, were held to constitute gross income to the condominium under Section 61 of the Code.

However, to the extent to which the Condominium will be deemed to have service income by virtue of its performance of its management functions, it will be entitled to deduct as business expenses its expenditures required to provide such services from its gross income. See Concord Village, Inc., 65 T.C. 142, 157 (1975); Park Place, 57 T.C. 767, 778 (1972). Thus, it will have taxable income only in the amount of the excess of its income from all sources over its allowable deductions.

3. Excess Common Charges. Any amount of net income attributable to over-assessment might constitute taxable income to the Condominium for the taxable year of receipt, even if such excess is distributed or applied to the subsequent year's assessments. However, in Revenue Ruling 70-604, 1970-2 C.B. 9, a condominium management corporation was held not to have taxable income where the stockholders decided at an annual meeting at the end of the year to distribute the excess pro-rata to the stockholders, or to apply such excess to reduce the assessments for the taxable year over and above the actual expenses paid and incurred for the purposes described above, since such excess, in effect, has been returned to the stockholders. *id.* In Concord Village, Inc., *supra*, the Tax Court held that the excess reserve fund for the corporation is income of the cooperative housing corporation because the board of the corporation had discretion with respect to its disposition, and the stockholders did not have the right to determine the use of such excess. In effect, a management association will not earn income when it has no discretion as to the application of the excess.

In the instant case, the Board of Managers will have discretion as to the application of excess Common Charges, and the Condominium does not intend to return excess Common Charges, if any, but intends to apply such excess to the next year's expenditures. Therefore, it is possible that the excess Common Charges will constitute taxable income to the Condominium.

A Condominium may be subject to income tax in much the same manner as a regular business corporation. Thus the Condominium's gross income includes all income received, whether from Unit Owners as a whole as Common Charges, or from Unit Owners in return for specific services such as garage or laundry receipts, plus any

income derived from non-owners as in the case of the rental of commercial space or interest on the working capital or other reserve fund.

To offset the Condominium's gross income, it is allowed to deduct all expenditures which it has paid or accrued for taxes, interest, insurance, management services, and other expenses attributable to both members and non-members.

The deductions for expenses incurred in providing services to its members are limited, however, by Section 277 of the Code. These expenditures, called "membership expenses," may be deducted only to the extent that the Condominium has derived income from its Unit Owners (called "membership income"). The excess of membership expenses over membership income is not allowable as a loss in the taxable year incurred, but must be applied against membership income in the succeeding taxable year or years. See I.R.S. Section 277(a); Prop. Regs. 1.277-1(d)(1)(ii).

The purpose of Section 277 is to prevent membership organizations such as Condominiums from using their losses incurred in providing services to its members to offset non-membership income. The Regulations issued by the Treasury do not impose any time limits on the carryover, see Pro. Regs 1.277-1(e)(1), but do provide that carryovers will be lost if the Condominium should fail to qualify in any taxable year. See Prop. Regs. 1.277-1(e)(2).

According to Schedule B of the Plan, the Condominium does not anticipate receipt of any non-membership income. However, interest received from the working capital fund or any fund for reserves will be "nonmembership income," which will be taxable to the extent it exceeds any expenses incurred in producing this income.

If the total of income from any such fund or any other source unrelated to the furnishing of services to its members (Unit Owners) exceeds the aggregate of the expenses attributable to earning such income, such excess income will be taxable to the Condominium. In such event, if the working capital fund or any budgeted reserve for contingencies is insufficient to pay the resulting tax, it may be necessary to increase the Common Charges payable by Unit Owners to cover such tax payment. However, it is probable that such tax would be paid out of the interest so earned.

4. Election to be taxed under Code Section 528. Code Section 528 provides a tax exemption for an organization that qualifies as a "homeowners association," which term includes a "condominium management association." A "condominium management association" is defined as an organization organized and operated to provide for the acquisition, construction, management, maintenance, and care of a condominium, provided substantially all of the units are used by individuals for residences. See Code Sections 528(c)(1)(A) and 528(c)(2). "Substantially all" the units will be considered used by individuals for residences if at least 85% of the total square footage of all units within the project is used, or is intended to be used, by individuals for residential purposes or purposes auxiliary to residential use, such as storage rooms,

laundry, and maintenance areas. See Treas. Regulations, Section 1.528-4(b). The organization itself will be considered "organized and operated" for the acquisition, construction, management, maintenance, and care of such condominium, if the facts and circumstances indicate such to be the case. See Treas. Regs. Section 1.528-2. However, if the articles of the Condominium reflect that is the purpose of the association, then the condominium management association will be presumed to be operated for such purpose. See Treas. Regs. Section 1.528-2(a).

In addition to the organization and operation test, the tests set forth below must be satisfied under code Section 528(c)(1) in order for a condominium to qualify as a "homeowner's association."

(1) Sixty percent (60%) or more of the gross income of the organization must be "exempt function income," that is, income derived from the payment of dues or fees from the unit owners in their capacity as owner-members rather than in the capacity as customers for services (i.e., laundry, garage, etc.). Code Section 528(c)(1)(A) and Treas. Regs. Sections 1.528-5 and 1.528-9. "Exempt function income" includes income which is attributable to assessments that arise as a result of the members' ownership interest, either based on value or size of the units, and used for the purpose of enhancing or maintaining the value of the residences. See Treas. Reg. Section 1.528-9(a). For example, the regulations indicate that assessments for the purpose of paying real estate taxes, removing garbage, or removing snow is "exempt function income." See Treas. Reg. Section 1.528-9(b). Income attributable to the use of laundry machines and interest earned on sinking funds is not exempt function income; See Treas. Regs. Section 1.528-9(c)). Any assessments attributable to special capital improvements, which are treated as capital contributions, are not included in gross income and, therefore, are not part of the calculation of the gross income test. See Treas. Regs. Section 1.528-9(a).

(b) Ninety percent (90%) or more of the expenditures of the organization for the taxable year must be used for the acquisition, construction, management, maintenance and care of the organization's property. See Code Section 528(c)(1)(c)). These expenditures include operating and capital expenditures during the taxable year. Investments in the reserve fund for future expenditures are not included in this calculation.

(c) No part of the net earnings of the organization may inure to the benefit of any individual. See Code Section 528(c)(1)(D). The Code expressly excludes benefits received by a unit owner attributable to the homeowner's association performing its exempt function, such as the benefit from the homeowner's association maintaining the boiler or other association equipment, or painting the buildings or constructing a garage or playground or planting a garden, etc.

(d) The organization must properly and timely elect to have Code Section 528 apply for the taxable year. See Code Section 528(c)(1)(E).

Since all Units are residential or for accessory use such as parking spaces for the benefit of Home Owners, the income from such owners will be membership income and the Sponsor has represented that 85% of the square footage of the Building must be used as residences or for the benefits of Home Owners. Provided that the Sponsor's representation that 85% of the square footage of the building will be used as residences or for accessory use for the benefit of Home Owners, it is my opinion that the Condominium will qualify as a homeowner's association within the meaning of Code Section 528, provided that:

- a. 60% of the income of the condominium comes from Common Charges (100% of income is budgeted to come from Common Charges for the first year of operation);
- b. 90% or more of the expenditures for any tax year are to be used for the management, maintenance and care of the condominium property (as budgeted, 90% of the expenditures of the Condominium should be used for the management, maintenance and care of the property for the first year of operation);
- c. that no part of the net earnings of the condominium inures to the benefit of any individual; and,
- d. that the Board of Managers properly and timely elects to have 528 apply.

The qualification as a homeowner's association means that all "exempt function income" will not be included in income and subject to tax. See Code Sections 528(b) and 528(d)(1). However, as noted above, "non-exempt function income," such as interest earned on the working capital fund and the operation of certain services, reduced by expenses attributable thereto, will be subject to the corporate tax rate. See Code Section 528(b). If the Condominium should have excess Common Charges constituting "exempt function income," which would otherwise be included in taxable income, the Condominium could elect to have Section 528 apply and realize no taxable income attributable to such excess Common Charges, provided the Condominium has satisfied all applicable requirements for the taxable year.

However, even if the Condominium fails to qualify for or does not elect partial exemption under Section 528, it should not realize significant amounts of taxable income. It is presently anticipated that taxable income, if any, may be realized primarily from incidental investment income of any working capital fund and/or reserve fund, assuming that assessments for capital purposes are properly treated as trust funds, Rev. Rul., 75-371, 1975-1 C.B. 52; Rev. Rul. 75-350, 1975-2 C.B. 25. If such is the case, any tax owing would be paid from earned interest.

COMPLIANCE WITH SECTION 339(i)

Ruthanne Pigott of Brenton Realty has rendered her opinion that, in accordance with Section 339-i(1)(iv) of the Condominium Act, the percentage interest in the Common Elements allocated to each Unit has been determined on the basis of the approximate proportion of floor area (i.e., total square foot area) that each Unit bears to the total floor area of all of the Units in the Building as of the date the Declaration will be filed, taking into account the substantially exclusive advantages (such as patios and balconies) enjoyed by some, but not all of the Units in a part or parts of the Common Elements. Based upon the letter dated June 6, 2005 Ruthanne Pigott of Brenton Realty, an independent real estate broker, the Condominium Plan and the allocation of percentage interest in the Common Elements in the Land and Building at 351-353 21st Street, Brooklyn, New York attributable to each such Unit conforms to the Section 339-1(1)(iv) of the New York Real Property Law.

III. Conclusion.

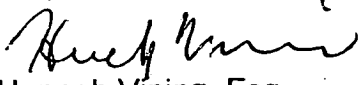
I express no view as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to the tax consequences of the Plan under the laws of any other state or foreign jurisdiction. This opinion does not fully discuss the tax consequences which may result from the ownership or the leasing of a Unit to another, in connection with a Unit Owner's trade or business, for purposes of investment, or for the production of income; nor does it discuss at all the tax consequences which may result to a foreign Unit Owner by reason of his/her foreign status. This opinion also does not consider the tax consequences which may arise if Units are acquired and/or leased by the Board of Managers or the issue of whether a Unit Owner may be deemed to be a resident of New York State due to ownership of a Unit and the attendant income, estate, or other tax consequences. It is therefore strongly advised that each person contemplating the purchase of a Unit consult with his/her own tax advisor as to all such tax matters, as well as with respect to the tax matters discussed in this opinion.

The opinions expressed herein are based solely upon current understanding and interpretations of the existing law, regulations, decided cases, and rulings of administrative agencies and upon information set forth herein. If there has been any misstatement of fact or omission of fact which may be material, or any amendment or change in the By-Laws or in the Plan, I should be notified, since any such omission, misstatement or change may require modification of part or all of this opinion. Moreover, it should be specifically noted that this opinion is not binding on the Service, the New York State Department of Taxation and Finance, or the New York City Department of Taxation, and that such entities may not agree with any or all of the views stated above. Further, the Federal and State Tax Laws and Regulations, and the rulings and decisions thereunder, may change and thereby affect the views stated above in whole or in part.

In my opinion, the Unit Owners will be eligible for the tax deductions described above, within the limitations set forth above. However, this opinion is not a guarantee: it is based on existing rules of law. No assurance can be given that the tax laws upon which counsel based this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers, the Selling Agent, or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion, or if there are changes in the applicable statutes, regulations, decisional law, or Internal Revenue Service rulings on which counsel relied which cause the Condominium to cease to meet the requirements of Section 528 of the Internal Revenue Code of 1986 as amended, or the New York State tax law, as amended and/or the Unit Owners not to be, or cease to be, entitled to the deductions for real estate taxes and interest on mortgages as described herein.

I understand that this opinion will be printed as part of the offering literature for the Building and I hereby authorize the use of the opinion and its reproduction in such connection.

Very truly yours,


Hannah Vining, Esq.

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COUNSEL'S REAL ESTATE EXEMPTION BENEFITS LETTER

June 10, 2005

ABBY COURT CONDOMINIUM
351-353 21st Street
Brooklyn, New York 11215

Re: 351-353 21st Street
Brooklyn, New York 11215

Ladies and Gentlemen:

You have requested my opinion as to whether the Property will qualify for the tax exemptions and abatements set forth in Section 11-243 of the Administrative Code of the City of New York, as amended (commonly referred to as J-51 benefits), and as to the extent to which the improvements and alterations which have been made or which are in the process of being made, to the premises located at 351-353 21st Street, Brooklyn, New York 11215, will result in a tax benefit to the individual owners of condominium units.

I have reviewed Chapter 51 of the Administrative Code of the City of New York (hereinafter referred to as the "**Administrative Code**"), and in particular Section 11-243 thereof, and the Rules and Regulations promulgated by the Department of Housing Preservation and Development (hereinafter referred to as "**HPD**"), which govern the tax exemption and abatement program under Section 11-243 of the Administrative Code and Section 489 of the Real Property Tax Law of the State of New York (hereinafter referred to as the "**Statute**" and the "**Regulations**") Please note that the expiration date of §489 of the N.Y. S. Real Property law, which is the enabling legislation for New York City's J-51 program, as amended by chapter 246 of the laws of 1998, is December 31, 2007.

Based upon this review of the Statute and Regulations and upon the facts pertaining to the improvements made, or in the process of being made to the premises, as represented to me by the Sponsor, it is my opinion that the improvements to the Property will be considered to be an "**eligible project**" under the Regulations, that the various work performed or to be performed are eligible items of work under the Regulations, and that you will receive a full tax exemption for a period of 10 years, and a partial exemption for years 11 through 14 for the increased assessed valuation on the building which results from improvements made; and an abatement of tax of eight and one-third percent a year of the certified reasonable cost of the improvements for a period not in excess of twenty years, and limited in the aggregate to a maximum abatement of ninety percent (90%) of the certified reasonable cost.

The real estate tax benefits which may be available fall into two categories.

TAX EXEMPTION: In some instances, some or all of the increase in a building's assessed value, attributable to conversion or rehabilitation, may be exempt from taxation for a period of fourteen years. The land value shall not be exempt if it is increased.

TAX ABATEMENT: The taxes attributable to the non-exempt portion of the assessed value may be fully or partially abated for a period of time ranging from 6 to 20 years. The amount of the abatement is determined by the value of the Certificate of Reasonable Cost (CRC) issued by the N.Y.C. Department of Housing Preservation and Development (HPD).

The Sponsor has advised me that it intends to rehabilitate the referenced two buildings from three-story residential buildings to a residential condominium containing 16 Class "A" residential apartments, and that the renovation is "as of right," i.e. a variance or special permit was not required. As part of the renovation, one and one-half floors will be added. The construction is to be performed pursuant to Alteration Type 1 permits issued on March 16, 2005 by the Building Department under job numbers 301770668 and 301880631. Each building will be issued a new Certificate of Occupancy, projected to take place in June, 2005, but all apartments will be part of a single condominium plan.

In general, to be eligible for J-51 exemption and abatement benefits, the work must be completed within three (3) years of commencement [Rules and Regulations§5-03(d)] and an application must be filed with HPD within four (4) years of commencement of work, which in this case is the date of the initial construction permit [Rules and Regulations§5-01]. Since the initial alteration permits for this project were issued on March 16, 2005, the Certificate of Occupancy must be issued by March 15, 2008 and the application must be filed with HPD by March 15, 2009 in order to remain eligible for tax benefits. The Sponsor has represented to me that it will comply with these time requirements.

J-51 tax benefits are not available to any tax lot receiving tax abatement or exemption for rehabilitation or new construction under any of the provisions of New York State or New York City Laws [Rules and Regulations§5-04(a)]. The Sponsor has represented to me that these tax lots are not receiving, and will not be receiving, any other tax exemption or abatement.

Based on the plans submitted to, and approved by, the Department of Buildings by the project's architect, Ernst Architects, PLLC, there will be new floor area added to each building. Based on an analysis of the approved plans, and other data supplied by the architect, the floor area of the two proposed buildings, excluding the

cellar, will be approximately 11,350 square feet of which 4,150 square feet will be the newly constructed fourth and fifth floors. Thus, approximately 36.56% of the proposed buildings will result from new construction, as opposed to rehabilitation of existing space. Both the J-51 exemption and abatement will be reduced by an amount equal to this percentage.

The Sponsor has advised me that there will be a total of four (4) one-bedroom apartments and twelve (12) two-bedroom apartments, thus satisfying the J-51 "bedroom requirement." The Sponsor has also represented that at least three of the exterior walls of the prior building will remain in place.

The 2004/05 combined assessed values for both properties was as follows:

Actual:	\$79,970
Transitional:	\$79,970

Since this property will be undergoing a major rehabilitation, the actual assessed value will increase substantially following the completion of the project.

The Mazursky Group, Inc. has estimated in a letter dated March 21, 2005 that the post-rehabilitation Actual Assessed Value of the property will be \$815,000, and that the post-rehabilitation transitional value will be \$798,331, and that the total increase in actual assessed value, approximately \$415,000, will be eligible for J-51 exemption benefits. In addition, The Mazursky Group, Inc. has projected that the Class II (residential) tax rate for 2006/07 will be 12.45%. As a condominium, each apartment will be issued a tax lot number and the owner of each unit will be responsible for the payment of the unit's real estate taxes. The Department of Finance will apportion the assessed value of the property to the condominium units, usually based upon each unit's percentage of common interest as listed in the condominium Offering Plan. There is, however, no guarantee that the Department of Financing will not use some other bases for the apportionment of the assessed value. Both the exemption and abatement benefits will also be allocated to each condominium unit using the same bases as noted above.

Although the above estimate of the post-rehabilitation assessed value is a good faith estimate, it is not possible to estimate it with a degree of certainty, and thus such assessed valuation, when actually made, may be less or greater than estimated above. The firm of Mishkoff Associates, LLC, the Sponsor, the Sponsor's counsel, or any other person will not be held liable if the assessed value, when actually made, is less or greater than estimated above.

Based on a letter dated April 29, 2005 of Meir Mishkoff of Mishkoff Associates, LLC 38-08 Bell Boulevard, Bayside, New York 11361, it is estimated that a Certificate of Reasonable Cost in the amount of \$199,200 will be issued by HAD. This calculation takes into account the reduction due to the new space added to the building.

Based upon a CRC being issued in the amount of \$199,200, the maximum annual real estate tax abatement available would be \$16,600 until 90% of the CRC, or \$179,280, is used. Abatement benefits can be used for a maximum of twenty years after which any unused abatement will be forfeited.

Based on the above described projection of The Mazursky Group, Inc., Mr. Mishkoff has estimated that a tax exemption of approximately \$415,000 will be applied to the assessed values of the residential units. The estimate includes the reduction of the exemption benefit attributable to the increase in value, as per the J-51 Rules and Regulations.

Assuming that a J-51 Certificate of Reasonable Cost is issued by HAD by April 30, 2006 both J-51 abatement and exemption benefits will commence on July 1, 2006. Please note that J-51 tax benefits are not retroactive. All real estate taxes due prior to commencement of benefits must be paid in full on a timely basis.

Assuming that the post-rehabilitation taxable (transitional) assessed value is \$798,331, and that a Certificate of Reasonable Cost in the amount of \$199,200 is issued by HAD by April 30, 2006, and that the abatement and exemption benefits commence on July 1, 2006, it is estimated, but not guaranteed, that the total real estate tax liability for the residential units for 2006/2007 tax year will be approximately \$31,125, based on a projected Class II tax rate of 12.45%.

The full tax exemption, estimated above to be \$415,000, will run for 10 years, followed by a four-year phase out period whereby the exemption is reduced 20% per year. Based on a Certificate of Reasonable Cost of \$199,200 and a real property tax abatement of \$16,600 per year, the abatement will continue until 90% of the CRC is used, or, based on an estimate of Mishkoff Associates, approximately 11 years.

If J-51 abatement and exemption benefits are not awarded then the real estate tax liability of the property for the 2006/2007 tax year will be approximately \$99,392, based on a projected tax rate of 12.45% and a transitional assessed value of \$798,311 as projected by The Mazursky Group, Inc. in its letter dated March 21, 2005.

It must be noted that no assurance can be given that the assessed value and/or tax rate will remain the same for the duration of the benefits, and it is likely that they will not. If either increases, which is likely, the real estate taxes may and will probably increase.

The Department of Finance of the City of New York follows a policy whereby J-51 benefits apportioned to a condominium unit containing new cubic content will be reduced in the same ratio as the new cubic content in the unit bears to the total cubic content of the unit. Despite this policy, the Department of Finance has continued to allocate J-51 benefits on a building-wide basis among all residential units if the following conditions are met.

allocate J-51 benefits on a building-wide basis among all residential units if the following conditions are met.

- a) A consent in recordable form is executed by each residential unit purchaser in which such purchaser agrees to a building-wide allocation of benefits.
- b) A copy of such consent is included in the Offering Plan with reference to its requirements.
- c) The Declaration of Condominium includes a reference that the consents be recorded.
- d) An affidavit is submitted by legal counsel which states that the consent will be recorded after the condominium declaration is filed.

Under the Purchase Agreement, each Purchaser must execute a consent in recordable form in which such Purchaser agrees to a building-wide allocation of J-51 benefits. Failure to execute such consent is a default under the Purchase Agreement allowing the Seller to retain the down payment as liquidated damages. A copy of such consent is printed beginning on page A21 of the Offering Plan. The Declaration includes a reference that the consents be recorded as item 12 and the legal counsel will sign an affidavit or affirmation which states that the consents will be recorded with the declaration after the declaration is filed. Therefore the above requirements should be met and J-51 benefits when received should be distributed building wide. The Sponsor desires that J-51 benefits be distributed building-wide to all residential units, including those units on the fourth and fifth floors. The Sponsor has represented that it shall comply with all four requirements set forth above and that such items will be submitted, if required, to HPD in order to obtain the J-51 Certificate of Reasonable Cost.

I also note that once J-51 benefits are granted certain subsequent events could cause their reduction or revocation. Under §5-07(e) of the Rules and Regulations, the benefits may be revoked if it is found that there was fraud or misrepresentation in relation to the application for benefits.

All records, contracts, invoices, original checks and other related documentation of expenses in connection with the renovation must be kept for a period of three years and made available to HAD upon request. After J-51 benefits are received, HAD routinely conducts audits, pursuant to §5-07 of the Rules and Regulations, of expenses in connection with the renovation. If proper documentation of such expenses is not provided, loss of J-51 benefits, either partially or completely, would result and real estate taxes would increase accordingly.

Please note that after a J-51 application has been approved, benefits will not commence until all unpaid real estate taxes, water and sewer charges and other charges owed to the Office of the City Collector are paid in full. The J-51 benefits for this property are not retroactive. Benefits are projected to commence as described above, on July 1, 2006, after the CRC is issued. **All real estate taxes which are due up to the commencement of the J-51 benefits must be paid in full. In addition, any delay in approval by HAD of the J-51 application, and issuance of the J-51 Certificate of Eligibility, may result in a delay in the commencement of tax benefits.**

In addition either the HAD Commissioner or the Commissioner of the Department of Finance shall withdraw a tax exemption or abatement in the event that real estate taxes or water charges and sewer rents remain unpaid for one (1) year after they become due and payable to the City. Failure by one condominium owner to pay taxes or charges applicable to its unit will not jeopardize the benefits of other unit owners.

Provided the Sponsor complies with all of the above regulations of the City of New York, I believe that the Property will qualify under the conditions set forth in the Statute and the Regulations, and that the City will grant an exemption from any increases in the Assessed Valuation of the building resulting from the Certified Reasonable Cost of the alterations and improvements performed pursuant to Section 11-243 of the Administrative Code. Such exemption will continue for a period of fourteen years, decreasing by 20% per annum from the tenth year through the fourteenth year.

Provided the Sponsor complies with all of the above regulations of the City of New York, it is my opinion that the City will also grant an abatement of, or credit against, the real estate taxes due on the taxable assessment of the property of up to ninety percent (90%) of the CRC of the alterations and improvements that are determined by HAD, and that if the Sponsor's estimates are correct as to the amount of the CRC, that said abatement will last for a period from six (6) to a maximum of twenty (20) years.

No warranty is or can be made by the Sponsor or the Sponsor's counsel that the New York City Department of Housing Preservation and Development or the New York City Real Property Assessment Department, or any other agency with jurisdiction, will approve the Sponsor's application for J-51 tax benefits, or that the Assessed Valuation will fall within the parameters set forth above. Neither the Sponsor nor its counsel shall be liable if, because of a change in the laws and/or regulations or the interpretation of laws and/or regulations, or, as to Hannah Vining, Esq., if the facts or estimates as presented by the Sponsor or Sponsor's experts prove incorrect or the Property is assessed in excess of the parameters projected herein, the Property fails to obtain in whole or part J-51 benefits. Should tax abatement and/or exemption be denied, in whole or part,

then the Unit Owners will be responsible for all of the taxes due and owing after the first year of condominium operation.

The opinions expressed above are based on my interpretation of the Administrative Code and the applicable rules and regulations of the Department of Housing Preservation and Development, as all of the same exist on the date hereof. While I believe my opinions are well-founded, they are not intended and should not be construed as warranties that you will satisfy the existing requirements of J-51 or the regulations. You should be aware of the possibility that the administrative code upon which I have predicated my opinion may in the future be revised in a manner adverse to you and the Unit Owners of the Condominium Units. Finally, I have not passed on the accuracy of any figures or estimates and do not warrant the amount of the real estate tax abatement and/or exemption, if any, to be granted.

I hereby authorize the use of this opinion or reproduction thereof in the Offering Plan for the building.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Hannah Vining', with a stylized flourish at the end.

Hannah Vining, Esq.

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RESERVE FUND

A reserve fund can only be used for capital expenditures. Examples of capital expenditure include, but are not limited to: installation of new roof, replacement of windows, pointing the outside of the Building, and replacing other equipment not done in the ordinary repair and maintenance of the Building. Because most of the Building has been entirely renovated and the top floor of each Building are newly constructed, the Sponsor does not anticipate (but does not guarantee) that there will be any need for capital expenditures in the first five years of Condominium Operation. Consequently no reserve fund is being donated by the Sponsor or Purchasers. There is \$2,500 budgeted for a reserve fund, and after the first year of operation the Board of Managers may increase the reserve fund, provided such increase does not increase the budget more than five percent (5%) above the first year's budget. After the end of the second year of condominium operation, there will be no restrictions on the Board, if it wishes to increase the amount of reserve fund.

If capital expenditures are necessary, and the reserve fund is not sufficient, then the Board of Managers will have to assess each individual Owner for a portion of such capital expenditures that it believes are necessary. If a portion of the Common Charges is designated for such capital improvements, deposited in special accounts and not commingled with the general funds, then that portion of the Common Charges should not be included in the income of the Condominium, according to Revenue Ruling 75-370.

WORKING CAPITAL FUND

At the Closing for each Unit, each Unit Owner will contribute \$750 to the working capital of the Condominium. At the First Closing of a Unit the Sponsor will contribute \$2,500 towards the Working Capital Fund. The Working Capital Fund will be held and used for working capital or for such other purposes as will be determined by the Board of Managers and will be augmented by allocations from the monthly Common Charges collected from Unit Owners.

While the Sponsor controls the Board of Managers, the Working Capital Fund and/or the Reserve Fund will not be used to reduce estimated Common Charges.

The Sponsor, from the proceeds obtained at the First Closing of a Unit from funds obtained from Purchasers pursuant to Purchase Agreements will establish a Working Capital Fund in the sum of \$6,000. The Working Capital Fund will be used (i) to pay the closing adjustments to the extent set forth below and (ii) the balance thereof may be held for working capital, to make repairs and improvements, and for appropriate purposes as determined by the Board of Managers.

If the net closing adjustments referred to below are in favor of the Condominium, the amount thereof will be paid or credited to the Board of Managers. IF THE NET CLOSING ADJUSTMENTS ARE IN FAVOR OF THE SPONSOR, THE SPONSOR WAIVES ANY NET CLOSING ADJUSTMENTS IN ITS FAVOR THAT WOULD REDUCE THE WORKING CAPITAL FUND BELOW THE SUM OF \$1,000. THEREFORE, THERE WILL BE NO NOTE WRITTEN TO THE SPONSOR FOR ADJUSTMENTS.

No representation is made that the Working Capital Fund and/or Reserve Fund will be adequate to cover current or future expenses and/or capital improvements. If additional funds are required over and above the Working Capital Fund and/or Reserve Fund, it may be necessary to increase Common Charges or separately assess all Unit Owners.

The property is being delivered in its renovated and newly constructed condition, as set forth in the **"DESCRIPTION OF PROPERTY SPECIFICATIONS OR BUILDING CONDITION"**, without any obligation by the Sponsor or the Board of Managers to make any other repairs and/or improvements. Neither the Department of Law nor any other government agency has passed upon or will pass upon the adequacy of the Working Capital Fund and/or Reserve Fund or the physical condition of the Property.

While the Sponsor is in control of the Board of Managers, neither the reserve fund or working capital fund may be used to reduce projected Common Charges in the Plan.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Management Agreement

At the time of the First Closing, a Management Agreement (the "Agreement") will be entered into between the Board of Managers and Goldin Management, 25 8th Avenue, Brooklyn, New York, New York, 11217. The contract shall be for an initial term of one year. Thereafter, it shall be renewed annually for an additional year by mutual consent of Agent and Association. As with any contract, either party may cancel the agreement for cause (breach of contract) during the first year. Notwithstanding the foregoing, the Agreement may be terminated by either party at the end of any calendar month on no less than (60) days' previous notice by one party to the other party in writing with or without cause. During the month-to-month continuation of the Agreement, the Managing Agent may increase its fees, as of the first day of a month occurring after not less than sixty (60) days' notice of such increase.

The Managing Agent will receive a fee of \$10,200 payable in monthly installments of \$850 for the first year of operation. In addition to the fee, the Managing Agent charges a fee, currently \$200, for processing the application of a potential purchaser. There are also fees for Alteration applications for work to be done in a unit yet to be determined, since it is not anticipated such will be needed during the first year of operation because of the renovation/new construction of the Building. Commissions will be paid to the Managing Agent in accordance with the Managing Agent's rates then in effect for selling or leasing or renewing leases of space owned by the Unit Owners in similarly sized Buildings.

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

1. Bill and collect Common Charges and other charges.
2. Cause the Building to be maintained, repaired and altered in a condition deemed advisable by the Board of Managers. This shall not include responsibility for supervising or managing major renovations or major capital improvements, unless specifically agreed upon in writing by the Board of Managers and the Managing Agent.
3. Contract for necessary services for the Building, such as electricity, window cleaning, and exterminator services, but not unless such contract shall be as authorized by the Board of Managers.
4. Purchase all supplies necessary to maintain and operate the Building.
5. Check all bills received in connection with the operation of the Building and cause to be paid all such bills and other expenses (such as Mortgage debt service, taxes, etc.).
6. Supervise, pay, hire, and discharge employees.
7. Render monthly statements of receipts and disbursements.
8. Prepare payroll, maintain payroll records and file withholding tax statements for employees.

9. Obtain and maintain (to the extent obtainable) fire, liability and other insurance, in such amounts as may be designated by the Board of Managers.

10. Maintain an accurate set of books (other than books of accounts to be maintained by the Condominium's accountants) and orderly files of rent records, insurance policies, leases, mortgages, receipted bills, bank statements, and other records, etc.

11. Accept applications and references from all prospective Unit Owners and submit same to the Board of Managers.

12. Prepare and submit annually to the Board of Managers an operating budget of the anticipated income and expenses for the ensuing year.

13. Upon request of the Board of Managers, attend meetings of the Board of Managers and Unit Owners, not to exceed one meeting per month.

14. Cause all such acts and things to be done as shall be necessary or desirable to comply with all contracts that the Board of Managers is party to, as well as advise the Board of Managers with respect to extending, terminating, or negotiating such contracts.

The annual financial statement of the Condominium will not be prepared by the Managing Agent, but instead will be prepared by an independent Certified Public Accountant engaged by the Board of Managers at its sole expense.

If authorized by the Board of Managers, the Managing Agent will, at the Condominium's expense, institute foreclosure proceedings to recover Units owned by Unit Owners in default in payment of Common Charges and other charges and institute summary proceedings to recover possession of leased Units owned by Unit Owners in default in payment of Common Charges and other charges. It is expected that the Board of Managers will retain an attorney to appear with the Managing Agent in all court proceedings.

The Condominium will indemnify the Managing Agent against any liability for acts properly performed by it pursuant to the Board of Managers' instructions or for injury to person or property not resulting from the Managing Agent's gross negligence or willful failure to comply with its obligations under the Agreement. In all cases, the Condominium will retain an attorney to represent itself and the Managing Agent in any suits commenced involving any act or omission on the part of the Managing Agent at the sole expense of the Condominium.

The Managing Agent shall not be obligated to make any advance to or for the account of the Condominium, nor to incur any liability or obligation without the necessary funds having been furnished for the discharge by the Board of Managers.

The Condominium agrees to add, to all policies of liability insurance in effect during the term of this Agreement or any extensions, the name of the Managing Agent as a "named insured."

The Managing Agreement shall not be assignable by the Managing Agent except to another entity or entities in their control.

There are no contracts or leases.

IDENTITY OF PARTIES

The Sponsor and Selling Agent is 351-353 21st Realty LLC, a New York limited liability company. It was formed on February 18, 2004. It has offices located at 132 Remsen Street, Brooklyn, New York 11201. The company has never been a sponsor or principal of a sponsor prior to this offering.

Louis Greco is a manager of real estate interests and also has offices at 132 Remsen Street, Brooklyn, New York is the sole manager of the Sponsor. The sole member of the limited liability company is the Dream Trust. Mr. Greco is the Trustee of the Dream Trust. Mr. Greco has no interest in the trust as beneficiary whatsoever. He is not related to the beneficiaries of the Dream Trust by blood, marriage, adoption or business, except as stated herein. Mr. Greco's only interest in the Sponsor and principal of the Sponsor is his fee that he receives for managing the Sponsor and as trustee of the Dream Trust.

351-353 21st Street Realty LLC has never been a Sponsor or principal of a sponsor except for this offering. Louis Greco and the Dream Trust have not been the sponsor or principal of the Sponsor of an offering of realty to or from New York in the last five years, except for the below listed properties.

Property	Date Accepted	Approx. Closing Date
242 Adelphi Street, Brooklyn, NY	3/8/05	not yet closed
351-353 21 st St., Brooklyn, NY	Not Yet accepted	not yet closed

The Dream Trust was the sponsor or principal of the Sponsor for the above listed properties.

Mr. Greco was a principal of 56 Court Inc., a New York Corporation which went bankrupt in 1993 under Chapter 11. It successfully completed its plan of reorganization by selling its sole asset 56 Court Street, Brooklyn, New York. Since this was a reorganization and the plan was completed there was no release from bankruptcy. Mr. Greco was a principal of Court Living Corp., a New York Corporation which went bankrupt in 1993 under Chapter 11. It successfully completed its plan of reorganization by selling its sole asset 60 Court Street, Brooklyn, New York. Since this was a reorganization and the plan was completed there was no release from bankruptcy.

Counsel

Hannah Vining, Esq., with offices located at 39 East Pembroke Road, Danbury, CT 06811 is counsel for the Sponsor and has been retained by the Sponsor to prepare the offering plan and to represent the Sponsor at all Unit Closings. She will be compensated by the Sponsor for her legal representation. The Condominium does not have independent legal counsel. Hannah Vining does not represent prospective Purchasers. **It is suggested and expected that each Purchaser will consult and be represented by his/her own counsel in connection with this Offering.** Hannah Vining does not have any financial interest in the Property, the Sponsor, the Condominium, the Selling Agent, or any other party interested in this transaction, except for her fee for services rendered in connection with the preparation of this Plan and representation of the Sponsor.

Architect

Todd Ernst of Ernst Architects PLLC, with offices located at 177 West Broadway, New York, New York 10013, has prepared the floor plans and examined the physical condition of the Building to date. His report is set forth in Part II beginning on Page D1. Ernst Architects has previous experience in the preparation of such reports and has written a number of such reports. Mr. Ernst has no financial interest in the Property, the Sponsor, the Condominium, the Selling Agent, or any other party interested in this transaction, except for his fee for services rendered in connection with the preparation of this report.

Managing Agent

The managing agent is Goldin Management, an independent management company located at 25 8th Avenue, Brooklyn, New York 11217. The managing agent has been in business for a number of years in the neighborhood and currently manages approximately 80 cooperative and condominium buildings. The managing agent has no relationship whatsoever with the sponsor or principals of the sponsor, except for its fees for services, which the sponsor will partially pay as part of its common charges on Unsold Units. Its fee for its services for managing the building are the same as for similarly sized buildings and was established after arms-length negotiation. Below is a partial list of some buildings which Goldin Management manages:

Building	Type	No of Units
75 Prospect Park West, Brooklyn, NY	co-op	23
743 Union St., Brooklyn, NY	condo	8
Garfield Regency Condominium	condo	40
464-469 Carroll St., Brooklyn, NY	condo	18
675 Sackett Street, Brooklyn, NY	condo	38
233 Greene Ave., Brooklyn, NY	condo	12
320 Washington Ave., Brooklyn, NY	condo	25
195 Spencer Street, Brooklyn, NY	condo	18
197 Spencer Street, Brooklyn, NY	condo	18
201 Spencer Street, Brooklyn, NY	condo	18

REPORTS TO UNIT OWNERS

All Unit Owners of the Condominium will be entitled to receive, annually, from the Condominium, at its expense, copies of the following:

- A. A statement of the Condominium's financial condition, within four (4) months of the end of the Condominium's fiscal year, prepared by a certified public accountant or public accountant. While the Sponsor is in control of the Board of Managers, such statement shall be certified.
- B. Prior notices of the annual Unit Owners' meeting; and
- C. A copy of the proposed annual budget of the Condominium within thirty (30) days prior to the date set for adoption by the Board of Managers. While the Sponsor controls the Board of Managers, the Sponsor will obtain a certified statement from an independent expert that such proposed budget is adequate to meet the needs of the Condominium.

DOCUMENTS ON FILE

In accordance with Section 352-e(9) of the General Business Law of the State of New York, copies of this Plan and all exhibits or documents referred to shall be available for inspection without charge by prospective Purchasers and by any person who shall have purchased the Units offered by the Plan or shall have participated in the offering of such securities at the office of the Sponsor's attorney, Hannah Vining, Esq., 39 East Pembroke Road, Danbury, CT 06811, and shall remain available for a period of six years from the First Closing for such inspection during normal business hours and upon reasonable notice. All documents may be copied at a reasonable charge and upon reasonable notice during normal business hours.

The Sponsor shall deliver a copy of all documents filed with the appropriate recording office at the time of the First Closing to the Board of Managers within a reasonable period of time after it receives same from such recording office.

GENERAL

The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. The Plan does not contain a full summary of all the provisions of the various documents referred to herein. True copies of the Declaration, Deed, Affidavit, Purchase Agreement, By-Laws and Rules and Regulations are contained in Part II hereof. Statements made herein as to the provisions of such documents are qualified in all respects by the contents of such documents.

There are no lawsuits or other proceedings now pending, or any judgments outstanding, either against the Sponsor or the Condominium or any person or persons, which might become a lien against the Property or which, in any way, will materially or adversely affect the Plan or the operation of the Condominium.

In accordance with the provisions of the Laws of the City of New York, the Sponsor represents that the Sponsor, the Board of Managers, the Selling Agent will not discriminate against any person because of his/her race, creed, color, sex, national origin, age, ancestry, disability, marital status, sexual orientation or any other basis prohibited by law in the sale of Units offered under the Plan or in the leasing of any of the Units in the Building(s).

In the event of any materially adverse amendment to this Plan, Purchasers not in default under their Purchase Agreements shall be given the right to rescind their Purchase Agreements and obtain the return of their Down Payment, provided that within fifteen (15) days of the presentation of the amendment, the Purchaser sends written notice to the Sponsor of such rescission by certified mail, return receipt requested. Down Payments will be returned within fifteen (15) days of rescission to non-defaulting Purchasers. Pursuant to the Judiciary Law of the State of New York, any interest will be turned over to the State to pay the legal expenses of needy persons.

The Property has not been subject to a prior public offering.

As of the date the Plan is accepted for filing, neither the Sponsor nor the Selling Agent, nor any representative or agent thereof will have raised funds or made any preliminary offering or binding agreements to or with prospective Purchasers with respect to any Unit in the Building. The Sponsor has not entered into any contracts or agreements, written or oral for the sale or transfer of any of the Units offered in the Plan. No deposits or advances of funds have been taken by or on behalf of the Sponsor in connection with the reservation, sale or transfer of any Unit in the Building prior to the submission of the Plan to the Department of Law. No contracts or agreements have been entered into and no deposits or advances of funds accepted as of the date the Plan is accepted for filing.

No person has been authorized to make any statement or representation which is not expressly contained herein. Information, data or representations not contained herein, or in the exhibits referred to herein, must not be relied upon. This Plan may not be changed or modified orally.

Any references in the Plan to anyone whether, masculine, feminine, or neuter, includes the other two and the singular includes the plural, and vice versa, unless the context otherwise requires.

The **"DESCRIPTION OF PROPERTY AND SPECIFICATIONS OR BUILDING CONDITION,"** prepared by Todd Ernst of the firm of Ernst Architects has been included in the Plan and all statements and representations made in the Plan with respect thereto, have been made in reliance upon the said firm in preparing same and its authority as an expert.

The Sponsor agrees to pay such interest on deposits as a court may consider just and proper as part of an order granted pursuant to Section 354 of the General Business Law of The State of New York.

On July 22, 1998, Section 352-kk of the General Business Law of New York State was enacted to allow the Board of Managers of Condominiums the right to collect rent from tenants in certain cases when the non-occupant Owner is behind in his/her/its Common Charges. A copy of the law is printed in Part II beginning on Page G1.

All units offered in the Plan are vacant.

SPONSOR'S STATEMENT OF BUILDING CONDITION

The Sponsor hereby adopts the "DESCRIPTION OF THE PROPERTY SPECIFICATIONS OR BUILDING CONDITION" (the "Report") as set forth in Part II of the Plan at page D1. With reference to the Sponsor's preparation of such material, it consulted with Todd Ernst of Ernst Architects, located at 177 West Broadway – 3rd floor, New York, New York 10013, independent architects. The Sponsor represents that it does not know of any material defects or need for major repairs except as set forth in the Report. To the best of the Sponsor's knowledge, the Report accurately describes the condition of the Building and its equipment, as they will exist after its completion, wear and tear excepted. See the Report in Part II beginning on Page D1.

Except as stated expressly in the Report and the Offering Plan, the Property is offered without representation or warranty, express or implied. Neither the Sponsor nor the Board of Managers will have any obligation to make repairs or improvements of any kind to the Building or the Property except as expressly set forth in the Plan or Report. The Sponsor makes no representation or warranty that any portion of the Building or its systems will continue to operate. However, the Sponsor represents that it will maintain and operate the Building until the First Closing in its "as built" condition, except for normal wear and tear and except for its obligations under the Plan to complete any improvements and/or repairs in conformity with the Report and the Plan.

The Sponsor represents that it, at its sole cost and expense, will cure or cause to be cured all notices or violations, municipal ordinances, orders or requirements issued by the Department of Buildings, Department of Housing, Preservation and Development, Fire Department, Labor Department, Health Department or other municipal departments having jurisdiction against or affecting the Property on the First Closing. The Sponsor represents that it will eliminate all known dangerous and hazardous conditions of which it has received notice. The Sponsor will comply with all work orders received from mortgagees. Except for hazardous conditions, which will be cured prior to the First Closing, in the event that the Sponsor has not cured violations, the Sponsor will cure the violations within 180 days thereafter.

Neither the Sponsor nor the Condominium makes any representation or warranties as to the condition of the Property other than in the Report as set forth in Part II of the Plan, upon which the Sponsor has relied entirely. Prospective Purchasers are urged to carefully review the Report, particularly those sections of the report which indicate that repairs and/or improvements to the Building or Units are required.

The number of Units offered is 16 residential Units and 6 accessory Park Space Units and will be identical to the number of Units stated in the Certificate of Occupancy. The proposed use of the Units will be the same as the use indicated in the Certificate of Occupancy, a copy of which will be filed with the Department of Law after it is received.

Prospective Purchasers are cautioned to carefully inspect the physical condition of the Unit which they intend to acquire. All Units will be conveyed in their as built/renovated condition except as specifically set forth herein.

The Building will be built in compliance with Local Law 58 (Handicapped Access Law).

Portions of the building are new construction and other portions are renovation. No lead paint was used in either the construction or renovation of the project. However since portions of the building were built prior to 1978, sellers of condominium Units are required by federal law to disclose in buildings built prior to 1978 whether or not they know of the presence of lead based paint in the premises they are selling, as well as provide each purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing that are available to the Seller. As of the date the offering Plan is accepted for filing the Seller has no knowledge of any lead paint in the building and has no reports or records pertaining to lead-based paint and/or lead base paint hazards in the Building. Such Sellers or their real estate agents must also provide the pamphlet *"Protect Your Family From Lead in Your Home"* which is printed in the Offering Plan, Part II beginning on page LI. All purchasers who do not waive the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards must be given a 10-day opportunity (or other mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards. The Sponsor shall comply with such regulations. **IF A PURCHASER WISHES TO CONDUCT SUCH A RISK-ASSESSMENT, THE PURCHASER MUST DO SO BEFORE ENTERING A CONTRACT AND WILL BE GIVEN AN OPPORTUNITY TO DO SO.**

Areas of the Building not set forth herein as belonging or appurtenant to a Unit are called "Common Elements." They include, but are not limited to, common cellar areas, front yard, front stoops and public halls, as well as the pipes, conduits, and public utility lines. The Common Elements are owned proportionately by all Unit Owners and are to be maintained by the Condominium. The following are Limited Common Elements:

- (1) The garden adjacent to Unit #1R at 351 21st Street, as shown on the floor plans, and the garden adjacent to Unit #1R at 353 21st Street, as shown on the floor plans, shall not be deemed a General Common Element, but gardens shall be a Limited Common Element of the Owners of Unit #1R at 351 21st Street and Unit #1R at 353 21st Street. Except for the structural areas of the Building, the Unit Owner shall be responsible for the repair and maintenance of the garden except that, anything to the contrary herein notwithstanding, the use of garden by the said Owner shall be subject to the following conditions and limitations.
 - (a) The Board of Managers and its agents shall have the use of this space for the following purposes, subject to the following obligations:
 - (i) Access to the Common Elements for inspection, repair and maintenance purposes, to the extent that the same affect the repair and maintenance of the Building's structure, which shall be the sole and only obligation of the Condominium with regard to the garden.
 - (ii) For ingress and egress from the Building in case of fire or for other emergency, which right shall extend to other occupants of the Units in the Building, their guests, lessee(s) and residents; and
 - (iii) For any purpose as required by law, applicable governmental rule or regulation or the Building's Certificate of Occupancy.

