THIS IS A NON-EVICTION PLAN. NO NON-PURCHASING TENANT WILL BE EVICTED BY REASON OF CONVERSION TO CONDOMINIUM OWNERSHIP.

CONDOMINIUM OFFERING PLAN

430 WAVERLY AVENUE CONDOMINIUM
430 Waverly Avenue
Brooklyn, New York 11238

KINGS COUNTY

Total Amount of Offering	$1,877,000
Working Capital Fund	$0
Reserve Fund	$0

(3 Residential Units being offered)

Sponsor:
430 Waverly Avenue, LLC
430 Waverly Avenue #1
Brooklyn, New York 11238

Selling Agent:
The Corcoran Group
65 Lafayette Avenue
Brooklyn, New York 11217

Date of Acceptance for Filing: June 1, 2007

The Term of the Initial Offer is from June 1, 2007 and will end on May 31, 2008, unless extended by amendment.

SEE PAGE iii FOR SPECIAL RISKS TO PURCHASERS

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

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

TABLE OF CONTENTS

PART I

PAGE

SPECIAL RISKS iii

DEFINITIONS 1

INTRODUCTION 5

LOCATION AND AREA INFORMATION 9

OFFERING PRICES AND RELATED INFORMATION, SCHEDULE A 10

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION, SCHEDULE B 18

BUDGET FOR INDIVIDUAL ENERGY COSTS, SCHEDULE B-1 25

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i 27

CHANGES IN PRICES AND UNITS 28

ACCOUNTANT'S CERTIFIED STATEMENTS OF OPERATION 32

RIGHTS OF EXISTING TENANTS 42

OBLIGATIONS OF OWNERS OF DWELLING UNITS OCCUPIED BY NON-PURCHASING TENANTS 44

INTERIM LEASES 44

PROCEDURE TO PURCHASE 46

ASSIGNMENT OF PURCHASE AGREEMENTS 54

EFFECTIVE DATE 55

TERMS OF SALE 57

UNIT CLOSING COSTS AND ADJUSTMENTS 61

RIGHTS AND OBLIGATIONS OF THE SPONSOR 66

CONTROL BY THE SPONSOR 70

BOARD OF MANAGERS 71

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS 73

REAL ESTATE TAXES AND TAXES ON THE CONDOMINIUM 88
INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM 90
RESERVE FUND 96
WORKING CAPITAL FUND AND CLOSING ADJUSTMENTS WITH THE CONDOMINIUM BOARD 96
IDENTITY OF THE PARTIES 97
SPONSOR'S PROFIT 98
REPORTS TO UNIT OWNERS 99
DOCUMENTS ON FILE 99
GENERAL 100
SPONSOR'S STATEMENT OF BUILDING CONDITION 101

PART II

PAGE
PURCHASE AGREEMENT A-1
POWER OF ATTORNEY B-1
FORM OF UNIT DEED C-1
DESCRIPTION OF PROPERTY AND BUILDING CONDITION D-1
FLOOR PLANS E-1
ASBESTOS REPORT F-1
DECLARATION OF CONDOMINIUM G-1
CONDOMINIUM BY-LAWS H-1
GENERAL BUSINESS LAW SECTION 352-eeee I-1
CERTIFICATIONS
SPONSOR AND PRINCIPALS J-1
SPONSOR'S ARCHITECT J-3
SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET J-5

SPECIAL RISKS

TERMS USED IN THIS SECTION OF THIS PLAN ARE DEFINED IN THE NEXT SECTION OF THIS PLAN.

1. If a Purchaser defaults under a Purchase Agreement, time is of the essence with respect to the time within which the Purchaser must cure the default, as provided in the Purchase Agreement. This means that time limits within which the Purchaser must cure the default will be strictly observed and extensions will not be granted. The Sponsor must give a Purchaser who defaults a 30-day written notice to cure the default before forfeiture of a defaulting Purchaser's down payment may be declared. See the Purchase Agreement, a copy of which is included in Part II of this Plan.

2. No bond or other security is provided to secure the obligations of the Sponsor under the Plan. See the section of this Plan entitled "Rights and Obligations of Sponsor."

3. Down Payments will be placed in an escrow account of the Sponsor's attorney. Deposits in excess of $100,000 will not be federally insured in excess of $100,000. See the section of this Plan entitled "Procedure to Purchase."

4. The Purchaser is responsible for the payment of the New York State Real Estate Transfer Tax, which currently is $2.00 per $500, or fractional portion thereof, of the purchase price for Residential Units, and for Residential Units costing $1,000,000 or more an additional tax of one percent (1%) of the purchase price. The Purchaser is also responsible for the New York City Real Property Transfer Tax, which is currently equal to one percent (1%) of the purchase price for Residential Units costing $500,000 or less, and one and four hundred twenty five one thousandths percent (1.425%) for Residential Units costing more than $500,000. When calculating the taxes, taxes paid by Purchasers are added to the purchase price. See the section of the Plan entitled "Closing Costs and Adjustments."

5. The Building will be self-managed. No manager or management contract is provided for. The Board will be responsible for, among other duties, operating and maintaining the Property, hiring and supervising any staff, purchasing supplies, effecting insurance coverage, paying all Condominium accounts, collecting Common Charges and assessments, and retaining and assisting accountants to prepare tax returns and annual statements. Common Charges would increase if the Condominium pays a managing agent a management fee in the future. It may be difficult, however, to find a managing agent for a building as small as the Building. See the section of this Plan entitled "Budget for First Year Condominium Operation, Schedule B."

6. Although a Purchaser may obtain financing from a lending institution or any other source, his, her or its obligation to purchase a Unit pursuant to his, her or its Purchase

Agreement is not contingent on obtaining financing for such purchase. See the section of this Plan entitled "Procedure to Purchase."

7. Areas in Schedule A are not based on measurements from the interior surfaces of interior walls of rooms and are greater than the usable floor area of the Units. The approximate area of each Unit is greater than the Unit dimensions as described in the Declaration in Part II of this Plan, which description shall be binding on the Unit Owners and the Board of Managers. Descriptions of the responsibilities of Unit Owners and the Board of Managers in this Plan refer to the Units as described in the Declaration. All measurements are approximate, within reasonable tolerances. See the section of this Plan entitled "Offering Prices and Related Information, Schedule A" and the Declaration, a copy of which is included in Part II of this Plan.

8. The Sponsor intends to sell the Units offered pursuant to this Plan and will endeavor in good faith to sell Units rather than rent. Sponsor reserves the unconditional right to rent the Units offered pursuant to this Plan. Because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more units than the fifteen percent (15%) necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium. If the Sponsor makes a bulk sale of all or some of its Unsold Units, the transferee successor sponsor is bound by Sponsor's representations regarding its commitment to sell, and its reservation of the right to rent, the Units as specified herein. See the sections of the Plan entitled "Introduction" and "Rights and Obligations of the Sponsor."

9. The Sponsor does not have any actual knowledge of any lead-based paint or lead-based paint hazards in the Units or in the Building. The Sponsor has not undertaken any separate investigation or risk assessment as to the presence of lead-based paint hazards in the Building and/or the Units. The Sponsor does not make any guaranty, representation and/or warranty as to the accuracy of the disclosure contained herein or as to the presence (including the magnitude thereof) or lack thereof, of lead-based paint hazards, in the Units or in the Building. The Purchaser by the Purchase Agreement assumes all risk, if any, as to lead-based paint hazards in the Unit being purchased. See the section of this Plan entitled "Terms of Sale."

10. The Sponsor may maintain control of the Board of Managers as long as the Unsold Units constitute more than fifty percent (50%) of the Common Interests. Because Sponsor will endeavor in good faith to sell all the Units, however, the Sponsor intends to surrender voting control of the Board of Managers from the time the second Unit is sold.

11. The Units are offered "As Is." The Sponsor is not obligated to perform any work and is obligated to provide only the equipment, fixtures, and furnishings described in the "Description of Property and Specifications or Building Condition" in Part II of this Plan. Each potential Purchaser is advised to inspect the Unit in which he, she or it is interested in order to determine its layout, fixtures, appliances and other features and condition. The Sponsor makes no representations, guarantees or warranties regarding

the existence of or condition of flooring, cabinets, paint, fixtures, appliances, lofts and other tenant installations, or other interior elements of a Unit. In no event shall the presence of any furniture, furnishings, equipment, material or other features in any model apartment imply or represent that any Unit will be other than as described in the "Description of Property and Specifications or Building Condition."

12. The Sponsor does not have any actual knowledge of any lead-based paint or lead-based paint hazards in the Units or in the Building. The Sponsor has not undertaken any separate investigation or risk assessment as to the presence of lead-based paint hazards in the Building and/or the Units. The Sponsor does not make any guaranty, representation and/or warranty as to the accuracy of the disclosure contained herein or as to the presence (including the magnitude thereof) or lack thereof, of lead-based paint hazards, in the Units or in the Building. The Purchaser by the Purchase Agreement assumes all risk, if any, as to lead-based paint hazards in the Unit being purchased.

13. The owners of Units 2 and 3 should note that the washer and dryer located in the common laundry room are Limited Common Elements appurtenant to Unit 1 and that no washers or dryers are being provided as Limited Common Elements appurtenant to Units 2 and 3. The owners of Units 2 and 3, however, can install at their own expense washers and/or dryers for their own use in the common laundry room. The Declaration permits a Unit Owner who installs a washer and/or dryer to file an Amendment to the Declaration to provide that the same are appurtenant to his, her or its Unit, without obtaining consent of the Board of Managers of the Condominium or the Unit Owners. Such amendments may be made without a vote of the Unit Owners. See the "Notes to Schedule A" in Part I of the Plan and the Declaration in Part II of the Plan.

Page without text

DEFINITIONS

Definitions of some important terms used in this offering plan are set forth below. These definitions are for explanatory purposes and should be read in conjunction with technical definitions appearing in the Declaration, By-Laws and Condominium Act, all defined below.

1. Board of Managers - The governing body of Condominium (defined below), which will conduct Condominium affairs and supervise the operation of the Property (defined below). Also referred to as "Board."

2. Building - The structure erected now or later on the Land (defined below) comprised of the Units (defined below) and Common Elements (defined below).

3. By-Laws - The by-laws for the governance of the Condominium. A copy of the By-Laws is included in Part II of this Plan.

4. Closing - The time, place and procedure of transfer of title of a Unit from the Sponsor (defined below) to a Purchaser (defined below) in exchange for payment of the purchase price pursuant to a fully executed Purchase Agreement (defined below).

5. Common Charges - Each Unit's proportionate share of the Common Expenses (defined below), determined by multiplying the Common Expenses by the Unit's Common Interest (defined below).

6. Common Elements - The portions of the Property other than Units, including, without limitation, the Land, hallways, vestibule, laundry room, storage room and other portions of the Building set aside for common use and Limited Common Elements (defined below).

7. Common Expenses - Operating and other expenses of the Condominium as determined by the Board of Managers.

8. Common Interest - The proportionate undivided interest, in fee simple absolute, expressed as a numerical percentage, in the Common Elements, appurtenant to each Unit. The aggregate Common Interest for all Units is 100%. The percentage of Common Interest of a Unit is the basis for determination, among other things, of the following rights and duties of the Unit Owner (defined below):

   a. Voting power;

   b. Share of Common Expenses;

   c. Share of any distribution upon termination of Condominium ownership.

10. Condominium - The Units and Common Elements constitute the Condominium to be located at 430 Waverly Avenue, Brooklyn, New York and to be known as "430 Waverly Avenue Condominium."

11. Condominium Act - Article 9-B of the Real Property Law of the State of New York, as amended.

12. Declaration - The document by which the Property is submitted to the provisions of the Condominium Act, as such document may from time-to-time be amended, consistent with law, the provisions of the Declaration and the By-Laws. The Declaration will be recorded in the Office of the City Register, Borough of Brooklyn. A copy of the Declaration is included in Part II of this Plan.

13. Department of Law - The New York State Department of Law, also known as the Attorney General's office.

14. Down Payment - The payment made pursuant to a Purchase Agreement by a Purchaser to the Sponsor at the time a Purchase Agreement is signed.

15. Escrow Account - The bank account into which the Escrow Agent will place Down Payments and other funds received under a Purchase Agreement prior to Closing.

16. Escrow Agent - The attorney for the Sponsor, Marcus Attorneys, which will hold funds paid by a Purchaser under a Purchase Agreement until the Closing or termination of a Purchase Agreement and disposition of such funds as described in the Purchase Agreement and the section of this Plan entitled "Procedure to Purchase."

17. Exhibits - Those documents which are part of this Plan and are intended to provide additional information to the Purchaser and/or clarify the Plan. The Exhibits include Parts A, B, C and D submitted to the Department of Law by the Sponsor pursuant to the regulations of the Department of Law.

18. Final Inspection Sheet – A statement in which the Sponsor and a Purchaser agree as to the incomplete work of a material nature which the Sponsor must perform or complete in, or to, said Purchaser's Unit.

19. Floor Plans - The floor plans for the Building to be filed with the Declaration in the Office of the City Register, Borough of Brooklyn and available at the office of the Sponsor's attorney.

20. Interim Lease - A lease between the Sponsor and a Purchaser to permit occupancy of a Unit prior to the Closing.

21. Land - The land known as 430 Waverly Avenue, Brooklyn, New York and described in detail in the section of this Plan entitled "Description of Property and Improvements."

22. Legal Requirements - The requirements and limitations of laws, ordinances, rules, regulations, guidelines and determinations of any government, governmental authority or quasi-governmental authorities and agencies, case law and all judicial rulings, judgments and orders, the requirements of insurers, insurance underwriting agencies, agreements, instruments and insurance policies, and of mortgages and the holders of mortgages on the Property or any part thereof binding on the Board of Managers or affecting the Condominium, the Declaration, the By-Laws or the Rules and Regulations, and of the By-Laws, the Declaration and the Rules and Regulations (defined below).

23. Limited Common Element - A Common Element appurtenant to a particular Unit or Units, the use of which is restricted to the owner(s) of such Unit or Units. The respective responsibilities of such Unit Owners and the Board of Managers for repair and maintenance of Limited Common Elements are set forth in the Declaration and By-Laws.

24. Plan - This offering plan describing the sale of Units at 430 Waverly Avenue, Brooklyn, New York, including the Exhibits.

25. Property - The Land and Building known as 430 Waverly Avenue, Brooklyn, New York.

26. Purchase Agreement - The written agreement for the sale-purchase of a Unit, between a Purchaser and the Sponsor. The Purchase Agreement is described in the section of this Plan entitled "Procedure to Purchase" and a form is included in Part II of this Plan.

27. Purchaser - A person, persons or an entity that has or have entered into a Purchase Agreement.

28. Residential Units – Units 1, 2 and 3 as described on the floor plans on file at the office of the Sponsor's attorney and which will be filed in the Office of the City Register, Borough of Brooklyn.

29. Rules and Regulations – The rules and regulations of the Condominium, initially as included in Part II of this Plan and as modified from time to time in accordance with the By-Laws.

30. Selling Agent - The Corcoran Group, a real estate brokerage firm retained by the Sponsor to market the Units. It can be reached at 65 Lafayette Avenue, Brooklyn, NY 11217, 718-210-4010, Attention: Jerry Minsky. The Selling Agent and its personnel may not bind the Sponsor or make any representation on behalf of the Sponsor.

31. Sponsor – 430 Waverly Avenue, LLC, the limited liability company making the offering described in this Plan. 430 Waverly Avenue, LLC has its office at 430 Waverly Avenue #1, Brooklyn, New York 11238. It is formed under the laws of the State of New York.

32. Unit - A particular space described as a "unit" on the Floor Plans, together with an undivided percentage interest in the Common Elements and appurtenant rights.

33. Unit Owner - The person, persons or entity owning a Unit in fee simple absolute.

34. Unsold Unit - A Unit owned, at the time in question, by the Sponsor or its designee or successor who or which does not occupy the Unit for his, her, its or their own use.

35. Working Capital Fund - A fund created for working capital, making repairs or for such other appropriate purposes permitted under the By-Laws as will be determined by the Board of Managers. At Closing, each Purchaser will contribute three months' Common Charges to the fund. See the section of this Plan entitled "Working Capital Fund And Closing Adjustments With The Condominium Board."

INTRODUCTION

430 Waverly Avenue, LLC presents this offering plan to describe the submission to condominium ownership of the Land and the Building known as 430 Waverly Avenue, Brooklyn, New York and all appurtenances thereto and the sale of Units in the Condominium. The Condominium will be known as "430 Waverly Avenue Condominium." The Condominium will contain a total of 3 Residential Units. The 3 Residential Units are offered for sale.

The Sponsor invites all prospective Purchasers to read this Plan in order to properly and thoroughly evaluate the offering made by the Sponsor. The purpose of this Plan is to set forth all the material terms of the offer to sell Units in order to allow prospective Purchasers to make informed decisions regarding their purchase of Units. The terms of this Plan may be changed from time to time by amendments accepted for filing by the Department of Law. Amendments will be distributed to Purchasers and Unit Owners and any other person entitled to receive a copy of an amendment pursuant to law or regulations.

The Condominium is subject to, and complies with, the Condominium Act. The Property will be submitted to provisions of the Condominium Act by the Sponsor's recording the Declaration in the Office of City Register, Borough of Brooklyn. From the date of recording the Declaration, the Sponsor will be the owner of each of the Units until each is sold and conveyed. The Sponsor may not, under law, offer Units for sale unless and until an offering plan has been accepted for filing by the Department of Law.

The Sponsor of this Plan is 430 Waverly Avenue, LLC. The Sponsor is a contract vendee of the Property and will acquire title to the Property immediately prior to the first Closing.

Sponsor intends to sell the Units offered pursuant to this Plan and will endeavor in good faith to sell Units. Sponsor reserves the unconditional right to rent the Units offered pursuant to this Plan. If the Sponsor makes a bulk sale of all or some of its Unsold Units, the transferee successor sponsor is bound by Sponsor's representations regarding its commitment to sell Units. See the section of this Plan entitled "Rights and Obligations of the Sponsor."

This Plan as currently constituted calls for 3 Residential Units, all of which are offered for sale, as well as common areas including hallways, stairs, vestibule, a storage room in the cellar for the use of all Unit Owners, boiler room, and laundry room. There will also be the following Limited Common Elements: Unit 1 shall have approximately 756 square feet of rear yard and a washer and a dryer located in the common laundry room. The owners of Units 2 and 3 should note that no washers or dryers are being provided as Limited Common Elements to those Units – the owners of those Units, however, can install at their own expense washers and dryers for their own use in the common laundry room; Unit 3 shall have the right to build a roof deck in the northwest portion of the roof, as shown in the Floor Plans; each Unit shall have an

A/C condenser unit located in the roof and a boiler and a hot water heater located in the cellar. See the Notes to Schedule A below for more details.

The Board of Managers does not have the right to approve or disapprove Purchasers.

The By Laws provide that after the initial Sponsor voting control period, a majority of the Board must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. This means that the owner of one of the three Units offered for sale may purchase that Unit for investment rather than for personal occupancy.

Because the Plan may be declared effective based on the sale of fifteen percent (15%) of the Units offered (that is, one Unit) to tenants of bona-fide Purchasers, Purchasers may be living in a mixed rental/owner-occupied building for an indeterminate period of time. Therefore, and because the Sponsor will hold Units as investments, Purchasers should note that Unit Owners, the Sponsor and tenants/renters may have different priorities in operating the Building, such as regarding when and how much to invest in repairs, maintenance and/or capital improvements.

The initial purchase price for each Unit, the percentage of Common Interest allocated to each Unit, the estimated annual Common Charges and other financial information are listed below in "Schedule A – Schedule of Purchase Prices and Other Financial Details for Each Unit." **THE PRICES CONTAINED IN THIS PLAN HAVE BEEN SET BY THE SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.**

No binding obligation will arise between a Purchaser and the Sponsor unless and until a Purchase Agreement, executed by both a Purchaser and the Sponsor, has been exchanged and Sponsor has collected the Down Payment. The submission of a Purchase Agreement for a Unit by the Sponsor to a prospective Purchaser or receipt by the Sponsor of a Purchase Agreement from a prospective Purchaser does not mean that the Sponsor has approved the prospective Purchaser to purchase a Unit.

Features of Condominium Ownership

The Purchaser of a Unit will own his, her or its Unit in a manner similar in many respects to the ownership of a one-family home. He, she or it will own the Unit outright, will be entitled to the exclusive possession of the Unit and also will own an undivided fee interest in, and will have the right to use, the Common Elements in common with all other Unit Owners. He, she or it also will have the exclusive or shared right to use any Limited Common Elements appurtenant to his, her or its Unit. A Unit Owner will be required to pay Common Charges in accordance with the Declaration, By-Laws and Sections 339-i, 339-m and other applicable provisions of the Condominium Act, proportionate to his, her or its respective interest in the Common Elements, for the operation and maintenance of the Property. The Common Charges may include a reserve for contingencies, replacements and/or repairs in such amount as the Board of Managers shall decide is in the best interest of the Condominium. The Board of Managers will determine the Common Charges. See "Schedule B – Projected Budget for First

Year of Condominium Operations." A Unit Owner may use the Unit for any legal purpose, subject to Legal Requirements. Prospective Purchasers should note the use restrictions contained in the Declaration and the By-Laws and described in the section of this Plan entitled "Rights and Obligations of the Unit Owners and the Board of Managers." Each Unit Owner must comply with the Declaration, the By-Laws and the Rules and Regulations and may lose the right to vote annually for the Board of Managers and be subject to other sanctions if not in compliance with all of the foregoing.

A Unit Owner may sell or lease his, her or its Unit subject only to the right of first refusal exercisable by the Board of Managers, and may mortgage his, her or its Unit, without restriction, with an institutional lender.

Each Unit Owner will be taxed separately for real estate tax purposes and may obtain a mortgage loan on his, her or its Unit and make the mortgage loan payment directly to the mortgage lender. The Unit will not be affected by any other Unit Owner's separate obligation for such other Unit Owner's mortgage loan or real estate taxes.

Each Unit Owner will be further responsible for utility charges consumed in his, her or its unit. Estimates of certain utility changes are below in "Budget for Individual Energy Costs, Schedule B-1."

At the Closing of a Unit, the Purchaser will be required to make a contribution equal to three months of Common Charges to the Working Capital Fund as described in the section of this Plan entitled "Working Capital Fund and Closing Adjustments with the Condominium Board" below.

Each Unit Owner will be responsible for the cost of interior maintenance and repair of his, her or its Unit, and for the cost of all decoration of the interior of the Unit beyond that set forth in the "Description of Property and Specifications or Building Conditions" in Part II of this Plan. Each Unit Owner will be responsible for the cost of his, her or its own liability insurance to cover occurrences within the Unit as well as for casualty insurance to cover losses to his, her or its personal possessions and improvements in the Unit. A more detailed description of the rights and obligations of Unit Owners is contained in the Declaration and By-Laws of the Condominium. These documents appear in Part II of this Plan.

The Board of Managers will conduct the affairs of the Condominium and supervise the operation of the Property. Unit Owners have the right to vote for members of the Board of Managers.

No government agency regulates the internal affairs and management of the Condominium. Any controversy among Unit Owners must be resolved by the Unit Owners in accordance with the By-Laws.

* * * *

In the opinion of the counsel for the Sponsor, each Unit Owner may be entitled to certain deductions for income tax purposes. See the section of this Plan entitled "Opinion of Counsel."

Non-Purchasing Tenants may be evicted by application of the provisions of the General Business Law of New York State Section 352-eeee for non-payment of rent, illegal use or occupancy, refusal of reasonable access to the Unit Owner, or similar breaches of a tenant's obligations to the owner of the Unit. A Non-Purchasing Tenant may not be evicted for failure to purchase or any other reason applicable to expiration of the tenancy. In addition, a Unit Owner may not recover possession of the Unit on the grounds that he or she wants the Unit for the use and occupancy of himself, herself or his or her family. A copy of GBL Section 352-eeee is included in Part II of this Plan. Further information regarding the rights of purchasing and Non-Purchasing Tenants is contained in the sections of this Plan entitled "Rights of Existing Tenants" and "Obligations of Owners of Dwelling Units Occupied by Non-Purchasing Tenants," below.

"Offering Prices and Related Information - Schedule A" contains price information for the various Units in the Condominium. The exclusive period for tenants is ninety (90) days, beginning on the Presentation Date. During the exclusive period, there will be no increase in prices to tenants. The Sponsor will not accept Purchase Agreements from non-tenant Purchasers for Occupied Units during the exclusive period.

When notice is required pursuant to the regulations of the Department of Law as described in Part I of this Plan, it shall be effective as follows: service by personal delivery shall be deemed complete upon delivery; service by mailing shall be presumed complete on the fifth day after the date of mailing. Purchasers should note that documents contained in Part II of this Plan may contain different notice provisions in which case such different provision shall apply.

The Sponsor has the right to reject any prospective Purchaser without cause or explanation, provided that such rejection is not based on sex, race, creed, color, national origin, ancestry, age, disability, marital status or other ground proscribed by law. Units may be offered only to individuals over the age of eighteen (18) and to corporations and other entities that may legally own real property in the State of New York.

A form of the Purchase Agreement is reproduced in Part II of this Plan.

This Plan consists of Parts I and II, including all schedules, as well as Parts A, B, C and D of the Exhibits submitted to the Department of Law. This Plan constitutes the entire offer of the Sponsor and contains all of the material terms of the transaction. Part I sets forth a general description of the offering and the Condominium. Part II of this Plan contains the basic documents necessary to create the Condominium and otherwise effectuate this Plan. Also included in Part II are a detailed physical description of the Property and certifications as to certain matters discussed in this Plan. All documents referred to in this Plan are important and should be read carefully by prospective Purchasers. Prospective Purchasers should consult an attorney before purchasing a Unit and provide him or her with a copy of this Plan. Copies of this Plan, all documents referred to herein and all Exhibits submitted to the Department of Law

in connection with the filing of this Plan, will be available for inspection by prospective Purchasers and their attorneys without charge at the office of the Sponsor's attorney during normal business hours. Copies will also be available for photocopying at a reasonable charge. In addition, copies of this Plan and all Exhibits will be available for inspections and copying at a reasonable fee at the Department of Law.

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

LOCATION AND AREA INFORMATION

One of Brooklyn's premier neighborhoods, Clinton Hill contains different architectural styles, including Italianate brownstones, Neo-Georgian, Queen Anne and Romanesque Revival houses, and pre-Civil War farmhouses.

Other neighborhood features include the Pratt Institute, St. Joseph's College, and many grand churches.

The Property is located near The Brooklyn Hospital Center.

The Property is located in School District 13. P.S. 20, the Clinton Hill School, is located at 225 Adelphi Street, Brooklyn, New York 11205. Other nearby public schools include P.S. 11, the Purvis J. Behan School, located at 419 Waverly Avenue, Brooklyn, New York 11238, and P.S. 56, the Lewis H. Latimer School, located at 170 Gates Avenue, Brooklyn, NY 11238. Nearby private schools include the Dillon Child Study Center at St. Joseph's College, the Hanson Place SDA Elementary School, located at 38 Lafayette Avenue, Brooklyn, NY 11217, the Bishop Loughlin Memorial High School, located at 357 Clermont Avenue, Brooklyn, NY 11238, and the Queen of All Saints School, located at 300 Vanderbilt Avenue, Brooklyn, NY 11205.

The A, C, G, N, R, 2, 3, 4 and 5 subway lines serve the area, as well as extensive bus routes and the Long Island Rail Road.

Services: Police, fire, water, sanitation, and road maintenance services are all provided by The City of New York.

Zoning: The Property is located within a R6 District. This zone allows the Property to be used for residential and community facility purposes, although uses are further restricted by the Declaration.

SCHEDULE A

OFFERING PRICES AND RELATED INFORMATION FOR EACH UNIT FOR THE FIRST YEAR OF CONDOMINIUM OPERATIONS FROM JANUARY 1, 2007 TO DECEMBER 31, 2007

430 Waverly Avenue Condominium
430 Waverly Avenue
Brooklyn New York 11238

Unit number and location	Status of Unit	Bedrooms and Baths (1)	Approx. area sq. ft. (2)	Approx. Ltd. Common Elements sq. ft. (9) - (14)	Offering price (3)	Percent common interest (5)	Est. common charges monthly/annually (6)		Est. annual real estate taxes monthly/annually (7)		Est. monthly carrying cost (8)
1 - Basement & 1st floor	Deregulated/Occupied	2 / 3	1584	756	$649,000	40.00%	$476.93	$5,723.20	$323.53	$3,882.33	$800.46
2 - 2nd Floor	Deregulated/Occupied	3 / 2	1067	N/A	$599,000	30.00%	$357.70	$4,292.40	$242.65	$2,911.75	$600.35
3 - 3rd Floor	Deregulated/Occupied	3 / 2	1067	200	$629,000	30.00%	$357.70	$4,292.40	$242.65	$2,911.75	$600.35
			3,718	**956**	**$1,877,000**	**100.00%**	**$1,192.33**	**$14,308.00**	**$808.82**	**$9,705.83**	**$2,001.15**

Common Elements: Entryway, vestibule, hallways, corridors, stairs and stairways, portions of cellar, laundry room, storage area, and boiler room.

Ltd. Common Elements: Unit 1: Rear Yard, Cellar Storage Area, A/C Equipment, Boiler, Hot Water Heater, Washer and Dryer, Flues
Unit 2: A/C Equipment, Boiler, Hot Water Heater, Washer/Dryer Combo Unit, Flue
Unit 3: Right to build roof deck, A/C Equipment, Boiler, Hot Water Heater, Flue

NOTES TO SCHEDULE A

1. Number of Rooms

The room count is calculated as follows: whole rooms: bedrooms, kitchens, living rooms, storage rooms and recreation rooms. Kitchen/living room combinations are counted as two rooms.

The above does not necessarily conform to room counts used by the New York City Department of Buildings or any other government agency. Any Floor Plan or sketch shown to a prospective Purchaser shows only an approximation of the dimensions and layout of a Unit. Floor Plans are included in Part II of this Plan. Each Unit should be inspected to determine its condition, layout and the position of partitions. The Sponsor reserves the right to change the location of any demising walls used in defining the spaces of any Unit, and thereby change the approximate gross square footage of the Unit so affected.

No material change in size or layout may be made unless an affected Purchaser consents if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default. No material change in size of the Units will be made without an amendment to the Plan.

2. Approximate Area

Unit areas are not based on measurements from the interior surfaces of interior walls of rooms and are greater than the usable floor area of the Unit. The approximate area of the Units is measured to the centerline of partitions and to the outside of exterior walls. The approximate area of each Unit is greater than the Unit dimensions as described in the Declaration in Part II of this Plan, which description shall be binding on the Unit Owners and the Board of Managers. Descriptions of the responsibilities of Unit Owners and the Board of Managers in this Plan refer to the Units as described in the Declaration. Unit area measurements are approximate, within reasonable tolerances. No material change in size or layout may be made unless an affected Purchaser consents if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default. No material change in size of the Units will be made without an amendment to the Plan.

3. Offering Price

The prices presented in Schedule A may be changed only by an amendment to this Plan duly filed with the Department of Law when the change in price is an across-the-board increase or decrease affecting one or more lines of Units, or is to be advertised, or is a price increase for a individual Purchaser. The Sponsor reserves the right to lower prices and to alter other terms of the Purchase Agreement for a Unit as a result of individual negotiations between the Sponsor and a Purchaser without filing an amendment. Accordingly, it is possible that Purchasers may

pay less or more than is indicated in this Plan. See the section of this Plan entitled "Changes in Price and Units," below.

Closing costs and adjustments, which will vary for each Unit, are not included in the purchase price. The current estimates of such costs and adjustments are discussed in the section of this Plan entitled "Closing Costs and Adjustments," below.

The Purchaser is responsible for the payment of the New York State Real Estate Transfer Tax and the New York City Real Property Transfer Tax due on the sale-purchase of a Unit.

4. Percentage of Common Interest

A Unit's percentage of Common Interest is calculated based on a Unit's floor space subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared used, and the overall dimensions of the particular Unit, pursuant to Section 339-i (1) (iv) of the Condominium Act.

5. Common Charges

Common Charges will be billed and collected on a monthly basis, subject to change by the Board of Managers. To the extent that Common Charges are unpaid, they shall constitute a lien upon the Unit charged. Such lien shall be subordinate to liens for real estate taxes and any first mortgage on the Unit. Electricity supplied to the common areas and expenses for cleaning, maintenance and supplies for the common areas are charged to all Units. Water charges and sewer rents will be Common Expenses for all Units unless any Unit Owner is directly billed for water charges and sewer rents by the municipal authority, in which event such Unit shall not be charged water and sewer Common Expenses.

A Purchaser shall contribute three months' Common Charges to the Working Capital Fund at the time of Closing on his, her or its Unit. See the sections of this Plan entitled "Unit Closing Costs and Adjustments" and "Working Capital Fund and Closing Adjustments with the Condominium Board."

6. Aggregate Monthly Rents

The aggregate of the monthly rents currently payable from tenants of Units 2 and 3 is $4,200.

7. Projected Real Estate Taxes

After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes. A Unit Owner will not be responsible for, nor will the Unit be subject to, any lien arising from the non-payment of, taxes on other Units.

The New York City Final Assessment Roll shows an assessed valuation of the Property of $61,640 for the 2006-2007 real estate tax year. The 2006-2007 real estate taxes are $9,705.83 based on a tax rate of 15.746% for a Tax Class 1 building. For the 2004-2005 tax year, the Property's assessed value was $74,895 and taxes paid amounted to $11,009 based on a 14.699% tax rate. For the 2005-2006 tax tear, the Property's assessed value was $64,570 and taxes paid amounted to $10,871 based on a 16.835% tax rate. The Department of Finance of the City of New York will allocate the assessed value among the Units. It is anticipated that the allocation will be based on each Unit's Common Interest, but no warranty as to the method of allocation is made to any Purchaser or Unit Owner. Pursuant to Real Property Law Section 581, the assessed value of the Property must be determined without regard for whether the Property is owned on a condominium basis or not.

Projected real estate taxes for the Property were assigned to Residential Units based on Common Interests.

Real estate taxes for an individual Unit will increase in proportion to any increase in real estate taxes for the Condominium as a whole.

The estimate of real estate taxes is made based upon the 2006-2007 New York City Final Assessment Roll, but no warranty is made as to whether the 2007-2008 real estate taxes will be higher due to changes in the assessed value and/or tax rate.

The opinion of the Sponsor's attorney, included in this Plan, describes circumstances under which real estate taxes may be deductible for income tax purposes. In general, real estate taxes paid on a Unit used as the taxpayer's primary residence are deductible. Deductibility in other circumstances is discussed in the attorney's opinion. As a result of changes in real estate taxes, tax laws, assessed values and/or tax rates, the amount of income tax deductions with respect to real estate taxes will vary. See the section of this Plan entitled "Real Estate Taxes," below.

8. Carrying Charges

Prospective Purchasers should note that monthly carrying charges do not include certain housing costs for which each Unit Owner is responsible, such as repairs to the interior of the Unit, separately metered gas (for cooking, heat and hot water), separately metered electricity (including air conditioning), repairing the Unit's appliances, cable television, internet and telephone services, and insurance on improvements to the Unit, a Unit Owner's possessions and against liability for occurrences in the Unit. See Schedule B-1 for an estimate of certain of these costs. In addition, if a Purchaser obtains financing, debt servicing on such financing will be an additional monthly expense that is not included in the carrying charges. The Sponsor is not offering or procuring mortgage financing.

9. Rear Yard

Unit 1 shall have as a Limited Common Element the approximately 756 square feet of rear yard as shown on the Floor Plans. The Unit Owner may use the rear yard appurtenant to his, her or its Unit only in compliance with all Legal Requirements. The owner of Unit 1 and his, her or its successors and assigns shall be responsible for the maintenance, repair and replacement of any paving, landscaping, drainage, fences, enclosures, walls, or other elements of the rear yard, other than the Building walls, appurtenant to Unit 1, as required by Legal Requirements. The Board of Managers shall be responsible for maintenance, repair and replacement of the Building's exterior walls and other elements of the Building, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the rear yard or Building's exterior walls or other elements of the Building, if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to all areas of the rear yard in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event repairs require removal or disruption of any element of the rear yard, it shall be the responsibility of the Unit Owner to replace such element at the Unit Owner's cost. The owners of Unit 1 may not perform construction in the rear yard area that would require a building permit unless the owners comply with all Legal Requirements and obtain the prior approval of the Board of Managers.

10. Air Conditioning Equipment

Units 1, 2 and 3 shall each have as a Limited Common Element an air conditioning condenser located on the roof, and Unit 1 shall also have as a Limited Common Element an additional air conditioning condenser located in the rear yard, as shown on the Floor Plans. The Unit Owners shall have the right to place, inspect, maintain, repair and replace the air conditioning condenser and other air conditioning equipment serving his, her, or its respective Unit. A Unit Owner, and his, her or its agents and contractors shall have a right of access over and through the roof areas for such purposes. A Unit Owner shall be responsible for the maintenance, repair and replacement of the air conditioning equipment servicing his, her or its Unit (including equipment located outside the Unit and all piping and wiring associated with the air conditioning equipment), as required. The Board of Managers shall be responsible for maintenance, repair and replacement of all roofs, and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of any portion of roof or elements thereof, including all associated parapets, flashing and other elements, any portion thereof or any elements thereof, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors. In the event Building roofs or elements thereof require removal or disruption of any air conditioning equipment or associated piping or wiring, or element thereof, it shall be the responsibility of the Unit Owner to replace or repair same at the Unit Owner's cost. In any event, the Board of Managers and its agents, employees and contractors may have access to all roof areas of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take.

11. Boilers and Hot Water Heaters

Units 1, 2 and 3 shall each have a boiler for heat and a hot water heater located in the cellar as shown on the Floor Plans, which shall be Limited Common Elements of such Units. The Unit Owners shall have the right to place, inspect, maintain, repair and replace the boiler and hot water heater serving his, her, or its respective Unit. A Unit Owner, and his, her or its agents and contractors shall have a right of access over and through the cellar areas for such purposes. A Unit Owner shall be responsible for the maintenance, repair and replacement of the boiler and hot water heater servicing his, her or its Unit (including equipment located outside the Unit and all piping and wiring associated with the boiler and hot water heater), as required. The Board of Managers shall be responsible for maintenance, repair and replacement of all Building floors, ceilings and walls, and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of the Building floors, ceilings or walls, any portion thereof or any elements thereof, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors. In the event Building floor, ceiling or wall repairs, require removal or disruption of any boiler or hot water heater or associated piping or wiring, or element thereof, it shall be the responsibility of the Unit Owner to replace or repair same at the Unit Owner's cost. In any event, the Board of Managers and its agents, employees and contractors may have access to all cellar areas and common area hallway closets of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take.

12. Washers and Dryers

Unit 1 shall have as Limited Common Elements a gas dryer and an electrical washer located in the laundry room in the cellar as shown on the Floor Plans. Units 2 and 3 may each have as Limited Common Elements washers and dryers to be located in the cellar's laundry room should the owners of Units 2 and 3 choose to purchase and install them at their own expense. The Declaration permits a Unit Owner who installs a washer and/or dryer to file an Amendment to the Declaration to provide that the same are appurtenant to his, her or its Unit without obtaining consent of the Board of Managers of the Condominium or the Unit Owners. Such amendments may be made without a vote of the Unit Owners. The Unit Owners shall have the right to place, inspect, maintain, repair and replace their respective washers and dryers. A Unit Owner, and his, her or its agents and contractors shall have a right of access over and through the cellar areas for such purposes. A Unit Owner shall be responsible for the maintenance, repair and replacement of their washers and dryers (including all piping and wiring associated with the washers and dryers), as required. The Board of Managers shall be responsible for maintenance, repair and replacement of all Building floors, ceilings and walls, and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of the Building floors, ceilings or walls, any portion thereof or any elements thereof, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors. In the event Building floor, ceiling or wall repairs, require removal or disruption of any washer and/or dryer or associated piping or wiring, or element thereof, it shall be the responsibility of the Unit Owner to replace or repair same at the Unit Owner's cost. In any event, the Board of

Managers and its agents, employees and contractors may have access to all cellar areas and common area hallway closets of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take.

13. Flues

Unit 1 shall have as Limited Common Elements two flues, one attached to the fireplace serving the Unit and one attached to the gas dryer. Units 2 and 3 shall each have as a Limited Common Element a flue attached to the fireplaces serving the Units. The owners of Units 1, 2 and 3 shall have the right to inspect, maintain, repair and replace the flue serving their Units and an easement to access the roof, including the roof deck appurtenant to Unit 3, for such purposes. The owners of Units 1, 2 and 3 shall be responsible for the maintenance, repair and replacement of the flue (including all equipment associated therewith, whether located inside or outside the Units) serving their Units as necessary to keep the flue in good working condition. If during the course, or as a result, of maintaining, repairing or replacing the flue, any Common Element or Unit is damaged for any reason, intentional or not, the Unit Owner undertaking the maintenance, repair or replacement shall be responsible for all costs of repairing returning the damaged Common Element and/or Unit to its condition prior to the damage.

14. Roof Deck

Unit 3 shall have as a Limited Common Element the roof area, approximately 200 square feet, over the northwest portion of Unit 3, as shown on the Floor Plans, for use as a roof deck. The Owner of Unit 3 shall have the right to build a roof deck over such roof area, as the Unit Owner's expense, and may use such roof area only as a roof deck and only if it is finished with decking or paving material built and/or installed in such a manner as to not harm the roof or any elements thereof, and in such a manner as to not infringe on the rights of the Owners of Units 1 and 2 to access the roof for emergency egress. The roof deck shall not be enclosed and may only be used in compliance with all Legal Requirements. Building the roof deck and finishing it with decking or paving material is the responsibility of the Owner of Unit 3. Such work requires approval of the Board of Managers and may require a building permit from the Department of Buildings. Access to the roof deck must be through Unit 3 and not through the roof hatch. The owner of Unit 3 and his, her or its successors and assigns shall be responsible for the maintenance, repair and replacement of any deck, paving system, or other elements of the roof deck. The Board of Managers shall be responsible for maintenance, repair and replacement of all roofs and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of any portion of the roof or any elements thereof, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors. If roof repairs require removal or disruption of any element of the deck, paving system, or other elements of the roof deck appurtenant to Unit 3 as provided above, it shall be the responsibility of the Owner of Unit 3 to replace such element at the Unit Owner's cost. The Board of Managers and its agents, employees and contractors may have access to all roof areas of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. The Owners of Units 1 and 2 may have access to all common

areas of the roof through the roof hatch, not through Unit 3. The Owner of Unit 3 shall be liable for any personal injury or property damage that occurs as a result of the presence of the Unit Owner or his, her or its employees, invitees, agents or contractors on any portion of the roof deck or any portion of the roof that is a common element, and Unit Owners shall be liable for any personal injury or property damage that occurs as a result of their presence or that of their employees, invitees, agents or contractors on any portion of the roof that is a common element.

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION BEGINNING JANUARY 1, 2007

430 Waverly Avenue Condominium
430 Waverly Avenue
Brooklyn New York 11238

Income		
Residential common charges (1)		$14,782.80
Expenses		
Labor (2)	$1,040.00	
Heating and Hot Water (Gas) (3)	$0.00	
Utilities (Electric) (4)	$474.80	
Water charges and sewer rents (5)	$1,708.00	
Repairs, maintenance and supplies (6)	$500.00	
Service contracts (7)	$1,560.00	
Insurance (8)	$5,700.00	
Management fee (9)	$0.00	
Legal and audit fees (10)	$2,000.00	
Other expenses (11)	$800.00	
Contingency fund (12)	$1,000.00	
Total		$14,782.80

SEE NOTES ON THE FOLLOWING PAGES.

NOTES TO SCHEDULE B

1. Common Charges

The estimate of the Common Charges to be billed during the first year of Condominium operation is based upon the assumption that the first year of Condominium operation will be the year from January 1, 2007 to December 31, 2007. The actual first year of operation may be earlier or later than that year.

2. Labor Costs

A visiting part-time superintendent will be an independent contractor and will be paid an estimated $20 per week for sweeping and mopping the common areas once per week. He or she will be responsible for paying all taxes, benefits and insurance required by law from his or her fee. He or she will not be a union member. The level of staffing complies with all applicable housing and labor laws.

3. Heating and Hot Water

No heating or hot water is being provided for the Building as a common expense. Each Unit contains heating and hot water equipment that will be separately metered to such Unit. Estimates of the costs for the same are included below in the "Budget for Individual Energy Costs, Schedule B-1" section of this Plan.

4. Utilities (Electricity)

The estimated electrical charge is for lighting the common areas of the Building. Unit Owners will each arrange directly with the utility company for electricity consumed within Units and will be responsible for paying charges for their own electrical service. Purchasers should note that common area electricity costs are estimated based on thirty percent (30%) of the actual average electricity charges for Unit 1 for 2004, 2005 and parts of 2006. During that time, common area electricity was metered to Unit 1, and it represents approximately thirty percent (30%) of Unit 1's electricity costs. The Sponsor will install a separate meter for the purpose of tracking common area electricity charges. For the past years, Unit 1's electricity charges were as follows:

Bill Date	KWH Usage	Cost per KWH	Bill Amount	30% of Amount
3/10/06	262	$0.2016	$52.82	$15.85
2/8/06	768	$0.2436	$187.14	$56.14
1/9/06	703	$0.2314	$162.68	$48.80
12/8/05	573	$0.2742	$157.14	$47.14
11/4/05	347	$0.2650	$91.95	$27.59
106/05	416	$0.2392	$99.52	$29.86

9/7/05	659	$0.2131	$140.48	$42.14
8/8/05	606	$0.2279	$138.11	$41.43
7/8/05	783	$0.2096	$164.16	$49.25
6/8/05	468	$0.2149	$100.58	$30.17
5/9/05	453	$0.2070	$93.80	$28.14
4/8/05	471	$0.1848	$87.03	$26.11
3/10/05	629	$0.1840	$115.75	$34.73
2/8/05	820	$0.1881	$154.24	$46.27
1/7/05	700	$0.1817	$127.23	$38.17
12/8/04	598	$0.1970	$117.83	$35.35
11/4/04	632	$0.1802	$113.93	$34.18
10/6/04	623	$0.1810	$112.78	$33.83
9/7/04	985	$0.1908	$188.00	$56.40
8/6/04	920	$0.2095	$192.76	$57.83
7/8/04	783	$0.2024	$158.51	$47.55
6/8/04	719	$0.1805	$129.82	$38.95
5/7/04	725	$0.1720	$124.74	$37.42
4/8/04	626	$0.1624	$101.67	$30.50
3/10/04	719	$0.2027	$145.75	$43.73
2/9/04	749	$0.1835	$137.46	$41.24
Total	16,737	$5.3281	$3,395.88	$1,018.76
Monthly average (26 months)	643.73	$.2049	$130.61	$39.18
Estimated annual cost	7,724	$.2049	$1,582.65	$474.80

The budgeted amount for utilities is only an estimate. The actual amount will vary depending on usage and the cost of power, among other things. It is believed that the projected figure should be sufficient to cover the cost of utilities during the first year of Condominium operations. No warranty is made, however, that the projection will equal the actual cost during the first year of Condominium operations.

5. Water and Sewer

Water and sewer charges for the first year of operations is estimated based on the actual average water and sewer charges for the building for 2004 and 2005. For the past three years, the total water and sewer charges have been as follows:

Year	Cost
2004	$1,639.00
2005	$1,603.00
2006	$1883.00

Therefore, the estimated average annual cost of water and sewer is $1,708. This estimate is based on actual average water/sewer consumption of 299,200 gallons (40,000 cubic feet) per year at a cost of $4.27 per 100 cubic feet.

Water charges and sewer rents will be Common Expenses of all Units unless either (i) any Unit Owner is directly billed for water charges and sewer rents by the municipal authority or (ii) the Board of Managers finds that a Unit Owner uses water in excess of normal domestic, sanitary and lavatory purposes and requires such Owner to install a water meter and bills such Owner for water used, in which event the owner of such Unit shall not be charged water charges and sewer rents as part of the Common Charges and the owners of Units not so directly billed shall be specially allocated the Condominium's water charges and sewer rents.

6. Repairs, Maintenance and Supplies

It is anticipated that there will not be major repairs to the common areas of the Building during the first year of Condominium operations. The budgeted figure is based upon an estimate of repairs and maintenance to the common areas and includes various supplies (such as cleaning supplies and materials, lubricants, bulbs, general and hardware supplies) and painting of the common areas as needed. The estimate does not include repairs, painting, maintenance, or supplies for individual Units, including, without limitation, repairs to their air conditioning units, all of which are the responsibility of the Unit Owners.

7. Service Contracts

Service contracts included in the estimate are:

Contractor	Service	Annual Cost
DonCo Maintenance 1420 78th Street Brooklyn, NY 11228	Garbage/Recycling Pickup	$1,560

The budgeted figure is based on paying DonCo Maintenance, per its oral estimate, $30 per week for putting out the trash three times per week and recycling one time per week. The Board of Managers, however, is not bound to use DonCo Maintenance for garbage/recycling pickup and may decide to use a different service provider at any time. Prospective Purchasers should note that because the Building has never had any problems with pests, the budgeted figure does not provide for pest control. Therefore, Purchasers should note that Common Charges may rise if pest control services are obtained.

