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Vermeil LLC (The)
c/o Sonnenschein, Sherman & Deutsch, LLP
Attention: Perry Balagur
888 Seventh Avenue, Suite 501
New York, NY 10106

RE: Vermeil Condominium (The)
File Number: CD060299 Amount Offering \$37,034,000.00
Filing Fee: \$10,000.00 Receipt Number: 81915
Acceptance Date: 11/13/2006

Dear Sponsor:

The offering literature submitted for the subject premises is hereby accepted and filed. Unless extended by duly filed amendment, the effectiveness of the filing shall expire twelve months from this date. All advertising and solicitation material must be consistent with the contents of the filed offering literature. Any material change of facts or circumstances affecting the property or the offering requires an immediate amendment.

Any misstatement or concealment of material fact in the literature filed renders this filing void ab initio. This office has relied on the truth of the certification of sponsor, sponsor's principals and sponsor's experts, as well as the transmittal letter of sponsor's attorney.

The issuance of this letter is conditioned upon the faithful performance of all of the obligations of the sponsor, its agents and instrumentalities, which are required by law or set forth in the offering literature. If there is a failure or neglect to perform any such obligations when required, the effectiveness of this letter shall be suspended, and all offering and sales shall cease, pending further action by this office. Issuance of this letter is further conditioned on the collection of all fees imposed by law. This letter is your receipt for the above filing fee.

The filing of the offering literature shall not in any way be construed as approval of the contents or terms thereof by the Attorney General of the State of New York. Nor does it waive or limit the Attorney General's authority to take enforcement action for violation of Article 23-A of the General Business Law or other applicable provisions of law.

Very truly yours,

Arthur Wolfish
Assistant Attorney General

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



Located at:
133 Sterling Place
Brooklyn, New York 11213

22 Residential Units	\$35,725,000.00
22 Parking Units	\$ 1,309,000.00
TOTAL:	\$37,034,000.00

Name and Address of Sponsor:

The Vermeil LLC
357 Flatbush Avenue
Brooklyn, New York 11217

Name and Address of Selling Agent:

Brown Harris Stevens
100 Seventh Avenue
Brooklyn, New York 11215

Name and Address of Sponsor's Attorney:

Sonnenschein, Sherman & Deutsch, LLP
888 Seventh Avenue, Suite 501
New York, New York 10106

The Date of Acceptance for filing of the Offering Plan is November 13, 2006.
The Offering Plan May not be Used After November 12, 2007, Unless Extended By Amendment.

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

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

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

THE VERMEIL CONDOMINIUM

TABLE OF CONTENTS

PART I

	<u>PAGE</u>
SPECIAL RISKS	1
INTRODUCTION	8
Features of Condominium Ownership	9
Legal Documents	11
Copy of the Plan	11
DESCRIPTION OF PROPERTY AND IMPROVEMENTS	11
The Property	11
The Building	11
The Residential Units	12
Limited Common Elements	12
Building Services and Facilities	13
LOCATION AND AREA INFORMATION	13
Location and Services	13
Police, Fire, Water, Snow Removal & Road Maintenance	13
Easements	14
Transportation	14
Educational Facilities	14
Religious Institutions	14
Parks, Recreational and Cultural Facilities	14
Zoning	14
SCHEDULE A	15
FOOTNOTES TO SCHEDULE A	17
SCHEDULE B	21
FOOTNOTES TO SCHEDULE B	22
SCHEDULE B-1: ESTIMATED UNIT UTILITY COSTS	26
EXPERTS OPINIONS UNDER §339-i	27
PARKING AND STORAGE BINS	28
CHANGES IN PRICES AND UNITS	29
PROCEDURE TO PURCHASE	30
No Mortgage Contingency	31
Failure to Close	32
Purchaser's Right to Cancel	33
Final Inspection of Unit	34
Risk of Loss	34
ESCROW FUNDS	35
ASSIGNMENT OF PURCHASE AGREEMENTS	38
EFFECTIVE DATE OF THE PLAN	38
TERMS OF SALE AND CLOSING OF TITLE TO UNITS	39