- (b) No structure may be built in the garden, but the Unit Owner may add fencing and other decorative features, provided same do not violate any existing law or regulation of any governmental agency having jurisdiction thereof.
- (2) The roof terraces of the Building as shown on the floor plans shall be a Limited Common Element of Units #4F and #4R at 351 21st Street and Units #4F and #4R at 353 21st Street. The Unit Owners shall exclusively use and maintain the roof terraces as shown on the floor plans, subject to the conditions and limitations set forth below. The Unit Owners of Units #4F and #4R at 351 21st Street and Units #4F and #4R at 353 21st Street shall be responsible for any repairs or improvements for such areas of the roof which is necessitated by their use. Anything to the contrary notwithstanding, the use of such areas of the roof by the Owners of Units #4F and #4R at 351 21st Street and Units #4F and #4R at 353 21st Street is subject to the following conditions and limitations:
 - (a) All required means of egress from and to the roof shall remain clear and unobstructed.
 - (b) The Board of Managers and its agents shall have the use of this space for the following purposes, subject to the following obligations:
 - (i) For the purpose of inspecting and maintaining any chimney and any equipment or Building systems located on or near the roof;
 - (ii) For ingress and egress to and from the Building in case of fire or other emergency, which right shall also extend to other Owners of Units in the Building, their guests, invitees, lessees and/or residents;
 - (iii) The Board of Managers shall be solely and only responsible for the repair and maintenance of the structural elements of the roof and the normal and usual repair of the roof surface as the same are an integral part of the structural aspects of the Building, which in time may need maintenance, repair and improvement, so long as the same is not necessitated, or deterioration accelerated, by the Owners' use. A dispute as to who will pay the costs of any repairs shall be submitted to Arbitration proceedings pursuant to Article XIII of the By-laws.
 - (c) The Owners of Units #4F and #4R at 351 21st Street and Units #4F and #4R at 353 21st Street may build a deck on their portion of the roof, but no other permanent structure, provided such is done in compliance with all applicable laws and regulations of all governmental authorities having jurisdiction thereof and further provided that such is done in compliance

with the By-Laws of the Condominium and the conditions and limitations set forth below. The Unit Owners of Units #4F and #4R at 351 21st Street and Units #4F and #4R at 353 21st Street shall be responsible for any repairs or improvements on the roof necessitated by their use.

- (3) No Unit Owner may add bulk to the building.

Any work that adds additional bulk to the Premises would require a variance, as the Building occupies all the allotted square feet of the permissible lot area. However, no Owner of a Unit may add such bulk under the Declaration.

PURCHASE AGREEMENT

ABBY COURT CONDOMINIUM

Date of this Agreement: _____

Residence Phone: _____

Business Phone: _____

Purchaser's Name: _____

Address: _____

Purchaser's Social Security No. _____

Seller's Name: 351-353 21st Realty LLC
Seller's Address: 132 Remsen Street
Brooklyn, NY 11201

Federal I.D. No.: _____

Common Charges \$ _____ Estimated Yearly Taxes \$ _____

Unit No. _____ Percentage of Common Interest: _____

Building Address: 351-353 21st Street (delete inapplicable building)
Brooklyn, NY 11215

Purchase Price \$ _____

10% Down Payment \$ _____

Balance due at
Closing \$ _____

Mortgage Amount \$ _____ (See Article 9 below)

Purchaser's Attorney:
Name, Address, Phone & Fax

Broker:
Name, Address, Phone & Fax

Seller's Attorney:
Name, Address, Phone & Fax

Hannah Vining, Esq.
39 East Pembroke Road
Danbury, CT 06811
Phone: 203-798-7215
Fax: 203-791-9520

WHEREAS 351-353 21st Realty LLC, a domestic limited liability company having its offices at 132 Remsen Street, Brooklyn, New York 11201 (the "**Seller**" or the "**Sponsor**"), will prepare a Condominium Plan and desires to offer for sale, pursuant to Article 9-B of the Real Property Law of the State of New York, Condominium Units to be situated on the Land owned by it located at 351-353 21st Street, Brooklyn, New York 11215 ("**Premises**"), and the Purchaser is desirous of purchasing a Condominium Unit ("**Condominium Unit**" or "**Unit**") in the Condominium ("**Condominium**").

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth in this Purchase Agreement and the Plan, the Parties mutually agree as follows:

1. **Offering Plan Read.** The purchaser ("**Purchaser**") has received and read the offering-statement Plan of Condominium organization ("**Plan**" or "**Offering Plan**") and, with respect to the above Premises, at least three days prior to the execution of this Agreement.

The Plan, including all documents included in Part II of the Plan and any amendments to the Plan, is incorporated in this Purchase Agreement ("**Agreement**" or "**Purchase Agreement**") by reference and is made part of this Agreement, just as if they were set out fully and at length. By signing this Agreement, the Purchaser accepts and approves the Plan (and all amendments to the Plan), including the Declaration and By-Laws, and agrees to abide, and be bound, by its terms and conditions. The terms used in this Purchase Agreement have the same meaning as they have in the Plan.

Any conflict between the Plan and the Purchase Agreement is to be resolved in favor of the Plan to the extent that it enlarges upon or deals at greater length with the Seller's obligations or imposes greater obligations on the Seller. The Purchaser acknowledges that the Purchaser is purchasing a Unit in a Condominium to be formed.

2. **Sale of Unit.** The Purchaser agrees to purchase, and the Seller agrees to sell the Unit in the Premises, which is designated above, together with the percentage of undivided interest in the Common Elements of ABBY COURT CONDOMINIUM, appurtenant to the Unit for the purchase price stated above.

3. **Delivery of Deed; Adjustments.** The Closing of Title shall take place at an office and time designated by the Seller upon 30 days written notice mailed to the Purchaser at his address as set forth above. The Seller shall be entitled to a reasonable adjournment in the Closing of Title in the event of delay by reason of weather conditions, strikes, material shortages or delays in inspections and reports thereon. **If the Purchaser is not ready to close title at the date and time fixed according to the terms of this Agreement, any adjournments granted at the Purchase's request shall be upon the condition that all adjustments shall be made as of the date which was originally fixed by the Seller for the Closing of Title.** However, the previous sentence shall not be construed to require the Seller to grant any adjournment.

4. **Payment of Unit.** The down payment ("**Down Payment**") has been made on the signing of this Agreement, receipt of which (by check subject to collection) is hereby acknowledged by the Seller. The Balance Due at Closing (**including the proceeds of the mortgage loan referred to herein, if any**) shall be payable at the Closing of Title, as provided by this Agreement, by certified check or a cashier's check drawn on a bank or trust company which is a member of the New York Clearing House Association, to the order of "**HANNAH VINING, AS ATTORNEY**" or to the Seller, as directed by the Seller's attorney.

5. **Recording of Condominium Declaration and By-Laws.** The Declaration and By-Laws of the Condominium will be recorded by the Seller in the Office of the Registrar of the City of New York, Kings County, prior to the conveyance of the first Condominium Unit, as discussed more completely in the Plan. The Seller shall file together with the Condominium Declaration, when it is recorded or shall amend the Condominium Declaration prior to the Closing Date and file at such time, a verified statement by a registered architect or licensed professional engineer certifying that the plans previously filed or being filed simultaneously with the amendment fully and fairly depict the layout, location, Unit designation, and approximate dimensions of the Units, as built. The Declaration and By-Laws, when recorded by the Seller,

will be substantially in the form and substance of the Declaration and By-Laws delivered to the Purchaser, and any changes therein will not substantially affect the Purchaser adversely.

6. **Seller's Failure to Convey.** If the Seller is unable to deliver title to the Unit to the Purchaser in accordance with the provisions of this Agreement and the Plan by reason of a defect in title, substantial damage or destruction of the building by fire or other casualty, or the taking of any material portion of the property by condemnation or eminent domain, the Seller shall not be obligated to bring any action or proceeding or otherwise incur a cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability. If the Seller is not so obligated under the Plan and notifies the Purchaser of its election or inability to cure such title defect, and if the Purchaser is not in default hereunder, the Purchaser's sole remedy shall be either (a) take title to the Unit subject to such title defect (without any abatement in or credit against the purchase Price, or any claim or right of action against the Seller for damages or otherwise), or (b) terminate this Agreement. If the purchaser so elects to terminate this Agreement, the Seller shall within 15 days after receipt of notice of termination from the Purchaser return to the Purchaser all sums deposited by the Purchaser hereunder together with interest earned thereon, if any. Upon making such payment, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations, or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice to the Seller in writing within 15 days after giving of notice to Purchaser pursuant to the notice provisions of this Agreement of election not to cure such inability, failing which, it shall be conclusively deemed that the Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

7. **Agreement Subject to Plan Being Declared Effective.** It is specifically understood and agreed that, in the event the Seller shall be unable to deliver, or cause to be delivered, a deed to the Unit to the Purchaser in accordance with this Agreement because of the inability of the Seller to complete the filing for the Premises as part and parcel of a Condominium Plan in accordance with the Offering Plan and any amendments thereto, then the Seller shall immediately notify the Purchaser, and thereupon this Agreement shall terminate and the sole liability between the parties shall be the return by the Seller to the Purchaser of the Purchaser's Down Payment, together with any interest thereon, if any, under this Agreement.

8. **Purchase of Unit Without A Mortgage Loan.** The Purchaser has the option to pay the "Purchase Price" in "all cash," without obtaining a Mortgage. In the event that the Purchaser exercises this option, the provisions of this Agreement which refer to the mortgage to be obtained by the Purchaser shall be deemed deleted.

9. **Contract Subject to Purchaser Receiving Mortgage Commitment.** This Agreement is subject to the Purchaser's obtaining a loan commitment in the amount of \$ _____, or a lesser amount applied for by the Purchaser at the prevailing rate of interest with monthly payments computed on not less than a thirty-(30)-year payout. The Purchaser will accept any conventional commitment offered by the lending institution of the Purchaser's choice, whether that is a "fixed," "roll-over," "variable rate," "adjustable," or any other form of mortgage, however designated. The Purchaser represents that, to the Purchaser's knowledge, the Purchaser should be able to qualify for a mortgage in the amount represented above and that the Purchaser is creditworthy. The Purchaser will have ten (10) days to apply for a mortgage through an Institutional Lender or through a mortgage broker ("**Mortgage Broker**") registered pursuant to Article 12-D of the New York Banking Law from the receipt of a fully executed Agreement and thirty (30) business days from the receipt of the fully executed Purchase Agreement to obtain the loan commitment. In the event that the Purchaser fails to obtain a commitment within the thirty-(30)-business-day period, either the Purchaser or the Seller may cancel the Agreement on five (5) days written notice to the other party pursuant to the notice provisions of this Agreement. The Purchaser will be entitled to a prompt refund of the Down Payment in the event that the Purchase Agreement is cancelled due to the Purchaser's inability to obtain financing, provided that the Purchaser complies with the conditions set forth in this Article concerning financing. To the extent a Commitment is conditioned on the sale of Purchaser's current home, payment of any outstanding debt, no material adverse change in Purchaser's financial condition, or any other customary conditions, Purchaser accepts the risk that such conditions may not be met; however, a commitment conditioned on the Institutional Lender's approval of an appraisal shall not be deemed a "Commitment" hereunder until an appraisal is approved (and if that does not occur before the Commitment Date, Purchaser

may cancel under this Agreement unless the Commitment Date is extended). Purchaser's obligations hereunder are conditioned only on issuance of a Commitment. Once a Commitment is issued, Purchaser is bound under this Contract even if the lender fails or refuses to fund the loan for any reason, except as specified herein or in the Offering Plan.

The Purchaser will apply for a Mortgage and notify the Seller or the Seller's attorney of the name of the lending institution(s) in writing within ten (10) days from receipt of the fully executed Purchase Agreement. Within five (5) business days of a receipt of either a commitment or declination, the Purchaser will notify the Seller or the Seller's attorney in writing and deliver a copy of the commitment or declination to the Seller's attorney with the written notice. **In the event that the Seller's attorney does not receive a notice in writing of cancellation of the Agreement, based on a declination or a failure to obtain a bank commitment within the five (5) business days after such right to cancel arises, the Purchaser will be expected to close whether or not the Purchaser has received financing, unless the Seller cancels the Agreement. Any notice to cancel by the Purchaser must be accompanied by a declination, which must come from a Lending Institution and not a Mortgage Broker.** In case of cancellation pursuant to this Agreement, a copy of any loan-refusal letter or non-complying Loan Commitment Letter (as the case may be) issued by the Institutional Lender (not the Mortgage Broker) shall accompany the Notice of cancellation, if available, or if not then available, shall be provided promptly after receipt. The down payment will not be returned until a copy of the loan-refusal letter or non-complying Loan Commitment Letter is received by the Seller's attorney.

Once a bank commitment is issued, the Purchaser will use his best efforts in obtaining and maintaining any and all extensions necessary to maintain the commitment in full force and effect, or to obtain another commitment. Failure to do so will constitute a default under this Agreement and the Purchaser will lose his Down Payment. If an extension is granted or another commitment is issued, no guarantee can be made that the terms will be as favorable as the expired commitment. The Purchaser may also have to pay additional points and other fees to extend the commitment or to obtain another commitment. If, despite the Purchaser's best efforts, the Purchaser is unable to obtain a new commitment or extension by the Closing Date or within sixty business (60) days after expiration of the commitment, whichever is longer, The Purchaser may elect not to close, in which case the Down Payment, together with interest thereon, if any, will be refunded to the Purchaser by the Seller and all obligations under this Agreement will cease. **In the event that the Seller's attorney does not receive a notice in writing of cancellation of the Agreement, based on a declination or a failure to obtain a bank commitment within the five (5) days after such right to cancel arises, the Purchaser will be expected to close whether or not the Purchaser has received financing, unless the Seller cancels this Purchase Agreement.** In case of cancellation pursuant to this Agreement, a copy of any loan-refusal letter or non-complying Loan Commitment Letter (as the case may be) issued by the Institutional Lender (not the Mortgage Broker) shall accompany the Notice of Cancellation, if available or, if not then available, shall be provided promptly after receipt. The down payment will not be returned until a copy of the loan-refusal letter or non-complying Loan Commitment Letter is received by the Seller's attorney.

The Purchaser is aware that failure to apply for a Mortgage within the time limits set forth herein, provide accurate and complete information to the lender promptly as required by the lender, pay all fees, points and charges required in connection with such application and loan, pursue such application with diligence, cooperate in good faith with such Institutional Lender to the end of securing such mortgage loan, accept a commitment issued to the Purchaser by the lender on terms set forth in this Purchase Agreement, or to comply with all requirements of the commitment when received will constitute a default by the Purchaser under this Purchase Agreement, whereupon the Seller will be entitled to retain the Liquidated Sum.

For purposes of this Purchase Agreement, the term "Institutional Lender" shall mean any bank, savings bank, private banker, trust company, savings and loan association, credit union, or similar banking institution whether organized under the laws of this state, the United States, or any other state; foreign banking corporation licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State; insurance company duly organized or licensed to do business in New York State, mortgage banker licensed pursuant to Article 12-D of the Banking

Law; and any instrumentality created by the United States or any state with the power to make mortgage loans.

10. Closing Costs and Adjustments. The Purchaser further agrees to pay at the Closing of Title those costs applicable to a Closing where a Purchaser obtains a mortgage or where the Purchaser does not obtain a mortgage, whichever is applicable in this particular case. The costs shall include, but shall not be limited to, the actual cost of title examination; bank's attorney's fees for preparation of the documents necessary for the mortgage loan; mortgage origination fee; bank credit and appraisal fee; survey costs, if any; mortgage recording taxes; New York City and State Real Property Transfer Taxes (The New York City Real Property Tax, as of July 1, 1996, is at the rate of 1% for consideration of less than \$500,000 and 1.425% of consideration, if consideration is \$500,000 or more. Consideration includes the Transfer Taxes being paid by the Purchaser and the New York State Transfer Tax is equal to \$2.00 for every \$500 of consideration. Accordingly, the Transfer Tax due on the sale of the Unit is computed by multiplying the purchase times 1% or 1.425%, as the case may be, then purchase price is divided by \$500 then multiplied by 2. The resulting two figures should then be added to the purchase price to obtain the consideration. Consideration should be multiplied by 1% or 1.425% as the case may be to obtain the New York City Transfer Tax and then consideration should be divided by \$500 and multiplied by 2 to obtain the actual New York State Transfer Tax); private mortgage insurance (if applicable); and any other governmental charges assessed on the loan or transfer of title.

The Purchaser will contribute \$750 to the board of managers ("Board of Managers") as an initial working capital fund for unanticipated expenses in the operation of the Building.

The Purchaser also agrees to apportion with the Seller such taxes, utility charges, and Common Charges as may be determined to be due on the date the Seller sets for the Closing of Title.

If the Purchaser uses a reputable title company other than First Manhattan Abstract Corp., the Purchaser will have additional costs. See Article 19 hereof.

In addition, The Purchaser will pay the Seller's attorney a fee of \$1,250 at Closing for the preparation of the closing documents. If the Closing is held at a place other than the offices of First Manhattan Abstract Corp., 215 Park Avenue South, Suite 714, New York, NY or such place as designated by the Seller, but within New York City, the Purchaser shall pay the Seller's attorney an attendance fee of \$250 per Unit. If the Closing is held outside of New York City, the Purchaser will pay the Seller's attorney a reasonable attendance fee based upon distance, but in no event will the fee be less than \$350. The fee for closing in Nassau or Westchester County shall be \$600. If the closing of title is adjourned other than by the Seller, the Purchaser shall pay, in addition to the other applicable fees, a fee of \$300 per Unit to the Seller's attorney for costs in connection with such adjournment. In the event that the Purchaser defaults, the Purchaser shall pay to the Seller's attorney a fee of \$300 for preparation of the default letter. **All of the above fees due the Seller's attorney are cumulative to the extent applicable to the individual Unit, and shall be payable by certified or cashier's check at Title Closing, drawn on a bank that is a member of the New York Clearing House Association, and shall be the Purchaser's sole responsibility.**

11. Seller's Right to Mortgage Tax Credit. The Purchaser agrees that any mortgage tax credit received pursuant to Section 359-ee of the Real Property Law of the State of New York will inure to the benefit of the Seller.

12. Down Payment in Escrow. The Seller will hold all monies received directly or through its agents or employees under this Agreement in trust until the closing of title to a Unit. The Down Payment will be held in trust, pursuant to Sections 352-h and 352-e(2)(b) of the New York State General Business Law and pursuant to the applicable regulations of the New York State Department of Law, in an IOLA account entitled "**351-353 ATTORNEY IOLA ACCOUNT**," with JPMorgan Chase Bank, 4 Metro Tech Center, Brooklyn, NY 11245. The escrow account shall be an interest-bearing account, as disclosed in the offering plan. However, the escrow account will be an IOLA account established pursuant to Judiciary Law Section 497 and interest will be distributed to New York State pursuant to such law. The signature of

**BY-LAWS
of
ABBY COURT CONDOMINIUM**

ARTICLE I

Purpose of Business

Section 1. Unit Ownership. The Property located in the Borough of Brooklyn, County of Kings, City and State of New York, at 351-353 21st Street, Brooklyn, New York 11215, (the "**Property**") has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York (the "**Condominium Act**") by Declaration recorded in the Kings County office of the Registrar of the City of New York, simultaneously herewith. The Condominium thereby created shall hereafter be known as **ABBY COURT 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 "**Land**"), the Building (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 the Condominium Act. The condominium units are sometimes referred to as "**Unit**" or "**Units**."

Section 3. Application. All present and future owners ("**Owners**"), mortgagees, lessees, and occupants of Units and their employees and any other person who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and 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. Office. The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II

Meetings of Unit Owners

Section 1. Annual Meeting. The Annual meeting of the Unit Owners of the Condominium for the election of the Board of Managers and for such other business as may properly come before such meeting shall be held in the Borough of Brooklyn, City of New York, at such time and place each year as may be designated by the Board. The notice of the meeting shall be in writing and signed by the President or a Vice President or the Secretary or Assistant Secretary. Such notice shall state the time when, and the place within, the state where it is to be held, and the Secretary shall cause a copy thereof to be delivered personally or mailed to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before the meeting. If mailed, it shall be directed to each Unit Owner at his/her address as it appears in the records of the Condominium, unless he/she shall have filed with the Secretary of the Condominium a written request that notices intended for him/her be mailed to some other address, in which case it shall be mailed to the address designated in such request.

Section 2. Special Meetings. Special meetings of Unit Owners, other than those the calling of which is regulated by statute, may be called at any time by the President or Secretary or by a majority of the Board of Managers. However, it shall also be the duty of the Secretary to call such meetings, requested in writing by Unit Owners owning at least twenty-five (25%) percent in number and Common Interest of the Condominium. The Secretary shall cause a notice of such Special Meeting stating the time, place, and object thereof, and the officer

or other person or persons by whom the meeting is called, to be delivered personally or mailed as provided in Section 1 of this Article to each Unit Owner of record of the Condominium entitled to vote at such meeting not less than ten (10) nor more than forty (40) days before such meeting. No business other than that stated in such notice shall be transacted at such Special Meeting unless the Owners of all the Units of the Condominium be present thereat in person or by proxy.

Section 3. Waiver of notices. The notice provided for in the two foregoing sections is not indispensable, but any Unit Owners' meeting shall be valid for all purposes if all Unit Owners of the Condominium are represented thereat in person or by proxy, or if a quorum is present, as provided in the next succeeding section, and waiver of notice of time, place, and objects of such meeting shall be duly executed in writing either before or after the meeting by the Unit Owners who were not so represented and were not given notice.

Section 4. Quorum. At each meeting of Unit Owners, except where otherwise provided by law, Unit Owners representing, in person or by proxy 51% in number and Common Interest of the Condominium shall constitute a quorum. If a quorum is not present at any meeting, the Owners of a majority of the Units represented may adjourn the meeting to some future time and place. No notice of the time and place of the adjourned meeting need be given other than by announcement at the meeting. Only those Unit Owners who, if present at the original meeting, would have been entitled to vote thereat shall be entitled to vote at any such adjourned meeting.

Section 5. Record Date, Proxies and Voting. At each meeting of Unit Owners, each Unit Owner present in person or by proxy shall be entitled to cast the votes appurtenant to his/her Unit at the time of service of notice of such meeting or at such prior date, not more than forty (40) days before such meeting, as may be prescribed by the Board of Managers as the date for determining which Unit Owners of record are entitled to notice of, and to vote at, such meeting (the "Record Date"). Proxies shall be in writing duly signed by the Unit Owner but need not be acknowledged or witnessed, and the person named as proxy by any Unit Owner need not himself be a Unit Owner of the Condominium. Voting by Unit Owners shall be via voice unless any Unit Owner present at the meeting, in person or by proxy, demands a vote by written ballot, in which case the voting shall be by ballot, and each ballot shall state the name of the Unit Owner voting and the number of votes appurtenant to his/her Unit, and in addition, the name of the proxy of such ballot if cast by proxy.

Section 6. 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, syndicate, organization, government, or any department or agency thereof, or any other entity entitled to own real property under any applicable law of the jurisdiction. 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 certificate of occupancy, zoning requirements, or other applicable law or regulation.

Section 7. Number of Votes. Any or all of such Owners (including the Sponsor, if the Sponsor shall own one or more Units) shall be entitled to cast one vote for each .01% 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 as otherwise provided by these By-Laws. 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 the Unit shall agree among themselves and cast the votes for their Unit as a single vote. A fiduciary shall be the voting member with respect to any Unit held in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote. A Unit Owner defaulting in payment of Common Charges or assessments shall not be permitted or entitled to vote at any regular or special meeting of Unit Owners.

Section 8. Majority of Unit Owners. As used in these By-Laws the term "majority of Unit Owners" shall mean those Unit Owners having greater than 51% in Common Interest of the Condominium present in person or proxy and voting at any meeting of Unit Owner, determined in accordance with the provisions of Section 7 of this Article II. Unless otherwise provided by these By-Laws, decisions require a majority (51%) in Common Interest of the Condominium.

Section 9. Inspectors of Election. Inspectors of election shall not be required to be appointed at any meeting of Unit Owners unless requested by a Unit Owner present (in person or by proxy) and entitled to vote at such meeting and upon the making of such request inspectors shall be appointed or elected as provided in Section 610 of the Business Corporation Law of the State of New York.

Section 10. Order of Business. So far as consistent with the purpose of the meeting, the order of business of each meeting of Unit Owners shall be as follows:

1. Call to order.
2. Presentation of proofs of due calling of meeting.
3. Roll call and presentation and examination of proxies.
4. Reading of minutes of previous meeting or meetings, unless waived.
5. Reports of officers and committees.
6. Appointment or election of inspectors of election, if requested.
7. If the Annual Meeting or Special Meeting is called for that purpose, the election of Managers.
8. Unfinished business.
9. New business.
10. Adjournment.

ARTICLE III

Managers

Section 1. Number. The number of Managers of the Condominium shall not be less than three (3), nor more seven (7), as may from time to time be herein provided and in the absence of such provisions shall be five (5). Until the first election of Managers by the Unit Owners, the number of managers shall be as disclosed in the offering plan for the Property. Commencing with the first election of Managers by Unit Owners the number of Managers shall be five (5). The number of Managers shall not be decreased to a number less than the number of Managers then in office except at any Annual Meeting of Unit Owners. However, during the period of time the Sponsor continues 50% of the Units, the number of Managers shall be fixed at five (5), except as otherwise provided herein. The Managers shall hold office until their successors have been elected and hold their first meeting. But in any event, the members of the Board of Managers shall serve a term of one (1) year each. However, each Manager may be re-elected for another term.

Section 2. Power and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, as agent of all Unit Owners and may do all such acts and things except as by law or by 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 the operation, care, upkeep and maintenance of the Common Elements.
- b. Determination of Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.
- c. Collection of 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 (Article VI, Section 16).
- f. Opening of bank accounts on behalf of the Condominium and designating the signatories required therefore.
- 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 limited liability company, 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. Obtaining and reviewing of insurance for the Property, pursuant to the provisions of Article VI, Section 2, hereof.
- m. 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. March 15, 2005
- n. Negotiation and settlement of all claims and actions relating to the Condominium.
- o. Borrowing money on behalf of the Condominium when required in connection with the maintenance, operation, care, upkeep, repair, restoration, improvement, alteration and replacement 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 \$50,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of Unit Owners. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (o) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his/her interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which the creditor shall have filed or shall have the right to file against the Unit Owner's Unit.
- p. Levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property.

- q. To enter into and upon the Units when necessary and at as little inconvenience to the Unit Owners as possible in connection with the maintenance, care, and preservation of the Property.
- r. All Units owned by the Sponsor or financially responsible persons appointed by the Sponsor are known as "Unsold Units."
- s. To enforce by legal means the terms, covenants and conditions contained in these By-Laws and Declaration and to bring or defend against any proceedings that may be instituted on behalf of or against Unit Owners;
- t. To execute, acknowledge and deliver: (a) any declaration (including a declaration of single zoning lot) or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building and (b) any consent covenant restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate;
- u. To prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Board of Managers' estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions therefore made to the same.
- v. To prepare, execute, acknowledge and institute on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, protests of real property tax assessments and tax certiorari proceedings with respect to all Units and to assess any costs incurred thereby as a Common Expense. In the event any Unit Owner individually seeks to have the assessed valuation of his/her/their Unit reduced by bringing a separate certiorari proceeding, the Board of Managers, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing such reduction provided that such Unit Owner indemnifies the Board of Managers from all claims, costs and expenses (including without limitation reasonable attorneys' fees) resulting from such proceedings.
- w. To maintain complete and accurate books and records with respect to the finances and operation of the Condominium, including without limitation: (a) detailed accounts, in chronological order, of receipts and expenditures affecting the Property; (b) detailed books of account of the Board of Managers; (c) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of the By-Laws, and (d) minutes and other records of all meetings held pursuant to the terms of these By-Laws.
- x. Until a Sponsor and/or persons appointed by the Sponsor shall continue to own a Unit, but in no event for a period in excess of two (2) years from the first closing of title to a Unit, the Board of Managers may not without the written consent obtained from the Sponsor (i) increase the number or change the type of employees from those described in the notes to Schedule B of the Offering Plan; (ii) provide for new or additional services from those indicated in the notes to Schedule B of the Offering Plan, unless the annual cost of such new or additional service or employee, when added to the annual cost of all other services being provided, is no greater than that provided in said notes; (iii) make any addition, alteration or improvement in the Common Elements or to any Unit, except as established by the Offering Plan; or (iv) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund that may be created, except as already established by applicable law or the Offering Plan; that these shall not result in increasing the Common Charges for any year of operation by more than 5% of the previous year's Common Charges. However, notwithstanding anything contained in Section 2(y) of Article III of these By-Laws to the contrary, the Sponsor shall consent to the expense set forth in Schedule B of the Offering Plan or expenditures required to comply with applicable laws or regulations or expenses necessary to remedy notice of violations

of law or work orders from an insurance carrier. The Condominium may take any of the actions enumerated in clauses (i) through (iv) above if the cost of such actions, when added to all other budgeted expenses of the Condominium, shall not result in increasing the Common Charges for any year of operation by more than 5% of the previous year's Common Charges.

- y. Within the limits set forth in Section 2(y) of Article III, have the right to accumulate a reserve for capital expenditures.
- z. To carry out any other duties imposed upon the Board of Managers pursuant to the Declaration and these By-Laws.

Section 3. Election and Control by Sponsor. The Managers shall be elected at the Annual Meeting of Unit Owners or at a Special Meeting called for that purpose as provided by law, by a plurality of votes cast at such meeting. The Sponsor shall vote for Managers. However, until the second anniversary of the first closing of title to a Unit, or until such time as the Sponsor owns less than 50% of the Units, whichever shall first occur, the Sponsor shall control the Board of Managers. The term of office of Managers shall be until their respective successors are elected and qualify, but in any event, the members of the Board shall serve a term of one (1) year.

Section 4. Quorum. A majority of the Managers then authorized by these By-Laws shall constitute a quorum.

Section 5. Vacancies. Vacancies in the Board of Managers resulting from death, resignation or otherwise, except for those Managers elected by the Sponsor, who may only be replaced by vote of such Sponsor, and may be filled without notice to any of the Unit Owners by a vote of a majority of the remaining Managers present at the meeting at which such election is held, even though no quorum is present, which may be at any regular meeting of the Board of Managers or any Special Meeting thereof called for such purpose. In the event of a failure to hold any election of Managers at the time designated for the actual election of Managers or in the event that the Board of Managers shall not have filled any such vacancy, a Special Meeting of Unit Owners to elect a new Board of Managers or fill such vacancy shall be called and the vacancy shall be filled in the manner provided in the resolution calling for such meeting. In the case of a reduction of the authorized number of Managers by amendment of these By-Laws, the Managers, if any, whose term of office shall cease, shall be determined in the manner provided in the resolution adopting such amendment.

Section 6. Meetings. The Board of Managers shall meet immediately after the Annual Meeting of Unit Owners without notice and also whenever called together by any Manager of the Condominium or upon written request of any Managers then holding office, upon notice given to each Manager, by delivering personally, mailing, sending by facsimile, or telegraphing the same to him/her at least two days prior to such meeting at the last address furnished by such Manager to the Condominium. Regular meetings may be held without notice at such times and places as the Board of Managers may determine, but until otherwise determined by the Board of Managers shall be at least monthly. Any meeting of the Managers, at which all the members shall be present or of which notice shall be duly waived by all absentees, either before or after the holding of such meeting, shall be valid for all purposes, provided a quorum be present. Meetings of Managers may be held either at the principal office of the Condominium or elsewhere within the State of New York, as provided in the notice calling the meeting, unless the Board of Managers by resolution adopt some further limitation in regard thereto. At all meetings of the Board of Managers, each Manager shall be entitled to one vote. The vote of a majority of the Board of Managers present at the time of a vote of a duly constituted meeting shall be the act of the Board of Managers.

Section 7. Resignation and Removal. Any Manager may resign at any time by written notice, delivered in person or sent by certified registered mail to the President or Secretary of the Condominium. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective.

Any Manager may be removed from office at any time with or without cause upon the affirmative vote of Unit Owners owning at least 51% in Common Interest of the Condominium at a Unit Owners' meeting

duly called for the purpose, provided, however, that Manager(s) elected by the Sponsor can be removed only for cause by a vote of a majority of the Unit Owners or without cause by the Sponsor.

Section 8. Rules and Regulations. The Board of Managers may from time to time adopt and amend such rules and regulations as it may deem necessary in respect to the Building of the Condominium for the health, safety, and convenience of the Unit Owners. Copies thereof and of changes therein shall be furnished to each Unit Owner.

Section 9. Managing Agent and Manager. Except as elsewhere prohibited by these By-Laws, the Board of Managers may employ for the Condominium a Managing Agent and/or 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 the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (k), (n), (o), (p), (r), (t) and (u) of Section 2 of this Article III.

Section 10. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 11. 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 or negligence, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each member 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 such contract shall have been made in bad faith or contrary to the provisions of the Declaration or 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 designated by the Sponsor, to contract with the Sponsor and affiliated persons and/or entities without fear of being charged with self-dealing, unless such contract is not commercially reasonable (commercially reasonable means performing like services of similar kinds of contracts for the prevailing cost of such services or less), or fraudulent, or the members of the Board of Managers acted in bad faith or there was misconduct on the part of the members of the Board of Managers. Notwithstanding anything else herein to the contrary, the members of the Board of Managers shall have a fiduciary duty to the Unit Owners. The Sponsor shall indemnify all original members of the Board of Managers prior to the first meeting with Unit Owners for all actions, except willful misconduct or bad faith. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers shall be limited to such proportion of the total liability thereunder represented by his/her percentage of interest in the Common Elements. Every agreement made by the Board of Managers or by the Managing Agent or by the Managers 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 of the Unit Owners. 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 each member of the Board of Managers, or Managing Agent or the Manager, as the case may be, is acting only as agent of 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 represented by his/her percentage of interest in the Common Elements.

Section 12. Committees. The Board of Managers may by resolution create such 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 such committee, at least one of whom shall be designated by the Sponsor, as long as there exist Unsold Units, unless such right is waived by the Sponsor, shall be appointed by the President of the Condominium.

Section 13. Participation by Conference Telephone. Managers of the Board may participate in a meeting thereof by means of a conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of the Board may be taken without a meeting if all managers of the Board consent thereto in writing.

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 or appointed 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, must 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 organizational 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, their resignation, or death.

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/her successor may be elected at any regular meeting of the Board of Managers or at any special meeting of the Board of Managers called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Condominium. He/she shall preside at all meetings of the Unit Owners and of the Board of Managers. He/she 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 committees from among the Unit Owners from time to time as he/she may in his/her discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice-President. The Vice-President shall take the place of the President and perform his/her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Managers may appoint some other member of the Board of Managers to act in the place of the President on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him/her by the Board of Managers or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he/she shall have charge of such books as the Board of Managers may direct; and he/she shall in general perform all the duties incident to the office of the 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/she shall be responsible for the deposit of all monies 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/she 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 salary or other compensation from the Condominium for acting as such or for services rendered in an official capacity.

Section 10. Liability of the Officers. No officer shall be liable to Unit Owners for any mistake of judgment or negligence, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each officer against any liability or claims, except those arising out of the bad faith or willful misconduct of an officer. It is intended that each officer shall have no personal liability with respect

to any contract made by him/her on behalf of the Condominium. It is and shall be permissible for each officer who is appointed by the original Board of Managers (designated by the Sponsor) to contract with the Sponsor and affiliated persons and/or entities without fear of being charged with self-dealing unless such contract is not commercially reasonable (commercially reasonable means performing like services of similar kinds of contracts at the prevailing cost of such services or less), or fraudulent, or the members of the Board of Managers acted in bad faith or there was misconduct on the part of the members of the Board of Managers. Notwithstanding anything else herein to the contrary, the members of the Board of Managers shall have a fiduciary duty to the Unit Owners. It is also intended that the liability of any Unit Owner arising out of any contract made by an officer shall be limited to such proportion of the total liability thereunder represented by his/her percentage of interest in the Common Elements. Every agreement made by an officer on behalf of the Condominium shall provide that the officer is only an agent of the Unit Owners. Every agreement made by an officer on behalf of the Condominium shall provide that the officer is acting only as agent of the Unit Owners and shall have no personal liability thereunder (except as a Unit Owner) and that each Unit Owner's liability thereunder, shall be limited to such proportion of the total liability thereunder as represented by his/her percentage of interest in the Common Elements.

ARTICLE V

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 Managers, any Manager, Unit Owner, or mortgagee, it shall not be construed to mean personal notice; but notice may be given in writing (a) delivered by hand or by courier, or (b) by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper or (c) sent by facsimile or telex addressed to the Board of Managers, such Manager or Unit Owner or mortgagee at such address or facsimile number or telex number as appears on the books of the Condominium, as the case may be.

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, but 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 Expense of the Condominium, and allocate and assess such Common Charges among the Unit Owners according to their respective percentage of the Common Elements. 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. 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, except as otherwise provided by these By-Laws, an amount for working capital of the Condominium for a general operative reserve, and for a reserve fund for replacements to make up any deficit in the Common Expenses for any prior year, within the limitations set by these By-Laws. 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 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). Except as otherwise limited by these By-Laws, the Board of Managers shall also, where necessary, impose an assessment or additional Common Charge in order to meet any unanticipated Common Expense. 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 shall be responsible for the Common Charges assessed against a Unit owned by them from the date of the first closing of title to a Unit, until such time as the Unit is sold.

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(s) 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 serving 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 with certificates of insurance, as their interests may appear, in an amount to be determined by the Board of Managers, but in no event to be less than eighty (80%) percent of 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 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, as herein provided; (b) worker's compensation insurance, if applicable; (c) disability benefits insurance, if applicable; and (d) such other insurance of the Board of Managers (with the approval of the Insurance Trustee, if any, if more than \$50,000), and the total proceeds thereof, if \$50,000 or less shall be payable to the Board of Managers and if more than \$50,000 shall be payable to the Insurance Trustee.

All policies of physical damage insurance shall contain waivers of subrogation and the individual Unit Owners as well as the Condominium shall be primary insureds to the extent as their interests shall appear. Such policies may not be cancelled 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.

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.

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.

Section 3. Repair or Reconstruction After Fire or Other Casualty. In the event of damage to, or destruction of, the Building(s) containing the Units as a result of fire or other casualty, unless seventy-five (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals eighty (80%) in the aggregate of 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 or bathroom fixtures 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 (75%) percent or more of the building containing the Units is destroyed or substantially damaged (as determined by the Board of Managers) and Unit Owners whose percentage of Common

Interest totals (80%) percent 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 the sale, together with the net proceeds of the 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 percentage of interest in the Common Elements, after first payment out of the share of each Unit Owner the amount of any unpaid liens on his/her Unit, in the order of the priority of such liens.

Whenever in this Section the words "prompt repair" are used, it shall mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notifies 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 (90) days after Insurance Trustee notifies 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, or in the event there is no Insurance Trustee no more than sixty (60) days from the date of receipt of insurance funds on account of such damage or destruction. Wherever the words "promptly resolve" are used it shall also mean not more than sixty (60) days from the date of receipt of the insurance funds.

Section 4. Payment of Common Charges. All Unit Owners shall be obligated to pay the Common Charges 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 assessed against his/her Unit subsequent to a sale, transfer, or other conveyance by him/her (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 the Declaration. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his/her Unit is free and clear of liens and encumbrances, other than permissible encumbrances and the statutory lien for unpaid Common Charges that conveys his/her Unit, together with Appurtenant Interests to the Board of Managers or its designee, corporate or otherwise, on behalf of all other Unit Owners, in such event such Unit Owner will 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/her 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. The Board of Managers 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.

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 attorney's 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 hereon, and the expenses of the proceeding, including attorney's 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-aa of the Condominium Act. 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 after judgment of foreclosure for the use of his/her Unit. The plaintiff in such a foreclosure action shall be entitled to the appointment of a receiver to collect the rent. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at a 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. The proceeds from the sale of any Unit pursuant to this section shall be used first to pay the unpaid Common Charges and/or assessments of such defaulting Unit Owner, plus reasonable attorney's fees and administrative costs and any other lawful liens of the defaulting Unit. If after the sale of the Unit for nonpayment of Common Charges and/or assessments, the sale does not recover the full amount due and owing, the Board of Managers has the right to assess all Unit Owners as a Common Expense for the difference between the amount received by the Condominium from the sale of the Unit and the amount owed to the Condominium.

Section 8. Statement of Common Charges and Assessments. The Board of Managers shall promptly provide any Unit Owner so requesting the same in writing with a written statement of all unpaid Common Charges due from the 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, 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 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 herein (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.

Section 10. Maintenance and Repairs.

- a. All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except painting exterior side of Unit entrance doors), windows (except painting exterior side of windows), electrical (except General Common Elements), plumbing (except General Common Elements) and heating fixtures and air conditioning units within the Unit or belonging to the Unit Owner 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 the Unit entrance doors 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 maintenance, repair and replacement in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Common Expense, or if it involves structural 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 (ii) by the Unit Owner having direct and exclusive access thereto at his/her sole cost and expense, if involving nonstructural ordinary maintenance, repairs, or replacements as a result of the Unit Owner's acts or omissions.

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 Units shall be used for private residences only, the Unit building code or other rules and regulations of governmental authorities having jurisdiction. Any other dwelling Unit may also be used as a professional office by a resident thereof, provided that 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 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 for other promotional purposes, or to manage the Units and to erect and maintain signs on the Property; (ii) to have its employees, contractors, and sales agents present on the Property; and (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to renovate and/or combine 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 the Units.
- 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 unlawful use shall be made of the Property or any part thereof, and all 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. No portion of the Unit or other Limited Common Element appurtenant thereto (other than the entire Unit, including the Limited Common Elements appurtenant thereto) may be rented.

Section 12. Additions, Alterations or Improvements by the Board of Managers. 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 \$50,000, the making of such additions, alterations, or improvements shall be 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 \$50,000 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. No Unit Owner shall make any structural addition, alteration, or improvement in or to his/her 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 of a proposed structural addition, alteration, or improvement in such Unit Owner's Unit 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 material man 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 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 worker's compensation insurance (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 the Unit Owner, who shall also be responsible for any repairs, including structural repairs, to such areas 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 or improvements; 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 for such work.

The Sponsor need not receive permission from the Board of Managers in connection with structural addition, alteration or improvement to Units owned by it. All other provisions of this Section 13 shall apply to all Units.

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 lobby, public halls, stairways, or other common areas or common facilities, any furniture, packages, or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. The Sponsor shall have the right to use the Common Elements, without charge, for the purposes set forth in Section 11 of this Article VI.

Section 15. Right of Access. A Unit Owner shall grant a right of access to his/her Unit to the Manager, 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/her 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/her 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 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. Each Unit Owner will be required to give a copy of his/her keys to his/her Unit to the Board of Managers or its designee for purposes provided herein.

Section 16. Rules of Conduct. Except as provided by Article XI of these By-Laws, rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. Except as provided by Article XI of these By-Laws, 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.

ARTICLE VII

Mortgages

Section 1. Notice to Board of Managers. A Unit Owner who mortgages his/her Unit shall notify the Board of Managers of the name and address of his/her 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 "Mortgage 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 any order 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, on business days and upon notice for appropriate condominium purposes, for the purpose of sale or leasing the Unit, or by the mortgagee for any purpose in conformity with a mortgage on such Unit.

ARTICLE VIII

Sales, Leases and Mortgages of Units

Section 1. Sales and Leases. No Unit Owner other than a Sponsor may sell or lease his/her Unit or any interest therein except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer for the sale of his/her 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; and (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration, (the "**Appurtenant Interests**"), or a bona fide offer for a lease of his/her Unit ("**Outside Offer**"), which he/she 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 the Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received the Outside Offer to the Board of Managers on behalf of the other Unit Owners that the offering Unit Owner believes the Outside Offer to be bona fide in all respects. Within thirty (30) days after receipt of the notice, the Board of Managers may elect, by notice given within five (5) days after making such election, and in any event, within the thirty-(30)-day time period, to the transferring 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 more than ninety (90) days after giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner of such Unit, together with the Appurtenant Interests 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 Condominium Act, 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 the Outside Offer.

In the event the Board of Managers or its designee fails to notify the offering Unit Owner of its decision to accept such offer within thirty (30) days after receipt of notice, as aforesaid, or to notify the offering Unit Owner within the period of its decision not to accept the Outside Offer, the offering Unit Owner shall be free to contract to sell his/her Unit, together with the Appurtenant Interests, or to lease his/her Unit, as the case may be, within thirty (30) days after the expiration of the period in which the Board of Managers or its designee might have accepted the 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 the lease may not be modified, amended, extended, or assigned, without the prior consent in writing from the Board of Managers. The lease shall provide 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 the power to terminate such lease and/or 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 the lease. Except as hereinbefore set forth, the form of any such lease for Units shall be in a form approved by the Board of Managers. In the event the offering Unit Owner shall not, within the thirty (30) day period, contract to sell such Unit 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/her Unit within such thirty (30) day period, but the sale or lease shall not be consummated pursuant to the material terms (such as, but not limited to, length of lease, purchase price of Unit, rental of a Unit) 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 Unit Owners having 51% of the Common Interest appurtenant to the Units of the Condominium and the unanimous consent of the Sponsor.

Section 3. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his/her 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 an officer 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 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/her 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, 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 in respect to any sale or conveyance or lease by a Unit Owner of his/her Unit, together with the Appurtenant Interests, to his spouse or to any of his/her children, to his/her parent or parents or to his/her brothers or sisters, or any one or more of them, or to any Unit owned by the Sponsor 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/her Unit by gift or to devise his/her Unit by will, or to pass the same by intestacy, without restriction.

Section 9. 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 may not partition with respect to such Unit, except as specifically provided in the New York Real Property Law.

Section 10. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell, or lease his/her Unit unless and until he/she shall have paid in full to the Board of Managers all Common Charges and Assessments against his/her Unit and until he/she shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 11. Mortgage of Units. No Unit Owner shall mortgage his/her Unit, except by a first and/or second mortgage made to a bank, trust company, insurance company, federal savings and loan association, pension fund, or other institutional lender or a purchase-money mortgage made to the Sponsor, or seller of the Unit. Any such mortgage shall be as required by the lender and a copy shall be filed with 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 or the Board of Managers, as the case may be. However, the Sponsor may mortgage any of its Units to any person or entity without the prior approval of the Board of Managers or any other person. 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 therefore.

Section 12. Proceeds from the Sale of a Unit. If the Condominium acquires a Unit pursuant to Article VIII of the By-Laws and later sells the Unit, the proceeds from the sale shall be first used to pay any debts acquired by the Condominium in connection with the acquisition and sale of the Unit and afterwards to pay off any liens on such Unit in order of priority. Any balance after the payments of these charges shall be used by the Board of Managers for the benefit of the Condominium in any manner that the Board deems appropriate, including, but not limited to, keeping any excess proceeds as a reserve fund for contingencies.

Section 13. Non-discrimination by Board of Managers. The Board of Managers may not discriminate against any person in the sale and/or leasing of a Unit on the basis of race, creed, color, national origin, sex, age disability, marital status, or other grounds prohibited by law.