The budget for the first year of Condominium operation does not provide for the washing of the exterior surfaces of the Building's windows. In accordance with the By-Laws, each Unit Owner shall make his, her or its own arrangements for cleaning the exterior surfaces of the windows serving his, her or its Unit. The Board of Managers may require that all Unit

Owners grant access to their Units and terraces to persons retained by the Board of Managers to clean the exterior surfaces of the windows.

8. Insurance

The budget for insurance is based upon a proposal dated December 16, 2005, submitted by Peter Evangelista of Admiral Insurance Brokerage Corp., 5507 Avenue N, Brooklyn, New York 11234, and includes the following coverage:

Building (Special Form/Replacement Cost)	$1,000,000
Liability (Including Directors and Officers)	$1,000,000/$2,000,000
Deductible	$2,500
Boiler and Machinery	Included
Excess Liability	$5,000,000
Estimated Annual Premium	$5,700

It is the opinion of the insurance broker, that the insurance coverage of $1,000,000 is an adequate amount to rebuild the structure (but not portions of the interior of Units which are the responsibility of Unit Owners to insure) if totally destroyed by fire or other insured peril.

Coverage for rent insurance, water damage, and fidelity bond is not included in the budget and may be available at extra cost.

The fire, casualty and general liability insurance is expected to be on terms that provide: (1) that each Unit Owner is an additional insured party; (2) that there will be no cancellation without notice to the Board of Managers; (3) a waiver of subrogation in favor of Unit Owners; (4) a waiver of invalidity because of the acts of the insured and Unit Owners; and (5) waiver of pro-rata reduction if Unit Owners obtain additional coverage.

Purchasers are strongly advised to obtain insurance (which would be at their own expense) for items not covered by the insurance described above. Unit Owners are urged to obtain insurance for the contents of their Units, their personal possessions, replacements, additions, upgraded fixtures and improvements to the Units and liability coverage for occurrences within their Units.

9. Management Fee

The Building will be self-managed. No manager or management contract is provided for. The Board will be responsible for, among other duties, operating and maintaining the Property, hiring and supervising any staff, purchasing supplies, effecting insurance coverage, paying all Condominium accounts, collecting common charges and assessments, and retaining and assisting accountants to prepare tax returns and annual statements. The insurance budget does not include a fidelity bond or insurance covering employees of the managing agent and officers of the Condominium and members of the Board of Managers who may handle money of the Condominium. If in the future the Board of Managers retains the services of a managing

agent, the fee for same will result in increased common charges.

10. Legal and Audit Fees

Accounting and auditing expenses will consist of a $1,200 fee for tax filing, preparing the annual financial report to the Condominium Board of Managers and tax forms to each Unit Owner for the first year of Condominium operations. The fee is based on a quotation from Gregory N. Ferraris, Certified Public Accountant of Gregory N. Ferraris, CPA, LLC, in a letter to the Sponsor dated January 16, 2006. $800 for miscellaneous legal fees is included in the budget.

11. Other Expenses

Includes taxes on the Condominium and minimal miscellaneous charges. No warranty is made that the amount shall be sufficient to pay all expenses incurred.

12. Contingency Fund

This item is included to provide a fund out of which unanticipated expenses or unanticipated increases in one or more items of operating expenses can be paid. However, no warranty is made that the contingency fund will cover all unanticipated expenses and/or increases. If additional funds are required, it may be necessary to increase Common Charges or separately assess all Unit Owners.

The Sponsor has not budgeted for a yearly contribution to a reserve fund. Since the Building will combine new construction and a substantial renovation, it is anticipated that there will not be major capital repairs or replacement items in the foreseeable future.

* * * *

The Sponsor has reserved the right to modify, renew and replace existing service, maintenance, employment, other agreements and insurance policies, and to enter into new agreements and policies that will be binding on the Condominium on the date of Closing the first Unit. However, no service or maintenance contracts which would materially increase the first year's estimated Common Charges will be made unless this Plan is amended.

If at any time, the projected commencement of the budget year in this Plan differs by six (6) months or more from the anticipated date of the first Closing, this Plan will be amended to include a revised budget. If the amended projections exceed the original projections by twenty five percent (25%) or more, the Sponsor will offer all Purchasers with pending Purchase Agreements the right to rescind for a period of fifteen (15) days after the date of presentation of such amendment. The Sponsor shall return promptly all Down Payments, with interest earned, if any, to Purchasers who rescind.

The Sponsor may not declare this Plan effective where there are material changes to Schedule B – Budget for First Year of Condominium Operations if said material changes have not been disclosed by a duly filed amendment to this Plan.

IN THE OPINION OF RICK B. ELEZI, OF REM RESIDENTIAL, AN EXPERIENCED MANAGER OF SIMILAR BUILDINGS, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE CONDOMINIUM'S FIRST YEAR OF OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE FISCAL YEAR COMMENCING ON JANUARY 1, 2007 THE FOREGOING SCHEDULES, HOWEVER, ARE NOT INTENDED AND SHOULD NOT BE TAKEN AS A WARRANTY OR GUARANTEE BY ANYONE THAT THE COMMON CHARGES, OTHER INCOME OR EXPENSES FOR THE FIRST YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE AS SET FORTH IN SAID SCHEDULES, AND IT IS LIKELY THAT THE ACTUAL INCOME AND EXPENSES WILL VARY FROM THE AMOUNTS SHOWN IN THE SCHEDULE. NO PROVISION IS MADE FOR UNFORESEEN EVENTS OTHER THAN THE CONTINGENCY FUND DESCRIBED ABOVE.

BUDGET FOR INDIVIDUAL ENERGY COSTS, SCHEDULE B-1

Each Unit Owner will be responsible for the gas and electricity costs associated with his, her or its Unit. Units will use a gas and electrical system to provide heating, a gas-fired hot water heater, and an electrical air conditioning system for cooling the Units. Unit 1 has a gas dryer and electrical washer. Each Unit also contains a gas fireplace. The estimated annual electricity and gas usage costs are based on the actual average electricity and gas usage charges for the Units for the years 2004 and 2005. Purchasers should note that electricity costs for Unit 1 are estimated based on seventy percent (70%) of the actual average electricity charges for Unit 1 for 2004, 2005 and parts of 2006. During that time, common area electricity was metered to Unit 1, and it represents approximately thirty percent (30%) of Unit 1's electricity costs. The Sponsor will install a separate meter for the purpose of tracking common area electricity charges. The estimated costs are as follows:

UNIT 1

Estimated Annual Electricity Cost (70%)	Estimated Annual Gas Cost
$1,097.00	$2,083.20

UNIT 2

Estimated Annual Electricity Cost	Estimated Annual Gas Cost
$979.00	$1,173.12

UNIT 3

Estimated Annual Electricity Cost	Estimated Annual Gas Cost
$979.00	$1,173.12

The estimated cost of electricity is based on actual average electricity cost per KWH of $.2049 and actual average usage of 5,353.83 KWH for Unit 1 and 4,777.94 KWH for Units 2 and 3 each. The estimated cost of gas is based on actual average gas cost per therm of $1.75 and actual average usage of 1,190.40 therms for Unit 1 and 670.35 therms for Units 2 and 3 each.

In view of the varying costs of energy and patterns of usage, it is not possible to predict with certainty whether the estimated figures will reflect the actual cost to be incurred during the first year of operation. The projected rates are not guaranteed and it must be expected that these rates will increase with the passage of time and may be affected by many factors which are beyond the control of the Sponsor. Purchasers are advised that the projections are only estimates and actual consumption will vary based on personal needs of occupants, weather

conditions and the cost of energy.

ALTHOUGH SPONSOR BELIEVES THAT THE FOREGOING IS ACCURATE, NO WARRANTY IS MADE BY THE SPONSOR AS TO WHAT AN INDIVIDUAL UNIT OWNER'S GAS AND ELECTRICITY COSTS MAY BE.

March 23, 2006

430 Waverly Avenue
Attention: Mieko Miyamoto
430 Waverly Ave
Brooklyn, New York 11238

Re: 430 Waverly ave

Dear Ms Miyamoto ,
I have been a licensed real estate broker since 2001 and have been engaged in the real estate business in New York City since 1999. I have participated in the sale, rental and management of property in City of New York and am familiar with numerous buildings similar to the building proposed for 405 Adelphi Street.

I will not serve as the selling agent or managing agent for this property.

You have told me that the factual basis for the allocation of each Unit's common interest as expressed in the Declaration, pursuant to Section 339-i (1) (iv) of the Condominium Act, is calculated based on a Unit's floor space, subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

I have examined originals or copies of documents as I have deemed relevant, including the offering plan and the approved floor plans for the premises. In such examinations, I have assumed the genuineness of all signatures and the authenticity of all documents.

Based upon my review of the foregoing, it is my opinion that the allocation of the Common Interest for each Unit of the condominium complies with Section 339-i of the Real Property Law.

julianna realty

118 East 17th Street New York, NY 10003
phone: 212.477.2100 fax: 212.260.6922 email: sales@juliannarealty.com web: www.juliannarealty.com

I hereby authorize the use of this opinion or a reproduction hereof in the offering plan.

Very truly yours,

Shpresa Husenaj
R.E. # 31HU0912921 exp. 02/14/08

julianna realty

118 East 17th Street New York, NY 10003
phone: 212.477.2100 fax: 212.260.6922 email: sales@juliannarealty.com web: www.juliannarealty.com

CHANGES IN PRICES AND UNITS

A. Changes in Prices

The offering price to be paid by bona-fide tenants will not increase during any applicable exclusive period.

The offering prices set forth in "Offering Prices and Related Information, Schedule A," above, may only be changed by a duly filed amendment to this Plan if the change in prices is an across-the-board change affecting one or more lines of Units or Unit models or is to be advertised or is a price increase for an individual Purchaser. However, the Sponsor may enter into an agreement with a Purchaser to sell one or more Units at prices lower than those set forth in Schedule A pursuant to negotiations with an individual Purchaser without filing an amendment.

In the event that the Sponsor changes the purchase price of one or more Units, the Purchaser(s) of such Unit(s) may pay more or less than other Purchasers of comparable Units having the same Common Interest. However, such price change shall not alter the Common Interest of, or the amount of the Common Charges payable by, the owner of any Unit.

The Sponsor reserves the right to change the manner of payment of the purchase price and any other terms of sale of any Unit from time to time, both before and after the first Closing, without any consent or approval including, without limitation, the consent or approval of the managing agent, if any, the Board of Managers, any Unit Owner or any mortgagee. Notwithstanding the foregoing, however, no such change shall be made with respect to a Unit for which a Purchase Agreement is then in effect without the consent of the Purchaser thereunder.

B. Changes of Sizes, Layout, Number and Use

In order to meet the possible varying demands for number and type of Units, or for any other reason, the Sponsor or other owner of an Unsold Unit reserves the right to change (a) the layout of or number of rooms in Unsold Units, (b) the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, by combining two or more Units into one or more Unsold Units, by altering the boundary walls of any Unsold Unit(s), or otherwise, including, without limitation, the use of any portion(s) of the Common Elements adjacent to such Unsold Units to the extent that such portion(s) are not required to be maintained as Common Elements pursuant to the terms of the By-Laws. Subject to the terms of this paragraph, such right may be exercised by the Sponsor or other owner of an Unsold Unit from time to time, both before and after the first Closing, without any consent or approval including, without limitation, the consent or approval of the managing agent, if any, the Board of Managers, any Unit Owner or any mortgagee. However, the Sponsor or other owner of an Unsold Unit shall first obtain the approval of all governmental authorities whose approval is required by law and otherwise comply with all Legal Requirements.

The Sponsor reserves the right to amend or modify the plans and specifications for the Building in any way (including, without limitation, changing materials, appliances, equipment, fixtures, and other construction details and design details) and to substitute in place of any materials, appliances, equipment, and/or fixtures set forth therein or described in the "Description of Property and Specifications or Building Condition" in Part II of this Plan, materials, appliances, equipment, and/or fixtures of substantially equal or better quality, provided only that any necessary approval of any governmental authority having jurisdiction thereover is first obtained. Any or all of the foregoing amendments or changes may be made without prior notice or amendment to this Plan.

No change will be made in the size or number of Units, and/or their respective percentage of Common Interest or in the size or quality of Common Elements except by amendment to this Plan and, when applicable, to the Declaration, and without the consent of all owners of Units directly affected.

In the event that the Sponsor or other owner of an Unsold Unit changes the size and/or number of Unsold Units, the Sponsor shall increase or decrease the Common Interest appurtenant thereto accordingly; however, the aggregate amount of the Common Interest of all of the Units shall always be one hundred percent (100%). As a result of such reapportionment, the amount of the Common Charges and assessments and, subject to the judgment of the assessing authorities, the real estate taxes payable by the owners of the directly affected Unsold Units will be increased or decreased proportionately, but the proportion of the Common Interest, Common Charges and the amounts of assessments and the real estate taxes payable by the owners of Units not directly affected will not be changed due to the reapportionment.

In addition, unless the affected Purchaser consents, no material change will be made in Unit size, layout, or percentage of Common Interest if a Purchase Agreement has been executed and accepted by the Sponsor for that Unit and the Purchaser is not in default.

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

Any change in the number of Units or number of rooms within a Unit, or in the size of any Unit resulting from a subdivision or combination or alteration of boundary walls as permitted in this Plan, or otherwise, or in the Common Interest of any Unit, shall be reflected in a duly recorded amendment to this Plan, or, once filed, the Declaration. As more particularly provided in the Declaration, the Sponsor and any other owner of an Unsold Unit have the right to amend the Declaration to effectuate such change without the Board of Managers, any other Unit Owners, or any mortgagee consenting to, or executing, the amendment. However, no change of a Unit's Common Interest will be made without the prior written consent of the owner of such Unit. In addition, no change will be made in the Common Interest of any Unit for which a Purchase Agreement is in effect without the prior written consent of the affected Purchaser thereof.

To the extent not prohibited by law, if the size or configuration of a Unit is changed in compliance with this Plan, the Declaration and the By-Laws and, in connection therewith, a

wall, space or other area forming a part of the Common Elements serving and benefiting only such Unit is razed or incorporated into the Unit, then such Common Element shall be deemed for the exclusive use and benefit of the owner of such Unit and the Unit's Common Interest will remain unchanged.

The Sponsor may agree, in its sole discretion, at the request of any Purchaser, to modify the interior of any Unit including the equipment and fixtures in the Unit, to combine one or more Units into a single Unit, or to perform other specialized work in any Unit, subject to any Legal Requirements. Such work shall be performed upon terms and conditions determined by the Sponsor and the Purchaser. In connection with the combination of one or more Units into a single Unit, the first installment of the Down Payment payable by the Purchaser shall equal twenty percent (20%) of the total Purchase Price of the combined Units; in all other cases, a sum equal to the cost of such modifications or special work or materials shall be paid to the Sponsor prior to any obligation on the Sponsor's part to perform such work. Such sum shall be held in escrow together with the Down Payment. However, Purchasers should note that such funds may be released from the Escrow Account by the Escrow Agent so long as Sponsor uses the funds for such modifications or special work or materials. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds used for modifications or special work or materials.

Mieko Miyamoto, Owner
430 Waverly Avenue, Brooklyn, New York 11238

STATEMENT OF OPERATIONS

For the year ended December 31, 2005

Mieko Miyamoto, Owner
430 Waverly Avenue, Brooklyn, New York 11238

STATEMENT OF OPERATIONS **For the year ended December 31, 2005**

CONTENTS

	Page
Independent Auditor's Report	3
Financial Statements	
Statement of Operations for the year ended December 31, 2005	4
Notes to Statement of Operations	5

GREGORY N. FERRARIS, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT

108 Main Street, P.O. Box 1168
Sag Harbor, New York 11963
(631) 725-0145
Facsimile (631) 725-1904

INDEPENDENT AUDITOR'S REPORT

Mieko Miyamoto, Owner
430 Waverly Avenue,
Brooklyn, New York 11238

I have audited the statement of operations of Mieko Miyamoto, Owner, 430 Waverly Avenue, Brooklyn, New York 11238, for the year ended December 31, 2005. This statement is the responsibility of Mieko Miyamoto.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the statement referred to above presents fairly the results of operations of 430 Waverly Avenue, Brooklyn, New York 11238, for the year ended December 31, 2005 in conformity with generally accepted accounting principles.

This report is intended solely for the information and use of Mieko Miyamoto, and the New York State Attorney General's Office and is not intended to be and should not be used by anyone other than these specified parties.

Gregory N. Ferraris, CPA LLC

Sag Harbor, New York
January 16, 2005

Mieko Miyamoto, Owner
430 Waverly Avenue, Brooklyn, New York 11238

STATEMENT OF OPERATIONS **For the year ended December 31, 2005**

Operating Revenues		
Residential rents	$ 50,400	
Total operating revenues		$ 50,400
Operating Expenses		
Insurance	2,028	
Gas	2,230	
Water and sewer	1,603	
Electricity	341	
Other		
Real estate tax	10,871	
Total operating expenses		17,073
Net Income		$ 33,327

See accompanying accountant's report.

Nature of Organization

Mieko Miyamoto is the owner of land and building located at 430 Waverly Avenue, Brooklyn, New York, (the "Property"). Mieko Miyamoto purchased the Property on January 1, 2004, which consists of three residential units, one of which is owner occupied.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

This statement represents only the Statement of Operations as required by *Section 23.3(1)* of the regulations governing the conversion of occupied residential property and condominium ownership. These statements do not include capital expenditures, repairs to individual units, mortgage interest, advertising costs or depreciation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Mieko Miyamoto, Owner
430 Waverly Avenue, Brooklyn, New York 11238

STATEMENT OF OPERATIONS

For the year ended December 31, 2004

Mieko Miyamoto, Owner
430 Waverly Avenue, Brooklyn, New York 11238

STATEMENT OF OPERATIONS **For the year ended December 31, 2004**

CONTENTS

	Page
Independent Auditor's Report	3
Financial Statements	
Statement of Operations, for the year ended December 31, 2004	4
Notes to Statement of Operations	5

GREGORY N. FERRARIS, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT

108 Main Street, P.O. Box 1168
Sag Harbor, New York 11963
(631) 725-0145
Facsimile (631) 725-1904

INDEPENDENT AUDITOR'S REPORT

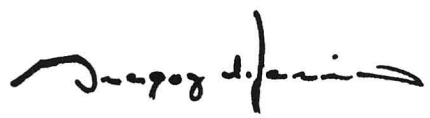
Mieko Miyamoto, Owner
430 Waverly Avenue,
Brooklyn, New York 11238

I have audited the statement of operations of Mieko Miyamoto, Owner, 430 Waverly Avenue, Brooklyn, New York 11238, for the year ended December 31, 2004. This statement is the responsibility of Mieko Miyamoto.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the statement referred to above presents fairly the results of operations of 430 Waverly Avenue, Brooklyn, New York 11238, for the year ended December 31, 2004 in conformity with generally accepted accounting principles.

This report is intended solely for the information and use of Mieko Miyamoto, and the New York State Attorney General's Office and is not intended to be and should not be used by anyone other than these specified parties.



Gregory N. Ferraris, CPA LLC

Sag Harbor, New York
November 22, 2005

Mieko Miyamoto, Owner
430 Waverly Avenue, Brooklyn, New York 11238

STATEMENT OF OPERATIONS **For the year ended December 31, 2004**

Operating Revenues		
Residential rents	$ 48,400	
Total operating revenues		$ 48,400
Operating Expenses		
Insurance	2,330	
Water and sewer	1,639	
Gas	1,505	
Electricity	299	
Other		
Real estate tax	11,009	
Total operating expenses		16,782
Net Income		$ 31,618

See accompanying accountant's report.

NOTES TO STATEMENT OF OPERATIONS **For the year ended December 31, 2004**

Nature of Organization

Mieko Miyamoto is the owner of land and building located at 430 Waverly Avenue, Brooklyn, New York, (the "Property"). Mieko Miyamoto purchased the Property on January 1, 2004, which consists of three residential units, one of which is owner occupied.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

This statement represents only the Statement of Operations as required by *Section 23.3(1)* of the regulations governing the conversion of occupied residential property and condominium ownership. These statements do not include capital expenditures, repairs to individual units, mortgage interest, advertising costs or depreciation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RIGHTS OF EXISTING TENANTS

The General Business Law, the New York City Rent Stabilization Law, the New York City and State Rent Control Laws, the Emergency Tenant Protection Act and the Multiple Dwelling Law grant certain rights to tenants. These rights include the following:

- The Exclusive Period:

    - All bona fide tenants in occupancy on the date this Plan is accepted for filing will have the exclusive right to purchase their dwelling units for ninety (90) days after the plan is presented (the "Exclusive Period").

    - Any bona fide tenant with the right to renew a lease on the date this Plan is accepted for filing has the right to purchase as a tenant during the Exclusive Period.

    - Any bona fide tenant who has the right to continued occupancy on the date the plan is accepted for filing has the right to purchase as a tenant during the Exclusive Period.

    - For the purpose of determining who has the right to purchase during the Exclusive Period, a bona fide tenant of record with an unexpired lease on the date the plan is accepted for filing shall be presumed to be a "tenant in occupancy" even if the tenant has sublet his or her dwelling unit or the dwelling unit is not the tenants primary residence.

    - A bona fide sublessee in occupancy on the date this Plan is accepted for filing has the right to purchase during the Exclusive Period if he or she: (i) sublets from a non-bona fide tenant; or (ii) has obtained written permission to purchase his or her dwelling unit from the bona fide tenant of record. Nothing herein shall be construed to deprive an owner of any legal remedy for illegal occupancy.

    - A residential occupant entitled to protection under Article 7C of the Multiple Dwelling Law has the right to purchase during the Exclusive Period.

- No eviction proceedings will be commenced against a Non-Purchasing Tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later of the following: (1) the date which is the expiration date provided in such Non-Purchasing Tenant's lease or rental agreement, and (2) the date which is three years after the date on which this Plan is declared effective.

- Tenants shall have the exclusive right to purchase their Units for ninety (90) days after the plan is accepted for filing by the Attorney General, during which time a tenant's Unit shall not be shown to a third party unless the tenant has, in writing, waived his or her right to purchase. After the expiration of said ninety (90) day period, a tenant who has not purchased his or her Unit shall be given the exclusive right for an additional period

of six (6) months from said expiration date to purchase his or her Unit on the same terms and conditions as are contained in an executed Purchase Agreement to purchase said Unit entered into by a bona fide Purchaser. A tenant whose Unit has been subject to an executed Purchase Agreement shall be notified by certified mail of the executed Purchase Agreement and provided a copy of that Purchase Agreement. He or she shall have fifteen (15) days from the date of mailing to exercise his or her right to purchase his or her Unit on the same terms.

- A written statement, under oath, setting forth the percentage of residential units subscribed for by bona fide tenants or bona fide purchasers who have represented that they or a family member will occupy the Unit will be posted in a prominent place accessible to all tenants thirty, sixty, eighty-eight and ninety days after the Plan is accepted for filing by the Department of Law and at least once every thirty days until the Plan is declared effective or abandoned and such statement will filed with the Department of Law.

- Non-Purchasing Tenants may be protected against rent increases by applicable laws and regulations. If a Non-Purchasing Tenant's Unit is not so protected, he or she shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of occupancy. Complaints of unconscionable rent increases proscribed by law may be referred to the New York State Department of Law, Real Estate Financing Bureau, 120 Broadway, 23rd Floor, New York, New York 10271.

- All Units occupied by Non-Purchasing Tenants shall be managed by the same managing agent who manages all other Units in the Building. Such managing Agent shall provide to Non-Purchasing Tenants all services and facilities required by law on a non-discriminatory basis. See the section of this Plan entitled "Obligations of Owners of Dwelling Units Occupied by Non-Purchasing Tenants," below.

- Tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the Plan to the Department of Law, during normal business hours, upon written request made by them to the Sponsor, provided such representatives are registered architects or professional engineers licensed to practice in the State of New York.

- Section 352-eeee of the General Business Law provides that it is unlawful for any person to engage in any course of conduct, including, but not limited to, interruptions or discontinuance of essential services, which substantially interferes with or disturbs occupancy of a Unit or the facilities related thereto.

- The rights granted under this Plan to Purchasers and Non-Purchasing Tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, Section 352-eeee of the General Obligation Law..

The By-Laws provide that Non-Purchasing Tenants will be promptly notified of changes

in ownership by any Purchasers of their Units and that the Board of Managers will retain and make available such information.

A tenant in occupancy may assign or transfer his or her Purchase Agreement prior to the Plan being declared effective as provided in the section of this Plan entitled "Assignment of Purchase Agreements."

If the Sponsor amends the terms and conditions of this Plan prior to the first Closing in such as way as to be more favorable to Non-Purchasing Tenants, then any tenant entitled to purchase who has executed and submitted a Purchase Agreement for the Unit that he or she occupied on the date that the Plan was accepted for filing shall benefit from the more favorable terms and conditions, even though such Purchase Agreement was entered into before the Sponsor amended the terms.

A tenant who wishes to purchase a Unit other than his or her own Unit has the same rights as a prospective Purchaser who is not a tenant.

No tenant has exclusive rights to use any Common Element, except Limited Common Elements, if any, appurtenant to the Unit on which the tenant resides, subject to restrictions as stated in the Plan, Declaration and/or By-Laws.

A Purchase Agreement from a tenant for his or her own Unit executed during the exclusive ninety (90) day purchase period shall have priority over and pre-empt any Purchase Agreement from non-tenants.

Non-Purchasing Tenants who reside in Units that are subject to government regulation as to rentals and continued occupancy prior to the conversion of the Building to condominium ownership, will continue to receive the benefits of such regulations. Non-Purchasing Tenants who reside in Units that are not subject to governmental regulation as to rentals and continued occupancy or who reside in Units with regard to which such regulations are eliminated or become inapplicable after the Plan has been accepted for filing by the Department of Law shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of occupancy.

OBLIGATIONS OF OWNERS OF DWELLING UNITS OCCUPIED BY NON-PURCHASING TENANTS

Tenants have the right to continued occupancy for the term of their lease or rental agreement or for three (3) years after this Plan is filed with the Department of Law, whichever is later.

The Owner of a Unit who rents or leases his, her or its Unit to a Non-Purchasing Tenant is obligated to pay the amount due as Common Charges, special assessments and real estate

taxes for said Unit, even if the amount is more than the rent received from the Non-Purchasing Tenant. Such Owners are also obligated to provide Non-Purchasing Tenants all services required by law to the extent applicable. This includes the obligation to make all repairs to the Unit which are not the responsibility of the Board of Managers. These services may include, but are not limited to, painting, interior decoration, repairs to interior plumbing and wiring and replacement of fixtures and of appliances, doors, hardware and windows. While the Sponsor is in control of the Board of Managers, the Sponsor shall guarantee that these services will be provided if required by applicable law. Owners of Units are solely responsible for all litigation costs, fees and any dues related to tenancy. Owners of Units are also obligated to give renewal leases and riders as required by law and may only evict Non-Purchasing Tenants on grounds permitted by law. Potential Purchasers have the right to inspect all leases pertaining to his, her or its Unit. It is recommended that potential Purchasers inspect such leases to ascertain his, her or its obligations.

The By-Laws provide and Purchase Agreements for Units occupied by Non-Purchasing Tenants will include an agreement by the Purchaser to irrevocably appoint the Condominium's managing agent and its successors as his, her or its agent to provide to the Non-Purchasing Tenants all services and facilities required by law.

The By-Laws include and Purchase Agreements for Units occupied by Non-Purchasing Tenants will include an agreement by the Purchaser (other than the Sponsor) to deposit with the managing agent at Closing an amount not less than the greater of two months' common charges or two months rent, to be used as working capital to furnish services required under the Non-Purchasing Tenant's lease and the laws and regulations which apply to the tenancy as specified above. Upon notice by the managing agent that the deposit has been diminished, the fund shall by replenished by the Unit Owner within thirty (30) days. The Declaration and By-Laws provide that the failure of a Unit Owner to replenish the fund in a timely fashion shall result in the Board of Managers, on behalf of the Unit Owners, having a lien against the Unit. Interest, if any, earned on the fund shall be the property of the Unit Owner.

Unit Owners who rent their Units to Non-Purchasing Tenants and who receive security deposits for such rentals are subject to the requirements of Section 7-103 of the General Obligations Law, which governs the handling of such deposits. Deposits and any interest they accrue remain the property of the person making the deposit. Unit Owners who receive such deposits are prohibited from commingling these funds with funds of their own and are required to notify depositors in writing of the name and address of the banking organization in which the deposit is held and the amount of such deposit. The banking organization must be in New York State. If the account is interest-bearing, then the Unit Owner may keep a sum equivalent to one percent (1%) per annum which shall be in lieu of all other administrative and custodial expenses. The balance of the interest paid by the banking organization shall be the property of the person making the deposit and shall either be held in trust by the Unit Owner, until repaid or applied for the rental, or annually paid to the person making the deposit.

INTERIM LEASES

At the election of the Sponsor, a Purchaser may occupy a Unit pursuant to an Interim Lease prior to the Closing. The Interim Lease shall be signed simultaneously with, or after execution of, a Purchase Agreement. No rental protection laws are applicable to Interim Leases. Rent payable under the Interim Lease shall be negotiated by the Sponsor and the Purchaser. The term of the Interim Lease shall expire on the date of the Closing or on the date provided in the Interim Lease if this Plan is not declared effective. If this Plan is abandoned, the tenant under the Interim Lease may, at any time, cancel the Interim Lease and vacate the Unit upon ninety (90) days prior written notice to the Sponsor, except that a tenant may not remain in a Unit after the end of the term of an Interim Lease without the prior written consent of the Sponsor.

It will be a default under the Interim Lease if the Purchaser-tenant fails to comply with all of the Purchaser's obligations under the Purchase Agreement. It will be a default under the Purchase Agreement if the Purchaser-tenant fails to comply with all of the Purchaser-tenant's obligations under the Interim Lease, which default will permit the Sponsor to cancel the Purchase Agreement provided (a) the Sponsor either obtains an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser-tenant or (b) the Purchaser-tenant has vacated the Unit. The Purchaser-tenant shall vacate the Unit within thirty (30) days after notice of cancellation of the Purchase Agreement from the Sponsor or rescission of the Purchase Agreement by the Purchaser-tenant, in the event rescission is permitted. If the right to rescind a Purchase Agreement is offered to a Purchaser who has entered into an Interim Lease, the Purchaser's right to rescind shall be conditioned upon (i) his, her or its surrendering possession of the Unit within thirty (30) days of the service of such Purchaser's notice of rescission to the Sponsor, (ii) leaving the Unit broom swept, clean, empty of the Purchaser-tenant's possessions and restored to its condition prior to the Purchaser-tenant's occupancy, and (iii) paying all rent due under the Interim Lease. Nothing contained in this Plan and no recession shall relieve any Purchaser of liability for damage caused to the Unit. The Purchaser shall be responsible for payment of the Sponsor's reasonable costs and attorney's fees if it is necessary for the Sponsor to bring an action or proceeding to remove the Purchaser-tenant from the Unit or to recover money in connection with damage to the Unit.

Rent due under any Interim Lease for the month in which the Closing occurs shall be adjusted between the Sponsor and the Purchaser-tenant as of the date of the Closing. No part of any rent paid under any Interim Lease will inure to the benefit of the Purchaser-tenant under the Interim Lease. Security held by the Sponsor under an Interim Lease with interest, if any, less any statutorily permitted administrative fee will be transferred to the Purchaser at the Closing.

The Sponsor is under no obligation to enter into an Interim Lease. The Sponsor may rent any vacant Unit not subject to a Purchase Agreement for any term, rent and conditions the Sponsor may choose.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit shall have at least three (3) business days to review

this Plan and all filed amendments to this Plan prior to executing a Purchase Agreement. A person desiring to purchase a Unit will be required to execute, in quadruplicate, a Purchase Agreement in the form included in Part II of this Plan. The Purchase Agreement contains the terms and conditions upon which the Unit will be sold and should be read carefully by a Purchaser and his, her or its legal and financial advisors before being executed.

A potential Purchaser must deliver all four (4) copies of the executed Purchase Agreement together with his, her or its good unendorsed check made payable to "Marcus Attorneys, as Escrow Agent" the Down Payment of ten percent (10%) of the purchase price and additional sums due in accordance with this Plan to the Selling Agent, if any is designated by the Sponsor, or to the Sponsor.

Within thirty (30) days after a prospective Purchaser delivers an executed Purchase Agreement, together with the Down Payment, the Sponsor must either accept the Purchase Agreement and return a fully executed counterpart to the Purchaser, or reject the Purchase Agreement and refund the Down Payment. If the Sponsor fails to do either within thirty (30) days, the Purchaser shall have a right of rescission. The Purchaser will have ten (10) days from the end of the thirty (30) day period to exercise this right. If the Sponsor accepts the Purchase Agreement, the Down Payment will be placed promptly in a segregated special attorney's escrow account, described below.

The Sponsor may reject any Purchase Agreement, without cause or explanation, so long as the rejection is not based upon race, creed, color, national origin, ancestry, age, marital status, sex or any other ground proscribed by law. Until the Purchase Agreement is executed by the Sponsor and returned to the prospective Purchaser, the Sponsor will not be bound to a prospective Purchaser in any respect. No Purchase Agreement submitted to the Sponsor or to any agent and no deposit of any Down Payment or other payment on behalf of a Purchaser shall create any obligation on the part of the Sponsor (other than to return the Down Payment or such other payment) .

Any time prior to Closing, the Sponsor may check the credit rating of any prospective Purchaser. Such credit check shall be performed in accordance with any applicable laws, rules, or regulations of governmental authorities. Purchasers shall timely provide the Sponsor or the Selling Agent with any and all information, execute any and all documents, and do any and all other things that the Sponsor may reasonably request to enable the Sponsor to perform such credit check.

The circumstances under which the Sponsor may vary the price of a Unit or the size, layout and use of a Unit from that described in this Plan as a result of the negotiations with a prospective Purchaser are described in the section of this Plan entitled "Changes in Prices and Units," above. Furthermore, Sponsor reserves the right to negotiate with each Purchaser the other terms and conditions of the Purchase Agreement, including, but not limited to, interest on the required Down Payment, financing contingencies, and alteration work and customization to a Unit and/or credits therefor and the waiver of conditions to, and notices of, Closing. No Purchaser will benefit from any term or condition negotiated with any other Purchaser or have

any rights of rescission or renegotiation under a Purchase Agreement due to any term or condition negotiated with any other Purchaser.

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

1. The Down Payment will be ten percent (10%) of the purchase price. However, the Down Payment may be increased if the Purchaser purchases two or more Units that are to be combined. If Sponsor agrees to modifications or special work, the cost of same shall be paid to the Sponsor prior to any obligation on the Sponsor's part to perform such work and shall be held in escrow together with the Down payment. However, such funds may be released from Escrow Account by the Escrow Agent so long as the Sponsor uses the funds for the modifications or special work.

2. Escrow Trust Fund. The Sponsor will comply with the escrow and trust fund requirements of General Business Law 352-e (2-b) and 352-h and the regulations promulgated pursuant thereto. Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. The provisions of the regulations of the Department of Law concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in this 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 escrow/trust funds.

All deposits, down payments, or advances made by Purchasers prior to Closing of each individual transaction, whether received before or after the date of consummation of this Plan, will be placed within five (5) business days of receipt in an attorney escrow account of Marcus Attorneys, the Escrow Agent, whose address is 13 Greene Avenue, Brooklyn, New York 11238 and whose telephone number is (718) 643-6555. The signatory on this account authorized to withdraw funds is Jed S. Marcus. The name of the Master Escrow Account is "Marcus Attorneys Escrow Account" and is located at Bank of America, 205 Montague Street, Brooklyn, NY 11201. Bank of America is covered by federal bank deposit insurance to a maximum of $100,000 per individual depositor. Funds on deposit in excess of $100,000 will not be covered by such federal bank deposit insurance.

The Escrow Account will be an Interest-On-Lawyer's Account ("IOLA") and interest will be credited to the State of New York IOLA Fund pursuant to Section 497 of the New York State Judiciary Law. No interest will be paid to the Sponsor or a Purchaser or credited to a Purchaser at the Closing.

All funds received as a Down Payment or other initial advance pursuant to a Purchase Agreement 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 "Marcus Attorneys, as Escrow Agent." In accordance with Lien Law Section 71-a (3), all such funds shall be deposited into an escrow account within five (5) business days of receipt.

Within ten (10) business days after tender of the Down Payment submitted with the

Purchase Agreement, the Escrow Agent will notify the Purchaser that such funds have been deposited into the Escrow Account. Such deposit may be made even though the Sponsor has not accepted the Purchase Agreement of the Purchaser. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Down Payment, the Purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the New York State Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations. In the event the Purchase Agreement is not accepted within thirty (30) days, as described above, then the Down Payment shall be returned to the party which paid it promptly.

Since all Purchase Agreements are contingent upon this Plan's becoming effective, under no circumstances shall the Sponsor apply for release of the escrowed funds of a defaulting Purchaser until after consummation of this Plan, unless this Plan could have been effective but for such default.

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

- a writing signed by both the Sponsor and the Purchaser (the Purchase Agreement is a writing authorizing the release of the Down Payment and other deposits made pursuant to the Purchase Agreement); or
- a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
- a judgment or order of court of competent jurisdiction; or
- if released as follows:

  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 no less than ten (10) business days in advance of the release. Thereafter, the funds may be paid to the Sponsor unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and has so notified the Escrow Agent in accordance with such provisions.

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

- a Purchaser who timely rescinds in accordance with an offer of rescission contained in this Plan or an amendment to this Plan; or

- all Purchasers after an amendment abandoning this Plan is accepted for filing by the Department of Law.

Purchasers and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Down Payment. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is included as an exhibit to the Purchase Agreement in Part II of this Plan. The party applying for a determination must contemporaneously send all other parties a copy of the application. Pending the determination of the Attorney General to grant or deny the application, the Sponsor, the Purchaser, and the Escrow Agent shall abide by any interim directive issued by the Attorney General. If the application permitting release of funds is granted, the Down Payment 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 Down Payment until: (1) both the Sponsor and the Purchaser direct payment to a specified party in accordance with a written direction signed by both parties, (2) a judgment or order of a court of competent jurisdiction is served on the Escrow Agent, (3) the Escrow Agent deposits the disputed amount into court, or (4) the dispute is finally resolved by determination of the Attorney General.

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.

A copy of the escrow agreement which incorporates the terms of the regulations of the Department of Law is included in the Exhibits to this Plan. The Escrow Agent will maintain all records concerning the escrow account for seven (7) years after the release of funds. The regulations of the Department of Law with respect to escrow funds shall prevail over any conflicting or inconsistent provision in this Plan or in the Purchase Agreement.

3. In the event of an uncured default by a Purchaser in his, her or its obligations under the Purchase Agreement, no more than ten percent (10%) of the purchase price, plus any interest earned thereon, may be retained as liquidated damages, plus the actual cost incurred by the Sponsor for any modifications or special work ordered by the Purchaser. The Sponsor agrees not to seek the remedy of specific performance in connection with the Purchaser Agreement as to which there has been a default by a Purchaser.

4. If a Purchaser defaults under a Purchase Agreement, time is of the essence with respect to the time within which the Purchaser must cure the default, as provided in the Purchase Agreement. This means that time limits within which the Purchaser must cure the default will be strictly observed, and extensions will not be granted. See the Purchase Agreement, a copy of which is included in Part II of this Plan.

5. The balance of the purchase price is payable at the Closing, unless the Purchase Agreement provides for earlier payments with respect to special work ordered by a Purchaser.

The balance shall be paid by certified or official bank or cashier's check drawn on a bank which is a member of the New York Clearing House Association to the order of "430 Waverly Avenue, LLC," or to such other party or parties as the Sponsor may designate, and delivered to the Sponsor at the Closing.

6. After the amendment declaring this Plan effective has been accepted for filing, the Sponsor will fix dates for Closing for each Unit for which a Purchase Agreement has been executed by serving notice to all Purchasers and Tenants stating the date of the first Closing and setting each closing date. Such notice will be by regular mail addressed to the Purchaser at least thirty (30) days prior to the Closing date for his, her or its Unit and at least thirty (30) days prior to terminating a purchase agreement for failure by a Purchaser to close. Purchasers may waive this thirty (30) day provision by executing a written waiver.

7. In the event of a default by a Purchaser, the Sponsor will make a written demand for payment after default thirty (30) days before forfeiture of the deposit shall be declared. Time is of the essence to cure said default, meaning that time limits will be strictly observed and extensions will not be granted.

8. Each Purchaser shall execute and deliver to the Sponsor the Power of Attorney included in Part II of this Plan at the Closing. Failure to do so will be a default under the Purchase Agreement.

9. Tenants and Purchasers will be afforded not less than three (3) business days to review this Offering Plan and all filed amendments to this Plan, prior to executing a Purchase Agreement.

10. Although a Purchaser may obtain financing from a lending institution or any other source, his, her or its obligation to purchase a Unit pursuant to his, her or its Purchase Agreement is not contingent on obtaining financing for such purchase. Neither the Sponsor nor the Selling Agent makes any representation as to the terms or availability of any mortgage financing. Prospective Purchasers are, therefore, advised to finalize their financing arrangements before signing a Purchase Agreement. However, prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be fixed and it could expire before the Closing Date.

11. Any conflict between any provisions of this Plan and the Purchase Agreement will be resolved in favor of such provision in this Plan.

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

- o accept the Purchase Agreement and cause to be returned to Purchaser a fully executed counterpart thereof; or

- reject the Purchase Agreement offer and thereafter promptly refund the Down Payment tendered.

If the Sponsor fails to do either within thirty (30) days, the Purchaser shall have a right of rescission. The Purchaser will have ten (10) days to exercise this right.

13. Nothing contained in this Plan will be in derogation of the rights of a Purchaser under Article 23-A of the General Business Law. The Purchase Agreement to be used by Tenant Purchasers who purchase during any exclusive period will not be modified except by a duly filed amendment to this Plan.

14. The Sponsor agrees to convey to a Purchaser title in fee simple to the Unit free and clear of all liens and encumbrances, other than those set forth in this Plan and any mortgages obtained by the Purchaser.

15. Neither the Purchase Agreement nor any monies deposited thereunder shall constitute a lien against the Property, including the Unit.

16. The following occurrences, among others, constitute a default by a Purchaser under the Purchase Agreement:

- Purchaser's failure to pay the balance on the Closing date designated by the Sponsor;

- Purchaser's failure to duly sign, notarize and deliver at the Closing the Power of Attorney to the Board of Managers pursuant to the Purchase Agreement or to complete the New York City Real Property Transfer Tax Return and New York State Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate or to pay the taxes shown as due on said forms;

- If applicable, Purchaser's failure to duly sign, notarize, deliver or complete at the Closing any forms or returns necessary for the calculation or recording of the portion of the mortgage tax to be computed in accordance with Section 339-ee of the Condominium Act, or to pay such portion to the Sponsor in reimbursement of mortgage tax which the Sponsor previously paid if the Sponsor had previously placed a mortgage on the Property;

- The failure to pay, perform or observe any of the Purchaser's other obligations under the Purchase Agreement; and

- The failure of the Purchaser to observe all the terms, covenants and conditions of an Interim Lease, if any.

The provisions of the Purchase Agreement relating to defaults by a Purchaser, the thirty (30) day time-period to cure defaults, retention by the Sponsor of monies paid under the Purchase Agreement, and the obligation of the Purchaser to pay a legal fee to the Sponsor's

counsel if the thirty (30) day notice of default is sent, are of special importance and should be read carefully by each Purchaser.

17. The Purchase Agreement is contingent upon the effectiveness of this Plan. If this Plan is abandoned, all Purchase Agreements will be canceled. However, defaults by Purchasers will not be waived as long as the Plan is not abandoned.

18. The Purchase Agreement contains important provisions regarding acceptance of the condition of the Unit and Common Elements by the Purchaser at the Closing, which provisions should be read carefully by each Purchaser. Among the provisions is the requirement that the Purchaser pay the balance of the purchase price at the closing scheduled by the Sponsor even if work remains to be done on the Unit or on Common Elements. Closing will not relieve the Sponsor of its obligation to complete the work described in this Plan. No escrow or other security will be provided to secure the obligation of the Sponsor to complete work in the Unit.

19. If title defects arise that the Sponsor is obligated to remove pursuant to this Plan, a Purchaser must wait for the Sponsor to cure the defects before a Closing can take place. If Sponsor is unable to cure the defects, a Purchaser may cancel his, her or its Purchase Agreement.

20. The Sponsor may cancel a Purchase Agreement if any governmental bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of material necessary in the construction of improvements to the Building and such restrictions shall prevent the Sponsor from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the Unit; or the Sponsor is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, acts of God; or if the installation of public utilities is restricted or curtailed.

21. The Purchase Agreement contains a representation by the Purchaser to the Sponsor that he, she or it has not dealt with any broker, if any, other than the broker, if any, specified in the Purchase Agreement in connection with the acquisition of his, her or its Unit and will indemnify the Sponsor against any costs and expenses in connection with claims by any other broker claiming to have dealt with the Purchaser or the Purchaser's representatives.

22. No provision of the Purchase Agreement shall survive the delivery of the deed, except those obligations expressly stated therein or in this Plan to so survive or to be performed subsequent to the Closing. Acceptance by the Purchaser of the deed will constitute Purchaser's acceptance and acknowledgment of the full performance by the Sponsor of, and the discharge of the Sponsor from, all obligations under the Purchase Agreement except those obligations expressly stated to survive or to be performed subsequent to delivery of the deed.

23. The following fees will be payable by a Purchaser at the time scheduled for the Closing whether or not the Closing occurs unless the Closing does not occur because of a default by the Sponsor or the Sponsor's inability to close: $1,500 for preparation of legal

documents; an additional $300 attendance fee if the Closing occurs outside of the Sponsor's attorney's office or other office designated by the Sponsor but in the City of New York or $500 if in Westchester, Nassau or Suffolk Counties; or an amount determined by the Sponsor's attorney if elsewhere; and an additional $300 fee if the Closing is adjourned at the Purchaser's request on less than forty-eight (48) hours notice (nothing herein shall give a Purchaser a right to adjourn a Closing); and an additional $500 if notice of default is issued, unless the Closing does not occur because of a default by the Sponsor or the Sponsor's inability to close; and an additional $500 fee if the Purchaser assigns his, her or its Purchase Agreement.

24. In addition, a Purchaser will pay the items described in the section of this Plan entitled "Closing Costs and Adjustments," below.

25. At the Closing, the Sponsor will deliver to the Purchaser a bargain and sale deed with covenants against grantor's acts conveying title to the Unit to the Purchaser. Such deed will be in the form contained in Part II of this Plan, executed and acknowledged by the Sponsor and the Purchaser in the form for recording.

Additional costs a Purchaser may incur are described in the section of this Plan entitled "Closing Costs and Adjustments," below.

ASSIGNMENT OF PURCHASE AGREEMENTS

The Purchase Agreement is not assignable by the Purchaser without obtaining the express written consent of the Sponsor. In the event the Sponsor, in its sole discretion, consents to an assignment, the same shall be subject to the conditions that

- the Purchaser wishing to assign a Purchase Agreement has executed the Purchase Agreement and tendered the Down Payment;
- the assignment is in a form approved by Sponsor is executed and delivered by the prospective assignee to the Sponsor no later than thirty (30) days prior to the Closing date; and
- the assignee pays to Sponsor's attorney the sum of $500 to cover the fee for legal services rendered to Sponsor in connection with the assignment.

In addition, prior to the declaration of effectiveness, in order for an assigned or transferred Purchase Agreement to be counted towards effectiveness, the assignee must provide an affidavit stating that the assignee was not procured by the Sponsor or the managing agent, and that the assignee intends that he or she or a specified member of his or her immediate family will personally occupy the Unit.

In no event will a Purchaser have the right to postpone the Closing as a result of an assignment. If Sponsor refuses to consent, Purchaser will not be excused from his, her or its obligations under the Purchase Agreement.

EFFECTIVE DATE

The Sponsor's offer to sell Units is contingent upon this Plan being declared effective and upon the Purchaser's compliance with relevant conditions and time periods described in this Plan and in the Purchase Agreement. All Purchase Agreements are contingent upon such effectiveness and no Closing will occur before this Plan has been declared effective. This Plan will be declared effective upon the following conditions:

- This Plan may be declared effective (i) by an amendment duly filed with the Department of Law or (ii) by personal service of a notice on every tenant and Purchaser or by commencement of service by mail in the manner required by the regulations of the Department of Law of a notice that this Plan has been declared effective and submitting an amendment to this Plan to the Department of Law within five (5) days confirming that this Plan was declared effective on a specified date. The amendment shall conform to said regulations. The Closing of the first Unit shall not be fixed until the Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

- This Plan may not be declared effective unless bona fide Purchasers, including investors, have signed Purchase Agreements for at least fifteen percent (15%) of the Units and until executed Purchase Agreements have been accepted by Sponsor for not less than fifteen percent (15%) of the Units offered under this Plan. No more than one Purchase Agreement by an outside Purchaser or by the tenant or tenants of a particular Unit shall be counted. Only one Purchase Agreement from any tenant who leases or occupies more than one Unit shall be counted towards effectiveness.