PART I

PAGE

STATUS OF TITLE AT CLOSING	42
EASEMENTS	44
CLOSING COSTS AND ADJUSTMENTS	45
Estimated Closing Costs.....	45
Estimated Expenses and Adjustments	49
Penalty for Adjourned Closings.....	49
RIGHTS AND OBLIGATIONS OF THE SPONSOR	49
CONTROL BY THE SPONSOR	57
BOARD OF MANAGERS	58
RIGHTS AND OBLIGATIONS OF THE UNIT OWNERS AND THE BOARD OF MANAGERS.....	60
Sale or Lease of Units by Unit Owners	60
Mortgaging of Units by Unit Owners.....	62
Common Charges and Assessments	62
Repairs	64
Insurance	64
Additions, Alterations and Improvements	66
Restrictions on Occupancy and Use	68
Compliance with Declaration, By-Laws, Rules and Regulations.....	68
Amendments to Condominium Documents	69
No Partition of Common Elements	69
Termination of Condominium	70
INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM.....	70
NO RESERVE FUND FOR CAPITAL EXPENDITURES	74
WORKING CAPITAL FUND	74
MANAGEMENT AGREEMENT, CONTRACTS AND LEASES	75
Insurance	75
Service Contracts	75
IDENTITY OF PARTIES	75
Sponsor	75
Architect	76
Selling Agent.....	76
Attorneys for Sponsor.....	76
REPORTS TO UNIT OWNERS	76
DOCUMENTS ON FILE.....	77
GENERAL	77
SPONSOR'S STATEMENT OF SPECIFICATIONS AND BUILDING CONDITION	78

PART II

PAGE

EXHIBIT A	- Floor Plans	83
EXHIBIT B	- Architects's Description of Property	115
EXHIBIT C	- Unit Description	137
EXHIBIT D	- Purchase Agreement and Power of Attorney	139
EXHIBIT E	- Unit Deed	191
EXHIBIT F	- Declaration of Condominium.....	197
EXHIBIT G	- Condominium By-Laws.....	225
EXHIBIT H	- Counsel's Opinions.....	271
EXHIBIT I	- Certifications:	
	Sponsor	283
	Sponsor's Engineer (or Architect)	285
	Sponsor's Expert Concerning Adequacy of Budget	287
EXHIBIT J	- Escrow Agreement for Purchaser's Down Payments.....	289
EXHIBIT K	- Application to Attorney General for Determination on the Disposition of Down Payments.....	295

PART I

SPECIAL RISKS

1. Completion of Construction. Although Sponsor is obligated to complete the Units and the Common Elements, as described in this Offering Plan, and to obtain a permanent Certificate of Occupancy for the Building, each Purchaser shall be obligated to close on the purchase notwithstanding that on the Closing Date Sponsor has not obtained a permanent certificate of occupancy for the Building or completed construction of (a) details of the Unit or the Property, (b) other Units, or (c) the Common Elements which do not prevent Purchaser's use of the Unit and Purchaser's access to the Unit, provided that Sponsor has obtained a temporary certificate of occupancy with respect to the Unit, or to the Building or to the floor of the Building on which the Unit is located, and all essential services (i.e., heat, hot/cold water and electricity) are being supplied or furnished to the Unit. Sponsor represents that currently its assets and funding sources are sufficient to meet its obligations under the Offering Plan, including, but not limited to, its obligation to complete the Building and obtain a permanent certificate of occupancy for the Building. Except upon issuance of a temporary certificate of occupancy and the closing of the first Unit, in which event a bond or escrow deposit in the amount estimated by the Architect as reasonably necessary to obtain the permanent certificate of occupancy will be provided, no bond or other security will be given to secure Sponsor's obligations to complete construction and perform its other obligations, including but not limited to its obligation to pay Common Charges, assessments and real estate taxes with respect to Unsold Units under this Plan. See "Rights and Obligations of Sponsor."

2. Sponsor's Right to Make Changes in Units. Sponsor reserves the right to make changes to the Plans and Specifications, provided that any substitution of materials, equipment, appliances, or equipment shall be of substantially equal or better quality than the item substituted for and any necessary approval of any governmental authority shall have been first obtained, if required. Sponsor may not make a material change in the size, layout or location of any Unit or other improvements or Common Interests if such changes affect the Percentage of Common Interests or adversely affects the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect, unless all affected Unit Owners consent in writing to such change and all affected contract vendees of Sponsor consent in writing to such changes or are offered a right to rescind their purchase agreement and receive back their contract deposit. See "Description of Property and Improvements," and "Rights and Obligations of Sponsor."

3. Estimated Real Estate and Income Taxes. Although the estimate of New York City real estate taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations and tax rates, when actually made by the City of New York, may be lesser or greater. Accordingly, these estimates of assessed valuation and tax rates are to be considered opinions and are not intended, and should not be construed as warranties as to future assessed valuations and tax rates. The Sponsor has applied for tax exemption benefits under Section 421-a of the Real Property Tax Law described in Schedule A to the Plan and has obtained a Preliminary 421-a Certificate of Eligibility. However, in no event will the Sponsor, its principals, sales agents, consultants, Sponsor's counsel or any other person be liable if any assessed valuation or tax rate, when actually made, is lesser or greater than that projected herein or if Section 421-a benefits are not granted by the City of New York, or if the Administrative Code and the applicable rules and regulations of the City of New York are in the future changed. See Schedule A and the footnotes thereto for more details.