Section 14. Board of Managers as Agent of Owner who Rents. It is a condition of renting a Unit owned by any person other than the Sponsor, that both the Owner and Renter of a Unit appoint the Board of Managers as the Owner's agent to collect rent due on the rented Unit. It is agreed to and understood by both the Owner who rents and tenant of such Unit that the Board of Managers has no obligation to collect such rent, but has the option to do so. If the Board of Managers elects such option, the monies will be paid as follows: (i) the Board of Managers will be reimbursed for any monies previously owed it; (ii) the Board of Managers will be paid for any monies presently due it; and (iii) any excess will be paid to the Owner by mailing to him/her/it at the address provided by such Owner to the Managing Agent of the Condominium.

By renting a Unit, the Owner thereby appoints the Board of Managers as his/her/its agent to enforce all rights of such Owner and the Board of Managers and all of the obligations of the Tenant under any lease and grants to the Board of Managers the right to cure any breach thereunder, including, but not limited to, any right to bring any action or the option of the Board of Managers.

The provisions of this Article VIII, Section 14 shall be added to any and all leases of Units in the Building, except those of the Sponsor. Any lease of a Unit, except a lease by the Sponsor without the provisions of this Article VIII, Section 14 of these By-Laws shall be deemed to include the provisions of this Article VIII, Section 14 of the By-Laws.

ARTICLE IX

Condemnation and Termination

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 \$50,000 or less, and to the Insurance Trustee, if such award amounts to more than \$50,000. If seventy-five (75%) percent 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 (75%) percent 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.

Section 2. Termination. The Condominium may be terminated by casualty loss, condemnation, or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the Condominium Act, if authorized by an affirmative vote of Unit Owners who own not less than seventy-five (75%) percent in number and in Common Interest of the Units. The Sponsor will not vote its interests appurtenant to any Unsold Unit for such withdrawal unless at least seventy-five (75%) percent in number and Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Sponsor may choose to vote in favor of, or against, such withdrawal. In the event the withdrawal is authorized, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all the Unit Owners in proportion to their respective Common Interests. However, no payment shall be made to a Unit Owner until all liens to which his/her Unit are subject are paid off.

ARTICLE X

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 any of these By-Laws.

Section 2. Captions. The captions herein are inserted only as a matter of convenience and/or 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 of 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 provisions 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 (with the approval of the holders of three or more Unit mortgages). 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 (with the approval of the holder of three or more Unit first mortgages). 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 XI

Amendments to the By-Laws

Section 1. Amendments to the By-Laws. These By-Laws may be modified or amended by a vote of 66-2/3% in number and Common Interest of all Unit owners at a meeting of Unit Owners duly held for such purpose.

As long as the Sponsor shall continue to own a Unit, the Board of Managers may not, without the Sponsor's prior written consent (i) amend the By-Laws so as to in any way adversely affect the Sponsor, in the sole judgment of the Sponsor, or (ii) interfere with the offer and sale or leasing of Units or with the offer and sale; operation of general or sales and leasing offices at the Property; actions necessary for construction, renovation, repair or correction at the Property, as required by Sponsor. The Sponsor shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the provisions of the By-Laws, the Sponsor 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.

ARTICLE XII

Conflicts

Section 1. Conflicts. These By-Laws are set forth to comply with the requirements of the Condominium Act. In case any of these By-Laws conflict with the provisions of the Condominium Act or of the Declaration, the provisions of the Condominium Act or of the Declaration, as the case may be, shall control.

ARTICLE XIII

Reports to Unit Owners

Section 1. Reports. All Unit Owners of the Condominium are entitled to receive, annually, from the Condominium at its expense, copies of the following:

- a. A statement of the Condominium's financial condition within four months of the end of the Condominium's fiscal year, prepared by a certified public accountant or public accountant. While the Sponsor is in control of the Board of Managers such statement shall be certified.
- b. Prior notices of annual Unit Owners' meeting; and
- c. A copy of the proposed annual budget of the Condominium within thirty (30) days prior to the date set for adoption by the Board of Managers. While the Sponsor controls the Board of

Managers, the Sponsor will obtain a certified statement from an independent expert that such proposed budget is adequate to meet the needs of the Condominium.

ARTICLE XIV

Arbitration

Section 1. Procedure. Any matter required or permitted to be determined by arbitration, pursuant to the terms of the Condominium Documents, may be submitted for resolution by a single arbitrator in a proceeding held in New York State, in the city or township in which the Condominium is located, in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the city or township in which the Condominium is located before one arbitrator as appointed, upon the application of any party, by the Real Estate Board of New York.

Section 2. Variation by Agreement. The parties to any dispute required or permitted to be resolved by arbitration, pursuant to the terms of the Condominium Documents, may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute, or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3302 of the New York City Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes."

Section 3. Binding Effect. The decision in any arbitration conducted pursuant to the terms of Section 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of competent jurisdiction.

Section 4. Costs and Expenses. (a) The fees, costs, and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitration, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expense of his/her counsel and expert witnesses.

All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses, shall constitute a Common Expense.

ARTICLE XV

Sponsor

Section 1. Any Sponsor or Sponsor Designee shall have all the rights and obligations of the Sponsor under these By-Laws.

SCHEDULE A
RULES AND REGULATIONS
ABBY COURT CONDOMINIUM

1. The dwelling Units may be used only for private residential use except that a Unit Owner may use his dwelling 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. Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any applicable zoning law and/or ordinance 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 shingle, non-illuminated, not larger than the size permitted by the Board of Managers.
2. Except as set forth above, no industry, business, trade, occupation, or profession of any kind, commercial, religious, educational or otherwise, designated for profit, altruism, or otherwise, shall be conducted, maintained, or permitted on any part of the Property, nor shall any "For Sale," "For Rent," or "For Lease" signs or other window displays or advertising be maintained or permitted in any Unit, nor shall any Unit be rented for transient, hotel or motel purposes. The Sponsor and the Board of Managers reserve the right to place "For Sale," "For Rent," or "For Lease" or similar signs on any unsold or unoccupied Unit. The right is also given to any mortgagee, who may become the Owner of any Unit. However, any such sign placed by a mortgagee or the Board of Managers will not be larger than one foot by two feet. These size restrictions do not apply to the Sponsor. Additionally, the Sponsor reserves the right to maintain and staff one or more vacant and Unsold Units in the Building as a sales office and/or model Units or for the purpose of managing the Units.
3. No exterior of any Unit or the windows or doors thereof of any other portions of the Common Elements shall be painted or decorated by any Owner or in any manner without prior written consent of the Board of Managers.
4. No furniture, equipment, or other personal articles shall be placed in entrances, stairways, or other Common Elements.
5. No Unit Owner shall make or permit any notice or objectionable odor that will disturb or annoy the occupants of any of the Units in the Building or do or permit anything to be done therein which will interfere with the rights, comfort, or convenience of other Unit Owners.
6. Each Unit Owner shall keep his/her 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.
7. No exterior shades, awnings, window guards, ventilators, fans, or air conditioning devices shall be used on or about the Building(s) or Common Elements except such as shall have been approved by the Board of Managers, which approval shall not be unreasonably refused.
8. 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.

9. All garbage and refuse from the Building(s) 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.
10. 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.
11. 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.
12. 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. In no event shall dogs be permitted in any of the public portions of the Building unless carried or on a leash. The Unit Owner shall 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.
13. No radio or television aerial 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, if such service is available.
14. The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Building Rules and Regulations.
15. The Board of Managers may retain a passkey to each Unit. No Unit Owner shall alter any lock on any door leading into his/her Unit without the prior consent of the Board of Managers. If such consent is given, the Unit Owner shall provide the Board of Managers with a key for its use.
16. No Unit Owner or any visitor, guest, patient, employee, or any client of a Unit Owner shall be allowed in the electrical equipment areas of the Building without the express permission of the Board of Managers.
17. 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.
18. No Unit Owner shall interfere in any manner with any portion of the lighting apparatus which are part of the Common Elements and not part of the Unit Owner's Unit.
19. No Unit Owner shall use, or permit to be brought into the Building, any inflammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the written consent of the Board of Managers.
20. Except as provided above, the Unit Owner shall not be allowed to put his/her name on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers.
21. Any damage to the Building or equipment caused by Unit Owners, their guests, visitors, clients, patients, or other employees shall be repaired at the expense of the Unit Owner.
22. Complaints regarding the management of the Building and grounds and complaints regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

23. No Unit shall be used or be occupied in such manner as to obstruct or interfere with the employment of occupants or owners of adjoining Units; nor shall any nuisance or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.
24. 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; 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.
25. No 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, or 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.
26. 80% of the usable floor area of each Unit must be covered with carpets or rugs to lessen noise.
27. These Building Rules and Regulations are made to be added to or repealed by the Board of Managers within the limits set by the By-Laws.

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GENERAL BUSINESS LAW, SECTION 352-L

Section 352L 1. For the Purposes of this Section, "Non-occupying owner" shall mean the owner of shares in a cooperative corporation who does not reside in the dwelling units to which his or her shares are allocated.

2. If a non-occupying owner rents any Dwelling Unit to a tenant and then fails to make payments due for maintenance, 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 subdivisions three of this section, all rental payments from the tenant shall be directly payable to the corporative corporation.

3. If maintenance, 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 Directors shall provide written notice of to the rental tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for maintenance, 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 cooperative corporation at the address listed on the notice. Where a majority of the Board of Directors has been elected by and from among the owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the cooperative corporation. At such time as payments for maintenance, 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 for such unit shall be made payable to the non-occupying owner or to a designated agent. A non-occupying owner who disputes the cooperative corporation'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 Mangers, which must be held within thirty days of the date that such Board receives notice that the owner seeks to dispute such claim.

4. Nothing in this section shall limit any rights of shareholders or the Board of Directors existing under any other laws or agreement.

5. Payment by a rental tenant to the cooperative corporation 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.

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NOTE

Date:

Brooklyn, New York

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ _____ (this amount is called "principal"), plus interest to the order of the Lender. The Lender is I understand that the Lender may transfer the Note. The Lender or anyone who takes this note by transfer and who is entitled to receive payments under the note is called the "Note Holder."

2. INTEREST

Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest at a yearly rate of _____ %. The interest rate required by this Section 2 is the rate I will pay before and after any default described in Section 6(B) of this Note.

(A) Time and Place of Payments

I will pay _____ by making payments every month.

I will make my monthly payments on the 1st day of each month beginning on _____. I will make these payments every month until I have paid all of the principal and interest and other charges described below that I may owe under this Note. My monthly payments will be applied to interest [only] [before principal]. If on _____, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at _____ or at a different place if required by the Note Holder.

(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$ _____

3. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of principal at any time before they are due provided such payments are in the amount of \$500 or more. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so. I may make a full prepayment or partial prepayments without paying any prepayment charge. The Note Holder will use all of the prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

4. LOAN CHARGES

If a law which applies to this loan and which sets maximum loan charges is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then (i) any such loan charge will be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

5. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of 10 calendar days after the date is due, I will pay a late charge to the Note Holder. The amount of the charge will be 2% of my overdue payment. I will pay this late charge promptly only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. That date must be at least 15 days after the date on which the notice is delivered or mailed to me.

(D) No Waiver by Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

(F) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note, whether or not a lawsuit is brought to the extent not prohibited by applicable law. Those expenses include, for example, attorneys' fees, costs and disbursements.

7. GIVING NOTICE

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts due under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. WAIVER OF TRIAL BY JURY

In any action to collect sums under this Note, I waive my right to a jury trial and agree to be tried by a Judge or Justice, as the case may be.

11. CHANGES IN WRITING

This Note may not be changed orally, but only in writing. A writing changing the terms of this Note must be signed by the parties.

WITNESS THE HAND(S) AND SEALS(S) OF THE UNDERSIGNED

_____(Seal)

_____(Seal)

State of New York, County of Kings, ss:

On the day of in the year 20 , before me the undersigned, a Notary Public in and for said State personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity/capacities and that by his/her/their signature(s) on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

MORTGAGE

WORDS USED OFTEN IN THIS DOCUMENT

(A) "Security Instrument." This document which is dated _____, will be called the "Security Instrument."

(B) "Borrower"

Residing at _____
sometimes will be called "Borrower" and sometimes simply "I" or "me."

(C) "Lender,"
will be called "Lender." Lender is a corporation or association which exists under the laws of New York State. Lender's address is _____

(D) "Note." The note signed by Borrower and dated _____, will be called the "Note." The Note shows that I owe Lender _____ Dollars (U.S. \$ _____) plus interest. I have promised to pay this debt in monthly payments and to pay the debt in full by _____

(E) "Property." The property that is described below in the section titled "Description of Property," will be called the "Property."

(F) "Sums Secured." The amounts described below in the section titled "Borrower's Transfer to Lender of Rights in the Property" sometimes will be called the "Sums Secured."

BORROWER'S TRANSFER TO LENDER OF RIGHTS IN THE PROPERTY

I mortgage, grant and convey the Property to Lender subject to the terms of this Security Instrument. This means that by signing this Security Instrument, I am giving Lender those rights that are stated in this Security Instrument and also those rights that the law gives to lenders who hold mortgages on real property. I am giving Lender these rights to protect Lender from possible losses that might result if I fail to:

- (A) Pay all amounts that I owe Lender as stated in the Note;
- (B) Pay, with interest, any amounts that Lender spends under Paragraphs 2 and 7 of this Security Instrument to protect the value of the Property and Lender's rights in the Property; and,
- (C) Keep all of my other promises and agreements under this Security Instrument.

DESCRIPTION OF THE PROPERTY

I give Lender rights in the Property described in (A) through (G) below:

(A) The Property which is located at _____ in _____ County. It has the following legal description.

SEE ATTACHED SCHEDULE "A."

Said premises are or will be improved to be a one- or two-family dwelling only.

This is a purchase-money mortgage meaning the money given to the borrower was used as part payment of the purchase price of the property purchased by borrower, and this mortgage will be recorded at the same time as the deed.

(B) All buildings and other improvements that are located on the Property described in subparagraph (A) of this section;

(C) All rights in other property that I have as owner of the Property described in subparagraph (A) of this section. These rights are known as "easements and appurtenances attached to the Property";

(D) All rights that I have in the land which lies in the streets or roads in front of, or next to, the Property described in subparagraph (A) of this section.

(E) All fixtures that are now or in the future will be on the Property described in subparagraphs (A) and (B) of this section;

(F) All of the rights and property described in subparagraphs (B) through (E) of this section that I acquire in the future; and

(G) All replacements of or additions to the Property described in subparagraphs (B) though (F) of this section.

BORROWER'S RIGHT TO MORTGAGE THE PROPERTY AND BORROWER'S OBLIGATION TO DEFEND OWNERSHIP OF THE PROPERTY

I promise that (A) I lawfully own the Property; (B) I have the right to mortgage, grant and convey the Property to Lender and (C) there are no outstanding claims or charges against the Property, except for those which are of public record.

PLAIN LANGUAGE SECURITY AGREEMENT

This Security Agreement contains promises and agreements. My promises and agreements are stated in "plain language."

COVENANTS

1. BORROWER'S PROMISE TO PAY

I will pay to the Lender on time principal and interest due under the Note and any prepayment and late charges due under the Note.

2. MONTHLY PAYMENTS FOR TAXES AND INSURANCE

(A) Borrower's Obligations

If the Lender requires me to, I will pay to Lender all amounts necessary to pay for taxes, assessments, water frontage charges and other similar charges, sewer rents, leasehold payments or ground rents (if any), hazard or property insurance covering the Property, and flood insurance (if any). If the Lender required mortgage insurance as a condition of making the loan that I promised to pay under the Note, (i) I also will pay to Lender all amounts necessary to pay for mortgage insurance, and (ii) if, under Paragraph 8 below, instead of paying for mortgage insurance, I am required to pay Lender an amount equal to the cost of mortgage insurance, I will pay this amount to Lender; I will pay all of these amounts to Lender unless Lender tells me, in writing, that I do not have to do so, or unless the law requires otherwise. I will make these payments on the same day that my monthly payments of principal and interest are due under the Note.

My payments under this Paragraph 2 will be for the items listed (i) through (vi) below, which are called "Escrow Items":

- (i) The estimated yearly taxes, assessments, water frontage charges and other similar charges and sewer rents on the Property which under the law may be superior to this Security Instrument as a lien on the Property. Any claim, demand or charge that is made against property because an obligation has not been fulfilled is known as a "lien";
- (ii) The estimated yearly leasehold payments or ground rents on the Property (if any);
- (iii) The estimated yearly premium for hazard or property insurance covering the Property;
- (iv) The estimated yearly premium for flood insurance (if any);
- (v) The estimated yearly premium for mortgage insurance (if any); and
- (vi) The estimated yearly amount I may be required to pay Lender under Paragraph 8 below instead of the payment of the estimated yearly premium for mortgage insurance (if any).

If Lender elects to collect any of the Escrow Items, the Lender may collect deposits for any one or more of the items listed (i) through (vi) without collecting deposits for all of the above items. Alternatively, the Lender may elect not to collect any of the Escrow Items.

Lender will estimate from time to time the amount I will have to pay for Escrow Items by using existing assessments and bills and reasonable estimates of the amount I will have to pay for Escrow Items in the future, unless the law requires Lender to use another method for determining the amount I am to pay. The amounts that I pay to Lender for Escrow Items under this Paragraph 2, if required by the Lender to do so, will be called the "Funds." The Funds are pledged as additional security for all Sums Secured.

(B) Lender's Obligations

Lender will keep the Funds in a savings or banking institution which has its deposits insured by a federal agency, instrumentality or entity, or in any Federal Home Loan Bank. Except as described in this Paragraph 2, Lender will use the Funds to pay the Escrow Items. Lender will give to me, without charge, an annual

accounting of the Funds. That accounting must show all additions to and deductions from the Funds and the reason for each deduction.

Lender may not charge me for holding or keeping the Funds and for using the Funds to pay Escrow Items. Lender may charge me \$5 for making a yearly analysis of my payment of Funds or for receiving, verifying and totaling assessments and bills. Lender also may require me to pay a one-time charge for an independent real estate tax-reporting service used by Lender in connection with my loan, unless the law does not permit Lender to make such a charge. Lender will not be required to pay me any interest or earnings on the Funds unless the law requires Lender to pay interest on the Funds.

(C) Adjustments to the Funds

If, at any time, Lender has not received enough Funds to make the payments of Escrow Items when the payments are due, Lender may tell me in writing that an additional amount is necessary, I will pay to Lender whatever additional amount is necessary to pay the Escrow Items in full. Lender will determine the number of monthly payments I have in which to pay that additional amount, but the number of payments will not be more than twelve.

When I have paid all of the Sums Secured, Lender will promptly refund to me any Funds that are then being held by Lender. If under Paragraph 21 below, Lender either acquires or sells the Property, then before the acquisition or sale, Lender will use any funds which Lender is holding at the time of acquisition or sale to reduce the Sums Secured.

3. APPLICATION OF BORROWER'S PAYMENTS

Unless the law requires otherwise, Lender will apply each of my payments under the Note and under Paragraphs 1 and 2 above in the following order and for the following purposes:

First, to pay any prepayment charges due under the Note, if any;
Next to pay the amounts due to Lender under Paragraph 2 above;
Next to pay interest due;
Next, to pay principal due; and
Next, to pay any late charges due under the Note.

4. BORROWER'S OBLIGATION TO PAY CHARGES, ASSESSMENTS AND CLAIMS

I will pay all taxes, assessments, water frontage charges and other similar charges, sewer rents, and any other charges and fines that may be imposed on the Property and that may be superior to the Security Instrument. I will also make payments due under my lease if I am a tenant on the Property and I will pay ground rents (if any) due on the Property. I will do this either by making the payments to Lender that are described in Paragraph 2 above or, if I am not required to make payments under Paragraph 2, by making the payments on time to the person owed them. (In this Security Instrument, the word "person" means any person, organization, governmental authority or other party.) If I make direct payments, then promptly after making any of those payments I will give Lender a receipt which shows that I have done so. If I make payment to Lender under Paragraph 2, I will give Lender all notices or bills that I receive for amounts due under this Paragraph 4.

I will promptly pay or satisfy all liens against the Property that may be superior to this Security Instrument. However, this Security Instrument does not require me to satisfy a superior lien if: (A) I agree, in writing, to pay the obligation which gave rise to the superior lien and Lender approves the way in which I agree to pay that obligation and the lienor also agrees in writing to the way in which I agree to pay that obligation; or (B) in good faith, I argue or defend against the superior lien in a lawsuit so that, during the lawsuit the superior lien may not be enforced (the lien is bonded); or (C) I secure from the holder of that other lien an agreement, approved in writing by Lender, that the lien of this Security Instrument is superior to the lien held by that person. If Lender determines that any part of the Property is subject to a superior lien, Lender may give Borrower a notice identifying the superior lien. Borrower shall pay or satisfy the superior lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. BORROWER'S OBLIGATION TO MAINTAIN HAZARD INSURANCE OR PROPERTY INSURANCE

I will obtain hazard or property insurance to cover all buildings and other improvements that now are or in the future will be located on the Property. The insurance must cover loss or damage caused by fire, hazards normally covered by "extended coverage" hazard insurance policies and other hazards for which Lender requires coverage, including floods and flooding. The insurance must be in the amounts and for the periods of time required by Lender. I may choose the insurance company, but my choice is subject to Lender's approval. Lender may not refuse to approve my choice unless the refusal is reasonable. If I do not maintain the insurance coverage described above, Lender may obtain insurance coverage to protect Lender's rights in the Property in accordance with Paragraph 7 below.

All of the insurance policies and renewals of those policies must include what is known as a "standard mortgage clause" to protect Lender. The form of all policies and renewals must be acceptable to Lender. Lender will have the right to hold the policies and renewals. If Lender requires, I will promptly give Lender all receipts of paid premiums and renewal notices that I receive. If there is a loss or damage to the Property, I will promptly notify the insurance company and Lender. If I do not promptly prove to the insurance company that the loss or damage occurred, then Lender may do so.

The amount paid by the insurance company is called "proceeds." The proceeds will be used to repair or to restore the damaged Property, unless: (A) it is not economically feasible to make the repairs or restoration; or (B) the use of the proceeds for that purpose would lessen the protection given to Lender by this Security Instrument, or (C) Lender and I have agreed in writing not to use the proceeds for that purpose. If the repair or restoration is not economically feasible or it would lessen Lender's protection under this Security Instrument, then the proceeds will be used to reduce the amount that I owe to Lender under the Note and under the Security Instrument. If any of the proceeds remain after the amount that I owe to Lender has been paid in full, the remaining proceeds will be paid to me.

If I abandon the Property, or if I do not answer, within 30 days, a notice from Lender stating that the insurance company has offered to settle a claim, Lender may collect the proceeds. Lender may use the proceeds to repair or restore the Property or to pay the Sums Secured. The 30-day period will begin when the notice is given.

If any proceeds are used to reduce the amount of principal which I owe to Lender under the Note, that use will not delay the due date or change the amount of any of my monthly payments under the Note and under Paragraphs 1 and 2 above. However, Lender and I may agree in writing to those delays or changes.

If Lender acquires the Property under Paragraph 21 below, all of my rights in the insurance policies will belong to Lender. Also, all of my rights in any proceeds which are paid because of damage that occurred before the Property is acquired by Lender or sold will belong to Lender. However, Lender's rights in those proceeds will not be greater than the Sums Secured immediately before the Property is acquired by Lender is sold.

6. BORROWER'S OBLIGATION TO OCCUPY THE PROPERTY, TO MAINTAIN AND PROTECT THE PROPERTY, AND TO FULFILL ANY LEASE OBLIGATIONS; BORROWER'S LOAN APPLICATION

(A) Borrower's Obligation to Occupy the Property

I will occupy the Property and use the Property as my principal residence within sixty days after I sign this Security Instrument. I will continue to occupy the Property and to use the Property as my principal residence until all Sums Secured have been paid.

(B) Borrower's Obligation to Maintain and Protect the Property

I will keep the Property in good repair, I will not destroy, damage or harm the Property, and I will not allow the Property to deteriorate.

I will be "in default" under this Security Instrument if I fail to keep any promise or agreement under this Security Instrument. I also will be in default under this Security Instrument if any civil or criminal action or proceeding for "forfeiture" (that is, a legal action or proceeding to require the property, or any part of the

Property to be given up) is begun and Lender determines, in good faith, that this action or proceeding could result in a court ruling (i) that would require forfeiture of the Property or (ii) that would materially impair the lien of this Security Instrument or Lender's rights in the Property. I may correct the default by obtaining a court ruling that dismisses the legal action or proceeding, if Lender determines, in good faith, that this court ruling prevents forfeiture of my interests in the Property and also prevents any material impairment of (i) the lien created by this Security Instrument or (ii) Lender's rights in the Property. If I correct the default, I will have the right to have enforcement of this Security Instrument discontinued, as provided in Paragraph 18 below, even if Lender has required immediate payment in full.

(C) Borrower's Obligations to Fulfill Any Lease Obligations

If I do not own, but am a tenant on the Property, I will fulfill all my obligations under my lease. I also agree that, if I acquire the fee title to the Property, my lease interest and fee title will not merge unless Lender agrees to the merger in writing.

(D) Borrower's Loan Application

If, during the application process for the loan that I promise to pay under the Note, I made false or inaccurate statements to Lender about information important to Lender in determining my eligibility for the loan, Lender will treat my actions as a default under this Security Instrument. False or inaccurate statements about information important to Lender would include a misrepresentation of my intentions to occupy the Property as a principal residence. This is just one example of a false or inaccurate statement of important information. Also, if during the loan application process I failed to provide Lender with information important to Lender in determining my eligibility for the loan, Lender will treat this as a default under this Security Instrument.

7. LENDER'S RIGHT TO PROTECT ITS RIGHTS IN THE PROPERTY

If (A) I do not keep my promises and agreements made in this Security Instrument, or (B) someone, including me, begins a legal proceeding that may significantly affect Lender's rights in the Property (such as a legal proceeding in bankruptcy, in probate, for condemnation or forfeiture, or to enforce laws or regulations), Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include appearing in court, paying all attorneys' fees, costs and disbursements and entering on the Property to make repairs. Although Lender may take action under this Paragraph 7, Lender does not have to do so.

I will pay to Lender any amounts, with interest, which Lender spends under this Paragraph 7. I will pay those amounts to Lender when Lender sends me a notice requesting that I do so, I will also pay interest on those amounts at the Note rate. Interest on each amount will begin on the date that the amount is spent by Lender. However, Lender and I may agree in writing to terms of payment that are different from those in this paragraph. This Security Instrument will protect Lender in case I do not keep the promise to pay those amounts with interest.

8. MORTGAGE INSURANCE

If Lender required mortgage insurance as a condition of making the loan that I promise to pay under the Note, I will pay the premiums for the mortgage insurance. If for any reason, the mortgage insurance coverage lapses or ceases to be in effect, I will pay the premiums for substantially equivalent mortgage insurance coverage. However, the cost of this mortgage insurance coverage must be substantially equivalent to the cost to me of the previous mortgage insurance coverage, and the alternate mortgage insurer must be approved by Lender.

If substantially equivalent mortgage insurance coverage is not available, Lender will establish a "loss reserve" as a substitute for the mortgage insurance coverage. I will pay to Lender each month an amount equal to one-twelfth of the yearly mortgage insurance premium (as of the time the coverage lapsed or ceased to be in effect.) Lender will retain these payments, and will use these payments to pay for losses that the mortgage insurance would have covered. Lender may choose to no longer require loss reserve payments, if mortgage insurance coverage again becomes available and is obtained. The mortgage insurance coverage must be in the amount and for the period of time required by Lender. The Lender must approve the insurance company providing the coverage.

I will pay the mortgage insurance premiums or the loss reserve payments until the requirement for mortgage insurance ends according to my written agreement with Lender or according to law. Lender may require me to pay the premiums, or the loss reserve payments, in the manner described in Paragraph 2 above.

9. LENDER'S RIGHT TO INSPECT THE PROPERTY

Lender, and others authorized by Lender, may enter on and inspect the Property. They must do so in a reasonable manner and at reasonable times. Before or at the time an inspection is made, Lender must give me notice stating the purpose of the inspection.

10. AGREEMENTS ABOUT CONDEMNATION OF THE PROPERTY

A taking of property by any governmental authority by eminent domain is known as "condemnation." I give to Lender my right: (A) to proceeds of all awards or claims for damages resulting from condemnation or other governmental taking of the Property; and (B) to proceeds from a sale of the Property that is made to avoid condemnation. All of those proceeds will be paid to the Lender.

If all of the Property is taken, the proceeds will be used to reduce the Sums Secured. If any of the proceeds remain after the amount that I owe to Lender has been paid in full, the remaining proceeds will be paid to me.

Unless Lender and I agree otherwise in writing, if only a part of the Property is taken, and the fair market value of the Property immediately before the taking either is equal to or greater than the amount of the Sums Secured immediately before the taking, the amount that I owe to Lender will be reduced only by the amount of proceeds multiplied by a fraction. That fraction is as follows: (A) the total amount of the Sums Secured immediately before the taking, divided by (B) the fair market value of the Property immediately before the taking. The remainder will be paid to me.

If I abandon the Property, or if I do not answer, within 30 days, a notice from Lender stating that a governmental authority has offered to make a payment or to settle a claim for damages, Lender has the authority to collect the proceeds. Lender may then use the proceeds to repair or restore the Property or to reduce the Sums Secured. The 30-day period will begin when the notice is given.

If any proceeds are used to reduce the amount of principal which I owe to Lender under the Note, that use will not delay the due date or change the amount of any of my monthly payments under the Note and under Paragraphs 1 and 2 above. However, Lender and I may agree in writing to those delays or changes.

II. CONTINUATION OF BORROWER'S OBLIGATIONS AND OF LENDER'S RIGHTS

(A) Borrower's Obligations

Lender may allow a person who takes over my rights and obligations to delay or to change the amount of the monthly payments of principal and interest due under the Note or under this Security Instrument. Even if Lender does this, however, that person and I will both still be fully obligated under the Note and under this Security Instrument.

Lender may allow those delays or changes for a person who takes over my rights and obligations, even if Lender is requested not to do so. Lender will not be required to bring a lawsuit against such a person for not fulfilling obligations under the Note or under this Security Instrument, even if Lender is requested to do so.

(B) Lender's Rights

Even if Lender does not exercise or enforce any right of Lender under this Security Instrument or under the law, Lender will still have all of those rights and may exercise and enforce them in the future. Even if Lender obtains insurance, pays taxes, or pays other claims, charges or liens against the Property, Lender will have the right under Paragraph 21 below to demand that I make immediate payment in full of the amount that I owe to Lender under the Note and under the Security Instrument.

12. OBLIGATIONS OF BORROWER AND OF PERSONS TAKING OVER BORROWER'S RIGHTS OR OBLIGATIONS

Any person who takes over my rights or obligations under this Security Instrument will have all of my rights and will be obligated to keep all of my promises and agreements made in this Security Instrument. Similarly,

any person who takes over Lender's rights or obligations under this Security Instrument will have all of Lender's rights and will be obligated to keep all of Lender's agreements made in this Security Instrument.

If more than one person signs this Security Instrument as Borrower, each of us is fully obligated to keep all of Borrower's promises and obligations contained in this Security Instrument. Lender may enforce Lender's rights under this Security Instrument against each of us individually or against all of us together. This means that any one of us may be required to pay all of the Sums Secured. However, if one of us does not sign the Note: (A) that person is signing this Security Instrument only to give that person's rights in the Property to Lender under the terms of the Security Instrument; and (B) that person is not personally obligated to pay the Sums Secured; and (C) that person agrees that Lender may agree with the other Borrowers to delay enforcing any of Lender's rights or to modify or to make any accommodations with regard to the terms of this Security Instrument or the Note without that person's consent.

13. LOAN CHARGES

If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed permitted limits: (A) any loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (B) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. NOTICES REQUIRED UNDER THIS SECURITY INSTRUMENT

Any notice that must be given to me under this Security Instrument will be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice will be addressed to me at the address stated in the section above titled "Description of the Property." A notice will be given to me at a different address if I give Lender a notice of my different address. Any notice that must be given to Lender under this Security Instrument will be given by mailing it to Lender's address stated in subparagraph (C) of the section above titled "Words Used Often In This Document." A notice will be mailed to Lender at a different address if Lender gives me a notice of the different address. A notice required by this Security Instrument is given when it is mailed or when it is delivered according to the requirements of this Paragraph 14 or applicable law.

15. LAW THAT GOVERNS THIS SECURITY INSTRUMENT

This Security Instrument is governed by New York law unless federal law supersedes New York law, in which case the federal law will apply. If any terms of this Security Instrument or of the Note conflicts with the law, all other terms of this Security Instrument and of the Note will still remain in effect if they can be given effect without the conflicting term. This means that any terms of this Security Instrument and of the Note which conflict with the law can be separated from the remaining terms, and the remaining terms will still be enforced.

16. BORROWER'S COPY

I will be given a conformed copy of the Note and Security Instrument.

17. AGREEMENTS ABOUT LENDER'S RIGHT IF THE PROPERTY IS SOLD OR TRANSFERRED

Lender may require immediate payment in full of all Sums Secured by this Security Instrument if all or any part of the Property or if any right in the Property is sold or transferred without Lender's prior written permission. (For instance, a lease for the Property given to a third party is a transfer of interest in the Property.) Lender also may require immediate payment in full if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person. However, Lender will not require immediate payment in full if this is prohibited by federal law on the date of this Security Instrument.

If Lender requires immediate payment in full under this Paragraph 17, Lender will give me a notice which states this requirement. The notice will give me at least 30 days to make this required payment. The 30-day period will begin on the date the notice is mailed or delivered. If I do not make the required payment during

that period, the Lender may act to reinforce its rights under this Security Instrument without giving me any further notice or demand for payment.

18. BORROWER'S RIGHT TO HAVE LENDER'S ENFORCEMENT OF THIS SECURITY INSTRUMENT DISCONTINUED

Even if Lender has required immediate payment in full, I may have the right to have enforcement of this Security Instrument discontinued. I will have this right at any time before sale of the Property under any power of sale granted by this Security Instrument or at any time before a judgment has been entered enforcing this Security Instrument if I meet the following conditions:

(A) I pay to Lender the full amount that then would be due under this Security Instrument and the Note as if immediate payment in full had never been required; and

(B) I correct my failure to keep any of my other promises or agreements made in this Security Agreement; and

(C) I pay all of Lender's expenses in enforcing this Security Instrument including, for example, attorneys' fees, costs and disbursements; and

(D) I do whatever Lender reasonably requires to assure that Lender's rights in the Property, Lender's rights under this Security Instrument, and my obligations under the Note and under this Security Agreement continue unchanged.

If I fulfill all of the conditions in this Paragraph 18, then the Note and this Security Instrument will remain in full effect as if immediate payment in full had never been required. However, I will not have the right to have Lender's enforcement of this Security Instrument discontinued if Lender has required immediate payment in full under Paragraph 17 above.

19. NOTE HOLDER'S RIGHT TO SELL THE NOTE OR AN INTEREST IN THE NOTE; BORROWER'S RIGHT TO NOTICE OF CHANGE OF LOAN SERVICE

The Note, or an interest in the Note, together with this Security Instrument, may be sold one or more times. I may not receive any prior notice of these sales.

The entity that collects my monthly payments due under the Note and this Security Instrument is called the "Loan SERVICE." There may be a change of the Loan SERVICE as a result of the sale of the Note. There also may be one or more changes of the Loan SERVICE unrelated to a sale of the Note. The law requires that I be given written notice of any change of the Loan SERVICE. The written notice must be given in the manner required under Paragraph 14 above and under applicable law. The notice will state the name and address of the new Loan SERVICE, and also tell me the address to which I should make my payments. The notice also will contain any other information required by law.

20. CONTINUATION OF BORROWER'S OBLIGATIONS TO MAINTAIN AND PROTECT THE PROPERTY

The federal laws and the laws of the jurisdiction where the Property is located that relate to health, safety or environmental protections are called "Environmental Laws." I will not do anything affecting the Property that violates Environmental Laws, and I will not allow anyone else to do so.

Environmental Laws classify certain substances as toxic or hazardous. There are other substances that are considered hazardous for purposes of this Paragraph 20. These are gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. The substances defined as toxic or hazardous by Environmental Laws and the substances considered hazardous for purposes of this Paragraph 20 are called "Hazardous Substances."

I will not permit Hazardous Substances to be present on the Property. I will not use or store Hazardous Substances on the Property, and I will not allow anyone else to do so. I also will not dispose of Hazardous Substances on the Property or release any Hazardous Substance on the Property, and I will not allow anyone else to do so. However, I may permit the presence on the Property of small quantities of Hazardous Substances that are generally recognized as appropriate for normal residential use and maintenance of the Property, and I may use or store these small quantities on the Property. In addition, unless the law or applicable regulation requires removal or other action, the buildings, the improvements and the fixtures on

the Property are permitted to contain asbestos and asbestos-containing materials if the asbestos and asbestos-containing materials are undisturbed and "non-friable" (that is, not easily crumbled by hand pressure).

If I know of any investigation, claim, demand, lawsuit or other action by the government or by a private party involving the Property and any Hazardous Substance or Environmental Laws, I will promptly notify the Lender in writing. If the government notifies me (or I otherwise learn) that it is necessary to remove a Hazardous Substance affecting the Property or to take other remedial actions, I will promptly take all necessary remedial actions as required by Environmental Laws.

21. LENDER'S RIGHTS IF BORROWER FAILS TO KEEP PROMISES AND AGREEMENTS
Except as provided in Paragraph 17 above, if all the conditions stated in subparagraphs (A), (B) and (C) of this Paragraph 21 are met, Lender may require that I pay immediately the entire amount then remaining unpaid under the Note and under this Security Instrument. Lender may do this without making any further demand for payment. This requirement is called "immediate payment in full."

If lender requires immediate payment in full, Lender may bring a lawsuit to take away all my remaining rights in the Property and have the Property sold. At this sale Lender or another person may acquire the Property. This is known as "foreclosure and sale." In any lawsuit for foreclosure and sale, Lender will have the right to collect all costs and disbursements and additional allowances allowed by law and will have the right to add all attorneys' fees including costs and disbursement to the amount I owe Lender, which fees will become part of the Sums Secured.

Lender may require immediate payment in full under this Paragraph 21 only if all of the following conditions are met:

(A) I fail to keep any promise or agreement made in this Security Instrument, including the promises to pay when due the Sums Secured.

(B) Lender send to me, in the manner described in Paragraph 14 above, a notice that states:

(i) The promise or agreement that I failed to keep;

(ii) The action that I must take to correct that default;

(iii) A date by which I must correct the default. That date must be at least 30 days from the date on which notice is given;

(iv) That if I do not correct the default by the date stated in the notice, Lender may require immediate payment in full, and Lender or another person may acquire the Property by means of foreclosure and sale; and

(v) That if I meet the conditions stated in Paragraph 18 above, I will have the right to have Lender's enforcement of this Security Instrument discontinued and to have the Note and this Security Instrument remain fully effective as if immediate payment in full had never been required;

(C) I do not correct the default stated in the notice from Lender by date stated in that notice.

22. LENDER'S OBLIGATION TO DISCHARGE THIS SECURITY AGREEMENT

When Lender has been paid all amounts due under the Note and under this Security Instrument, Lender will discharge this Security Instrument by delivering a certificate stating that this Security Instrument has been satisfied. I will be required to pay Lender's attorney for preparation of this document, for the attorney's presence at a Closing if the Loan is prepaid because I am refinancing the Property or selling the Property, and I will also be required to pay all costs of recording the discharge in the proper official records.

23. AGREEMENTS ABOUT NEW YORK LIEN LAW

I will receive all amounts lent to me by Lender subject to the trust fund provision of Section 13 of the New York Lien Law. This means that if, on the date this Security Instrument is recorded, construction or other work on any building or other improvement located on the Property has not been completed for at least four months, I will: (A) hold all amounts which I received and which I have a right to receive from Lender under the Note as a "trust fund"; and (B) use those amounts to pay for that construction or work before I use them for any other purpose. The fact that I am holding those amounts as a "trust fund" means that for any building or other improvement located on the Property I have a special responsibility under the law to use the amount in the manner described in this Paragraph 23.

24. ESTOPPEL CERTIFICATE

A statement in writing stating which has been notarized in the same manner as this Security Instrument ("acknowledged") stating the remaining amount of principal owed and whether I have any claims against the Lender which could be used to offset the Sums Secured and/ or whether I have any defenses against the Lender is called an "Estoppel Certificate." If the Lender requests an Estoppel Certificate from me, then I will return such Estoppel Certificate signed and acknowledged back to the Lender within 10 days of being notified in accordance with Paragraph 14 of the Security Instrument of such request.

25. WAIVER OF TRIAL BY JURY

I waive and agree to waive all rights that I may have to a trial by jury in any lawsuit which is brought against me for any reason under this Security Instrument.

26. PERSONAL PROPERTY

(A) Real Property is land and anything such as a building attached to the Land. Personal Property is movable property such as stove, refrigerator, kitchen cabinets and plumbing fixtures. This Security Instrument is both a Real Property Mortgage securing the real property for the Sums Secured and a Security Agreement securing the personal property used in connection with the real property for the Sums Secured. The Property includes both real and personal property used in connection with the Property. The Borrower hereby grants and gives to the Lender a security interest in all of the personal property used in connection with the mortgaged Property. The Lender will have, in addition to all rights and remedies which I have given the Lender in this Security Instrument all of the rights and remedies of a "secured party" under the Uniform Commercial Code. To the extent permitted under applicable law, this Security Instrument will also be deemed to be a "Security Agreement" (as defined in the Uniform Commercial Code). I am giving Lender those rights that are stated in this Paragraph 26 and also those rights that the law gives to lenders who have security interests in personal property. I am giving Lender these rights to protect Lender from possible losses that might result if I fail to keep the promises that I am making in this Security Instrument.

(B) I agree not to remove any personal property used in connection with the Property unless I replace it immediately with personal property of a similar use and similar or better quality. As an example, I may remove my stove, but I must replace it with another stove of the same or better quality.

27. OFFSETS and DEFENSES

If the Lender owes me money for any reason whatsoever or I have any claim for damages or for any reason whatsoever against the Lender, I cannot use any such claim that I have against the Lender or any monies owed to me by the Lender to offset the Sums Secured by this Security Instrument, but I must pursue other remedies to collect such money or settle such claim or claims that I may have or I may pursue with an independent lawsuit for such claim or monies, or damages, which lawsuit will not be joined or consolidated with any lawsuit arising out of this Security Agreement.

I also waive any defense that I may have against the Lender other than payment of Sums Secured under this Security Instrument and Note.

28. LENDER'S ATTORNEYS' FEES

The Lender may employ an attorney to collect any or all of the Sums Secured or to enforce any other promise that I make in this Security Instrument in addition to the purposes of foreclosure which is provided for in other Paragraphs of the Security Instrument. If the Lender does employ an attorney for the purposes of this Paragraph 28, I will reimburse the Lender for all reasonable attorney's fees, costs and disbursements incurred by the Lender in addition to all other costs and fees allowed. I will pay those amounts to Lender when Lender sends me a notice requesting that I do so. This Security Instrument will protect Lender in case I do not keep the promise to pay those amounts.

29. CHANGES IN WRITING

This Security Instrument may not be changed orally but only in writing. A writing changing the terms of this Security Instrument must be signed by the parties and Acknowledged in the same manner as this Security Instrument.

30. RIDER

The promises and agreements of the Condominium Rider are incorporated as part of this Security Instrument.

BY SIGNING BELOW, I accept and agree to the promises and agreements contained in pages 1 through 14 of this Security Instrument and the Condominium Rider signed by me and recorded with the Security Instrument.

Witnesses

Borrower(s)

State of New York, County of _____, ss.:

On the _____ day of _____ in the year 20____, before me the undersigned, a Notary Public in and for said State personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity/capacities and that by his/her/their signature(s) on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this _____ day of _____, 20____, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to _____ (the "Lender") of the same date and covering the Property described in the Security Instrument and located at _____. The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as: _____ (the "Condominium Project"). If the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

CONDOMINIUM COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. Condominium Obligations. Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are: (i) a Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) a code of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Property Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes and floods, from which Lender requires insurance, then: (i) Lender waives the provision in Section 3 for the Periodic Payment to Lender of the yearly premium installments for property insurance on the Property; and (ii) Borrower's obligation under Section 5 to maintain property insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

What Lender requires as a condition of this waiver can change during the term of the loan.

Borrower shall give Lender prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy.

In the event of a distribution of property-insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Section 11.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender; (iii) termination of professional management and assumption of self-management of the Owners Association; or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment,

these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Condominium Rider.

_____(Seal)
Borrower

_____(Seal)
Borrower

351-353 21st REALTY LLC

132 Remsen Street
Brooklyn, New York 11201

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO SEC. 20.4(b) OF THE REGULATIONS ISSUED, PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED.

August 16, 2005

Re: 351-353 21st Street
Brooklyn, New York 11215

The undersigned certify as follows:

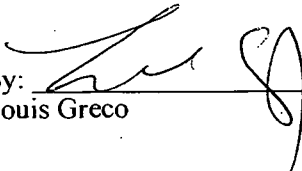
We are the Sponsor and principals of the sponsor of the condominium offering plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20 and such other law 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:

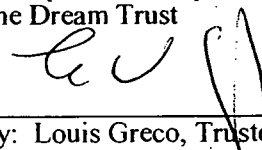
1. set forth the detailed terms of the transaction and be complete, current and accurate;
2. afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
3. not omit any material fact;
4. not contain any untrue statement of a material fact;
5. not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
6. not contain any promise or representation as to the future, which is beyond reasonable expectation or unwarranted by existing circumstances;
7. 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 statement made.

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

351-353 21st Realty LLC

By: 
Louis Greco

Principals of the Sponsor
The Dream Trust


By: Louis Greco, Trustee

Sworn to before me this
23rd day of August, 2005


Notary Public

HANNAH VINING
Notary Public State of New York
No. 01VI4962297
Qualified in Kings County
Commission Expires February 12, 2006

ERNST ARCHITECT, PLLC

December 2, 2005

CERTIFICATION OF SPONSOR'S ARCHITECT PURSUANT TO
PART 20.4 (C)(3) OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW ARTICLE 23-A AS AMENDED.

Re: 351-353 21st Street
Brooklyn, NY 11215

The Sponsor of the Offering Plan to convert the captioned property to condominium ownership has retained our firm to prepare a report describing the construction and/or renovation of the property (hereinafter "the Report").

We visually inspected renovated portions of the property, and existing portions of the newly constructed property, if any, on October 24, 2005. In addition to preparing the building plans by November 4th, 2004 and amended August 4th 2005, we also prepared the Report dated December 2, 2005, a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely thereupon.