- The Plan will not be declared effective based on Purchase Agreements:

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

  (ii) assigned or transferred without compliance with the conditions set forth in the section of this Plan entitled "Assignment of Purchase Agreements," above; or

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

  (iv) with any Purchaser who or which is the Sponsor, the Selling Agent, if any, or the managing agent or is a principal of the Sponsor, the Selling Agent or the managing agent or is related to the Sponsor, the Selling Agent or the managing agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner;

except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is a bona fide tenant in occupancy or is a bona fide Purchaser who intends that he or she or one or more of his or her family intend to occupy the Unit when it becomes vacant.

- This Plan must be declared effective when Purchase Agreements have been accepted by the Sponsor for eighty percent (80%) or more of the Units offered under this Plan.

- This Plan may not be declared effective until written Purchase Agreements have been executed and delivered for at least fifteen percent (15%) of all Residential Units in the Building by bona fide Tenants in occupancy or bona fide Purchasers who represent that they intend that they or a specified member of their immediate family occupy the Unit when it becomes vacant. As to tenants who were in occupancy on the date the Plan was accepted for filing, the Purchase Agreement shall be executed and delivered pursuant to an offering made without fraud and discriminatory repurchase agreements or other discriminatory inducements.

- This Plan will be deemed abandoned, void and of no effect if it does not become effective within fifteen (15) months from the date of issuance of the letter by the Department of Law indicating that the Plan has been accepted for filing. In the event of such abandonment, no new plan for conversion of the Building shall be submitted to the Department of Law for at least twelve (12) months after such abandonment. Such fifteen (15) month limit shall not be extended.

- The Sponsor may not change this Plan from a non-eviction plan to an eviction plan.

- This Plan may be abandoned by the Sponsor, at its sole and unrestricted option, at any time before it is declared effective. This Plan will be abandoned by an amendment together with form RS-3 filed at the Department of Law. Within fifteen (15) days of acceptance of the amendment for filing, all monies paid by Purchasers shall be refunded to them in full with interest, if any.

- This Plan may not be abandoned once it has been declared effective for any reason other than:

  - a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total amount of the offering; or

  - substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than one-half of one percent of

the total amount of the offering; or

- the taking of any material portion of the Property by condemnation or eminent domain.

The stated dollar amounts relied upon as basis for abandonment after effectiveness of this Plan will exclude any attorneys' fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of this Plan and are either known to the Sponsor or are a matter of public record.

The Sponsor may abandon this Plan once it has been declared effective or cancel Purchase Agreements for any of the foregoing reasons, acting in its sole discretion. If the Sponsor abandons this Plan and/or cancels the Purchase Agreements, then within ten (10) days of such event the Sponsor shall instruct the Escrow Agent to return to affected Purchasers all monies deposited with interest, if any. Upon making such refund, the parties shall be relieved of all further obligations and liabilities under the Purchase Agreements and this Plan.

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

TERMS OF SALE

A Purchaser will receive a bargain and sale deed with covenants against grantor's acts. The form of deed is included in Part II of this Plan.

Subject to the Sponsor's right to abandon this Plan due to damage to the Building, as described in the section of this Plan entitled "Effective Date," above, and unless the risk of loss with respect to a Unit has passed to a Purchaser that has taken possession of a Unit, in the event a Unit is damaged by a casualty or other cause between the date a Purchase Agreement is accepted by the Sponsor and the Closing, the Sponsor will repair the Unit if the cost of the repair is less than or equal to one-half of one percent of the purchase price. If the cost of the repair is more than one-half of one percent of the purchase price, the Sponsor may, but is not obligated to, repair the Unit. The date for the Closing will be extended to give the Sponsor time to repair the Unit if the Sponsor is obligated to repair the Unit or elects to repair the Unit. If the Sponsor repairs the Unit, then the Purchase Agreement shall remain in full force and effect and the Closing shall occur as specified in a notice from the Sponsor to the Purchaser after the repair is completed. If the cost of the repair is more than one-half of one percent of the purchase price and the Sponsor does not elect to repair the Unit, then the Purchaser may either purchase the Unit with a credit of one-half of one percent of the purchase price or rescind the Purchase

Agreement, in either case by giving the Sponsor written notice of the Purchaser's choice within thirty (30) days after the Sponsor gives notice of the Sponsor's election not to repair the Unit. If the Purchaser fails to give notice rescinding the Purchase Agreement within said thirty (30) day period, then the Purchaser will be deemed to have chosen to be bound by the Purchase Agreement and to receive the credit of one-half of one percent of the purchase price. Upon Closing, a Purchaser of a damaged Unit will be responsible for all repairs to the Unit and for complying with all Legal Requirements with respect to the condition of the Unit and repairs.

The Sponsor is undertaking no construction. The Units are offered "As Is." The Sponsor is not obligated to perform any work and is obligated to provide only the equipment, fixtures, and furnishings described in the "Description of Property and Specifications or Building Condition" in Part II of this Plan. Each potential Purchaser is advised to inspect the Unit in which he, she or it is interested in order to determine its layout, fixtures, appliances and other features and condition. The Sponsor makes no representations, guarantees or warranties regarding the existence of or condition of flooring, cabinets, paint, fixtures, appliances, lofts and other tenant installations, or other interior elements of a Unit. In no event shall the presence of any furniture, furnishings, equipment, material or other features in any model apartment imply or represent that any Unit will be other than as described in the "Description of Property and Specifications or Building Condition."

The actual layout and dimensions of a Unit may differ from the layout and dimensions on the Floor Plans in Part II of this Plan.

Each Purchaser of a Unit shall be given a reasonable opportunity to examine his, her or its Unit prior to Closing and is urged to make a careful inspection of the Unit. At the Closing, each Purchaser shall be required to sign and deliver to Sponsor a Final Inspection Sheet substantially in the form set forth as an exhibit to the Purchase Agreement in Part II of this Plan wherein the Purchaser acknowledges the condition in which he, she or it has received his, her or its Unit. Under no circumstances shall any item included on a Final Inspection Sheet constitute grounds for a Purchaser to postpone or otherwise delay the date scheduled for Closing.

The Sponsor does not have any actual knowledge of any lead-based paint or lead-based paint hazards in the Units or in the Building. The Sponsor has not undertaken any separate investigation or risk assessment as to the presence of lead-based paint hazards in the Building and/or the Units. The Sponsor does not make any guaranty, representation and/or warranty as to the accuracy of the disclosure contained herein or as to the presence (including the magnitude thereof) or lack thereof, of lead-based paint hazards, in the Units or in the Building. The Purchaser by the Purchase Agreement assumes all risk, if any, as to lead-based paint hazards in the Unit being purchased.

Title to each Unit and its appurtenant interest in the Common Elements will be conveyed at the Closing free and clear of all liens, encumbrances and title exceptions except for the provisions of the deed, a form of which is in Part II of this Plan, and the following:

- The Declaration,

- The Floor Plans,
- The By-Laws,
- The state of facts shown on the survey made by Barry M. Fahrer L.S. P.C., dated February 18, 2002, and any additional state of facts a subsequent survey may show, provided title is not rendered unmarketable by such additional facts,
- The Power of Attorney as required in the Purchase Agreement, a form of which Power of Attorney is included in Part II of this Plan,
- Mortgages and UCC financing statements, if any, which are subordinated to the Declaration,
- Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring the Purchaser's interest in the Unit,
- Building restrictions and zoning regulations and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction which are not violated by the Building and which do not prevent the use of the Building described in this Plan,
- Existing violations of building, fire, electrical and similar codes, laws, rules and regulations, subject to the Sponsor's obligation to cure violations as described in the section of this Plan entitled "Rights and Obligations of Sponsor," below,
- Encroachments of retaining walls, fences, bay windows, fire escapes, stoops, banisters, areas, cellar steps, doors, railings, air conditioners, balconies, drain, vent and other pipes, electrical conduits, lights, trim, foundation, cornices, if any, and similar projections on, over and under the Property and encroachments on to streets, highways and adjoining premises by improvements on the Property, and the rights of governmental authorities to require the removal of any such projections and variations beyond record lines of the Property,
- Consents by the Sponsor or the owner or any former owner of the Property for the erection of any structure or structures on, under, or above any street or streets on which the Property may abut,
- Any other covenants, restrictions, easements or agreements of record, if any, which are not violated by the Building or its use described in this Plan,
- Any state of facts a physical inspection of the Property would disclose,
- The terms and conditions of this Plan and any amendments thereto,

- The lien of any unpaid Federal or State or New York City taxes, provided Sponsor, at the Closing, makes such deposit or guarantee as might be reasonably required by the Purchaser's title insurance company to issue to the Purchaser a policy of title insurance insuring against the collection of such taxes out of the Unit,

- The revocability of the right to maintain street vaults and other areas under or projections over any sidewalk, if any, and the lien of unpaid vault charges (which are to be paid by the Board of Managers),

- Any easement or right of use created in favor of any public utility company and the right to install, use, maintain, repair and replace wires, lines, facilities, connections, equipment and the like upon, under and across the Property,

- Service, maintenance, employment, management and license contracts and agreements, if any, described in this Plan,

- The lien of unpaid water charges and sewer rents, which shall be paid by the Board of Managers,

- The lien of unpaid Common Charges and real estate taxes, which shall be apportioned as of the Closing,

- The lien of any unpaid assessments payable in installments, except the Sponsor will pay all such installments due and payable prior to the Closing date, and the Purchaser will be obligated to pay all installments due at or subsequent to the Closing Date (however, the then current installment shall be apportioned at the Closing),

- Any other matter or encumbrance as to which Home Abstract Corp., as agent for First American Title Insurance Company of New York, or a reputable title company chosen by the Purchaser, would be willing, in a fee title insurance policy issued by it to the Purchaser, to insure the Purchaser that such matter or encumbrance (a) will not be collected out of the Unit if it is a lien, and (b) will not prevent the use of the Unit for dwelling purposes,

- Any other declaration or other instrument affecting the Property that the Sponsor deems necessary or appropriate to comply with any Legal Requirement.

- Landmark Designation in Reel 1412 Page 31.

The Purchase Agreement lists the personal property to be included in the sale of the Unit. All personal property to be used in connection with the use of the Unit, as described in this Plan, and located within the Unit on the date the Purchase Agreement is signed is included in the conveyance unless specifically excepted in this Plan or the Purchase Agreement. In

addition, the Purchaser shall acquire an undivided interest in the personal property located within the Common Elements on the date the Declaration is filed and necessary for the operation of the Building and which is the property of the Sponsor unless specifically excepted in this Plan.

The Declaration, the By-Laws and the Floor Plans and such other documents as may be required by law will be recorded or filed prior to the first Closing in accordance with the Condominium Act in the Office of the City Register, Borough of Brooklyn.

The residential use of the Units is permitted by the Permanent Certificate of Occupancy, dated October 30, 2003.

If any mortgage or construction loan will not be satisfied at or prior to the Closing of the first Unit, at the time of conveyance of the first Unit, each mortgagee will either: (i) consent to the formation of the Condominium and acknowledge that the mortgagee's lien will be limited to Unsold Units; (ii) subordinate the lien of its mortgage to the Declaration; or (iii) release its lien on the Unit being conveyed and its appurtenant interest in the Common Elements.

UNIT CLOSING COSTS AND ADJUSTMENTS

General

The estimated Closing costs and expenses to be borne by a Purchaser are described below. The estimates are based on current rates, costs and charges, which are subject to change without notice or amendment of this Plan. Changes in rates, costs or charges shall not be deemed an objection to title nor cause an offer of rescission.

Closing Adjustments

At each Closing, the Sponsor and the Purchaser shall apportion as of midnight of the day preceding the Closing:

- Real estate taxes (including all prepaid real estate taxes), on the basis of the quarter or semi-annual installment (as the case may be) due with respect to the period including the Closing date.

- Assessments, if any, payable in installments based on the due date of the installments, regardless of when the assessment became a lien.

  In the event that the Unit has not been separately assessed for the then current fiscal tax year of a taxing or assessing authority at the time of the Closing, the apportionment of real estate taxes and assessments shall be apportioned based on the real estate taxes and assessment payable with respect to the Property multiplied by the percentage of Common Interest attributable to the Unit.

Installments for real estates taxes and assessments assessed against the Unit due after delivery of the deed (if any) shall be paid by the Purchaser and shall not be considered a defect in title.

The By-Laws provide that if at the time of the Closing of the first Unit, Units have not been separately assessed for real estate tax and assessment purposes, Common Expenses shall include real estate taxes and assessments on the Property until the Units are separately assessed. After the Units are separately assessed, the Board of Managers will reimburse Unit Owners for any overpayment of taxes or assessments or assess Unit Owners for any underpayment of taxes or assessments

- If water charges and sewer rents are separately assessed against the Unit, such charges shall be apportioned on the basis of the usage per day based on the last meter reading and the number of days between the last meter reading and the Closing date.

- The estimated Common Charges for each Unit, as shown in "Offering Prices and Related Information, Schedule A," above, for the month in which title closes.

If any of the foregoing cannot be adjusted because they are not fully ascertainable, they shall be apportioned and adjusted at Closing to the extent reasonably possible, and final adjustments will be made as soon thereafter as the undetermined amounts are ascertained. Any errors or omissions in calculating adjustments at Closing shall be corrected after the Closing and payment shall be made to the proper party promptly after discovery of such error or omission.

If the assessed valuation of the Units for the tax year in which the first Closing occurs or in any subsequent tax year is reduced and the real estate taxes predicated thereon are reduced or a credit or refund is issued for the benefit of a Purchaser of a Unit as a result of tax certiorari applications or proceedings instituted by the Sponsor, whether by settlement or otherwise in the Sponsor's sole discretion, the Board of Managers shall, upon request of the Sponsor, reimburse the Sponsor for the actual cost of any such tax certiorari applications or proceedings (including Sponsor's reasonable attorneys' fees) incurred by the Sponsor that are allocable to the time periods after the date of the First Closing. The Sponsor shall, upon request of the Board of Managers, furnish the Board with receipts or other proof of such costs. The Board of Managers shall assess against every Unit Owner who has received the benefit of such tax reduction, credit or refund, such costs, in proportion to (a) the time period each Unit Owner has been the owner of his, her or its Unit and (b) each Unit Owner's Common Interest.

Closing Costs

In the following paragraphs, examples of fees and/or costs that Purchasers may incur are provided. The Sponsor, the Sponsor's attorney and the Selling Agent, if any, make no warranty or representation that the following examples will accurately reflect Purchaser's actual fees and/or costs. Purchasers should consult with their attorneys and financial advisors to determine the actual costs likely to be associated with the purchase of their individual Unit.

o Owner's (Fee) Title Insurance: If a Purchaser obtains fee title insurance, the Purchaser will pay a premium to his, her or its title insurance company. The amount of the premium will depend upon the amount of insurance requested. Each Purchaser is free to obtain title insurance from a title insurance company of his, her or its choice. The Sponsor makes no representation or warranty as to the cost, terms or availability of such title insurance from any particular title insurance company. Example: The premium for Owner's Title Insurance for a residential Unit with a purchase price of $600,000 would be approximately $2,041.00.

For Units with a purchase price above $500,000, Owner's Title Insurance premiums are based on the following cost rates:

	Owners Title Insurance
Minimum Insurance*	402
For each $1,000 or part thereof, add	
35,000 – 50,000	6.67
50,001 – 100,000	5.43
100,001 – 500,000	4.36
500,001 – 1,000,000	3.98
1,000,001 – 5,000,000	3.66
5,000,001 – 10,000,000	3.25
10,000,001 – 15,000,000	3.07
Over 15,000,000	2.76

*First $35,000 or under.

Purchaser shall be obligated to pay the following costs at Closing:

o Recording Fees: Fees for recording the deed covering the Unit and the power of attorney in favor of the Board of Managers and Sponsor and mortgages, if any. Typical recording charges are $125 for a deed, $75 for a power of attorney and $125 for a mortgage.

o New York State and New York City Transfer Taxes: The New York State Real Estate Transfer Tax, currently $2.00 per $500, or fractional portion thereof, of the purchase price of Residential Units, plus an additional one percent (1%) of the purchase price for Residential Units costing $1,000,000 or more, and the New York City Real Property Transfer Tax, currently equal to one percent (1%) of the purchase price for Residential Units costing $500,000 or less, and one and four hundred twenty five one thousandths percent (1.425%) for Residential Units

costing more than $500,000. For purposes of calculating the taxes, taxes paid by the Purchaser are added to the Purchase Price. Example: For a Residential Unit with a purchase price of $600,000, the New York State tax would be $2,400 and the New York City tax would be $8,550. However the New York City and New York State taxes must be added back into the purchase price and the taxes recalculated so that the taxes actually due would be $2,410 for the state and $8,672 for the New York City tax.

o Mortgages: If a Purchaser obtains a mortgage loan, then he, she or it will be responsible for paying all closing costs and expenses in connection with the loan in amounts determined by the lender. Generally, such costs include points, a fee charged by the lender's attorney, an appraisal fee, mortgage insurance, fees for recording the mortgage, and an origination fee. The Sponsor makes no representation or warranty as to such Closing costs and expenses or as to availability of mortgage financing. In addition the lender is likely to require the Purchaser to obtain title insurance in the lender's favor and pay the premium for the insurance. Example: For a Residential Unit with a purchase price of $600,000, the lender's fees would typically include the following: an origination fee ("points") of between 0% and 2.5% of the loan (between $0 and $13,500 on a $540,000 loan); lender's attorney fees, typically between $500 and $1,000; an appraisal fee, typically between $500 and $1,000; plus various other fees totaling between $500 and $1,000.

The Mortgagee Title Insurance premium for a mortgage in the amount of $540,000 would be approximately $471.00.

For Units with a purchase price above $500,000, Mortgagee's Title Insurance premiums are based on the following cost rates:

	Mortgage Title Insurance
Minimum Insurance*	344
For each $1,000 or part thereof, add	
35,000 – 50,000	5.55
50,001 – 100,000	4.54
100,001 – 500,000	3.64
500,001 – 1,000,000	3.31
1,000,001 – 5,000,000	3.05
5,000,001 – 10,000,000	2.71
10,000,001 – 15,000,000	2.55
Over 15,000,000	2.31

*First $35,000 or under.

For mortgages on Residential Units securing a principal debt or obligation of less than $500,000, the mortgage tax is $2.05 for each $100.00 or major fraction thereof of the principal amount secured. For mortgages on Residential Units securing a principal debt or obligation of $500,000 or more, the mortgage tax is $2.175 for each $100.00 or major fraction thereof of principal amount secured. Example: For a residential Unit with a mortgage of $540,000, the Mortgage Tax would be $11,745.

A portion of the mortgage tax, to be computed in accordance with Section 339-ee of the Condominium Act, will be paid by the Purchaser to the Sponsor in reimbursement of mortgage tax which the Sponsor previously paid if the Sponsor had previously placed a mortgage on the Building. The portion to be paid is roughly equal to the Purchaser's Percentage Common Interest multiplied by the mortgage tax previously paid by the Sponsor, if any. The portion reimbursed to the Sponsor will be deducted from the mortgage tax due from the Purchaser to the taxing authorities at Closing.

Mortgages from institutional lenders will generally require monthly deposits with the lender of monies applicable to the payment of casualty and mortgage insurance and real estate taxes, as well as a reserve which will be sufficient when included with anticipated monthly deposits to meet the taxes and insurance when due. This amount will vary depending on the institutional lender and the date of the Closing.

There will be no mortgage Closing costs on Units which are not covered by mortgages.

- Attorney Fees: The fees of the Sponsor's attorney due at Closing are as follows: $1,500 for preparation of legal documents; an additional $300 attendance fee if the Closing occurs outside of the Sponsor's attorney's office or other office designated by the Sponsor but in the City of New York or $500 if in Westchester, Nassau or Suffolk Counties; or an amount determined by the Sponsor's attorney if elsewhere; and an additional $300 fee if the Closing is adjourned at the Purchaser's request on less than forty-eight (48) hours notice (nothing herein shall give a Purchaser a right to adjourn a Closing); and an additional $500 fee if notice of default is issued, unless the Closing does not occur because of a default by the Sponsor or the Sponsor's inability to close; and an additional $500 fee if the Purchaser assigns his, her or its Purchase Agreement.

- Working Capital Fund Contribution: The Purchaser will be required to pay an amount equal to three month's Common Charges as shown in Schedule A, above, to provide the Condominium with a working capital fund. This amount will not be kept separate from the general funds of the Condominium and will not be refunded. It is not an advance payment of a Unit's monthly Common

Charges. During the period in which the Sponsor is in control of the Board of Managers, these funds will not be used to reduce Common Charges without the permission of a majority of Unit Owners other than the Sponsor.

o Purchaser's Professionals: The Purchaser shall have sole responsibility for payment of all professionals, including attorney(s), retained by the Purchaser.

Based on the information above, the closing costs for a Unit with a purchase price of $600,000 and a mortgage of $540,000 would be:

Owner's Title Insurance	$2,041
Recording fees	$200
New York City transfer tax	$8,672
New York State transfer tax	$2,410
Sponsor's attorney's fee	$,1500
Working Capital contribution	$1,068
TOTAL	$15,891
Mortgage related costs	
Origination fee	$0 - $13,500
Lender's attorney's fee	$500 - $1,000
Appraisal fee	$500 - $1,000
Misc. fees	$500 - $1,000
Mortgage recording fee	$125
Mortgage Title Insurance	$471
Mortgage tax	$11,745
TOTAL MORTGAGE RELATED FEES	$13,841 - $28,841

The entire contents of the foregoing part of this section of the Plan, "Closing Costs and Adjustments," as same may be revised or amended, shall be deemed to be incorporated in each Purchase Agreement.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

(This section and subsequent sections of this Plan contain summaries of certain provisions of the By-Laws. No such summary shall modify any provision of the By-Laws. Potential Purchasers and their attorneys are encouraged to review the By-Laws and should note that if there is any inconsistency between the summary in this section and the By-Laws, the By-Laws shall govern.)

The rights and obligations of the Sponsor pursuant to this Plan include the following:

- The Sponsor intends to sell the Units offered pursuant to this Plan and will endeavor in good faith and in a reasonably timely manner to sell Units rather than rent. Sponsor reserves the unconditional right to rent a Unit offered pursuant to this Plan. If the Sponsor makes a bulk sale of all or some of its Unsold Units, the transferee successor sponsor is bound by Sponsor's representations regarding its commitment to sell, and its reservation of the right to rent, the Units as specified in this paragraph.

- The Sponsor has no obligation to defend any suits or proceedings, nor to indemnify the Board of Managers or the Unit Owners, except in the case of claims arising out of the acts, omissions or representations of the Sponsor, as limited herein. The Sponsor shall defend any suits or proceedings arising out of Sponsor's acts or omissions and indemnify the Board of Managers and Unit Owners with respect to liability due to the Sponsor's acts or omissions, subject to the limitations set forth in this Plan.

- All representations of the Sponsor under this Offering Plan, all the obligations of the Sponsor under the General Business Law and all obligations of the Sponsor under this Plan which are to be performed after the Closing shall survive delivery of the deed to a Unit.

- Except for costs and expenses to be apportioned as described in the section of this Plan entitled "Closing Costs and Adjustments," above, the Sponsor will pay all costs and expenses incurred prior to the establishment of the Condominium or in connection with the sale of all the Units held or owned by the Sponsor (except for costs and expenses specifically made payable by a Purchaser under this Plan), and will pay all selling expenses including, but not limited to, advertising and printing costs, the Sponsor's architect fees, and the costs of filing this Plan and amendments to this Plan. The Sponsor agrees to pay all Common Charges, assessments and real estate taxes with respect to Unsold Units. The Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. It will fund its financial obligations to the Condominium from its resources and from the proceeds of the sales or rental of Unsold Units. No bond or other security has been posted to secure the Sponsor's obligations with respect to the aforementioned expenses.

- The Sponsor will cause the Board of Managers to maintain the property in substantially the same condition and manner as on the date of presentation until the Sponsor no longer controls the Board of Managers.

- The rights and obligations of the Sponsor and a Purchaser with respect to a Unit damaged by fire or other casualty are described in the section of this Plan entitled "Terms of Sale," above.

- The Sponsor agrees to procure fire and casualty insurance pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance. No representation is made as to the amount of the premium for any insurance, as set forth in "Budget for First Year of Condominium Operation, Schedule B," or otherwise.

- In the event of dissolution or liquidation of the Sponsor or the transfer of twenty percent (20%) or more of the total number of Units, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under this Plan, applicable laws or regulations. In the event of dissolution or liquidation, the principals of the Sponsor shall guarantee the performance of such obligations.

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

- Before the first Unit Closing, all liens and mortgages affecting the Property shall be paid and satisfied or each mortgagee shall either: (a) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Units; (b) subordinate the lien of its mortgage to the Declaration; or (c) release its lien on the Unit being conveyed and its interest in the Common Elements.

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

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

- The Sponsor has the right to use Units or space within the Building as a sales or construction office and/or model apartment.

- The Sponsor has the right to change prices set forth in Schedule A of this Offering Plan.

- The Sponsor reserves the right to rent or lease Units to Purchasers as described in the section of this Plan entitled "Interim Leases," above, and to rent or lease Unsold Units at any time to anyone it may choose without approval of the Board.

The obligations of the Sponsor hereunder shall be enforceable by the Board of Managers on behalf of Unit Owners. Except as expressly provided herein to the contrary, the obligations of the Sponsor shall be enforceable by individual Unit Owners only if either (i) the Board fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of notice of a claim by a Unit Owner to the Board or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Board will expire during the aforesaid ninety (90) day period (in either of which events the Unit Owner may bring an action in the nature of a derivative action against the Board of Managers). In addition, to the extent permitted by law, the Sponsor will have no liability to any Purchaser, subsequent purchaser of a Unit, Unit Owner, or the Board with respect to its obligations under this Plan (other than for the actual, non-consequential damages, including property damage, personal injury, or wrongful death, arising as a result of the negligence of Sponsor or its authorized agents or employees in connection with the transactions contemplated in the Plan) in excess of the net proceeds paid to Sponsor from the sale of Units after payment of, or reasonable reserve for, any liabilities of Sponsor arising out of the consummation of the transactions contemplated in this Plan.

- Sponsor's Rights of Access; Alterations

  (a) Rights of Access. The Sponsor reserves to itself, its successors, assigns, designees, employees, agents and contractors, easements and rights of access in, and to, Units and Common Elements, consistent with the purposes of this Plan and the Sponsor's rights and obligations hereunder. The rights of the Sponsor and its successors, assigns, designees, employees, agents and contractors include, among other rights:

  1) Right of access in, and to, Units and Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing (including but not limited to garbage collection) and similar work anywhere in the Building or at the Property;

  2) Right to show vacant or leased Units; and

3) Right to create and use utility and other easements created for the benefit of Unit Owners and the Board of Managers.

If reasonable care, under the circumstances, is exercised to safeguard the Unit Owner's property, such entry shall not render the Sponsor or its authorized agents liable for any damage to the Unit or personalty, equipment, fixtures or furnishings contained therein.

(b) Alterations. The Sponsor (and its successors, assigns, designees, employees, agents and contractors) have the right to alter any Unit or Common Element, subject to the rights of Purchasers under binding Purchase Agreements.

(c) Repairs, Interference. Subject to Unit Owner's responsibility for improvements to Limited Common Elements, the Sponsor agrees to repair damage resulting from the exercise of the above rights of access and to exercise such rights so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners.

This section of this Plan and the Purchase Agreement together set forth the entire obligations of Sponsor and no others shall be implied. The Sponsor makes no representation or warranty as to the work, materials, appliances, equipment, or fixtures other than as set forth in this Plan.

CONTROL BY THE SPONSOR

The affairs of the Condominium will be governed by the Board of Managers.

Under the By-Laws, as set forth in Part II of this Plan, until the first meeting of Unit Owners, the Board of Managers will consist of three (3) members designated by the Sponsor. Within ninety (90) days after the first Closing of title to a Unit, the Sponsor will call the first meeting of Unit Owners, at which meeting the Unit Owners shall elect three (3) members. Each Unit shall have the right to designate one (1) member. The Sponsor agrees not to exercise voting control of the Board of Managers for more than five (5) years after the closing of the first Unit or whenever the Unsold Units constitute less than fifty percent (50%) of the Common Interests, whichever is sooner. A meeting will be held to elect new members of the Board within thirty (30) days of the termination of the Sponsor's special right to designate members of the Board. For so long as the Sponsor owns one Unit, the Sponsor shall have the right to designate one (1) member of the Board.

After the initial Sponsor voting control period, a majority of the Board must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals.

The Sponsor may not exercise veto power over expenses described in "Budget for First Year of Condominium Operations, Schedule B," or over expenses required to comply with applicable laws or regulations, to remedy any notice of violation, or to remedy any work order by an insurer. The Sponsor may exercise veto power over expenses other than those described in the preceding sentence until five (5) years after the Closing of the first Unit or until the Unsold Units constitute less than twenty five (25%) percent of the Common Interest, whichever is sooner.

Because the Sponsor will hold Units as investments, it may have different priorities in operating the Building such as regarding when and how much to invest in repairs, maintenance or capital improvements.

BOARD OF MANAGERS

The Board of Managers will be responsible for management and maintenance of the Condominium. It shall have the powers and duties necessary for the administration of the affairs of the Condominium and may perform any acts necessary therefor, consistent with the Declaration, By-Laws and applicable law. Such acts include: determination and collection of Common Charges and enforcement of the obligation of Unit Owners to pay Common Charges; employment and dismissal of personnel and a managing agent; providing for insurance as to Common Elements; and adoption of Rules and Regulations relating to use and operation of Condominium property. A detailed list of the powers and duties of the Board is contained in Article II, Section 2 of the By-Laws in Part II of this Plan.

Under the By-Laws, as set forth in Part II of this Plan, until the first meeting of Unit Owners, the Board of Managers will consist of three (3) members designated by the Sponsor. Within ninety (90) days after the first Closing of title to a Unit, the Sponsor will call the first meeting of Unit Owners, at which meeting the Unit Owners shall elect three (3) members. The election of members of the Board of Managers shall be subject to the rights of the Sponsor described in the section of this Plan entitled "Control by the Sponsor," above.

Except for designees of the Sponsor, all members of the Board of Managers shall be Unit Owners, mortgagees of Units, partners or employees of a partnership owning a Unit or a mortgage covering a Unit, shareholders, officers, directors or employees of a corporate Unit Owner or corporate mortgagee of Units, fiduciaries or officers or employees of fiduciaries who are Owners or mortgagees of Units, or persons with similar authority over, or interest in, another entity owning or holding a mortgage on a Unit. After the initial Sponsor voting control period, a majority of the Board must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals.

The Board of Managers shall elect its officers.

Article II, Section 9 of the By-Laws provide for the calling of special meetings of the Board of Managers. Special meetings may be called by the President of the Board of Managers

and shall be called by the President or the Secretary upon the written request of one member of the Board of Managers. Pursuant to Article III, Section 3 of the By-Laws, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board of Managers or upon a petition signed and presented to the Secretary by Unit Owners holding twenty five (25%) percent of the Common Interest.

The initial Board of Managers will consist of Mieko Miyamoto, President, Philippe Dadaille, Vice President, and Tollevin Williams, Secretary/Treasurer. Mieko Miyamoto is a member of the Sponsor. Philippe Dadaille and Tollevin Williams are designees of the Sponsor.

Article II, Section 14 of the By-Laws discusses indemnification of Board members and liability, and provides that the Unit Owners will severally indemnify the members of the Board of Managers against any claims except those arising out of bad faith or willful misconduct. The members of the Board of Managers may have personal liability for actions taken in bad faith or for willful misconduct. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake or judgment or negligence or otherwise except for their own individual willful misconduct or bad faith.

All members of the Board of Managers shall serve without compensation.

Subject to provisions of the By-Laws pertaining to the removal of Board members, the term of office of members of the Board of Managers shall be one (1) year or until the earlier transfer of the Unit by the appointing Unit Owner. Upon such transfer, the transferee shall appoint a Board member, who shall serve the remainder of the one year term.

The By-Laws provide that a Unit Owner may remove a Board member appointed by the Unit Owner with or without cause. The Board of Managers may remove a Board member, including a member appointed by the Sponsor, with cause at a meeting of the Board. Officers, including officers appointed by the Sponsor, may be removed by a vote of the Board with or without cause. In the event of removal, the Unit Owner who appointed the removed member may appoint another person as Board member. The provision for removal of members of the Board of Managers is contained in Article II, Section 5 of the By-Laws.

The voting rights of Unit Owners are described in Article III, Section 8 of the By-Laws. Each Unit Owner shall be entitled to cast the number of votes equal to his, her or its Common Interest.

Amending the Declaration and the By-Laws

Except with respect to amendments required to implement the rights of owners of Unsold Units to make alterations to their Units, the Declaration may be amended with the approval of at least sixty-six and two-thirds percent (66 2/3%) in number and in Common Interest of all Unit Owners, in accordance with the provisions of the Declaration, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the consent of all Unit Owners affected.

The By-Laws may be amended with the approval of at least sixty-six and two-thirds percent (66 2/3 %) in number and in Common Interest of all the Unit Owners, as provided in Article X of By-Laws included in Part II of this Plan.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

Below is a summary of various provisions of the Declaration and By-Laws, as well as certain provisions of the Condominium Act, respecting rights and obligations of Unit Owners and the Board of Managers. This is intended as an illustrative summary only, and the Declaration, the By-Laws, and the Rules and Regulations should be carefully reviewed by potential Purchasers and their attorneys. They are fully set forth in Part II of this Plan. The terms of the Declaration, the By-Laws and the Rules and Regulations should not be deemed varied in any way by this section or any other provision of this Plan.

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

Generally, Unit Owners must comply with the Declaration, the By-Laws and the Rules and Regulations of the Condominium and other requirements of the Condominium. Failure to comply may result in liability on the part of a Unit Owner. For example, in the event of default by any Unit Owner in paying Common Charges or any other money due to the Board of Managers, such Unit Owner shall be obligated to pay the maximum legal interest rate on such Common Charges and money from the due date thereof, together with all expenses, including attorney fees, incurred by the Board. Among its remedies, the Board may bring an action for foreclosure of the lien for Common Charges and other money due on the Unit with the potential result that the Unit would be sold and the amounts realized used to satisfy the Unit Owner's obligation to the Board of Managers.

In addition, 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 the right, among other rights, (a) to enter the Unit which, or as to which, such violation or breach exists and to abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein which presents the violation or breach; and/or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach; and/or (c) to seek compensation for damages caused by the violation or breach.

Sale or Lease of Unit by Unit Owners Rights of First Refusal of Board of Managers

Each Unit Owner other than the Sponsor and other owner of an Unsold Unit has the right to sell or lease his, her or its Unit (subject to the consent, if required, of his, her or its mortgagee, if any) provided the Board of Managers waives its right of first refusal. The selling

Unit Owner must give the Board of Managers thirty (30) days prior written notice of terms of any bona fide sale or lease which he, she or it desires to make. The failure of the Board of Managers to act however, within the thirty (30) day period shall be deemed to constitute waiver of the Board's right of first refusal. If the Board of Managers disapproves the transaction, it shall, within the thirty (30) day period, either (a) produce a purchaser or lessee who will purchase or lease the Unit upon the same terms as stated in the Unit Owner's notice to the Board of Managers or (b) agree to purchase or lease the Unit on behalf of all other Unit Owners upon the same terms as stated in the Unit Owner's notice to the Board of Managers. The Board of Managers, however, may not purchase or lease a Unit without the approval of the Owners of Units constituting sixty-six and two-thirds percent (66 2/3%) of the Common Interest, excluding the Common Interest of the selling/leasing Unit Owner. If the Board of Managers does not have sufficient funds on hand for the acquisition and maintenance of a Unit which has been approved by the Unit Owners, the Board of Managers may either borrow such funds or assess the Unit Owners therefor in proportion to their respective Common Interests, excluding the Common Interest of the selling/leasing Unit Owner. If the Board of Managers does not either produce a purchaser or lessee for the Unit or agree to purchase or lease the Unit on behalf of all other Unit Owners as set forth above within the aforesaid thirty (30) day period, the Unit Owner shall have the right to consummate the sale or lease on the terms submitted to the Board of Managers. The rights of first refusal described above are governed by more specific terms set forth in the By-Laws.

There are no limitations on the price or rent that a Unit Owner may negotiate with a prospective purchaser or tenant.

Any lease of a Unit shall be in the form recommended for apartments by the Real Estate Board of New York, Inc., except as otherwise provided in the By-Laws or as otherwise approved by the Board of Managers.

The restrictions upon the sale and lease of Units set forth in this section and the rights of the Board of Managers with respect thereto shall not apply to the Sponsor or its designee or other owner of Unsold Units, or to acquisition by an institutional mortgagee acquiring title in foreclosure or by deed in lieu of foreclosure; the Sponsor, its designee, an owner of an Unsold Unit and any such mortgagee shall be free to sell or lease without first notifying or obtaining the consent or waiver of the Board of Managers and not subject to any right of first refusal. The Board of Managers shall cooperate in providing appropriate physical access to any Unit being so sold or leased and related Common Elements, as well as all financial information regarding the Condominium and the Unit in question.

Units acquired or leased by the Board of Managers pursuant to the rights of first refusal described above may be sold, leased, mortgaged or otherwise dealt with in the discretion of the Board of Managers. Such Units may be used in any manner in compliance with the Legal Requirements. Such Units held by the Board of Managers shall not carry any voting rights. Proceeds of such disposition will be received by the Board of Managers on behalf of all Unit Owners in proportion to their respective Common Interest. See the subsection of this section of this Plan entitled "Units Acquired or Leased by Board of Managers," below.

The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other ground prohibited by law.

Subject to the rights of the Board of Managers, Units may be sold or leased by a Unit Owner provided that he, she or it is not in arrears on payment of Common Charges and satisfies other liens against the Unit other than permitted mortgages.

Notwithstanding the rights of the Board of Managers described above, any Unit Owner who is a natural person may sell or lease his or her Unit to his or her spouse, domestic partner registered as such with the City of New York, adult child, parent, grandparent, parent-in-law or adult sibling, or may convey his or her Unit by gift, devise by will or have it pass by intestacy without complying with the restrictions described above, provided, however, that each succeeding Unit Owner shall be bound by, and his, her or its Unit shall be subject to, the restrictions described above and as more particularly set forth in the By-Laws. In addition, any Unit Owner that is not a natural person may sell, lease or convey its Unit to a controlled or related entity or person as more particularly set forth in the By-Laws.

Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, such Unit Owner's: Common Interest; undivided interest in any Unit or Units acquired by the Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than permitted mortgages) are paid and satisfied at, or prior to, Closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner shall be required to execute, acknowledge and deliver to the Board of Managers a Unit Owner's Power of Attorney in favor of the Board (and the Sponsor, if applicable), in the form set forth in Part II of this Plan or such other form as the Board of Managers may approve from time to time, in accordance with the Declaration. The new Unit Owner shall be responsible for having said Power of Attorney recorded and returned to the Board of Managers, and paying the fees therefor.

The Board of Managers may establish a reasonable fee for the processing of Unit sales and leases and notices relating to the Board of Manager's rights of first refusal. Such fee shall be payable by the selling or leasing Unit Owner, as the case may be, but not by the Sponsor or an owner of an Unsold Unit.

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

Mortgaging of Units by Unit Owners

Each Unit Owner shall have the right to mortgage his, her or its Unit without restriction, provided that (a) any such mortgage shall be substantially in the form of a New York statutory form mortgage, except for such changes or addition as may be necessary in order to permit a

particular bank, trust company, savings and loan association or other institutional lender to make the mortgage loan; (b) the Board is notified in writing in advance of the making of such mortgage and is given a copy thereof promptly; and (c) the Unit Owner making such mortgage is not in arrears for Common Charges and first satisfies all other unpaid liens against his, her or its Unit, other than mortgages placed on his, her or its Unit in compliance with the By-Laws and cures any default under any such mortgage. The Sponsor or its designee, as the owner of Unsold Units, and any other owner of Unsold Units, shall have the right to mortgage the Unsold Units without any restriction or limitation except that the Board shall be notified in writing of the making of such mortgage and shall be given a copy thereof.

Common Charges and Assessments

Each Unit Owner shall have the obligation to pay Common Charges and assessments, proportionate to his, her or its Common Interest, for the operation and maintenance of the Property as determined by the Board of Managers. For the purpose of making such determination, the Board, pursuant to the By-Laws, is required to prepare from time to time (and at least annually) a budget of Common Expenses. Common Expenses include expenses for maintenance and operation of the Common Elements, such as those listed in "Budget for First Year of Condominium Operations, Schedule B," above, and other items enumerated in the By-Laws. The Common Expenses are multiplied by each Unit Owner's Common Interest to determine each Unit Owner's Common Charges. A Unit's percentage of Common Interest is calculated based on a Unit's floor space subject to the location of such space and additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared used, and the overall dimensions of the particular Unit, pursuant to Section 339-i (1) (iv) of the Condominium Act. Common Charges (aside from adjustments made at Closing) will initially be billed monthly. For details see Article V, Section 1 of the By-Laws.

The Board shall have the right to charge any Unit Owner the difference in the cost of any higher insurance premium incurred by the Board if the use of such Unit Owner's Unit has caused such the higher premium.

The Board of Managers may increase Common Charges or collect assessments for the accumulation of reserves for capital expenditures, subject to provisions of applicable tax laws and subject to Sponsor's right, for a limited period, to withhold consent to such action.

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

Under the provisions of Section 339-z of the Condominium Act, the Board of Managers on behalf of the Unit Owners will have a lien on each Unit for unpaid Common Charges, together with the interest thereon. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on certain first mortgages of record thereon. Any lien for unpaid Common Charges against a Unit may be filed in the Office of the City Register,

Borough of Brooklyn and shall be effective until all sums secured thereby with the interest thereon shall have been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever may be earlier. The By-Laws also impose upon a Unit Owner a responsibility to pay the Condominium's attorney fees incurred in connection with unpaid Common Charges and liens with respect thereto. A 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 and/or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien. Upon the sale or conveyance of a Unit, unpaid Common Charges shall be paid out of the sales proceeds or by the seller, lessor, or transferor, as the case may be. Any seller, lessor or transferor or purchaser, lessee, or transferee, as the case may be, is entitled to a statement from the Board setting forth the accrued amount of unpaid Common Charges against the Unit as of the date of conveyance and such amount shall be the limit of liability of the seller, lessor or transferor or purchaser, lessee, or transferee, as the case may be, as well as the limit of the lien subject to which the Unit may be conveyed.

As discussed in the section of this Plan entitled "Obligations of Owners of Dwelling Units Occupied by Non-Purchasing Tenants," above, Purchase Agreements for Units occupied by Non-Purchasing Tenants and the By-Laws shall include an agreement by the Purchaser (other than the Sponsor) to deposit with the managing agent at the closing an amount not less than the greater of two months' common charges or two months rent, to be used as working capital to furnish services required under the Non-Purchasing Tenant's lease and the laws and regulations which apply to the tenancy. The Board of Managers will have a lien on each Unit for the replenishment of this working capital fund. A 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 and/or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien.

Pursuant to the By-Laws, the Board has the right to revise its projection of Common Expenses at any time and from time to time during any fiscal year of the Condominium. Any such revision may result in an increase or decrease in the amount of Common Charges payable by Unit Owners during such fiscal year. However, no such revision shall have a retroactive effect on the amount of Common Charges payable by Unit Owners prior to the date of such revision.

Each Unit Owner shall comply with the By-Laws and any Rules and Regulations and pay Common Charges and assessments to the Board of Managers. In addition to the lien for Common Charges described above, the Board of Managers will have the right to take additional actions to abate and enjoin violations of the By-Laws and Rules and Regulations by Unit Owners, as provided, for example, in Article V, Section 8 of the By-Laws.

Repairs

All maintenance, repairs and replacements to the Common Elements, including Limited Common Elements and whether located inside or outside the Units, will be made by the Board

of Managers and the cost thereof will be a Common Expense, except for repairs to Limited Common Elements that are expressly made the responsibility of the Unit Owner of the benefited Unit. All maintenance, repairs and replacements to the Units, whether structural or non-structural, ordinary or extraordinary, other than to the Common Elements contained therein, will be made by each respective Unit Owner at his, her or its expense and shall be completed within a reasonable period of time. All maintenance, repairs and replacements to the Common Elements of the Condominium, including Limited Common Elements and whether located inside or outside the Units, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors shall be made at the election of the Board of Managers either by the Board, at the expense of the Unit Owner, or by the Unit Owner.

The owner of Unit 1 and his, her or its successors and assigns shall be responsible for the maintenance, repair and replacement of any paving, landscaping, drainage, fences, enclosures, walls, or other elements of the rear yard, other than the Building walls, appurtenant to Unit 1, as required by Legal Requirements. The Board of Managers shall be responsible for maintenance, repair and replacement of the Building's exterior walls and other elements of the Building, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the rear yard or Building's exterior walls or other elements of the Building, if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to all areas of the rear yard in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event repairs require removal or disruption of any element of the rear yard, it shall be the responsibility of the Unit Owner to replace such element at the Unit Owner's cost. The owners of Unit 1 may not perform construction in the rear yard area that would require a building permit unless the owners comply with all Legal Requirements and obtain the prior approval of the Board of Managers.

The owners of Units 1, 2 and 3 shall have the right to place, inspect, maintain, repair and replace the air conditioning condenser and other air conditioning equipment serving his, her, or its respective Unit. A Unit Owner, and his, her or its agents and contractors shall have a right of access over and through the roof areas for such purposes. A Unit Owner shall be responsible for the maintenance, repair and replacement of the air conditioning equipment servicing his, her or its Unit (including equipment located outside the Unit and all piping and wiring associated with the air conditioning equipment), as required. The Board of Managers shall be responsible for maintenance, repair and replacement of all roofs, and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of any portion of roof or elements thereof, including all associated parapets, flashing and other elements, any portion thereof or any elements thereof, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors. In the event Building roofs or elements thereof require removal or disruption of any air conditioning equipment or associated piping or wiring, or element thereof, it shall be the responsibility of the Unit Owner to replace or repair same at the Unit Owner's cost. In any event, the Board of Managers and its agents, employees and contractors may have access to all roof areas of the Building in order to inspect the Common

Elements and for any action the Board of Managers is required or permitted to take.

The owners of Units 1, 2 and 3 shall have the right to place, inspect, maintain, repair and replace the boiler and hot water heater serving his, her, or its respective Unit. A Unit Owner, and his, her or its agents and contractors shall have a right of access over and through the cellar areas for such purposes. A Unit Owner shall be responsible for the maintenance, repair and replacement of the boiler and hot water heater servicing his, her or its Unit (including equipment located outside the Unit and all piping and wiring associated with the boiler and hot water heater), as required. The Board of Managers shall be responsible for maintenance, repair and replacement of all Building floors, ceilings and walls, and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of the Building floors, ceilings or walls, any portion thereof or any elements thereof, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors. In the event Building floor, ceiling or wall repairs, require removal or disruption of any boiler or hot water heater or associated piping or wiring, or element thereof, it shall be the responsibility of the Unit Owner to replace or repair same at the Unit Owner's cost. In any event, the Board of Managers and its agents, employees and contractors may have access to all cellar areas and common area hallway closets of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take.

The owner of Unit 1, and the owners of Units 2 and 3 should they install washers and dryers, shall have the right to place, inspect, maintain, repair and replace their respective washers and dryers. A Unit Owner, and his, her or its agents and contractors shall have a right of access over and through the cellar areas for such purposes. A Unit Owner shall be responsible for the maintenance, repair and replacement of their washers and dryers (including all piping and wiring associated with the washers and dryers), as required. The Board of Managers shall be responsible for maintenance, repair and replacement of all Building floors, ceilings and walls, and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of the Building floors, ceilings or walls, any portion thereof or any elements thereof, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors. In the event Building floor, ceiling or wall repairs, require removal or disruption of any washer and/or dryer or associated piping or wiring, or element thereof, it shall be the responsibility of the Unit Owner to replace or repair same at the Unit Owner's cost. In any event, the Board of Managers and its agents, employees and contractors may have access to all cellar areas and common area hallway closets of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take.

The owners of Units 1, 2 and 3 shall have the right to inspect, maintain, repair and replace the flue serving their Units and an easement to access the roof, including the roof deck appurtenant to Unit 3, for such purposes. The owners of Units 1, 2 and 3 shall be responsible for the maintenance, repair and replacement of the flues (including all equipment associated therewith, whether located inside or outside the Units) serving their Units as necessary to keep

the flues in good working condition. If during the course, or as a result, of maintaining, repairing or replacing the flue, any Common Element or Unit is damaged for any reason, intentional or not, the Unit Owner undertaking the maintenance, repair or replacement shall be responsible for all costs of repairing returning the damaged Common Element and/or Unit to its condition prior to the damage.

The owner of Unit 3, should it exercise his, her or its right to build a roof deck, and his, her or its successors and assigns shall be responsible for the maintenance, repair and replacement of any deck, paving system, or other elements of the roof deck. The Board of Managers shall be responsible for maintenance, repair and replacement of all roofs and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of any portion of the roof or any elements thereof, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors. If roof repairs require removal or disruption of any element of the deck, paving system, or other elements of the roof deck appurtenant to Unit 3 as provided above, it shall be the responsibility of the Owner of Unit 3 to replace such element at the Unit Owner's cost. The Board of Managers and its agents, employees and contractors may have access to all roof areas of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. The Owners of Units 1 and 2 may have access to all common areas of the roof through the roof hatch, not through Unit 3. The Owner of Unit 3 shall be liable for any personal injury or property damage that occurs as a result of the presence of the Unit Owner or his, her or its employees, invitees, agents or contractors on any portion of the roof deck or any portion of the roof that is a common element, and Unit Owners shall be liable for any personal injury or property damage that occurs as a result of their presence or that of their employees, invitees, agents or contractors on any portion of the roof that is a common element.