4. No Mortgage Contingency. The Purchase Agreement is not contingent upon the Purchaser obtaining financing. Although a Purchaser may obtain financing from a lending institution or any other source, the Purchaser's obligation to purchase the Unit pursuant to the Purchase Agreement is not contingent upon obtaining financing for such purchase. A Purchaser is free to apply to any lender Purchaser chooses for any financing, either directly to a lender or through a mortgage broker, the inability to obtain a mortgage loan commitment or mortgage loan shall not relieve a Purchaser of Purchaser's obligations under the Purchase Agreement. If a Purchaser needs and fails or is unable

to obtain a mortgage loan to from a lender purchase a Unit and thereby is unable to close on the purchase of the Unit, Purchaser will be in default of the Purchase Agreement and Sponsor shall have the right to seek its legal remedies, which include, but are not limited to forfeiture of Purchaser's down payment. Time is of the essence with respect to Purchaser's obligations to perform all of Purchaser's obligations under the Offering Plan. Any and all costs, fees or expenses necessary or required to be paid in connection with any Purchaser's mortgage loan or mortgage loan commitment shall be borne solely by such Purchaser, and no matter what the cause or reason, Sponsor shall not be responsible for paying or reimbursing Purchaser any of such costs, fees or expenses. See "Procedure to Purchase" and the Purchase Agreement for further information.

In the event a Purchaser obtains a mortgage loan commitment to purchase a Unit, and (a) does not close on the purchase of the Unit before the expiration of the commitment, even if the Sponsor is not ready to close on the Unit because of lack of a temporary certificate of occupancy or otherwise, and (b) incurs additional fees to extend the commitment or obtain a new commitment from the same or another lender, or incurs any additional fees, costs or expenses in connection with any delay in the anticipated or scheduled closing date (including, but not limited to, increases in interest rates or additional "points" or extension fees levied by the lender), or loses its commitment, Purchaser must pay all such fees or costs incurred by or imposed upon the Purchaser. Sponsor, its members, principals, selling agents and counsel shall not be responsible for the payment or reimbursement of any of such fees or costs incurred by or imposed upon the Purchaser, or any other loss. See "Procedure to Purchase" and the Purchase Agreement.

At the sole and absolute option of the Sponsor, Sponsor may offer and Purchaser may accept Sponsor obtained financing, and/or Sponsor may require that Purchaser shall make prompt application (or a second application) to another institutional lender or mortgage broker designated by the Sponsor for a mortgage loan. Any written commitment from an institutional lender for a loan of up to eighty (80%) percent of the purchase price, at then standard interest rates, and other standard provisions of a condominium unit mortgage, shall be deemed to have met a mortgage contingency if and only if such contingency is permitted by Sponsor, whether or not conditioned upon any factors other than an appraisal satisfactory to such institutional lender. If Sponsor permits a Purchase Agreement to be conditional upon the Purchaser obtaining a mortgage loan, and if within the later of (a) the earlier of (i) forty-five (45) days of Contract Delivery Date, or (ii) the date the lender or mortgage broker refuses to issue a commitment to Purchaser, or (b) forty-five (45) days after the date Sponsor notifies Purchaser of Sponsor's election to require Purchaser to make a second application, the mortgage loan commitment has not been obtained, either Sponsor or Purchaser may cancel the Purchase Agreement on written notice to the other party given within five (5) days of the end of such forty-five day period, time being of the essence as to such five (5) day period. The withdrawal by a lending institution of its loan commitment for any reason except that the Unit does not appraise for an adequate value, including, but not limited to, a change in Purchaser's financial condition or an inability to obtain an extension of such commitment, refusal by Purchaser to pay an extension fee, or any refusal of the lender to fund the loan, shall not relieve Purchaser of his or her obligations under the Purchase Agreement. In no event shall Sponsor be liable for any costs, fees or expenses relating to Purchaser's inability to obtain or extend a mortgage commitment, even if such event results from a delay in closing caused by the Purchaser.