I am a registered architect in the state in which the property is located. I understand that I am responsible for complying with Article 23-A of the General Business Law and the Regulations promulgated by the Department of Law in Part 20, insofar as they are applicable to the Report.

I have read the entire Report and investigated the facts set forth therein, and the facts underlying it, with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report does:

- i. set forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- ii. in our professional opinion afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- iii. not omit any material fact;

177 WEST BROADWAY, THIRD FLOOR – NEW YORK, NY 10013
TEL (212) 343-3102 FAX (212) 343-3109
ernst_arch@earthlink.net

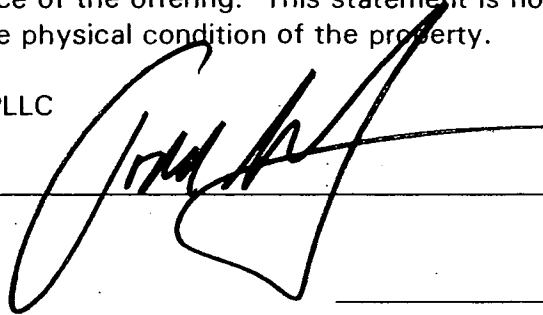
ERNST ARCHITECT, PLLC

- iv. not contain any untrue statement of a material fact;
- v. not contain any fraud, deception, concealment, or suppression;
- vi. not contain any promise or representation as to the future, which is beyond reasonable expectation or unwarranted by existing circumstances;
- vii. not contain any representation or statement which is false, where I:
 - a. knew the truth;
 - b. with reasonable effort could have known the truth;
 - c. made no reasonable effort to ascertain the truth;
 - d. did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by, and have no beneficial interest in the Sponsors, and that my compensation for preparing this Report is not contingent on the conversion of the property to condominium ownership, or on the profitability or price of the offering. This statement is not intended as a guarantee to warranty of the physical condition of the property.

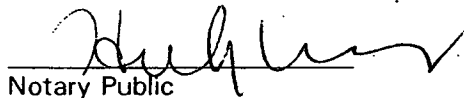
Ernst Architect, PLLC

By: Todd Ernst



12-2-05

Sworn to before me this 2 day of December, 2005.



Notary Public

MARILYN VERRIO
Notary Public State of New York
No. 01V14962297
Qualified in Kings County
Commission Expires February 12, 2006

NEWPORT MANAGEMENT COMPANY

5614 15th AVENUE
BROOKLYN, NEW YORK 11219
TELE #: (718) 633-7700 - FAX #: (718) 871-2672

CERTIFICATION OF EXPERT REGARDING ADEQUACY OF SCHEDULE B, PURSUANT TO SEC. 20.4(d) OF THE REGULATIONS ISSUED, PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED.

June 14, 2005

Re: 351-353 21st Street
Brooklyn, New York 11215

The undersigned, certifies as follows:

The Sponsor of the condominium Offering Plan for the captioned property retained our firm to review Schedule B containing projections of income and expenses for the first year of condominium operation. Our firm has been in business for 28 years. We currently manage 25 Buildings, 15 of which are cooperatives and/or condominiums. As part of the process of managing buildings we prepare budgets for such buildings and therefore we believe that we are qualified to write this opinion.

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 Schedules B.

We have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. We have also relied on our experience in managing residential property.

We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedule:

1. sets forth in detail the projected income and expenses for the first year of condominium operation;
2. affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
3. does not omit any material fact;
4. does not contain any untrue statement of a material fact;
5. does not contain any fraud, deception, concealment or suppression;
6. does not contain any promise or representation as to the future which is beyond a reasonable expectation or unwarranted by existing circumstances;

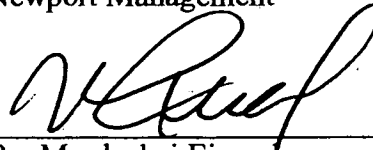
7. does not contain any representation or statement which is false, where we:
(a) knew the truth; (b) with reasonable effort could have known the truth; (c)
made no reasonable effort to ascertain the truth; or (d) did not have
knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

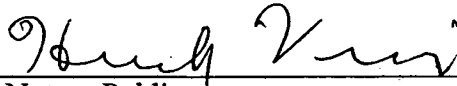
We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,
Newport Management



By: Mordechai Eissenberg

Sworn to before me this
26th day of June, 2005



Notary Public

HARMAN GREENE
Sergey P. Green, Esq. of New York
No. 019140230
Qualified in Kings County
Commission Expires February 12, 2006 06

LIMITED WARRANTY

Warranty No. _____

NAME OF PURCHASER(S): _____

ADDRESS OF PURCHASERS:

_____ 351-353 21st Street

_____ Brooklyn, New York 11215

**ADDRESS OF APARTMENT
WARRANTED:**

_____ 351-353 21st Street, Unit #

_____ Brooklyn, New York 11215

SPONSOR:

_____ 351-353 21st Realty LLC

ADDRESS OF SPONSOR:

_____ 132 Remsen Street

_____ Brooklyn, New York 11201

WARRANTY DATE: _____

**SPONSOR'S LIMIT OF
TOTAL LIABILITY:**

(75% of the Purchase Price)

This limited Warranty Excludes All
Consequential and Incidental Damages,
Except as Required by New York State Law.

1. **To whom given.** This Limited Warranty is extended to the Purchaser, named on page 1, while the Purchaser owns the Unit. It does not extend to subsequent owners of the Unit or other persons.

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

3. **Final Inspection of the Unit.** Before the Purchaser moves into the Unit or accepts the deed, the Sponsor will set up an appointment for the final inspection of the Unit with the Purchaser. The purpose of this final inspection is to discover any defects or flaws of a visible or obvious nature—such as marks, chips, dents, cracks, or scratches—that may have occurred during the final stages of finishing the Unit, or any unfinished work caused by back-orders beyond the Sponsor's control. The Sponsor may also point out other defects known to have occurred during the construction process and that remain uncorrected at the time of the inspection.

All defects or flaws found on final inspection of the Unit will be itemized on a Final Inspection Sheet, which will include a schedule for each item that will be corrected. The Final Inspection Sheet will be signed by the Purchaser and the Sponsor before occupancy of the Unit or transfer of the deed.

When the Purchaser moves into the Unit or accepts the deed, the Sponsor's responsibility is limited to:

(a) completion of items shown on the Final Inspection Sheet, as provided in the Final Inspection Sheet, and

(b) performance of warranty obligations under the provisions of this Limited Warranty, as listed below. The purpose of the Limited Warranty is to identify the Sponsor's responsibilities for construction defects of a latent or hidden kind that would not have been found or disclosed on a final inspection of the Unit.

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

5. **Warranty Coverage and Periods.** The Warranty Period for all coverages begins on the Warranty Date shown on page 1. (This Warranty Date is the date that the Purchaser, or member of the Purchaser's family, takes title to the Unit or any person begins residential occupancy of the Unit, whichever date is earlier.) It ends at the expiration of the coverage shown below:

First Year Basic Coverage: for one year from the Warranty Date, the Unit will be free from latent defects that constitute:

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

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

(c) defective design, provided by an architect, landscape architect, engineer, surveyor, or other design professional engaged solely by the Sponsor.

Workmanship, materials and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for Units in New York City, the Building Code of the City of New York) or if they fail to meet the Accepted Standards which are attached to this Limited Warranty.

Two-Year Major System Coverage: For two years from the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Unit which have been installed by the Sponsor are warranted to be free from latent defects that constitute defective installation by the Sponsor.

Installation will be considered to be defective if the Sponsor's workmanship upon the installation fails to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for Units in New York City, the Building Code of the City of New York) and the Accepted Standards.

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

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

The Heating, Cooling and Ventilation System means: all duct work, steam, water and refrigerant lines, registers, convertors, radiation elements and dampers.

All systems are exclusive of appliances, fixtures and items of equipment.

Six Year Major Structural Defect Coverage: For six years from the Warranty Date, the Unit will be free from latent defects that are Major Structural Defects, as defined below, and that constitute:

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

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for Units in New York City, the Building Code of the City of New York) or if they fail to meet the Accepted Standards.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions 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 and partitions, floor systems and roof framing systems.

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

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

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

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

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

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

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

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

(g) Damage to real property which is not part of the Unit covered by this Limited Warranty and which is not included in the purchase price of the Unit.

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

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

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

(iii) failure of the Purchaser to give notice to the Sponsor of any defects or damage within a reasonable time; or

(iv) changes, alterations or additions made to the Unit by anyone other than the Sponsor, its employees, agents or subcontractors; or

(v) changes, alterations or additions made to the Unit by anyone after the Warranty Date shown on page 1; or

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

(I) Any condition which does not result in actual physical damage to the Unit.

(j) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, mud slide, earthquake, volcanic eruption, wind-driven water, and not reasonably foreseeable changes in the underground water table.

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

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

- (m) Any damage which the Unit Owner has not taken timely action to minimize.
- (n) Normal wear and tear and normal deterioration.
- (o) Insect damage.
- (p) Bodily injury or damage to personal property.
- (q) Failure of the Sponsor to complete construction of the Unit.
- (r) Loss or damage which arises while the Unit is being used primarily for nonresidential purposes.
- (s) Loss or damage due to abnormal loading on floors by the Unit Owner which exceeds design loads as mandated by the Building Code.
- (t) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair.
- (u) Consequential damages (except where required by state law).
- (v) Any claim not filed in a manner set forth below in paragraph 8, **"Step-by Step Claims Procedures."**

7. **Warranty.** If a defect occurs in an item covered by this Limited Warranty, the Sponsor will repair, replace or pay the Purchaser the reasonable cost of repairing or replacing the defective item(s) within a reasonable time after the Sponsor's inspection or testing discloses the problem.

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

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

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

8. **Step-by-Step Claims Procedures.** (a) Written notice of any warranty claim must be made on the attached **"Notice of Warranty Claim Form"** and must be received by the Sponsor, identified on page 1, no later than the first business day after the warranty coverage expires. If this Notice of Warranty Claim Form is not properly completed and received by the Sponsor by that deadline, the Sponsor will have no duty to respond to any complaint or demand, and any or all claims may be rejected. **Notice of Warranty Claim is necessary to protect right to warranty performance under this Limited Warranty.**

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

(c) In response to a Notice of Warranty Claim or any other complaint or request of the Purchaser, the Sponsor and the Sponsor's agents will have the right to inspect and test the portion of the Unit to which the claim, complaint or request relates. The Purchaser and occupants of the Unit must provide reasonable

access to the Sponsor and the Sponsor's agents during normal business hours to complete inspection, testing and repair or replacement.

(d) The Sponsor will complete inspection and testing within a reasonable time under the circumstances, not to exceed thirty (30) days after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, the Sponsor will determine whether to accept or reject the claim. If the Sponsor rejects the claim, the Sponsor will give written notice of that decision to the claimant at the address shown on the Notice of Claim Form. If the Sponsor accepts the claim, the Sponsor will take corrective action within a reasonable time under the circumstances and, upon completion, will give written notice of completion to the claimant at the address shown on the Notice of Claim Form. The Sponsor will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair and replacement of defects necessarily are subject to weather conditions, Acts of God, availability of materials, and other events beyond the Sponsor's control.

9. **Legal Actions.** (a) No claim or cause of action under this Limited Warranty may be commenced or asserted in any suit, action, or other legal proceedings against the Sponsor in any Court or forum unless notice of the claim or cause of action has been received by the Sponsor in a timely and properly completed Notice of Warranty Claim Form as provided in paragraph 8 above.

(b) No suit, action or proceeding against the Sponsor under this Limited Warranty may be commenced in any Court or forum after the later of:

(i) the date of expiration of the applicable warranty coverage under paragraph 5 of this Limited Warranty, or (ii) sixty (60) calendar days after the Warrantor has given written notice of rejection of claim or completion of corrective action as provided in clause 8(d) above.

10. **General Provisions.** (a) This Limited Warranty may not be changed or amended in any way.

(b) This Limited Warranty is to be binding upon the Sponsor and the Purchaser, their heirs, executors, administrators, successors and assigns.

(c) Should any provisions of the Limited Warranty be deemed unenforceable by a court of competent jurisdiction, the determination will not affect the enforceability of the remaining provisions.

(d) Use of one gender of this Limited Warranty includes all other genders, and use of the plural includes the singular, as may be appropriate.

(e) This Limited Warranty is to be governed in accordance with the laws of New York State.

NOTICE OF WARRANTY CLAIM FORM

Dear Unit Owner:

To ask the Sponsor to correct a defect in your Unit that you think is covered by the Sponsor's Limited Warranty, you must complete this form and deliver it to the Sponsor. This is necessary to protect your rights to warranty performance under this Limited Warranty. Even if you believe that the Sponsor is aware of the problem, fill out this form and deliver it to the Sponsor.

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

Your Name:

Mailing Address:

Phone No.:

Limited Warranty No.:

Warranty Date:

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

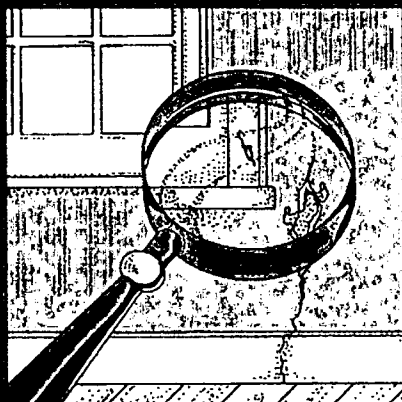
(signature)

(date)

(signature)

(date)

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Protect Your Family From Lead In Your Home

United States
Environmental
Protection Agency

United States
Consumer Product
Safety Commission

United States
Department of Housing
and Urban Development

U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207
U.S. HUD Washington DC 20410

EPA747-K-99-001
April 1999

Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.

Federal law requires that individuals receive certain information before renting, buying, or renovating pre-1978 housing:



LANDLORDS have to disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a disclosure form about lead-based paint.



SELLERS have to disclose known information on lead-based paint and lead-based paint hazards before selling a house. Sales contracts must include a disclosure form about lead-based paint. Buyers have up to 10 days to check for lead hazards.



RENOVATORS have to give you this pamphlet before starting work. (After June 1, 1999.)



IF YOU WANT MORE INFORMATION on these requirements, call the National Lead Information Clearinghouse at **1-800-424-LEAD**.

This document is in the public domain. It may be reproduced by an individual or organization without permission. Information provided in this booklet is based upon current scientific and technical understanding of the issues presented and is reflective of the jurisdictional boundaries established by the statutes governing the co-authoring agencies. Following the advice given will not necessarily provide complete protection in all situations or against all health hazards that can be caused by lead exposure.

IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

FACT: Lead exposure can harm young children and babies even before they are born.

FACT: Even children who seem healthy can have high levels of lead in their bodies.

FACT: People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.

FACT: People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.

FACT: Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

Lead Gets in the Body in Many Ways

In the United States, about 900,000 children ages 1 to 5 have a blood-lead level above the level of concern.

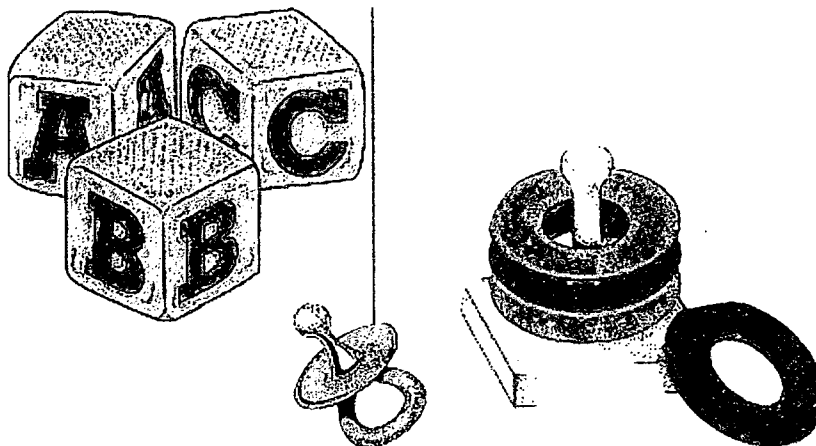
Even children who appear healthy can have dangerous levels of lead in their bodies.

People can get lead in their body if they:

- ◆ Put their hands or other objects covered with lead dust in their mouths.
- ◆ Eat paint chips or soil that contains lead.
- ◆ Breathe in lead dust (especially during renovations that disturb painted surfaces).

Lead is even more dangerous to children than adults because:

- ◆ Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.
- ◆ Children's growing bodies absorb more lead.
- ◆ Children's brains and nervous systems are more sensitive to the damaging effects of lead.



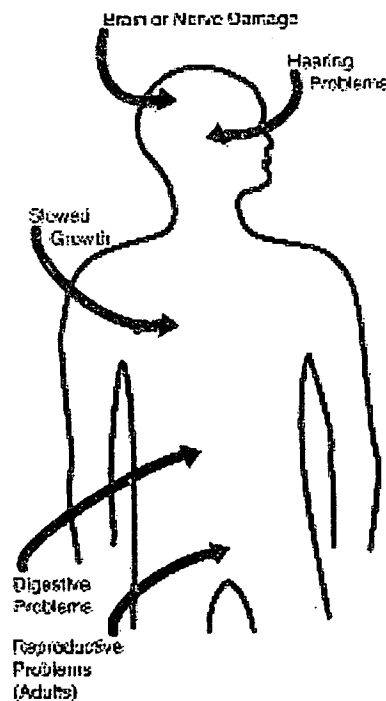
Lead's Effects

If not detected early, children with high levels of lead in their bodies can suffer from:

- ◆ Damage to the brain and nervous system
- ◆ Behavior and learning problems (such as hyperactivity)
- ◆ Slowed growth
- ◆ Hearing problems
- ◆ Headaches

Lead is also harmful to adults. Adults can suffer from:

- ◆ Difficulties during pregnancy
- ◆ Other reproductive problems (in both men and women)
- ◆ High blood pressure
- ◆ Digestive problems
- ◆ Nerve disorders
- ◆ Memory and concentration problems
- ◆ Muscle and joint pain



***Lead affects
the body in
many ways.***

Where Lead-Based Paint Is Found

In general, the older your home, the more likely it has lead-based paint.

Many homes built before 1978 have lead-based paint. The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. Lead can be found:

- ◆ In homes in the city, country, or suburbs.
- ◆ In apartments, single-family homes, and both private and public housing.
- ◆ Inside *and* outside of the house.
- ◆ In soil around a home. (Soil can pick up lead from exterior paint or other sources such as past use of leaded gas in cars.)

Checking Your Family for Lead

Get your children and home tested if you think your home has high levels of lead.

To reduce your child's exposure to lead, get your child checked, have your home tested (especially if your home has paint in poor condition and was built before 1978), and fix any hazards you may have. Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect high levels of lead. Blood tests are usually recommended for:

- ◆ Children at ages 1 and 2.
- ◆ Children or other family members who have been exposed to high levels of lead.
- ◆ Children who should be tested under your state or local health screening plan.

Your doctor can explain what the test results mean and if more testing will be needed.

Where Lead Is Likely To Be a Hazard

Lead-based paint that is in good condition is usually not a hazard.

Peeling, chipping, chalking, or cracking lead-based paint is a hazard and needs immediate attention.

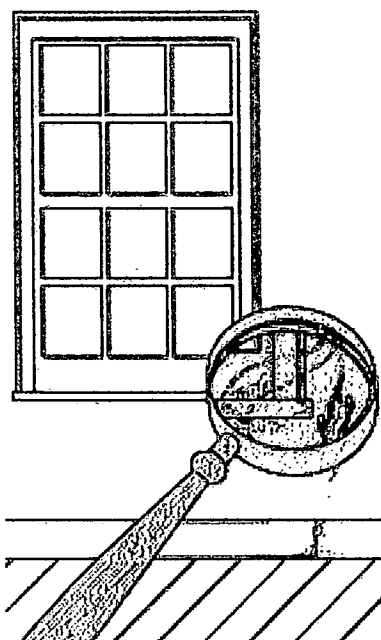
Lead-based paint may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear. These areas include:

- ◆ Windows and window sills.
- ◆ Doors and door frames.
- ◆ Stairs, railings, and banisters.
- ◆ Porches and fences.

Lead dust can form when lead-based paint is dry scraped, dry sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can re-enter the air when people vacuum, sweep, or walk through it.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. Call your state agency (see page 11) to find out about testing soil for lead.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards.



Checking Your Home for Lead Hazards

Just knowing that a home has lead-based paint may not tell you if there is a hazard.

You can get your home checked for lead hazards in one of two ways, or both:

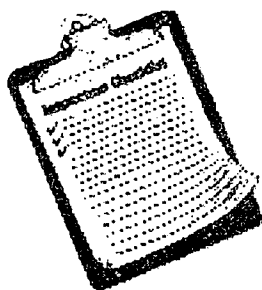
- ◆ A paint **inspection** tells you the lead content of every different type of painted surface in your home. It won't tell you whether the paint is a hazard or how you should deal with it.
- ◆ A **risk assessment** tells you if there are any sources of serious lead exposure (such as peeling paint and lead dust). It also tells you what actions to take to address these hazards.

Have qualified professionals do the work. *There are standards in place for certifying lead-based paint professionals to ensure the work is done safely, reliably, and effectively.* Contact your state lead poisoning prevention program for more information. Call 1-800-424-LEAD for a list of contacts in your area.

Trained professionals use a range of methods when checking your home, including:

- ◆ Visual inspection of paint condition and location.
- ◆ A portable x-ray fluorescence (XRF) machine.
- ◆ Lab tests of paint samples.
- ◆ Surface dust tests.

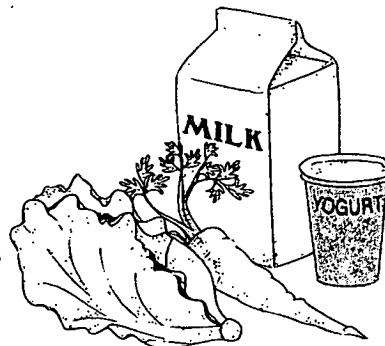
Home test kits for lead are available, but studies suggest that they are not always accurate. Consumers should not rely on these tests before doing renovations or to assure safety.



What You Can Do Now To Protect Your Family

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:

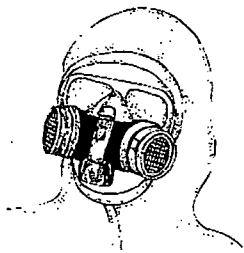
- ◆ If you rent, notify your landlord of peeling or chipping paint.
- ◆ Clean up paint chips immediately.
- ◆ Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.
- ◆ Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.
- ◆ Wash children's hands often, especially before they eat and before nap time and bed time.
- ◆ Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- ◆ Keep children from chewing window sills or other painted surfaces.
- ◆ Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- ◆ Make sure children eat nutritious, low-fat meals high in iron and calcium, such as spinach and dairy products. Children with good diets absorb less lead.



How To Significantly Reduce Lead Hazards

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.



In addition to day-to-day cleaning and good nutrition:

- ◆ You can **temporarily** reduce lead hazards by taking actions such as repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called "interim controls") are not permanent solutions and will need ongoing attention.
- ◆ To **permanently** remove lead hazards, you must hire a certified lead "abatement" contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not enough.

Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Call your state agency (see page 11) for help with locating certified contractors in your area and to see if financial assistance is available.

Remodeling or Renovating a Home With Lead-Based Paint

Take precautions before your contractor or you begin remodeling or renovations that disturb painted surfaces (such as scraping off paint or tearing out walls):

- ◆ **Have the area tested for lead-based paint.**
- ◆ **Do not use a belt-sander, propane torch, heat gun, dry scraper, or dry sandpaper** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- ◆ **Temporarily move your family** (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- ◆ **Follow other safety measures to reduce lead hazards.** You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

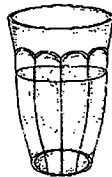
If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.



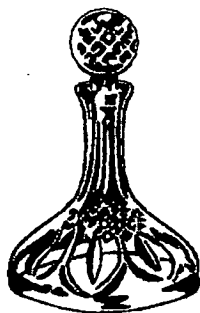
If not conducted properly, certain types of renovations can release lead from paint and dust into the air.



Other Sources of Lead



While paint, dust, and soil are the most common lead hazards, other lead sources also exist.



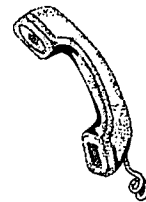
- ◆ **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:
 - Use only cold water for drinking and cooking.
 - Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.
- ◆ **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.
- ◆ Old painted **toys** and **furniture**.
- ◆ Food and liquids stored in **lead crystal** or **lead-glazed pottery or porcelain**.
- ◆ **Lead smelters** or other industries that release lead into the air.
- ◆ **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture.
- ◆ **Folk remedies** that contain lead, such as "greta" and "azarcon" used to treat an upset stomach.

For More Information

The National Lead Information Center

Call **1-800-424-LEAD** to learn how to protect children from lead poisoning and for other information on lead hazards. (Internet: **www.epa.gov/lead** and **www.hud.gov/lea**).

For the hearing impaired, call the Federal Information Relay Service at **1-800-877-8339** and ask for the National Lead Information Center at **1-800-424-LEAD**.

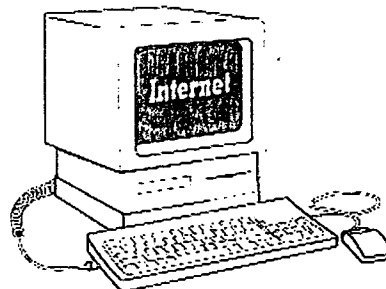


EPA's Safe Drinking Water Hotline

Call **1-800-426-4791** for information about lead in drinking water.

Consumer Product Safety Commission Hotline

To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call **1-800-638-2772**. (Internet: **www.cpsc.gov**). For the hearing impaired, call **TDD 1-800-638-8270**.



State Health and Environmental Agencies

Some cities and states have their own rules for lead-based paint activities. Check with your state agency to see if state or local laws apply to you. Most state agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for state and local contacts on the Internet at **www.epa.gov/lead** or contact the National Lead Information Center at **1-800-424-LEAD**.

EPA Regional Offices

Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact
U.S. EPA Region 1
Suite 1100 (CPT)
One Congress Street
Boston, MA 02114-2023
1 (888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 209, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Washington DC, Maryland, Pennsylvania, Virginia, West Virginia)

Regional Lead Contact
U.S. EPA Region 3 (3WC33)
1650 Arch Street
Philadelphia, PA 19103
(215) 814-5000

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (DT-8J)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-7577

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
(ARTD-RALI)
901 N. 5th Street
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
999 18th Street, Suite 500
Denver, CO 80202-2466
(303) 312-6021

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. Region 9
75 Hawthorne Street
San Francisco, CA 94105
(415) 744-1124

Region 10 (Idaho, Oregon, Washington, Alaska)

Regional Lead Contact
U.S. EPA Region 10
Toxics Section WCM-128
1200 Sixth Avenue
Seattle, WA 98101-1128
(206) 553-1985

CPSC Regional Offices

Your Regional CPSC Office can provide further information regarding regulations and consumer product safety.

Eastern Regional Center

6 World Trade Center
Vesey Street, Room 350
New York, NY 10048
(212) 466-1612

Western Regional Center

600 Harrison Street, Room 245
San Francisco, CA 94107
(415) 744-2966

Central Regional Center

230 South Dearborn Street
Room 2944
Chicago, IL 60604-1601
(312) 353-8260

HUD Lead Office

Please contact HUD's Office of Lead Hazard Control for information on lead regulations, outreach efforts, and lead hazard control and research grant programs.

U.S. Department of Housing and Urban Development

Office of Lead Hazard Control
451 Seventh Street, SW, P-3206
Washington, DC 20410
(202) 755-1785

Simple Steps To Protect Your Family From Lead Hazards

If you think your home has high levels of lead:

- ◆ Get your young children tested for lead, even if they seem healthy.
- ◆ Wash children's hands, bottles, pacifiers, and toys often.
- ◆ Make sure children eat healthy, low-fat foods.
- ◆ Get your home checked for lead hazards.
- ◆ Regularly clean floors, window sills, and other surfaces.
- ◆ Wipe soil off shoes before entering house.
- ◆ Talk to your landlord about fixing surfaces with peeling or chipping paint.
- ◆ Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).
- ◆ Don't use a belt-sander, propane torch, heat gun, dry scraper, or dry sandpaper on painted surfaces that may contain lead.
- ◆ Don't try to remove lead-based paint yourself.

Recycled/Recyclable

Printed on paper that contains at least 20 percent postconsumer fiber.

Hannah Vining, the attorney for the Seller, shall be required to withdraw the funds. The funds existing in the trust account will be payable to the Seller after the closing of title to the Unit covered by this Agreement.

12.1 The Escrow Agent is Hannah Vining, Esq. All funds received from Purchaser whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor shall be made payable to the order of Hannah Vining, as escrow agent or Hannah Vining, as attorney. The Escrow Agent will comply with the Appellate Division rules for the preservation of client funds of the Judicial Department having jurisdiction.

12.2 The Escrow Agent is acting as an accommodation to the Seller. She shall incur no liability with respect to any action taken or suffered by her in reliance upon any notice, direction, instruction, consent statement, or other paper or document reasonably believed by her to be genuine. The Escrow Agent shall not be bound by any modification, cancellation, or rescission of the escrow agreement unless in writing and signed by both parties and delivered to her. Under the Escrow Agreement, the Seller has agreed to indemnify and hold the Escrow Agent harmless from any liability, obligation, damage, claim, cost, and expense (including reasonable attorneys fees and disbursements) incurred by her by reason of the agreement and the actions contemplated by the agreement, except for the Escrow Agent's gross negligence or willful misconduct. The Escrow Agent shall not be liable or responsible for the collection of any check deposited into the account under her supervision as Escrow Agent. The Escrow Agent may act only upon instructions from either party to the Agreement or their attorney or, in the event of a dispute, upon the instructions of the Attorney General. Except for such obligations as are imposed by Section 352-e(2)(b) and 352(h) of the General Business Law of the State of New York and the applicable regulations of New York State Department of Law, the Escrow Agent is acting as a stakeholder only with respect to the escrowed funds. Upon payment of funds in accordance with the terms of the agreement, the Escrow Agent will be discharged from liability by the Seller and will be discharged by the Purchaser as to compliance with requirements under the Attorney General's regulations. In the event there is a dispute as to the disposition of the escrowed funds and in the event the application to the Attorney General seeking the release of funds is denied, the Escrow Agent may bring (but is not required to bring) an appropriate action or proceeding for leave to deposit the escrow funds into a court of competent jurisdiction. The Escrow Agent shall be reimbursed by the Seller for all costs and expenses of such action or proceedings, including, without limitation, reasonable attorneys' fees and disbursements. The Escrow Agent shall have no further liability to any party if the funds are delivered in the manner provided for in this paragraph.

12.3 Within 10 business days after the tender of the deposit submitted with the Purchase Agreement, the Escrow Agent will notify the Purchaser (through the Purchaser's attorney if the Purchaser has an attorney) that such funds have been deposited into the escrow account and will provide the account number. If the Purchaser or the Purchaser's agent does not receive notice of such deposit within 15 business days after tender of the deposit, the Purchaser may cancel the purchase and rescind the Agreement so long as the right to rescind is exercised within 90 days after tender of the deposit. Recision 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 or otherwise delivered to the Purchaser (or to the Purchaser's attorney, provided the Purchaser has an attorney) in conformity with the Attorney General's regulations.

12.4 Before funds are transferred to a new escrow account, or if the Escrow Agent is replaced, the Plan must be amended to provide full disclosure with respect to the new account, the Escrow Agent, and the escrow agreement as originally provided. A bond, letter of credit or other security may not be substituted for the escrow account unless a special exemption under exceptional circumstances is first requested by the Seller and is granted by the Attorney General pursuant to the applicable regulations. In such event, and only after the Department of Law grants such exemption in writing, may such bond or letter of credit be used.

12.5 Under no circumstances shall the Seller apply for release of the escrowed funds of a defaulting Purchaser until after consummation of the Plan for those Purchase Agreements which are contingent upon the Plan's becoming effective.

12.6 The Escrow Agent will hold the funds in escrow until title to the Unit is closed and the Purchaser takes title or until otherwise directed in:

12.6.1 a writing signed by both the Seller and the Purchaser;

12.6.2 a determination of the Attorney General pursuant to the dispute-resolution procedure contained in the Attorney General's regulations; or

12.6.3 a judgment or order of a court of competent jurisdiction.

12.7 The Seller will not object to the release of the escrowed funds to a Purchaser who is not in default and who timely rescinds the Purchase Agreement in accordance with a rescission offer contained in the plan, in an amendment to the plan, or in the Purchase Agreement itself, or to all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

12.8 In the event of a default by the Purchaser under the Purchase Agreement, and if there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to the Seller 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 Seller unless the Purchaser has already made application to the Department of Law pursuant to the dispute-resolution provisions of the Attorney General regulations and has so notified the Escrow Agent in accordance with such provisions.

12.9 If there is no written agreement between the parties to release the escrowed funds, the Escrow Agent shall not pay the funds to the Seller 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 Seller unless the Purchaser has already made application to the Department of Law pursuant to the dispute-resolution provisions contained in the applicable regulations of said Department of Law and has so notified the Escrow Agent in accordance with such provisions.

12.10 In the event of a dispute, the Purchaser and the Escrow Agent may apply to the Attorney General for a determination of the disposition of the down payment. The Seller must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is thus set forth in Part II of the Plan on page A15 and is also available from the Department of Law, 120 Broadway, New York, New York 10271. 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 Seller and the Purchaser shall abide by any interim directive issued by the Attorney General. If the application permitting release of sums is granted, the deposit shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted. If the application seeking release of funds is denied, the Escrow Agent shall continue to hold the deposit until:

12.10.1 both the Seller and the Purchaser direct payment to a specified party in accordance with a written direction signed by both the Seller and Purchaser, or

12.10.2 a judgment or order of a court of competent jurisdiction is served on the Escrow Agent, or

12.10.3 the Escrow Agent deposits the disputed amount into court.

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

12.12 In the event that the Purchaser defaults under this Agreement and the default continues for 30 days after notice from the Seller to the Purchaser, the Down Payment (to a maximum of 10% of the Purchase Price, plus the cost incurred of any special work ordered by the Purchaser) will be released to the Seller as provided above from the account as liquidated damages, and thereafter neither party shall have any rights or obligations against the other.

13. **Default and Liquidated Damages.** The Purchaser agrees that if the Purchaser shall fail to pay the balance of the Purchase Price when due, as provided by this Agreement, or if the Purchaser is

otherwise in default under this Agreement, the Seller may elect to cancel the Agreement by written notice to the Purchaser at his residence, or at the address given above, by certified mail, or by personal delivery, or by facsimile to the Purchaser's attorney, if the Purchaser has one. The Purchaser shall have 30 days to cure the default. If the Purchaser has an attorney, the attorney shall receive a copy of the notice. Thirty days after the mailing of the default notice, the notice shall be effective and this Agreement shall be cancelled and all rights of the parties under this Agreement shall terminate. In such a case, the Down Payment shall be paid to the Seller as liquidated damages. Liquidated damages shall not exceed 10% of the Purchase Price plus the cost of any special work ordered by the Purchaser (the "**Liquidated Sum**"). Any payments made by the Purchaser in excess of the Liquidated Sum shall be refunded to the Purchaser within 15 days after the cancellation of this Agreement (i.e., 15 days after the 30 days), together with interest thereon. **The curing of the default within the final 30-day grace period is the essence of the Agreement. "Time is of the Essence" means that no further adjournment, extension, or grace period may be permitted to the Purchaser within which the Purchaser will be permitted to consummate the Purchaser's purchase of the Unit, and the provisions regarding liquidated damages shall immediately be applicable.** In the event the Purchase Agreement is cancelled, the Seller will have the right to sell the Unit to others as though the Purchase Agreement had never been signed (and without accounting to the Purchaser for the proceeds of such sale). In such a case both the Purchaser and the Seller shall be relieved of all further liability and obligation under this Agreement and under the Plan.

14. Subordination of Purchase Agreement to Mortgage. The Purchaser agrees that all terms and provisions of this Agreement are, and shall be, subject and subordinate to the lien of any present or future mortgage on the Condominium property. This Agreement is also subject and subordinate to payments or expenses already made or incurred or which may be made or incurred in future, under the terms of any such mortgage. This subordination is self-executing and it shall not be necessary for the Purchaser to execute any further legal documents in order to effectuate such subordination. The subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with any loan schedule or payments.

The Seller shall satisfy all such mortgages or obtain a release of the Unit from the lien of such mortgages at, or prior to, the Closing Date, except for the Purchaser's individual mortgage on the Unit, whether the same be by extension, assumption, consolidation, or otherwise.

15. Personal Property Included in the Sale; Excluded Items. Only those fixtures, appliances, and items of personal property which are described in the Plan as being included in the Unit are included in this sale more specifically set forth in Part II of the Plan called the "**Description of Property and Specifications and Building Condition.**" No portion of the Purchase Price shall be attributable to such items. Such personal property will be delivered free and clear of all liens and encumbrances, except the lien of the mortgage applied for by the Purchaser, as specified in this Agreement. Any decorative lighting fixtures, paintings, carpeting, built-ins, wallpaper, furniture, furnishings, and burglar-alarm system which may be exhibited in any Model Units, excepting those specifically set forth herein or in the Offering Plan, are for display purposes only and are not included in the sale.

16. Renovation and Construction.

16.1 The renovation and/or construction of the Building and the Unit, including the materials, equipment, and fixtures to be installed therein, shall be substantially in accordance with the Plan and the Plans and Specifications, subject to the right of the Seller to amend the Plan and/or the Plans and Specifications in order to substitute materials, equipment, or fixtures of equal or better quality, provided the approval of any governmental authorities having jurisdiction is first obtained (if required). The issuance of a temporary or permanent certificate of occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been substantially completed in accordance with the Plan and the Plans and Specifications. However, nothing herein contained shall excuse the Seller from its obligations set forth in the Section of the Plan entitled "**Rights and Obligations of the Sponsor.**"

16.2 The renovation and/or construction of the Building and the Unit under the Plan are the sole responsibility of the Seller. The Purchaser acknowledges and agrees that the Seller will not be liable for, and will have no obligation to correct, certain variations from the Plan and Plans and

Specifications and will not be obligated to correct and will not be liable to any Board or Unit Owner as a result of any construction defects or in the installation or operation of any mechanical equipment, appliances, other equipment, finishes, materials or fixtures (including kitchen appliances and bathroom fixtures) as indicated in the Section of the Plan entitled "**Rights and Obligations of the Sponsor.**"

16.3 The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth under "**Terms of Sale**" in Part I of the Plan. As a result, if all other prerequisites not involving the renovation and/or construction of the Unit are met, the Purchaser shall be obligated to close and complete payment of the full Purchase Price (without provision for escrow) once a temporary or permanent certificate of occupancy is issued for the Unit, notwithstanding any renovation and/or construction items noted on the Purchaser's Inspection Statement (as hereinafter defined) remaining for the Seller to complete and/or correct in accordance with its obligation under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building not affecting the Unit.

16.4 The actual date for the First Closing is not guaranteed or warranted and may be earlier or later depending on the progress of construction and/or renovation and compliance with the other prerequisites recited in the Section of the Plan entitled "**Terms of Sale.**" Purchaser acknowledges that construction and/or renovation may be delayed by late delivery of material or equipment, labor difficulties, unavailability of building trades, casualty, inclement weather, and other events beyond the Seller's reasonable control. The Purchaser further acknowledges that the Units in the Building will be completed at varying times over a period that could extend well beyond the First Closing. The order in which these Units will be completed is in the discretion of the Seller. The Purchaser acknowledges that, except as otherwise provided in the Plan, the Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against the Seller for damages or losses in the event that the First Closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by the Seller.

16.5 At the closing of title, the Seller will deliver to the Purchaser a Limited Warranty for the Unit substantially in the form set forth in Part II of the Plan. **PURCHASER ACKNOWLEDGES AND AGREES THAT SUCH LIMITED WARRANTY (a) EXCLUDES ALL CONSEQUENTIAL, INCIDENTAL, SPECIAL, AND INDIRECT DAMAGES EXCEPT AS REQUIRED BY LAW OR EXCEPT AS OTHERWISE SET FORTH THEREIN, (b) EXCLUDES ALL OTHER WARRANTIES OF EVERY KIND, EXPRESS AND IMPLIED, ON THE RENOVATION AND/OR CONSTRUCTION AND SALE OF THE UNIT, ITS WORKMANSHIP, AND ITS FITNESS FOR USE AND HABITABILITY, AND (c) IS IN LIEU OF ALL OTHER WARRANTIES (INCLUDING, WITHOUT LIMITATION, THOSE PURSUANT TO THE HOUSING MERCHANT IMPLIED WARRANTY LAW—NEW YORK BUSINESS LAW ARTICLE 36B; ALL AS MAY BE FURTHER DESCRIBED IN THE LIMITED WARRANTY.**

17. Inspection of the Unit.

17.1 The Purchaser shall accept title (without abatement, or credit against, the Purchase Price or any provision, for escrow deposits at the closing of title) notwithstanding the failure to complete construction and/or renovation of (a) minor details of the Unit or the Property, (b) other Units, or (c) the Common Elements of the Property, which do not prevent the Purchaser's use of the Unit. Each Unit and the fixtures and personal property contained therein, are being sold and delivered as built, as described in the Plan, at the time of transfer of title to such Unit unless the Seller and the Purchaser of such Unit otherwise agree in writing. The Purchaser of a Unit will inspect such Unit prior to the Closing Date (after notice from the Seller) and will execute at such time an Inspection Statement acknowledging the Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if a Purchaser finds that the Seller's improvements as described in the Plan or in the Purchase Agreement for such Unit or other writing duly executed and delivered by the Seller have not been fully completed, although such improvements have been substantially completed, then the Seller or its designated representative and the Purchaser will at the time of such execution agree upon and set forth in the Inspection Statement a list of the incomplete work to be completed in the Unit by the Seller following the Closing for such Unit. The Seller's obligation thereunder will survive delivery of the deed to the Purchaser. **The failure of the Seller**

to complete such work will not be a ground for the Purchaser to delay the closing. The Seller and its contractors, subcontractors, agents, and employees will have a right of access to enter the Unit after closing in order to complete the work on the Inspection Statement.

17.2 Failure of the Purchaser either to arrange an appointment to inspect the Unit within the week prior to the Closing Date or to so sign and deliver the completed Inspection Statement shall not excuse the Purchaser from paying the balance of the Purchase Price when due and shall constitute the Purchaser's full acceptance of the Unit. However, nothing herein shall relieve the Seller of its obligations as set forth in Section of the Plan entitled "**Rights and Obligations of the Sponsor.**"

18. **Closing Deed; Power of Attorney.** The closing deed shall be in the proper statutory form for recording, as set forth in the Plan, as Exhibit C; shall be a bargain and sale deed with covenants against grantor's acts; shall be duly executed and acknowledged by the Seller at the Seller's expense; and shall contain such a description of the Unit as shall be acceptable and/or approved, so as to validly convey the Unit and the undivided interest in the Common Elements, which are referred to above, under the Condominium Act. At the Closing of Title, the Purchaser agrees to execute and deliver to the Seller the Power of Attorney in the form as shown in the Plan, Exhibit B. **Failure to execute the Power of Attorney is a default under this Agreement and shall allow the Seller to retain the Down Payment as liquidated damages.**

19. **Insurable Title, Subject to.** The Seller shall give, and the Purchaser shall accept, a good and insurable title free and clear of all liens and encumbrances, subject to the Declaration, By-Laws, and Rules and Regulations of the Condominium, as filed and except for the Permitted Encumbrances as disclosed in the Plan beginning on page 46 and incorporated herein by reference; and **ONLY SUCH TITLE as FIRST MANHATTAN ABSTRACT CORP., 215 Park Avenue South, New York, New York 10003, (212) 460-5200 as agent for Fidelity Title Insurance Company of New York will approve and insure for mortgages and fee title insurance. THE SELLER SHALL NOT IN ANY WAY BE OBLIGATED TO CAUSE THE PURCHASER'S TITLE COMPANY (IF OTHER THAN FIRST MANHATTAN ABSTRACT CORP.) TO OMIT ANY EXCEPTION TO TITLE IF SUCH EXCEPTION OR SIMILAR EXCEPTION HAS BEEN OMITTED BY FIRST MANHATTAN ABSTRACT CORP. OR FIRST MANHATTAN ABSTRACT CORP. WOULD BE WILLING TO OMIT SUCH OBJECTION. IT SHALL BE THE PURCHASER'S OBLIGATION TO OBTAIN CLEARANCE IF PURCHASER CHOOSES A TITLE COMPANY OTHER THAN FIRST MANHATTAN. FAILURE BY THE PURCHASER TO OBTAIN CLEARANCE AND CLOSE, WHEN FIRST MANHATTAN ABSTRACT CORP. WILL INSURE, IS A DEFAULT UNDER THE PURCHASE AGREEMENT, ENTITLING THE SELLER TO RETAIN THE DOWN PAYMENT AS LIQUIDATED DAMAGES.** Furthermore, if clearance items are still open at the closing and it takes longer than 1.5 hours to close due to the Purchaser's title company (other than First Manhattan Abstract Corp.) clearance issues, the Purchaser shall pay the attorney for the Seller a fee of \$300 per hour, starting at 1.5 hours from the beginning of the closing, for her time in waiting for clearance of such items.

20. **Acceptance of Deed; Full Compliance by Seller.** Anything to the contrary herein notwithstanding, the Purchaser specifically understands and agrees that the Purchaser's acceptance of the delivery of the deed at the time of the Closing of Title under this Agreement shall constitute full compliance by the Seller with the terms of this Agreement and Offering Plan. Except as provided herein and except as provided by applicable law and regulation, no terms of this Agreement shall survive delivery of the deed. Both parties agree to waive trial by jury in any action, proceeding, or counterclaim arising out of or from this Agreement. This paragraph shall survive delivery of the deed.

21. **Seller's Right to Cancel.** The Purchaser agrees that the Seller may cancel this Agreement by forwarding to the Purchaser the full amount of money that the Purchaser has paid under this Agreement, together with a notice in writing addressed to the Purchaser, at the address given above in the event or the occurrence of any of the following: (a) in the event that 80% of the Units have not been sold and the Plan has not been declared effective, the Seller may at its sole option abandon the Plan, in which case this Agreement will be cancelled; or (b) this Agreement will be cancelled if the Plan is abandoned after it has been declared effective under circumstances disclosed in the Plan. Upon such cancellation the down payment together with interest thereon will be returned to the Purchaser.

22. Liens Satisfied at Closing. The existence of unpaid taxes or liens of any kind at the time of Title Closing shall not constitute an objection to title, provided the Seller shall deposit or has deposited a sufficient amount with First Manhattan Abstract Corp. so that First Manhattan Abstract Corp. shall be willing to insure against collection of such lien or liens out of the property. The Purchaser agrees that the Seller may pay and discharge any liens and encumbrances upon the Unit not provided for in this Agreement out of the monies to be paid by the Purchaser at the time of the Closing of Title. The Purchaser understands that the above paragraph in no way obligates the Seller to satisfy any of the Permitted Encumbrances as disclosed in the Plan.