Those public or other areas of the Building exposed to public view that are required to be maintained by a Unit Owner or the Board shall be kept by each in good appearance in conformity with the dignity and character of the Building as determined by the Board of Managers.

The Board of Managers shall have the right of access to any Unit and Limited Common Element for the purposes of inspecting and making any repairs or replacements to any of the Common Elements or to remedy any condition which would result in damage to any Unit or the Common Elements or which would violate the provisions of any mortgage covering another Unit or for the purpose of complying with, and determining the Unit Owner's compliance with, Legal Requirements. The Board's right of access shall be exercised so as not to unreasonably interfere with the use of the Units, but 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 the Units or for the safety of Condominium residents or other persons or required to avoid the suspension of any necessary service to the Condominium.

Work in the nature of decorating, which does not involve any structural alterations or any electrical or plumbing work, may be done without a building permit. Most construction, such as a deck or gazebo, the addition of rooms or interior stairs, electrical work and alterations

to plumbing, requires a permit from the Department of Buildings and is subject to the requirements of zoning. Certain roof structures and enclosure of a balcony, if permitted by the Declaration, the By-Laws and Board of Managers, and which may involve the addition of more enclosed space than is permitted by zoning or which are obstructions in required yards, cannot be built as-of-right and require a variance from the Board of Standards and Appeals. The application for a variance may be opposed by the Board of Managers, and for this reason, among others, may be denied.

Additions, Alterations and Improvements
by Board of Managers

Additions, alterations, or improvements may be made by the Board of Managers without approval of Unit Owners, except that (a) no addition, alteration or improvement costing more than $1,000 shall be made without the approval of the Sponsor and all other owners of Unsold Units as long as there are any Unsold Units (unless such addition, alteration or improvement is necessary in order to comply with Legal Requirements or is necessary to protect the Property from deterioration), and (b) no additions, alterations or improvements costing more than $1,000 shall be made unless approved by sixty-six and two-thirds percent (66 2/3%%) in number and in Common Interest of the Unit Owners, including the Sponsor or its designee. The Board of Managers shall proceed with duly authorized additions, alterations or improvements and shall assess each Unit Owner his, her or its proportionate share of the cost as part of the Common Expenses or as a special assessment, or shall pay for the addition, alteration or improvement from reserves accumulated for purposes of same or shall borrow funds to pay therefore as described below. Additions, alterations or improvements costing $1,000 or less may be made by the Board of Managers without approval of Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Whenever in the judgment of the Board of Managers, in connection with the operation, care, upkeep and maintenance of the Common Elements, money must be borrowed on behalf of the Condominium, no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interests or on the Common Elements without the consent of all of the Unit Owners. The Board of Managers may only borrow money on behalf of the Condominium when required in connection with the payment, collection, and disbursement of funds, including reserves, to provide for major and minor maintenance, repairs, additions, improvements, replacements, working capital, bad debts and unpaid common expenses, depreciation, obsolescence and similar purposes, provided, however, that (i) such debt is incurred no earlier than the fifth anniversary of the first Closing of a Unit and (ii) the incurrence of such debt shall require the consent of majority of all Unit Owners in Common Interest and the Sponsor and any other owner of an Unsold Unit as long as there is an Unsold Unit. If any sum borrowed by the Board of Managers is not repaid by the Board, a Unit Owner who pays to the creditor the proportion of the loan equal to the proportion that the Unit Owner's Common Interest bears to the Common Interest of all Units shall be entitled to 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.

Additions, Alterations and Improvements by Unit Owners

Except as provided below with respect to the Sponsor and Unsold Units, (a) no Unit Owner may make any structural addition, alteration or improvement in his, her or its Unit without the prior written approval of the Board of Mangers (and, if required, of his, her, or its mortgagee), and (b) no application or other document shall be filed with any governmental authority for a permit covering an addition, alteration or improvement to be made in a Unit unless approved and, if necessary, executed by the Board of Mangers, without, however, incurring any liability on the part of the Board of Managers, or any of them, to any contractor, subcontractor, material supplier, architect or engineer, or other professional by reason of such addition, alteration or improvement or to any person having any claim for injury to any person or damage to property arising therefrom. The Board may, at its option, require the Unit Owner to execute an agreement satisfactory to the Board of Managers setting forth the terms and conditions under which such addition, alteration or improvement may be made.

The Sponsor (or its designee) shall have the right without the approval of the Board, the Selling Agent, if any, the Managing Agent, if any, other Unit Owners or holders of mortgages on Units (a) to make alterations, additions, improvements or repairs in, or to, any Unsold Unit, whether structural or non-structural, interior or exterior, ordinary or extraordinary and (b) to subdivide, to combine and to change the boundary walls of Unsold Units. At the request of the Sponsor, the Board of Managers will execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any structural addition, alteration or improvement, subdivision, continuation, or change made by the Sponsor or its designee to any Unit, provided, however, that the Board of Managers shall not be subjected to any expense or liability by virtue of the execution of the application or such other document.

Non-structural alterations and improvements to a Unit that do not affect the exterior of the Building or the value of other Units may be made by a Unit Owner without the prior approval of the Board of Managers.

In the event that, with the approval of the Board of Managers, a Unit Owner, other than an owner of an Unsold Unit, wishes to construct, either structural or non-structural additions, alterations, improvements in or to his, her, or its Unit or the Limited Common Element associated with his, her or its Unit, the Board of Managers may regulate one or more of the aspects of construction including, without limitation, the following: (a) the time periods during which work is permitted; (b) the manner in which deliveries and construction debris will be handled; (c) the measures which must be taken to prevent compromising the security of the Building during construction; (d) the interruption of services during construction; (e) liability insurance for contractors during construction; and (f) such other matters as are necessary for the safety and continued enjoyment of the Building by all Unit Owners. The Board of Managers may, at its sole discretion, require that such terms be memorialized in a written agreement with the Unit Owner.

No Unit Owner, other than the Sponsor, may make any changes in, or to, the Common Elements without the prior written approval of the Board of Managers.

Insurance

The Board of Managers will obtain and maintain, to the extent obtainable at commercially reasonable premiums: (a) fire insurance, with extended coverage, vandalism and malicious mischief endorsements normal for condominiums similar to the Condominium, insuring the Building, including all of the Units, and the equipment installed therein by the Sponsor, partitions, floors and ceilings within the Units (but not including any equipment not installed by the Sponsor, any wall, ceiling or floor decorations or coverings, or furniture, furnishings, fixtures or other personal property within the Unit), together with all Building service machinery, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to an agreed replacement value of the Building (exclusive of the cost of excavations and foundations) without deduction for depreciation; (b) water damage legal liability insurance; and (c) such other insurance as the Board of Managers may determine.

The amount of fire insurance to be maintained on the Building until the first meeting of the Board of Managers elected by the Unit Owners will be $1,000,000.

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

The Board of Managers will obtain (if available at commercially reasonably rates) policies of physical damage insurance which contain waivers of subrogation and of any defense based on co-insurance or of pro-rata reduction of liability or invalidity arising from any acts of the insured, and shall provide that such policies may not be canceled by the insurance carrier or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all mortgagees of Units. Duplicate original certificates 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 whom the Board of Managers has notice and who have requested policies, at least ten (10) days prior to expiration of the then current policies and each Unit Owner shall receive a certificate of such insurance.

The Board of Managers shall also obtain to the extent obtainable for commercially reasonable premiums public liability insurance covering the Condominium and each member of the Board of Managers in such amount as the Board of Managers may deem proper and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements or the Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his, her or its own Unit or due to the acts or omissions of Unit Owners, occupants of Units, or invitees, employees, agents or contractors of Unit Owners; and public liability insurance also shall cover cross-liability claims of one insured against another.

Until the first meeting of the Board of Managers elected by the Unit Owners, the public liability insurance will be in a limit of $2,000,000 aggregate and $1,000,000 per occurrence, covering all claims for bodily injury and property damage with respect to any one occurrence. For details regarding initial insurance coverage see the footnote to "Budget for First Year of Condominium Operations, Schedule B," above.

The cost of all the insurance obtained by the Board of Managers, including that described in this section of this Plan shall be paid by the Board of Managers and shall constitute a Common Expense. The Board may charge a Unit Owner the cost of any increase in an insurance premium if due to any act, omission or activity of the Unit Owner, the occupants of the Unit or the Unit Owner's contractors, employees or invitees or if due to the condition of the Unit.

Unit Owners may carry other insurance at their own expense (covering items not included or included only to a limited extent in the policy of the Board of Managers), provided that such policies contain waivers of subrogation for the benefit of the Board of Managers and other Unit Owners and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Unit Owner's other insurance. Examples of items not included in the policy of the Board of Managers are fire and casualty losses to Unit contents, furnishings, replacements, additions, upgraded fixtures and improvements, as well as liability coverage for Unit Owners for occurrences within Units or due to the acts or omissions of Unit Owners, occupants of Units or invitees, employees, agents or contractors of Unit Owners. Insurance policies for such losses within a Unit are generally available. Unit Owners are strongly urged to consider the advisability of obtaining insurance to cover items not included in the policy of the Board of Managers.

Restrictions on Occupancy and Use

In order to provide for the congenial occupancy of the Building and Units 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:

The Rules and Regulations provide that the Board of Managers may restrict or prohibit pets and that a subsequent prohibition would apply to all Unit Owners whether or not pets were previously permitted.

Purchasers should note the restrictions contained in the Rules and Regulations regarding television antennas and other objects visible from the exterior of the Building, the use of vestibules, and related matters. If air conditioners and similar objects are permitted to be inserted in windows of the Building, the Board of Managers may prescribe a uniform color for them. The Board of Managers may make such other aesthetic restrictions as it deems advisable.

As more fully set forth in the Declaration, By-Laws and the Rules and Regulations, each Unit shall be used only as a residence and for legally permitted uses accessory to residential use and for professional or business use of a permitted residential occupant, provided that such use

is in accordance with Legal Requirements. As defined in the Rules and Regulations, a family includes domestic partners registered as such with The City of New York. In addition the Sponsor may, without obtaining the consent of the Board or the other Unit Owners: (a) allow Unsold Units to be used as a professional or business office or for any other purpose, provided that such use is permitted by law and does not violate Legal Requirements and (b) use Unsold Units as a model Unit and sales and/or promotion offices in connection with the sale or rental of the Unsold Units or for any other purpose, subject only to compliance with law. The current zoning law permits the use of up to five hundred (500) square feet, but no more than twenty-five percent (25%) of the Unit, for a home occupation. The term "home occupation" is defined to include certain artistic, professional and teaching activities.

A Unit owned or leased by an individual, corporation, partnership, fiduciary or other entity may be occupied only by said individual, or by a designated officer, director, stockholder or employee of such corporation, or by a designated partner or employee of such partnership or by said fiduciary (including designated officers, directors, stockholders or employees of corporate fiduciaries), or by the beneficiary of said fiduciary, or by a principal or designated employee of such other entity, respectively, or by members of the family or guests of any of the foregoing. Within thirty (30) days after a Unit is acquired by an owner other than an individual, such non-individual owner shall notify the Board of Managers of the name of the officer, director, stockholder, partner, employee, principal, fiduciary, or beneficiary designated by such owner to occupy its Unit. The person so designated may be changed from time to time by the non-individual owner by similar written notice to the Board of Managers. However, all designees must be bona fide officers, directors, stockholders, partners, employees, principals, fiduciaries or beneficiaries of the non-individual owner and, under no circumstances, may more than one family occupy a Unit at one time. Guests are permitted only when Unit Owners (or, in the case of Units owned by corporations, partnerships, fiduciaries or other entities, the designees of such Unit Owners) or a family member is present. All of the foregoing restrictions on occupancy shall not apply to Unsold Units.

The Rules and Regulations contain restrictions against illegal or offensive uses.

Self-Help

In the event that any Unit Owner fails to maintain or repair parts of the Property required to be maintained or repaired by such Unit Owner, or in the event of any breach of the Declaration, By-Laws or Rules and Regulations, then, as set forth in the By-Laws, the Board shall have certain rights to perform such maintenance or repairs or to cure such breach at such Unit Owner's expense.

Mechanic's Liens and Judgement Liens

Under the provisions of Section 339-l of the Condominium Act, no lien of any nature may arise or be created against the Common Elements except with the unanimous consent of all Unit Owners. Liens may arise or be created only against the several Units and their respective Common Interest. A lien for labor performed in, or materials supplied to, a Unit may be filed

against the Unit of an Owner who has expressly requested or consented to the same, but in the case of emergency repairs the Owner shall be deemed to have consented thereto. No labor performed in, or materials furnished to, the Common Elements shall be the basis for a lien on the Common Elements, but all Common Charges received and to be received by the Board, and the right to receive such funds, shall constitute trust funds for the purpose of paying the such cost of labor performed or materials furnished at the express request of, or with the consent of, the Board or the managing agent and same shall be expended first for such purpose before expending any part of same for any other purpose.

A lien resulting from a judgment for personal injury and/or property damage arising out of, taking place in, or caused by, the Common Elements may be filed against all the Units.

Easements

As specifically described in the Declaration, each Unit shall have, in common with all other Units: (a) an easement to use, maintain, repair, alter and replace all pipes, wires, flues, ducts, vents, cables, conduits, public utility lines, equipment and facilities and other Common Elements located in other Units or elsewhere on the Property and servicing such Unit; and (b) an easement for the continuance of any encroachment by such Unit on any other Unit or on any Common Elements existing, or that may come into existence, as a result of (i) the settling or shifting of the Building; (ii) any alteration or repair to the Common Elements made by, or with the consent of, the Board of Managers; or (iii) any repair or restoration of the Building (or any portion thereof) or of any Unit after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, so that any such encroachment may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements.

The Sponsor reserves the right, for itself and its designees (so long as the Sponsor or its designee owns a Unit), and for the Board of Managers to grant such additional electric, transformer, amplifier, gas, television, telephone, communications, sprinkler, fire protection, fire alarm, security, air conditioning, water, storm drainage, sewer or other utility easements or to relocate any existing utility easements as the Sponsor, any of its designees or the Board shall deem necessary or desirable for the proper operation and maintenance of the Building, or any portion thereof, or for the general health or welfare of the Unit Owners, provided that such additional utilities or the relocation of existing utilities will not prevent, or unreasonably interfere with, the use of the Units for their permitted purposes. Access to any Unit or to the Common Elements in furtherance of such additional or relocated easements shall be exercised in such a manner as shall not unreasonably interfere with the use of the affected Units for their permitted purposes.

The Sponsor and other owners of Unsold Units and prospective Purchasers and tenants of Unsold Units shall have an easement on and through the Common Elements for all purposes relating to the use, sale and rental of such Units, without being subject to any charge or fee. An owner of an Unsold Unit may use its Unit and the Common Elements (at any one or more

places designated by the Sponsor) for sales, renting or display purposes, including placing "for sale" or "for rent" signs and other promotional items of such size and content as such owner shall determine.

Termination

Once the Property has been subjected to the provisions of the Condominium Act, the Property shall not be withdrawn therefrom unless at least eighty percent (80%) of the Unit Owners in number and in Common Interest (and if required by the respective mortgages, their first mortgagees, if any, of such Units) agree to the withdrawal of the Property from the provisions in the Condominium Act. The Sponsor or its nominee will not cast any of its votes for withdrawal, unless eighty percent (80%) of the Unit Owners other than the Sponsor so vote, in which event the Sponsor will be free to cast its votes either for or against withdrawal.

Relative to termination of the Condominium by withdrawal from the provisions of the Condominium Act, Section 339-t of such law provides as follows:

> thdrawal of the Property from this article is authorized... then the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to any Unit Owner until there has first been paid off out of his share of such net proceeds all liens on his Unit. Such withdrawal of the Property from this article shall not bar the subsequent submission to the provisions of this article in accordance with the terms of this article.

Amendments of By-Laws

The By-Laws may be amended with the approval of at least sixty-six and two-thirds percent (66 2/3%) in number and in Common Interest of all Unit Owners. Consent of the Sponsor is required for certain changes in the By-Laws. See Article X of the By-Laws included in Part II of this Plan.

Units Acquired or Leased by Board of Managers

The Board of Managers, with the approval of owners of Units constituting sixty-six and two-thirds percent (66 2/3%) of the Common Interest, may purchase or lease a Unit from a Unit Owner desiring to sell or lease it, or at a foreclosure or other judicial sale. In the event the Board of Managers does not have sufficient funds on hand for the purchase or lease of a Unit which has been so approved by the Unit Owners, the Board of Managers either may borrow such funds or may assess the Unit Owners therefor in proportion to their respective Common Interest.

Any Unit acquired or leased by the Board of Managers or its designee shall be held on behalf of all Unit Owners in proportion to their respective Common Interest. The votes appurtenant to the Units so acquired may not be voted by the Board of Managers or its designee.

Power of Attorney in Favor of Board of Managers

Each Unit Owner, on the closing of title to his, her or its Unit, will be required to execute an instrument in the form set forth in Part II of this Plan or such other form as the Board of Managers may from time to time approve, irrevocably constituting the Board of Managers and its successors his, her or its attorneys-in-fact, coupled with an interest, for the purpose, among others, of selling, conveying, mortgaging, leasing or otherwise dealing with any Unit acquired by, or leasing any Unit leased by, the Board of Managers or its designee on behalf of all Unit Owners.

Severance of Ownership Prohibited

The Declaration and the By-Laws prohibit a Unit Owner from attempting to convey his, her or its Unit separate from its appurtenant interests, the intent of such provision being to prevent any severance of such combined ownership.

Unit Owners of Unsold Units

Each owner of an Unsold Unit shall have the rights and obligations with respect to his, her or its Unit that the Sponsor would have if the Sponsor owned the Unit.

The foregoing sections of this Plan are not intended as a complete summary of the Declaration, the By-Laws and the Rules and Regulations or the Condominium Act, but only as reference to some of their important provisions. The Rules and Regulations, By-Laws, the Declaration and other important documents affecting the fundamental nature and operation of the Condominium are reproduced in Part II. Prospective purchasers and their attorneys are urged to review them carefully. In the case of inconsistency between the provisions of Part I of this Plan and the Declaration, the By-Laws or the Condominium Act, the provisions of the Declaration, the By-Laws and the Condominium Act shall govern.

REAL ESTATE TAXES AND TAXES ON THE CONDOMINIUM

As provided in Section 339-y of the Real Property Law and Section 581 of the New York Real Property Tax Law, each Unit and its Common Interest shall be deemed to be a separate tax parcel and shall be subject to separate assessment and taxation by each applicable assessing authority. Under law, the aggregate of the assessment of the Units and their appurtenant interests shall not exceed the total valuation of the Property were it assessed as a single parcel.

After the Units are separately assessed by The City of New York, each Unit will be taxed as a separate tax lot for real estate tax purposes. A Unit Owner will not be responsible for

the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of taxes on other Units.

It is possible that separate assessments for each Unit will not be obtained from the tax assessor's office prior to the Unit's Closing. In such event, each Unit Owner will pay to the Board of Managers as a part of Common Charges the proportion of taxes assessed against the Property equal to the Unit's Common Interest, apportioned at the time of the Closing of each Unit and thereafter promptly upon request therefor by the managing agent or the Board of Managers. At the election of the Board of Managers or the managing agent, payments for real estate taxes may be required to be made in advance in monthly installments.

An estimate of the real estate taxes that will be due on the Property at the time of the Condominium's creation and during the first year of Condominium operations and of relevant assessment and tax policies is included in the notes to the section of this Plan entitled "Offering Prices and Related Information, Schedule A," above.

The New York City Final Assessment Roll shows an assessed valuation of the Property of $61,640 for the 2006-2007 real estate tax year. The 2006-2007 real estate taxes are $9,705.83 based on a tax rate of 15.746% for a Tax Class 1 building. For the 2004-2005 tax year, the Property's assessed value was $74,895 and taxes paid amounted to $11,009 based on a 14.699% tax rate. For the 2005-2006 tax tear, the Property's assessed value was $64,570 and taxes paid amounted to $10,871 based on a 16.835% tax rate. The Department of Finance of the City of New York will allocate the assessed value among the Units. It is anticipated that the allocation will be based on each Unit's Common Interest, but no warranty as to the method of allocation is made to any Purchaser or Unit Owner. Pursuant to Real Property Law Section 581, the assessed value of the Property must be determined without regard for whether the Property is owned on a condominium basis or not.

Projected real estate taxes for the Property were assigned to Residential Units based on Common Interests.

Real estate taxes for an individual Unit will increase in proportion to any increase in real estate taxes for the Condominium as a whole.

The estimate of real estate taxes is made based upon the 2006-2007 New York City Final Assessment Roll, but no warranty is made as to whether the 2007-2008 real estate taxes will be higher due to changes in the assessed value and/or tax rate.

No tax certiorari proceedings challenging the Property's assessed value are pending. The By-Laws provide that the Board of Managers may act as an agent of each Unit Owner who has given his, her or its written authorization to complain or apply to the Board of Assessment Review of the assessing agency by filing a single complaint on behalf of all such Unit Owners pursuant to Section 512 of the Real Property Tax Law and to commence and prosecute a special proceeding for the review of assessment of real property as an aggrieved person pursuant to Section 704 of the Real Property Tax Law of the State of New York. The Board of Managers

may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and charge all such Unit Owner a pro rata share of expenses, disbursements and legal fees, for which charges the Board of Managers shall have a lien pursuant to Section 339 of the Condominium Act.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The Sponsor has been advised by its counsel that each Unit Owner who is a person will be entitled under present law to deduct from his or her gross income for federal, New York State and New York City income tax purposes the real estate taxes assessed against his or her Unit and paid to the taxing authorities and the amount paid by him or her on any mortgage indebtedness in connection with the purchase of his or her Unit if the Unit is a household's primary residence.

In addition, the Sponsor has been advised by counsel that some Unit Owners, such as veterans of the United States armed forces, may be entitled to exemptions covering part of the real estate taxes otherwise assessed against their Units.

The Condominium is expected to be a taxable entity and will file tax returns. It is possible, if the Condominium meets all applicable requirements, that it may be able to elect to be exempt from tax on membership fees, dues and assessments from Condominium Unit Owners. No opinion, however, is expressed as to whether the Condominium will qualify to make such election or, if it does qualify, whether it would be advisable to do so.

A copy of the opinion of counsel concerning the deductibility of real estate taxes and interest on mortgage indebtedness for the purpose of determining taxable income appears below.

Neither the Sponsor nor counsel for the Sponsor makes any warranty or guaranty that the United States Internal Revenue Service or the New York State Department of Taxation and Finance or the New York City Department of Finance will allow the deductions described above, or any representation or warranty that the tax laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof may not change so as to disallow the deductions in whole or in part. Neither the Sponsor nor counsel to the Sponsor shall be liable if, for any such reason, it is held that the Unit Owners are not entitled to such income tax deductions as aforesaid.

MARCUS ATTORNEYS

April 10, 2006

430 Waverly Avenue, LLC
430 Waverly Avenue
Brooklyn, New York 11238

Re: Condominium Offering Plan
430 Waverly Avenue Condominium
Brooklyn, New York 11238

Gentlemen and Ladies:

You have requested our opinion concerning the deductibility for federal, New York State, and New York City income tax purposes of mortgage interest and real estate taxes paid by individual residents of New York who purchase Residential Units ("Residential Units") offered pursuant to the referenced Offering Plan (the "Plan).

In addition, you have requested us to provide a general description of the federal income tax treatment to 430 Waverly Avenue Condominium (the "Condominium") of assessments payable by unit owners to meet common expenses of the Condominium ("Common Charges").

In this connection, we have reviewed the Plan (including the exhibits thereto) and relevant sections of the Internal Revenue Code of 1986, as amended (the "Code"), the New York State Tax Law (the "State Tax Law"), the New York City Administrative Code (the "City Code"), the Regulations promulgated under the foregoing laws and such other material as we deemed relevant.

The opinions expressed herein are based upon the assumptions that (1) the Plan becomes effective and is consummated in accordance with its terms, (2) condominium ownership of the Residential Units located in the Condominium is established under applicable law and (3) the legal consequences of the Plan are as described therein. Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Plan.

The Plan provides for the establishment of condominium ownership of the land and building and appurtenances thereto, comprising the Condominium, situated at 430 Waverly Avenue, Brooklyn, New York 11238. The Condominium will be comprised of 3 Residential Units ("Residential Units") and the common elements ("Common Elements"). This opinion addresses the tax consequences that would result from the ownership of a Residential Unit by an individual taxpayer for use as his or her own primary or secondary residence. It does not address the tax consequences of ownership of Residential Units by corporations, other entities or foreign persons.

13 GREENE AVENUE · BROOKLYN, NEW YORK 11238
TEL (718) 643·6555 FAX (718) 643·9111

I. Deductibility of Mortgage Interest and Real Estate Taxes.

We understand that each Residential Unit Owner will hold title to his or her Unit and an undivided interest in the Common Elements in fee simple and that each Residential Unit Owner may individually place a mortgage on his or her Residential Unit incurring direct liability for the interest or finance charges attributable thereto. Under New York State law, each Residential Unit and its interest in the Common Elements will be taxed as a separate parcel for real estate tax purposes (Section 339-y, N.Y. Real Property Law). Under these circumstances, the Internal Revenue Service has ruled that the owner of a residential condominium unit who itemizes deductions in filing his or her federal income tax returns may deduct interest paid on his or her mortgage indebtedness and the real estate taxes assessed and paid on his or her interest in the property. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

Based on the foregoing, it is our opinion that each individual taxpayer who itemizes deductions will be entitled under current law to deduct from his or her gross income, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, for federal, New York State and New York City income tax purposes, real estate taxes assessed against his or her Residential Unit and paid to the local authority. However, no deduction for real estate taxes is permitted for purposes of the federal alternative minimum tax. Residential Unit Owners should consult their tax advisers regarding the applicability of the overall limitation 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. A "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 which is secured by any qualified residence of the taxpayer and which is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt). The aggregate amount treated as acquisition indebtedness for any period cannot exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return). "Home equity indebtedness" means any indebtedness (other than acquisition indebtedness) secured by a qualified residence over the amount of acquisition indebtedness with respect to such residence. The aggregate amount treated as home equity indebtedness for any period cannot exceed $100,000 ($50,000 in the case of a married individual filing a separate return). Accordingly, an owner of a Residential Unit who itemizes deductions and who uses such Unit as a qualified residence will be entitled, under current law, to deduct from his or her gross income, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, for federal income tax purposes, interest paid by him or her on (i) acquisition indebtedness incurred with respect to such Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with the respect to a second qualified residence (if any), does not exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return) and (ii) home equity indebtedness with respect to such Unit to the extent that such indebtedness, when added to the amount of home equity indebtedness incurred with respect to a second qualified residence (if any), does not exceed $100,000 ($50,000 in the case

of a married individual filing a separate return). Since the rules and limitations regarding deductibility of home mortgage interest are complex, purchasers are urged to consult their tax advisers regarding the application of such rules to them, as well as regarding the deductibility of interest with respect to their Residential Units for alternative minimum tax purposes (which at present is subject to rules different from those described above for regular tax purposes). In addition, owners of Residential Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

Each owner of a Residential Unit who uses such Unit as a residence will generally 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 (regular) income tax purposes. However, although the overall limitation set forth in Section 68 of the Code does not apply. 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 50% in the case of individuals having income exceeding certain prescribed levels. Furthermore, purchasers should consult their tax advisers 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 Units.

II. General Description of the Tax Status of the Condominium.

The following discussion is a general description of the federal income tax treatment of the Condominium under present law. It is for informational purposes only and we express no opinion with respect to the method of taxation of the Condominium.

Under the Plan, the Board will, from time to time, assess Common Charges against the Unit Owners generally in proportion to their respective Common Interest in order to pay the costs and expenses of operating, repairing and maintaining the Common Elements.

The Internal Revenue Service may assert that a condominium association such as the Condominium should be treated for federal tax purposes as a separate taxable entity apart from the Unit Owners. In such case the Service may assert that the Condominium is taxable as a corporation and that the assessments paid by the Unit Owners must be treated as income to the Condominium.

Certain condominiums that satisfy the requirements of Section 528 (c) (i) of the Code may elect to be treated as "homeowners associations" for federal tax purposes. In order for the Condominium to qualify as a homeowners association, Section 528 would require, among other things, that substantially all of the Units in the Condominium be used by individuals for residences. The Treasury Regulations promulgated under Section 528 state that substantially all of the condominium units will be considered used by individuals for residences if at least 85% of the total square footage of all the units within the project is used by individuals for residential purposes. An analysis of the finances of the Condominium would be necessary to determine if it is desirable to elect to be treated as a "home-owners association."

In the event that the Condominium does not qualify for, or chooses not to make, the election under Code Section 528, the present state of the law is uncertain as to the proper reporting and tax treatment of the income of the Condominium derived from Unit Owners ("membership income") and others ("nonmembership income") in excess of appropriate deductions and credits. It is possible that the Condominium could be viewed as an agent or conduit for Unit Owners, in which case each Unit Owner would be required to report his or her proportionate share of nonmembership and possibly membership income (and deductions attributable thereto) directly on his or her own tax return. Alternatively, the Internal Revenue Service may take the position that the Condominium should be treated as a separate entity taxable as a corporation. If the Condominium is so treated, it would be subject to tax on its taxable income. In determining its taxable income, the Condominium's deductions attributable to furnishing services to Unit Owners may be limited to its membership income. Certain earnings and profits expended for the benefit of Unit Owners, and possibly rebates, if any, to Unit Owners of excess membership dues, fees or assessments may be treated as dividends to them. In addition, the Condominium would be subject to New York City and New York State franchise taxes.

We express no opinion concerning (a) any federal, New York State, or New York City tax consequences not explicitly discussed in this opinion, (b) any other aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or (c) 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 Units held in connection with a trade or business, or any Units 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 or 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 Board or the issue of whether a Residential 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 Residential Unit and the attendant income, estate or other tax consequences. We therefore advise each person contemplating the purchase of a Unit to consult his or her own tax adviser concerning all such tax matters as well as with respect to 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 Internal Revenue 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, possibly with retroactive effect, and thereby affect the opinions stated above in whole or in part. We undertake no obligation to update, modify or supplement this opinion in the event of any such change in applicable law, although we have advised you that you are obligated to do so.

This opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the sponsor, the sponsor's counsel, the board of managers of the condominium, the selling agent, if any, 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 unit owners not to be entitled to income tax deductions (or which cause unit owners not to be or to cease to be entitled to the benefits or the level or duration of benefits described above).

Very truly yours,

Marcus Attorneys

By: Guillermo Santiago

RESERVE FUND

No reserve fund is to be provided. Because the Building was constructed recently, it is not anticipated that major capital improvements or replacements will be required during the first five years of Condominium operations. However, no warranty or representation as to the need for, or timing of, future capital improvements is made to Unit Owners or the Board of Managers.

If a major capital improvement or replacement is required, the Board of Managers will have to fund the work out of Common Charges or an assessment on Unit Owners.

WORKING CAPITAL FUND AND CLOSING ADJUSTMENTS WITH THE CONDOMINIUM BOARD

Working Capital Fund

A Purchaser shall contribute three months' Common Charges at the time of Closing on his, her or its Unit.

The Sponsor will not contribute to the working capital fund for the Units held as Unsold Units. However, at the time the Sponsor turns over control of the Board of Managers to the Unit Owners in accordance with this Plan and By-Laws, the Sponsor shall contribute to the working capital fund an amount equal to the aggregate of three months' Common Charges for all Units the Sponsor then owns. Purchasers who close after that date shall reimburse the Sponsor for their working capital contribution rather than paying it to the Condominium.

The working capital fund may be held or used for working capital, to make repairs or for such other appropriate purposes permitted under the By-Laws as will be determined by the Board, in its sole discretion. For so long as the Sponsor is in control of the Board, the working capital fund will not be used to reduce Common Charges.

No representation is made that the working capital fund will be, or is intended to be, adequate to cover expenses for the first or any subsequent year of Condominium operations, including, without limitation, the cost of any necessary repairs or replacements. If additional funds are required over and above the working capital fund, it may be necessary to increase the Common Charges or to assess Unit Owners. The Board of Managers may choose to establish a reserve fund for capital expenditures. None is currently provided. Neither the Department of Law nor any other governmental agency has passed upon the adequacy of the working capital fund.

Closing Adjustments with the Condominium Board

Immediately prior to the first Unit Closing or as soon thereafter as necessary information is available, the Sponsor shall apportion the following items with the Board of Managers as of

midnight of the day immediately preceding such Closing:

- o charges for electricity for the Common Elements;
- o water charges and sewer rents on the basis of the fiscal or calendar year for which assessed;
- o vault charges, if any;
- o any prepaid service contract fees or premiums on transferable insurance policies;
- o salaries, wages and benefits for any employees of the Sponsor who will become employees of the Board of Managers;
- o cost of fuel, if any;
- o cost of unopened packages of Building supplies plus sales tax; and
- o the costs of any renewable permits, licenses, authorization and inspection fees which cover a period running from prior to, to after, such Closing; and
- o any other costs or expenses pertaining to the Property, concerning both a period before and a period after the date of such Closing.

If the result of the closing adjustments is a net credit in favor of the Condominium, the Sponsor shall make a contribution to the working capital fund in the amount of such net credit. If, however, the result of the closing adjustments is a net credit in favor of the Sponsor, same will be paid to the Sponsor by the Board in twelve (12) equal consecutive monthly installments pursuant to the terms of twelve (12) negotiable serial promissory notes to be executed by the Board at the first Closing. The first of these serial promissory notes will mature two (2) months after the date upon which the first Closing takes place and the balance will mature monthly thereafter. Each serial promissory note will contain a provision allowing the Sponsor to accelerate the note's maturity date in the event of a default under any other serial promissory note. The Board of Managers will be entitled to prepay each serial promissory note, in full only, at any time and without penalty.

The Sponsor makes no guarantee or representation of any minimum working capital fund after adjustments, if any, are made with the Condominium.

IDENTITY OF THE PARTIES

Sponsor

The Sponsor is 430 Waverly Avenue, LLC, a New York limited liability company with an office at 430 Waverly Avenue #1, Brooklyn, New York 11238. The Principal of the Sponsor is Mieko Miyamoto. Ms. Miyamoto is also the contract vendor, and her business address is 430 Waverly Avenue, #1, Brooklyn, New York 11238.

Mieko Miyamoto is a financial analyst and translator who has worked in Wall Street for the past twelve years. She has not been a sponsor or principal on any cooperative or condominium development or offering within the past five (5) years and she does not own ten percent (10%) or more of the units or unsold shares in any condominium or cooperative.

Neither the Sponsor nor any principal nor any person owning or controlling ten (10%) percent or more of the equity interest of the Sponsor nor any entity in which the principals of the Sponsor were principals has any prior felony conviction or any prior conviction, injunction or judgement that may be material to this Plan or an offering of securities generally during the fifteen (15) years prior to the submission of this Plan. Except as described in the proceeding paragraphs, neither the Sponsor nor any principal has offered for sale any properties as cooperatives, condominiums, planned unit development homes or time shares which were first offered in the five (5) years prior to the date of this Plan. None of the foregoing owns ten percent (10%) or more of the shares or units of any cooperative, condominium or homeowners association.

Attorney for Sponsor

Marcus Attorneys, with an office at 13 Greene Avenue, Brooklyn, New York 11238, represents the Sponsor in connection with this Plan. Guillermo Santiago prepared this Plan with information provided by the Sponsor.

Marcus Attorneys has prepared this Plan, including the Exhibits, based on information from the Sponsor. The Sponsor is paying the fees of the law firm for the aforementioned services. Marcus Attorneys has no financial interest in the Property, the Sponsor or any other party in interest in the offering described in this Plan, except that Marcus Attorneys has been paid a fee for its services. Marcus Attorneys will serve as the Escrow Agent under the Purchase Agreements. Marcus Attorneys will represent Sponsor in connection with Unit Closings.

Selling Agent

The Selling Agent is The Corcoran Group, 65 Lafayette Avenue, Brooklyn, NY 11217, 718-210-4010, Attention Jerry Minsky. The Corcoran Group is an active residential brokerage firm in New York City and represents sponsors of condominium developments in Brooklyn.

To the best of the Sponsor's knowledge neither Selling Agent nor any principal of Selling Agent has any prior felony conviction or any prior bankruptcy, conviction, injunction or judgement that may be material to this Plan or an offering of securities generally during the fifteen (15) years prior to the date of this Plan.

Architect

The project's architecture firm is Sal V. Tartaglione, Architect, P.C.

The Sponsor's certifying architect is Sal V. Tartaglione, whose address is 142 Mineola Avenue, Suite #3A, Roslyn Heights, NY 11577. Sal V. Tartaglione and his firm have no financial interest in the Property, the Sponsor or any other party in interest in the offering described in this Plan, except that Sal V. Tartaglione, Architect, P.C. has been paid a fee for its services.

SPONSOR'S PROFIT

The Sponsor expects to make an estimated profit of approximately $997,000 on the conversion of the Property to condominium ownership. This estimate assumes that all Units will be sold at the prices listed in Schedule A minus expenditures/expenses involved in the conversion of the Property to condominium ownership (approximately $140,000) and the amount of mortgage assumed by the Sponsor (approximately $740,000).

REPORTS TO UNIT OWNERS

Annually, the Board of Managers is obligated to give all Unit Owners:

- a financial statement of the Condominium prepared by an certified public accountant by a date specified in the agreement between the Board of Managers and the accountant; such statement shall be certified while the Sponsor is in control of the Board of Managers.

- prior written notice of the annual Unit Owner's meeting not less than ten (10) days before the meeting.

- a copy of the proposed annual budget of the Condominium at least fifteen (15) days prior to the date set for adoption thereof by the Board of Managers; while the Sponsor is in control of the Board of Managers such budget shall be certified in the manner in which the budget included in "Budget for First Year of Condominium Operations, Schedule B," in this Plan, above, is certified.

DOCUMENTS ON FILE

The Sponsor shall keep copies of this Plan, all documents referred to in this Plan and all Exhibits submitted to the Department of Law in connection with the filing of this Plan on file and available for inspection without charge and copying at a reasonable charge at the office of the Sponsor's attorney or such other office as the Sponsor may designate for six (6) years from the date of the first Closing. The Sponsor shall deliver to the Board of Managers a copy of all

documents filed with the Office of the City Register, Borough of Brooklyn pertaining to the formation of the Condominium at the time of the first Closing.

GENERAL

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

The Property has not been the subject of any prior cooperative or condominium offering.

In accordance with the laws of the United States, the State of New York and The City of New York, the Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law.

The Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of the Sponsor, Purchasers or prospective Purchasers, without obtaining the consent of Purchasers or others. However, the Sponsor may neither unilaterally cancel a Purchase Agreement that has been executed and delivered by the Sponsor, except as therein or herein provided (such as in case of an uncured default), nor unilaterally change the purchase price or the payment terms contained in such a Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment of this Plan. In the case of material revision adversely affecting the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations of the Sponsor, such Purchasers will be given the right to rescind their Purchase Agreements and be refunded all monies paid thereunder (with interest earned thereon, if any) within thirty (30) days of presentation of the amendment offering such rescission. However, as to a Purchaser who first became an occupant of the Building after this Plan is filed with the Department of Law, such rescission will be conditioned on the cancellation of any Interim Lease and surrender of possession of his, her or its Unit within thirty (30) days after rescission.

If this Plan is substantially amended prior to the first Closing, the exclusive right to purchase time periods shall be extended as follows:

(i) If the presentation of the substantial amendment occurs during the initial exclusive right to purchase period, such period shall terminate at the later of thirty (30) days after presentation of the substantial amendment or the expiration of the original exclusive right to purchase.

(ii) If the presentation of the substantial amendment occurs after the expiration of the initial exclusive right to purchase period, the substantial amendment will grant to all tenants who had the right to purchase during the initial period a new

exclusive right to purchase on the terms offered in the amendment for a period of thirty (30) days from the date of its presentation.

"Substantial amendment" means an amendment materially beneficial to any tenant-Purchasers. It includes, but is not limited to: a decrease in the offering price to tenants, a significant increase in the working capital fund, agreement by the Sponsor to make additional repairs or improvements or to repurchase apartments, or the offer of new or better terms to tenants for financing the purchase price of an apartment.

Interests under this Plan are offered only to persons, who, if natural persons, must be over eighteen (18) years of age. Under no circumstances is this offering being made in any state or jurisdiction where unlawful.

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

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

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

Neither the Sponsor nor its principal has entered into any contracts or agreements, oral or written, for the sale or transfer of any of the Units offered in the Plan prior to submission of the Plan to the Department of Law. No deposits or advances of funds have been taken by, or on behalf of, the Sponsor or its principal in connection with the reservation, sale, or transfer of such Units prior to submission of the Plan to the Department of Law. Neither the Sponsor nor its principal will enter into any such contracts or agreements, or accept any such deposits or advances, prior to the date the Plan is accepted for filing by the Department of Law.

SPONSOR'S STATEMENT OF BUILDING CONDITION

The Sponsor adopts the "Description of Property and Specifications or Building Condition" included in Part II of this Plan. The Sponsor has no knowledge of any material defects or need for major repairs to the Property except as set forth in, and to be addressed by the construction described in, the "Description of Property and Specifications or Building Conditions."

The number and proposed use of Units offered is identical to the number and use of Units stated in the Certificate of Occupancy. All property interests offered in this Plan are provided for in the Certificate of Occupancy.

Louis Illiano, a certified asbestos inspector, performed tests on the Property and did not find asbestos containing material at the Property. A copy of Mr. Illiano's Asbestos Report is enclosed in Part II of the Offering Plan.

Home Abstract Corp. has found no violations upon a search of the records of the Department of Buildings. A copy of the report is included in the Exhibits to this Plan.

430 Waverly Avenue, LLC
Sponsor

Brooklyn, New York

430 Waverly Avenue Condominium

OFFERING PLAN

Part II

Page without text

SECTION A

PURCHASE AGREEMENT

Page without text

PURCHASE AGREEMENT

Purchaser(s) Name:

Address:

Telephone:

Social Security No.(s):

Unit No.: Percentage of Common Interest _____

Down Payment: $

Balance Due At Closing: $

Total Purchase Price: $

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

Statements of Seller and Purchaser

1. Statement of Seller: 430 Waverly Avenue, LLC, with an address of 430 Waverly Avenue, Brooklyn, New York 11238 ("Seller") has promulgated a Plan (the "Plan") of Condominium Ownership of 430 Waverly Avenue Condominium pursuant to which the land with appurtenances and the units (the "Units") located at 430 Waverly Avenue, Brooklyn, New York (the "Property") will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

2. Statement of Purchaser: Purchaser acknowledges as follows: At least three (3) days prior to the execution of this Purchase Agreement, Purchaser has received a copy of the Plan (which includes the Declaration to be made by Seller and to be recorded in the Office of the City Register, Borough of Brooklyn, the Schedules, By-Laws and Rules and Regulations attached thereto, all of which are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein), including any amendments to the Plan filed with the New York State Department of Law.

Purchaser acknowledges having had a full opportunity to examine the Plan and all amendments thereto for at least three (3) business days prior to signing this Agreement and to investigate all statements therein, to examine all documents referred to herein, to investigate all statements made herein, and to consult such experts as Purchaser feels are appropriate.

Purchaser has been given an opportunity to examine the architectural plans and specifications for the above-numbered Unit and for the building in which it is located ("the Building") prepared by Sal V. Tartaglione, Architect, P.C. (the "Architect").

Purchaser is desirous of purchasing the above-numbered Unit, as designated in the Declaration and on the floor plans filed or to be filed in the Office of the City Register, Borough of Brooklyn, together with an undivided interest in the Common Elements appurtenant thereto (the above-numbered Unit and the undivided interest being hereinafter collectively called the "Unit"). Purchaser hereby adopts, accepts and approves of the Plan (including the proposed Condominium documents contained in Part II of the Plan) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Seller (including amendments involving any changes, modifications or updating of the estimated Common Charges, the estimated real estate taxes to be paid by Purchaser, the "Schedule B – Projected Budget for the First Year of Condominium Operation," or the "Schedule B-1, Budget for Individual Energy Costs"). Any such amendments shall neither excuse Purchaser from performing Purchaser's obligations hereunder nor entitle Purchaser to any offset of credit against the total Purchase Price and may be made by Seller without Purchaser's consent or approval, except that in certain circumstances described in the Plan Purchaser may have a right to rescind this Agreement upon the filing of certain amendments to the Plan. The Plan is hereby incorporated in this Agreement as if set forth at length. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding.

Agreements Between Seller and Purchaser

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

3. Payment for Unit: Seller hereby agrees to sell and Purchaser hereby agrees to purchase the Unit for the Total Purchase Price stated above. The down payment stated above has been made on the signing of this Agreement, receipt of which by check subject to collection is acknowledged by Seller. The balance due at Closing shall be payable at the Closing of title, as hereinafter provided in Paragraph 4, by unendorsed certified or cashier's check of Purchaser drawn on a bank or trust company which is a member of the New York Clearing House Association payable to the order of Seller.

TIME IS OF THE ESSENCE CONCERNING PURCHASER'S OBLIGATIONS. This means the time for payment of the balance of the Purchase Price hereunder is of the essence of this Agreement; Purchaser's failure to pay the balance on the Closing Date designated by Seller pursuant to Paragraph 4 shall constitute a default and result in cancellation of this Agreement and such other consequences as are specified in Paragraph 10.

4. Closing of Title: The Closing of title shall take place on no less than thirty (30) days' prior written notice to Purchaser at such place as Seller may designate, at an hour and on a date (hereinafter called the "Closing Date") to be specified by Seller. Such date shall be no earlier than thirty (30) days after the date on which written notice is given to Purchaser that the Plan has been

declared effective (unless Purchaser and Seller shall agree on an earlier Closing Date). The Closing of title may be adjourned to such later date as the parties may agree upon in writing, or as otherwise set forth in the following paragraph, and such adjourned date shall then be deemed the Closing Date hereunder.

Seller shall be entitled to reasonable adjournments of the Closing of title in the event of delays for any reason.

At the Closing of title, Seller shall deliver to Purchaser a bargain and sale deed with covenants against grantor's acts, conveying the Unit to Purchaser, such deed to be substantially in the form contained in Part II of the Plan, executed and acknowledged by Seller in form for recording.

Simultaneously with the delivery of the deed, Purchaser shall cause the balance of the purchase price to be paid to Seller, if applicable, by payment to Seller of the proceeds of any mortgage loan obtained by Purchaser, and shall execute and deliver to the mortgagee the note and mortgage and any other documents required by the mortgagee, as well as any documents required by Seller.

5. Power of Attorney to Board of Managers: At the Closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the power of attorney to the Board of Managers in the form prepared by the attorney for Seller and substantially in the form contained in Part II of the Plan. Purchaser agrees to deliver such power of attorney to Seller at the Closing of title.

6. Binding Effect of Declaration, By-Laws, Plan, Rules and Regulations: Purchaser hereby agrees to be bound by the Declaration, the By-Laws, the Rules and Regulations as contained in the Plan, and the Plan.

7. Condition of Title: Seller agrees to convey to Purchaser title in fee simple to the Unit free and clear of all liens and encumbrances other than those set forth in the Plan (as well as mortgages, if any, obtained by Purchaser).

Notwithstanding the above, the existence of unpaid taxes or liens of any kind at the Closing of title shall not constitute an objection to title, provided that Purchaser's title insurance company shall be willing to insure against collection of same from the Unit. The parties agree that Seller may pay and discharge any liens and encumbrances upon the Unit, not permitted to remain under the Plan or this Agreement, out of the monies to be paid by Purchaser at the time of the Closing of title.

Subject to the terms of this Paragraph 7, Seller shall give, and Purchaser shall accept, such title as a reputable company that is a member of the New York Board of Title Underwriters will approve and insure, subject to the liens, encumbrances and other exceptions set forth in the Plan and this Agreement

Purchaser's payment of the balance of the Total Purchase Price and acceptance of a deed to the Unit shall constitute Purchaser's recognition that Seller has satisfactorily performed all its

obligations under and stated in the Plan and this Agreement, except those expressly provided to survive the Closing or to be performed after the Closing. However, nothing herein contained shall excuse Seller from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the Closing of title.

Purchaser shall deliver to Seller, at least fifteen (15) days prior to Closing, a statement of any objections to the state of title to the Unit. In the event that Seller is unable to deliver to Purchaser title to the Unit in accordance with the provisions of this Agreement, Seller will not be obligated to bring any action or proceeding or otherwise incur any cost or expense to render title marketable. If Seller notifies Purchaser of Seller's refusal to remedy the defect in title, and if Purchaser is not then in default hereunder, Purchaser shall have the option (i) to take title subject to such title defect (without any abatement in, or credit against, the Total Purchase Price or claim or right of action against Seller for damages or otherwise), or (ii) to terminate this Agreement. If Purchaser elects to terminate, Seller shall instruct the Escrow Agent (defined below) to return to Purchaser, within ten (10) days after receipt of Purchaser's termination notice, all monies deposited hereunder, with interest earned thereon, if any. Upon making such refund this Agreement shall be null and void and neither party shall have any further rights, obligations or liabilities with respect to the other hereunder or under the Plan. The foregoing option must be exercised by written notice given by Purchaser to Seller no later than ten (10) days after Seller's notice of refusal to remedy the title defect. If Purchaser shall not give such notices within said ten (10) day period, it shall be conclusively deemed that Purchaser elected the first option above, to acquire title subject to the title defect.