5. Minimum Sales Requirement. Pursuant to existing law and regulations, the Sponsor may declare the Plan effective by selling a minimum of fifteen (15%) percent of the Residential Units in the Building. The Sponsor's Building Loan Mortgage does not limit the number of sales required before Sponsor may declare the Plan effective, but the mortgagee's review and approval, which may not be unreasonably withheld or delayed, of the Condominium Documents is required before recording. However, the Sponsor is required to obtain sales contracts for fifty (50%) percent of the Units (by square footage) by the Sponsor's Mezzanine Loan. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to close on the Units with fewer than the minimum number of sales, if Purchasers counted toward effectiveness default under their Purchase Agreement or otherwise do not ultimately close thereunder. Purchasers should

note that banks and other lenders impose various restrictions on mortgage loans secured by condominium units. Such restrictions usually include a requirement that a certain percentage of the condominium units in a building be sold before the lender will make or consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building where the percentage of units purchased is lower than a particular lender's minimum requirements. Even once a building is declared a condominium, lenders may still impose minimum sales requirements before granting a loan. It may then be difficult for a purchaser to resell a unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements. See "Effective Date of the Plan."

6. No Bond or Other Security. Sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to unsold Units. Although the Sponsor represents that it has the financial resources to meet its obligations to the Condominium, no bond or security has been posted nor will be posted to secure these obligations. See "Rights and Obligations of the Sponsor"

7. Purchaser's Closing Costs. Each Purchaser shall be responsible for additional costs and expenses at closing including but not limited to: a legal fee of \$3,000 payable to Sponsor's attorneys (however, this fee will be reduced to \$2,500 if Purchaser uses National Granite as its title company and Sponsor's attorney determines that this resulted in a time savings of said attorney's work) provided the closing is held at the office of Sponsor's attorney. If the Purchaser requests that the name(s) of the grantee(s) on the deed and other conveyance documents be changed from the name(s) on the Purchase Agreement, and such change is not requested in writing from Sponsor's attorneys at least five business (5) days prior to the scheduled closing date, an additional \$300 fee will be due and payable to Sponsor's attorneys. If the Purchaser does not pay the balance of the purchase price on time and is not held in default by the Sponsor, a fee equal to .05% of the purchase price (e.g., \$850,000 x .05% = \$425 per diem) for each day that the closing is adjourned shall be due and payable by the Purchaser at the closing. Purchaser shall be obligated to pay (i) the New York State Real Estate Transfer Tax at the rate of 0.4% for each \$100 of the Purchase Price, (ii) the New York State "mansion tax", if Purchase Price is \$1 million or above, at the rate of 1.0% of the Purchase Price, (iii) the City of New York Real Property transfer tax at the rate of 1.0% of Purchase Prices less than \$500,000 and at the rate of 1.425% for Purchase Prices of \$500,000 or more and all filing fees in connection therewith, and (iv) any new or additional taxes which may be imposed by law. Additionally, the New York State Real Estate Transfer Tax and New York City Real Property Transfer Tax are calculated on an adjusted total purchase price. The adjusted total purchase price is obtained by calculating the transfer taxes on the purchase price, then adding the transfer taxes to the purchase price to obtain the adjusted total purchase price. In addition, Purchasers shall at closing reimburse Sponsor to the extent Purchaser receives a mortgage tax credit pursuant to §339-ee(2) of Article 9-B of the New York Real Property Law (the "Condominium Act"). (See "Closing Costs And Adjustments"). The Sponsor reserves the right to modify any of the foregoing on an individual basis in its sole discretion in any Purchase Agreement.

8. Upgrades and Special Work. Payments made for special work, upgrades or extras ordered by Purchasers, if any, must be initially placed in the escrow account held by Sponsor's attorneys; any such funds shall be in addition to the down payment required in the Purchase Agreement. However, these funds may be released from escrow prior to any Unit closing so long as the Sponsor uses these funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission of the Purchase Agreement, the Purchaser will not receive a refund of any funds used for the upgrades or extras, or for charges which were incurred for such upgrades or extras. See "Procedure to Purchase".

9. Construction Period. Construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. Sponsor currently estimates that the First Closing will take place on or about January 1, 2007. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. During the first year of condominium operation, construction workers and related personnel will be at the property from time to time making adjustments and performing various tasks related to the

completion of construction. Various systems, including, but not limited to, water supply, air conditioning, heating, ventilating and elevators, may require a few months after any unit closing to complete and may need to be shut down temporarily for short periods of time. Various other adjustments to windows and elevators and other systems may require months or more after the first closing of title to a Unit to be completed (the "First Closing"). Sponsor may not complete the landscaping, security gates, final paving, exterior lighting or sidewalks or curbs until after the last Unit is occupied. Furthermore a Purchaser who closes title to his or her other Units during the completion of construction of Common Elements or other Units acknowledges that construction noise, vibrations and odors may interrupt their enjoyment of their Units during such period. Construction hours may begin early in the morning and continue through the daylight hours. Sponsor does not contemplate construction on weekends but reserves the right to conduct construction activities on weekends subject to government regulations. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party in the event of non-completion of any item of construction on any projected date, or any interruption of services in the building. During the first year of Condominium operation, Unit Owners may pay for some utility charges incurred by Sponsor completing work on common areas. See "Procedure to Purchase".