23. Possession Prior to Closing. Unless, at the sole discretion of the Seller, an interim lease for the Unit is executed between the Purchaser and the Seller, it is expressly understood and agreed that the Purchaser shall in no event take possession of the Unit prior to the time of delivery of the deed and full compliance by the Purchaser with the terms of this Agreement. Should the Purchaser violate this provision, the Purchaser consents to have the Seller remove the Purchaser from the Unit by summary proceedings as a squatter and intruder. Upon the unauthorized possession of the Unit, the Seller shall have the option to declare the Purchaser in default of this Agreement. Upon such election by the Seller, the Liquidated Sum shall belong to the Seller. The Purchaser further agrees that the Seller will not be responsible for damage or loss to any property belonging to the Purchaser, whether the same is delivered to the property on or after the Closing of Title to the Unit.

24. Options Ordered by Purchaser. Any special work ordered or changes ordered by the Purchaser shall be in writing and signed by the Purchaser and must be paid for in full within seven days of the order. The payment shall include, but not be limited to, the cost of any architectural or engineering fees necessary to complete the work ordered by the Purchaser. If for any reason the Seller fails to install the special work in accordance with the work order, the limit of the Seller's liability is to refund the amount of the charge. Any interest shall be turned over to New York State pursuant to law.

25. Binding Nature of Purchase Agreement; Assignability; Notice. 25.1 The parties agree that the stipulations and agreements contained in this Agreement shall be binding upon them, their respective heirs, executors, administrators, and/or assigns. The Purchaser agrees that he will not assign this Agreement or any of the rights under this Agreement without the written permission of the Seller, which may be withheld. The Purchaser further agrees that the Purchaser will not change the name or names of the Purchaser within 30 days of the Closing of Title. The names as they appear above will be the same as on the deed delivered, unless the Seller's attorney is notified 30 days prior to the Title Closing.

25.2 Any notice given under this Agreement shall be in writing and shall be deemed duly given (i) when delivered by hand or by courier or by overnight delivery, or (ii) when five days have elapsed after its transmittal by regular mail deposited in a receptacle for United States mail, or (iii) when sent by facsimile (the sender's apparatus having received the addressee's confirmation). **Notices shall be sent to the addresses as set forth on the front page of this Agreement.** Notices of change of address shall be effective only upon receipt, notwithstanding the previous sentence. The respective attorneys for Purchaser and Seller are authorized to give and receive any notice which Purchaser or Seller must or may give under this Contract. All notices sent to the Seller and to the Purchaser will be sent to their attorneys in their stead.

26. Tax Forms. The Purchaser will execute the New York State Real Property Transfer Tax Form and the New York City Real Property Transfer Tax form. The Purchaser further agrees to fully cooperate with the Seller by completing any and all documents or providing any information required by the New York City Department of Finance and the New York State Department of Taxation and Finance in connection with the New York State Real Property Transfer Tax. This paragraph shall survive Closing.

27. Purchasers' Agents for Each Other. If two or more persons are named as the Purchaser in this Agreement, any one of them is hereby made agent for the other in all matters of and in every kind or nature affecting the Unit or this Agreement.

28. Entire Agreement. This Agreement states the entire understanding of the parties. The Seller shall not be bound by any oral representations and/or Agreements.

29. **Contract Binding.** This Agreement shall not be binding upon Seller, nor shall the Seller be in any way obligated to the Purchaser to consummate the transaction contemplated hereby unless and until such time as the Seller shall have executed a counterpart of this Agreement and thereafter unconditionally delivered such executed counterpart to the Purchaser.

30. **Time to Accept Purchase Agreement.** If this Agreement is not accepted by the Seller within 20 days of the date given above, it shall be deemed to be rejected. The Purchaser's deposit shall be promptly refunded to the Purchaser. Acceptance shall be by personal delivery, by overnight delivery, or by mailing to the Purchaser or the Purchaser's attorney of a fully signed copy of the Purchase Agreement.

31. **FIRPTA.** If applicable, at the Closing the Seller shall supply a certificate, affidavit or other form of proof in accordance with Treasury Department Regulations Section 1.1445.27 stating that the Seller is not a foreign person subject to the Foreign Investment in Real Property Tax Act.

32. **Broker.** The Purchaser represents and warrants to the Seller that he has not dealt with any brokers in connection with this transaction except for the Broker listed on the front page of this Agreement. The Purchaser agrees to indemnify and hold the Seller harmless from all liability, damages, costs, expenses, and fees (including reasonable attorneys' fees) that the Seller may incur or be required to pay as a result of a breach of the representation and warranty contained in this Paragraph 32.

33. **Risk of Loss.** Prior to Closing of the Unit by a Purchaser, the Seller shall assume the risk of loss for damage of a Unit and the property from fire or other cause, not due to the fault of a Purchaser or Purchaser's Contractors, agents, or servants. In the event of a loss, the Seller shall have the option, but not the obligation, to restore the Unit and property as near as reasonably possible to the condition immediately prior to the Loss. The Seller shall notify the Purchaser of such Loss pursuant to the notice provisions of the Purchase Agreement within 10 business days after such loss occurs. If the Seller elects not to restore the Building, then the Purchaser's sole remedy is either (i) to cancel his/her Purchase Agreement by notifying the Seller's attorney pursuant to the notice provisions of the Purchase Agreement within 10 business days of the giving of notice of damage to Purchaser of his/her rescission, or (ii) complete the Purchase of the Unit in accordance with the Purchase Agreement without a reduction in the Purchase price or claim against the Seller, but with the right to receive any Insurance Proceeds attributable to that Unit without recourse to the Seller of any uncollected proceeds, which assignment shall be delivered to the Purchaser at Closing. If the Purchaser fails to notify the Seller's attorney of his/her option within the requisite time period, then the Purchaser will have been deemed to accept option (ii). Notwithstanding anything else to the contrary, the Purchaser shall have the right to cancel his/her Purchase Agreement if, prior to the Unit Closing and possession by the Purchaser, if through no fault of the Purchaser or the Purchaser's contractors, agents, employees, and servants, either (i) a loss occurs to the Unit which would cost more than 15% of the Purchase Price to restore; or (ii) more than 20% of the Units in the Premises are damaged and rendered uninhabitable by fire or other cause, regardless of whether the Unit is damaged. If the Purchaser fails to notify the Seller's attorney pursuant to the Notice provisions of the Purchase Agreement of his/her option within the 10 business days of giving the notice of damage, then the Purchaser will have been deemed to waive his/her right to cancel the Purchase Agreement. If the Purchaser rescinds pursuant to this Paragraph, the Purchaser's down payment together with interest thereon, if any, will be returned within 15 days upon receipt of Purchaser's rescission.

If a Purchaser assumes possession of a Unit pursuant to an Interim Lease, the Purchaser assumes all risk of loss from fire or other casualty after he/she obtains possession of the Unit and the Purchaser shall be obligated to complete the purchase of the Unit in accordance with his/her Purchase Agreement and without a reduction in the Purchase Price or claim against the Seller and without delay. Each Purchaser who takes possession of a Unit pursuant to an Interim Lease, should consider the advisability of obtaining insurance to cover the cost of any casualty.

34. **Governing Law.** This Agreement shall in all respects be governed and construed in accordance with the laws of the State of New York.

35. **Recording.** This Purchase Agreement shall not be recorded or filed in any office of public record.

36. **No representations.** The Purchaser acknowledges that the Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by the Seller, Seller's selling agent, if any, or otherwise, including, but not limited to, any of the same relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof; the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by the Purchaser, the right to any income tax credit with respect to the purchase of the Unit, or any other data, except as specifically represented herein or in the Plan. The Purchaser has relied solely on his own judgement and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of the Seller except as specifically set forth herein or in the Plan. No oral representations or statements shall be considered a part of this Agreement. The Seller makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan. Except as otherwise set forth in the Plan, the Purchaser agrees (a) to purchase the Unit without offset or any claim against, or liability of the Seller, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans is accurate or correct, and (b) that the Purchaser shall not be relieved of any Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error. The provisions of this Article 36 shall survive the closing of title.

37. **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, entitling the Seller to the remedies set forth herein.

38. **Gender, etc.** The term "Purchaser" shall be read as "Purchasers" if two or more persons are the Purchasers, in which case their obligations shall be joint and several. As used in this Agreement, the neuter includes the masculine and feminine, he, him, and his includes she, her, and hers and they, theirs, and them, the singular includes the plural, and the plural includes the singular, as the context may require.

39. **Liability of Seller.** The Seller shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, 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 undertakings shall be tolled for the length of the period during which such performance was excused.

40. **Further Assurances.** The Seller and the Purchaser 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.

41. **Tax Exemption Benefits.** This Agreement shall not be contingent upon the Seller obtaining any real estate tax exemption or abatement benefits set forth in Section 11-243 of the Administrative Code of the City of New York, as amended (commonly referred to as J-51 benefits). In the event Seller has failed to obtain such benefits prior to the date set for closing on the Unit in this Purchase Agreement, Purchaser shall not have the option of rescinding this Purchase Agreement. Each Purchaser of a Unit must execute a consent in recordable form as in which such Purchaser agrees to a building-wide allocation of J51 benefits.

Failure to execute such consent is a default under this agreement allowing the Seller to retain the down payment as liquidated damages. A copy of such consent is printed beginning on page A21 of the Offering Plan.

42. **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.

43. **Lead Disclosure.** This building was built prior to 1978 and although the Sponsor has no actual knowledge of lead based paint, the Sponsor assumes that because of the age of the building there is lead based paint in the Unit under the current coat(s) of paint. The Purchaser has previously received the pamphlet *Protect Your Family from Lead in Your Home* printed beginning on page L1 in the Plan and the Purchaser has been given an opportunity to inspect for the presence of lead-based paint and/or lead-based paint hazards prior to entering the contract, or has waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

44. **Strict Compliance.** Any failure by either party to insist upon the strict performance by the other of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof; and each party, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the other party of any and all of the provisions of this Agreement to be performed by such party.

45. **Certain References.** A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa unless the context otherwise requires. The terms "herein," "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections, or other provisions are references to Articles, Sections, subsections, or other provisions of this Agreement.

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

47. **Rule of Construction.** There shall be no presumption against the draftsman of this Agreement.

48. **Successors and/or Assigns.** The provisions of this Agreement shall bind and enure to the benefit of the Purchaser and his heirs, legal representatives, successors, and permitted assigns and shall bind and enure to the benefit of the Seller and its successors and assigns.

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

50. **Closing date.** Notwithstanding anything else herein to the contrary, the Sponsor anticipates that the First Closing will occur on or about January 1, 2006. If such date is delayed twelve months or more, Purchasers will be offered rescission.

351-353 21st Realty LLC

PURCHASER:

By: _____
Louis Greco, Manager

**Disclosure of Information on
Lead-Based Paint and/or Lead-Based Paint Hazards
SALES**

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (*Check (i) or (ii) below*):

(i) ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (*explain*).

.....
.....
.....

(ii) ☒ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (*Check (i) or (ii) below*):

(i) ☐ Seller has provided the purchaser will all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (*list documents below*).

.....
.....
.....

(ii) ☒ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (*initial*)

(c) ☐ Purchaser has received copies of all information listed above.

(d) ☐ Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.

(e) ☐ Purchaser has (*check (i) or (ii) below*):

(i) ☐ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead based paint hazards; or

(ii) ☐ waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (*initial*)

(f) ☐ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

SELLER _____

DATE _____

SELLER _____ DATE _____

PURCHASER _____

DATE _____

PURCHASER _____ DATE _____

AGENT _____

DATE _____

AGENT _____ DATE _____

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

[Send this application to the reviewing attorney assigned to the subject Plan]

Re: 351-353 21st Street
Brooklyn, New York 11215

File No.: _____

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 application is for:

☐ return of the down payment.
☐ forfeiture of down payment.
☐ other _____
-
5. This project is a combination of rehabilitation and new construction.
 6. This project is structured as a condominium.
 7. Name and Address of Sponsor: Mr. Louis Greco, 351-353 21st Realty LLC, 132 Remsen Street,
Brooklyn, New York 11201
 8. Name and Address of Escrow Agent: Hannah Vining, 39 East Pembroke Road, Danbury, CT 06811.
 9. Down payments are maintained at:
Name of Account: **"351-353 ATTORNEY IOLA ACCOUNT"**
Name of Bank: JPMorgan Chase Bank
Address of Bank: 4 Metro Tech Center, Brooklyn, NY 11245
Account No. (if known): _____
Date of Down Payment _____
Total Amount of Down Payment _____

Name(s) and address(es) of Purchaser(s) affected by application:

10. Plan Information (fill in and/or check off all applicable sentences and cross out those that do not apply):

- a. ☐ The Plan was filed on _____
- b. ☐ The Plan was declared effective on _____
- c. ☐ The Plan closed on _____
- d. ☐ The Plan has not yet been declared effective.
- e. ☐ The Plan has not yet closed.
- f. ☐ Down Payments are secured by an escrow account.

11. Contract Information

- a. A copy of the contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS)
- b. Date on which Contract of Sale was signed: _____

12. State the basis for your claim. Please be as specific as possible (you may add additional sheets). Attach copies of any relevant documents.

13. I am also at this time sending a copy of this application to the following persons:

ESCROW AGREEMENT

Agreement made this 16th day of August, 2005, between 351-353 21st Realty LLC (the "Sponsor") as Sponsor of the offering plan, and Hannah Vining (the "Escrow Agent") as escrow agent.

WHEREAS, the Sponsor is a holder of unsold Units of an offering plan to convert to condominium ownership the premises located at 351-353 21st Street, Brooklyn, New York; and

WHEREAS, Hannah Vining 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, the Sponsor desires that the Escrow Agent act as escrow agent for deposits and payments by purchasers, 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:

- 1.1 The Sponsor and the Escrow Agent hereby establish an escrow account with the Escrow Agent for the purpose of holding deposits or payments made by the purchasers. The escrow account will be opened with JPMorgan Chase Bank, 4 Metro Tech Center, Brooklyn, New York 11245, the account number to be established upon the opening of the account pursuant to the regulations of the Attorney General of the State of New York.
- 1.2 The name of the account will be **351-353 ATTORNEY IOLA ACCOUNT**.
- 1.3 Hannah Vining is the sole signatory on the account.
- 1.4 The escrow account shall be an interest-bearing account, as disclosed in the offering plan. However, the escrow account will be an IOLA established pursuant to Judiciary Law Section 497 and interest will be distributed to New York State pursuant to such law.
2. **DEPOSITS INTO THE ESCROW ACCOUNT**
 - 2.1 All funds received from prospective purchasers prior to the closing of such purchaser's unit, 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 the order of Hannah Vining, as escrow agent for the 351-353 21st Street, Brooklyn, New York offering plan. Any instrument payable or endorsed other than as required hereby which cannot be deposited into such escrow account, shall be returned to the prospective purchaser, but in no event more than five business days following receipt of such instrument by the Escrow Agent. In the event of such return of funds, the instrument shall be deemed not to have been delivered to the Escrow Agent pursuant to the terms of this agreement.
 - 2.2 Within ten (10) business days after tender of the deposit submitted with the contract of sale or purchase agreement, as the case may be, the Escrow Agent shall notify the purchaser (through such purchaser's attorney, if he/she has one) of the deposit of such funds in the bank indicated in the offering plan and provide the account number. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with the regulations of the Attorney General and requisite notice was timely mailed to the purchaser or purchaser's attorney, as the case may be.

3. **RELEASE OF FUNDS**

- 3.1 The Escrow Agent shall continue to hold the funds in escrow until the Unit is closed to the individual purchaser or until otherwise directed in a writing signed by both the Sponsor and the Purchaser or a determination of the Attorney General or 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 the escrowed funds.
- 3.2 The Sponsor shall not object to the release of the escrowed funds to non-defaulting purchasers who timely rescind their contracts of sale with an offer of rescission contained in the plan, in an amendment to the plan, or in the contract of sale.
- 3.3 If there is no written agreement between the parties to release the escrowed funds and the Unit has not closed, the Escrow Agent shall not pay the funds to the Sponsor until the Escrow Agent has given the purchaser written notice of not fewer than (10) business days. Thereafter, the funds may be paid to the 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 the Escrow Agent in accordance with such provisions.

4. **RECORD KEEPING.**

- 4.1 The Escrow Agent shall maintain all records concerning the escrow account for seven years after the release of the funds.
- 4.2 If the Escrow Agent ceases to practice law in New York State, she shall make appropriate arrangements for the maintenance of these records and shall notify the Department of Law of such arrangements.
- 4.3 The Escrow Agent shall make available to the Attorney General, upon his request, all books and records of the Escrow Agent relating to the funds deposited and disbursed hereunder.

5. **GENERAL OBLIGATIONS OF THE ESCROW AGENT**

- 5.1 The Escrow Agent shall maintain the accounts called for in this Agreement under the direct supervision and control of the Escrow Agent.
- 5.2 A fiduciary relationship shall exist between the Escrow Agent and the Purchaser, and the Escrow Agent and the Sponsor. The Escrow Agent acknowledges her fiduciary obligations.

6. **RESPONSIBILITIES OF THE SPONSOR**

- 6.1 The Sponsor agrees that it and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to the closing of an individual transaction to the Escrow Agent.
- 6.2 The Sponsor agrees that it shall not interfere with the Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. **RESPONSIBILITIES OF ESCROW AGENT**

- 7.1 The Escrow Agent is acting as an accommodation to the Sponsor. She shall incur no liability with respect to any action taken or suffered by her in reliance upon any notice, direction, instruction, consent statement, or other paper or document reasonably believed by her to be genuine.
- 7.2 The Escrow Agent shall not be bound by any modification, cancellation, or rescission of this Agreement unless in writing and signed by both parties and delivered to her.

Tax Exemption Abatement Consent Form

I (We) _____, residing at _____, being the purchaser(s) of Unit number _____, at a building comprising part of the condominium known as The Abby Court Condominium (the "**Condominium**") which building is located at 351-353 21st Street, Brooklyn, New York 11215 as part of the consideration for purchasing said Unit, hereby consent to a building-wide allocation (i.e. allocation to all residential Units in the Condominium of any real estate tax exemption and/or tax abatement benefits for the residential Condominium Units at 351-353 21st Street, Brooklyn, New York, pursuant to §11-243 of the Administrative Code of the City of New York (formerly §J51-2.5). Said allocation to be apportioned in the same ratio that the proportionate share of common elements of each Unit bears to the total aggregate proportionate share of common elements of all Units in the Condominium.

I (We) hereby expressly release and discharge all Unit Owners, their heirs, successors and assigns, the Board of managers of the Condominium, the Sponsor, and the City of New York from any and all acts, claims, damages or demands of any nature whatsoever. I (we), my (our) heirs, successors, or assigns ever had, may have, or will have against any Unit Owner, the Board of Managers of the Condominium, the Sponsor, or the City of New York, with respect to the aforesaid allocation of tax benefits.

I (We) hereby waive and relinquish any and all rights to challenge or contest such allocation in any manner or form. The provisions of this Agreement shall be a covenant which shall run with the premises, and shall be binding on me (us), my (our) heirs, successors, and assigns, and shall benefit the Condominium Board of Managers, the Sponsor, the City of New York and each Unit Owner in the Condominium.

IN WITNESS WHEREOF, the undersigned, has executed this Consent this _____ day of _____, 20____.

State of New York, County of _____, ss.:

On the _____ day of _____ in the year 20____, before me the undersigned, a Notary Public in and for said State personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity/capacities and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

POWER OF ATTORNEY

The undersigned, _____, the Owner of Unit No. _____ at 351-353 21st Street, Brooklyn, New York in the Condominium known as ABBY COURT CONDOMINIUM (the "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 a Declaration dated _____, 20____, and recorded in the Kings County office of the Register of the City of New York on _____, 20____, at CRFM # _____, 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 the Condominium, jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with the power of substitution, 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 Unit Owners 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 to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present.

The acts of a majority of such persons who are members of the Board of Managers shall constitute the acts of said attorneys-in-fact.

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, County of _____, ss.:

On the _____ day of _____ in the year 20____, before me the undersigned, a Notary Public in and for said State personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity/capacities and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

POWER OF ATTORNEY

ABBY COURT CONDOMINIUM

OWNER:

LOT:

BLOCK:

Record and return to:

**Hannah Vining, Esq.
39 East Pembroke Road
Danbury, CT 06811**

UNIT DEED

THIS INDENTURE, made on _____, between 351-353 21st REALTY LLC, a domestic limited liability company having an office at 132 Remsen Street, Brooklyn, New York 11215 (the "**Grantor**") and _____ residing at _____ (the "**Grantee**"),

WITNESSETH:

That the Grantor, in consideration of Ten (\$10) 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 351-353 (*delete inapplicable street number*) 21st Street, Brooklyn, New York 11215, and also designated and described as Unit No. _____ in the Declaration comprising ABBY COURT CONDOMINIUM (the "**Property**") made by 351-353 21st REALTY LLC under Article 9-B of the Real Property Law of the State of New York, as amended (the "**Condominium Act**") dated _____ and recorded in the Kings County Office of the Registrar of the City of New York, on _____ at CRFN _____, (the "**Declaration**"). The Unit is also designated as Tax Lot No. _____ on the Floor Plans of the building, certified by Todd Ernst, at CRFN _____, and filed simultaneously with the Declaration in the office of the Registrar as Map No. _____ (the "**Unit**"). The land area of the Property is described as follows:

PARCEL A 351 21st Street

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, being more particularly bounded and described as follows:

BEGINNING at a point on the northerly side of 21st Street distant 150 feet westerly from the corner formed by the intersection of the northerly side of 21st Street with the westerly side of 7th Avenue;

RUNNING THENCE northerly parallel with 7th Avenue 100 feet;

THENCE westerly parallel with 21st Street 25 feet;

THENCE southerly parallel with 7th Avenue and part of the distance through a party wall 100 feet to the northerly side of 21st Street 25 feet to the point or place of **BEGINNING**.

PARCEL B 353 21st Street

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, being more particularly bounded and described as follows:

BEGINNING at a point on the northeasterly side of 21st Street distant 125 feet northwesterly from the northerly corner of 21st Street and 7th Avenue;

RUNNING THENCE northeasterly parallel with 7th Avenue and part of the distance through a party wall 100 feet;

THENCE northwesterly parallel with 21st Street 25 feet;

THENCE southwesterly parallel with 7th Avenue 100 feet to the northeasterly side of 21st Street;

THENCE southeasterly along the northeasterly side of 21st Street 25 feet to the point or place of **BEGINNING**.

TOGETHER with any strips or gores adjoining the above described premises on any of the sides thereof:

TOGETHER with an undivided ___% interest in the Common Elements of the Property, described in the Declaration (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 the settlings 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 fire escapes, 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 Units;

TOGETHER with appurtenances and appurtenant interests, as defined by the By-Laws 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;

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 in the Property and serving such other Units;

TOGETHER with and SUBJECT to easements, rights of way, restrictions and encumbrances created by the Declaration for ABBY COURT CONDOMINIUM, recorded in the Kings County Office of the Registrar of the City of New York, on _____ at CRFN _____;

SUBJECT to the provisions of the 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 Registrar 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 any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein;

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

This deed is made in the ordinary course of business of 351-353 21st REALTY LLC, a domestic limited liability company;

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

The use for which the Unit is intended is that of a residence, as permitted by the By-Laws and the Declaration or any other purpose permitted under applicable zoning law and ordinance, building code, or other rules and regulations of governmental authorities having jurisdiction.

The Grantor, in compliance with Section 13 of the New York State 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 costs of the improvements and will apply the same first to the payment of the costs of the improvements before using any part of the same for any other purpose.

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

The term "Grantor" and "Grantee" shall be read as "Grantors" and "Grantees," wherever the context shall so require.

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

351-353 21st Realty LLC, grantor

By: Louis Greco, manager

Grantee

Grantee

State of New York, County of , ss.:

On the day of in the year 20 , before me the undersigned, a Notary Public in and for said State personally appeared Louis Greco, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity/capacities and that by his/her their signature(s) on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

State of New York, County of , ss.:

On the day of in the year 20 , before me the undersigned, a Notary Public in and for said State personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity/capacities and that by his/her their signature(s) on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

UNIT DEED

ABBY COURT CONDOMINIUM

OWNER:

LOT:

BLOCK: 892

Record and return to:

DESCRIPTION OF PROPERTY, SPECIFICATIONS AND BUILDING CONDITIONS

PROPERTY:

351-353 21st STREET
BROOKLYN, NEW YORK 11215

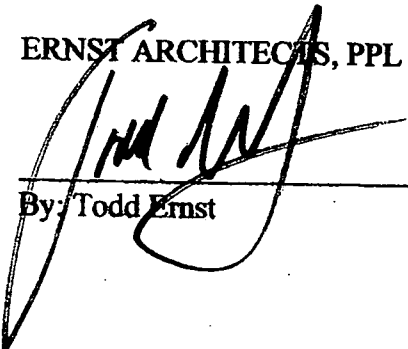
SPONSOR:

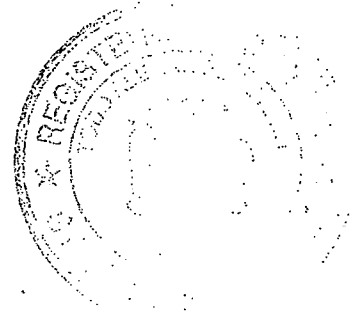
351-535 21st STREET LLC
132 REMSEN STREET
BROOKLYN, NEW YORK 11201

DATE:

DECEMBER 2, 2005

ERNST ARCHITECTS, PPL

By:  Todd Ernst



ERNST ARCHITECTS, PLLC

ABBY COURT CONDOMINIUM:

351 / 353 21st Street
Brooklyn, NY 11215

DESCRIPTION OF PROPERTY AND SPECIFICATIONS OF BUILDING CONDITIONS

A. LOCATION AND USE OF PROPERTY

B. STATUS OF CONSTRUCTION

C. SITE

D. UTILITIES

E. SUB-SOIL CONDITIONS

F. LANDSCAPING AND ENCLOSURES

G. BUILDING SIZE

H. STRUCTURAL SYSTEM

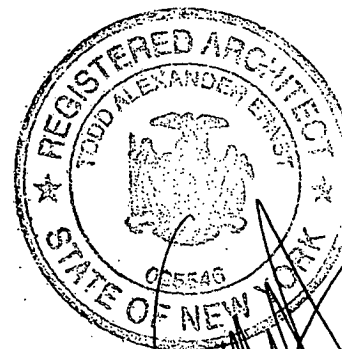
1. Exterior of Building
 - a. Walls
 - b. Windows & Patio Doors
 - c. Landmark Status
2. Balconies/Patio & Roof Deck
3. Roof Structure
4. Exterior Lighting
5. Interior Stair
6. Interior Walls
7. Asbestos Inspections
8. Lead Paint

I. AUXILLARY FACILITIES

1. Laundry Areas
2. Refuse Disposal

J. PLUMBING AND DRAINAGE

1. Water Supply
2. Fire Protection System
3. Water Storage
4. Water Pressure
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ABBY COURT CONDOMINIUMS

351 / 353 21ST STREET

Brooklyn, New York 11205

Description of Property and Specifications per Part II of Title 13 NYCRR Section 20.7

A. LOCATION AND USE OF PROPERTY

1. The Buildings are located at 351 and 353 21st Street, in the Borough of Brooklyn, New York City, on the North Side of 21st Street, 125'-0" West of the corner formed by the intersection of 21st Street and Seventh Avenue.
2. The Block No. is 892, Lot No. 50 for 353 21st Street, Building Identification Number 3017459, and Lot No. 51 for 351 21st Street, Building Identification Number 3017460.
3. The Property is located within Zoning District R6B which was rezoned from R6 on November 16th 2006 from an R6 zone. The current zoning is indicated on Map No. 16D as per Zoning Resolution of the City of New York.
4. The Permissible use "as of right" is Residential as per zoning codes for Residential and Community Facility Uses.

B. STATUS OF CONSTRUCTION

1. There is one brick masonry structure on each lot, comprising of three (3) stories, with a Cellar, and each building is currently undergoing a one and one half story enlargement utilizing light gage steel framing. The existing buildings were built around 1900, but they are not under the jurisdiction of the NYC Landmarks Preservation Commission.
2. As defined by the New York City Building Code, the existing structures are classified as, an existing Class III-Non Fireproof buildings per E.B. Hyde Desk Atlas, 1929 Edition, and Vol. 1, Page 117 (Old Building code). The existing buildings are being renovated to remain as such, and currently have six (6) units on floors one through three, and will ultimately have eight (8) dwelling units each once the proposed one and one-half story enlargements are completed, the maximum dwelling units per the Zoning Resolution of the City of New York.
3. At present, no Certification of Occupancy exists for either property. The buildings were constructed prior to the enactment of Certificate of Occupancy regulations. In the course of this project, a Certificate of Occupancy for the property will be obtained at the conclusion of work.
4. Building Department Permits were issued under Application #301880631 for 351 21st Street and Application #301880668 for 353 21st Street, approved, and permitted 03/31/05, for the one and one half story enlargements. Building Department Permits were issued under Application #301747821 for the interior renovation of the existing floors one through three at 351 21st Street, and Application #301747830 for the interior

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renovation of the existing floors one through three at 353 21st Street. The sponsor will make all proposed upgrades and repairs as stated in the report.

5. The existing three story buildings are undergoing moderate renovation. Some damaged joists from the Cellar Level to the existing Roof Level have been replaced but the majority of the framing is intact. The new Fourth level is framed at the existing Third floor roof level on a platform composed of a combination of structural steel beams and light gage metal joists. The balance of the Fourth Floor, Fifth Floor, and new Roof are all framed with light gage metal joists. The existing stairway will be refurbished as it is currently in poor condition; spindles, handrails, treads, and stringers will be refurbished or replaced using oak and poplar wood components. All windows and apartment entry doors are new. The existing building entry doors are in poor condition and are proposed to be refurbished. All interior finishes, plumbing fixtures, piping systems, and electrical systems will also be new at the conclusion of work.

Finished floors will be covered with new select grade 2 1/4" strip oak flooring with a clear polyurethane finish, throughout the bedrooms, living rooms, and kitchens. For the bathrooms, the sponsor is will install ceramic tile on the floors and selected portions of the walls. The builder has installed new ventilation systems for all of the new and bathrooms. The kitchen cabinetry will made of MDF with plastic laminate finish with preformed plastic laminate countertops or better. There will be 2-1/2" paint grade wood clamshell moldings around windows and doors or equal type of trim. A 3 1/2" paint grade wood baseboard is being used throughout the apartments except for stairways and Cellar which will receive a 4" vinyl base. Many of the partitions on the First through Third Floors are existing and are in fair to poor condition and will be replaced by the conclusion of work. All partitions walls are proposed to be installed throughout the Cellar, Fourth, and Fifth Floors of the building.

The façade surface at the exposed Cellar Level and First through Third Floors is existing wire cut brick which is in good condition and is currently in the process of being repointed as the pointing is in poor condition. The new façade at the Fourth and Fifth Floor Levels will be a Dryvit or equal synthetic stucco over Densglass Gold sheathing. The front areaways will have new concrete surfaces. The entrances to the Cellars will have a new metal security gates under the existing main entry stoops, and a hollow metal exterior door is proposed leading to the Cellar itself. The concrete areaway at the back of the Cellar level is new. There are currently no other retaining walls proposed on the site with the exception of the new and existing areaways. The backyard is a level area comprised of small gardens for the 1R units and the balance of the area is paved with asphalt for the accessory off-street parking spaces and required turn-around areas.

C. SITE

1. The two existing buildings sit on two rectangular lots at the interior of the block, each sized 25'-0" wide by 100'-2" deep. Total lot area is 5,008.5 square feet. The Building dimensions are 20'-0" x 60'-0" = 1,200 s.f. each, and covering about 60% of each lot. On the South short side each faces 21st Street and long sides are approximately parallel to 7th Avenue. The backside faces a rear yard of 40'-2" deep, adjacent to rear yards of neighboring buildings.

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2. There is a common driveway between the two properties accessing a total of (6) six parking spaces in the rear yard.
3. There are concrete sidewalks with concrete curbs bordering the property on the 21st Street side owned by the City of New York but must be maintained by the building owners. The sidewalk and related curb cut accessing the driveway is presently in need of repair, and will be replaced with new concrete paving and drop apron curb cut at the conclusion of work.

D. UTILITIES

- Water: Provided by the City of New York water system, metered and distributed via copper piping throughout building.
- Electricity: Provided by Con Edison. Each condominium unit is individually metered and billed directly by Con Edison. A separate meter will be provided for electrical requirements for the common building areas. This metered electricity will be part of the common charges.
- Telephone:
& Cable Each condominium unit will be wired separately, and services will be provided by phone and cable companies. There will be (1) phone & (1) cable jack at the Cellar level of each duplex apartment 1F and 1R, (2) phone & (2) cable jacks on the First floor of these duplex units 1R and 1F, (3) phone & (3) cable jacks on the Second and Third floor apartments 2F and 2R and 3F and 3R, (2) phone & (2) cable jacks on the Fourth floor of this duplex apartment 4F and 4R, and (1) phone & (1) cable jack on the Fifth floor of duplex apartments 4F and 4R.
- Sewage System: There are three (3) new common waste stacks serving each building with all condominium units connecting to the sewage main located in the Cellar of each building. Each main connects to the public sewer line beneath 21st Street.
- Gas: "Keyspan C." will provide the service to the building. Each residential condominium unit will be individually metered and billed directly by Keyspan. Gas is to be used for hot water, cooking, common clothes dryers, and heating.

E. SUB-SOIL CONDITIONS

A visual inspection of the Cellar walls, floor and exterior building surfaces resulted in no evidence of uneven settling or cracks that would indicate the presence of sub surface soil instabilities. In addition Atlas Technical Associates, the Geotechnical Consultants for the project, reviewed the borings. No signs of prolonged sub surface moisture were present in the Cellar. There are no nearby sources of water that pose a threat of flood.

F. LANDSCAPING AND ENCLOSURES

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1. The back portion of the rear yard will consist of six asphalt paved parking spots, accessible by the shared driveway between the two buildings. The six new parking spaces are individual condominium units.
2. The remaining portions of each rear yard are small garden areas, Cellar access areaways, and entry stairs which are limited common elements of the rear duplex apartments 1R at both 351 and 353 21st Street.
3. Landscaping is not provided at the rear limited common yards.
4. No Street trees exist in front of the building but two trees are to be installed per Quality Housing Zoning requirements.
5. Fencing
 - a. A new 6'-0" vinyl chain link fence, Lowes Brand SS SKI-2405 or equal which shall enclose the rear yard of the property at sides and rear section.
 - b. Existing ornamental 3'-0" H. wrought iron gates and fences will be refurbished at the front areaways of each building. New iron gates will be installed around the perimeter of the rear Cellar access areaways and rear stairs.
6. A new concrete retaining wall and backyard areaway stair each Cellar level of the First Floor rear duplexes, leading to rear yard are currently being constructed.
7. There are no swimming or display pools on the premises.

G. BUILDING SIZE

When completely renovated and enlarged the existing Cellar, 3 stories, and new one and one half story addition shall be 55 feet high mixed brick masonry and light gage metal framing structure for each building, and will accommodate a total of sixteen (16) condominium units, eight in each building. Two duplexes at the lower level of each building encompass the Cellar, and First Floor. The First Floor has a common mailbox area near the front entry, and each Cellar contains a common mechanical room for all of the individual apartment boilers and hot water heaters, there is a meter room at the front of the Cellar for the gas and electrical meters, the house trap and water meter. Access to the common mechanical rooms and meters rooms is through the First Floor/Cellar Level condominium units, there is no direct access from a common area. The Second and Third Floors contain two units each; with two bedrooms and a full bathroom each. There are two duplexes currently under construction at the upper portion of the building comprising the Fourth and Fifth Floors. The Fourth Floor units each contain one bedroom with a living room and a winding wooden convenience stair up to the adjoining 5th Floor. The 5th Floor master bedroom has a private master bathroom. The Fifth Floor units 4F and 4R have private Roof terraces at setbacks above the Fourth Floor. In the center of each building there is a common public staircase from the First floor leading to a bulkhead and a Roof. The bulkhead has a wall mounted window and ventilating louver per Multiple Dwelling Law requirements.

1. The new parapet walls at the sides and front of the Fourth floor terraces and the Roof of the Fifth Floor are constructed of light gage metal framing with a synthetic stucco finish.

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These parapet walls will be topped with metal guardrails. These guardrails for the terraces and Roof areas will be a minimum 3'-6" high above the roof level.

2. Ceiling Heights are accordingly 8'-0" at Cellar, 9'-0" at First floor, 9'-0" at Second floor, 9'-0" at Third floor approximately, and 8'-0" at Fourth Floor and Fifth Floors.

H. STRUCTURAL SYSTEM

1. Exterior of Building

a. Walls

The exterior walls from the ground level to the top of the Third Floor level are existing brick masonry. The existing exterior masonry walls are generally in good condition with the exception of the front facades which upon completion of work will be completely cleaned and re-pointed. In addition the façade on 351 21st Street there was a large crack where the façade met the East sidewall which was repaired and patched with mortar and covered with an exterior waterproofing stucco application. The crack appeared to have been of a historical nature as the façade masonry was not connected, or stitched, directly into the sidewall masonry but only connected with a mortar joint which most likely had not brick ties or other reinforcing. A hairline step crack formed along the edges of the rear windows adjacent to the driveway at 353 21st during underpinning work in the cellar. The step crack was repaired and filled with mortar and the covered with a waterproof cement stucco application once the underpinning operation was completed. A waterproof cement stucco coating has been applied to both walls along the shared driveway and the rear which was in poor condition. The existing cornices at the top of the Third Floor are in fair condition and are proposed to be restored to their original condition. There are proposed to be new decorative cornices at both the Fourth Floor and Fifth Floor Roof setbacks which are proposed to be formed from Dryvit insulation shaped material or equal. The Cellar foundation walls are made of stone and cement rubble material with additional new concrete underpinning and reinforced footings added to stabilize the existing and enlarged structures above. These walls are in good structural condition, with no defects. New concrete flooring has been poured throughout the Cellar areas. The existing perimeter walls will be framed with wood stud furring and covered with 5/8" gypsum board. The 4th and 5th floors and walls are framed with cold formed light gage metal framing. All perimeter walls will be insulated with R19 fiberglass batt insulation and in some locations there will be exposed decorative brick surfaces at the discretion of the sponsor and dependent upon the condition of the existing brick masonry when it is refurbished.

b. Windows & Patio Doors

The windows which have been installed are generic aluminum framed or vinyl framed windows custom sized for the existing and new window openings. The window come with now warranty or guarantee. The patio doors are also generic and have no warranty or guarantee. The existing front entry doors are paneled wood with glass lites which are in poor condition, and are proposed to be refurbished. The new exterior doors for the #1R units leading to the rear yard from the Cellar levels and First Floor are "Thermatru" wood vinyl clad doors

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with insulated glass panels or equal. Both windows and doors have standard manufacturer warranties, and will be free from manufacture defects on glass and sash. A limited warranty on non-glass portions, balance systems, hinges and handles. There is no warranty for the windows, as they are minimum obligation generic windows

The existing front stoops have ornamental cast iron original railings which are in poor condition and are proposed to be restored. There are glass transoms on each entry door which are also to be restored.

The main entrance vestibule exterior wood doors have glass lites with wood framed glass transoms above and they will be restored to their original appearance. The double doors will be replaced if they cannot be properly refurbished with new ones, as per original details from the old doors.

The gate under each main entry stoop will be replaced with a new painted ornamental metal security gate.

The masonry stoop structures on both are in fair condition and will be resurfaced with a brownstone cement mixture throughout.

2. Areaways

There are existing front areaways constructed from stone masonry for both buildings with new poured concrete floors and access stairs to the cellar levels. The new rear areaways which are constructed of reinforced concrete masonry units with new poured concrete floor and stairs to cellar level. All of the areaways will have new drains connected to the house storm sewer system and ultimately to the combined sewer in the street. The retaining walls of the areaways are a combination of cast in place concrete and concrete block with no finishes.

3. Roof Structure

New aluminum gutters and leaders will be installed, at the rear wall, North end of the building. New interior roof drains will be installed at the Fourth Floor front terrace and upper Fifth Floor roof. The roof drainage system is connected to the storm water drain piping in the Cellar.

The Roof Terraces and upper Roof have new 18 gage cold formed steel 6" C-joists, placed 16" o.c. and 9/16" corrugated steel decking and 3" lightweight concrete topping slabs. At each end, rear and front of the Roof deck, the builder has installed a 1/2" x 10" metal plate, bolted to the wood joists and anchored inside the parapet walls.

A new "glued down" roofing membrane has been installed. The roofing membrane is a 'Firestone' - APP160 equal or better roofing material. The manufacturer provides a 12-year limited warranty against any defects. In addition the installer provides a 2-year warranty on installation and workmanship. The base flashing of the roof membrane with the perimeter parapet wall is and aluminum termination bar and aluminum cap coping. Below this roof fiberglass batt insulation of R-22 value is provided in between the joists, above the ceiling.

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The roof bulkheads for stair access to the roof level are new and in good condition. These bulkheads are constructed from light gage metal framing and sheathed with "Densglass Gold" exterior grade sheathing. The bulkheads are finished with exterior grade synthetic stucco similar to stucco applied elsewhere on the building. There is a new fireproof self-closing door for access for the main stair onto the roof for egress and roof maintenance. In lieu of a ventilating skylight (no skylight provided) a window with a lower louver panel installed at the inner facing sidewall of the bulkhead to light and ventilate the common stair.

4. Exterior Lighting
See Lighting Schedule attached.

5. Interior Stair
The main public stairway From the First Floor to the Third Floor is the original wood staircase and will be refurbished as part of the project. This original staircase will have a restored wood handrail and wood spindle balustrades on the stair stringers and around the stair landings at the First floor the existing stair is discontinued and no longer services the cellar. The balance of the upper staircase from the Fourth Floor to the Roof will be a new non-combustible metal pan with concrete fill treads and steel stringers all the way through to the bulkhead at the Roof. The new stair from the Fourth floor to the roof has a metal handrail which will be capped with wood, the spindles on the stringer and around the stair landing are metal as well. All the public stairs existing and new are 3'-0" wide minimum, except for the interior convenience stairs which are a nominal 2'-6" wide. All of the public stairways will be illuminated by ceiling mounted incandescent lights at each landing. There will be emergency lights with back-up batteries at each level for egress. The common stairwells are enclosed in a 2 hour fire rated enclosure. The assembly of the stairwell walls from the First Floor to the third Floor is a rated wood framed assembly and the wall assembly from the Fourth Floor to the roof is structured with cold formed light gage studs. From the Cellar to the First floor, the interior convenience stairs contained within each duplex apartment 1F and 1R will be custom wood winder stairs constructed of wood stringers with wood tread covers. Each of two units 4F and 4R on the Fourth Floor have interior custom wood winder convenience stairs constructed of wood stringers with wood tread covers up to the Fifth floor.

6. Interior Walls
New partitions are built of 3-1/2" metal studs at 16" o.c. with 5/8" F.C. 60 gypsum board (1 HR.) on each side with moisture resistant boards in bathroom enclosures are provided. At ceilings 7/8" metal furring channel @ 24" o.c. with 5/8" F.C. 60 gypsum board.
7. Asbestos Inspections
As required by NYC Building Code, an asbestos inspection has been performed on the building. No asbestos containing materials were found, as provided on ACP5 form.
8. Lead Paint
There will be no lead paint chipped, peeling or deteriorating in the project. All visible interior surfaces are new with no lead paint in use.

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I. AUXILLARY FACILITIES

1. Laundry Areas

There are individual stackable washer/dryer connections in apartments 1F, 1R, 2F, 2R, 3F, 3R, 4F, and 4R. Dryers ventilate out exterior wall alongside the driveway via duct to external grille. Stackable washer/dryers are not provided by the sponsor, only connections for tenant use.

2. Refuse Disposal

There are no incinerators, compactors or refuse chutes in the building. Refuse is collected at curb side on designated days as designated by the City of New York Department of Sanitation which will make the collection free of charge and recycling is picked up on specified days only. Refuse is to be placed in the enclosed trash area as provided in the common front yard. The front yard, will be available for access to the common trash disposal area for all apartments within each building.

J. PLUMBING AND DRAINAGE

All domestic water, gas, storm drainage, waste and vent piping will be installed new throughout the existing and new portions of the building. There will be a partial installation of sprinklers for fire protection limited to the main stair, and the newly constructed portions of the building which are the 4th and 5th floors.

1. Water Supply

A new 4" combined copper water and sprinkler main pipe will be connected to the New York City Street main on 21st Street. Domestic water supply service is metered at the Cellar and will be part of common charges. Water pressure is maintained by street main flow pressure.

2. Fire Protection System

The sprinkler system is served by a 4" combined sprinkler/domestic copper water service main from the street. The balance of the sprinkler piping is threaded black pipe sized per the number of heads on each riser, trunk, and branch line. Sprinkler heads will be recessed type, pendant type, and sidewall type as required by each application. Sprinkler coverage is provided at public stair and corridor areas, to the stair bulkhead at the Roof. In addition the newly constructed Fourth and Fifth Floors will be fully sprinklered. A new 4" x 3" x 3" flush mounted Siamese Fire Department connection will be installed on the façade of the building adjacent to the front entry doors. A "Re-consideration" has been issued by the Department of Buildings to exempt the original portions of the building including the Cellar, First Floor, Second Floor, and third Floor with the exception of the common stairway from sprinkler protection per Local Law LL 10/99. The balance of the system will be as per NYC Building Code requirements. The installation of the system has been filed and permitted with the New York City Department of Buildings and will be inspected at the completion of work.

3. Water Storage

There are no domestic water storage tanks available or required in this project. The only storage of domestic water will occur within the common Cellar Mechanical Room for

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each individual residential condominium unit, for domestic hot water.

4. Water Pressure

Adequate water pressure to be provided as required by the New York Building Code, as per water main feeder, with tests to be verified by the licensed plumber responsible for the project.

5. Sanitary Sewage System

There are three (3) common waste stacks serving the residential Condominium Units in each building, which connect to the sanitary main and house trap before the Cellar. This cast iron pipe sewage main connects to the public combined sewer line under 21st Street. The waste stacks are made of cast iron "no hub" pipe.

6. Permit Required

See Item (T) below.

7. Storm Drainage System

The building covers 60% of the property, with 40% as open space. Front and rear yard area drains are provided. Roof is pitched to aluminum gutters and downspouts at some locations and interior Roof drains at other locations as required. Both Roof and yard drains are connected to storm sewer cast iron pipes and ultimately to the combined sewer under 21st Street. There are two new drywells located in the center sections of the rear yards which are accessed by gratings that also serve as drainage for the parking areas.