8. Expenses of Closing and Closing Adjustments: Purchaser will pay the Closing costs and expenses referred to herein or in the Section of the Plan (as same may be amended to date) entitled "Closing Costs and Adjustments," including, if applicable, the amount of any credit for mortgage tax as set forth in said Section. Purchaser shall make the contribution to the working capital of the Condominium referred to in said Section. Real estate taxes and Common Charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Plan. In the event real estate taxes shall not have been levied against the Unit, then real estate taxes shall be apportioned based on the real estate taxes payable with respect to the Property multiplied by the percentage of Common Interest attributable to the Unit. Purchaser will pay the New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax attributable to the delivery of the deed hereunder. ANY SUCH EXPENSES OR ADJUSTMENTS PAYABLE TO SELLER IN EXCESS OF $350 WILL BE PAID BY CERTIFIED CHECK OR BANK CHECK.

The "Customs in Respect of the Title Closing" recommended by the Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned, except as otherwise provided herein.

Any errors or omissions in computing apportionments at Closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the Closing.

9. Agreement Subject to Mortgages: Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage, building loan mortgage or development loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this Paragraph 9, however, on the Closing Date the Unit will not be subject to any such building loan mortgage or developmental loan mortgage, but may be subject to any mortgage(s) obtained by Purchaser.

10. Default by Purchaser: TIME IS OF THE ESSENCE CONCERNING PURCHASER'S PERFORMING HIS, HER OR ITS RESPECTIVE OBLIGATIONS UNDER THIS AGREEMENT WITHIN THE TIME PERIOD PROVIDED FOR HEREIN. If Purchaser shall (i) fail to pay any portion of the purchase price when due, or (ii) fail to close title on the date, hour and place specified by Seller pursuant to Paragraph 4 hereof, or (iii) become a tenant of the Unit or the Building and fail to pay rent or otherwise to comply with Purchaser's lease or tenancy obligations, or (iv) fail to perform any of Purchaser's other obligations hereunder (including without limitation the obligation to furnish any lender promptly with such information as such lender may require, and the obligation to accept a commitment on the terms set forth in this Agreement), Seller shall send written notice to Purchaser of Seller's intention to cancel this Agreement if such default shall not be cured. Seller's attorney shall impose a fee of $500 for such notice of default, which will be paid by Purchaser. Purchaser shall have thirty (30) days to cure such default. If within said thirty (30) day period Purchaser shall fail to cure such default, Seller may, at its option, cancel this Agreement by notice to Purchaser. In the event that Seller shall elect so to cancel this Agreement, Seller shall certify to the Escrow Agent that title has not closed because of Purchaser's default and that Seller has elected to cancel this Agreement by reason thereof, and the Escrow Agent shall thereupon pay over to Seller as liquidated damages the down payment (plus all sums held by the Escrow Agent with respect to special work in the Unit ordered by Purchaser, which sums, whether paid to the Escrow Agent or paid directly to Seller by Purchaser, Seller may also retain as liquidated damages to the extent of actual costs incurred for such special work) and any interest earned thereon, and upon such payment being made, each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. If the Agreement shall be canceled by Seller pursuant to this Paragraph 10, Seller may sell the Unit to any third party or otherwise exercise its rights as owner of the Unit in any manner it may choose and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale or such exercise of its rights. The Escrow Agent may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

11. Agreement May Not be Assigned: Purchaser shall have no right to assign this Agreement without the prior consent in writing of Seller and any purported assignment of this Agreement in violation hereof shall be voidable at the option of Seller. Seller's refusal to consent to an assignment shall not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Seller. In the event Seller, in its sole discretion, shall consent to an assignment, the

same shall be subject to the conditions that (a) Purchaser wishing to assign his, her or its Purchase Agreement has executed the Purchase Agreement and tendered the required down payment; (b) the assignment in a form approved by Seller is executed and delivered by the respective assignee no later than thirty (30) days prior to the Closing Date; and (c) the assignee pays Seller's attorney the sum of $500 for legal services in connection with the assignment.

12. Notices: Any notice to be given hereunder shall be in writing and sent by mail to Purchaser at the address given above and to Seller at 430 Waverly Avenue, LLC, 430 Waverly Avenue, Brooklyn, NY 11238, with a copy to Marcus Attorneys, Attention: Guillermo Santiago, Esq., 13 Greene Avenue, Brooklyn, N.Y. 11238, or such other address as either party may hereafter designate to the other in writing. Notices shall be given by certified mail, return receipt requested. The date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

13. No Representation: Except as herein or in the Plan specifically set forth, Purchaser acknowledges that Purchaser has not relied upon any plans or specifications, sales plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's counsel or anyone acting or purporting to act on behalf of Seller, with respect to any matter, including, without limitation, the description or physical condition of the Building or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the Building services, the estimated Common Charges and Expenses and real estate taxes allocable to the Unit and any abatement thereof or exemption therefrom, or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the Building or site plan are not accurate or correct provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Building and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from his, her or its obligations hereunder by reason of any minor variation, inaccuracy or error.

14. Recording of Deed and Power of Attorney: At the Closing of title, Purchaser shall also execute the deed thereby accepting and ratifying the provisions of the Condominium Declaration and By-Laws, and Purchaser will deliver the executed deed received from Seller and the executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the City Register, Borough of Brooklyn. Such deed and power of attorney will be substantially in the form set forth in the Plan. Purchaser shall pay the cost of such recording to said representative or Seller, as the case may be, at the Closing of title.

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

16. Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel: This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be

abandoned by Seller at any time prior to its being declared effective and shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed in the Plan. If the Plan is abandoned or does not become effective, this Purchase Agreement shall be deemed canceled. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth herein or in the Plan for the Closing, as such time may be extended as provided herein or in the Plan, for any reason other than Purchaser's default, then, Purchaser may elect to terminate this Agreement upon ten (10) days prior notice. If Seller offers to close within said ten (10) day period, then this Agreement shall remain fully binding. If Seller shall fail to tender a deed and otherwise perform within said ten (10) day period this Purchase Agreement shall be canceled at the conclusion of said ten (10) day period. If this Purchase Agreement is canceled pursuant to the provisions of this paragraph, then not later than fifteen (15) days thereafter, Purchaser shall receive a refund in full of all monies paid by Purchaser hereunder, with the interest earned thereon, if any, and upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations hereunder.

In addition to Seller's rights pursuant to Paragraph 10 of this Agreement relating to default by Purchaser, Seller may cancel this Agreement by forwarding its check in the full amount paid by Purchaser, together with a notice to Purchaser for any of the reasons set forth in the Plan, including, prior to the Plan's being declared effective, without limitation, in the event of the occurrence of any of the following: (a) that any governmental bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of material necessary in the construction of improvements to the Building and such restrictions shall prevent Seller from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the Unit; or (b) that Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, acts of God; or (c) if the installation of public utilities is restricted or curtailed.

17. Monies to be Held in Trust; Payment of Purchase Price; Notice of Closing:

(a) The down payment pursuant to this Agreement will be ten (10%) percent of the Total Purchase Price for the Unit, which down payment shall be increased by the cost of special work or materials, if any, offered by Seller and ordered by Purchaser as itemized in this Agreement. All monies received by Seller through its agents or employees pursuant to this Agreement will be deposited with Bank of America in an IOLA escrow account entitled "Marcus Attorneys Escrow Account" at its branch located at 205 Montague Street, Brooklyn, NY 11201. No interest will be available to Seller or Purchaser from funds deposited in said account. Such funds will be held in trust in accordance with the escrow and trust provisions of Section 352(h) and 352-e 2(b) of the New York General Business Law, and regulations, if any, promulgated pursuant to said Section 352-e 2(b). Such funds will be disbursed only upon written instructions of a member of the law firm of Seller's attorney, as follows: (i) to Seller if the Plan is declared effective and title closes hereunder or if Purchaser defaults hereunder; or (ii) to Purchaser if the Plan is abandoned or withdrawn or title does not close because of Seller's default, or this Agreement is canceled (without default by either party) in accordance with its terms. Down payments, with accumulated interest, if any, shall remain the property of Purchaser except as provided by law.

(b) All deposits, down payments, or advances made by Purchaser prior to Closing of each individual transaction, whether received before or after the date of consummation of the Plan, will be placed, within five (5) business days after receipt by the Seller's attorney, in a segregated special escrow account of Marcus Attorneys, the "Escrow Agent", whose address is 13 Greene Avenue, Brooklyn, New York 11238 and whose telephone number (718) 643-6555. The signatory on this account authorized to withdraw funds is: Jed S. Marcus. The name of the account is "Marcus Attorneys Escrow Account," located in Bank of America at 205 Montague Street, Brooklyn, NY 11201. This bank is covered by federal bank deposit insurance to a maximum of $100,000 per individual deposit.

The account will be an interest-bearing IOLA account and interest will be credited to the State of New York IOLA Fund pursuant to Chapter 659 of the New York Judiciary Law.

All checks shall be made payable to or endorsed to the order of "Marcus Attorneys, as Escrow Agent."

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

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

(i) a writing signed by both Seller and Purchaser; or

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

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

If there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to Seller until the Escrow Agent has given Purchaser written notice of no less than ten (10) business days in advance of the release. This Purchase Agreement will constitute such written agreement for delivery of funds at the Closing. Thereafter, the funds may be paid to Seller unless 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.

Seller will not object to the release of the escrowed funds to a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan.

Purchaser and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the down payment. Seller must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is attached hereto as Exhibit A. 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, Seller, Purchaser, and the Escrow Agent shall abide by any interim directive issued by the Attorney General.

(c) In the event of an uncured default by Purchaser in his, her or its obligations under this Purchase Agreement, no more than ten (10%) percent of the purchase price plus any interest earned thereon, may be retained as liquidated damages. Notwithstanding the above, the actual cost incurred by Seller for any special work, materials, labor, machinery or equipment ordered by Purchaser also may be retained as liquidated damages. Seller agrees not to seek the remedy of specific performance in connection with this Agreement if there has been a default by Purchaser.

(d) The balance of the purchase price will not be payable until Closing of title to the Unit. The balance shall be paid by certified or official bank or cashier's check drawn on a bank which is a member of the New York Clearing House Association to the order of "430 Waverly Avenue, LLC", or to such other party or parties as the Seller may designate, and delivered to the Seller at the Closing.

(e) Purchaser will be given notice of the declaration of effectiveness of the Plan, at least thirty (30) days prior to the Closing date for his, her or its Unit, which notice will also remind Purchaser of the obligation to pay the balance of the purchase price at that time and will state when Common Charges will be due and payable. The Purchaser may waive this thirty (30) day provision by executing a written waiver. For the purposes of this Paragraph 17(e), notice shall be by regular mail to the Purchaser's address as indicated above.

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

18. Equipment and Furnishings: Seller will provide Purchaser only with the fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in the purchase price of the Unit. Furnishings, equipment, appliances and decorations in any model unit or sales office not referred to in the Plan are excluded from this sale. Optional items, if any, offered by Seller which Purchaser desires to purchase as "extras," and the cost thereof, are listed in Exhibit B attached hereto. Such costs will be added to the purchase price of the Unit. All sums or deposits paid for the optional items shall be deemed to be part of the down payment. Purchaser shall select other applicable items for the Unit from Seller's samples within five (5) days after request is made thereof by Seller, and if Purchaser fails to do so Seller shall have the right to make the selection for Purchaser.

19. Acceptance of Condition of Unit; Risk of Loss:

(a) Purchaser shall accept title without abatement of, or credit against, the purchase price (or provision for escrow) notwithstanding that construction of minor details of the Unit has not been completed. Purchaser shall be given a reasonable opportunity to examine the Unit prior to Closing and if work of a "material nature" is found to be incomplete, Sponsor shall furnish Purchaser its written undertaking to complete such incomplete work of a "material nature" prior to or following the Closing, said undertaking to be a Final Inspection Sheet in the form attached hereto as Exhibit C. Sponsor will agree to complete only the work of a "material nature" in the Unit described on the Final Inspection Sheet as incomplete. Sponsor shall have no obligation to complete any work described in the Plan which is not specifically designated by Purchaser in the Final Inspection Sheet. Work of a "material nature" as used in this paragraph shall not include nail pops, ridging on sheet rock walls, lumber shrinkage, separation in joints of tile or wood flooring, floor levels, ceiling imperfections, painting defects, alignment of bathroom finishes, air infiltration from windows, any damage resulting from settlement (including, without limitation, concrete cracks which do not impair the structural soundness of the Building), normal plumbing, heating and air conditioning noises, or minor chips, mars, breaks or other defects in window sashes, window sills, electric fixtures and globes, interior painted surfaces, sinks, tubs, bowls, medicine cabinets, doors, mirrors, ceramic tile, hardware, bath tile grouting, countertops, vanity tops and bases, kitchen tile and cabinets or flooring, hardware, flooring, appliance cabinets, or carpet discoloration and stretching or doors sticking due to weather or door warpage. Subsequent to conveyance of title to a Unit, the Sponsor shall not be responsible for paint touch-ups, or for repair of any condition deemed not of a material nature.

(b) Risk of loss for fire or other casualty remains with Seller until the earlier of the following events:

(i) Legal title to the Unit has been conveyed to Purchaser; or

(ii) Purchaser has taken actual possession of the Unit pursuant to a written agreement with Seller.

20. Possession of Unit prior to Closing: It is expressly understood and agreed that Purchaser shall in no event take possession of the Unit prior to the Closing and full compliance by a Purchaser with the terms of this Agreement except pursuant to an Interim Lease, as described in the Plan, and should Purchaser violate this provision, Seller shall have the right to remove him, her or it from the Unit as a squatter and intruder. Upon Purchaser's unauthorized possession, Purchaser shall be deemed in default hereunder at the option of Seller, and if Seller so elects, Seller may cancel this Agreement and all amounts deposited hereunder shall belong to Seller as liquidated damages deemed earned hereunder. It is further understood and agreed that upon Purchaser's taking possession of the Unit, Seller will not be responsible for damage or loss to any property of Purchaser or to the Unit before, on, or after the Closing of title. If, in Seller's sole discretion, Seller shall permit Purchaser to take possession of the Unit prior to the Closing, then and in such event, Purchaser's failure to pay rent or otherwise to comply with Purchaser's lease or tenancy obligations shall be deemed a default by Purchaser under this Agreement.

21. Damage to the Unit: Subject to the Sponsor's right to abandon the Plan due to damage to the Building and for other reasons, as described in the Plan, and unless the risk of loss with

respect to a Unit has passed to the Purchaser, in the event the Unit is damaged by a casualty or other cause prior to the Closing, the Sponsor will repair the Unit if the cost of the repair is less than or equal to one-half of one percent of the purchase price. If the cost of the repair is more than one-half of one percent of the purchase price, the Sponsor may, but is not obligated to, repair the Unit. The date for the Closing will be extended to give the Sponsor time to repair the Unit if the Sponsor is obligated to repair the Unit or elects to repair the Unit. If the Sponsor repairs the Unit, then this Agreement shall remain in full force and effect and the Closing shall occur as specified in a notice from the Sponsor to the Purchaser after the repair is completed. If the cost of the repair is more than one-half of one percent of the purchase price, and the Sponsor does not elect to repair the Unit, then the Purchaser may either purchase the Unit with a credit of one-half of one percent of the purchase price or rescind this Agreement, in either case by giving the Sponsor notice of the Purchaser's choice within thirty (30) days after the Sponsor gives notice of the Sponsor's election not to repair the Unit. If the Purchaser fails to give notice rescinding this Agreement within said thirty (30) day period, then the Purchaser will be deemed to have chosen to be bound by this Agreement and receive the credit described above. A Purchaser of a damaged Unit will be responsible for all repairs to the Unit and for complying with all laws, rules and regulations with respect to the condition of the Unit and repairs.

22. Limitation of Seller's Liability: Seller's liability under this Agreement for any reason whatsoever, including failure to deliver title, shall be limited to the return of the money deposited hereunder (with interest, if any), provided, however, that Seller may retain any funds paid by Purchaser for construction materials, labor, machinery or equipment specifically ordered by Purchaser to the extent costs therefor have been incurred by Seller, and upon the return of said money, this Agreement shall be null and void and the parties hereto released from any and all liability hereunder.

23. Definitions: The term "Purchaser" shall be read as "Purchasers" if more than one person or entity are purchasers, in which case their obligations shall be joint and several. The capitalized terms used herein shall have the same meanings as in the Plan.

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

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

26. Brokerage: Purchaser represents and warrants to Seller that Purchaser did not negotiate with any broker for the purchase of the Unit other than the broker(s) identified in Exhibit D hereto. Purchaser agrees that should any claim be made against Seller for commissions by any broker on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Seller free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph shall survive the Closing.

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

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

29. Acceptance by Seller: Within thirty (30) days after delivery to the Seller or Selling Agent, if any, by Purchaser of this Purchase Agreement with the required down payment, executed by Purchaser, Seller will either:

(i) accept this Agreement and cause to be returned to Purchaser a fully executed counterpart thereof, or

(ii) reject this Agreement and refund the down payment tendered by Purchaser.

30. Survival: The Closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance with each and every term of this Purchase Agreement, except as to any item expressly stated to survive Closing.

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

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

33. Closing Fees to Seller's Counsel: Purchaser agrees to pay Seller's attorney the following fees: $1,500 for preparation of legal documents and for coordinating the Closing; a $300 attendance fee if the Closing occurs outside of the Sponsor's attorney's office or other office designated by the Sponsor but in the City of New York or $500 if in Westchester, Nassau or Suffolk Counties; or an amount determined by the Sponsor's attorney if elsewhere; a $300 fee if the Closing is adjourned at the Purchaser's request on less than forty-eight (48) hours notice (nothing herein shall give a Purchaser a right to adjourn a Closing); a $500 fee if notice of default is issued, unless the Closing does not occur because of a default by the Sponsor or the Sponsor's inability to close; and an additional $500 fee if the Purchaser assigns his, her or its Purchase Agreement. Such fees shall be payable at or prior to the Closing or upon termination of this Agreement by Purchaser's unendorsed personal check.

34. Transfer Tax Return: At Closing, Seller and Purchaser shall each duly complete and sign before a Notary Public the transfer tax return required to be filed by the state and any local government and any affidavits and certificates required in connection with the recording of the deed. The transfer tax return shall be delivered at Closing to the representative of Purchaser's title insurance company (or, if none, to Seller's attorney) for filing with the proper governmental officer.

35. Contract Not Subject to Loan: This Agreement is not contingent on the Purchaser obtaining a loan commitment. In the event the Purchaser obtains financing, he, she or it shall pay the Mortgage Tax applicable to any mortgage given by Purchaser and shall sign, acknowledge, notarize, deliver or complete at the Closing any forms or returns necessary for the calculation and/or recording of the portion of the Mortgage Tax to be computed in accordance with Section 339-ee of the Condominium Act, and shall pay such portion to the Sponsor in reimbursement of the Mortgage Tax that the Sponsor previously paid if the Sponsor had previously placed a mortgage on the Property. Purchaser shall give Seller a copy of any loan commitment promptly after Purchaser's receipt thereof.

36. Lead Paint Warning and Disclosure Statement: Purchaser shall execute and deliver to Seller the Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards attached hereto as Exhibit "E".

Purchaser acknowledges the receipt of this Warning and Seller's Disclosure. Purchaser acknowledges that he, she or it has been given sufficient opportunity to conduct a lead-based paint assessment at premises and have either conducted same or waived same. Purchaser agrees to purchase the premises with any lead-based paint hazard AS-IS without any further liability of seller for abatement or removal of same. Purchaser agrees to hold Seller harmless and unconditionally release him or her from any claim by him or her, his or her family, friends, invitees, tenants or vendees based on the existence of lead-based paint on or at the above-referenced premises.

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

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

39. Strict Compliance: Any failure by Seller to insist upon strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches that may occur, and Seller, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

40. No Lien: No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder. This Agreement shall not be recorded.

41. Credit Check: The Purchaser consents that at any time prior to Closing, the Seller may check Purchaser's credit rating. Such credit check shall be performed in accordance with

any applicable laws, rules, or regulations of governmental authorities. The Purchaser agrees to timely provide the Seller or the Seller's designee with any and all information, execute any and all documents, and do any and all other things that the Seller may reasonably request to enable the Seller to perform such credit check.

42. Non-Tenant Purchaser's Appointment of Agent: If the Unit will be occupied by a Non-Purchasing Tenant, the Purchaser hereby agrees to irrevocably appoint the Condominium's managing agent and its successors as his, her or its agent to provide to the Non-Purchasing Tenants all services and facilities required by law.

43. Non-Tenant Purchaser's Tenancy Working Capital Deposit: If the Unit will be occupied by a Non-Purchasing Tenant, the Purchaser hereby agrees to deposit with the managing agent at Closing the greater of two months' common charges or two months rent, to be used as working capital to furnish services required under the Non-Purchasing Tenant's lease and laws and regulations which apply to the tenancy. The Purchaser further agrees that upon notice from the managing agent that the deposit has been diminished, the Purchaser shall replenish the fund within thirty (30) days.

IN WITNESS WHEREOF, the parties have executed this Agreement this_____ day of _____, 2006.

Purchaser: _____

Purchaser: _____

Accepted:

430 WAVERLY AVENUE, LLC

By:_____
Mieko Miyamoto, Managing Member

EXHIBIT A

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: _____
Address of Building or
Name of Project

File Number: _____

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

1. Name of
Applicant_____

2. Address of
Applicant_____

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

_____

_____

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

_____

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

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

7. Name and Address of Sponsor: _____

_____

8. Name and Address
of Escrow Agent: _____

_____

9. If down payments are maintained in an escrow account:

(a) Name of account: _____

(b) Name and address of bank: _____

_____

(c) Account number (if known): _____

(d) Initial interest rate (if known): _____

10. If down payments have been secured by bonds:

(a) Name and address of bond issuer or surety: _____

_____

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

_____

_____

_____

11. If down payments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit:

_____

_____

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

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan

[ ] has been declared effective.
Approximate date: _____
[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed.
Approximate date: _____
[ ] has not closed.
[ ] don't know.

(d) Down payments are secured by

[ ] escrow account.
[ ] bonds.
[ ] letter of credit.

13. Contract information:

(a) Copy of contract and of all riders and modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of down payment(s): _____

(d) Total amount of down payment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

_____

_____

_____

_____

_____

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

_____

_____

_____

_____

_____

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

_____

_____

_____

_____

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

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

Signature: _____ Date: _____

Name (Printed): _____

Telephone: (Home) _____

(Business) _____

Mailing Address: _____

_____

EXHIBIT B

PURCHASE AGREEMENT
OPTIONAL EXTRAS

Re: Unit # _____ Date: _____

I request that you supply and install the following optional extras:

_____
Purchaser's Signature

_____
Purchaser's Signature

Accepted:

430 Waverly Avenue, LLC

By:_____
Mieko Miyamoto, Managing Member

EXHIBIT C

FINAL INSPECTION SHEET

Unit: _____

Date of Inspection: _____

Time of Inspection: _____

Present: _____

_____

_____

_____

Defects or Flaws:

_____

_____

_____

_____

_____

_____

_____

Purchaser(s) hereby state that he, she or it accept the Unit "as is" with the exception of the above listed items and that upon reasonable completion of the above listed items the Seller shall have no further obligations to the Purchaser(s) hereunder.

Purchaser:_____

Purchaser:_____

Seller: 430 Waverly Avenue, LLC

By: _____
Mieko Miyamoto, Managing Member

EXHIBIT D

BROKER

Name of Broker: _____

Address of Broker: _____

_____

_____

Telephone Number of Broker: _____

EXHIBIT E

Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards

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 intelligent quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real 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 to 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 (initial)

_____(a) Presence of lead-based paint and/or lead-based paint hazards (check one below):

☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

_____

_____

_____

☑ 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 one below):

☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

_____

_____

_____

☑ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing, although the premises were built prior to 1978.

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 one below):

☐ 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

☐ 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 Acknowledgments (initial)

_____(f) Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) 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 provided by the signatory is true and accurate.

430 Waverly Avenue, LLC

By: _____

Mieko Miyamoto, Managing Member — Date

_____

Seller — Date

_____

Agent — Date

_____

Agent — Date

_____

Purchaser — Date

_____

Purchaser — Date

_____

Purchaser — Date

_____

Purchaser — Date

EXHIBIT F

Permitted Exceptions to Title

- The Declaration,
- The Floor Plans,
- The By-Laws,
- The state of facts shown on the survey made by Barry M. Fahrer L.S. P.C., dated February 18, 2002, and any additional state of facts a subsequent survey may show, provided title is not rendered unmarketable by such additional facts,
- The Power of Attorney as required in the Purchase Agreement, a form of which Power of Attorney is included in Part II of this Plan,
- Mortgages and UCC financing statements, if any, which are subordinated to the Declaration,
- Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring the Purchaser's interest in the Unit,
- Building restrictions and zoning regulations and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction which are not violated by the Building and which do not prevent the use of the Building described in this Plan,
- Existing violations of building, fire, electrical and similar codes, laws, rules and regulations, subject to the Sponsor's obligation to cure violations as described in the section of this Plan entitled "Rights and Obligations of Sponsor,"
- Encroachments of retaining walls, fences, bay windows, fire escapes, stoops, banisters, areas, cellar steps, doors, railings, air conditioners, balconies, drain, vent and other pipes, electrical conduits, lights, trim, foundation, cornices, if any, and similar projections on, over and under the Property and encroachments on to streets, highways and adjoining premises by improvements on the Property, and the rights of governmental authorities to require the removal of any such projections and variations beyond record lines of the Property,
- Consents by the Sponsor or the owner or any former owner of the Property for the erection of any structure or structures on, under, or above any street or streets on which the Property may abut,
- Any other covenants, restrictions, easements or agreements of record, if any, which are not violated by the Building or its use described in this Plan,

- Any state of facts a physical inspection of the Property would disclose,

- The terms and conditions of this Plan and any amendments thereto,

- The lien of any unpaid Federal or State or New York City taxes, provided Sponsor, at the Closing, makes such deposit or guarantee as might be reasonably required by the Purchaser's title insurance company to issue to the Purchaser a policy of title insurance insuring against the collection of such taxes out of the Unit,

- The revocability of the right to maintain street vaults and other areas under or projections over any sidewalk, if any, and the lien of unpaid vault charges (which are to be paid by the Board of Managers),

- Any easement or right of use created in favor of any public utility company and the right to install, use, maintain, repair and replace wires, lines, facilities, connections, equipment and the like upon, under and across the Property,

- Service, maintenance, employment, management and license contracts and agreements, if any, described in this Plan,

- The lien of unpaid water charges and sewer rents, which shall be paid by the Board of Managers,

- The lien of unpaid Common Charges and real estate taxes, which shall be apportioned as of the Closing,

- The lien of any unpaid assessments payable in installments, except the Sponsor will pay all such installments due and payable prior to the Closing date, and the Purchaser will be obligated to pay all installments due at or subsequent to the Closing Date (however, the then current installment shall be apportioned at the Closing),

- Any other matter or encumbrance as to which Home Abstract Corp., as agent for First American Title Insurance Company of New York, or a reputable title company chosen by the Purchaser, would be willing, in a fee title insurance policy issued by it to the Purchaser, to insure the Purchaser that such matter or encumbrance (a) will not be collected out of the Unit if it is a lien, and (b) will not prevent the use of the Unit for dwelling purposes,

- Any other declaration or other instrument affecting the Property that the Sponsor deems necessary or appropriate to comply with any Legal Requirement.

- Landmark Designation in Reel 1412 Page 31.

Page without text

SECTION B

POWER OF ATTORNEY

Page without text

UNIT OWNER'S POWER OF ATTORNEY

All terms used in this Unit Owner's Power of Attorney that are used (a) in the Declaration establishing a Plan for condominium ownership of the premises known both as 430 Waverly Avenue Condominium and by the street number 430 Waverly Avenue, Brooklyn, New York (the "Condominium") under Article 9-B of the Real Property Law of the State of New York, dated _____ _____ and recorded in the Office of the City Register, Borough of Brooklyn on _____ as CRFN# _____ (hereinafter referred to as the "Declaration"), or (b) in the By-Laws of the Condominium and the By-Laws of the residential portion of the Condominium (hereinafter referred to together as the "By-Laws") attached to, and recorded together with, the Declaration shall have the same meanings in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned _____, (having an office) (residing)* at _____ _____, the owner of the Condominium Unit (hereinafter referred to as the "Undersigned's Unit") designated and described as Unit No. _____ in the Declaration and also designated as Tax Lot _____ in Block 1961 of Section _____ of the Borough of Brooklyn on the Tax Map of the City of New York, (does) (do)* hereby irrevocably nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers (the "Board"), true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with the power of substitution, in their own names, as members of the Board or in the name of their designee (corporate or otherwise), on behalf of (me) (us)* and all Unit Owners, in accordance with the Unit Owners' respective Common Interest, subject to the provisions of the By-Laws and the Declaration then in effect, (1) (a) to acquire or lease any Unit, together with the Appurtenant Interests in connection with any Right of First Refusal, (b) to acquire any Unit, together with its Appurtenant Interests, whose Owner elects to abandon or surrender the same pursuant to the terms of the By-Laws, (c) to acquire any Unit, together with its Appurtenant Interests, that becomes the subject of a foreclosure or other similar sale, on such terms and (with respect to any transfer pursuant to the terms of subdivision (a) or (c) of this Paragraph) at such price or at such rental, as the case may be, as said attorneys-in-fact shall deem proper, and (2) thereafter to convey, sell, lease, mortgage or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in respect to any such Unit that the undersigned could do if the undersigned were personally present and (3) to execute, acknowledge and deliver any (a) consent, covenant, restriction, easement, application, certification, declaration or other instrument affecting the Condominium and the Property necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, guideline or requirement of the City or State of New York or of the federal government or any public department, agency or authority thereof, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Property or any use thereof permitted pursuant to the Declaration or the By-Laws, or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Board deems necessary or appropriate.

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

The undersigned (does) (do)* hereby irrevocably nominate, constitute, and appoint 430 Waverly Avenue, LLC (hereinafter referred to as the "Sponsor"), as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, (1) to amend from time to time said Declaration, By-Laws and the Rules and Regulations, or any of said documents, when such amendment (a) shall be required to reflect any changes in Unsold Units and/or re-apportionment of the Common Interest of the affected Unsold Units resulting therefrom made by the Sponsor or its designee in accordance with the Declaration or (b) shall be required by (i) any governmental agency having regulatory jurisdiction over the Condominium, or (ii) any title insurance company selected by the Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (a) or (b) of this Paragraph shall not (x) change the Common Interest of the Undersigned's Unit, (y) require material physical modification to the Undersigned's Unit or (z) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by a bank, savings bank, insurance company, government agency, investment bank with a net worth in excess of $100,000,000, or a mortgage company affiliated with any of the foregoing covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (x) or (y) of this Paragraph) or the holder of such mortgage (in the event described in subdivision (z) of this Paragraph) shall consent thereto in writing and (2) to execute, acknowledge and deliver (a) any consent, covenant, restriction, easement, application, certification, declaration or other instrument affecting the Condominium and the Property that the Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, guideline or requirement of the City or State of New York or of the federal government or any public department, agency or authority thereof, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Unsold Units or any use thereof permitted pursuant to the Declaration or the By-Laws, or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Unsold Units or any of them, as shall be permitted by the Declaration and the By-Laws. The terms, covenants and conditions contained in, and the powers granted pursuant to, this Paragraph shall remain in full force and effect until such time as the Sponsor or its designees shall cease to own any of the Units in the Condominium.

IN WITNESS WHEREOF, the undersigned (has) (have) executed the Unit Owner's Power of Attorney as of the day of , 2006.

_____

_____

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

On the day of , 2006, before me, the undersigned personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the day of , 2006, before me, the undersigned personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

Page without text

SECTION C

FORM OF UNIT DEED

Page without text

UNIT DEED

THIS INDENTURE, made the _____ day of _____, 20___, between 430 Waverly Avenue, LLC, having an office at 430 Waverly Avenue, Brooklyn, New York 11238 "Grantor," and _____, residing at _____ "Grantee,"

W I T N E S S E T H :

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

The Unit known as Unit No. _____ (hereinafter called "the Unit") in the building (hereinafter referred to as the "Building") known as 430 Waverly Avenue Condominium, 430 Waverly Avenue, Brooklyn, New York 11238, referred to in the declaration establishing 430 Waverly Avenue Condominium (which Building together with the land hereinafter described is hereinafter called the "Condominium Property"), made by the Grantor under the Article 9-B of the Real Property Law of the State of New York), dated _____, recorded in the Office of the City Register, Borough of Brooklyn on _____ as CRFN# _____ and designated as Tax Lot ___ in Block 1961 of the Borough of Brooklyn on the Tax Map of the City of New York.

The land area (the "Land") of the Condominium Property is described on Schedule A attached hereto and made a part hereof.

TOGETHER with the benefits, rights, privileges, easements and subject to the burdens, covenants, restrictions, by-laws, rules, regulations and easements all set forth in the Declaration and documents attached thereto and recorded therewith as the same may be amended from time-to-time;

TOGETHER with the appurtenant interests as described in the Declaration and by-laws of the Condominium and the by-laws of the residential portion of the Condominium (together the "By-Laws") as the same may be amended from time-to-time;

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

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

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

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

TOGETHER with a right of way through the Common Elements to the public streets;

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

TOGETHER with the easements created by the Declaration, which are incorporated herein by references as though fully set forth herein, as the same may be amended from time-to-time;

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

SUBJECT to: (1) any state of facts an accurate survey would show; and (2) any other covenants, restrictions, easements, liens, agreements, documents and instruments that Grantor or the Board of Managers of the Condominium (the "Board of Managers") may record against the Condominium Property for the construction of improvements and the use, maintenance and operation thereof;

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

SUBJECT also to an easement in favor of the owners of other Units and the Board of Managers to use, maintain, repair, remove, replace and relocate the pipes, wires, ducts, conduits, cables, utility lines, equipment and facilities, flues and other Common Elements now or hereafter located in the Unit or elsewhere on or in the Condominium Property and serving such other Units;

SUBJECT also to the terms, conditions, covenants and provisions of the Declaration and of the By-Laws, as the same may be amended from time-to-time, which terms, conditions, covenants and provisions shall run with the land and shall bind any person having at any time any interest or estate in the Unit as though such provisions were recited herein;

SUBJECT also to the Power of Attorney(s) from Grantee to the Board of Managers relating, among other things, to disposition of Units acquired or leased by the Board of Managers;

SUBJECT also to the rights reserved in the Declaration, as the same may be amended from time-to-time, to establish, grant and create additional utility easements in, under and through the Condominium Property including the Unit, to relocate existing utility easements in any portion of the Condominium Property including the Unit and to dedicate any or all of such easements and/or facilities or equipment therein to any governmental body, public benefit corporation or utility company;

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

SUBJECT also to rights of owners of other Units and the Board of Managers through the Common Elements to the public streets;

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

The use for which the Unit is intended is that permitted by the By-Laws and the Declaration, as the same may be amended from time-to-time.

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

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

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws and the Rules and Regulations of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof as the same may be amended from time to time.

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

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

The term "Board of Manager" shall mean the Board of Managers.

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

430 WAVERLY AVENUE, LLC

By: _____
Mieko Miyamoto, Managing Member

Grantee:

_____

Grantee:

_____

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

On the day of , 2006, before me, the undersigned personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the day of , 2006, before me, the undersigned personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the day of , 2006, before me, the undersigned personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

SCHEDULE A
430 Waverly Avenue
Brooklyn, New York 11238

The Unit known as Unit No. _____ in the building known as and by the street number 430 Waverly Avenue, Brooklyn, New York, designated and described as Unit No. ___ in the Declaration establishing a plan for condominium ownership of said building and the land on which it is erected made by 430 Waverly Avenue, LLC under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York) dated _____ recorded in the office of the Register of the City of New York in the County of Kings on _____ as CRFN # _____ and designated as Tax Lot No. _____ in Block 1961 of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans for the Building certified by _____ on ___ _____, 2005 and filed in the office of the Register of the City of New York, County of Kings on _____ as Condominium Plan No. _____.

TOGETHER with an undivided ____ percent interest in the Common Elements.

THE Land on which the Building lies is described as follows:

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

BEGINNING at a point on the Westerly side of Waverly Avenue distant two hundred twenty six feet and one-half inch (226 feet 0-1/2 inch) North of the corner formed by the intersection of Gates Avenue and Waverly Avenue;

RUNNING THENCE Northerly twenty five feet zero inches (25 feet 0 inches);

RUNNING THENCE Westerly seventy eight feet and zero inches (78 feet 0 inches);

RUNNING THENCE Southerly twenty five feet and zero inches (25 feet 0 inches);

RUNNING THENCE Easterly seventy eight feet and zero inches (78 feet 0 inches) to the point or place of BEGINNING.

SECTION D

DESCRIPTION OF PROPERTY AND BUILDING CONDITION

Page without text

DESCRIPTION OF EXISTING PROPERTY AND BUILDING CONDITIONS

Architect's Report

Sal V. Tartaglione, Architect, P.C.
142 Mineola Avenue, Suite # 3A
Roslyn Heights, NY 11577

I) LOCATION AND USE OF THE PROPERTY:

A) Address: 430 Waverly Street, Brooklyn, New York.
B) Block and Lot Number: 1961 and 60
C) Zoning Map: 16c
D) Zoning District: R6
E) Special District: Clinton Hill Historic District
F) Permitted uses: Residential (Use Groups 1 & 2) and Community Facilities (Use Groups 3 & 4)

II) THE BUILDING:

A) Year Completed: 2003 (Certificate of Occupancy No. 300933275 issued on 10/30/2003)
B) Type: Semi-attached dwelling, with a flat roof.
C) The approximate building dimensions are as follows: The front building wall is on the front property line; therefore there is no front yard.
   1) The building has one (1) party wall; the building is 25.04 ft. wide
   2) Cellar: 46.7 ft. deep x 25.04 ft. wide = 1169.4 SF
   3) First: 46.7 ft. deep x 25.04 ft. wide = 1169.4 SF
   4) Second: 46.7 ft. deep x 25.04 ft. wide = 1169.4 SF
   5) Third: 46.7 ft. deep x 25.04 ft. wide = 1169.4 SF
   6) Total gross habitable floor area = 4677.6 SF (Including cellar)
D) Class of Construction: New Code: II-B (Protected wood joists)
E) Occupancy: Residential (multiple dwelling)
F) Multiple Dwelling Classification: Hereafter Erected Class 'A' (HAEA)
G) Zoning Use Group: 2
H) Multiple Dwelling: Class A
I) Certificate of Occupancy: 300933275
J) Description of Proposed Work: No new work is scheduled.
K) Asbestos: No asbestos present.

III) THE SITE:

A) Lot size: twenty-five feet-one-half inch (25.04 ft.) wide by eighty-two feet (82 ft.) deep= 2053.28 SF
B) Number of Buildings and Use: There is one building for residential use (multiple dwelling).
C) Storm water disposal: The roof has one drain connected to storm line that discharges into a combined sewer located in Waverly Avenue.
D) Streets: The site is on the west side of Waverly Avenue, 226.04 ft. north of Gates Avenue.
   1) Paving (Waverly Avenue): The street is paved with asphalt and is in good condition.
   2) Curbing (Waverly Avenue): The street curb in front of the building is poured concrete and in good condition.

3) Drainage: The street is presently pitched to drain through existing cast-iron catch basins into the New York City sewer system.
4) Lighting: The City of New York provides street lighting.
5) The above items, paving, curbing, drainage, and lighting are in conformity with local fire district and municipal codes.
6) Sidewalks: The sidewalk is poured concrete, and in good condition.
7) Trees: None

IV) UTILITIES:

A) **Domestic water** is provided by the City of New York from mains under the street. Water consumption for the building is supplied via a domestic water service. The service is 2-inch and passes through a detector check with a bypass meter. Water service charges are based on the amount of water used and payable to the NYC Water Board. The condominium is responsible for maintenance, repair and replacement of water meter and service pipes to the building.

B) **Sewer service** is provided and maintained by the City of New York. Sewer service charges are based on the amount of water used. The Condominium is responsible for maintenance, repair and replacement of the sewer line from the main to the building. The house sewer is not visible but is assumed to be working adequately. The house trap is located below the floor slab in the cellar.

C) **Gas Service** is provided via a 2-inch gas line, provided and maintained by Keyspan a regulated public utility. Three (3) meters, one per unit, for heat, hot water and cooking monitor the gas service. The utility company is responsible for maintenance and repair of the gas meter and gas service outside the building. The condominium is responsible for gas piping to the unit. Individual unit owners are responsible for their appliances as well as the gas piping within their unit. Each unit has a separate boiler and water heater.

D) **Electricity** is provided and maintained by Consolidated Edison Company (Con Ed), a regulated public utility. The panels are rated at 100 amps each; the service is 250 amps 30/60 HZ. Each residential owner shall be separately metered and pay actual usage charges directly to Con Ed based on approved utility electric rates then in effect. The three (3) electric meters are all located in the cellar.

E) **Telephone** lines to a service connection at or near premises are provided and maintained by Verizon Company, a regulated public utility. Services to and usage by each individual unit owner are separately monitored and billed. Junction boxes provide telephone service to individual unit owner are separately monitored and billed. Such wiring and equipment within each unit shall be the responsibility of each individual unit owner or user. The individual unit owner may contract maintenance and installation of the wiring and equipment from the service connection to and within the individual unit to a variety of vendors. Other equipment and wiring may be installed at the expense of the individual user.

V) SUB-SOIL CONDITIONS:

A) The sub-soil was not available at the time of inspection; it is assumed the existing soil is capable of withstanding existing loads of the existing building. There appear to be no obvious indications of settlement or other failure due to inadequacy of the foundation or load bearing capacity of the soil. There was no apparent evidence of surface water seepage into the building at the time of my inspection.

B) There appears to be no evidence of flooding in this building.

C) The building is not located in a Flood Hazard Zone.

VI) LANDSCAPING AND ENCLOSURES:

A) Grass cover: None
B) Plantings: In the rear yard a 3 ft. wide along the north and west walls (None in the front)
C) Trees: None
D) Fencing: 6 ft. Chain Link on the south lot line, 6 ft. stockade fence atop of a 32 inch concrete block wall on the west lot line, 6 ft. stockade fence atop of a 32 inch poured concrete wall on the north lot line. Existing fence is in good condition
E) Gates: None
F) Retaining Walls: retaining wall in good condition..
G) Display Pools and Foundations: None.
H) Patio: Brick patio approximately 24-9" ft. x 21 ft., located in rear yard.

VII) BUILDING HEIGHT:

A) Total Height: The building is approximately 32 ft. from the sidewalk to the roof.
B) Crawl Spaces (floor to ceiling): None
C) Number of Cellars: one (1)
D) Number of stories (actual): Three (3)
E) Elevator Bulkhead (height above the roof): None
F) Staircase Bulkhead (height above roof): None
G) Parapet (height above the roof): Front: 2'-5", Sides and Rear: 1'-6" high.

VIII) STRUCTURAL SYSTEM:

A) General: The building is a masonry structure with wood joists, brick veneer and steel lintels, and poured concrete foundation. There are no apparent sign of cracks or failure in floors or ceilings. The overall structure appears to be in good condition.
B) Exterior of Building:
1) Walls: The north party wall and south lot line wall are load bearing. The east and west exterior walls are non-bearing brick veneer construction. The foundation rests on soil. No signs of a poor foundation were seen. Overall the existing exterior wall brickwork is in good condition.
2) Windows: Double hung wood windows are installed in all units. Windows are fairly new and existing lintels and sills are in good condition.
3) Landmark Status: Clinton Hill Historic District. All work will be subject to review and permits by the New York City Landmark Preservation Commission.
4) Parapets and Copings: The parapets are masonry with terra cotta coping. The parapets and copings are in good condition.
5) Chimneys and caps: Galvanized steel flues and caps. There are no chimneys; flues only thru roof.
6) Balconies and Terraces: None
7) Exterior Entrances:
(a) Exterior Doors and Frames: Wood construction (one located at rear of building at the cellar). Existing doors in good condition.
(b) Entry Vestibule Door and Frames: Wood construction (one located at front of building). Existing doors in good condition.
(c) Exterior Stairs: Located in rear, to cellar, poured concrete. Existing concrete stairs in good condition.
(d) Railings: Painted tubular steel. (One located at rear of building at the cellar stair). Railings are in good condition.
(e) Mail Boxes: Aluminum located in the vestibule.
(f) Lighting: Incandescent
8) Service Entrance: None

9) Roof and Roof Structures:
   (a) Material: Built-up rolled roofing. Upon inspection the existing roof is in good condition.
   (b) Insulation: – Indistinguishable - Building constructed to meet current NYC Building Code and assumed that minimum R-30 insulation was installed on ceilings and R-11 and/or R-13 in exterior walls. The building was constructed in 2001 by a builder other than the sponsor, and while the City of New York Department of Buildings inspected and signed off on the construction of the building, we could not locate any building plans filed with the Department of Buildings or any other government agencies.
   (c) Bond or guarantee: Unknown – Rolled roofing with average 5 year guarantee
   (d) Flashing materials including counter flashing: Built-up rolled roofing extending up parapets.
   (e) Drains: One
   (f) Gutters and leaders: None.
   (g) Skylight: Glass. Skylight (45 inches x 60 inches) is in good condition
   (h) Bulkheads: None
   (i) Stairs: None
   (j) Elevator: None
   (k) Scuttle: One (1) access via ladder
   (l) Skylights: There is a skylight on the roof, it is in good condition and free from active leaks.
   (m) There are no active leaks and the roof is in very good condition.
10) Fire Escapes: None.
11) Yards: Rear only.
12) Courts: None.

C) Interior Stairs:
1) Number of Stairs of each type: Two (2) stairs. There is one common stair extending from the third floor to the cellar. There is a separate open stair connecting the first floor unit to the cellar. The interior stairs are in good condition.
2) Enclosure: The stair is located in a common stairwell. Common stairwell is in good condition.
3) Stair construction: The stair is steel, with poured concrete treads with ceramic tile on top of the treads from the cellar to 3rd floor. (4 levels)
4) Stringers: Steel.
5) Treads: Steel & poured concrete with ceramic tile treads.
6) Handrails: Steel, not more than 34 inches nor less than 30 inches above the nosing of treads. Handrails are in good condition
7) Stair Enclosure (hallway): One wall is masonry with drywall on the interior; the other walls are drywall construction.

D) Interior Doors and Frames:
1) Unit Entrances and Interior Doors and Frames: Unit entrance doors are metal, fire rated, with metal frames. Doors within the individual units are hollow core wood construction. Doors are in good condition.
2) Corridor Doors: None.
3) Stair Doors: Stair Doors is metal with metal frame.
4) Roof Doors: No Roof door. Scuttle provides access, is steel construction.
5) Cellar Door at bottom of stairs: None.

E) Elevators: None

F) Laundry Rooms: One. – Room is in good condition.
1) Clothes Washers: One
2) Clothes Dryer: One (Gas)
3) Room Ventilation: None.
4) Dryer Ventilation: The dryer is vented to the outside via a steel flue.
5) Refuse disposal: Trash containers located in cellar.

6) Incinerators: None
7) Compactors: None
8) Trash containers: Minimum of three (3) containers for normal refuse, separate containers for recyclables.
9) Approvals by Authority having Jurisdiction: The Sanitation Department, City of New York, has approved and initiated service for residential units.
10) Initial storage Location: There is a common initial storage location located in the cellar. Refuse must not be placed on the sidewalk except on days of collection under penalty of fine.
11) Pick Up Schedule: The current Sanitation Department service calls for residential pick up three times per week. Tenants of the building must comply with City regulations for recycling and pick up for recyclables is once a week.

IX) PLUMBING AND DRAINAGE:

A) Water Supply: Domestic water is provided by the City of New York from mains under the street. A metered 2-inch water service has been provided for domestic water service for sanitary plumbing fixtures. The Condominium will be responsible for maintenance, repair and replacement of water meters and service piping. Water valves and piping are in good condition. There are no signs of leaks or cracking in system; there are no signs of leaks through windows and walls. There are currently no active leaks and leaks are not a frequent occurrence. Incoming water supply piping is galvanized and copper throughout the building. The existing street pressure and flow throughout the building is adequate. Water pressure is maintained by street pressure, a booster pump is not required.

B) Fire Protection System:
1) Standpipes: None
2) Hose Racks, Hoses and Nozzles: None
3) Sprinkler System: Sprinkler located in the stairwell, eight (8) in stairwell
4) Siamese Connection: None

C) Water storage tanks and enclosures: None

D) Sanitary Sewage System: All sanitary drainage is connected to public combined sewer on Waverly Avenue. All fixtures drain by gravity. Storm drainage piping is not visible. Fittings and joints below ground are not visible.

E) Storm Drainage System: There is a storm drainage system. The roof gutter is in good condition. There are no apparent sign of cracks or leaks in the system.