10. Alterations. A Purchaser may not commence any alteration, addition, or improvement which would require a construction permit issued by the New York Department of Buildings, including but not limited to, the combination of two or more Units, until the Permanent Certificate of Occupancy for the Building has been obtained. The Department of Buildings may impose severe fines if a permanent Certificate of Occupancy for the Building is not issued within two (2) years of the initial temporary Certificate of Occupancy. Any Purchaser (as Unit Owner) who causes a delay in the issuance of a permanent Certificate of Occupancy will be liable to other Unit Owners, the Sponsor and the Condominium Board for damages. Additionally, the Building is located within the Park Slope Historic District and any exterior work may be subject to the prior approval of the City of New York Landmarks Preservation Commission. See "Additions, Alterations and Improvements" under "Rights and Obligations of Unit Owners..." and "Status of Title at Closing."

11. Advertising for Resale. Prior to the Closing, the Purchase Agreement prohibits a Purchaser from listing the Unit with any broker, advertising, publicizing, or otherwise offering the availability of the Unit for sale. See "Procedure to Purchase".

12. Down Payments in Excess of \$100,000. Federal bank deposit insurance covers deposits (including interest earned thereon) to a maximum of \$100,000 per deposit. Down payments tendered by Purchasers in excess of \$100,000 (and any interest earned thereon) will not be federally insured in excess of \$100,000.

13. Purchaser's Default. If Purchaser defaults under the Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that Purchaser has thirty (30) days from the mailing date or personal delivery of such notice within which to cure such default. Time is of the essence for Purchaser to cure any default under the Purchase Agreement within such thirty (30) day period. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date or personal delivery of such written notice, Sponsor may (but shall not be obligated to) seek by appropriate legal proceedings (1) specific performance of Purchaser's obligations under the Purchase Agreement or (2) recovery of Sponsor's actual damages as a result of Purchaser's default, or, in lieu thereof, elect to cancel the Purchase Agreement, and, in such event, the monies held by the Escrow Agent, but not more than ten (10%) percent of the Purchase Price, and the actual costs incurred for any special work or upgrades ordered on behalf of Purchaser (even though the total amount of liquidated damages thereby exceeds ten (10%) percent of the Purchase Price) shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Additionally, if a Purchaser fails for any reason, other than due to Sponsor, to close title to a Unit on the originally scheduled Closing Date and Sponsor elects not to cancel the Purchaser's Purchase Agreement as a result of such default, the apportionments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled

Closing Date and, additionally, Purchaser will be required to pay to Sponsor an amount equal to .05% of the Purchase Price for each day that the Closing is adjourned. See "Closing of Title to Units". The Sponsor reserves the right to modify any of the foregoing, on an individual basis, in its sole discretion, in any Purchase Agreement. See "Purchase Agreement."

14. Sponsor Control. Sponsor shall have control of the Board of Managers for up to five (5) years after the First Unit Closing or until more than seventy-five (75%) percent of the Common Interests in the Condominium have been sold, whichever occurs first (the "Sponsor Control Period"). During such Sponsor Control Period, Purchasers for their own occupancy may not gain control of the Board of Managers under the terms of this Plan. Therefore, while Sponsor is in control of the Board, Sponsor will have control of the maintenance and operation of the Condominium and will, as controlling party on the Board of Managers, determine the Common Charges to be paid for all Unit Owners (including Sponsor); provided, however, Sponsor shall vote to authorize the expenditures set forth in Schedule B of this Plan or any other expenditure required: (i) to comply with applicable laws or regulations, (ii) to remedy any notice or violations, or (iii) to remedy any work order by an insurer. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment. The By-Laws of the Condominium do not include a provision that after the initial Sponsor Control Period of no more than two years a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals. See "Control by Sponsor."

15. Amendment of Documents during Sponsor Control. After the end of the Sponsor Control Period, the Board may not amend the Declaration or the By-Laws nor take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make or allow any addition, alteration or improvement to the Common Elements unless required by law, (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Unit Closing or otherwise provide services in excess of those referred to in the Plan, (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit, or, (g) reduce any services; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

As long as Sponsor or a Sponsor-designee shall own one or more Units, the Board may not, without the prior written consent of Sponsor or the Sponsor-designee, as the case may be, which consent may be withheld by Sponsor or the Sponsor-designee, as the case may be, in its sole discretion: (i) amend the Declaration or By-Laws of the Condominium except as specifically permitted in such documents; or (ii) interfere with (a) the offer and sale or leasing of Units belonging to Sponsor or a Sponsor-designee, (b) the operation of general or sales and leasing offices on the Property, or (c) any actions necessary for construction, renovation, repair, or correction of the Unit(s) owned by Sponsor, or to the Property as required by Sponsor or a Sponsor-designee, as the case may be. See "Control by the Sponsor".