K. HEATING

1. Performance & Description

New complete individual unit dedicated heating systems have been installed and designed to maintain 70 degrees F, within the dwelling units when the outside ambient temperature is 15 degrees F. Each unit is provided with its own heating system and controls. All of the condominium units boilers are located in the common mechanical room at the center section of each Cellar Level.

Each unit is equipped with baseboard radiators, and the new boilers for each condominium unit are gas-fired by Peerless MI-3 70,000 BTU equal or better will be installed for units 2F, 2R 3F, and 3R in each building. Peerless MI-4 100,000 BTU boilers, equal or better, will be installed for units 1F, 1R, 4F, and 4R in each building. The installation of these boilers has been filed, permitted and will require inspection by the Department of Buildings at the conclusion of work and due to the status as a multiple dwelling the boilers will be subject to an annual boiler inspection by a licensed plumber and filing of an annual inspection report with the Department of Buildings.

The common area vestibule will be heated with and electric baseboard heater or equal. The vestibule does receive natural ventilation from the front door. The Cellar is ventilated by windows, air conditioning and a heating system.

2. Thermostats

Heating is controlled by individual thermostats located within each condominium unit,

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operated and set by unit owner.

3. Hot Water Heaters

Hot water heating is provided by new 'A.O. Smith' (or equal) gas-fired Conservationist Model, FSG-40 40 gallon heaters for units 2F, 2R, 3F, 3R, in each building and FSG-50 50 gallon heaters for units 1F, 1R, 4F, 4R in each building. These standard gas fired hot water heating tanks located in the common Cellar Level Mechanical Rooms.

4. Venting and Heating

Natural gas appliances are vented through a low temperature 'B' vent flue to the Roof and chimney as required by NYC Building Code. The flue will run from each Cellar Level mechanical room through the First Floor then diverts outward to the exterior along the common driveway at the Second Floor and runs to the Roof Level in a stucco covered chimney enclosure.

5. Oil Tank

There is no oil tank on premises, all heating, cooking, and clothes dryers by natural gas provided as described below.

L. GAS SUPPLY

1. 'Keyspan Co.' supplies natural gas for space heating, hot water and cooking.
2. Each apartment unit is individually metered at the Cellar Meter Room and will be billed by Keyspan.
3. Gas distribution piping throughout building is according to NYC Building Code requiring black iron pipes.

M. VENTILATION

1. Kitchenettes: The kitchens in each unit are not required to be mechanical ventilated, because of their proximity to operable windows for natural ventilation. The sponsor at his option may provide mechanical ventilation as an added convenience as part of the project.
2. Bathrooms: Each condominium unit will have connection to a duct running to the Roof for exhaust ventilation of bathrooms as per NYC Building Code. The unit will be provided, installed and connected to the individual bathroom units for ventilation to the common exhaust duct and Roof exhaust fan.

N. ELECTRICAL SYSTEM

1. Main Building Electrical Service is 3 wire, 1 phase, 120/240 volt, 300 amps from Con Edison.
2. Electric Meters and main power switch gears will be located in Cellar front area Meter Room. An additional meter will be provided for common building electrical uses.

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3. Each unit is provided with a circuit breaker panel, and convenience outlets located at minimum distances as required by New York City Electrical Code. Light fixtures; also as required will be provided in all spaces.
4. The electrical system described above is fully adequate for present and future usage. The 100 AMP single-phase service provided to each unit is more than adequate for modern residential dwellings of the sizes provided.
5. GFI outlets have been installed in all bathrooms and in all kitchenette areas. Arc fault circuit outlets have been installed in all bedrooms.

O. INTERCOMMUNICATION SYSTEM

A voice intercom system with ability to trigger an electronic door lock on the vestibule door will be provided to each unit.

P. PUBLIC AREA LIGHTING

Adequate lighting will be provided as required by the New York City Building Code. See attached Lighting Schedule list.

Q. GARAGES AND PARKING

Parking in the area is generally at street side, at local rental garages, or lots. There is an asphalt paved common driveway between the two properties accessing a total of (6) six asphalt paved parking spaces in the rear yard to be sold as individual condominium units. The parking space at the Northwest corner of the premises is sized and designated as handicapped accessible, and in the event a handicapped person requires parking this space must be made available to them and will thenceforth become unavailable to the non-handicapped owner. Drainage for the parking areas is provided by two drywells, each centered in the rear yard of each lot with grate drains that also serve as access for service. There will be a new 6' high vinyl chain link fence, Lowes Brand SS SKI-2405 or equal around the perimeter of both rear yards for security. There will be flood lights mounted on the rear walls for the buildings providing illumination of the rear yards for security and for parking convenience. The wall mounted flood lights will be controlled by motion sensor switches.

R. SWIMMING POOLS

No swimming pool is provided.

S. RECREATION FACILITIES

No recreational facilities are provided, although Public Parks are located throughout the neighborhood with Tennis, Basketball, Jogging, Toddler Play areas, etc. within short walking distances to the residence.

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T. PERMITS AND CERTIFICATES

1. Permits

The following permits and related inspections are required for the completion of the Project, and issuance of a new Certificate of Occupancy as required by the New York City Department of Buildings and will be obtained by the General Contractors or related licensed sub-contractors responsible for this work during the course of the work. Boiler safety inspection is not a required separate permit or inspection and is filed under the general plumbing application as all of the new boilers are dedicated for each unit and are less than 350,000 BTU and serving less than 6 families each.

- General Construction including Structural (AL, OT)
- Plumbing (PL)
- Sprinkler (SP)-Permit obtained for system.
- Mechanical (MH)
- Electrical Permit (Bureau of Electrical Control has jurisdiction over this work).

2. Inspections

The NYC Department of Buildings will inspect and sign-off on all general construction work permitted work under Alteration Type-I applications. Renovation work filed under Alteration Type-II applications will be inspected by the applicant or his designated representative licensed engineer or architect. Upon satisfactory inspection the Alteration Type-II applicant will submit a Request for Letter of Completion from the Department of Buildings. The Ventilation and Structural work will be inspected and signed off by an Architect or Engineer licensed in the State of New York.

The Plumbing and Electrical work will be inspected by the Department of Building Plumbing Inspection Division and the Bureau of Electrical Control respectively and then signed-off by the installers or tradesmen who are responsible for this work and licensed by the City of New York to perform such work.

3. Certificates

The sponsor will obtain from the NYC Department of Buildings a new temporary Certificate of Occupancy, and then a new Final Certificate of Occupancy for the work, prior to apartment units closing.

U. VIOLATIONS

As of the date of this report, there are seven (7) violations open: (2) DOB and (5) ECB. All open violations will be cleared before the NYC Department of Buildings issues a new Certificate of Occupancy. DOB #VW 040905CSTF01LW and VW 040905CSTF02LW for Work Without A Permit. ECB# 34456233H: B33 26-230 Fail To Protect Roofs/Outlets/Skylgts Of Adjoin Prop., # 34453346K: B27 27-146 Failure To Provide Approved Plans At Premises, 34453347M: B34 27-1031 Failure To Protect Adjoining Structures During Excavation, 34454274P: B48 27-1018 Failure To Maintain Adequate Housekeeping, 34456232X: B27 27-146 Failure To Provide Approved Plans At Premises.

All violations will need to be cleared prior to finalizing the Certificate of Occupancy.

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V. UNIT INFORMATION

The Condominium units will have new select oak wood flooring throughout each apartment, with ceramic tile floors and walls in bathroom with ceilings to be painted gypsum board. All of the units will have new windows, interior doors, and apartment entry doors and there should be no leaks upon completion of construction work.

All bathrooms will have ceramic tile floors finishes and ceramic tile walls to a wainscot height of approximately 4', around showers/bathtub enclosures there are full height ceramic tile wall finishes. Kitchen counter tops will be preformed plastic laminate. Counter tops in bathrooms will be plastic laminate, where provided.

The following describes the general layout of each unit, which is similar for both buildings.

The configuration of Unit 1F duplex includes area on the First floor and Cellar. Unit 1F is entered from the First floor hall. The First floor contains the Living Room / Dining Area with an open Kitchenette, a Bathroom, and a Bedroom with a closet. The Cellar portion is accessed by a spiral stair or from outside at the front. The Cellar contains an open Recreation Room, a Bathroom, a Closet and a Washer/Dryer Closet. Unit 1F at the Cellar level must be accessed to reach the common Meter Room and the common Mechanical Room. This unit was under renovation at the time of inspection and was in poor to fair condition.

The configuration of Unit 1R duplex includes area on the First floor and Cellar. Unit 1R is entered from the rear yard only. The First floor contains the Living Room / Dining Area with an open Kitchenette, a Washer/Dryer Closet, a Bathroom, and a Bedroom with a closet. The Cellar portion is accessed by a spiral stair or from outside at the rear yard. The Cellar contains an open Recreation Room, a Bathroom and a Storage Room. This unit was under renovation at the time of inspection and was in poor to fair condition.

All upper floor units are entered from the interior stair leading from the First floor entry hall.

Unit 2F contains a Living Room / Dining Area with an open Kitchenette, a Closet, a Bathroom, a Bedroom and a Second Bedroom with a closet. This unit was under renovation at the time of inspection and was in poor to fair condition.

Unit 2R contains a Living Room / Dining Area with an open Kitchenette, a Closet, a Bathroom, a Bedroom and a Second Bedroom with a closet. This unit was under renovation at the time of inspection and was in poor to fair condition.

Unit 3F contains a Living Room / Dining Area with an open Kitchenette, a Closet, a Bathroom, a Bedroom and a Second Bedroom with a closet. This unit was under renovation at the time of inspection and was in poor to fair condition.

Unit 3R contains a Living Room / Dining Area with an open Kitchenette, a Closet, a Bathroom, a Bedroom and a Second Bedroom with a closet. This unit was under renovation at the time of inspection and was in poor to fair condition.

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The configuration of Unit 4F duplex includes area on the Fourth floor and Fifth floor. The Fourth floor portion contains the Living Room / Dining Area with an open Kitchenette, a Washer/Dryer Closet, a Closet, a Bathroom, and a Bedroom with a closet. The Fifth floor portion is accessed by a spiral stair or from the common stair hall. The upper level contains a Bedroom, a Closet and a Bathroom. The Bedroom opens out a doorway to the private front exterior terrace.

The configuration of Unit 4R duplex includes area on the Fourth floor and Fifth floor. The Fourth floor portion contains the Living Room / Dining Area with an open Kitchenette, a Washer/Dryer Closet, a Closet, a Bathroom, and a Bedroom with a closet. The Fifth floor portion is accessed by a spiral stair or from the common stair hall. The upper level contains a Bedroom, a Closet and a Bathroom. The Bedroom opens out a doorway to the private rear exterior terrace.

The common stair continues up to the main Roof and opens onto this Roof through a doorway from a bulkhead.

The following table lists the plumbing fixtures installed in each unit, all fixtures will be new:

Location Bathrooms (typical)	Quantity 1 each unit	Item Code WC Toilet	Description Toilet, V-6000 Mancesa (or equal)
	1 each unit	WC toilet	Mancesa (or equal)
Location	Quantity	Item Code	Description
	1 each unit	Lavatory	Products: V-5000 Mancesa Pedestal Type (or equal)
	1 each unit	Faucet	Manufacturer: Coventry Two ADL 4" Centers (or equal)
	1 each unit	Tub	Bathtubs: American Standard "Plebe" Y450959, Whirlpool Bath. (or equal)
	1 each unit	Shower	Manufacturer: Delta Faucet (or equal) Product: Model No. 1548 CWSBRS and tub pop-up waste. Maximum Flow Rate: 2.5 gpm, unless otherwise indicated. Finish: Polished chrome plate. Type: Single-handle pressure balance. With integral or field-installed check stops on hot- and cold-water supplies. Handle: Lever. Bathtub Spout: With diverter. Supply Connections: NPS 1/2. Shower Head Material: Metallic with chrome-plated finish. Shower-Arm: Chrome.

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	1 each unit	Mirror	1/4" Bevel 1/4" Thick 42" x 42" Custom (or equal)
Kitchens (typical)	1 each unit	Sink	Kitchen Sinks: Residential, counter-mounting, stainless-steel fixture (or equal). Products: Elkay Manufacturing Co.; LR, 25"X22"X7-1/2" deep, 18 gauge stainless steel stop valves, 1-1/2"X2" rough brass "P" trap and continuous brass drain line. Overall Size: 25"x22" Number of Compartments: One.

	1 each unit	Faucet	Manufacturers: Delta Faucets or Moen or Gerber (or equal) Maximum Flow Rate: 2.5 gpm, unless otherwise indicated. Body Material: Nonmetallic underbody with brass cover plate., Finish: Polished chrome plate. Type: Kitchen faucet with spray, three-hole fixture. Mixing Valve: Single control. Backflow Protection Device for Hose Outlet: Required. Handle: Lever., Spout Outlet: Aerator. Drain: Lift and turn.
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Location	Quantity	Item Code	Description
Cooking Appliances	1 each unit	Range	Freestanding, gas. Products: Frigidaire 30"; Model #316232662E or equal (color: Stainless Steel). Type: Standard, Four Gas burners with gas oven. Finish: Manufacturer's standard.
	Not Provided	Exhaust Hood	
	Not Provided	Microwave	
Refrigeration Appliances	1 each unit	Refrigerator /Freezer:	Products: Frigidaire; FRT17C5CSB (or equal). Type: Freestanding with freezer on top. 30" wide x 64 1/8" high x 29 3/8" depth. Front Panel: Manufacturer's standard. Color: Stainless Steel.

W. (This section intentionally left blank)

X. SAFETY AND WARNING DEVICES

Combination hard-wired smoke/carbon monoxide detectors will be provided in each

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apartment within 15' of the of bedroom areas as required by NYC Building Code. It is the responsibility of the unit owner to maintain these smoke/carbon monoxide detectors. In addition Carbon monoxide detectors will be installed in mechanical and meter rooms in each Cellar. Group and individual security alarm systems are not included as part of the project.

An automatic wet pipe sprinkler system is provided throughout the new and existing public stairway as fire protection for this means of egress. In addition the entire newly constructed portion of the building at the Fourth and Fifth floors is fully protected with an automatic wet pipe sprinkler system as well

Y. ADDITIONAL INFORMATION

1. A US Postal Service mailbox, approved type with aluminum cabinet and metal frame is recessed within wall and located in Public Vestibule at First floor entry of each building.
2. Cellar area portion of the Duplex unit (#1F) known as the Meter Room and Mechanical Room are common area, and access to these areas is required through these private individual condominium unit spaces and must be permitted by the owner of unit #1F to the Board of Managers and any Utility Service in order to allow the reading of the electric, gas and water meter located therein.
3. The existing fire escapes located on the front and rear of the buildings which are to be restored are required in lieu of full sprinkler system installations throughout the building as a Second means of egress which is required from all new and existing units. The Buildings Dept. does not require both fire escapes and full sprinkler systems.
4. The Handicapped Accessibility Law Local Law 58/87 for handicapped adaptability within a multiple dwelling applies to all newly re-configured or newly constructed portions of the project.

5. WARRANTIES

Article 36-B of the General Business Law pertains to the warranties on the sale of certain new homes, which include units in a multi-unit structure of five stories or less in which title to the individual unit is transferred to owners pursuant to a Condominium Plan. Article 36-B is applicable to all purchase agreements entered into for the units offered for sale under this plan. Pursuant to the terms of the law, in lieu of certain "implied warranties"; the Sponsor is giving a Limited Warranty to purchasers. The Limited warranty excludes all consequential, incidental, special and indirect damages and limits Sponsor's liability to 75% of the purchase price. The complete terms of the Limited Warranty are set forth in the Offering Plan in Part II under the heading "limited Warranty". The full text of Article 36-B is also set forth in Part II under the heading "Article 36-B of the General Business Law-Warranties on the Sale of New Homes".

6. RIGHTS

- a. The proposed sale of the right of the exclusive use of the front and rear 4th floor Roof terraces to units 4F and 4R does not include the right to erect any structure on the Roof. Since the building uses the maximum volume allowable for a structure on that lot. Accordingly there is no further right to build. In addition the installed Roof deck uses all the allowable square footage of combustible material permitted by the NYC

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Building Codes (20% of the Roof area and 3'-0" away from property lines).
Incombustible Roof decks are allowed 100% of Roof area.

- b. The proposed sale of the right of the exclusive use of the rear gardens does not include the right to erect any types of structures.
- c. In reference to the Cellar, it is considered a recreation area and it is part of the units #1F and #1R (Duplexes). In order to erect any type of construction (i.e. storage area) the unit owner must obtain approval from the Condominium Board which may deny the request in its sole discretion. The unit owner must obtain a permit from the Buildings Department. The Cellar can not be used as a bedroom as per the Building Department Codes and Regulations as it is more than 50% below legal grade and to so may result in violation from the Buildings Department which may be posted against the building. The Cellar can only be used for storage, laundry room or recreational purposes such as a television room, reading room or game room, etc. Should any construction be permitted by the Condominium Board, The Board shall exercise the sole discretion to regulate the following aspects of the construction:
 - 1. Time periods during which work is permitted.
 - 2. The manner in which construction debris will be handled.
 - 3. Measures which must be taken to prevent compromising the security of the building during construction.
 - 4. The interruption of services during construction.
 - 5. Liability insurance for contractors during construction.
- d. The offering plans provide that the Condominium Board shall have unlimited access to the Roof, and Roof terraces, and Cellars for the purpose of making any inspections and repairs. In addition the Condo Board has unlimited access to all units to inspect any construction work or possible damage occurring at any time. Normal maintenance, repairs and replacement of any part of the patio or terraces is the responsibility of the affected unit owner. However, structural repair or replacement of the terrace, Cellar, or common element in or passing through a unit is the financial responsibility of the condominium unless the damage is caused by the condominium unit owner. The Condominium Board has the sole power to determine the need for repairs or replacement and (ii) whether the responsibility to repair or replace is the obligation of the condominium or the unit owner.

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LIGHTING FIXTURES (All fixtures will be new)

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A. Fixture: Chain-hung Vestibule fixture

1. Products:

- a. Progress Lighting; Model #P3651-60 (or equal). Polished Brass with opal glass. Glass bowl suspended by three brass rods.

2. Voltage: 120V ac.

3. Mounting: Suspended.

4. Nominal Dimensions: 14 1/2" dia. 24" ht. overall ht. w/ chain 60".

5. Lamps: One medium base lamp, 150w max.

6. Lens: Opal glass bowl.

7. External Finish: Polished Brass

B. Fixture: Chain-hung Entry fixture

1. Products:

- a. Progress Lighting; Model #P3573-10 (or equal). Chain-hung foyer fixture w/ satin white glass.

2. Voltage: 120V ac.

3. Mounting: Suspended.

4. Nominal Dimensions: 19 3/8" dia. 17" ht. overall ht. w/ chain 54".

5. Lamps: Three medium base lamp, 100w max.

6. Lens: Satin white glass.

7. External Finish: Polished Brass

C. Fixture: Close-to-Ceiling Dining Area and Living Room fixture.

1. Products:

- a. Progress Lighting; Model #P3733-10 (or equal). Close-to-ceiling fixture with satin etched glass.

2. Voltage: 120V ac.

3. Mounting: Ceiling mounted.

4. Nominal Dimensions: 12 1/2" dia. 6" ht.

5. Lamps: Two medium base lamps, 75w max.

6. Lens: Satin etched glass.

7. External Finish: Polished Brass

D. Fixture: Close-to-Ceiling Kitchen fixture.

1. Products:

- a. Progress Lighting; Model #P3787-10 (or equal). Snap-in fitter with decorative etched glass.

2. Voltage: 120V ac.

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3. Mounting: Ceiling mounted.
4. Nominal Dimensions: 9 1/2" dia. 5 1/2" ht.
5. Lamps: Two medium base lamps, 60w max.
6. Lens: Decorative etched glass.
7. External Finish: Polished Brass

E. Fixture: Close-to-Ceiling Hallway fixture.

1. Products:
 - a. Progress Lighting; Model #3657-10 (or equal). Clear ribbed glass bowl with polished brass trim.
2. Voltage: 120V ac.
3. Mounting: Ceiling mounted.
4. Nominal Dimensions: 14 1/2" dia. 7 3/4" ht.
5. Lamps: Two medium base lamps, 60w max.
6. Lens: Clear ribbed glass.
7. External Finish: Polished Brass

F. Fixture: Close-to-Ceiling Bedroom fixture.

1. Products:
 - a. Progress Lighting; Model #P3561-10 (or equal). Close-to-ceiling fixture with satin white glass.
2. Voltage: 120V ac.
3. Mounting: Ceiling mounted.
4. Nominal Dimensions: 15 1/4" dia. 4 5/8" ht.
5. Lamps: Two medium base lamps, 60w max.
6. Lens: Satin white glass.
7. External Finish: Polished Brass

G. Fixture: Bath & Vanity fixture.

1. Products:
 - a. Progress Lighting; Model #P3228-10 (or equal). Two-light bath bracket with etched seeded glass.
2. Voltage: 120V ac.
3. Mounting: Wall mounted.
4. Nominal Dimensions: 12 3/4" dia. 8" ht. 8" extends.
5. Lamps: Two medium base lamps, 100w max.
6. Lens: Etched seeded glass.
7. External Finish: Polished Brass.

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H. Fixture: Front and rear entry doors. Outdoor fixture.

1. Products:

a. Progress Lighting; Model #P5683-31 (or equal). Wall lantern w/ delicately detailed, cast, scroll arm combined w/clear, beveled glass.

2. Voltage: 120V ac.

3. Mounting: Wall mounted.

4. Nominal Dimensions: 9 1/2" w. 18" ht. Extends 9 3/4"

5. Lamps: One medium base lamp, 100w max.

6. Lens: Clear beveled glass.

7. External Finish: Texture Black.

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NYC Department of Buildings
DOB Violation Display

Premises: 351 21 STREET BROOKLYN

BIN: 3017460 Block:

Issue Date: 04/09/2005

Violation Category: VW - VIOLATION WORK WITH
PERMIT - ACTIVE

Violation Type: C - CONSTRUCTION

Device No.:

Violation Number: STF01LW

ECB No.:

Infraction Codes:

Disposition:

Code:

Date:

Inspector:

Comments:

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DOB Violation Display

Premises: 351 21 STREET BROOKLYN

BIN: 3017460 Block:

Issue Date: 01/31/2005
Violation Type: LL6291 - BOILER
Violation Number: 10919
Infraction Codes:

Violation Category: V - DOB VIOLATION - ACTIVE
Device No.: 00022059
ECB No.:

Disposition:

Code:

Date:

Inspector:

Comments:

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NYC Department of Buildings
DOB Violation Display

Premises: 351 21 STREET BROOKLYN

BIN: 3017460 Block:

Issue Date: 11/16/2005
Violation Type: Z - UNKNOWN
Violation Number: 0707RL
Infraction Codes:

Violation Category: V - DOB VIOLATION - ACTIVE
Device No.:
ECB No.:

Disposition:

Code: Date:

Inspector:

Comments:

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ECB Violation Details

Premises: 351 21 STREET BROOKLYN
Filed At: 351 21 STREET, BKN, NY 11215
ECB Viol Number: 34456233H

BIN: 3017460 Block:

VIOL ACTIVE

Status: NO COM

Respondent Info:

CB: 307

GEO Flag: 1

351-353 21ST REAL, 545 8 STREET, BKLYN, NY 11215

Viol Issue Date: 12/16/2004

Delivered Date: 12/16/2004

Viol Type: CN - CONSTRUCTION

DOB Viol Number: 121604C07BR02

Issuing Insp ID: 1934

Tax Lien Serv: NO

Device Type:

Device Number: 3017460

Sched Hrg Date: 11/14/2005

Hearing Time: 8:30

Location: BKN

Amount Imposed: \$500.00

Amount Paid: \$500.00

Hearing Status: V - IN VIOLATION

Compl Status: N - NO COMPL RECORD

Compl By Date: 03/09/2006

Compl Met Flag:

Viol Severity: A - HIGH

Compl Met Date:

Infraction Codes:

B33 26-230 FAIL TO PROTECT ROOFS/OUTLETS/SKYLGTs OF ADJOIN PROP DURI

Description of Violation:

FAILURE TO PROTECT ROOFS OF ADJOINING PROPERTY DURING CONSTRUCTION OPE
RATION. NOTED DAMAGE AT FIRE WALL AT ROOF TOP CAPPING OF WALL HAS BEEN
BROKEN. BRICKS ARE MISSING & LOOSE ADJACENT PROPERTY 349 21 ST BKLYN

Historical Event Dates:

CUR: HRG: 02/07/2006 COM:

DEF:

STIP ACC:

AJR: ASG: 11/14/2005 WRI:

Cominsp:

Comdoc:

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NYC Department of Buildings
ECB Violation Details

Premises: 351 21 STREET BROOKLYN

BIN: 3017460 Block:

Filed At: 351 21 STREET , BKN , NY 11215

ECB Viol Number: 34475659Z

VIOL ACTIVE

Status: OVER

Respondent Info:

CB: 307

GEO Flag: 1

KNOCKOUT CONSTRUCTION INC . 4014 AVENUE S , BK , NY 11234

Viol Issue Date: 06/06/2005

Delivered Date: 06/06/2005

Viol Type: SS - SITE SAFETY

DOB Viol Number: 060605CSTMD01

Issuing Insp ID: 2175

Tax Lien Serv: NO

Device Type:

Device Number: 3017460

Sched Hrg Date: 07/25/2005

Hearing Time: 10:30 Location: BKN

Amount Imposed: \$500.00

Amount Paid: \$500.00

Hearing Status: V - IN VIOLATION

Compl Status: O - OVERDUE COMPL

Compl By Date: 10/08/2005

Compl Met Flag:

Compl Met Date:

Viol Severity: A - HIGH

Infraction Codes:

B3K 27- MISCELLANEOUS VIOLATIONS OF SITE SAFETY

Description of Violation:

NO DESIGN DRAWING:TIME OF INSPECTION PIPE SCAFFOLD APPROXIAMETLY 35'HI GH IS SITTING ON SIDEWALK SHED.NO DESIGN DRAWING HAS BEEN PROVIDED FOR SCAFFOLD TO SEE IF SHED WILL ACCEPT WEIGHT.NOTE:STOP WORK ON SCAFFOLD

Historical Event Dates:

CUR:	HRG:	07/25/2005	COM:	DEF:	STIP ACC:
AJR:	ASG:	07/25/2005	WRI:	Cominsp:	Comdoc:

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NYC Department of Buildings
ECB Violation Details

Premises: 353 21 STREET BROOKLYN

BIN: 3017459 Block:

Filed At: 353 21 STREET, BKN, NY 11215

ECB Viol Number: 34453346K

VIOL ACTIVE

Status: NO COM

Respondent Info:

CB: 307

GEO Flag: 1

JVC INC, 78 SHERIDAN AVENUE, STATEN ISLAND, NY 10305

Viol Issue Date: 10/19/2004

Delivered Date: 10/19/2004

Viol Type: CN - CONSTRUCTION

DOB Viol Number: 101904CSTN01

Issuing Insp ID: 1763

Tax Lien Serv: NO

Device Type:

Device Number: 3017459

Sched Hrg Date: 11/14/2005

Hearing Time: 8:30

Location: BKN

Amount Imposed: \$250.00

Amount Paid: \$250.00

Hearing Status: V - IN VIOLATION

Compl Status: N - NO COMPL RECORD

Compl By Date: 04/23/2006

Compl Met Flag:

Compl Met Date:

Viol Severity: B - MODERATE

Infraction Codes:

B27 27-146 FAILURE TO PROVIDE APPROVED PLANS AT PREMISES AT TIME OF

Description of Violation:

FAILURE TO PROVIDE APPROVED PLANS AT TIME OF INSPECTION. UPON INSP AT ABOVE PROPERTY ALL WORK IN PROGRESS: DIG SOIL IN THE BASEMENT AND NO APPROVED PLANS AVAILABLE FOR INSPECTION. STOP ALL WORK! REMEDY: PROVID

Historical Event Dates:

CUR: HRG: 02/07/2006 COM:

DEF: 04/18/2005 STIP ACC:

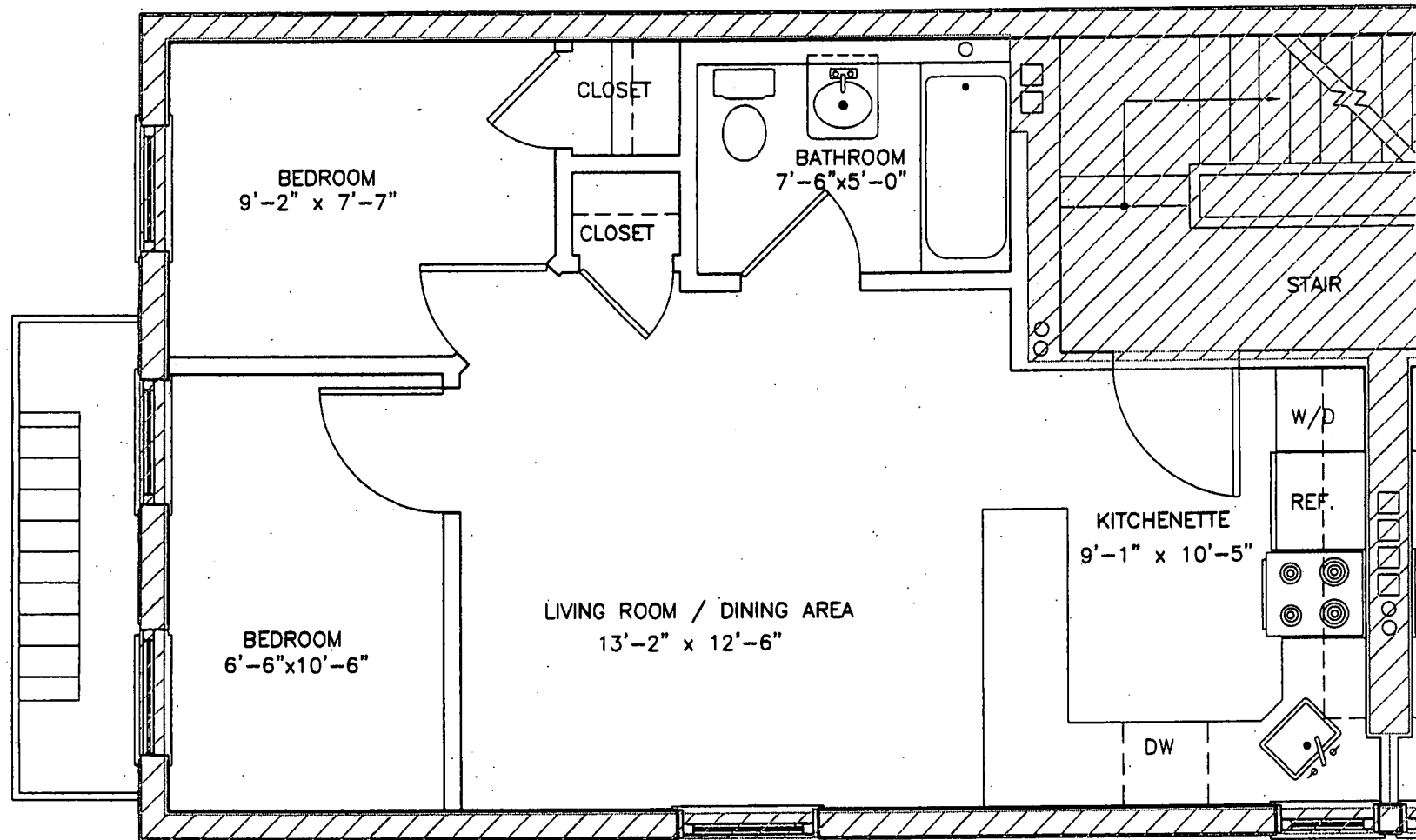
AJR: ASG: 11/14/2005 WRI:

Cominsp: Comdoc:

If you have any questions please review these [Frequently Asked Questions](#), the [Glossary](#), or call the 311 Citizen Service Center by dialing 311 or (212) NEW YORK outside of New York City.

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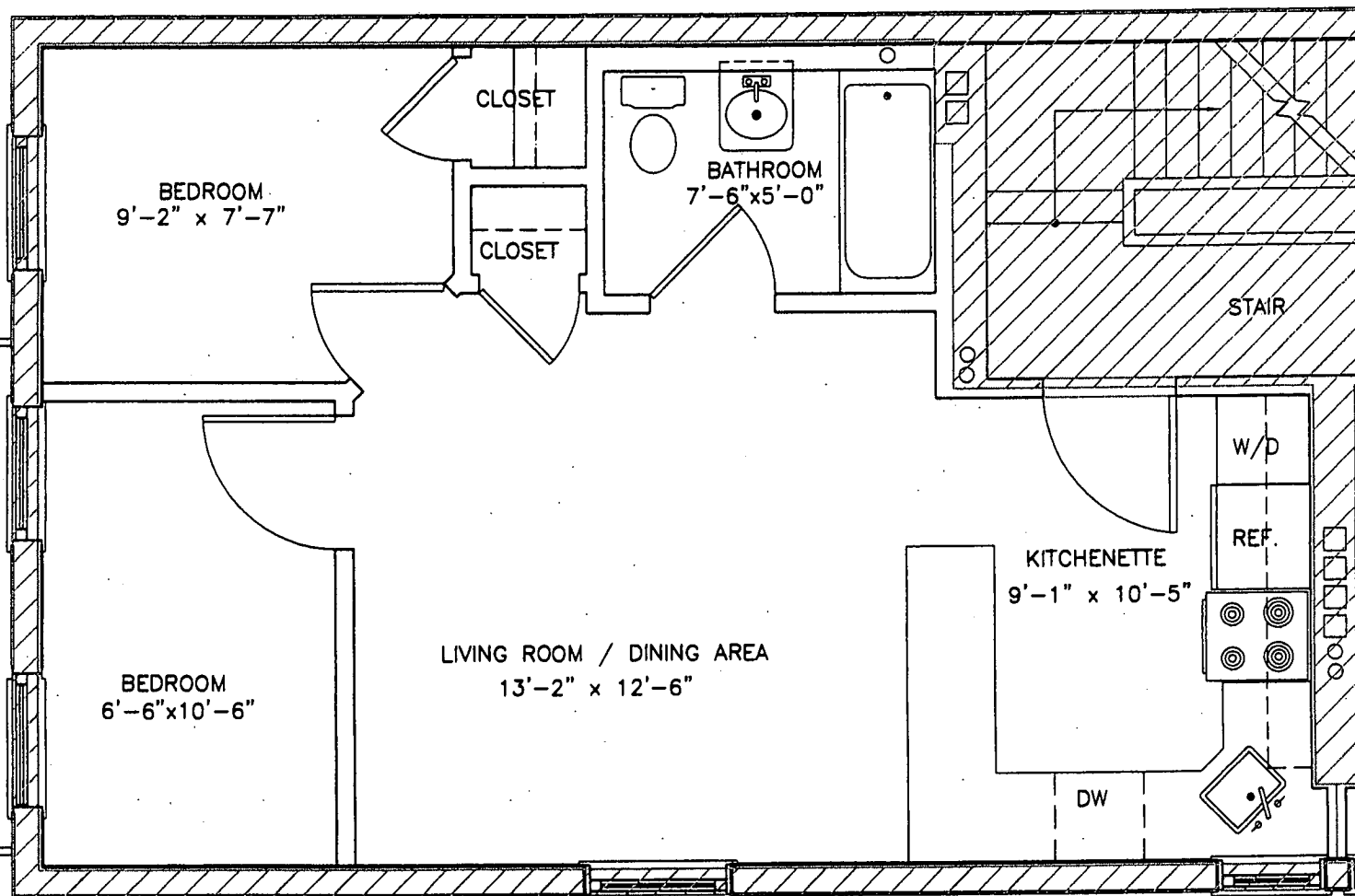
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351 21ST STREET BROOKLYN NY 11205