F) Catch Basins: None

G) Yard and Roof Drains: There is one area drain located at the bottom landing of the exterior cellar stair and one roof drain.

H) Piping Materials: Storm drainage piping within the building is not visible.

I) Sump Pump: One, located in the cellar.

J) Domestic Hot Water: Hot water is supplied separately to each unit via three (3) gas fired A.O. Smith water heater model: FSG 50 248, Capacity: 50 Gallons.

K) Heat: Is supplied separately to each unit via three (3) gas fired Slant Fin boilers (low pressure) Model: SE-105DP, Capacity: 87,000 btuh via forced hot air. Units are approx. 2-3 years old with an expected lifetime of good working conditions of another 15-20 years. Each unit has separate thermostat zones that control the baseboard heating units.

L) Type of Controls: Control valves located at within each unit.

M) Fuel: Fuel for heating is natural gas.

N) Fireplace: One gas fired unit per unit located in the living room.

O) Gas Supply: Keyspan Energy Delivery, a regulated public utility, supplies gas to the building. (See section Utilities). There is a 2-inch gas service line supplying the building.

P) Type: Natural Gas

Q) Meters: Three (3) gas meters located in the cellar.

R) Piping: Gas piping within the building is in sound condition. Gas piping is schedule 40 black steel pipe with threaded joints and black malleable fittings.

S) Central Air Conditioning: Separate a/c unit for each floor, including the cellar.

T) Ventilation: Bathrooms and kitchens have mechanical ventilation.

U) Sewage Backflow Valve: Cellar has recessed in concrete a sewage backflow valve assembly (Model Floodgate-System) with a remote annunciator locate on the first floor. This system is to prevent sewage backflow from the municipal sewer system.

X) ELECTRICAL SYSTEM:

A) Service to Individual Units: One hundred (100) amperes, 220 volt, single-phase AC meters for each of the units.

B) Service to common areas: Electrical service to the common areas will be tracked by one meter to be located in the cellar. There are four (4) duplex outlets in the laundry room, two (2) of which are metered to Unit-2 and two (2) are metered to Unit-3.

C) Unit Service: Circuit Breakers and switches are appropriately rated according to the corresponding carrying capacity of the wire. The individual unit on the first floor has a 100-ampere, 220-volt single phase AC panel with circuit breaker panel each with 18 breakers. Each individual unit on the 2nd and 3rd floors has a 100-ampere, 220-volt single phase AC panel with circuit breaker panel each with 17 breakers.

D) Adequacy:

1) Service: Should be adequate to handle all lighting, fixtures, convenience outlets and appliance outlets as well as air conditioning.

2) Lighting and Fixtures: Porcelain lamp holders or equivalent fixtures have been installed at light fixture locations for minimum code compliance.

3) Convenience Outlets, Appliances outlets: Convenience outlets and appliance outlets in residential units are existing and adequate for minimum code compliance.

E) Intercommunication and/or Door Signal Systems: A Video/intercom system has been provided, connecting the entrance with all units.

F) Public Area Lighting: Adequate lighting is provided in the public lobbies and stairs to provide light for egress. Other common spaces have either incandescent or florescent lighting controlled by switches. Egress lighting operates continuously.

G) Garages and Parking Areas: None

H) Swimming Pools: None

I) Tennis Courts, Playgrounds and Recreation Facilities: None

J) Other Recreation Facilities: None

K) Permits and Certificates: No open applications are on file with the NYC Department of Buildings.

L) Department of Buildings / Environmental Control Board Violations: None.

XI) RESIDENTIAL UNITS

Unit 1: This residential unit is on the first and cellar floors.

1. Walls and ceilings are painted drywall. Flooring is 3 ½ inch oak. All finishes are existing and in good condition.
2. There are three bathrooms with tile floor and walls. Ceilings are painted drywall. All finishes are existing and in good condition.

Bath-1: The following fixtures are provided in the first floor bath. All fixtures are existing and in good condition.

Appliance	Make	Description
Toilet	Kohler	Vitreous china
Lavatory	Kohler	Vitreous china
Tub	Kohler	Enameled Cast Iron

Bath-2: The following fixtures are provided in the first floor master bath. All fixtures are existing and in good condition.

Appliance	Make	Description
Toilet	Kohler	Vitreous china
Lavatory	Kohler	Vitreous china
Tub	Kohler	Enameled Cast Iron

Bath-3: The following fixtures are provided in the cellar bath. All Fixtures are existing and in good condition.

Appliance	Make	Description
Toilet	Kohler	Vitreous china
Lavatory	Kohler	Vitreous china

Kitchen: The kitchen has ceramic tile floors and ceramic tile and painted drywall walls. Cabinets are wood. All finishes are existing and in good condition. The following Fixtures are provided as follows in the kitchen. All appliances are existing and in good condition.

Appliance	Make	Description
Stove	Kenmore	Gas
Refrigerator	Kenmore	Top freezer
Dishwasher	Kenmore	
Sink	Kohler	Enameled Cast Iron

Unit 2: This residential unit is on the second floor.

1. Walls and ceilings are drywall. Flooring is 3 ½ inch oak. All finishes are existing and in good condition.
2. There are two bathrooms with tile floor and walls. Ceilings are drywall. All finishes are existing and in good condition.

Bath-1: The Following fixtures are provided in the bath. All fixtures are existing and in good condition.

Appliance	Make	Description
Lavatory	Kohler	Vitreous china
Toilet	Kohler	Vitreous china
Tub	Kohler	Enameled Cast Iron

Bath-2: The following fixtures are provided in the master bath. All fixtures are existing and in good condition.

Appliance	Make	Description
Toilet	Kohler	Vitreous china
Lavatory	Kohler	Vitreous china
Tub	Kohler	Enameled Cast Iron

Kitchen: The kitchen has ceramic tile floors and ceramic tile and painted drywall walls. Cabinets are wood. All finishes are existing and in good condition. The following fixtures are provided as follows in the kitchen. All appliances are existing and in good condition.

Appliance	Make	Description
Stove	Kenmore	Gas
Refrigerator	Kenmore	Top freezer
Dishwasher	Kenmore	
Sink	Kohler	Enameled Cast Iron

Unit 3: This residential unit is on the third floor.

1. Walls and ceilings are drywall. Flooring is 3 ½ inch oak. All finishes are existing and in good condition.
2. There are two bathrooms with tile floor and walls. Ceilings are drywall. All finishes are existing and in good condition.

Bath-1: The Following fixtures are provided in the bath. All fixtures are existing and in good condition.

Appliance	Make	Description
Lavatory	Kohler	Vitreous china
Toilet	Kohler	Vitreous china
Tub	Kohler	Enameled Cast Iron

Bath-2: The following fixtures are provided in the first floor master bath. All fixtures are existing and in good condition.

Appliance	Make	Description
Toilet	Kohler	Vitreous china
Lavatory	Kohler	Vitreous china
Tub	Kohler	Enameled Cast Iron

Kitchen: The kitchen has ceramic tile floors and ceramic tile and painted drywall walls. Cabinets are wood. All finishes are existing and in good condition. The following fixtures are provided as follows in the kitchen. All appliances are existing and in good condition.

Appliance	Make	Description
Stove	Kenmore	Gas
Refrigerator	Kenmore	Top freezer
Dishwasher	Kenmore	
Sink	Kohler	Enameled Cast Iron

K) Finish Schedule or space other than units

1) Lobby: Ceramic tile on drywall and painted drywall ceiling.

2) Safety and Warning Devices: Smoke and carbon monoxide detectors are provided inside each unit.
3) Additional information required:
   (a) Site plan: Attached
   (b) Area Map: Not required, the condo is located in an urban area.
   (c) Floor plan for each line or type of unit: Attached
   (d) Floor to ceiling heights or units:
   (All dimensions are approximate)
      Cellar – 92.8 inches
      First floor- 118.6 inches
      Second floor- 106.3 inches
      Third floor – 106.3 inches
   (e) Approximate net floor area of each unit: Measured to the centerline of partitions and to the outside of exterior walls.
      Unit-1: 1583.7 square feet
      Unit-2: 1167.4 square feet
      Unit-3: 1067.4 square feet

CERTIFICATION:

I have examined the building records at the New York City Department of buildings and personally inspected the premises. To the best of my knowledge and belief, this report contains an accurate description of the building. Except as noted in this report, no representation is made as to the condition or legality of the various elements of the building. Many components of the building are concealed, obstructed, and or are not available for inspection, and no representation can be made as to the length of time components and systems currently in working order will remain so.

SPONSOR RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REPLACE ANY OR ALL MATERIALS, FIXTURES, APPLIANCES OR OTHER ITEMS STATED IN THIS REPORT WITH THOSE OF EQUAL OR BETTER QUALITY.

SPONSOR MAKES NO REPRESENTATION AS TO ANY MATTER IN THIS ARCHITECTS REPORT EXCEPT AS EXPRESSLY CONTAINED HEREIN AND NO REPRESENTATION SHALL BE IMPLIED.

Sal V. Tartaglione

DATE: 4/25/07

Sal V. Tartaglione, RA
President
Sal V. Tartaglione, Architect, P.C.

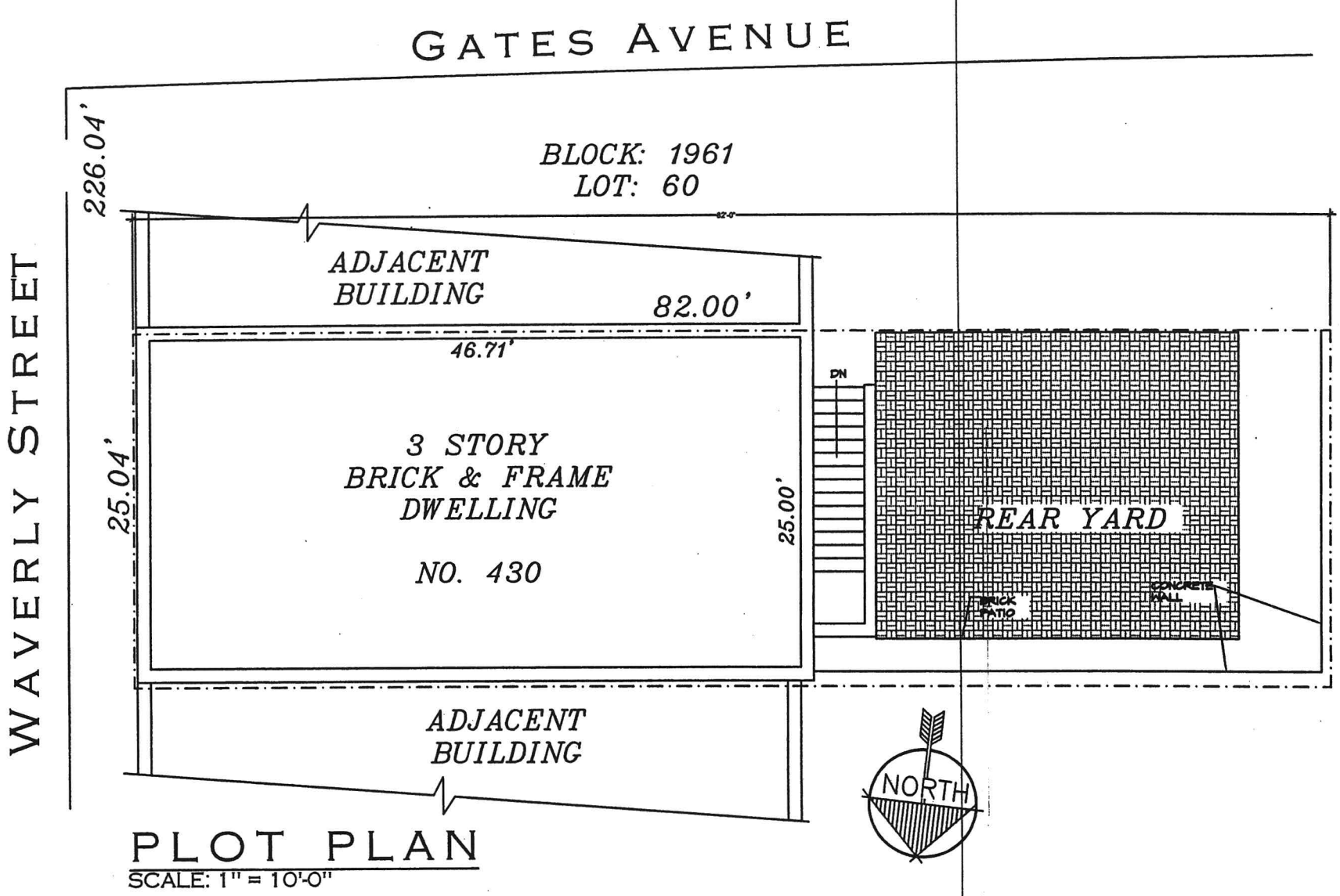
SEAL:



SECTION E

FLOOR PLANS

Page without text

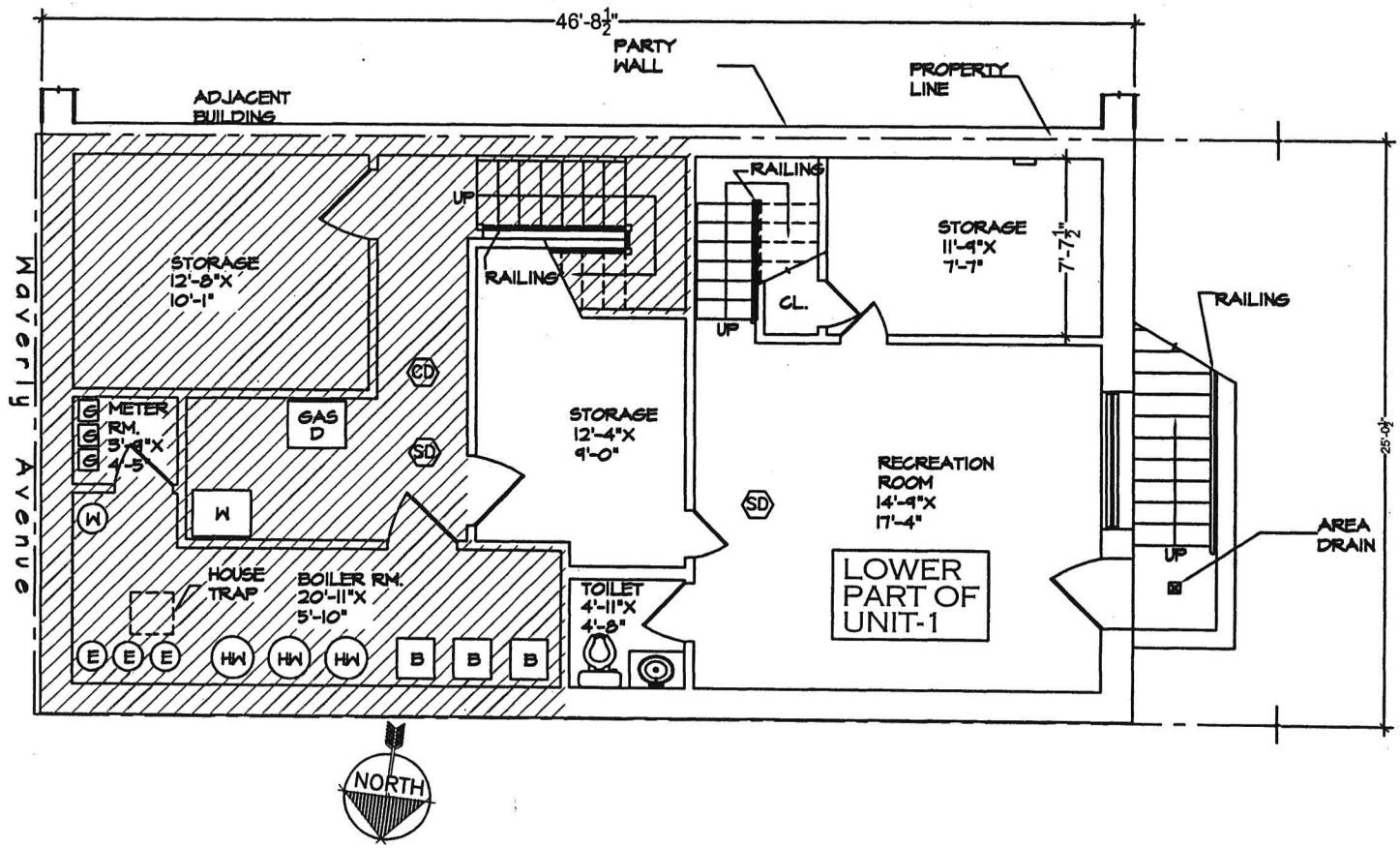


PLOT PLAN

SCALE: 1" = 10'-0"

SAL V. TARTAGLIONE, ARCHITECT
142 MINEOLA AVENUE, SUITE 3A
ROSLYN HEIGHTS, NY 11577
516-621-7900 FAX: 516-625-8065

TITLE: CELLAR FLOOR PLAN	SCALE: 1" = 10' - 0"	PROJECT: 505069
CLIENT:		DATE: 07-24-05
PREMISES: 430 WAVERLY AVENUE, BROOKLYN, N.Y. 11238		SHEET: T-1



LEGEND

▨ - COMMON ELEMENTS

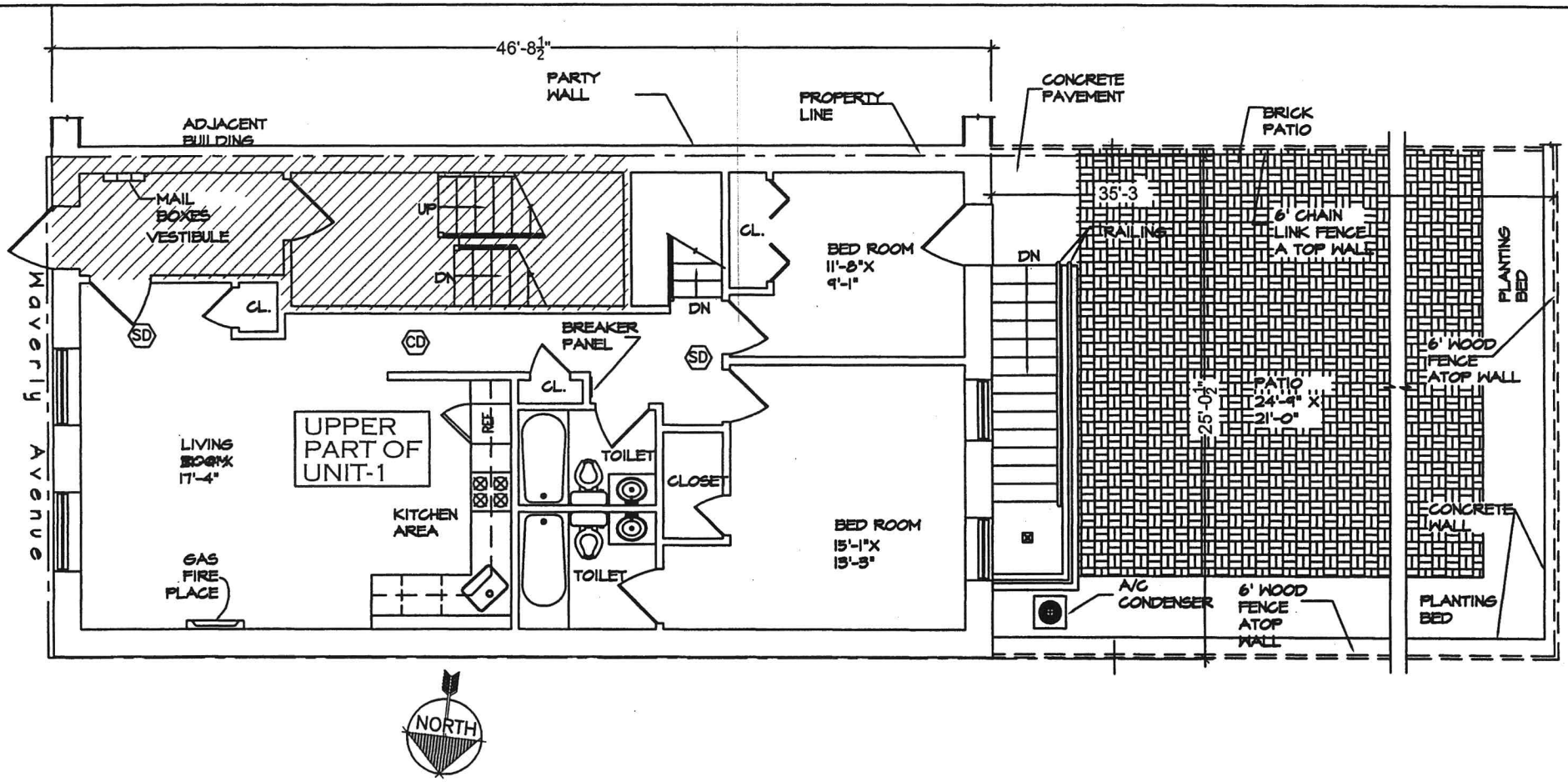
APPROXIMATE DIMENSIONS : TYPICAL

Gross Square Feet 1169 SF
Common Elements : 554.3 SF
Net Unit 1 Square Feet : 614.7 SF

SAL V. TARTAGLIONE, ARCHITECT

142 MINEOLA AVENUE, SUITE 3A
ROSLYN HEIGHTS, NY 11577
516-621-7900 FAX: 516-625-8065

TITLE: CELLAR FLOOR PLAN	SCALE: 1/8" = 1' - 0"	PROJECT: 505069
CLIENT:		DATE: 07-24-05
PREMISES: 430 WAVERLY AVENUE, BROOKLYN, N.Y. 11238		SHEET: A-1



LEGEND

▨ - COMMON ELEMENTS

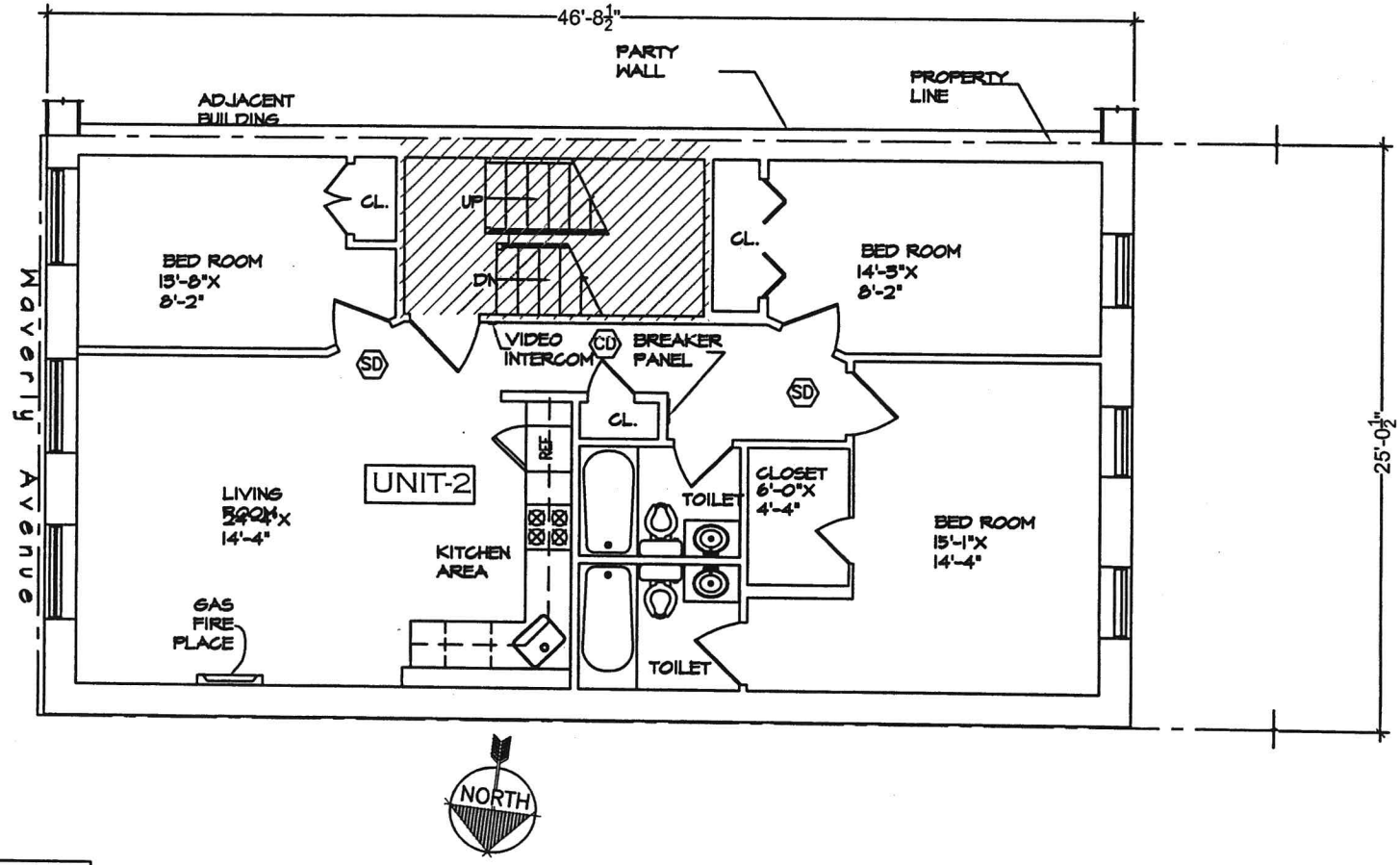
APPROXIMATE DIMENSIONS : TYPICAL

Gross Square Feet 1169 SF
Common Elements : 200 SF
Net Unit 1 Square Feet : 969 SF

SAL V. TARTAGLIONE, ARCHITECT

142 MINEOLA AVENUE, SUITE 3A
ROSLYN HEIGHTS, NY 11577
516-621-7900 FAX: 516-625-8065

TITLE: FIRST FLOOR PLAN	SCALE:	PROJECT: 505069
CLIENT:		DATE: 07-24-05
PREMISES: 430 WAVERLY AVENUE, BROOKLYN, N.Y. 11238		SHEET: A-2



LEGEND

▨ - COMMON ELEMENTS

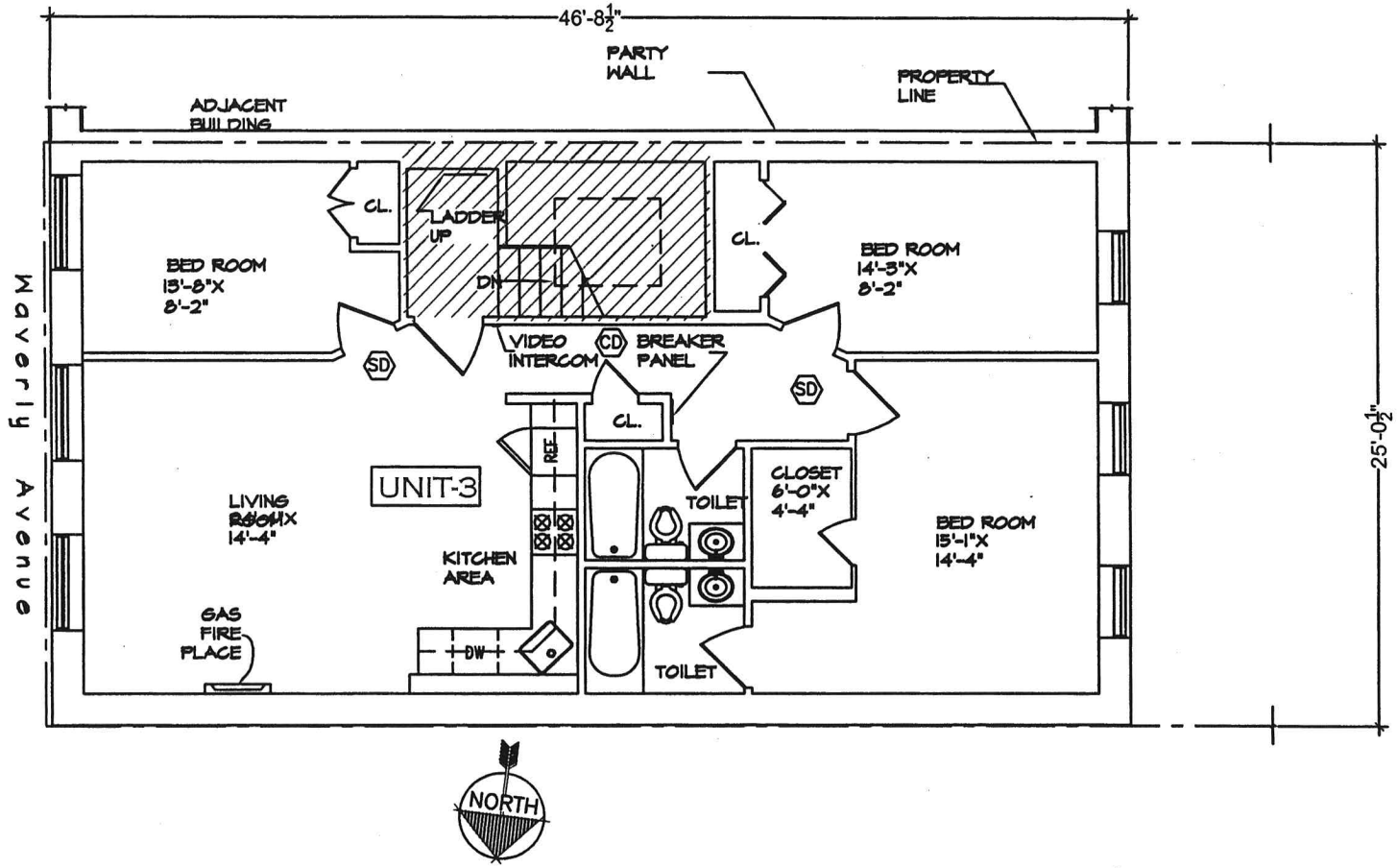
APPROXIMATE
DIMENSIONS : TYPICAL

Gross Square Feet 1169 SF
Common Elements : 101.6 SF
Net Unit 2 Square Feet : 1067.4 SF

SAL V. TARTAGLIONE, ARCHITECT

142 MINEOLA AVENUE, SUITE 3A
ROSLYN HEIGHTS, NY 11577
516-621-7900 FAX: 516-625-8065

TITLE: SECOND FLOOR PLAN	SCALE:	PROJECT: 505069
CLIENT:		DATE: 07-24-05
PREMISES: 430 WAVERLY AVENUE, BROOKLYN, N.Y. 11238		SHEET: A-3



LEGEND

- COMMON ELEMENTS

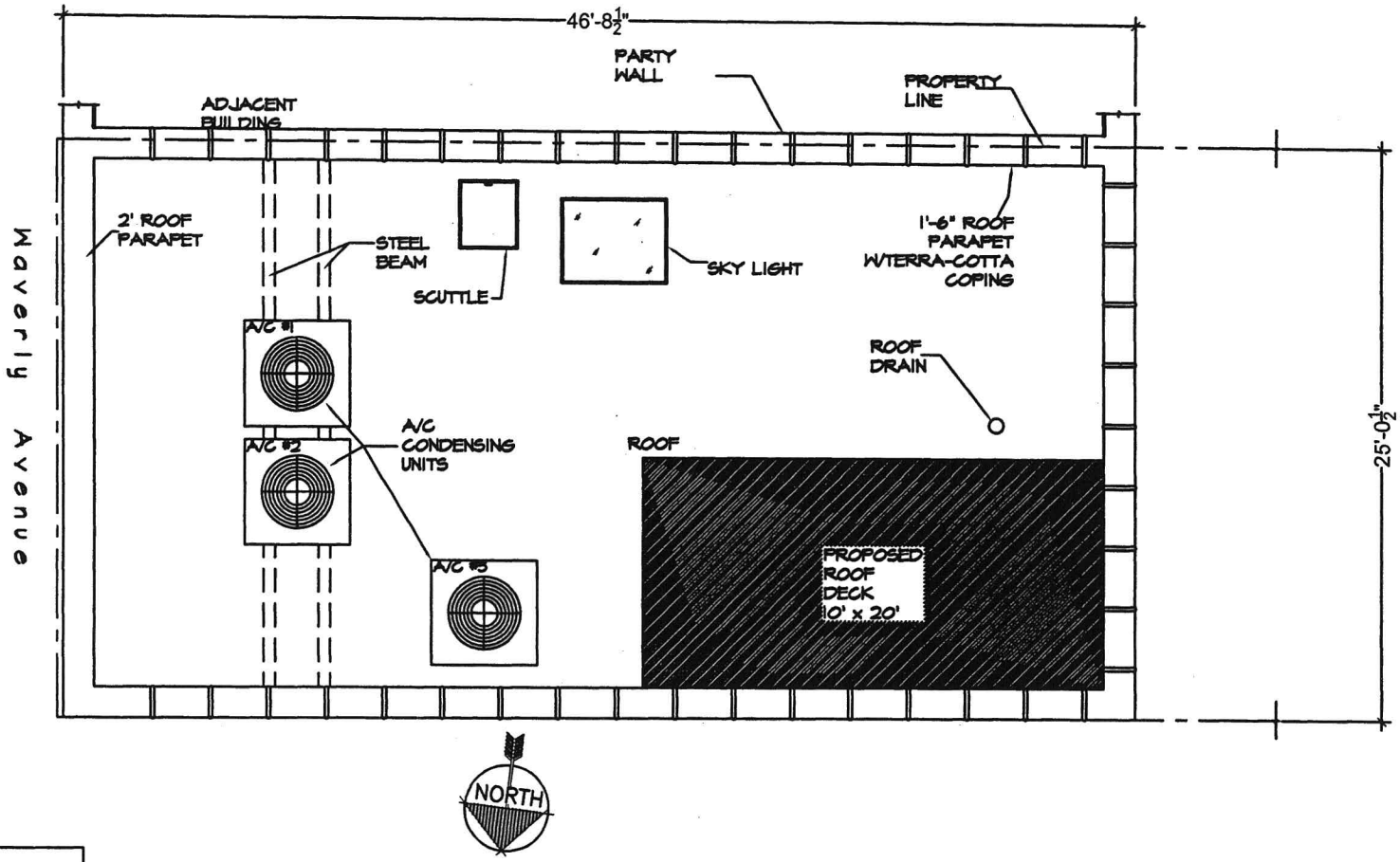
APPROXIMATE DIMENSIONS : TYPICAL

Gross Square Feet 1169 SF
Common Elements : 101.6 SF
Net Unit 3 Square Feet : 1067.4 SF

SAL V. TARTAGLIONE, ARCHITECT

142 MINEOLA AVENUE, SUITE 3A
ROSLYN HEIGHTS, NY 11577
516-621-7900 FAX: 516-625-8065

TITLE: THIRD FLOOR PLAN	SCALE:	PROJECT: 505069
CLIENT:		DATE: 07-24-05
PREMISES: 430 WAVERLY AVENUE, BROOKLYN, N.Y. 11238		SHEET: A-4



LEGEND

▨ - COMMON ELEMENTS

APPROXIMATE DIMENSIONS : TYPICAL

Gross Square Feet 1169 SF
Common Elements : 1169 SF
Net Unit Square Feet : N/A

SAL V. TARTAGLIONE, ARCHITECT

142 MINEOLA AVENUE, SUITE 3A
ROSLYN HEIGHTS, NY 11577
516-621-7900 FAX: 516-625-8065

TITLE: ROOF PLAN	SCALE:	PROJECT: 505069
CLIENT:		DATE: 07-24-05
PREMISES: 430 WAVERLY AVENUE, BROOKLYN, N.Y. 11238		SHEET: A-5

SECTION F

ASBESTOS REPORT

Page without text

ONL
EWRITTEN
RMS WILL
BE ACCEPTED

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION
Asbestos Control Program
59-17 Junction Boulevard, 8th Floor, Corona, NY 11368-5107

www.nyc.gov/dep

NOT AN ASBESTOS PROJECT

FOR OFFICIAL USE ONLY

1. _____ NYC Buildings Dept. Application #

ACP 5 Fee $_____

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 430 Waverly Avenue Borough Brooklyn Zip 11238

AKA _____ 3. Block 1961 4. Lot 60

5. Building Owner Mieko Miyamoto Tel. # (347) 528-6824

6. Address 430 Waverly Avenue State NY Zip 11238

7. Contact Person Owner 8. Tel. # _____

9. Description of the Entire Scope of Work

As understood, no work is to be performed under this application. The purpose of the inspection and the issuing of an ACP 5 Form is for submital to the Attorney General's Office for the conversion of the building to condominiums.

10. Est. Start Date _____ ☑ As soon as permit approved Est. Completion Date _____ of the Entire Scope of Work.

11. I, John J. Japper (Name of Certified Asbestos Investigator), have conducted an asbestos investigation on 10/15/05 (Date) in accordance with 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	ASBESTOS PRESENT NO	ASSUMED ACM
Base						
thru	Entire	Wall/Ceiling Materials	9		✓	
3rd Fl						
	There may be ACM behind, in, and/or	above finished surfaces that				
	were not visible or accessible during	the inspection.				

13. Analytical Laboratory AmeriSci New York

14. ELAP # 11480 (NYS DOH CERTIFICATION) 15. Date(s) Samples Analyzed 10/26/05 _____

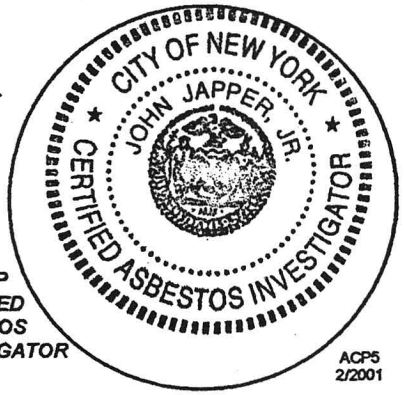
16. **I hereby declare the information provided herein is true and complete.**

_____ (NYC DEP Certified Asbestos Investigator's Signature) 100205 (Certificate Number) 11/2/05 (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 wilfully 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

Page without text

SECTION G

DECLARATION OF CONDOMINIUM

Page without text

DECLARATION OF CONDOMINIUM

Establishing a Plan of Condominium Ownership
of Premises Located at 430 Waverly Avenue,
Kings County, City and State of New York,
Pursuant to Article 9-B of the Real Property Law
of the State of New York

Name: 430 Waverly Avenue Condominium

Sponsor: 430 Waverly Avenue, LLC

Date of Declaration: _____

Block No.: 1961
Lots: FKA: 60
NKA: [redacted]

Record and Return To:

Guillermo Santiago, Esq.
Marcus Attorneys
13 Greene Avenue
Brooklyn, New York 11238
(718) 643-6555

Declaration Establishing a Plan for Condominium Ownership of Premises to be known as 430 Waverly Avenue Condominium, at 430 Waverly Avenue, in Kings County, City and State of New York, pursuant to Article 9-B of the Real Property Law of the State of New York.

430 Waverly Avenue, LLC, having an address at 430 Waverly Avenue, Brooklyn, NY, hereinafter referred to as the "Sponsor," does hereby declare:

1. Submission of Property: The Sponsor hereby submits the land described in Exhibit A, attached hereto and made a part hereof (the "Land"), together with the building and improvements thereon erected (the "Building"), owned by the Sponsor in fee simple absolute (the Land and Building together referred to as the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act").

2. Area and Location of Land: The Land has an area of approximately 2,053 square feet and is located in Kings County, City and State of New York.

3. Description of the Building: Located in the Clinton Hill Historic District, the Property is on Waverly Avenue, between Gates and Greene Avenues. The Building is a masonry structure with wood joists, brick veneer and steel lintels, and a poured concrete foundation. Unit 1 is located on the first floor and portions of the cellar. The second floor contains Unit 2 and the third floor contains Unit 3.

4. Name of Condominium: The condominium shall be known as "430 Waverly Avenue Condominium".

5. Units:

(a) List and Description: Annexed hereto and made a part hereof as Exhibit B is a list of all Units containing their designations and tax lot numbers, locations and approximate areas of the Units, number of rooms in each residential Unit, the Common Elements (defined hereinafter) and Limited Common Elements to which each has immediate access (all as shown on the floor plans of the Building, certified by Sal V. Tartaglione, a licensed architect of Sal V. Tartaglione, Architect, P.C. (the "Floor Plans") intended to be filed in the Office of the Register of the City of New York, Borough of Brooklyn simultaneously with the recording of this Declaration), and the percentage of interest of each Unit in the Common Elements (the "Common Interest"). The location of the Building is shown on the site plan intended to be filed in the said Office of the Register of the City of New York, Borough of Brooklyn, as part of the Floor Plans.

(b) Dimensions: Each Unit shall consist of the area measured horizontally between the hidden (unexposed) surface of the plaster or sheetrock or similar walls or the interior surface of any exposed masonry or brick exterior or party walls or exposed structural element bordering such Unit and the area measured vertically from the top of the concrete or other decking or lowest wood base decking where there is decking, of the floor to the unexposed upper surface of the plaster, sheetrock or similar ceiling or, if the ceiling is not finished with sheetrock, plaster or similar material, the innermost surface of the structural members and decking of the ceiling. Doors and windows which open from or form a border of a Unit shall be deemed part of the Unit.

However, any Common Elements located within a Unit shall not be considered a part of the Unit. No Unit shall include any Common Element. The provisions of this subdivision (b) may not be amended without the approval of the Unit Owner (defined below) of every Unit affected.

6. Certain Definitions:

(a) The owner of each Unit is herein referred to as the "Unit Owner," which term shall have the meaning ascribed to it in the Condominium Act. Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common, or tenancy by the entirety. The number of Unit Owners shall be equal to the number of Units, regardless of whether an owner owns more than one Unit, except as expressly provided herein, when a Unit is owned by the Board of Managers.

(b) "Board of Managers" shall mean the Board of Managers of 430 Waverly Avenue Condominium.

(c) "By-Laws" shall mean the By-Laws of 430 Waverly Avenue Condominium as from time to time amended pursuant thereto.

(d) "Condominium" shall mean 430 Waverly Avenue Condominium, which is composed of the Units and the Common Elements (hereinafter defined).

(e) "Legal Requirements" shall mean all requirements and limitations of all laws, ordinances, rules, regulations, guidelines and determinations of any government, governmental authority or quasi-governmental authorities and agencies, case law and all judicial rulings, judgments and orders, the requirements of insurers, insurance underwriting agencies, agreements, instruments and insurance policies, and of mortgages and the holders of mortgages on the Property or any part thereof binding on the Board of Managers or affecting the Condominium this Declaration, the By-Laws and the Rules and Regulations and of the By-Laws, this Declaration and the Rules and Regulations.

(f) "Party Wall" shall mean a wall which is common to, and separates, two Units or a Unit and a Common Element.

(g) "Plan" or "Offering Plan" shall mean the Offering Plan for 430 Waverly Avenue Condominium, dated _____, 200_, as the same may be amended.

(h) "Rules and Regulations" shall mean the rules and regulations included in the Plan as amended from time to time by the Board of Managers.

(i) "Sponsor-affiliates" shall mean (i) an entity in which the Sponsor possesses a legal or beneficial interest or a person or entity which possesses a legal or beneficial interest in the Sponsor or an entity which controls or is controlled by an entity which is otherwise a Sponsor-affiliate or (ii) a person or entity succeeding to the rights of Sponsor as an owner of one or more Unsold Units, as defined in the Offering Plan.

7. Use of Building and Units: The Units may be used only for residential use and for legally permitted uses accessory to residential use and for legally permitted professional or business offices subject to the provisions of the certificate of occupancy for the Building, except that the Sponsor or its designee(s) shall have the right to maintain a general and sales office in any Unit owned by it and to use such Unit as a model and for other promotional purposes. The Building shall be used solely for the purposes for which the Units contained therein may be used.

8. Common Elements: The "Common Elements" shall mean the entire Property, including all parts of the Building other than the Units and including, without limitation, the following:

(a) General Common Elements

(i) The Land described in Exhibit A to this Declaration;

(ii) All roofs and all other elements thereof down to but not the unexposed side of the plaster or sheetrock, if any, of the ceiling of a Unit immediately below the roof, if any, foundations and concrete floors;

(iii) All foundations;

(iv) All columns, girders, joists, beams, load bearing walls and supports but not any plaster, sheetrock or similar covering within a Unit;

(v) All portions of the exterior walls, beyond the hidden face of the interior plaster, sheetrock or similar material walls, if any; all portions of Party Walls located beyond the unexposed sides of the plaster, sheetrock or similar material walls within Units; the space between the top of the concrete or other decking or lowest wood decking where there is wood decking, and the unexposed upper surface of the plaster, sheetrock or similar material ceiling below or, if the ceiling below is not finished with plaster, sheetrock or similar material, the exposed surface of the structural members and decking of the ceiling of each floor between Units or within a Unit;

(vi) All central and appurtenant installations for services such as electricity, light, gas, heating, air conditioning, trash collection, storage and disposal, sprinklers, fire alarms and protection, telephone, television, communications, water, waste, piping and roof drains, including all pipes, flues, ducts, wires, cables and conduits used in connection therewith, whether located in or outside of the Units and not installed by, or on behalf of, any Unit Owner;

(vii) The entryway, vestibule, hallways, corridors, stairs and stairways, cellar, laundry room, storage area, boiler room, and all chases, shafts and chutes;

(viii) All others parts of the Property and all machinery, equipment, apparatus and installations now or hereafter existing in the Building or at the Property for common use or necessary or convenient to the existence, maintenance or safety of the Property.

(b) "Limited Common Elements" are Common Elements which are available for the use, for certain purposes, solely by the Owners of Units to which such Limited Common Elements are appurtenant and by the occupants of such Units and invitees of such Owner and occupants. The Limited Common Elements are as follows.

(i) Unit 1 shall have as a Limited Common Element the approximately 756 square feet of rear yard as shown on the Floor Plans. The Unit Owner may use the rear yard appurtenant to his, her or its Unit only in compliance with all Legal Requirements. The owner of Unit 1 and his, her or its successors and assigns shall be responsible for the maintenance, repair and replacement of any paving, landscaping, drainage, fences, enclosures, walls, or other elements of the rear yard, other than the Building walls, appurtenant to Unit 1, as required by Legal Requirements. The Board of Managers shall be responsible for maintenance, repair and replacement of the Building's exterior walls and other elements of the Building, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the rear yard or Building's exterior walls or other elements of the Building, if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to all areas of the rear yard in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event repairs require removal or disruption of any element of the rear yard, it shall be the responsibility of the Unit Owner to replace such element at the Unit Owner's cost. The owners of Unit 1 may not perform construction in the rear yard area that would require a building permit unless the owners comply with all Legal Requirements and obtain the prior approval of the Board of Managers.

(ii) Units 1, 2 and 3 shall each have as a Limited Common Element an air conditioning condenser located on the roof, and Unit 1 shall also have as a Limited Common Element an additional air conditioning condenser located in the rear yard, as shown on the Floor Plans. The Unit Owners shall have the right to place, inspect, maintain, repair and replace the air conditioning condenser and other air conditioning equipment serving his, her, or its respective Unit. A Unit Owner, and his, her or its agents and contractors shall have a right of access over and through the roof areas for such purposes. A Unit Owner shall be responsible for the maintenance, repair and replacement of the air conditioning equipment servicing his, her or its Unit (including equipment located outside the Unit and all piping and wiring associated with the air conditioning equipment), as required. The Board of Managers shall be responsible for maintenance, repair and replacement of all roofs, and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of any portion of roof or elements thereof, including all associated parapets, flashing and other elements, any portion thereof or any elements thereof, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors. In the event Building roofs or elements thereof require removal or disruption of any air conditioning equipment or associated piping or wiring, or element thereof, it shall be the responsibility of the Unit Owner to replace or repair same at the Unit Owner's cost. In any event, the Board of Managers and its agents, employees and contractors may have access to all roof areas of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take.

(iii) Units 1, 2 and 3 shall each have a boiler for heat and a hot water heater located in the cellar as shown on the Floor Plans, which shall be Limited Common Elements of such Units. The Unit Owners shall have the right to place, inspect, maintain, repair and replace the boiler and hot water heater serving his, her, or its respective Unit. A Unit Owner, and his, her or its agents and contractors shall have a right of access over and through the cellar areas for such purposes. A Unit Owner shall be responsible for the maintenance, repair and replacement of the boiler and hot water heater servicing his, her or its Unit (including equipment located outside the Unit and all piping and wiring associated with the boiler and hot water heater), as required. The Board of Managers shall be responsible for maintenance, repair and replacement of all Building floors, ceilings and walls, and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of the Building floors, ceilings or walls, any portion thereof or any elements thereof, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors. In the event Building floor, ceiling or wall repairs, require removal or disruption of any boiler or hot water heater or associated piping or wiring, or element thereof, it shall be the responsibility of the Unit Owner to replace or repair same at the Unit Owner's cost. In any event, the Board of Managers and its agents, employees and contractors may have access to all cellar areas and common area hallway closets of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take.