16. Sponsor's Right to Rent. Although Sponsor does not currently intend to rent unsold Residential Units, Sponsor reserves the right under certain financial conditions to offer unsold Residential Units for rent. Sponsor represents that its current intention is to endeavor in good faith to sell Residential Units in a reasonably timely manner to Purchasers for the personal occupancy of Purchasers or their immediate families. However, in the event Sponsor reasonably believes that there is a decline in market values from Sponsor's offering prices as set forth herein, or from and after the first anniversary of the Date of Acceptance set forth on the cover, such offering prices have

not been increased by at least fifteen (15%) percent over the prices set forth as the offering prices set forth in this Plan, Sponsor reserves the right to rent, rather than sell, Units. Sponsor's good faith efforts to sell to Purchasers will include listing unsold Residential Units with brokers, showing unsold Residential Units to brokers and prospective purchasers or their representatives, and otherwise engaging in customary sales activities. In the event that Sponsor makes a bulk sale of all of the Residential Units, the transferee successor-Sponsor will be bound by Sponsor's representations regarding its commitment to sell. Since Sponsor has a conditional right to rent rather than sell Units, and there is no commitment by Sponsor to sell more than fifteen (15%) percent of the Residential Units necessary to declare the Plan effective, owner-occupants may never gain effective control and management of the Condominium. Sponsor has obtained a construction loan from North Fork Bank (the "Lender") with an office at 275 Broad Hollow Road, Melville, New York 11747 (the "Construction Loan"). Sponsor has also obtained a Mezzanine Loan (the "Mezzanine Loan") from RCG Longview II, L.P. (the "Mezzanine Lender"). See Introduction in Part I for a definition of a Mezzanine Loan. The Construction Loan and Mezzanine Loan each establish a minimum release price per Residential Unit. The loan documents provide that Sponsor may not rent Units without Lender's or Mezzanine Lender's consent. See "Introduction" and "Rights and Obligations of the Sponsor."

17. Parking Units and Storage Bins. There will be twenty-two (22) Parking Units which may be purchased by Residential Unit Owners. There will be seventeen (17) Storage Bins available by license through the Board of Managers of the Condominium. The Parking Units will be sold on a first come, first serve basis. Storage Bins will be licensed to Residential Unit Owners at no extra cost on a first come, first serve basis, limit of one Storage Bin for each Residential Unit, subject to such Unit Owner entering into a Storage Bin License Agreement in the form set forth as an Exhibit to the "Purchase Agreement." Some Residential Unit Owners will not be able to obtain a license to use a Storage Bin. Except for the Sponsor and its designees, the right to use a Storage Bin is limited to Residential Unit Owners. The method of allocating the common profits and expenses for the Parking Units, such Units being a non-residential units, are specially allocated and apportioned based upon Condominium Act Section 339-m. The budget items shared by the Parking Units have been separated from the budget items shared by the Residential Units and charged only to the Parking Units. The Storage Bin License Agreement requires that Licensees pay an annual license fee of \$200.00, subject to annual increases capped at ten (10%) percent per year. In addition, at Closing Purchaser who license a Storage Bin will pay Sponsor's attorneys a \$500 fee for preparation of the Storage Bin License Agreement. The Parking Units and Storage Bins are located on the cellar level of the Building as shown on the Floor Plans at Exhibit A in Part II of the Plan. See "Schedule A hereto", "Parking Units and Storage Bins" and "Purchase Agreement."

18. Dimensions Approximate. All dimensions shown on floor plans are approximate and subject to square footage and construction variations. The dimensions are based upon measurements from the exterior walls and do not represent the interior space in the Units, and may thus exaggerate such interior area space by as much as ten (10%) percent. Square footage as calculated in Schedule A is described in "Footnotes to Schedule A."

19. Easements. (a) The Property may be burdened by easements to the City of New York, Consolidated Edison, Keyspan Energy, Verizon and/or any utility company for the purposes of installing, operating and maintaining water, sewer and gas mains, utility and cable lines and any facilities appurtenant thereto, which mains and facilities are to be installed and located on the Property. The Property also may be burdened with various easements to utility companies for the purpose of installing, operating and maintaining electric, cable TV, telephone, gas and other services and facilities appurtenant thereto. Sponsor reserves the right to grant such easements and to execute such forms in connection therewith as the City of New York, Consolidated Edison, Keyspan Energy or any utility company may require. To the extent that any such easements have not been granted or recorded prior to the Closing of any Unit, title to such Unit(s) shall be conveyed subject to Sponsor's right to grant such easements. (See section of this Plan entitled "Terms of Sale".)