SECOND FLOOR PLAN
RESIDENTIAL UNIT 2F

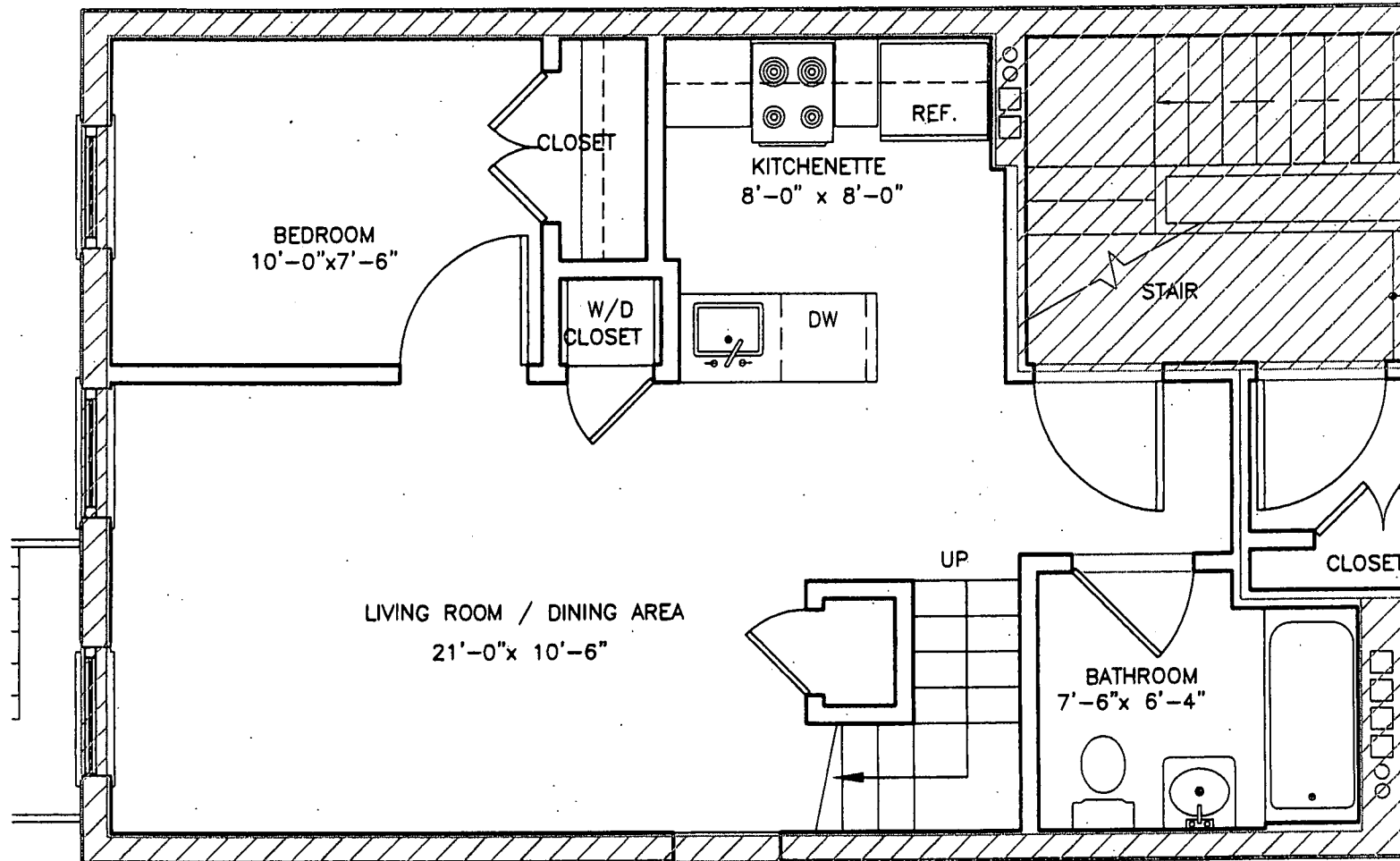
SECOND FLOOR PLAN
RESIDENTIAL UNIT 2R



351 21ST STREET BROOKLYN NY 11205

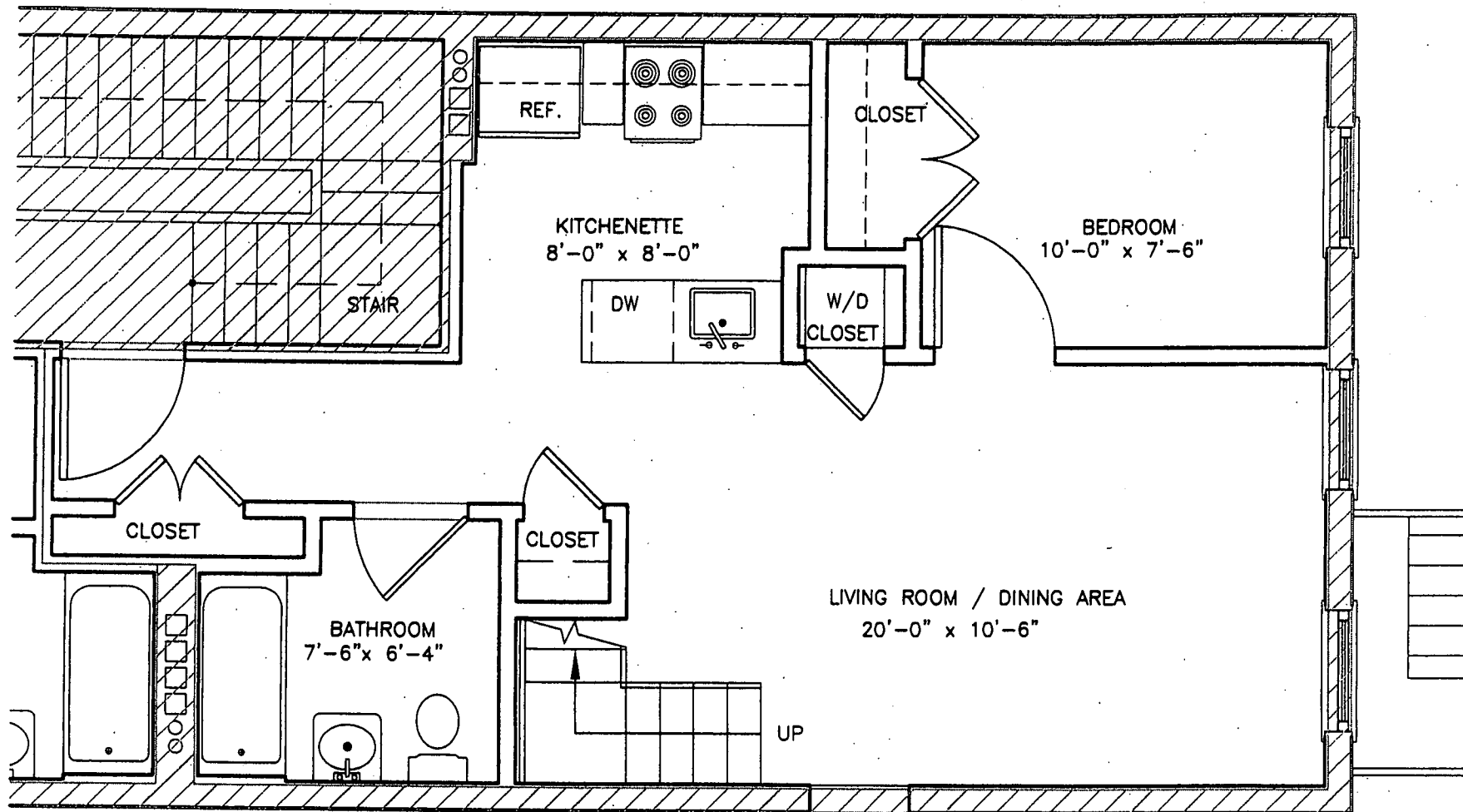
THIRD FLOOR PLAN
RESIDENTIAL UNIT 3F

351 21ST STREET BROOKLYN NY 11205
THIRD FLOOR PLAN
RESIDENTIAL UNIT 3R



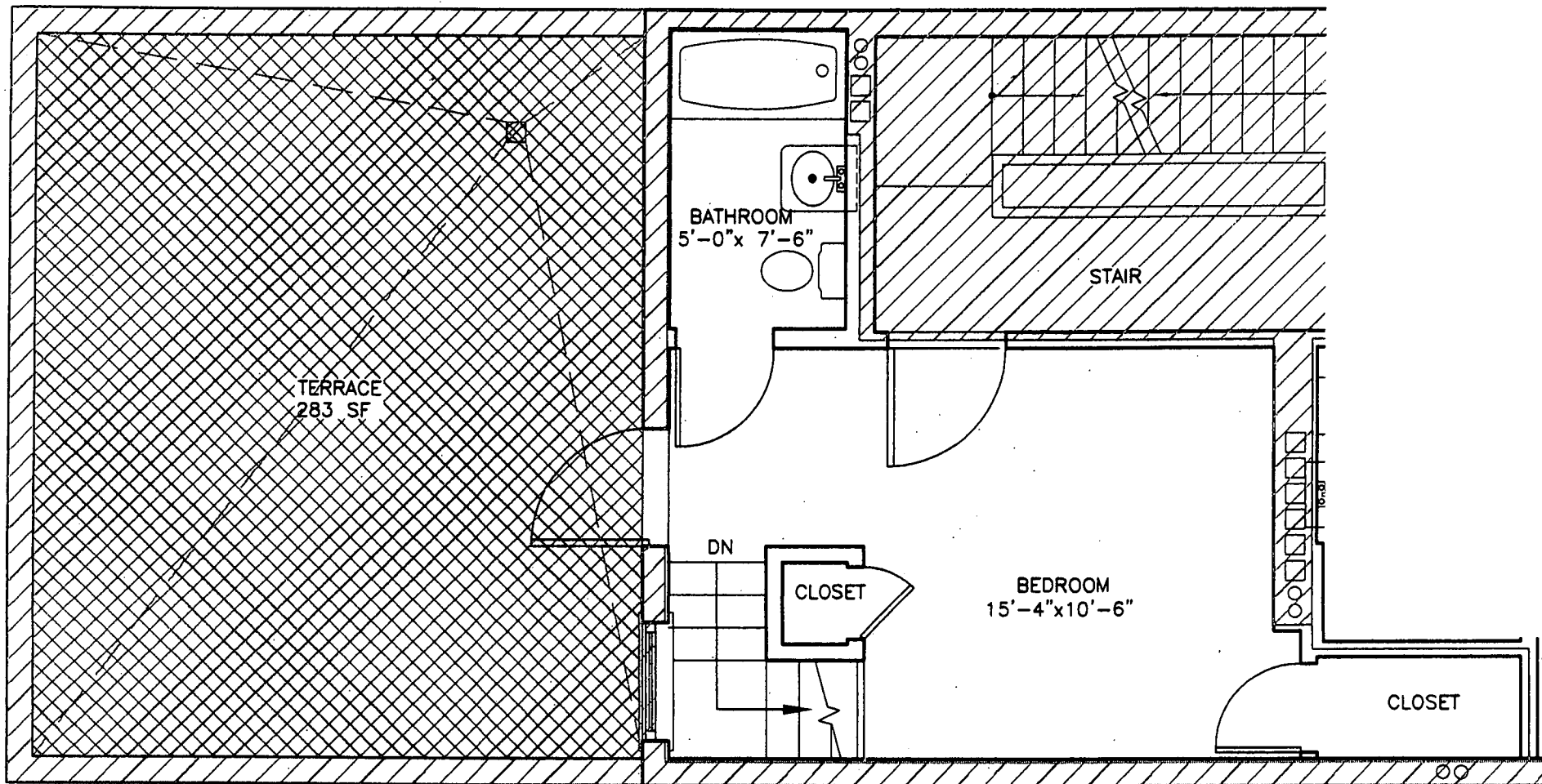
351 21ST STREET BROOKLYN NY 11205

FOURTH FLOOR PLAN
RESIDENTIAL UNIT 4F LOWER LEVEL



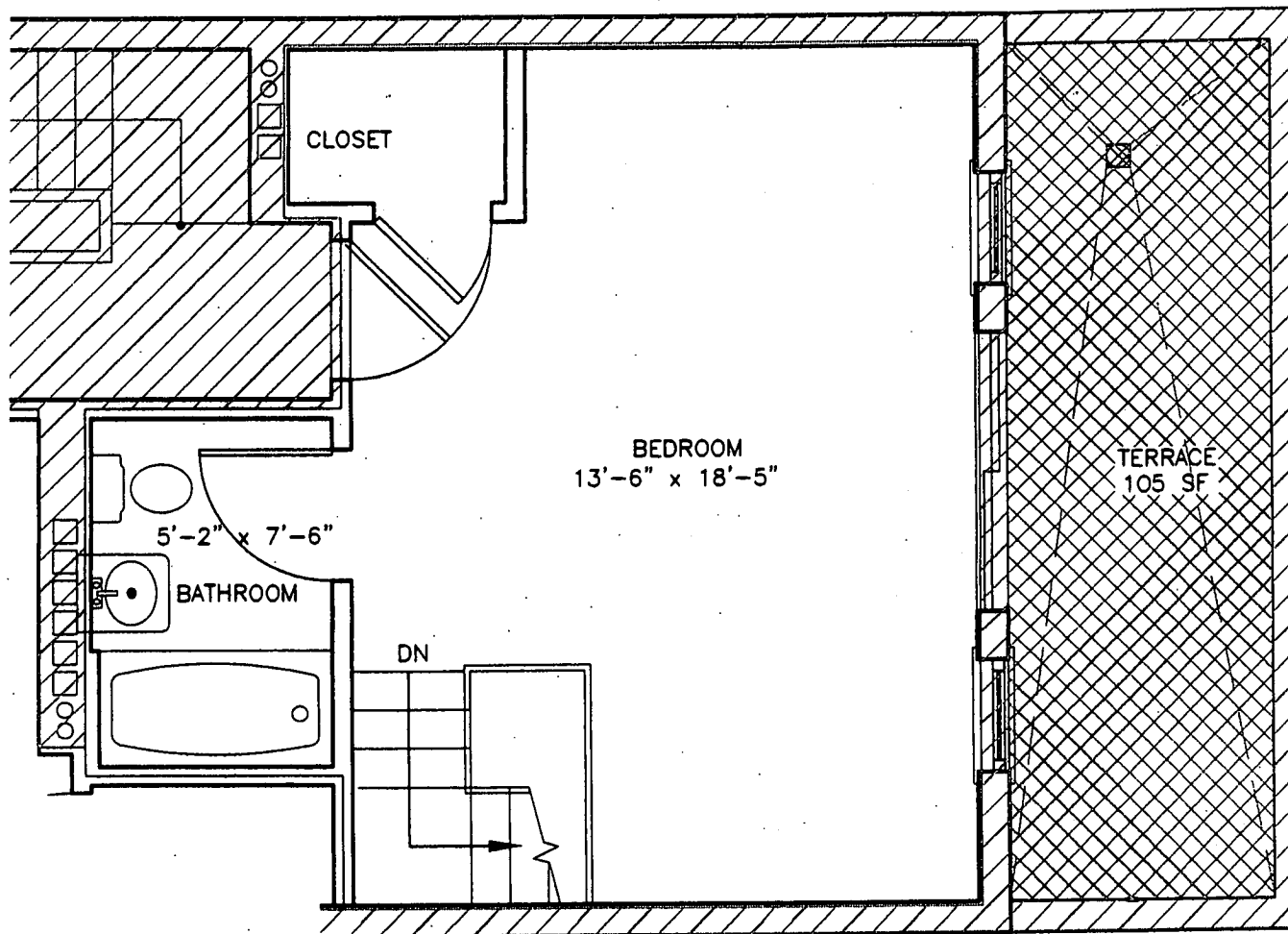
351 21ST STREET BROOKLYN NY 11205

FOURTH FLOOR PLAN
RESIDENTIAL UNIT 4R LOWER LEVEL

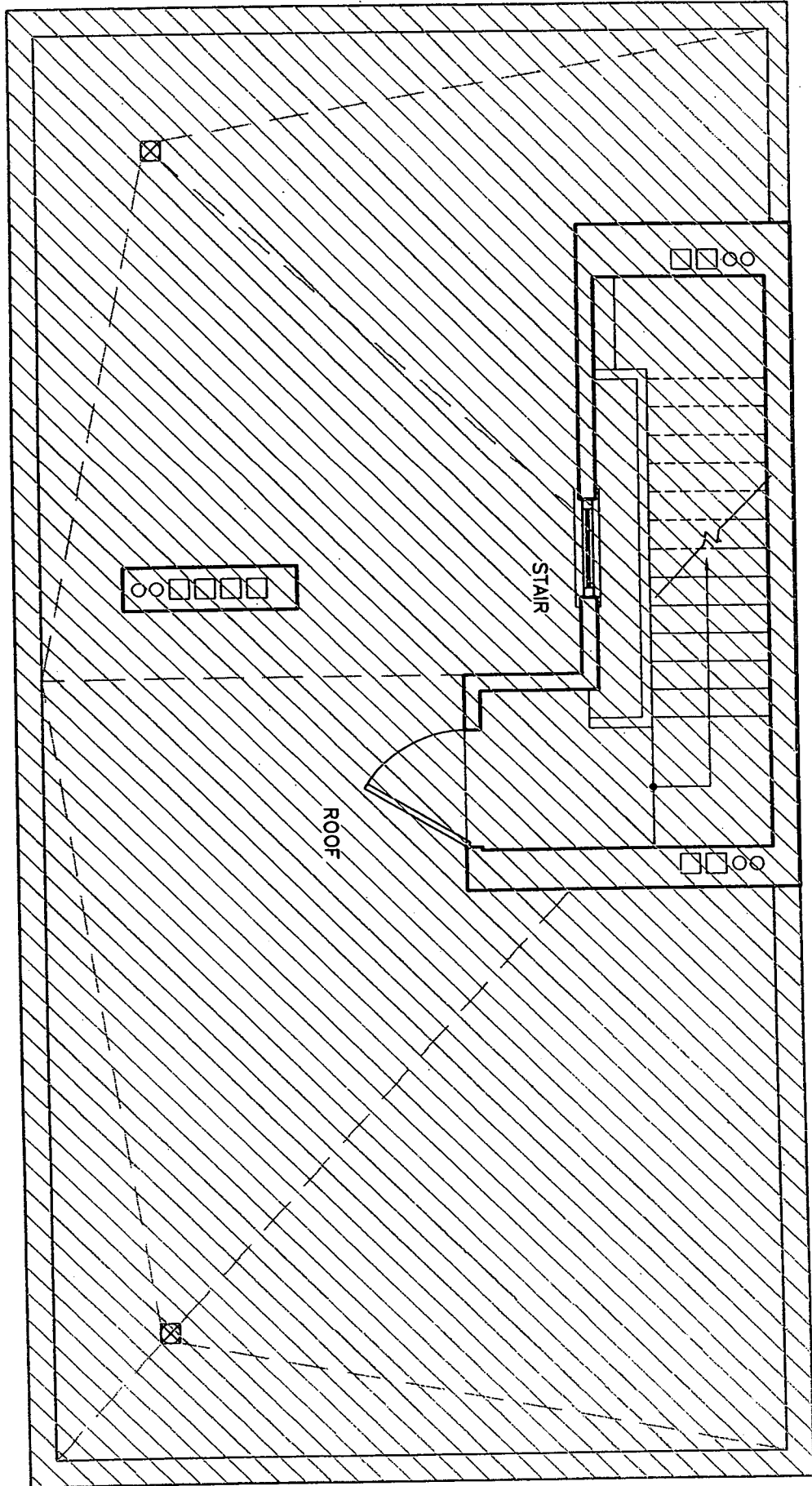


351 21ST STREET BROOKLYN NY 11205

FIFTH FLOOR PLAN
RESIDENTIAL UNIT 4F UPPER LEVEL

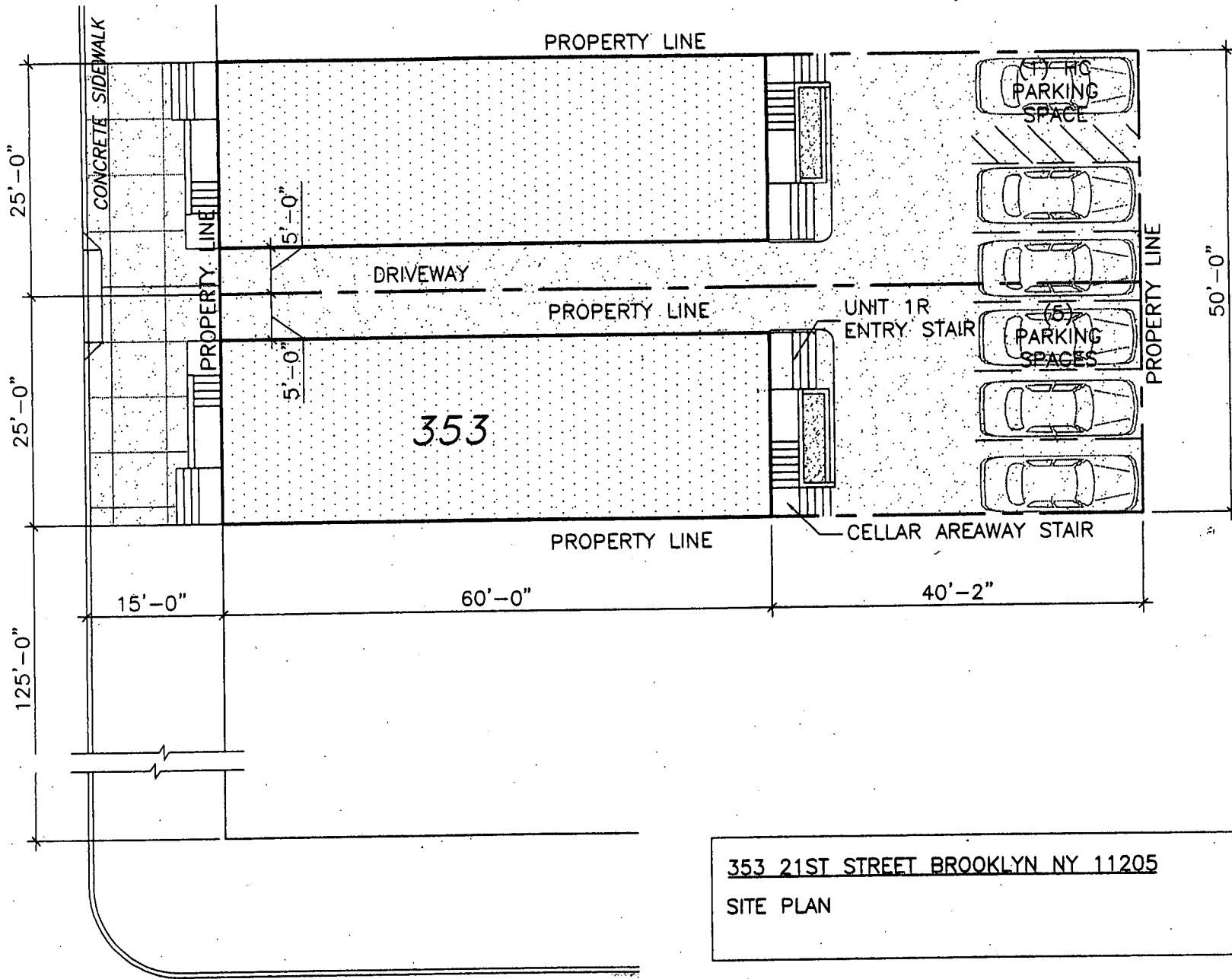


351 21ST STREET BROOKLYN NY 11205
FIFTH FLOOR PLAN
RESIDENTIAL UNIT 4R UPPER LEVEL

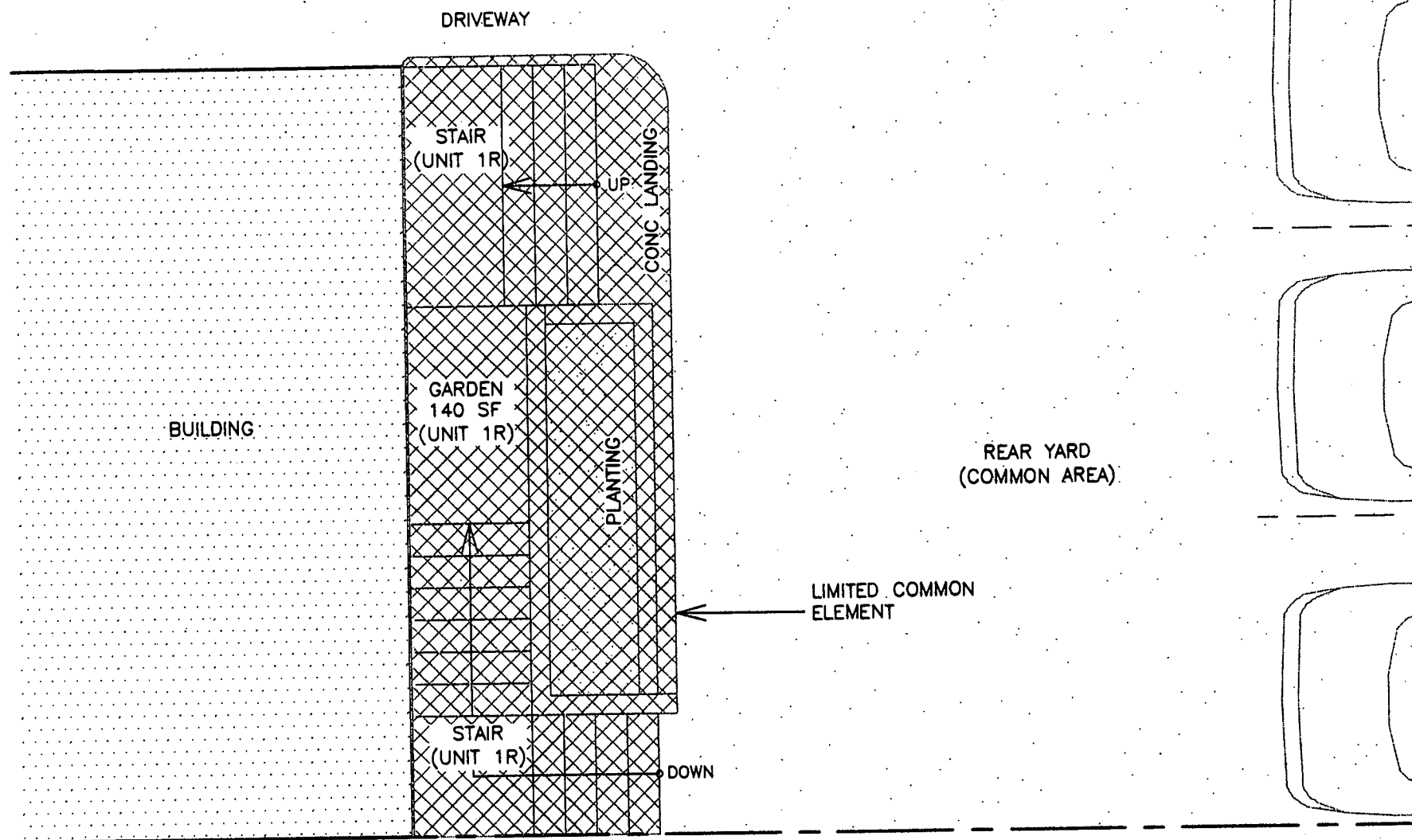


351 21ST STREET BROOKLYN NY 11205
ROOF PLAN

21ST STREET (60' WIDE)

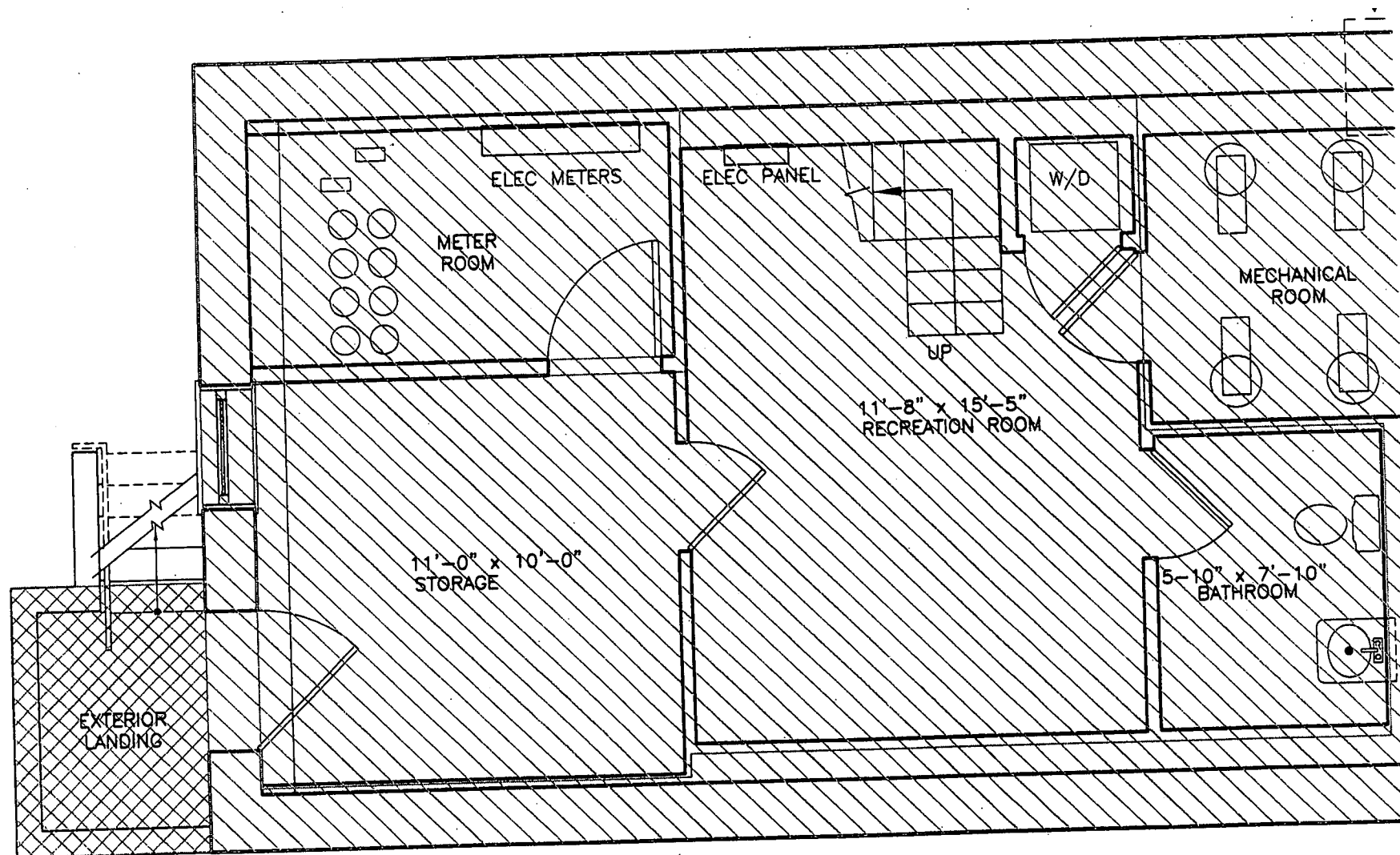


353 21ST STREET BROOKLYN NY 11205
SITE PLAN

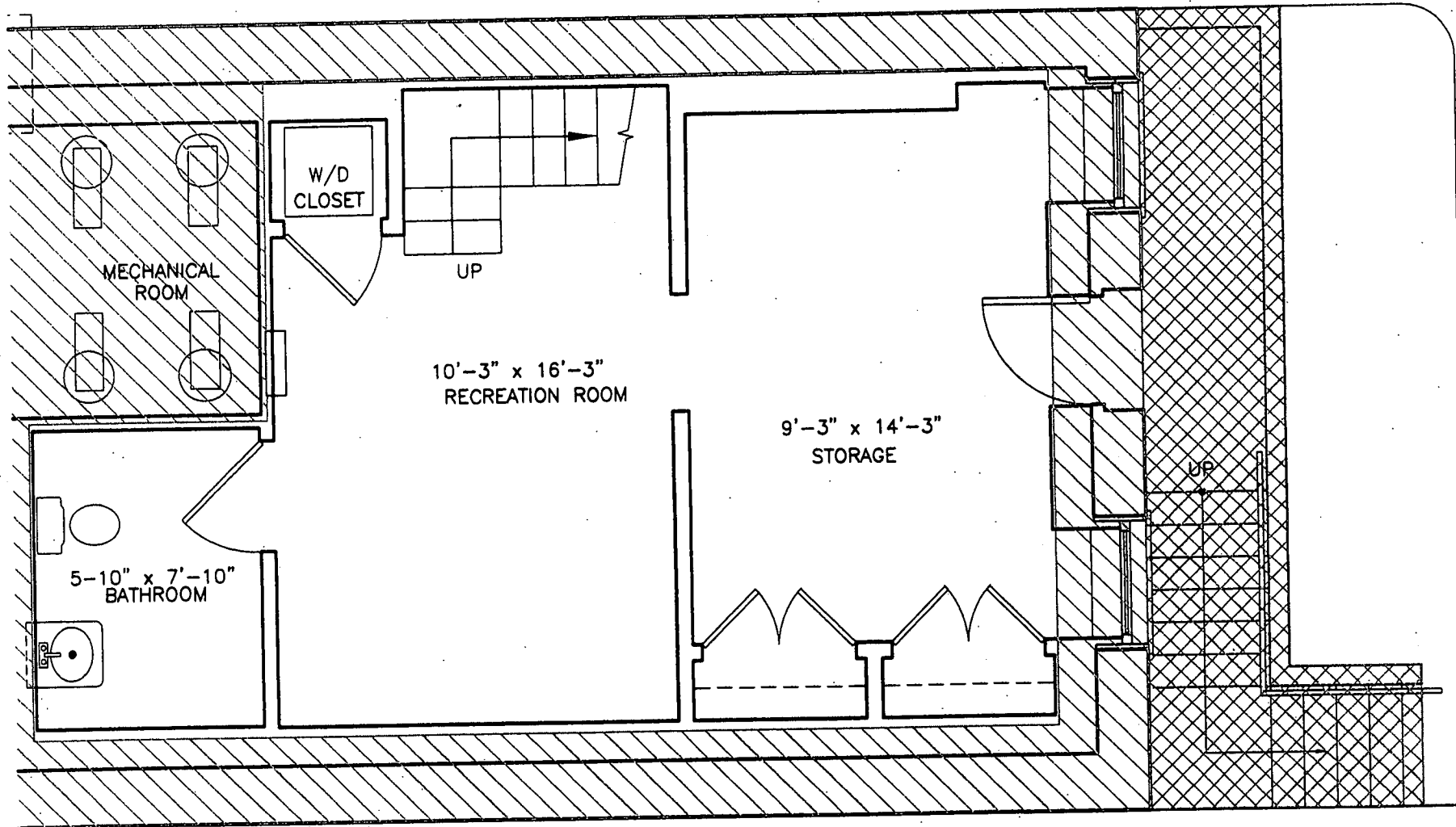


353 21ST STREET BROOKLYN NY 11205
FIRST FLOOR PARTIAL SITE PLAN
RESIDENTIAL LIMITED COMMON ELEMENT
RESIDENTIAL UNIT 1R - REAR GARDEN