(iv) Unit 1 shall have as Limited Common Elements a gas dryer and an electrical washer located in the laundry room in the cellar as shown on the Floor Plans. Units 2 and 3 may each have as Limited Common Elements washers and dryers to be located in the cellar's laundry room should the owners of Units 2 and 3 choose to purchase and install them at their own expense. Notwithstanding anything to the contrary herein, a Unit Owner who installs a washer and/or dryer may file an Amendment to the Declaration to provide that the same are appurtenant to his, her or its Unit without obtaining the consent of the Board of Managers of the Condominium or the Unit Owners. Such an amendment may be made without a vote of the Unit Owners. The Unit Owners shall have the right to place, inspect, maintain, repair and replace their respective washers and dryers. A Unit Owner, and his, her or its agents and contractors shall have a right of access over and through the cellar areas for such purposes. A Unit Owner shall be responsible for the maintenance, repair and replacement of their washers and dryers (including all piping and wiring associated with the washers and dryers), as required. The Board of Managers shall be responsible for maintenance, repair and replacement of all Building floors, ceilings and walls, and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of the Building floors, ceilings or walls, any portion thereof or any elements thereof, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors. In the event Building floor, ceiling or wall repairs, require removal or disruption of any washer and/or dryer or associated piping or wiring, or element thereof, it shall be the responsibility of the Unit Owner to replace or repair same at the Unit Owner's cost. In any event, the Board of Managers and its agents, employees and contractors may have access to all cellar areas and common area hallway closets of the Building

in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take.

(v) Unit 1 shall have as Limited Common Elements two flues, one attached to the fireplace serving the Unit and one attached to the gas dryer. Units 2 and 3 shall each have as a Limited Common Element a flue attached to the fireplaces serving the Units. The owners of Units 1, 2 and 3 shall have the right to inspect, maintain, repair and replace the flue serving their Units and an easement to access the roof, including the roof deck appurtenant to Unit 3, for such purposes. The owners of Units 1, 2 and 3 shall be responsible for the maintenance, repair and replacement of the flue (including all equipment associated therewith, whether located inside or outside the Units) serving their Units as necessary to keep the flue in good working condition. If during the course, or as a result, of maintaining, repairing or replacing the flue, any Common Element or Unit is damaged for any reason, intentional or not, the Unit Owner undertaking the maintenance, repair or replacement shall be responsible for all costs of repairing returning the damaged Common Element and/or Unit to its condition prior to the damage.

(vi) Unit 3 shall have as a Limited Common Element the roof area, approximately 200 square feet, over the northwest portion of Unit 3, as shown on the Floor Plans, for use as a roof deck. The Owner of Unit 3 shall have the right to build a roof deck over such roof area, as the Unit Owner's expense, and may use such roof area only as a roof deck and only if it is finished with decking or paving material built and/or installed in such a manner as to not harm the roof or any elements thereof, and in such a manner as to not infringe on the rights of the Owners of Units 1 and 2 to access the roof for emergency egress. The roof deck shall not be enclosed and may only be used in compliance with all Legal Requirements. Building the roof deck and finishing it with decking or paving material is the responsibility of the Owner of Unit 3. Such work requires approval of the Board of Managers and may require a building permit from the Department of Buildings. Access to the roof deck must be through Unit 3 and not through the roof hatch. The owner of Unit 3 and his, her or its successors and assigns shall be responsible for the maintenance, repair and replacement of any deck, paving system, or other elements of the roof deck. The Board of Managers shall be responsible for maintenance, repair and replacement of all roofs and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of any portion of the roof or any elements thereof, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors. If roof repairs require removal or disruption of any element of the deck, paving system, or other elements of the roof deck appurtenant to Unit 3 as provided above, it shall be the responsibility of the Owner of Unit 3 to replace such element at the Unit Owner's cost. The Board of Managers and its agents, employees and contractors may have access to all roof areas of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. The Owners of Units 1 and 2 may have access to all common areas of the roof through the roof hatch, not through Unit 3. The Owner of Unit 3 shall be liable for any personal injury or property damage that occurs as a result of the presence of the Unit Owner or his, her or its employees, invitees, agents or contractors on any portion of the roof deck or any portion of the roof that is a common element, and Unit Owners shall be liable for

any personal injury or property damage that occurs as a result of their presence or that of their employees, invitees, agents or contractors on any portion of the roof that is a common element.

9. Determination of Percentages in Common Elements: The percentages of interest of the Units in the Common Elements is based upon floor space, subject to the location of such space and the additional factors of relative value of other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive and shared use, and the overall dimensions of the particular Unit, and shall be as set forth in Exhibit B, a part hereof. A Unit Owner may not convey his, her or its Unit separate from its appurtenant interest in the Common Elements.

10. Encroachments: If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now or upon completion of construction by the Sponsor substantially in accordance with the Floor Plans encroaches upon any other Unit or upon any portion of the Common Elements, as a result of the construction of the Building, or if any such encroachment shall occur hereafter as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building (or any portion thereof), any Unit or the Common Elements after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings of all or any portion of a Unit or the Common Elements or by reason of alteration or repair to the Common Elements made by, or with the consent of, the Board of Managers, a valid easement for the encroachment and for the maintenance of the encroachment so long as the Building stands shall exist.

11. Condemnation: In the event of 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 the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall arrange for such repair and restoration, and the Board of Managers shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. If the Unit Owners do not duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article V of the By-Laws.

12. Easements:

(a) Each Unit Owner shall have an easement in common with the owners of other Units to use, maintain, repair, alter and replace all pipes, wires, flues, ducts, vents, cables, conduits, public utility lines, equipment and facilities and other Common Elements located in any of the Units or elsewhere on the Property and serving his, her or its Unit. Each Unit shall be subject to an easement in favor of the owners of all other Units and the Board of Managers (i) to use the pipes, flues, ducts, cables, wires, conduits, utility lines, equipment and facilities and other Common Elements serving other Units and located in such Unit, and (ii) for the Board of Managers and its agents, employees and contractors to have access to each Unit to inspect the Unit, to remove violations of Legal Requirements, and (iii) to maintain, repair, replace or modify Common Elements contained therein or elsewhere in the Building.

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

(c) The Sponsor, Sponsor-affiliates and their successors, assigns, invitees, licensees, contractors, employees, and tenants (i) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in, and access to, Units and Common Elements consistent with the purposes of the Offering Plan and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, alter, maintain, repair, replace, refurbish, offer, sell and lease Units and appurtenant interests and Common Elements; and (ii) reserve the right to establish, grant and create easements for any additional electric, transformer, amplifier, gas, television, telephone, communications, sprinkler, fire protection, fire alarm, security, air conditioning, water, storm drainage, sewer or other utility or service lines and appurtenances in, under and through the Property including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Sponsor or designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for their permitted purposes. Any governmental agency, utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such agency, company or corporation, shall have the right of access to any Unit, to the Common Elements, and to the Limited Common Elements included in the exercise of the rights to which such easements pertain, provided such right of access is exercised in such a manner as not unreasonably to interfere with the use of the affected Units for their permitted purposes.

(d) The user of any easement granted by subparagraph (b) or (c) of this Article 12 shall have the responsibility of repairing any damage to Common Elements resulting from such use. A Unit Owner shall have the responsibility of repairing any damage to his, her or its Unit resulting from such use.

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

(f) In addition to the specific easements set forth in this Article 12, the Property and every portion thereof shall be subject to all easements and the rights of access prescribed in the Condominium Act.

(g) Notwithstanding the foregoing, no person shall use or enjoy the Common Elements or Limited Common Elements except in accordance with the reasonable purposes for which they are intended and, subject to such purposes, without encroaching unreasonably upon the rights of other persons to do so in accordance with this Declaration.

13. 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, in such form as the Board of Mangers may from time to time approve, to, among other things, 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, and to convey, sell, lease, mortgage or otherwise deal with any such Unit so acquired or to sublease any Unit so leased by the Board of Managers.

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

15. Person to Receive Service of Process: The Secretary of State of the State of New York is hereby designated as agent of the Board of Managers upon whom process against it may be served, and the post office address to which the Secretary of State shall mail a copy of any process against it served upon him is Mieko Miyamoto, having an address at 430 Waverly Avenue, Brooklyn, New York 11238. As required by law, the Board of Managers shall notify the Secretary of State of any change in the person authorized to receive a copy of any process served against the Secretary of State. Until the first meeting of Unit Owners, Mieko Miyamoto, having an address at 430 Waverly Avenue, Brooklyn, New York 11238, is hereby designated to receive service of process in any action which may be brought against the Condominium. Following said meeting any member of the Board of Managers is hereby designated to receive service of process in any such action.

16. Units Subject to Declaration, By-Laws and Rules and Regulations: All present and future Unit Owners, tenants, sub-tenants and occupants of Units and invitees, employees, agents, and contractors of Unit Owners shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance for, or the entering into a lease for, or the entering into occupancy of, any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant and shall be binding on all sub-tenants, invitees, employees, agents and contractors, 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.

17. Amendment of Declaration:

(a) This Declaration may be amended with the approval of sixty six and two-thirds percent (66 2/3%) in number and in Common Interest of the Unit Owners, in accordance with the provisions of the By-Laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the consent of all Unit Owners affected, and provided further that no right granted herein to the Sponsor or a Sponsor-affiliate shall be modified without the written consent of the Sponsor so long as the Sponsor or a Sponsor-affiliate shall own a Unit.

(b) The Sponsor or a Sponsor-affiliate shall have the right without vote or consent of other Unit Owners, the Board of Managers or the holders of Unit mortgages to execute or (on its request) to require the Board of Mangers to execute and record in the Office of the City Register, Borough of Brooklyn and elsewhere if required by law, an amendment or amendments to this Declaration (together with such other documents, plans and maps as may be required to effectuate the same) to reflect (i) any changes in Units and the reapportionments of the Common Interests resulting therefrom, made by the Sponsor pursuant to Article 19 hereof; or (ii) any construction of the Building which shall not have been completed on the date of recording of this Declaration, including, without being limited to, the final location, dimensions or size of the Building and the Units therein.

18. Termination: If withdrawal of the Property from application of the Condominium Act is authorized by at least eighty percent (80%) of the Unit Owners in number and in Common Interest (and if required by the respective mortgages, their first mortgagees, if any, of such Unit), then the Property shall be subject to an action or partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his, her or its share of such net proceeds all liens on his, her or its Units. The Sponsor or its nominee will not cast any of its votes for withdrawal, unless eighty percent (80%) of the Unit Owners other than the Sponsor so vote, in which event the Sponsor will be free to cast its votes either for or against withdrawal.

19. Changes in Sponsor-Owned Units: For any Units owned by the Sponsor or its designee(s) or a Sponsor-affiliate, if not prohibited by the Condominium Act (as the same may be amended from time to time), the Sponsor or a Sponsor-affiliate shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (i) make alterations, additions, or improvements in, to, and upon, the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Units or otherwise; and (iv) reapportion among such Units affected by such changes in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that the Sponsor

or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. The provision of this Article 18 may not be added to, amended or deleted without the prior written consent of the Sponsor or its designee(s).

20. Invalidity: The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or affect of the remainder of this Declaration and the remainder of this Declaration shall continue in full force and affect as if such invalid provision had never been included herein.

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 of any provision hereof.

22. Gender and Number: The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and neuter and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

23. Further Assurances.. (a) Any person who is subject to the terms of this Declaration, whether such a person is a Unit Owner, a lessee or a sublessee of a Unit Owner, an occupant of a Unit member of the Board of Managers, an officer of the Condominium, or otherwise, shall, at the expense of such other person requesting the same, execute, acknowledge and deliver to such other person such instrument, in addition to those specifically provided for herein, and take such other action as such other persons may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to perfect any right to be created or transferred hereunder or pursuant to any such transaction.

(b) If any Unit Owner or any other person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that such Unit Owner or person is required to take pursuant to this Declaration, the Board of Managers is hereby authorized as attorney-in-fact for such Unit Owner or other person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other person, and such document or action shall be binding on such Unit Owner or other person.

(c) If any Unit Owner, the Board of managers or any other person who is subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action which the Board of Managers, Unit Owner or person is required to execute, acknowledge and deliver or to take pursuant to this Declaration at the request of Sponsor or the Sponsor's affiliate, then the Sponsor or the Sponsor's affiliate is hereby authorized as attorney- in-fact for such Unit Owner, the Board of Managers or other person, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action, in the

name of such Unit Owner, the Board of Managers or other person and such document or action shall be binding on such Unit Owner, the Board of Managers or other person.

24. Covenants to Run With the Land.. (a) All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 24, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the land and with every part thereof and interest therein, and all of the provisions shall be binding upon, and shall inure executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public. All present and future Unit Owners, tenants and occupants of Units shall be subject to, Regulations, as the may be amended from time to time. The acceptance of a deed or conveyance, the entering into a lease, or the entering into an occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Unit Owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having, at any time, any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease.

(b) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act.

(c) Subject to the terms of paragraph (b) of this Article, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration or the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the land.

25. Successors and Assigns.. The rights and/or obligations of the Sponsor or its designee as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor or, with consent of the Sponsor or its designee, any transferee of all of the then Unsold Units. Subject to the foregoing, the Sponsor or its designee shall have the right, at any time, in its sole discretion, to assign or otherwise, transfer its interest herein, whether by merger, consolidation, lease, assignment or otherwise, without the consent of the Board of Managers or any other person.

26. Captions.. The captions are included only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

27. Working Capital Deposit by Owners of Units of Non-Purchasing Tenants: The Unit Owner of a Unit that is occupied by a Non-Purchasing Tenant is responsible at the Closing of his, her or its Unit to deposit with the managing agent an amount not less than the greater of two months common charges or two months rent, which monies shall be used as working capital to furnish services required under the Non-Purchasing Tenant's lease and the laws and regulations which apply to the tenancy. The Unit Owner shall replenish such fund within thirty (30) days of receiving notice from the managing agent that the fund has been diminished. The failure of a Unit Owner to replenish the fund in a timely fashion shall result in the Board of Managers, on behalf of the Unit Owners, having a lien against the Unit. Interest, if any, earned on the fund shall be the property of the Unit Owner.

IN WITNESS WHEREOF, the Sponsor has caused this Declaration to be executed this____day of_____, 2006

430 Waverly Avenue, LLC

By: _____
Mieko Miyamoto, Managing Member

EXHIBIT A

430 Waverly Avenue
Brooklyn, New York 11238

The Unit known as Unit No. _____ in the building known as and by the street number 430 Waverly Avenue, Brooklyn, New York, designated and described as Unit No. ___ in the Declaration establishing a plan for condominium ownership of said building and the land on which it is erected made by 430 Waverly Avenue, LLC under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York) dated _____ recorded in the office of the Register of the City of New York in the County of Kings on _____ as CRFN # _____ and designated as Tax Lot No. _____ in Block 1961 of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans for the Building certified by _____ on ___ _____, 2005 and filed in the office of the Register of the City of New York, County of Kings on _____ as Condominium Plan No. _____.

TOGETHER with an undivided ____ percent interest in the Common Elements.

THE Land on which the Building lies is described as follows:

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

BEGINNING at a point on the Westerly side of Waverly Avenue distant two hundred twenty six feet and one-half inch (226 feet 0-1/2 inch) North of the corner formed by the intersection of Gates Avenue and Waverly Avenue;

RUNNING THENCE Northerly twenty five feet zero inches (25 feet 0 inches);

RUNNING THENCE Westerly seventy eight feet and zero inches (78 feet 0 inches);

RUNNING THENCE Southerly twenty five feet and zero inches (25 feet 0 inches);

RUNNING THENCE Easterly seventy eight feet and zero inches (78 feet 0 inches) to the point or place of BEGINNING.

EXHIBIT B

430 Waverly Avenue

Unit No.	Tax Lot No.	Location	Approx. Area (sq. ft.)	Rooms / Baths	Common Interest	Limited Common Elements	Immediately Accessible Common Elements
1		**First Floor and Cellar**	**1,584**	**7/3**	**40%**	**Approx. 756 sq. ft. of Rear Yard; A/C Condensors; Boiler; Flues and Hot Water Heater**	**Entryway, vestibule, stairs, stairway;**
2		**Second Floor**	**1,067**	**5/2**	**30%**	**A/C Condensor; Boiler; Flue; and Hot Water Heater**	**Entryway, vestibule, stairs, stairway;**
3		**Third Floor**	**1,067**	**5/2**	**30%**	**A/C Condensor; Approx. 200 sq. ft. of Roof Deck (if built by Unit Owner); Boiler; Flue; and Hot Water Heater**	**Entryway, vestibule, stairs, stairway**

SECTION H

CONDOMINIUM BY LAWS

Page without text

BY-LAWS

of

430 Waverly Avenue Condominium

County of Kings

City and State of New York

(Part 2 of the Declaration)

Record and Return To:

Guillermo Santiago, Esq.
Marcus Attorneys
13 Greene Avenue
Brooklyn, New York 11238

By-Laws

of

430 Waverly Avenue Condominium

ARTICLE I
Plan of Unit Ownership

Section 1. Unit Ownership. The property located in Kings County, City and State of New York, at 430 Waverly Avenue has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") by the Declaration (the "Declaration") recorded in the Office of the Register of the City of New York, Borough of Brooklyn simultaneously herewith and shall hereinafter be known as 430 Waverly Avenue Condominium (hereinafter called the "Condominium"). The residential apartments are herein sometimes called the "Units". The owner of a Unit is herein referred to as a "Unit Owner". All capitalized terms not defined herein shall have the meaning set forth in the Condominium Act.

Section 2. Applicability of By-Laws.

(a) The provisions of these By-Laws are applicable to the Property of the Condominium and to the use, operation and occupancy thereof. The term "Property" as used herein shall include the land, the buildings and all other improvements thereon (including the Units and the Common Elements and Limited Common Elements) known as 430 Waverly Avenue, Brooklyn, New York 11238, and all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use, operation and occupancy thereof.

(b) All present and future owners, mortgagees, lessees, sublessees and occupants of Units and their employees, invitees, agents and contractors and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the rules and regulations (the "Rules and Regulations") attached hereto as Schedule A, each as amended from time to time.

The acceptance of a deed or conveyance or the entering into of a lease or the occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulation and the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 3. Office. The office of the Condominium and of the Board of Managers of the Condominium (the "Board of Managers") shall be located at the Property, unless another office in the County of Kings in New York State is designated by the Board of Managers.

ARTICLE II
Board of Managers

Section 1. Number and Qualification. The affairs of the Condominium shall be governed by a Board of Managers which shall consist of three persons. Until the first meeting of Unit Owners held pursuant to Section 1 (a) of Article III of these By-Laws, the Board of Managers shall consist of three (3) persons designated by the sponsor of the Condominium, 430 Waverly Avenue, LLC (the "Sponsor"). As used in these By-Laws "Unsold Units" shall mean a Unit owned, at the time in question, by the Sponsor or its designee or successor who or which does not occupy the Unit for his, her, its or their own use. At the first meeting of Unit Owners and all subsequent meetings of Unit Owners for the purpose of electing the Members of the Board of Managers, the Unit Owners shall designate three (3) members; each Unit shall have the right to designate one (1) member. Each member of the Board of Managers shall be an owner of a Unit, a mortgagee of a Unit, general partner, partner or designated employee of a partnership owning a Unit or holding a mortgage covering a Unit, a shareholder, officer, director or designated employee of a corporate Unit Owner or corporate mortgagee of a Unit, a fiduciary or officer or designated employee of a fiduciary who is the owner or mortgagee of a Unit, or a person with similar authority over, and interest in, another entity owning or holding a mortgage on a Unit, or in the case of the Sponsor or a Sponsor-affiliate, shall be a designee of the Sponsor. A person designated by the Sponsor or a Sponsor-affiliate under this Article need not be a Unit Owner or holder of an office or interest in a Unit Owner. After the initial Sponsor voting control period, a majority of the Board must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. As used in these By-Laws, the term "Sponsor-affiliate" shall mean (i) any person or entity which the Sponsor may designate to acquire title to a Unit or exercise other rights of the Sponsor hereunder or under the Declaration or the Offering Plan for the Property (the "Plan"), (ii) an entity in which the Sponsor possesses a legal or beneficial interest or a person or entity which possesses a legal or beneficial interest in the Sponsor or an entity which controls or is controlled by an entity which is otherwise a Sponsor-affiliate or (iii) a person or entity succeeding to the rights of Sponsor as an owner of one or more Unsold Units, as defined in the Offering Plan. A Sponsor-affiliate shall have the right to designate a person or entity to succeed to its rights. The term Sponsor-affiliate is also used to refer to any such designee.

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 and may do all acts and things except such acts or things which by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep and maintenance of the Common Elements and Limited Common Elements, except as provided in Section 10 of Article V hereof.

(b) Determination of the Common Expenses required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property, and specially allocated expenses as described in Section 1 (d) of Article V hereof.

(c) Collection from the Unit Owners of the Common Charges, assessments and other sums due under these By-Laws or the Declaration.

(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 occupancy, operation and use of the Property.

(f) Opening and maintaining of bank and investment accounts on behalf of the Condominium and designating the signatories therefor.

(g) Purchasing or leasing or otherwise acquiring in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their owners to the Board of Managers.

(h) Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.

(i) Acquiring in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, as described in the Declaration and these By-Laws.

(j) Selling, leasing, mortgaging, borrowing money with respect 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 and other entities to act as designees of the Board of Managers in acquiring title to, or leasing of, Units or rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, on behalf of all Unit Owners.

(l) Obtaining insurance for the Property, the Condominium and the Board of Managers pursuant to the provisions of Article V, Section 2 hereof.

(m) Making of repairs, additions and improvements to, or alterations of, the Property subject to the provisions of Section 13 of Article V hereof and making of repairs to, and restoration of, the Property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

(n) Borrowing money on behalf of the Condominium when required in connection with the payment, collection and disbursement of funds, including reserves, to provide for major and minor maintenance, repairs, additions, improvements, replacements, working capital, bad

debts and unpaid Common Expenses, depreciation, obsolescence and similar purposes, provided, however, that (i) such debt is incurred no earlier than the fifth anniversary of the first conveyance of a Unit and (ii) the incurrence of such debt shall require the consent of a majority of all Unit Owners in Common Interest including the Sponsor and any Sponsor-affiliate as long as either owns any Unit and any other owner of an Unsold Unit; and in connection with such borrowing, to give such security interest as may be permitted by law.

(o) Borrowing money on behalf of the Condominium when required in connection with any matter not included in the preceding paragraph, provided, however, that no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests (as defined in Article VII, Section 1(a) of these By-Laws) or on the Common Elements or without the consent of all of the 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 of Managers, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

(p) Levying fines against Unit Owners for violations of the Rules and Regulations.

(q) Adjusting and settling claims under insurance policies obtained pursuant to Article V, Section 2 and executing and delivering releases upon settlement of such claims on behalf of all Unit Owners.

(r) Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or any Sponsor-affiliate shall continue to own a Unit or Units constituting twenty five percent (25%) or more of the Common Interest, but in no event for a period in excess of five (5) years from the Closing of title to the first Unit, the Board of Managers may not, without the Sponsor's or Sponsor-affiliate's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charge for the creation or addition to or replacement of all or part of a reserve, contingency or surplus fund except that Sponsor will consent to replacements to the contingency fund provided for in the Budget for First Year of Condominium Operation, Schedule B of the Offering Plan for the Property (the "Plan") to the extent that the aggregate amount of such fund does not exceed ten percent (10%) of the budgeted expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient). The Sponsor and Sponsor-affiliates shall have the right to withhold its or their consent to any of the foregoing actions. However, notwithstanding the provisions of this paragraph (r), the Sponsor and Sponsor-affiliates may not exercise veto power over expenses described in said Schedule B or over expenses required to comply with applicable law or regulations, to remedy any notice of violation, or to remedy any work order by an insurer.

(s) Notwithstanding anything to the contrary contained in these By-Laws, so long as there shall be an Unsold Unit, the Board of Managers may not, without the consent of the Unit Owner of each Unsold Unit, (i) amend the Declaration or these By-Laws so as to in any way

adversely affect the Sponsor or any Sponsor-affiliate or any Unit owned thereby; or (ii) interfere with: the offer and sale or leasing of Units; operation of general or sales and leasing offices of the Sponsor or any Sponsor-affiliate at the Property; actions necessary for construction, renovation, repair alteration, maintenance, operation and replacement of the Property or any parts thereof by, or on behalf of, the Sponsor or any Sponsor-affiliate and permitted pursuant to the Plan and/or the Declaration.

(t) The Board of Managers may act as an agent of each Unit Owner who has given his written authorization to complain or apply to the Board of Assessment Review of the assessing agency by filing a single complaint on behalf of all such Unit Owners pursuant to Section 512 of the Real Property Tax Law and to commence and prosecute a special proceeding for the review of assessment of real property as an aggrieved person pursuant to Section 704 of the Real Property Tax Law of the State of New York. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and to charge all such Unit Owner a pro rata share of its expenses, disbursements and legal fees in connection with the review of assessments, for which charges the Board of Managers shall have a lien pursuant to Section 339 of the Condominium Act.

Section 3. Managing Agent and Manager. The Board of Managers may employ a managing agent and/or manager (including the Sponsor or a corporation or other entity organized or controlled by the Sponsor) for the Condominium 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 any manager or managing agent all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (g), (h), (i), (j), (k), (n) and (o) of Section 2 of this Article II.

Section 4. Election and Term of Office. The term of office of the members of the Board of Managers elected by Unit Owners at the first meeting of Unit Owners held pursuant to Section 1(a) of Article III of these By-Laws shall expire on the date of the second meeting of the Unit Owners held pursuant to Section 1(b) of Article III of these By-Laws. At the second meeting of the Unit Owners and all subsequent meetings held for the purpose of electing members of the Board of Managers, the term of office of the three (3) members of the Board of Managers shall be fixed at one year or until the earlier transfer of the Unit by the appointing Unit Owner. Upon such transfer, the transferee shall appoint a Board member, who shall serve the remainder of the one year term.

Section 5. Removal of Members of the Board of Managers. At any regular or special meeting of Unit Owners, a Unit Owner may remove a Board member appointed by the Unit Owner with or without cause. The Board of Managers may remove a Board member, including a member appointed by the Sponsor, with cause at a meeting of the Board. Officers, including those appointed by the Sponsor, may be removed by a vote of the Board with or without cause. In the event of removal, the Unit Owner who appointed the removed member may appoint another person as Board member.

Section 6. Vacancies. Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by vote of a majority

of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person selected shall be a member of the Board of Managers until the next annual meeting of the Unit Owners, at which meeting a successor shall be elected for such member. Notwithstanding any other provisions of these By-Laws, vacancies for any reason of members designated by the Sponsor or Sponsor-affiliate shall be filled only by the Sponsor or a Sponsor-affiliate.

Section 7. Organization Meeting. The first meeting of the members of the Board of Managers following the first meeting of the Unit Owners shall be held within ten (10) days after the first meeting of the Unit Owners at such time and place as shall be fixed by the members of the Board of Managers and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, provided a majority of the whole Board of Managers shall be present thereat.

Section 8. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by the members of the Board of Managers, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers by mail or fax at least three (3) business days prior to the day of such meeting.

Section 9 Special Meetings. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers given by mail or fax, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least one (1) member of the Board of Managers.

Section 10. Waiver of Notice. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him or her of the time and place thereof. Any one or more members of the Board of Managers or any committee thereof may participate in a meeting of the Board by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of the Board of Managers. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, the meeting must be adjourned. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers may be taken without a meeting if all members

of the Board consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board.

Section 12. Fidelity Bonds. The Board of Managers may obtain a fidelity bond in the amount of $25,000 or more for all officers and employees of the Condominium and of the managing agent handling or responsible for Condominium funds. The Board of Managers may obtain such other fidelity bonds as it deems proper. The premiums on such bonds shall constitute a Common Expense.

Section 13. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 14. Liability of the Board of Managers. The members of the Board of Managers shall not be liable to any Unit Owner for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all liability to others arising from their acts as, or by reason of the fact that such person was, a member of the Board of Managers. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his, her or its interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent on behalf of the Board of Managers shall be deemed made on behalf of the Unit Owners, and the Board of Managers and the managing agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners) and any liability of a Unit Owner thereunder shall be limited to such proportion of the total liability thereunder as his, her or its interest in the Common Elements bears to the interests of all Unit Owners in the Common Elements. Members of the Board of Managers designated by the Sponsor or a Sponsor-affiliate shall not incur any liability for self-dealing in connection with any contract made by the Board of Managers on behalf of the Unit Owners with the Sponsor or Sponsor-affiliate provided that any compensation paid under such contract shall be no more than at then competitive rates for similar goods and services in New York County.

ARTICLE III
Unit Owners

Section 1. Annual Meetings.

(a) First Meeting. Within ninety (90) days after the first Closing of title to a Unit, the Sponsor will call the first meeting of Unit Owners, at which meeting the Unit Owners shall designate three (3) members. Each Unit shall have the right to designate one (1) member. The Sponsor agrees not to exercise voting control of the Board of Managers for more than five (5)

years after the closing of the first Unit or whenever the Unsold Units constitute less than fifty percent (50%) of the Common Interests, whichever is sooner. A meeting will be held to elect new members of the Board within thirty (30) days of the termination of the Sponsor's special right to designate members of the Board. For so long as the Sponsor owns one Unit, the Sponsor shall have the right to designate one (1) member of the Board.

(b) Annual Meetings. Annual meetings of Unit Owners shall be held at the first anniversary of the first meeting of the Unit Owners held pursuant to Section 1(a) of this Article III and annually thereafter unless such day shall fall on a Saturday, Sunday or legal holiday, in which event, the meeting for that year shall be held on the succeeding Monday or day which is not a legal holiday.

Section 2. Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. Special Meetings. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers given by mail or fax, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least one (1) member of the Board of Managers.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) but not more than forty (40) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the building or at such other address as such Unit Owner shall have designated by notice in writing to the Board of Managers. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least thirty (30) days prior to such meeting.

Section 5. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum has not attended, the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

(a) Roll Call.

(b) Proof of notice of meeting.

(c) Reading of minutes of preceding meeting.

(d) Reports of officers.

(e) Report of Board of Managers and/or managing agent.

(f) Reports of committees.

(g) Election of inspectors of election (when so required).

(h) Election of members of the Board of Managers (when so required).

(i) Unfinished business.

(j) New Business.

Section 7. Title to Units; Status of Holder of Title as Unit Owner. Title to Units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation, partnership, limited liability company, a fiduciary, non-profit organization or governmental entity (upon waiver of diplomatic immunity, as, if and when required by the Board of Managers), or other entity provided such entity is empowered to own real property and otherwise comply with the obligations of a Unit Owner and be sued in the courts of the State of New York. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. This section shall not constitute consent or the condoning of any activity not permitted by laws, ordinances, rules, regulations, guidelines and determinations of any government, governmental authority or quasi-governmental authorities and agencies, case law and all judicial rulings, judgments and orders, the requirements of insurers, insurance underwriting agencies, agreements, instruments and insurance policies and of mortgages and the holders of mortgages on the Property or any part thereof binding on the Board of Managers or affecting the Condominium this Declaration, the By-Laws and the Rules and Regulations and of the By-Laws, this Declaration and the Rules and Regulations (hereinafter called the "Legal Requirements").

Section 8. Voting. Each Unit Owner (as determined by the Board of Managers) or some person designated by a Unit Owner to act as proxy on his, her or its behalf and who need not be a Unit Owner shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary by the Unit Owner so designating. Any or all of such Unit Owners may be present at any meeting of the Unit Owners and (those constituting a group acting unanimously) may vote or take any other action as a Unit Owner either in person or by proxy. The total number of votes of all Unit Owners shall be one hundred and each Unit Owner (including the Sponsor or Sponsor-affiliates if the Sponsor or a Sponsor-affiliate shall then own or shall then hold title to one or more Units) shall be entitled to cast the number of votes at all meetings of the Unit Owners equal to his, her or its percent of interest in the Common Elements applicable to his, her or its Unit. A fiduciary shall be the voting party with respect to any Unit owned in a fiduciary capacity.

Section 9. Quorum. Except as otherwise provided in these By-Laws or the Declaration, the presence in person or by proxy of Unit Owners representing a majority of the Common Interest shall constitute a quorum at all meetings of the Unit Owners.

Section 10. Majority Vote. The vote of Unit Owners constituting a majority of the percentage of Common Interest present at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes unless a provision of these By-Laws or the Declaration shall expressly require approval by a higher or different number of votes or Unit Owners. Members of the Board of Managers shall be elected by a plurality of the percentage of Common Interest present except as provided in these By-Laws with respect to members designated by the Sponsor.

Section 11. Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or applicable law consents in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with records of the Condominium.

ARTICLE IV
Officers

Section 1. Designation. The principal officers of the Condominium shall be the President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint a vice president, an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and any vice president, if any but no other officers, need be members of the Board of Managers.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers.

Section 3. Removal of Officers. Upon the affirmative vote of all other members of the Board of Managers, any officer may be removed, either with or without cause, and his or her successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Condominium and must be a member of the Board of Managers. He or she shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint members of committees created by the Board of Managers from among the Unit Owners or otherwise from time to time as he or she may in his or her discretion decide are appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President. If a Vice President is elected, the Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If the President is absent or not able to act and if there is no Vice President or the Vice President is also absent or not able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President on an interim basis. The

Vice President also shall perform such other duties as shall from time to time be imposed upon him or her by the Board of Managers or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he or she shall have charge of such books and papers as the Board of Managers may direct; and he or she shall, in general, perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for causing full and accurate financial records and books of account showing all receipts and disbursements to be kept, and for the preparation of all required financial data. He or she shall be responsible for directing the deposit of all moneys and other valuable effects in the name of the Board of Managers or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he or she shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law 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) persons who shall be officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9. Liability of Officers. The officers of the Condominium shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the officers of the Condominium against all liability to others arising from his or her acts as, or by reason of the fact that such person was, an officer. It is intended that the officers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is also intended that the liability of any Unit Owner arising out of any contract made by an officer or out of the aforesaid indemnity in favor of the officers shall be limited to such proportion of the total liability thereunder as his, her or its interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements.

ARTICLE V
Operation of the Property

Section 1. Determination of Common Expenses and Fixing of Common Charges.

(a) The Board of Managers shall, from time to time and at least annually, prepare a budget for the Common Expenses of the Condominium and fix the Common Charges payable by the Unit Owners. The Common Charges payable by a Unit Owner shall be the same portion of the Common Expenses as his, her or its interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements, except as provided in (d) of this Section. Common

Charges shall be payable in such installments and at such times as the Board of Managers may determine. The Common Expenses shall include the cost of all insurance premiums on all policies of insurance required to be or which the Board of Managers has obtained pursuant to the provisions of Section 2 of this Article V. The Common Expenses may also include (i) such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the Common Expenses for any prior year, (ii) such amounts as may be required for the purchase or lease by the Board of Manager or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit which the Board of Managers decides to acquire and lease pursuant to these By-Laws, (iii) such assessments as are necessary to provide funds for other Condominium purposes including, without limitation, capital improvements to, and repairs and replacements of Condominium real or personal property, the acquisition of real or personal property on behalf of the Unit Owners, and expenses which were not anticipated at the last time Common Expenses were determined, and (iv) if Units have not been separately assessed for real estate tax and assessment purposes, such proportion of real estate taxes and assessments assessed against the Property equal to the Unit's Common Interest. After the Units are separately assessed, the Board of Managers shall reimburse Unit Owners for any overpayment of taxes or assessments or assess Unit Owners for any underpayment of taxes or assessments. Notwithstanding any other provision of these By-Laws, any Common Expense of the nature described in (iii) above and which is in excess of $25,000 shall require the approval of fifty percent (50%) in number and Common Interest of the Unit Owners. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Expenses and 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 Expenses and Charges are based to all Unit Owners (and their respective mortgagees, if required). The Board of Managers may from time to time increase or decrease its prior determination of Common Expenses for a year or portion thereof. No determination of Common Expenses shall have any effect on the amount of Common Charges payable by any Unit Owner for any period prior to the date of such determination.

(b) Section 2 of Article II of these By-Laws contains additional limitations on the Board of Managers powers to set Common Expenses.

(c) The Sponsor or a Sponsor-affiliate shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the first conveyance of title to a Unit in the Building in which such Sponsor-owned Unit is located until such Unit is sold to a bona fide purchaser.

(d) The omission or failure of the Board of Managers to determine the Common Expenses for any year or portion thereof shall not affect the obligation of a Unit Owner to pay Common Charges, but Common Charges on the basis of the Common Expenses as last determined for a year or portion thereof shall continue to be the Common Charges due from each Unit Owner until a new determination of Common Expenses shall be made.

Section 2. Insurance.

(a) The Board of Managers shall obtain and maintain, to the extent obtainable at commercially reasonable premiums, the following insurance: (1) fire insurance with extended coverage, including provision for "additional living expense" of Unit Owners, vandalism and malicious mischief endorsements normal for a condominium of this type, insuring the Building, (including all of the Units and the equipment installed by the Sponsor or the Board of Managers, and partitions, floors and ceilings within the Units and installed by the Sponsor or the Board of Managers but not including any equipment, any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or other personal property within the Units) together with all property real, personal or mixed part of, or used in connection with, the Common Elements and covering the interests of the Condominium (collectively, the "Insured Property"), the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Building (exclusive of the cost of excavation and foundations) and all other Insured Property, without deduction for depreciation; each of said policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers; (2) water damage legal liability insurance; and (3) such other insurance as the Board of Managers may determine. All such policies shall provide that adjustment of loss shall be made by the Board of Managers and that the net proceeds thereof shall be payable to the Board of Managers.

The amount of fire insurance to be maintained until the first meeting of the Board of Managers following the first meeting of the Unit Owners shall be in at least the sum of $1,000,000.

(b) The Board of Managers shall also be required to obtain and maintain, to the extent obtainable at a cost deemed reasonable by the Board of Managers, 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 officers, the managing agent, the manager, and each Unit Owner and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements or the Units, except such policy shall not cover liability of a Unit Owner arising from an occurrence from within his, her or its own Unit. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Managers shall review such limits once each year or prior to renewal of a policy if a policy covers a multi-year period. Until the first meeting of the Board of Managers elected by the Unit Owners, the public liability insurance will be in a limit of $2,000,000 aggregate and $1,000,000 per occurrence, covering all claims for bodily injury and property damage with respect to any one occurrence.

(c) To the extent obtainable at a cost deemed reasonable by the Board of Managers, all policies of physical and liability insurance shall contain waivers of subrogation and waivers of any defense based on co-insurance or of pro-rata reduction of liability or of invalidity arising from any acts of the insured, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days' a prior written notice to all of the insured, including all mortgagees of Units of which the insurer has notice. Duplicate originals of all

physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units of which the Board of Managers has notice and who has requested copies at least ten (10) days prior to the expiration of the then current policies. Each Unit Owner shall receive a certification of such insurance. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall obtain an appraisal from a fire insurance company or otherwise of the Building (exclusive of the cost of excavation and foundations), including all of the Units, and all of the Common Elements therein including such property, without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

(d) If the Property is within a federally designated flood plain, the Board of Managers shall insure the Insured Property against flood damage in such amounts as the Board of Mangers determines.

(e) Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that all such policies shall contain waivers of subrogation in favor of the Board of Managers and other Unit Owners 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.

(f) The Board of Managers shall have the right to charge any Unit Owner the cost of any increase in an insurance premium if due to any act, omission or activity of the Unit Owner, the occupants of the Unit or invitees, employees, agents or contractors of the Unit Owner, or if due to the condition of the Unit.

Section 3. Repair or Reconstruction after Fire or Other Casualty. In the event of damage to, or destruction of, the Building as a result of fire or other casualty (unless a Unit Owner or lienor exercises a right of partition as provided in the Condominium Act), the Board of Managers shall arrange for prompt repair and restoration of the Building (including all of the Units and the equipment installed by the Sponsor or the Board of Managers and partitions, floors and ceilings within the Units and installed by the Sponsor or the Board of Managers but not including any equipment, any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or other personal property within the Unit) and the Board of Managers shall disburse the proceeds of all insurance policies and such additional sums, if any, as may be required, to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges. No portion of the insurance proceeds shall be applied to the payment of the mortgage indebtedness of any Unit Owner except pursuant to applicable provisions of the Condominium Act.

If, as a result of damage or destruction of the Building by fire or casualty, the Property becomes subject to an action for partition by any Unit Owner or lienor, in accordance with the provisions of the Condominium Act, the Building will not be repaired and the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3 and the amount of insurance proceeds

shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers among all the Unit Owners in proportion to their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his, her or its Unit, in the order of the priority of such liens.

Section 4. Payment of Common Charges. All Unit Owners shall be obligated to pay the Common Charges and assessments assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article V at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges or assessments assessed against his, her or its Unit subsequent to a sale, transfer or other conveyance by him, her or it (made in accordance with the provisions of Section 1 of Article VII of these By-Laws) of such Unit, together with the Appurtenant Interests (as defined in Section 1 of Article VII hereof.) In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his, her or its Unit is free and clear of liens and encumbrances (other than a first mortgage from an institutional lender) and the statutory lien for unpaid Common Charges, convey his, her or its Unit, together with the Appurtenant Interests, to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other Unit Owners, without any compensation and in such event be exempt from Common Charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of Common Charges assessed against such Unit prior to the acquisition by him, her or it 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. Default in Payment of Common Charges or Assessments. In the event of a default by any Unit Owner in paying any installment of the Common Charges or any assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay a charge thereon at the lower of eighteen percent (18%) per year or the highest lawful rate on such Common Charges or assessments from the due date thereof, together with all expenses, including attorneys' fees, incurred by the Board of Managers in, and prior to, any action or 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 such expenses, in an action or proceeding to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by the Condominium Act, in the manner provided by the Condominium Act or otherwise as permitted by law.

Pursuant to Real Property Law Section 339-kk, if a non-occupying Unit Owner rents his, her or its Unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such Unit within sixty days of the expiration of any grace period after they are due, upon notice per the By-laws, all rental payments from the tenant shall be directly payable to the condominium association. Payment by a rental tenant to the condominium association made in connection with Section 339-kk shall relieve that rental tenant from the obligation to pay such rent to the non-occupying Unit Owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying Unit Owner against such tenant for such rent. If the common charges, assessments or late fees due for any Unit have

not been paid in full, within sixty (60) days after the expiration of any grace period of the earliest due date, the Board shall provide written notice to the tenant and the non-occupying Unit Owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the Board has been elected by and from among the Unit Owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying Unit Owner are once again current, notice of such fact shall be given within three (3) business days to the rental tenant and non-occupying Unit Owner. Thereafter all rental payments shall be made payable to the non-occupying Unit Owner or a designated agent. A non-occupying Unit Owner who disputes the association's claim to rental payments pursuant to Real Property Law Section 339-kk shall be entitled to present facts supporting such Unit Owner's position at the next scheduled meeting of the Board, which must be held within thirty (30) days of the date that such Board receives notice that such Unit Owner seeks to dispute such claim.

Section 6. Foreclosure of Liens for Unpaid Common Charges. If any action or proceeding is brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his, her or its Unit for any period of such use from the time of failure to pay Common Charges, until judgment and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same. A suit to recover a money judgment for unpaid Common Charges, interest thereon as specified in Section 5 of this Article and expenses of the Board of Managers in connection with the collection thereof (including attorneys' fees and disbursement) shall be maintainable without foreclosing or waiving the lien securing the same.

Section 7. Statement of Common Charges and Assessments. The Board of Managers (or a managing agent on its behalf) shall promptly provide to any Unit Owner so requesting the same in writing, a written statement of all unpaid Common Charges, assessments and other sums due from such Unit Owner.

Section 8. Abatement and Enjoinment of Violation by Unit Owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any provision of these By-Laws, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right by law or as set forth in these By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof or thereof (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 otherwise for the safety of occupants of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium or any Unit); and/or (b) to enjoin, abate or remedy by

appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach; and/or (c) to seek compensation for damages caused by the violation or breach.

Section 9. Maintenance and Repair. (a) All maintenance, repairs and replacements to a Unit, whether structural or non-structural, ordinary or extraordinary (other than maintenance of, and repairs to, any Common Element contained therein and not necessitated by the negligence, misuse or neglect of the owner of such Unit or his, her or its tenants, invitees, employees, agents or contractors), shall be made by the owner of such Unit at his, her or its expense. Each Unit Owner shall be responsible for all damages to any and all other Units and/or to the Common Elements, that result from his, her or its failure to perform such maintenance, repair or replacements.

(b) All maintenance, repairs and replacements to the Common Elements, whether located inside or outside of the Units (unless necessitated by the negligence, misuse or neglect of a Unit Owner or his, her or its tenants, invitees, agents, employees or contractors, in which case such expense shall be charged to such Unit Owner) shall be made by the Board of Managers and be charged to all Unit Owners as a Common Expense except as provided in these By-Laws with respect to specially allocated expenses and assessments.

(c) Each Unit Owner shall make his, her or its own arrangements for cleaning the exterior surfaces of the windows serving his, her or its Unit. The Board of Managers may choose to require that all Unit Owners grant access to their Units to persons retained by the Board of Managers to clean the exterior surfaces of the windows.

(d) Notwithstanding the above, the Board of Managers shall have the responsibility (which shall constitute its only responsibility regarding those items) of painting or refinishing the exterior of doors opening out of Units (should same ever become necessary) and the exterior of the frame of windows opening out of the Units in compliance with all applicable laws.

Section 10. Limited Common Elements. The Limited Common Elements shall be as follows:

(a) Unit 1 shall have as a Limited Common Element the approximately 756 square feet of rear yard as shown on the Floor Plans. The Unit Owner may use the rear yard appurtenant to his, her or its Unit only in compliance with all Legal Requirements. The owner of Unit 1 and his, her or its successors and assigns shall be responsible for the maintenance, repair and replacement of any paving, landscaping, drainage, fences, enclosures, walls, or other elements of the rear yard, other than the Building walls, appurtenant to Unit 1, as required by Legal Requirements. The Board of Managers shall be responsible for maintenance, repair and replacement of the Building's exterior walls and other elements of the Building, except that in all events the Unit Owner shall be responsible for any maintenance, repair and replacement of any portion of the rear yard or Building's exterior walls or other elements of the Building, if necessitated by damage caused by the Unit Owner or the Unit Owner's invitees, tenants, employees, agents or contractors. The Board of Managers and its agents, employees and contractors may have access to all areas of the rear yard in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. In the event repairs require removal or disruption of any element of the rear yard, it shall be the responsibility of the Unit Owner to

replace such element at the Unit Owner's cost. The owners of Unit 1 may not perform construction in the rear yard area that would require a building permit unless the owners comply with all Legal Requirements and obtain the prior approval of the Board of Managers.

(b) Units 1, 2 and 3 shall each have as a Limited Common Element an air conditioning condenser located on the roof, and Unit 1 shall also have as a Limited Common Element an additional air conditioning condenser located in the rear yard, as shown on the Floor Plans. The Unit Owners shall have the right to place, inspect, maintain, repair and replace the air conditioning condenser and other air conditioning equipment serving his, her, or its respective Unit. A Unit Owner, and his, her or its agents and contractors shall have a right of access over and through the roof areas for such purposes. A Unit Owner shall be responsible for the maintenance, repair and replacement of the air conditioning equipment servicing his, her or its Unit (including equipment located outside the Unit and all piping and wiring associated with the air conditioning equipment), as required. The Board of Managers shall be responsible for maintenance, repair and replacement of all roofs, and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of any portion of roof or elements thereof, including all associated parapets, flashing and other elements, any portion thereof or any elements thereof, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors. In the event Building roofs or elements thereof require removal or disruption of any air conditioning equipment or associated piping or wiring, or element thereof, it shall be the responsibility of the Unit Owner to replace or repair same at the Unit Owner's cost. In any event, the Board of Managers and its agents, employees and contractors may have access to all roof areas of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take.

(c) Units 1, 2 and 3 shall each have a boiler for heat and a hot water heater located in the cellar as shown on the Floor Plans, which shall be Limited Common Elements of such Units. The Unit Owners shall have the right to place, inspect, maintain, repair and replace the boiler and hot water heater serving his, her, or its respective Unit. A Unit Owner, and his, her or its agents and contractors shall have a right of access over and through the cellar areas for such purposes. A Unit Owner shall be responsible for the maintenance, repair and replacement of the boiler and hot water heater servicing his, her or its Unit (including equipment located outside the Unit and all piping and wiring associated with the boiler and hot water heater), as required. The Board of Managers shall be responsible for maintenance, repair and replacement of all Building floors, ceilings and walls, and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of the Building floors, ceilings or walls, any portion thereof or any elements thereof, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors. In the event Building floor, ceiling or wall repairs, require removal or disruption of any boiler or hot water heater or associated piping or wiring, or element thereof, it shall be the responsibility of the Unit Owner to replace or repair same at the Unit Owner's cost. In any event, the Board of Managers and its agents, employees and contractors may have access to all cellar areas and common area hallway closets of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take.

(d) Unit 1 shall have as Limited Common Elements a gas dryer and an electrical washer located in the laundry room in the cellar as shown on the Floor Plans. Units 2 and 3 may each have as Limited Common Elements washers and dryers to be located in the cellar's laundry room should the owners of Units 2 and 3 choose to purchase and install them at their own expense. The Declaration permits a Unit Owner who installs a washer and/or dryer to file an Amendment to the Declaration to provide that the same are appurtenant to his, her or its Unit without obtaining consent of the Board of Managers of the Condominium or the Unit Owners. Such amendments may be made without a vote of the Unit Owners. The Unit Owners shall have the right to place, inspect, maintain, repair and replace their respective washers and dryers. A Unit Owner, and his, her or its agents and contractors shall have a right of access over and through the cellar areas for such purposes. A Unit Owner shall be responsible for the maintenance, repair and replacement of their washers and dryers (including all piping and wiring associated with the washers and dryers), as required. The Board of Managers shall be responsible for maintenance, repair and replacement of all Building floors, ceilings and walls, and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of the Building floors, ceilings or walls, any portion thereof or any elements thereof, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors. In the event Building floor, ceiling or wall repairs, require removal or disruption of any washer and/or dryer or associated piping or wiring, or element thereof, it shall be the responsibility of the Unit Owner to replace or repair same at the Unit Owner's cost. In any event, the Board of Managers and its agents, employees and contractors may have access to all cellar areas and common area hallway closets of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take.