(b) The Sterling Place Condominium, which adjoins the Property, has an existing easement to maintain, repair, replace and to use a geothermal well which is located in the cellar garage of the Property, which geothermal well furnishes heating and cooling to their building. See "Status of Title at Closing."

20. Housing Merchant Implied Warranty. Sponsor offers the Housing Merchant Implied Warranty as required by GBL Article 36-B. The warranty is a limited warranty, meaning that there are defined exceptions. This limited warranty is given in lieu of and replaces all other warranties on the construction and sale of the Unit and its components, both express and implied (including any warranties of merchantability or fitness for particular purpose and the housing merchant implied warranty). There are no Unit warranties which extend beyond the face hereof. The purpose of this limited warranty is to identify the Sponsor's responsibilities for construction defects of a latent or hidden nature that could not have been found or disclosed on final inspection of the home. The limited warranties cover the following parts of a Unit: (i) for one year from the Warranty Date, a Unit will be free from defects caused by Sponsor's failure to construct the Unit in a skillful manner; (ii) for two years from the Warranty Date, a Unit will be free from defects in the plumbing, electrical, heating, cooling or ventilation systems of the Unit (if any) caused by Sponsor's failure to have installed those systems in a skillful manner; and (iii) for six years from the Warranty Date, the Unit will be free from latent defects that are Major Structural Defects. See "Housing Merchant Implied Warranty" under "Rights and Obligations of Sponsor" for details.

21. Use of Residential Units. A Residential Unit may only be used for residential purposes, or such home occupational use as may be permitted by law. Cellar rooms in Units D and E may not be used as bedrooms. Such use will result in violations being posted against the Building. See "Features of Condominium Ownership" under "Introduction" in the following section.

22. Terraces. Some units will each have a Limited Common Element terrace, balcony or garden directly accessible from the Unit. Although the purchasers of these Units will have exclusive use of a portion of a roof terrace, balcony or garden as a limited common element (subject to an easement to all Unit Owners for fire access), Sponsor makes no representation as to what use may be made of the space or what improvements, if any, may be made on the roof either pursuant to law and government regulations or whether any request to improve it will be approved by the Board of Managers. The Declaration prohibits enclosure of the roof terraces, balconies or gardens. (See Description of Limited Common Elements in Part I of the Plan.)

23. Interim Leases and Occupancy Before Closing. In the event a Purchaser occupies a Unit s(he) is purchasing prior to Closing under an interim lease or otherwise, the Purchaser shall be solely responsible for any damage to or loss at the Unit based upon such occupancy based upon their occupancy. See "Risk of Loss" under "Procedure to Purchase."

24. Roughing only for Washing Machines and Dryers. Sponsor will provide only the electrical, hot and cold water and drain connections for a washing machine and electric dryer in each Residential Unit. Purchasers will have to purchase their own washing machine and dryer.

OFFERING PLAN FOR THE VERMEIL CONDOMINIUM

INTRODUCTION

The Vermeil LLC, a New York limited liability company (the "Sponsor"), with an office located at 357 Flatbush Avenue, Brooklyn, New York 11213 presents this Offering Plan (the "Plan") for the sale of twenty-two (22) residential units ("Residential Unit"), twenty-two (22) Parking Units ("Parking Unit") and seventeen (17) Storage Bins ("Storage Bin") to be located in one building being constructed at 133 Sterling Place, Brooklyn, New York, New York 11217 (the "Building") and the land upon which the Building stands (the "Land"). The Land, Building and appurtenances are hereinafter sometimes referred to as the "Property" and/or the "Condominium". The name of the condominium will be "The Vermeil Condominium".