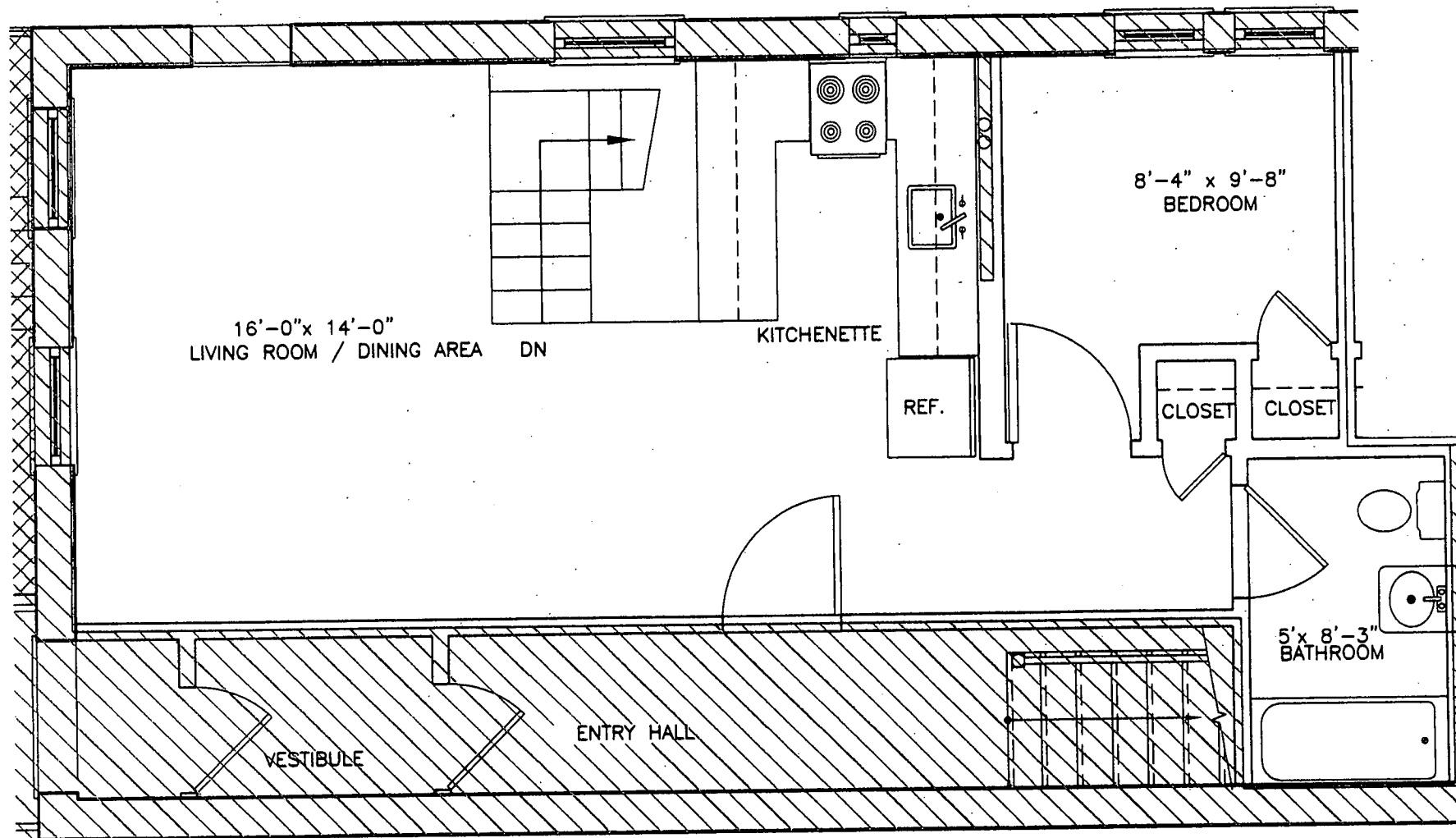
353 21ST STREET BROOKLYN NY 11205



353 21ST STREET BROOKLYN NY 11205
CELLAR FLOOR PLAN
RESIDENTIAL UNIT 1F-LOWER LEVEL

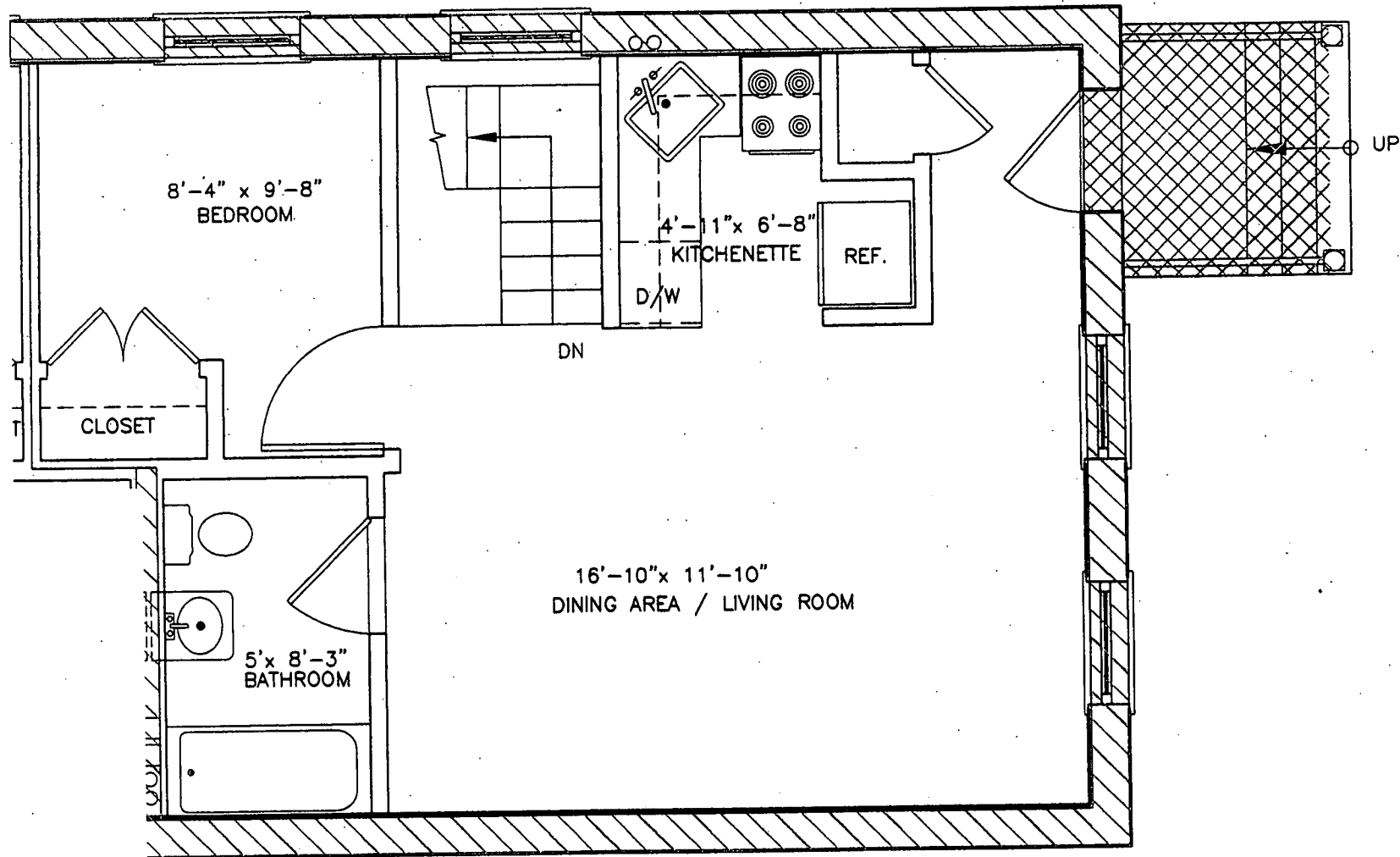


CELLAR FLOOR PLAN
RESIDENTIAL UNIT 1R-LOWER LEVEL



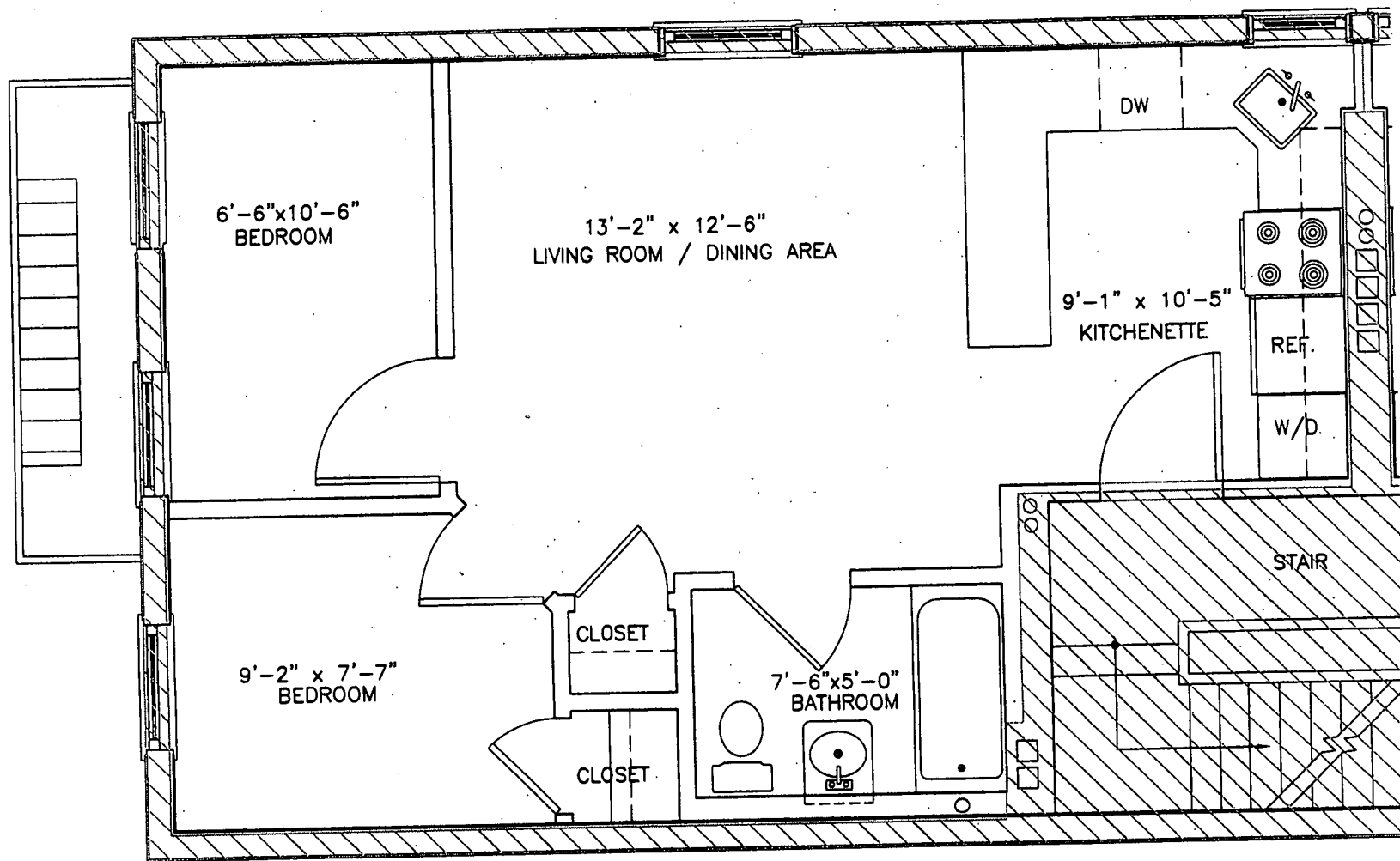
353 21ST STREET BROOKLYN NY 11205

FIRST FLOOR PLAN
RESIDENTIAL UNIT 1F-UPPER LEVEL



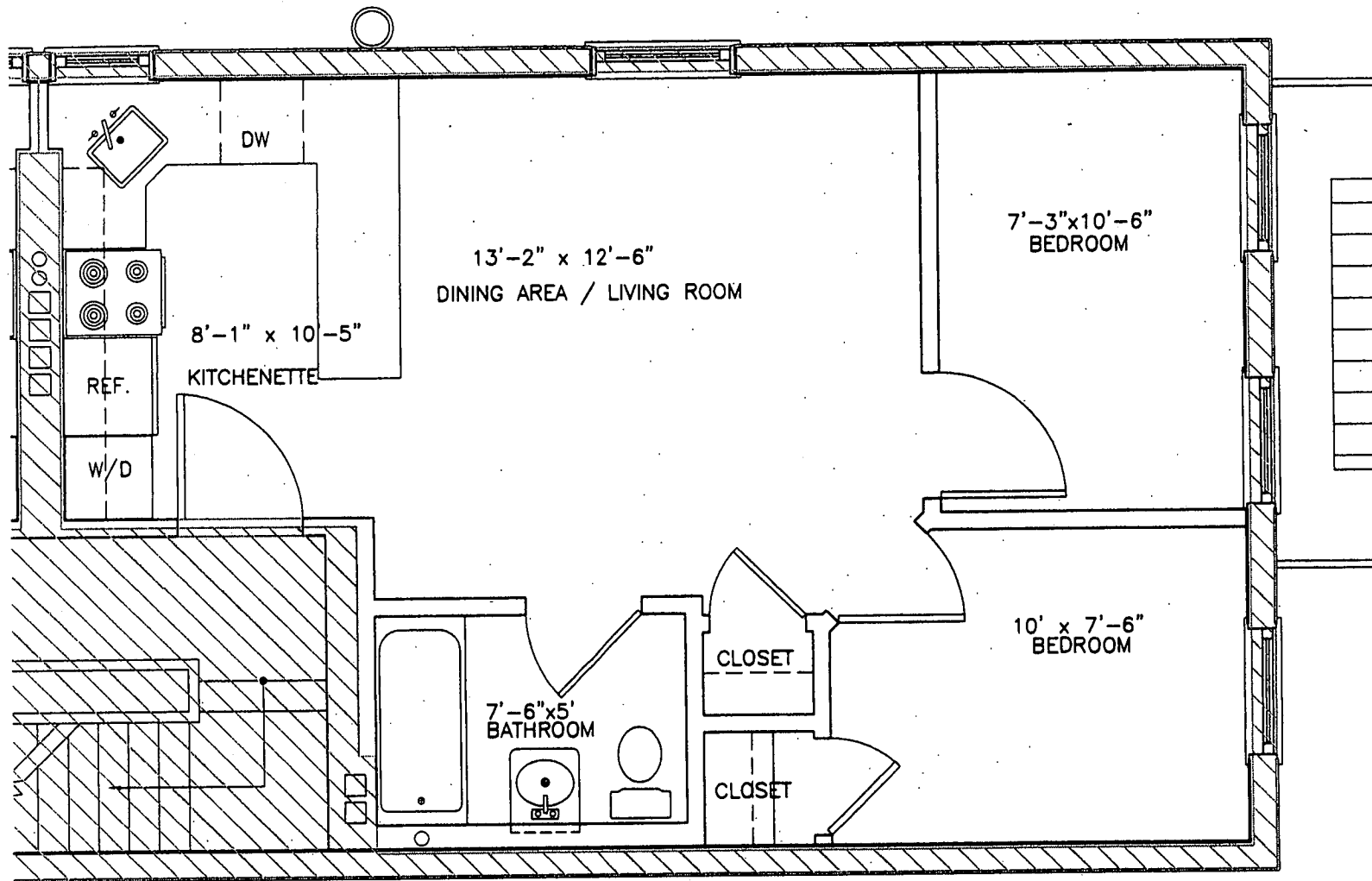
353 21ST STREET BROOKLYN NY 11205

FIRST FLOOR PLAN
RESIDENTIAL UNIT 1R-UPPER LEVEL

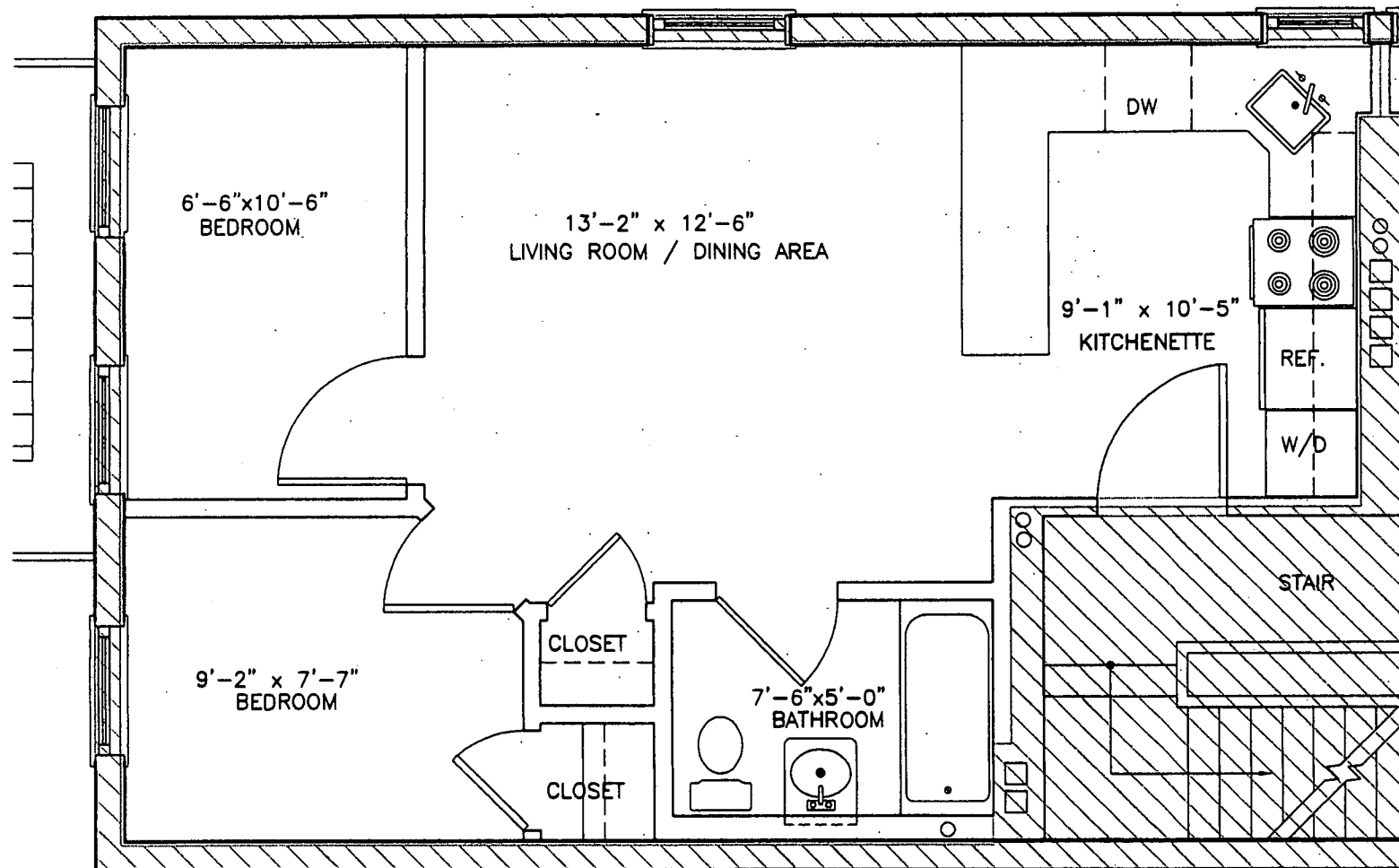


353 21ST STREET BROOKLYN NY 11205

SECOND FLOOR PLAN
RESIDENTIAL UNIT 2F

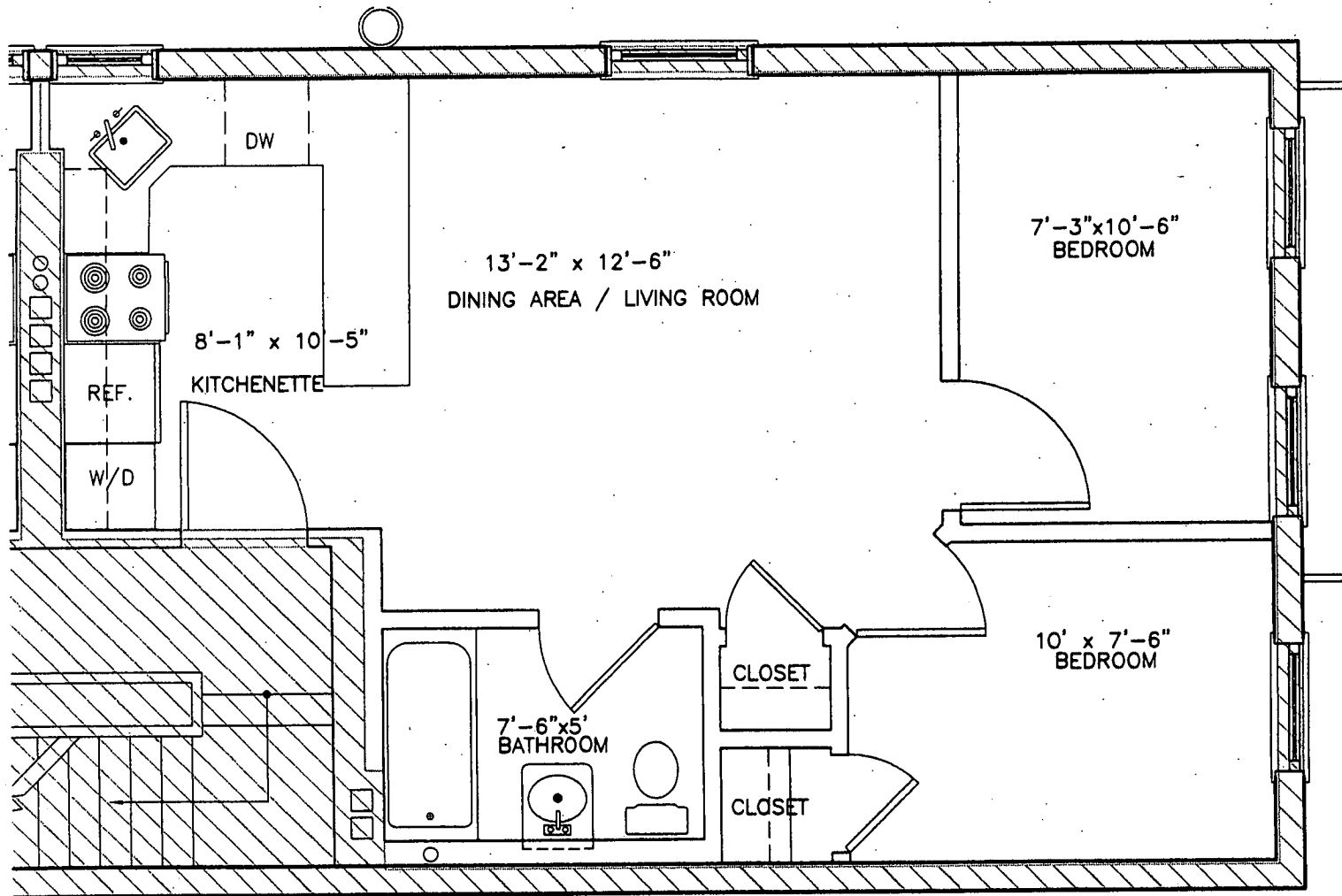


353 21ST STREET BROOKLYN NY 11205
 SECOND FLOOR PLAN
 RESIDENTIAL UNIT 2R



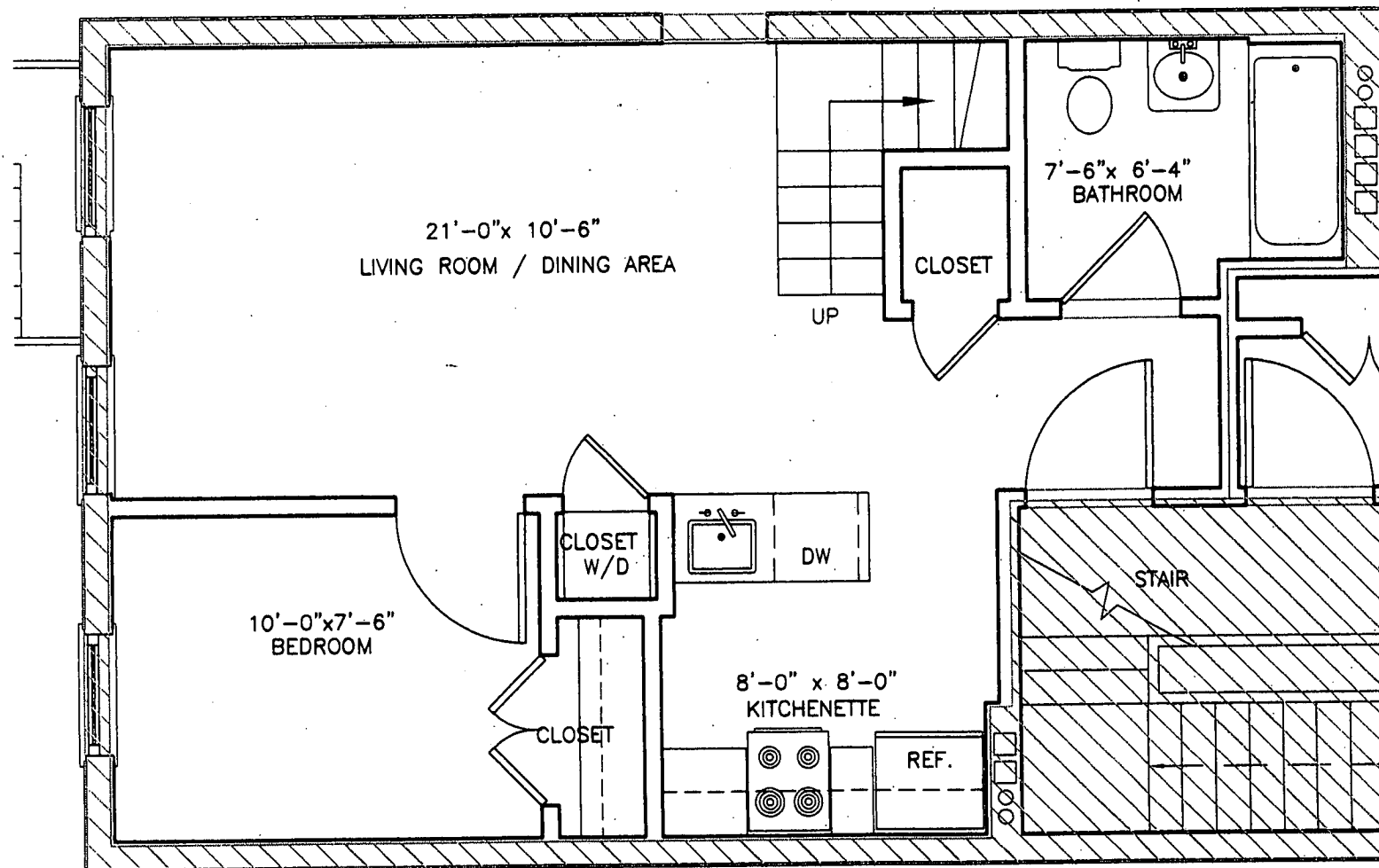
353 21ST STREET BROOKLYN NY 11205

THIRD FLOOR PLAN
RESIDENTIAL UNIT 3F



353 21ST STREET BROOKLYN NY 11205
 THIRD FLOOR PLAN
 RESIDENTIAL UNIT 3R

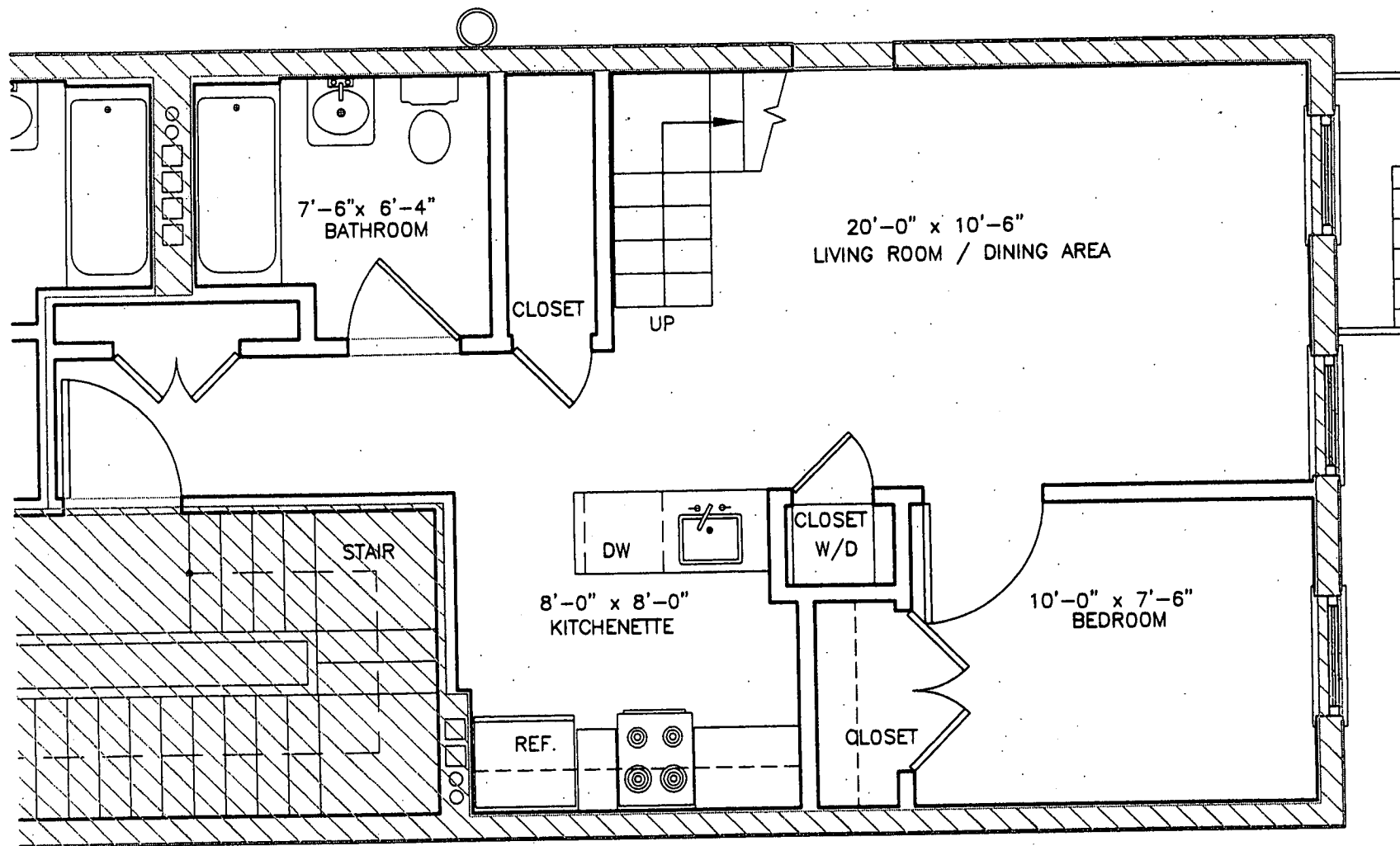
\\nas01\apps\dwg\4F\4F.dwg 4F 5/24/2006 6:27:47 PM



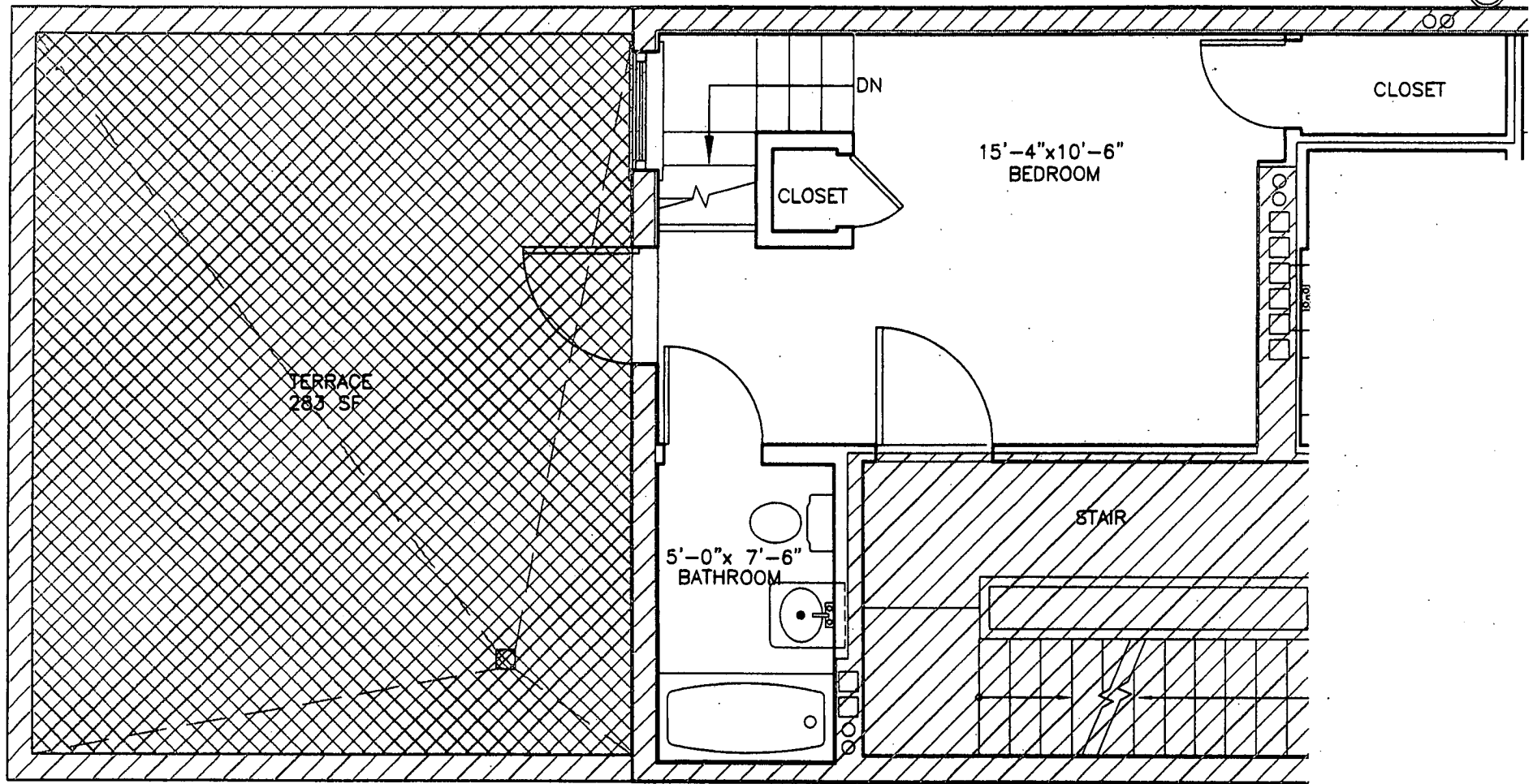
353 21ST STREET BROOKLYN NY 11205

FOURTH FLOOR PLAN
RESIDENTIAL UNIT 4F LOWER LEVEL

-D51-

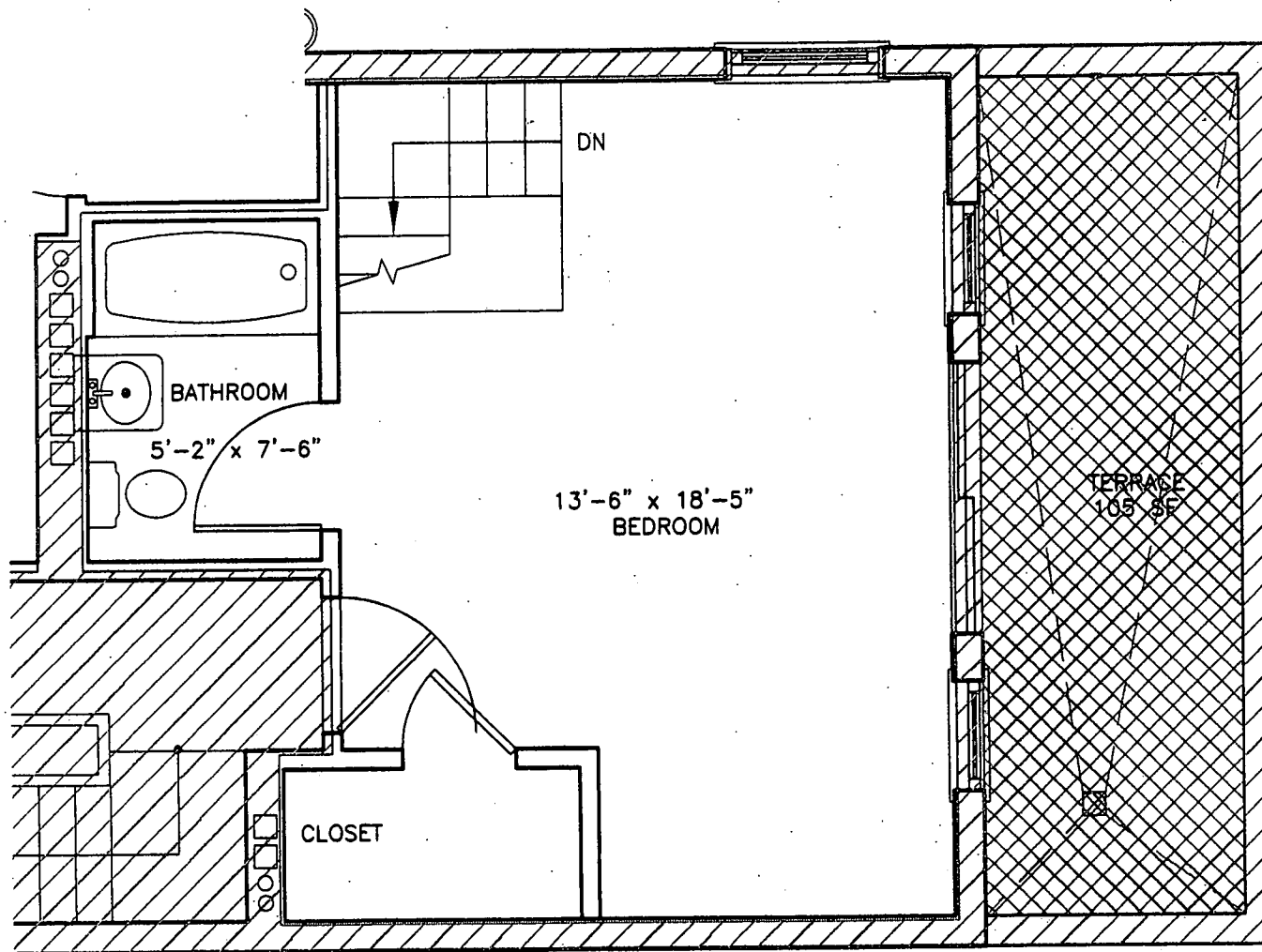


353 21ST STREET BROOKLYN NY 11205
FOURTH FLOOR PLAN
RESIDENTIAL UNIT 4R LOWER LEVEL



353 21ST STREET BROOKLYN NY 11205

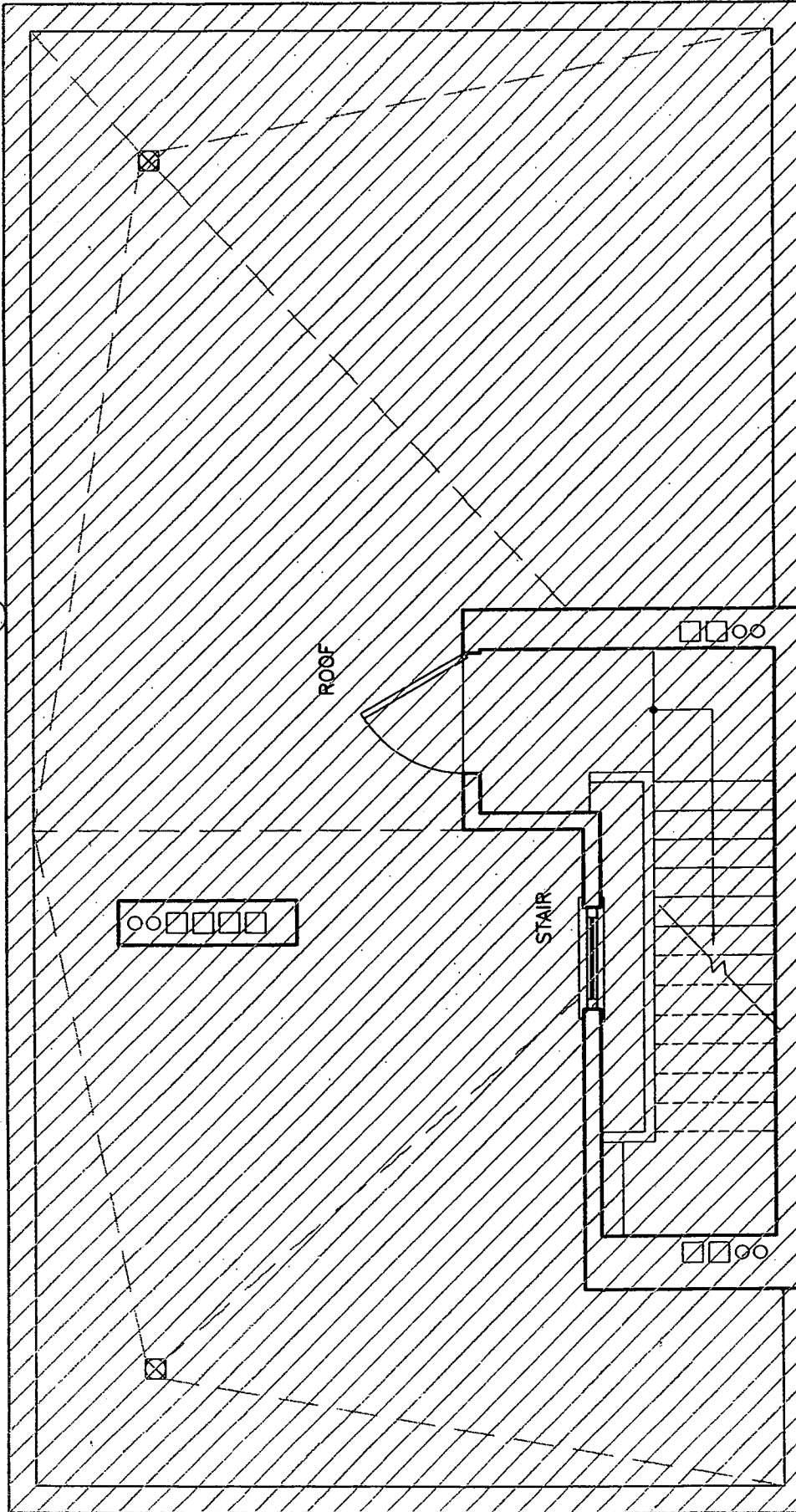
FIFTH FLOOR PLAN
RESIDENTIAL UNIT 4F UPPER LEVEL



353 21ST STREET BROOKLYN NY 11205

FIFTH FLOOR PLAN
RESIDENTIAL UNIT 4R UPPER LEVEL

353 21ST STREET BROOKLYN NY 11205
ROOF PLAN





NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION
Asbestos Control Program
59-17 Junction Boulevard, 8th Floor, Corona, NY 11368-5107

NOT AN ASBESTOS PROJECT

FC 301857015
1 DEPT. OF BLDGS.
ACP 5 Fee \$

ONL
TYPEWRITTEN
FORMS WILL
BE ACCEPTED

When submitting this form at the NYC Department of Buildings, the original form and three (3) copies with original signature and seal are required. Submittal at the NYCDEP requires one copy of the form with original signature and seal.

2. Facility Address 351-21st Street Borough Bklyn. Zip _____
AKA _____ 3. Block 892 4. Lot 51
5. Building Owner 351-21st LLC Tel. # 917-416-0010
6. Address 545-8th Street, Bklyn. State N.Y. Zip 11215
7. Contact Person Greg Murjani 8. Tel. # 917-416-0010
9. Description of the Entire Scope of Work Renovate existing apartments at 1,2,3 floors.

*work done.

10. Est. Start Date X ☐ As soon as permit approved Est. Completion Date prior to of the Entire Scope of Work.
exp.

11. I, Edmund Farkouh, have conducted an asbestos investigation on 4/7/04 in accordance with
Name of Certified Asbestos Investigator Date

Sections 1-16 and 1-27 of the NYC DEP Asbestos Control Program Rules and declare that at said facility address, the

- ☐ a. premise to be demolished is free of any asbestos containing material (ACM).
☐ b. premise to be demolished contains 10 square feet or less or 25 linear feet or less of ACM.
☒ c. cumulative surfaces of structure(s) affected by the work are free of ACM.
☐ d. cumulative surfaces of structure(s) affected by the work contain 10 square feet or less or 25 linear feet or less of ACM
☐ e. normally non-friable ACM shall be disturbed/removed. Specify amount: _____ square feet
☐ f. ACM will not be disturbed during the scope of work. Specify amount of ACM present: _____ square feet _____ linear feet

All ACM specified in "b", "d", or "e" must be removed in accordance with the DEP Asbestos Rules or NYS DOL ICR56.*

12. RESULTS OF BUILDING SURVEY AND HAZARD ASSESSMENT:

FLOOR (including cellar and basement)	DESCRIBE SECTION OF FLOOR (e.g. entire, east wing, room #, boiler room, lobby, etc.)	ALL MATERIALS ASSUMED TO CONTAIN ACM AND/OR SAMPLED	NUMBER OF SAMPLES ANALYZED	ASBESTOS PRESENT YES NO	ASSUMED ACM
1,2,3	Area affected by this application.	plaster	3	☐ YES ☒ NO	
The work being done involves the removal of partitions that are of plaster & lath construction. This investigator is not responsible for areas that are inaccessible, not included in scope of work or work done prior to this investigation.					

13. Analytical Laboratory Eastern Analytical Services, Inc.

14. ELAP # 10851 15. Date(s) Samples Analyzed 4/16/04

NYS DOH CERTIFICATION

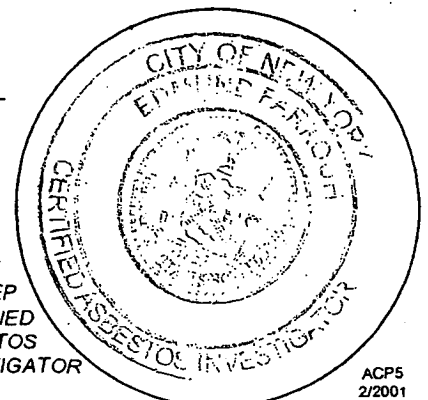
16. I hereby declare the information provided herein is true and complete.

[Signature] 95264 11/3/04 917-859-5651
NYC DEP Certified Asbestos Investigator's Signature Certificate Number Date Daytime Telephone Number

Any modification or deviation from information provided on this form must be reported immediately in writing directly to the NYCDEP. The requirements of the Asbestos Control Program Rules may not be lawfully avoided or lessened through the performance of work in incremental or piecemeal fashion.

* In-plant operations, as defined in §56-3.1 of ICR56, are not permitted in New York City.

SEAL
OF THE
NYC DEP
CERTIFIED
ASBESTOS
INVESTIGATOR



ACP5
2/2001



NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION

Asbestos Control Program

59-17 Junction Boulevard, 8th Floor, Corona, NY 11368-5107301857015
DEPT. OF BLDGS.

ACP 5 Fee \$ _____

ONLY
TYPEWRITTEN
FORMS WILL
BE ACCEPTED

NOT AN ASBESTOS PROJECT

When submitting this form at the NYC Department of Buildings, the original form and three (3) copies with original signature and seal are required. Submittal at the NYCDEP requires one copy of the form with original signature and seal.

2. Facility Address 351 21st Street Borough Brooklyn Zip 11215
AKA _____ 3. Block 892 4. Lot 51
5. Building Owner 351-353 21st Street Realty, LLC Tel. # (917) 416-0010
6. Address 351-353 21st Street State NY Zip 11215
7. Contact Person Greg Murjani 8. Tel. # (917) 416-0010

9. Description of the Entire Scope of Work

The planned work as described by the client is to excavate and enlarge the existing basement and for the construction of two (2) additional stories to the existing three (3) story residential dwelling.

10. Est. Start Date _____ ☒ As soon as permit approved Est. Completion Date _____ of the Entire Scope of Work.

11. I, John Japper, Jr., have conducted an asbestos investigation on 10/22/04 in accordance with
Name of Certified Asbestos Investigator Date

Sections 1-16 and 1-27 of the NYC DEP Asbestos Control Program Rules and declare that at said facility address, the

- ☐ a. premise to be demolished is free of any asbestos containing material (ACM).
☐ b. premise to be demolished contains 10 square feet or less or 25 linear feet or less of ACM.
☐ c. cumulative surfaces of structure(s) affected by the work are free of ACM.
☐ d. cumulative surfaces of structure(s) affected by the work contain 10 square feet or less or 25 linear feet or less of ACM
☒ e. normally non-friable ACM shall be disturbed/removed. Specify amount: 880 square feet
☐ f. ACM will not be disturbed during the scope of work. Specify amount of ACM present: _____ square feet _____ linear feet

All ACM specified in "b", "d", or "e" must be removed in accordance with the DEP Asbestos Rules or NYS DOL ICR56.*

12. RESULTS OF BUILDING SURVEY AND HAZARD ASSESSMENT:

FLOOR (including cellar and basement)	DESCRIBE SECTION OF FLOOR (e.g. entire, east wing, room #, boiler room, lobby, etc.)	ALL MATERIALS ASSUMED TO CONTAIN ACM AND/OR SAMPLED	NUMBER OF SAMPLES ANALYZED	ASBESTOS PRESENT YES NO	ASSUMED ACM
Base	Entire	* None	0	☐ ☒	
Roof	Entire	* Roof/Flashing Materials	0	☒ ☐	☒
	* See Reverse For Note There may be ACM behind, in and/or were not visible or accessible at the	above finished surfaces that time of this inspection.			

13. Analytical Laboratory N/A14. ELAP # N/A 15. Date(s) Samples Analyzed _____

NYS DOH CERTIFICATION

16. I hereby declare the information provided herein is true and complete.

93949

Certificate Number

10/25/04

Date

(718) 339-1984

Daytime Telephone Number

Any modification or deviation from information provided on this form must be reported immediately in writing directly to the NYCDEP. The requirements of the Asbestos Control Program Rules may not be lawfully avoided or lessened through the performance of work in incremental or piecemeal fashion.

* In-plant operations, as defined in §56-3.1 of ICR56, are not permitted in New York City.

SEAL
OF THE
NYC DEP
CERTIFIED
ASBESTOS
INVESTIGATORACP5
2/2001

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DECLARATION OF CONDOMINIUM

Establish a Plan for Condominium Ownership of the Premises located at 351-353 21st Street, Brooklyn, NY 11215, 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: ABBY COURT CONDOMINIUM

SPONSOR: 351-353 21st REALTY LLC
132 Remsen Street
Brooklyn, New York 11201

DATE OF
DECLARATION:

Section Number ____

Block:
F/N/A: Lots and
N/K/A: Lots ____ through ____ (inclusive)

Record and Return to:

Hannah Vining, Esq.
39 East Pembroke Road
Danbury, CT 06811
(203) 798-7215; fax (203) 791-9520

Declaration Establishing a Plan for Condominium Ownership of premises, to be known as Abby Court Condominium, located at 351-353 21st Street, Brooklyn, New York 11215, Borough of Brooklyn, County of Kings, City and State of New York, pursuant to Article 9B of the Real Property Law of the State of New York (the "Condominium Act").

351-353 21st STREET REALTY LLC, a domestic limited liability company organized and existing under the laws of the State of New York, whose principal office is situated at 132 Remsen Street, Brooklyn, New York, (the "Sponsor"), does hereby declare:

1. **Submission of Property:** The Owner and the Sponsor hereby submit the land and Buildings and improvements erected thereon (the "Property") pursuant to the Condominium Act.
2. **Area and Location of Land:** The land ("Land") consists of all that certain tract, plot, place 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 ABBY COURT CONDOMINIUM.
4. **Description of the Buildings:** There are two buildings (the "Building"), each one containing 8 residential Units and five parking spaces with a total of 16 residential units and 6 accessory use parking-space units (the "Units"). Each building contains 4½ stories plus a cellar.
5. **The Units:**
 - A. **List and Description.** 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 square foot area; location; number of rooms; Limited Common Elements 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 of the Building (the "Floor Plans") certified by Todd Ernst of Ernst Associates, architects, and intended to be filed in the Kings County Office of the Registrar of the City of New York, simultaneously with the recording of the Declaration. Reference should be made thereto for the statement of the location of each Unit.
 - B. **Dimensions.** Measurements of individual Units are taken to the outside surface of the Building including structural and on-structural building walls, the centerline of the party walls, the centerline of the demising walls separating individual Units from one another within the Building, and to the centerline of walls separating individual Units from Common Elements such as common stairwells, common shafts. The floor area of Common Elements such as the main staircase, common mechanical, plumbing, electrical shafts and chases, and common mechanical rooms are not included in the square footage of Units.
6. **Common Elements:** The Common Elements of the Condominium consist of the entire Property, including all parts of the Buildings and improvements thereon other than the Units. Common Elements are comprised of Common Elements and Limited Common Elements. They include without limitation, the following:
 - A. **Common Elements**
 - (i) The land on which the Building is physically erected.
 - (ii) All roofs, foundations, and concrete floors;
 - (iii) All columns, girders, joints, beams, supports;
 - (iv) Bearing walls, those portions of the exterior walls and insulation beyond the exterior face 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, vestibule, and stairs located beyond the unexposed face of the dry walls enclosing the Unit; the subfloor and framing joints, including any framing attached to the joints from which the dry wall ceiling of the Unit below is attached; corridors, halls, stairs, and stairway areas located beyond the unexposed face of the dry walls enclosing the Unit; vestibule; storage and utility areas located beyond the unexposed face of the dry walls enclosing the Unit; and the entrances to, and exists from, the Building;

- (v) All central and appurtenant installations outside the Units for services such as power, light, telephone, water, waste piping, and roof drains, including all pipes, flues, ducts, wires, cables, and conduits used in connection therewith, whether located in common areas or in the Units;
- (vi) All other apparatus and installments existing in the Building for common use or necessary or convenient to the existence, maintenance, or safety of the Building.
- (vii) All of the front sidewalks outside of and immediately appurtenant to the Building.
- (viii) Corridors, stairs, stairways, entrances to, and exits from, the Building not used exclusively by a Unit Owner.
- (ix) All central and appurtenant installations and facilities for services such as power, light, telephone, gas, sewer, plumbing, drainage, hot and cold water distributions, heat, and other mechanical and electrical systems to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Paragraph 5 hereof.
- (x) All other parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property.
- (xi) All portions of the cellar which serve the Units used for meters, mechanical equipment and space for any other facility, mechanical equipment and space for any other facilities delineated in this Article 6 which services all of the Units, and are not part of a Unit.
- (xii) All other apparatus and installments existing in the Building for common use or necessary or convenient to the existence, maintenance, or safety of the Building.
- (xii) The Common Elements shall remain undivided, and no Unit Owner or any other person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of Article 14 hereof and Section 5.5 of the By-Laws.

B. Limited Common Elements

1. The garden adjacent to Unit #1R at 351 21st Street as shown on the floor plans and the garden adjacent to Unit #1R at 353 21st Street as shown on the floor plans shall not be deemed a General Common Element, but gardens shall be a Limited Common Element of Owners of Unit #1R at 351 21st Street and Unit #1R at 353 21st Street. Except for the structural areas of the Building, the Unit Owner shall be responsible for the repair and maintenance of the garden except that, anything to the contrary herein notwithstanding, the use of garden by the said Owner shall be subject to the following conditions and limitations.
 - (a) The Board of Managers and its agents shall have the use of this space for the following purposes, subject to the following obligations:

- (i) Access to the Common Elements for inspection, repair and maintenance purposes, to the extent that the same affect the repair and maintenance of the Building's structure, which shall be the sole and only obligation of the Condominium with regard to the garden.
 - (ii) For ingress and egress from the Building in case of fire or for other emergency, which right shall extend to other occupants of the Units in the Building, their guests, lessee(s) and residents; and
 - (iii) For any purpose as required by law, appropriate governmental rule or regulation or the Building's Certificate of Occupancy.
 - (b) No structure may be built in the garden, but the Unit Owner may add fencing and other decorative features, provided same do not violate any existing law or regulation of any governmental agency having jurisdiction thereof.
2. The roof terraces of the Building as shown on the floor plans shall be a Limited Common Element of Units #4F and #4R at 351 21st Street and Units #4F and #4R at 353 21st Street. The Unit Owners shall exclusively use and maintain the roof terraces as shown on the floor plans, subject to the conditions and limitations set forth below. The Unit Owners of Units #4F and #4R at 351 21st Street and Units #4F and #4R at 353 21st Street shall be responsible for any repairs or improvements for such areas of the roof which is necessitated by the their use. Anything to the contrary notwithstanding, the use of the such area of the roof by the Owners of Units #4F and #4R at 351 21st Street and Units #4F and #3R at 353 21st Street is subject to the following limitations:
- (a) All required means of egress from and to the roof shall remain clear and unobstructed.
 - (b) The Board of Managers and its agents shall have the use of this space for the following purposes, subject to the following obligations:
 - (i) For the purpose of inspecting and maintaining any chimney and any equipment or Building systems located on or near the roof;
 - (ii) For ingress and egress to and from the Building in case of fire or other emergency, which right shall also extend to other Owners of Units in the Building, their guests, invitees, lessees and/or residents;
 - (iii) The Board of Managers shall be solely and only responsible for the repair and maintenance of the structural elements of the roof and the normal and usual repair of the roof surface as the same are an integral part of the structural aspects of the Building, which in time may need maintenance, repair and improvement, so long as the same is not necessitated, or deterioration accelerated, by the Owners' use. A dispute as to who will pay the costs of any repairs shall be submitted to Arbitration proceedings pursuant to Article XIII of the By-laws.
 - (c) The Owner of Units #4F and #4R at 351 21st Street and Units #4F and #4R at 353 21st Street may build a deck on their portion of the roof, but no other permanent structure, provided such is done in compliance with all applicable laws and regulations of all governmental authorities having jurisdiction thereof and further provided that such is done in compliance with the By-Laws of the Condominium and the conditions and limitations set forth below. The Unit Owners of Units #4F and #4R at 351 21st Street

and Units #4F and #4R at 353 21st Street shall be responsible for any repairs or improvements on the roof necessitated by their use.

3. No Unit Owner may add bulk to the building.
7. **Use of Units.** Each of the dwelling Units may be used for private residential use, except that a Unit Owner may use his/her Unit for any home occupation use permitted under applicable zoning law and ordinance, building code, or other rules and regulations of governmental authorities having jurisdiction. 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 use is obtained. Notwithstanding the foregoing, the Sponsor may, without the permission of the Board of Managers, retain ownership of one or more Units for the use as models, sales, and/or professional offices in connection with the sale, rental, or management of the Units.
8. **Determination of Percentages in Common Elements.** The percentage of Common Interest allocated to each Unit, pursuant to Section 339-i(1)(iv) of the Condominium Act, is based upon floor space, subject to the location of such space and the additional facts 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 encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachments 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 for so long as the Building shall stand.
10. **Easements.**
 - A. Each 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/her 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 each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom, and/or to maintain, repair, or replace the Common Elements contained therein or elsewhere in the Building.
 - B. The Sponsor, its successors, assigns, invitees, licensee, contractors, employees, and tenants, shall have an easement in, on, over, and across the Property for (i) 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 Condominium, 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 cable, and (iv) ingress to, and egress from, all land areas of the Property and the use of the land areas (in common with Unit Owners) for any lawful purpose.
 - C. The Sponsor and its successors, assigns, invitees, licensees, contractors, employees and tenants shall have an easement to erect, maintain, repair, and replace from time to time one or more signs on the Property for the purpose of advertising the sale of Units and the leasing of space in any Unit. The Sponsor and its successor, assigns, invitees, licensees,

contractors, and employees will also have an easement in, and access to, space in any Unit, as well as an easement in, and access to, the Units and Common Elements consistent with the purposes of a certain offering plan for the Property, as the same may be amended, and consistent with the Sponsor's rights and obligations under such offering plan, including without limitation, the right to develop, construct, renovate, maintain, repair, refurbish, offer, sell, and lease Units and Common Elements. The Sponsor and its successor and assigns also 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 shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or the residents of any property adjacent to the Property, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the residential Units for dwelling purposes. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of such company or corporation, shall have the right to access of any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right to access is exercised in such a manner as not to unreasonably interfere with the use of the Units.

D. The use of any easement granted by subparagraphs B and C of this Paragraph 10 shall have the responsibility of repairing any damage resulting therefrom.

11. **Power of Attorney to Board of Managers.** Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers an irrevocable power of attorney, coupled with an interest to acquire title to, or lease, any Unit whose Owner desires to surrender, sell, or lease the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto), or otherwise deal with any such Units so acquired or to sublease any Unit so leased by the Board of Managers.
12. **Consent that J51 benefits be Building Wide.** Each Purchaser of a Unit must execute a consent in recordable form in which such Purchaser agrees to a building-wide allocation of J51 benefits, which consents shall be recorded at the same time the deed for each Unit is recorded.
13. **Acquisition of Units by Board of Managers.** In the event any Unit Owner shall surrender his/her Unit together with (i) the undivided interest in the Common Elements, and Limited Common Elements, appurtenant thereto; (ii) the interest of such Unit Owner in any other Unit 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 (the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Condominium Act, or in the event the Board of Managers, pursuant to the By-Laws, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, 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 to 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.
14. **Person to receive service.** For the period during which the Sponsor is in control of the Board of Managers, the principal of the Sponsor, Linda Greco, with an office located at 132 Remsen Street, Brooklyn, New York 11201 is hereby designated to receive service of process in any action which may be brought against the Condominium. After the Sponsor relinquishes control of the Board of

Managers but in no event after two years for the recording of this Declaration, notice of process in any action which may be brought against the Condominium shall be served on the President or Secretary of the Condominium at the office of the Condominium, 351-353 21st Street, Brooklyn, New York 11215.

15. **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 Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering into occupancy of any Unit shall constitute 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.
16. **Amendments to Declaration.** This 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 mortgagee may be made without the written consent of the mortgagee;
 - (B) No amendment which shall change the percent of Common Interests allocated to any Unit or Unit(s) may be made without the written consent of such Owner;
 - (C) No Amendment which shall change the percentage of Common Interests allocated to the Unit or Unit(s) may be made without the written consent of the mortgagee(s) of such Unit, or Units, if any; and
 - (D) No amendment, modification, addition, or deletion of or to this Declaration will be effective in any respect against the Sponsor or its successors until the Sponsor or successor shall consent thereto in writing.

The Sponsor hereby reserves to itself the right to amend this Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owner or mortgagee for the purpose of:

- (A) Reflecting changes in the Floor Plans required by the Condominium Act, Section 339-p, for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and filing of the Floor Plans at the same time as the amendment to the Declaration and the Floor Plans, provided a verified statement of a registered architect or licensed professional engineer is also filed which certifies that the plans being filed simultaneously with the amendment fully and fairly depict the layout, location, unit designation and approximate dimensions of the particular Unit or Units as built, as specified in Section 339-p of the Condominium Act; and
- (B) Reflecting changes in the offering plan which have been made by amendment to such plan, including, but not limited to, changes in the percentage of Common Interest resulting from changes in Unsold Units, as permitted by Paragraph 16 below, which amendment has been accepted for filing by the Department of Law, and if required by the pertinent Regulations of the Attorney General of the State of New York, any adversely affected Owner or Purchaser shall have been either given his/her consent to such change or shall have had time

to rescind his/her Purchase Agreement in accordance with the offering plan, as the case may be.

No such amendment to the Declaration shall be effective until recorded in the Kings County Office of the Register of the City of New York.

17. **Changes in Unsold Units.** For any Unit owned by the Sponsor or Sponsor Designee ("Unsold Units"), if not prohibited by the Condominium Act, as the same may be amended, the Sponsor shall have the right, without the vote or consent of the Board of Managers, other Unit Owners, or holder 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 rooms in the Unit; (iv) 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; and (v) reapportion among such Units affected by such change in size or number, subdivision, combination, or alteration, their appurtenant interests in the Common Elements, provided, however, that the Sponsor and/or Sponsor Designee shall comply with all rules, ordinances, and regulations of all governmental authorities having jurisdiction, and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. In accordance with the 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. Contract vendees, if any, pursuant to Purchase Agreements with the Sponsor and/or Sponsor Designee for a Unit adversely affected as a result of the above changes, will be given the right to rescind their Purchase Agreements and receive a refund of any deposit or down payment. The above changes, if made, will be disclosed in an amendment to the offering plan for the Property. The provisions of Paragraph 16 may not be added to, amended, or deleted without the prior written consent of the Sponsor.

18. **Invalidity.**

If any provisions of this Declaration or the By-Laws are invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the Owners of the Property and their heirs, executors, administrators, legal representatives, successors, and assigns, as covenants running with the Land and with every part thereof and interests therein, 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 provisions 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 the Declaration or the By-Laws, then such provision shall be deemed included as part of the Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act.

Subject to the terms of the above paragraph of this Paragraph 18 of this Declaration or the By-Laws if any provisions 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, successors, administrators, legal representatives, and assigns as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of the Declaration and By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

19. **Termination of Condominium.** The Condominium may be terminated by casualty loss, condemnation, or eminent domain, in accordance with the provisions of the By-Laws, or by

withdrawing the Property from the provisions of the Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than seventy-five (75%) percent in number and Common Interest of the Units. The Sponsor will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least seventy-five (75%) percent in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the 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 Unit Owners until all lienors have first been paid off out of the share of such proceeds.

20. **Common Expense.** Common Expense of the Condominium shall mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to, the provisions of the Condominium Act, the Declaration or the By-Laws.
21. **Waiver.** No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.
22. **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.
23. **Gender and Number.** The use of the masculine gender in this Declaration shall be deemed to refer to the feminine as well and the use of the singular shall refer to the plural and visa versa, whenever the context so requires.

IN WITNESS WHEREOF, the parties have caused this Declaration to be executed by its duly authorized representatives this day of

351-353 21st Realty LLC

By: Louis Greco, manager

State of New York, County of , ss.:

On the day of in the year 20 , before me the undersigned, a Notary Public in and for said State personally appeared Louis Greco personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity/capacities and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

SCHEDULE A
TO THE DECLARATION OF
ABBY COURT CONDOMINIUM

PARCEL A 351 21st Street

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,, being more particularly bounded and described as follows:

BEGINNING at a point on the northerly side of 21st Street distant 150 feet westerly from the corner formed by the intersection of the northerly side of 21st Street with the westerly side of 7th Avenue

RUNNING THENCE northerly parallel with 7th Avenue 100 feet;

THENCE westerly parallel with 21st Street 25 feet;

THENCE southerly parallel with 7th Avenue and part of the distance through a party wall 100 feet to the northerly side of 21st Street 25 feet to the point or place of **BEGINNING**.

PARCEL B 353 21st Street

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, being more particularly bounded and described as follows:

BEGINNING at a point on the northeasterly side of 21st Street distant 125 feet northwesterly from the northerly corner of 21st Street and 7th Avenue

RUNNING THENCE northeasterly parallel with 7th Avenue and part of the distance through a party wall 100 feet;

THENCE northwesterly parallel with 21st Street 25 feet;

THENCE southwesterly parallel with 7th Avenue 100 feet to the northeasterly side of 21st Street;

THENCE southeasterly along the northeasterly side of 21st Street 25 feet to the point or place of **BEGINNING**.

SCHEDULE B

ABBY COURT CONDOMINIUM 351-353-21st STREET, BROOKLYN, NEW YORK 11215

UNIT	PERCENTAGE INTEREST IN COMMON ELEMENTS	TAX LOT NUMBER	APPROX. SQUARE FOOT AREA	LOCATION	NO OF ROOMS & BATHS	LIMITED COMMON ELEMENTS
351 21 st Street						
1F	5.83%		995	1 st floor & cellar	3½/1½	140 Sq. Feet of rear garden
1R	7.37%		1148	1 st floor & cellar	3½/1½	
2F	4.95%		512	2 nd floor	4½/1	
2R	4.95%		512	2 nd floor	4½/1	
3F	4.95%		512	3 rd floor	4½/1	283 sq. feet of roof terrace 105 sq. feet of roof terrace
3R	4.95%		512	3 rd floor	4½/1	
4F	7.50%		1063	4 th & 5 th floors	4½/2	
4R	7.79%		991	4 th & 5 th floors	4½/2	
Parking Space 1	0.57%		216			
Parking Space 2	0.57%		144			
Parking Space 3	0.57%		144			
353 21 st Street						
1F	5.83%		995	1 st floor & cellar	3½/1½	140 Sq. Feet of rear garden
1R	7.37%		1148	1 st floor & cellar	3½/1½	
2F	4.95%		512	2 nd floor	4½/1	
2R	4.95%		512	2 nd floor	4½/1	
3F	4.95%		512	3 rd floor	4½/1	283 sq. feet of roof terrace 105 sq. feet of roof terrace
3R	4.95%		512	3 rd floor	4½/1	
4F	7.50%		1063	4 th & 5 th floors	4½/2	
4R	7.79%		991	4 th & 5 th floors	4½/2	
Parking Space 4	0.57%		144			
Parking Space 5	0.57%		144			
Parking Space 6	0.57%		144			

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