(e) Unit 1 shall have as Limited Common Elements two flues, one attached to the fireplace serving the Unit and one attached to the gas dryer. Units 2 and 3 shall each have as a Limited Common Element a flue attached to the fireplaces serving the Units. The owners of Units 1, 2 and 3 shall have the right to inspect, maintain, repair and replace the flue serving their Units and an easement to access the roof, including the roof deck appurtenant to Unit 3, for such purposes. The owners of Units 1, 2 and 3 shall be responsible for the maintenance, repair and replacement of the flue (including all equipment associated therewith, whether located inside or outside the Units) serving their Units as necessary to keep the flue in good working condition. If during the course, or as a result, of maintaining, repairing or replacing the flue, any Common Element or Unit is damaged for any reason, intentional or not, the Unit Owner undertaking the maintenance, repair or replacement shall be responsible for all costs of repairing returning the damaged Common Element and/or Unit to its condition prior to the damage.

(f) Unit 3 shall have as a Limited Common Element the roof area, approximately 200 square feet, over the northwest portion of Unit 3, as shown on the Floor Plans, for use as a roof deck. The Owner of Unit 3 shall have the right to build a roof deck over such roof area, as the Unit Owner's expense, and may use such roof area only as a roof deck and only if it is finished with decking or paving material built and/or installed in such a manner as to not harm the roof or any elements thereof, and in such a manner as to not infringe on the rights of the Owners of Units 1 and 2 to access the roof for emergency egress. The roof deck shall not be enclosed and

may only be used in compliance with all Legal Requirements. Building the roof deck and finishing it with decking or paving material is the responsibility of the Owner of Unit 3. Such work requires approval of the Board of Managers and may require a building permit from the Department of Buildings. Access to the roof deck must be through Unit 3 and not through the roof hatch. The owner of Unit 3 and his, her or its successors and assigns shall be responsible for the maintenance, repair and replacement of any deck, paving system, or other elements of the roof deck. The Board of Managers shall be responsible for maintenance, repair and replacement of all roofs and all elements thereof, except that in all events a Unit Owner shall be responsible for the cost and expense of any maintenance, repair and replacement of any portion of the roof or any elements thereof, if necessitated by the negligence, misuse or neglect of a Unit Owner or an occupant of a Unit or a Unit Owner's employees, invitees, agents or contractors. If roof repairs require removal or disruption of any element of the deck, paving system, or other elements of the roof deck appurtenant to Unit 3 as provided above, it shall be the responsibility of the Owner of Unit 3 to replace such element at the Unit Owner's cost. The Board of Managers and its agents, employees and contractors may have access to all roof areas of the Building in order to inspect the Common Elements and for any action the Board of Managers is required or permitted to take. The Owners of Units 1 and 2 may have access to all common areas of the roof through the roof hatch, not through Unit 3. The Owner of Unit 3 shall be liable for any personal injury or property damage that occurs as a result of the presence of the Unit Owner or his, her or its employees, invitees, agents or contractors on any portion of the roof deck or any portion of the roof that is a common element, and Unit Owners shall be liable for any personal injury or property damage that occurs as a result of their presence or that of their employees, invitees, agents or contractors on any portion of the roof that is a common element.

Section 11. Air-Conditioning Systems. All maintenance, repairs and replacements to the air-conditioning system serving a Unit shall be made by the Unit Owner at the Unit Owner's expense.

Section 12. 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) All Units shall be used only in the manner and for the uses permitted in the Declaration and in conformity with all Legal Requirements.

(b) The Common Elements shall be used by Unit Owners and their invitees, employees, agents, and contractors and occupants of Units only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.

(c) No nuisances shall be allowed on the Property nor shall any use or practice be allowed which unreasonably interferes with the peaceful possession or proper use of the Property by other Unit Owners and other occupants.

(d) No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof by Unit Owners and their invitees, employees, agents, and contractors and

occupants of Units, and all Legal Requirements relating to any portion of the Property or the use or condition thereof, shall be complied with, by and at the sole expense of each Unit Owner or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property except such expense shall be borne by a Unit Owner if the Unit Owner or other occupant of the Unit or any of the Unit Owners' invitees, employees, agents, or contractors caused the condition which must be remedied. The provisions of this paragraph shall not limit the rights of the Sponsor and Sponsor-affiliate to change the use and alter Units they own.

(e) No portion of a Unit (other than the entire Unit and its appurtenant interests) may be rented, and no transient tenants may be accommodated therein.

(f) No Unit Owner shall keep or do anything in a Unit or the Common Elements that will increase the rate of insurance of the Building, or contents thereof, without the prior written consent of the Board of Managers. Without affecting the obligation of the Owner of a Unit to remove or abate anything that increases the rate of such insurance, the Unit Owner shall pay to the Board of Managers the amount of such increase within three (3) days of written demand.

(g) Those public or other areas of the Building exposed to public view that are required to be maintained by a Unit Owner or the Board of Managers shall be kept by each in good appearance in conformity with the dignity and character of the Building, as determined by the Board of Managers.

Section 13. Additions, Alterations or Improvements by Board of Managers. Additions, alterations, or improvements may be made by the Board of Managers without approval of Unit Owners, except that (a) no addition, alteration or improvement costing more than $1,000 shall be made without the approval of the Sponsor and all other owners of Unsold Units as long as there are any Unsold Units (unless such addition, alteration or improvement is necessary in order to comply with Legal Requirements or is necessary to protect the Property from deterioration), and (b) no additions, alterations or improvements costing more than $1,000 shall be made unless approved by sixty-six and two-thirds percent (66 2/3%) in number and in Common Interest of the Unit Owners, including the Sponsor or its designee. The Board of Managers shall proceed with duly authorized additions, alterations or improvements and shall assess each Unit Owner his, her or its proportionate share of the cost as part of the Common Expenses or as a special assessment, or shall pay for the addition, alteration or improvement from reserves accumulated for purposes of same or shall borrow funds to pay therefore as described below. Additions, alterations or improvements costing $1,000 or less may be made by the Board of Managers without approval of Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Section 14. Additions, Alterations or Improvements by Unit Owners. No Unit Owners shall make any addition, alteration or improvement in or to his, her or its Unit which is structural or which affects the value of other Units or which affects the exterior of the Building, without the prior written consent thereto of the Board of Managers (and if required, of his, her or its mortgagee). The Board of Managers shall answer any written request by a Unit Owner for approval of a proposed addition, alteration or improvement in or to a Unit, within thirty (30) days after such request; and failure to do so within such time shall constitute a consent by the Board of

Managers to the proposed addition, alteration or improvement. The Board of Managers may condition its approval in any way it deems appropriate. Any application to any governmental authority having or asserting jurisdiction, 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 Unit Owner, contractor, subcontractor, materialman, architect or engineer 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. This Section 14 shall not apply to a Unit owned by the Sponsor or Sponsor-affiliate.

The Board of Managers will execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any addition, alteration, improvement or repair or any subdivision, combination or change in the boundary walls made by the Sponsor or a Sponsor-affiliate to any Unit held by it, provided, however, that neither the Board of Managers nor any of them nor any Unit Owner other than the Sponsor or Sponsor-affiliate shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

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, except any alterations and/or improvements to an appurtenant Limited Corporation Interest shall require the prior approval of the Board of Managers, which approval may be withheld or conditioned at the sole discretion of the Board of Managers.

In the event that a Unit Owner wishes to make either structural or non-structural additions, alterations, improvements in or to his, her, its Unit or the Limited Common Element associated with his, her or its Unit, the Board of Managers may regulate:

(a) the time periods during which work is permitted;

(b) the manner in which construction debris will be handled;

(c) the measures which must be taken to prevent compromising the security of the Building during construction;

(d) the interruption of services during construction;

(e) liability insurance for contractors during construction; and

(f) such other matters as are necessary for the safety and continued enjoyment of the Building by all Unit Owners.

The Board of Managers may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which the addition, alteration or improvement may be made.

Section 15. Use of Common Elements and Facilities.

(a) A Unit Owner shall not store any furniture, packages or objects or any kind in any part of the Common Elements other than a Limited Common Element appurtenant to his, her or its Unit.

(b) The Common Elements and facilities shall be used only for those purposes for which they are reasonably suited and capable. No Unit Owner shall make any addition, alteration, improvement or change in, or to, any Common Element (including, without limitation, the exterior of the Building) without the prior written consent of the Board of Managers (and the holders of Unit first mortgages, if required), except as permitted with respect to Limited Common Elements. The Sponsor and any Sponsor-affiliate shall have the right to alter and use the Common Elements, without charge, for the purposes and in the manner permitted herein and in the Declaration.

Section 16. Right of Access. A Unit Owner shall grant a right of access to his, her or its Unit, including any appurtenant Limited Common Element, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his, her or its Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations, additions or repairs to the mechanical or electrical services or other Common Elements in his, her or its Unit or elsewhere in the Building or to correct any condition which violates any Legal Requirement, provided that request for entry is made in advance and that any such entry is at a time reasonably convenient to the Unit Owner and further provided that such right shall be exercised in such a manner as will not unreasonably interfere with the proper use of the Units. In case of any emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not.

Section 17. Water, Gas and Electricity. Electricity and gas to Units will be supplied by the public utility companies serving the area through individual meters and billed by such companies to each Unit Owner. Water will be supplied to all Units by the City of New York or other public utility and the cost thereof will be included in the Common Charges, except as otherwise provided in these By-Laws.

Section 18. Rules and Regulations.

(a) The rules and regulations adopted by the Board of Managers may be promulgated and amended from time to time by the Board of Managers provided that copies of such Rules and Regulations are furnished to each Unit Owner not less than five (5) days prior to the time that they become effective. Any rule or regulation may be rescinded by a vote of sixty six and two-thirds percent in Common Interest of the Unit Owners at a meeting duly called for such purpose.

(b) The Condominium's initial rules and regulations are attached hereto as Schedule A.

Section 19. Default by Unit Owners and Expenses of Board of Managers.

(a) In the event a Unit Owner fails to make any payment due to the Board of Managers by the due date thereof, then a charge shall accrue on the unpaid sum at the lower of eighteen percent (18%) per annum and the highest rate permitted by law from the due date thereof until payment is made.

(b) In the event the Board of Managers incurs any expense (including attorneys' fees) in connection with the failure of any Unit Owner to abide by the provisions of these By-Laws or the Declaration, then the defaulting Unit Owner shall pay to the Board of Managers the amount of such expense no later than three (3) days after notice of the amount thereof from the Board of Managers or its designee to the defaulting Unit Owner.

(c) If a Unit Owner shall fail to pay any sum due to the Board of Managers pursuant to this Section 19, the Board of Managers shall have all of the rights with respect to such sum and such failure which the Board of Managers would have with respect to a failure to pay Common Charges to the extent permitted by the Condominium Act.

Section 20. Termination: If withdrawal of the Property from application of the Condominium Act is authorized by at least eighty percent (80%) of the Unit Owners in number and in Common Interest (and if required by the respective mortgages, their first mortgagees, if any, of such Unit), then the Property shall be subject to an action or partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his, her or its share of such net proceeds all liens on his, her or its Units. The Sponsor or its nominee will not cast any of its votes for withdrawal, unless eighty percent (80%) of the Unit Owners other than the Sponsor so vote, in which event the Sponsor will be free to cast its votes either for or against withdrawal.

ARTICLE VI
Mortgages

Section 1. Mortgage of Units. Each Unit Owner shall have the right to mortgage his, her or its Unit without restriction, provided that any such mortgage shall be granted to a bank or insurance company or a savings and loan association or a mortgage company affiliated with any of the foregoing or a governmental agency, or unless such mortgage shall be substantially in the form available from the Board of Managers, and provided further that a copy of each mortgage and the note secured thereby shall be delivered to the Board of Managers promptly after execution and delivery thereof together with a written notice of the name and address of the mortgagee for the purposes of notices to the mortgagee.

Section 2. Notice of Unpaid Common Charges or Other Default. The Board of Managers, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid Common Charges or assessments levied by the Board of Managers due from, or any

default by, the owner of the mortgaged Unit.

Section 3. Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or assessments or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address had theretofore been furnished to the Board of Managers and which requested such notice.

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.

ARTICLE VII
Sales and Leases of Units

Section 1. Sales and Leases. The Board of Managers shall have the rights set forth in this Section ("Right of First Refusal") with respect to the sale and lease of Units.

(a) No Unit Owner may sell his, her or its Unit or any interest therein except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer (hereinafter called an "Outside Offer") for the purchase of his, her or its Unit, which offer shall be deemed to include, for the purposes of this Article VII, the purchase of (i) the Unit Owner's undivided interest in the Common Elements; (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, and 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 (which interests are collectively referred to as "Appurtenant Interests") which the Unit Owner intends to accept, shall give notice to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser, 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, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who received the Outside Offer to the Board of Managers on behalf of the other Unit Owners that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may elect by notice to such Unit Owner either (iv) to purchase such Unit, together with the Appurtenant Interests (or to cause the same to be purchased by its designee (corporate or otherwise) on behalf of all other Unit Owners) on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner, on the same terms and conditions contained in the Outside Offer and as stated in the notice from the offering Unit Owner, or (v) to produce a purchaser who will purchase such Unit, together with the Appurtenant Interests, on the same terms and conditions contained in the Outside Offer and as stated in the notice from the offering Unit Owner. In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to cause the same to be

purchased by its designee, corporate or otherwise, title shall close at the office of the attorneys for the Condominium in accordance with the terms of the offer but not more than sixty (60) days after the giving of notice by the Board of Managers of its election to accept such offer. At the Closing, the Unit Owner shall convey the Unit (and Appurtenant Interests) to the Board of Managers or to its designee, on behalf of all other Unit Owners by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all transfer and other taxes arising out of such sale, unless the Outside Offer permits otherwise. Real estate taxes, mortgage interest on any mortgage assumed by the Board of Managers or other purchaser and Common Charges and Expenses shall be apportioned between the Unit Owner and the Board of Managers, or its designee, as of midnight of the day immediately preceding such Closing date. In the event the Board of Managers or its designee shall fail to accept such offer or to produce a purchaser within thirty (30) days as aforesaid or fails to act within said thirty (30) days, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interest, within ninety (90) days after the expiration of the period in which the Board of Managers or its designee might have elected to purchase or cause the purchase of such Unit with Appurtenant Interests on the terms and conditions set forth in the notice from the Unit Owner to the Board of Managers of the Outside Offer. Any deed to an outside purchaser 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. In the event the offering Unit Owner shall not, within said ninety (90) days, contract to sell such Unit, together with the Appurtenant Interests, to the outside purchaser on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell such Unit, together with the Appurtenant Interests, to such outside purchaser on the terms and conditions in the Outside Offer, but such sale shall not be consummated pursuant to the terms of such contract, then should the offering Unit Owner thereafter elect to sell such Unit (any such sale being deemed to include the Appurtenant Interests) to the same or another outside purchaser on the same or other terms or conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VII.

(b) No Unit Owner may lease his, her or its Unit except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer for a lease (the "Lease Offer") of his, her or its Unit, which he, she or it intends to accept, shall give notice to the Board of Managers of such offer and of such intention, the name and address of the proposed lessee, the terms of the proposed lease, references for the proposed lessee, and such other information as the Board of Managers may reasonably require and shall offer to lease such Unit to the Board of Managers, or its designee, corporate or otherwise, on the same terms and conditions as the Lease Offer. The Board of Managers shall have the same right of election to lease the Unit on behalf of all Unit Owners or to produce a lessee for the Unit as contained in subsection (a) above relating to the purchase of Units. In the event the Board of Managers or its designee shall fail to accept the Lease Offer or to produce a lessee to accept the Lease Offer or fails to act within the time period set forth in subsection (a) the Unit Owner shall be free to lease such Unit to the proposed lessee of the Lease Offer on the terms and conditions contained in the Lease Offer, provided such lease shall be executed within sixty (60) days after the expiration of the period in which the Board of

Managers or its designee might have elected to lease or produce a lessee on the terms and conditions of the Lease Offer.

Any such lease shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned, without the prior consent in writing of the Board of Managers, that the lessee shall not sublet the demised premises or any part thereof without the prior consent in writing of the Board of Managers, that the Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the lessee in the name of the landlord thereunder in the event of default by the lessee under the provisions of such lease, and the Board of Managers shall have the right to terminate the lease on not less than thirty (30) days prior written notice upon foreclosure of the lien for Common Charges granted herein and pursuant to the Condominium Act. Except as hereinbefore set forth, the form of any such lease shall be the then current form of apartment lease recommended by The Real Estate Board of New York, Inc., except as may be otherwise provided herein or by the Board of Managers.

(c) Any purported sale or lease of a Unit in violation of this Section shall be voidable at the election of the Board of Managers.

(d) The Board of Managers may establish a reasonable fee for the processing of Unit sales and leases and notices relating to the Board of Manager's rights of first refusal. Such fee shall be payable by the selling or leasing Unit Owner, as the case may be.

Section 2. Consent of Unit Owners to Purchase of Units by Board of Managers. The Board of Managers shall not exercise any option to acquire or lease a unit as set forth in Section 1 of this article set forth to purchase or lease any Unit without the prior approval of owners of Units constituting sixty six and two-thirds percent of the Common Interest, not including the Unit Owner who or which wishes to sell or lease. If the Board of Managers does not have sufficient funds on hand for the acquisition and maintenance of a Unit which has been approved by the Unit Owners, the Board of Managers may either borrow such funds or may assess the Unit Owners therefor in proportion to their respective Common Interest, not including the Unit Owner of the sold or leased Unit.

Section 3. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, or other instrument transferring, conveying or mortgaging title to his, her or its Unit without simultaneously transferring conveying or mortgaging the Appurtenant Interests. Any deed, mortgage or other instrument purporting to affect the transfer, conveyance or mortgage of a Unit without including all such Appurtenant 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 transferred, conveyed, mortgaged, or otherwise disposed of, except as part of a transfer, conveyance, mortgage or other disposition of the Unit to which such interests are appurtenant, or as part of a transfer, conveyance or mortgage 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 may be released or waived by the Board of Managers, in which event the Unit, together with the

Appurtenant Interests, may be leased, sold or conveyed free and clear of the provisions of Section 1 of this Article VII.

Section 5. Certificate of Termination of Right of First Refusal. A certificate, executed and acknowledged and in recordable form by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VII have been met by a Unit Owner, or have been duly waived by the Board of Managers, and that the rights of the Board of Managers thereunder have terminated, shall conclusively bind the Board of Managers and the Unit Owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VII or with respect to whom the provisions of such Section have been waived, upon request.

Section 6. Financing of Purchase and Lease of Units by Board of Managers. Acquisition and lease of Units by the Board of Managers, or its designee, on behalf of all Unit Owners and payment of the costs and expenses associated therewith may be made from the working capital and Common Charges in the hands of the Board of Managers, or if such fund are insufficient, the Board of Managers may levy an assessment against each Unit Owner, excepting the Unit Owner of the sold or leased Unit, in proportion to such owner's interest in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Sections 5 and 6 of Article V, or the Board of Managers, in its discretion, may borrow money to finance the acquisition or lease of such Unit (together with associated costs and expenses), provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with its Appurtenant Interests, so to be acquired by the Board of Managers.

Section 7. Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his, her or its Unit and Appurtenant Interests by gift, or to devise his, her or its Unit and Appurtenant Interests by will or to pass the same by intestacy without restriction.

Section 8. Waiver or Right of Partition with Respect to Such Units As Are Acquired by the Board of Managers, or Its Designee, on Behalf of All Unit Owners As Tenants in Common. In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 9. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his, her or its Unit unless and until the Unit Owner shall have paid in full to the Board of Managers all unpaid Common Charges and assessments and expenses theretofore assessed by the Board of Managers against the Unit and until he, she or it shall have satisfied all unpaid liens against such Unit, except permitted mortgages or except in the case of a foreclosing mortgagee.

Section 10. Exceptions. The provisions of Section 1 of this Article VII shall not apply with respect to (a) any sale, conveyance or lease of a Unit and Appurtenant Interests to a Unit Owner's spouse, including domestic partners registered as such with the City of New York, or child or children over the age of eighteen (18) years or parent or parents or brother or sister, or

any more than one of them, or (b) any sale, conveyance or lease of a Unit and Appurtenant Interests to a trust for the benefit of the Unit Owner or for the benefit of one or any more than one of the persons stated in (a) of this Section 11, or (c) the acquisition, conveyance, sale or lease of a Unit and Appurtenant Interests by the Sponsor, a Sponsor-affiliate or a other owner of an unsold unit, or (d) the acquisition, sale or lease of a Unit, together with its Appurtenant Interests, by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. The Board of Managers shall be required to cooperate in providing appropriate physical access to any Unit (and related Common Elements) described in Subdivision (c) and (d) of this Section 11, as well as all financial information regarding same.

Section 11. Mortgage of Units. Each Unit Owner shall have the right to mortgage his, her or its Unit without restriction, provided that any such mortgage shall be granted to a bank or insurance company or a savings and loan association or a mortgage company affiliated with any of the foregoing or a governmental agency, provided that such mortgage shall be substantially in the form available from the Board of Managers, and provided further that a conformed copy of each note and mortgage shall be delivered to the Board of Managers promptly after execution and delivery thereof.

Section 12. Voting Rights and Proceeds. Units held by the Board of Managers shall not carry any voting rights. Proceeds from the disposition of a Unit held by the Board of Managers shall be received by the Board on behalf of all Unit Owners in proportion to their respective Common Interest.

Section 13. Power of Attorney to Board of Managers. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner shall be required to execute, acknowledge and deliver to the Board of Managers a Unit Owner's Power of Attorney in favor of the Board (and the Sponsor, if applicable), in the form required by the Board, in accordance with the Declaration. The new Unit Owner shall be responsible for having said Power of Attorney recorded, returnable to the Board, and paying the fees therefor.

Section 14. No Unit Owner may exempt himself from liability for his common charges by waiver of the use or enjoyment of any of the common elements or by abandonment of his Unit. Subject to such terms and conditions as may be specified in the By-Laws, any Unit Owner may, by conveying his Unit and his Common Interest to the Board of Managers on behalf of all other Unit Owners, exempt himself from common charges thereafter accruing.

ARTICLE VIII
Records

The Board of Managers shall keep detailed records of the actions of the Board of Managers, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges

against such Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

An annual report of the receipts and expenditures of the Condominium, certified or audited, as the Board of Managers may choose, by an independent certified public accountant, shall be given by the Board of Managers to all Unit Owners and to all mortgagees of Units who have requested the same promptly after the end of each fiscal year. The cost of such report shall be paid by the Board of Managers as a Common Expense.

ARTICLE IX
Miscellaneous

Section 1. Notices. All notices hereunder shall be sent by registered or certified mail to the Board of Managers at the office of the Board of Managers or to such other address as the Board of Managers may designate from time to time by notice in writing to all Unit Owners and to all mortgagees of Units. All notices to any Unit Owner shall be sent by registered or certified mail to the Unit Owner at the Building or to such other address as may have been designated by the Unit Owner from time to time by notice in writing to the Board of Managers. All notices to mortgagees of Units shall be sent by registered or certified mail to their respective addresses, as designated by the respective mortgagee from time to time, in writing, to the Board of Managers. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received. Where these By-Laws permit the use of notice by facsimile, such notice shall be deemed effective on the date faxed.

Section 2. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 3. Captions. Captions are inserted in these By-Laws only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision hereof.

Section 4. Gender and Number. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the neuter. The singular shall be deemed to include the plural and vice-versa whenever the context so requires.

Section 5. 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 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.

Section 7. Application of Payments. The Board of Managers, and the managing agent on its

behalf, may apply any funds received on or on behalf of any Unit Owner to any sum due from such Unit Owner to the Condominium which the Board of Managers or the managing agent may elect, notwithstanding any direction from the Unit Owner as to how any payment shall be applied or any notation on any check or any condition attached to such payment.

Section 8. No Discrimination. The Board of Managers shall not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law.

Section 9. Termination. If withdrawal of the Property from application of the Condominium Act is authorized by at least eighty percent (80%) of the Unit Owners in number and in Common Interest (and if required by the respective mortgages, their first mortgagees, if any, of such Unit), then the Property shall be subject to an action or partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his, her or its share of such net proceeds all liens on his, her or its Units. The Sponsor or its nominee will not cast any of its votes for withdrawal, unless eighty percent (80%) of the Unit Owners other than the Sponsor so vote, in which event the Sponsor will be free to cast its votes either for or against withdrawal.

Section 10. Arbitration. Any controversy between Unit Owners or any claim by a Unit Owner against the Condominium or another Unit Owner arising out of or in relation to the Declaration, By-Laws or Rules and Regulations of the Condominium shall be settled by arbitration in accordance with the Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitration may be entered in any court having jurisdiction thereof.

ARTICLE X
Amendments to By-Laws

Except as hereinafter provided otherwise, these By-Laws may be modified or amended by approval of sixty six and two-thirds percent (66 2/3%) in number and in Common Interests of the Unit Owners, upon notice as provided in Section 4 of Article III of these By-Laws.

The following provisions of these By-Laws may not be amended without the consent in writing of the Sponsor or Sponsor-affiliate so long as it shall be the owner of one or more Units:

(a) Section 2 of Article II - Insofar as it provides that the Board of Managers may not exercise certain powers without the Sponsor's or Sponsor-affiliate's consent for a period specified therein or so long as the Sponsor or a Sponsor-affiliate shall continue to own one or more Units.

(b) Section 1 of Article III - Insofar as it provides that the Sponsor or Sponsor-affiliate, so long as it is the owner of a Unit, shall be entitled to elect members of the Board of Managers, which members need not be Unit Owners.

(c) Section 8 of Article III - Insofar as it provides that the Sponsor or Sponsor-affiliate, so long as it is the owner of one or more Units, may cast the votes appurtenant thereto.

(d) Section 14 of Article V - Insofar as it provides that the provisions of such Section shall not apply to any Units owned by the Sponsor, Sponsor-affiliate, or any designee of same.

(e) Section 15 of Article V - Insofar as it provides for rights of the Sponsor and Sponsor-affiliate with respect to the use and alteration of the Common Elements so long as the Sponsor or a Sponsor-affiliate owns one or more Units.

(f) Section 11 of Article VII - Insofar as it applies to the Sponsor or a Sponsor-affiliate.

(g) This Article X.

(h) Any other provision of these By-Laws granting the Sponsor or a Sponsor-affiliate rights as such, or the amendment of which would adversely affect the Sponsor or any Sponsor-affiliate.

ARTICLE XI
Conflicts

These By-Laws are intended to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statue or of the Declaration, as the case may be, shall control.

ARTICLE XII
Certain Remedies

Section 1 Self Help. If any Unit Owner shall violate or breach any provision of the Declaration, these By-Laws or the Rules and Regulations and shall fail to cure such violation or breach within five days after receipt of written notice of the same from the Board of Managers (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five day period and, thereafter, to prosecute such cure diligently to completion) or immediately in the case of an emergency, the managing agent if any, and the Board of Managers shall have the right to enter such Unit Owner's Unit and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In the event that the Board of Managers shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building the

Board of Managers may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 2 Abatement and Enjoinment.

(a) If any Unit Owner shall violate or breach any provision of the Declaration, these By-Laws or the Rules and Regulations, the Board of Managers shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings either at law or in equity.

(b) Any violation or breach of any provision of the Declaration, these By-Laws or the Rules and Regulations with respect to any of the rights, easements, privileges or licenses granted to the Sponsor or other owner of an Unsold Unit shall give to Sponsor or such owner, the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings either at law or in equity.

Section 3 Remedies Cumulative; Non-Waiver. The remedies specifically granted to the Board of Managers, to the Sponsor or other owner of an Unsold Unit in this Article or elsewhere in the Declaration, these By-Laws or the Rules and Regulations shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, all in the sole discretion of the Board of Managers, the Sponsor or other owner of an Unsold Unit, as the case may be. The exercise of any remedy or failure to exercise any remedy shall not operate as a waiver, or preclude the exercise, of the remedy at any time or any number of times or the exercise of any other remedy.

Section 4 Costs and Expenses. All sums of money expended, and all costs and expenses (including reasonable attorneys fees and disbursements) incurred, in connection with any breach or violation of the Declaration, these By-Laws or the Rules and Regulations and any cure, abatement, remedy, enjoinment, proceeding or other action in connection with such breach or violation, (a) by the Board of Managers or (b) by the Sponsor or other owner of an Unsold Unit shall be paid immediately upon demand (y) by the Unit Owner committing the breach or violation to the Board of Managers (if expended or incurred by the Board of Managers) or (z) by the offending party (i.e., the Board of Managers or a Unit Owner or Unit Owners) to the Sponsor or other owner of an Unsold Unit (if expended or incurred by the Sponsor or such owner). All sums due pursuant to the preceding sentence shall bear interest from the date of the demand until paid at the lower of 18% per year or the maximum rate of interest permitted by law. The Board of Mangers shall have a lien for all sums payable by a Unit Owner to the Board of Managers pursuant to this Section 4 in the same manner as a lien for Common Charges.

ARTICLE XIII
Rights of Non-Purchasing Tenants and Obligations of the Board of Managers

Section 1. Records. The Board of Managers shall keep a record of all Units occupied by Non-Purchasing Tenants and the changes in ownership of such Units and shall make such information available, upon request. The Board of Managers shall promptly notify a Non-Purchasing Tenant occupant of a change in ownership of his or her Unit.

Section 2. Appointment of Agent. A Purchaser of a Unit occupied by a Non-Purchasing Tenant hereby irrevocably appoints the managing agent and its successors as his, her or its agent to provide to the Non-Purchasing Tenant all services and facilities required by law.

Section 3. Working Capital Deposit by Owners of Units of Non-Purchasing Tenants: The Unit Owner of a Unit that is occupied by a Non-Purchasing Tenant is responsible at the Closing of his, her or its Unit to deposit with the managing agent an amount not less than the greater of two months common charges or two months rent, which monies shall be used as working capital to furnish services required under the Non-Purchasing Tenant's lease and the laws and regulations which apply to the tenancy. The Unit Owner shall replenish such fund within thirty (30) days of receiving notice from the managing agent that the fund has been diminished. The failure of a Unit Owner to replenish the fund in a timely fashion shall result in the Board of Managers, on behalf of the Unit Owners, having a lien against the Unit. Interest, if any, earned on the fund shall be the property of the Unit Owner. A 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 and/or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien.

SCHEDULE A

Rules and Regulations

1. The Units shall be used only for residential use and for legally permitted uses accessory to residential use and for legally permitted professional or business offices subject to the provisions of the certificate of occupancy for the Building, except that the Sponsor or its designee(s) may, without obtaining the consent of the Board or the other Unit Owners: (a) allow Unsold Units to be used as a professional or business office or for any other purpose, provided that such use is permitted by law and does not violate the then existing Certificate of Occupancy covering such Unit and (b) use Unsold Units as a model Unit and sales and/or promotion offices in connection with the sale or rental of the Unsold Units or for any other purpose, subject only to compliance with law. The Building shall be used solely for the purposes for which the Units contained therein may be used.

2. Except as provided in Rule 1 above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted 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 on any part of the Property or in any Unit therein nor shall any Unit be used or rented for transient, hotel or motel purposes. Notwithstanding the above, the right is reserved by the Sponsor, Sponsor-affiliates and the Board of Managers, and their agent, (a) to place "For Sale," "For Rent" or "For Lease" signs on any Units owned by any of them, and (b) to erect, lease, manage and maintain commercial and recreational facilities on various portions of the Property as permitted by applicable law or regulation, and as contemplated by the Offering Plan, as amended. The right is hereby given to any mortgagee, who may become the owner of any Unit, to place the above described signs on any Unit owned by such mortgagee, but in no event will any such sign be larger than one foot by two feet.

3. Nothing shall be done or kept in the Units or the Common Elements or the Limited Common Elements that will increase the rate of insurance of the building, or contents thereof, without the prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements or Limited Common Elements that will result in the cancellation of insurance of the building, or contents thereof, or which would be in violation of any Legal Requirement. No Unit Owner or occupant or any agents, servants, employees, licensees or visitors or contractors of a Unit Owner shall at any time bring into or keep in his, her or its Unit, any Limited Common Element appurtenant thereto, or vestibule, any flammable, combustible or explosive fluid, material, chemical or substance (except gasoline in automobile tanks) except as appropriate to construction being performed therein and in compliance with all Legal Requirements. No waste shall be committed in the Common Elements or Limited Common Elements.

4. All radio, television or other electrical or communications equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations,

requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction thereof, and the Unit Owner alone shall be liable for any damage or injury or interference caused by any radio, television or other electrical or communications equipment in such Unit. No such installation shall interfere with reception of the master television antenna, if any.

5. Nothing shall be done in any Unit or in, on or to the Common Elements or Limited Common Elements that will impair the structural integrity of any building or that would structurally change the Building without the written consent of the Board of Managers.

6. Nothing shall be altered or constructed in, or removed from, the Common Elements, except upon the written consent of the Board of Managers.

7. No animal of any kind shall be raised, bred, or kept in any Unit or in the Common Elements or Limited Common Elements, except subject to the rules and regulations adopted by the Board of Managers from time to time. Such rules and regulations may prohibit animals. In any event no animal shall be kept, bred or maintained for any commercial purposes and any bird, animal or reptile causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed by the owner of such animal(s) from the Property upon three (3) days' written notice from the Board of Managers. In no event shall any dog be permitted in any portion of the Common Elements unless carried or on a leash, or in any grass or garden plot under any circumstances. A Unit Owner will be bound by any rule or regulation concerning pets adopted by the Board of Managers even if such rule or regulation is more restrictive than the rules in affect at the time the pet was first brought in to the Unit.

8. No noxious or offensive activity (including without limitation the production or release of offensive odors or excessive noise) shall be carried on by any Unit Owner in any Unit or in or on the Common Elements or Limited Common Elements, nor shall anything be done therein or thereon, either willfully or negligently, which may be or become an annoyance or nuisance to any other Unit Owner or occupant.

9. There shall be no obstruction of the Common Elements nor shall anything be stored in the Common Elements without the prior consent of the Board of Managers, except that the Limited Common Elements may be used for any purpose not prohibited by any Legal Requirement.

10. Except in recreational or other areas designated as such by the Board of Managers or in the Declaration, there shall be no playing, lounging, or parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches or chairs, on any part of the Common Elements, except that Limited Common Elements may be used for any purpose not prohibited by any Legal Requirement. Storage by Unit Owners in areas designated by the Board of Managers or in the Declaration shall be at their own risk.

11. No clothes, sheets, blankets, laundry or other articles of any kind shall be hung out of a Unit or exposed to any part of the Common Elements. The Common Elements and Limited Common Elements shall be kept free and clear of rubbish, debris and other unsightly

materials, nor shall any rugs or mops be shaken or hung from or on any of the windows, doors, railings, or vestibules, nor shall be a Unit Owner sweep or throw or permit to be swept or thrown therefrom any dirt or other substance.

12. Each Unit Owner shall keep his, her or its Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair his, her or its own Unit in accordance with the provisions of the By-Laws and these Rules and Regulations.

13. No lobby, vestibule, or landing shall be decorated or otherwise altered without the consent in writing of the Board of Managers.

14. The agents of the Board of Managers and the managing agent, and any contractor or workman authorized by the Board of Managers or the managing agent, may enter any room or Unit in the Building at any reasonable hour of the day upon reasonable advanced notice for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests.

15. The Board of Managers, or its designated agent, may retain a pass key to each Unit and any storage area under the control of the Unit Owner. No Unit Owner shall alter any lock or install a new lock on any door of the Unit or storage area without the written consent of the Board of Managers. In case such consent is given, the Unit Owner shall provide the Board of Managers, or its agent, with an additional key to afford access to the Unit and storage area. If entry is required in an emergency and the key has not been furnished as required by these Rules, an agent of the Board of Managers or the managing agent (with authorization from an officer of the Board of Managers) may forcibly enter the Unit without liability for damages or trespass, provided that reasonable care is exercised.

16. If any key or keys are entrusted by a Unit Owner or occupant or by his, her or its agent, servant, employee, licensee or visitor to an employee of the Board of Managers, whether for such Unit or for an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner or occupant, and the Board of Managers shall not be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith.

17. Any consent or approval given under these rules and regulations may be added to, amended or repealed at any time by resolution of the Board of Managers.

18. In order to retain the structural integrity and aesthetic appearance of the Building, no additional window or through-the-wall air-conditioning appliances may be installed in any Unit and no radio or television or other aerial or similar device shall be attached to or hung from the exterior of the Building by a Unit Owner without the written consent of the Board of Managers, which may condition its approval on compliance with aesthetic restrictions. If air conditioners and similar objects are permitted to be inserted in windows of the Building, the Board of Managers may prescribe a uniform color for them.

19. Not more than one family may occupy a Unit at any one time. A family member includes spouse, domestic partner registered as such with the City of New York, child, parent, grandparent, parent-in-law and sibling.

20. A Unit owned or leased by an individual, corporation, partnership, fiduciary or other entity may be occupied only by said individual, or by a designated officer, director, stockholder or employee of such corporation, or by a designated partner or employee of such partnership or by said fiduciary (including designated officers, directors, stockholders or employees of corporate fiduciaries), or by the beneficiary of said fiduciary, or by a principal or designated employee of such other entity, respectively, or by members of the family or guests of any of the foregoing. Within thirty (30) days after a Unit is acquired by an owner other than an individual, such non-individual owner shall notify the Board of Managers of the name of the officer, director, stockholder, partner, employee, principal, fiduciary, or beneficiary designated by such owner to occupy its Unit. The person so designated may be changed from time to time by the non-individual owner by similar written notice to the Board of Managers. However, all designees must be bona fide officers, directors, stockholders, partners, employees, principals, fiduciaries or beneficiaries of the non-individual owner. Guests are permitted only when a Unit Owner (or, in the case of Units owned by corporations, partnerships, fiduciaries or other entities, the designee of such Unit Owners) or a family member is present.

21. A Unit Owner shall ensure that seventy-five (75%) percent of exposed flooring in the Unit, except for kitchens or bathrooms, is carpeted or similarly covered.

22. In the event that any Unit shall be used for home occupation or professional purposes in conformance with the Declaration and By-Laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule. This Rule shall not confer any right to use any Unit in a manner not otherwise permitted.

23. Water-closets and other water apparatus shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown in to the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

24. These Rules and Regulations may be altered or amended by vote of the Board of Managers, as set forth in the By-Laws and Rules and Regulations may be rescinded as set fort in the By-Laws.

Page without text

SECTION I

GENERAL BUSINESS LAW SECTION 352-eeee

Page without text

NEW YORK STATE
GENERAL BUSINESS LAW
Section 352-eeee

1. As used in this section, the following words and terms shall have the following meanings:
(a) "Plan". Every offering statement or prospectus submitted to the department of law pursuant to section three hundred fifty-two-e of this article for the conversion of a building or group of buildings or development from residential rental status to cooperative or condominium ownership or other form of cooperative interest in realty, other than an offering statement or prospectus for such conversion pursuant to article two, eight or eleven of the private housing finance law.
(b) "Non-eviction plan". A plan which may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family intend to occupy the unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and discriminatory repurchase agreements or other discriminatory inducements.
(c) "Eviction plan". A plan which, pursuant to the provisions of this section, can result in the eviction of a non-purchasing tenant by reason of the tenant failing to purchase pursuant thereto, and which may not be declared effective until at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.
(d) "Purchaser under the plan". A person who owns the shares allocated to a dwelling unit or who owns such dwelling unit itself.
(e) "Non-purchasing tenant". A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.
(f) "Eligible senior citizens". Non-purchasing tenants who are sixty-two years of age or older on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit on the terms then offered to tenants in occupancy.
(g) "Eligible disabled persons". Non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent

the tenant from engaging in any substantial gainful employment on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided, however, that if the disability first occurs after acceptance of the plan for filing, then such election may be made within sixty days following the onset of such disability unless during the period subsequent to sixty days following the acceptance of the plan for filing but prior to such election, the offeror accepts a written agreement to purchase the apartment from a bona fide purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the shares allocated thereto on the terms then offered to tenants in occupancy.

2. The attorney general shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this chapter has been filed whenever it appears that the offering statement or prospectus offers for sale residential cooperative apartments or condominium units pursuant to a plan unless:
(a) The plan provides that it will be deemed abandoned, void and of no effect if it does not become effective within fifteen months from the date of issue of the letter of the attorney general stating that the offering statement or prospectus has been accepted for filing and, in the event of such abandonment, no new plan for the conversion of such building or group of buildings or development shall be submitted to the attorney general for at least twelve months after such abandonment.
(b) The plan provides either that it is an eviction plan or that it is a non- eviction plan.
(c) The plan provides, if it is a non-eviction plan, as follows:
(i) The plan may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.
(ii) No eviction proceedings will be commenced at any time against non- purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the non-purchasing tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto; and provided further that an owner of a unit or of the shares allocated thereto may not commence an action to recover possession of a dwelling unit from a non-purchasing tenant on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family.
(iii) Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to the conversion of the building or group of buildings or development to cooperative or condominium ownership shall continue to be subject thereto.
(iv) The rentals of non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and non- purchasing tenants who reside in dwelling units with respect to which government regulation as to rentals and continued

occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing by the attorney general shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses.

(v) The plan may not be amended at any time to provide that it shall be an eviction plan.

(vi) The rights granted under the plan to purchasers under the plan and to non-purchasing tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been filed, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth day after such date and at least once every thirty days until the plan is declared effective or is abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of the dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant as of the date of such statement and, (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(d) The plan provides, if it is an eviction plan, as follows:

(i) The plan may not be declared effective unless at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced against a non-purchasing tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later to occur of (1) the date which is the expiration date provided in such non-purchasing tenant's lease or rental agreement, and (2) the date which is three years after the date on which the plan is declared effective. Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to conversion shall continue to be subject thereto during the period of occupancy provided in this paragraph. Thereafter, if a tenant has not purchased, he may be removed by the owner of the dwelling unit or the shares allocated to such dwelling unit.

(iii) No eviction proceedings will be commenced, except as hereinafter provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing shall not be subject to unconscionable increases beyond ordinary rentals for

comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building services, level of maintenance and operating expenses; provided that such proceedings may be commenced against such tenants for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto.

(iv) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(v) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible disabled person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen or an eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy- eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been accepted for filing, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth days after such date and at least once every thirty days until the plan is declared effective or abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general who have executed and delivered written agreements to purchase under the plan as of the date of such statement, and (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(viii) If the plan is amended before it is declared effective to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(ix) The tenants in occupancy on the date the attorney general accepts the plan for filing shall have the exclusive right to purchase their dwelling units or the shares allocated thereto for ninety days after the plan is accepted for filing by the attorney general, during which time a tenant's dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase; subsequent to the expiration of such ninety day period, a tenant in occupancy of a dwelling unit who has not purchased shall be given the exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or the shares allocated thereto on the same terms and conditions as are contained in an executed contract to purchase said dwelling unit or shares entered into by a bona fide purchaser, such exclusive right to be exercisable within fifteen days from the date of mailing by registered mail of notice of the execution of a contract of sale together with a copy of said executed contract to said tenant.

(e) The attorney general finds that an excessive number of long-term vacancies did not exist on the date that the offering statement or prospectus was first submitted to the department of law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission to the department of law. "Excessive" shall mean a vacancy rate in excess of the greater of (i) ten percent and (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings or development for two years prior to the January preceding the date the offering statement or prospectus was first submitted to the department of law.
(f) The attorney general finds that, following the submission of the offering statement or prospectus to the department of law, each tenant in the building or group of buildings or development was provided with a written notice stating that such offering statement or prospectus has been submitted to the department of law for filing. Such notice shall be accompanied by a copy of the offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (vii) of paragraph (d) of this subdivision, whichever is applicable, will be available for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the plan to the department of law, during normal business hours, upon written request made by them to the offeror, provided such representatives are registered architects or professional engineers licensed to practice in the state of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the department of law.

3. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units in the building or group of buildings or development. Such managing agent shall provide to non- purchasing tenants all services and facilities required by law on a non- discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control to the board of directors or board of managers, at which time the cooperative corporation or the condominium association shall assume responsibility for the provision of all services and facilities required by law on a non-discriminatory basis.

4. It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his dwelling unit or the facilities related thereto. The attorney general may apply to a court of competent jurisdiction for an order restraining such conduct and, if he deems it appropriate, an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

5. Any local legislative body may adopt local laws and any agency, officer or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units which are subject to regulation as to rentals and continued occupancy pursuant to law,

provided that in the event that any such local law, rule or regulation shall be inconsistent with the provisions of this section, the provisions of this section shall control.

6. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

7. The provisions of this section shall only be applicable in the city of New York.

SECTION J

CERTIFICATIONS

Page without text

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO SECTIONS 23.2 (c) AND 23.4 (b) OF THE REGULATIONS GOVERNING THE CONVERSION OF OCCUPIED RESIDENTIAL PROPERTY TO CONDOMINIUM OWNERSHIP, ISSUED PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

Re: 430 Waverly Avenue
Brooklyn, New York

We are the sponsor and the principal of the sponsor of the condominium offering plan for the captioned property.

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

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, or suppression, false pretense or fictitious or pretended purchase or sale;

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

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

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representations or 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.

430 Waverly Avenue, LLC

By: _____
Mieko Miyamoto, Managing Member

Sworn to before me this
14th day of February, 2006

_____
Notary Public

GUILLERMO SANTIAGO
NOTARY PUBLIC
QUALIFIED IN NY CO. NY
02SA6138152
EXP DEC 12 2009
DATE: 2/14/06
SIGN: _____

_____
Mieko Miyamoto

Sworn to before me this
14th day of February, 2006

_____
Notary Public

GUILLERMO SANTIAGO
NOTARY PUBLIC
QUALIFIED IN NY CO. NY
02SA6138152
EXP DEC 12 2009
DATE: 2/14/06
SIGN: _____

CERTIFICATE OF SPONSOR'S ARCHITECT PURSUANT TO SEC. 23.4 (c) OF THE REGULATIONS OF THE DEPARTMENT OF LAW PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

Re: 430 Waverly Avenue Condominium
430 Waverly Avenue
Brooklyn, New York 11238

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me/our firm to prepare a report disclosing the condition of the property (the "Report"). I/We visually inspected the property on September 28, 2005, and prepared the Report dated April 25, 2007, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I/We understand that I/we am/are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in 13 NYCRR Part 23 insofar as they are applicable to this Report.

I/We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it and conducted the visual inspection referred to above with due diligence in order to form a basis for this certification. I/We certify that the Report and all documents prepared by me/us disclose all the material facts which were then discernible from a visual inspection of the property. This certification is made for the benefit of all persons to whom this offer is made. I/We certify that the Report, based on my visual inspection:

(i) sets forth in narrative form the physical condition of the entire property, and is current and accurate as of the date of inspection;

(ii) in my/our professional opinion, affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property;

(iii) does not omit any material facts;

(iv) does not contain any untrue statement of material fact;

(v) does not contain any fraud, deception, concealment, or suppression.

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

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

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

(viii) It is to be understood that all aspects of the physical condition of the property cannot be determined by a visual inspection and that all statements contained in this certification are premised on and limited to such visual inspection.

I/We further certify that I am/we are not owned or controlled by and have no beneficial interest in the sponsor and that my/our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Sal V. Tartaglione, RA
Sal V. Tartaglione, Architect, P.C.
142 Mineola Avenue
Suite 3A
Roslyn Heights, NY 11577

Sal V. Tartaglione

REGISTERED ARCHITECT
SAL V. TARTAGLIONE
22382
STATE OF NEW YORK

Sworn to before me this
25 day of APRIL, 2006

Notary Public

JAMES HU
Notary Public, State of New York
No. 01HU5077961
Qualified in Nassau County
Commission Expires May 19, 2008

CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET PURSUANT TO PART 20 OF THE REGULATIONS OF THE DEPARTMENT OF LAW PURSUANT TO GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

Re: 430 Waverly Avenue Condominium
430 Waverly Avenue
Brooklyn, NY 11238

The sponsor of the condominium offering plan for the captioned property retained my firm to review or prepare Schedule B, containing projections of income and expenses for the first year of condominium operation. REM Residential has been in business for over five years and my experience in this field includes:

220 West 15th Street, New York, New York
221 West 14th Street, New York, New York
223 West 14th Street, New York, New York
140 Charles Street, New York, New York
170 East 88th Street, New York, New York
12 East 14th Street, New York, New York

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B.

I have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on our experience in managing residential buildings.

I certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedule:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

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

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

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

I further certify that my firm is not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

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

REM Residential

By: _____
Rick B. Elezi, President

Sworn to before me this
18th day of March, 2006.

_____
Notary Public

VERA SINANOVIC
Notary Public, State of New York
No. 01SI6133447
Qualified in New York County
Commission Expires 09-19-2009