The purpose of this Plan is to set forth all the material terms of the offer. Sponsor does not currently intend to rent unsold Residential Units, but Sponsor reserves the right under certain financial conditions to offer unsold Residential Units for rent. However, Sponsor represents that its current intention is to endeavor in good faith to sell Residential Units in a reasonably timely manner to Purchasers for the personal occupancy of Purchasers or their immediate families. However, in the event that Sponsor reasonably believes that there is a decline in market values from Sponsor's offering prices as set forth herein, with annual, compounded, fifteen (15%) percent increases, Sponsor reserves the right to rent, rather than sell, Residential Units. Sponsor's good faith efforts to sell to Purchasers will include listing unsold Residential Units with brokers, showing unsold Residential Units to brokers and prospective purchasers or their representatives, and otherwise engaging in customary sales activities. In the event that Sponsor makes a bulk sale of all of the Units, the transferee successor-Sponsor will be bound by Sponsor's representations regarding its commitment to sell. The current owner of the Land has obtained a Construction Loan from North Fork Bank (the "Lender") with an office at 275 Broadhollow Road, Melville, New York 11747 and a mezzanine loan from RCG Longview II, L.P. with an office at 7 Penn Plaza, Suite 310, New York, New York 10001 (the "Mezzanine Loan"). The Construction Loan does not require any specific percentage of Unit sales before Sponsor can declare the Plan effective but does establish a minimum release price per Residential Unit but the Mezzanine Loan requires that Sponsor obtain Purchase Agreements on fifty (50%) percent of the Residential Units in order to declare the Plan effective. A mezzanine loan is a loan secured by some or all of the membership interests in the Sponsor, which is subordinate to the construction mortgage. The Mezzanine Loan also establishes release prices in order to release units from the Mezzanine Loan. The loan documents provide that Sponsor may not rent Units without both Lender's consent. The Plan may be amended from time to time by amendment duly filed with the New York State Department of Law and served on all Purchasers and Unit Owners unless the Department of Law consents to service on a specified class of offerees.

The Sponsor is offering twenty-two (22) Residential Condominium Units located on the first floor through fifth floor of the Building and twenty-two (22) Parking Units located on the cellar level of the Building. The Parking Units will be sold on a first come, first serve basis. Storage Bins will be licensed to Purchasers of Residential Units who have entered into a Purchase Agreement with Sponsor for a Residential Unit, limit of one Storage Bin for each Residential Unit. All of the Units offered in the Plan are vacant. Residential Unit Purchasers who elect to license a Storage Bin, at closing will enter into a license agreement (the "Storage Bin License Agreement") with the Board of Managers. The Storage Bin License Agreement will require that licensees pay an annual fee of \$200 to the Board of Managers, with said fee being adjustable by the Board of Managers by no more than ten (10%) percent per year, cumulative. See the form of Storage Bin License Agreement annexed to the Purchase Agreement as Exhibit D thereto. Some Residential Unit Owners may not receive a Storage Bin License Agreement. Except for the Sponsor and its designees, ownership of Storage Bins is limited to Residential Unit Owners. The residential condominium apartments are referred to individually as a "Residential Unit" or collectively as the "Residential Units," and a Parking Unit is individually referred to as a "Parking Unit" or collectively as the "Parking Units"

The Residential Units and the Parking Units are collectively referred to as the "Units". A general description of the Units is set forth in Part I of the Plan. Legal descriptions of the Units and the Common Elements are found in the Declaration contained in Part II. The floor plans showing the approximate layout and dimensions of the Residential Units are also set forth in Part II of this Plan.

All Units are being offered in accordance with the schedule of sales prices (Schedule A) contained herein. **THE PRICES HAVE BEEN SET BY THE SPONSOR ALONE AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.**

The Plan contains all of the material terms of the Sponsor's offer of the Units. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with filing the Plan will be available for inspection by prospective Purchasers, without charge, and for copying, at a reasonable charge, at the sales office located on the Property whenever it is open and at the office of the Sponsor, during normal business hours, and at the Department of Law.

The Sponsor has entered into a Contract of Sale to purchase the Land with Sterling & Seventh LLC, the current owner of the Land, dated March 30, 2006. The current owner of the Land acquired the Land from The Vermeil Corp. by a deed dated September 13, 2002. Sponsor is building a five (5) story building partially on the foundation of a pre-existing building. The Building will be a five (5) story building and when completed will contain twenty-two (22) Residential Units, twenty-two (22) Parking Units and seventeen (17) Storage Bins. Sponsor currently estimates that the First Closing is expected to be January 1, 2007. The Sponsor will cause to be executed and recorded a Declaration of Condominium for The Vermeil Condominium and By-Laws in substantially the form set forth in Part II of this Plan prior to the conveyance of a Unit to a Purchaser. References made hereafter in this Plan to "Declaration", "By-Laws", and "Floor Plans" shall mean the Declaration and By-Laws of The Vermeil Condominium and the Floor Plans to be filed by the Sponsor, unless otherwise indicated. Reference made hereafter in this Plan to "Sponsor" shall mean The Vermeil LLC, and its successors, assigns and designees.

Features of Condominium Ownership

An Owner of a Condominium Unit owns the Unit outright, in fee, and is entitled to the exclusive possession of that Unit. The Unit Owner is also the owner, in common with the owners of all the other Units, of all parts of the Property other than the Units themselves (the "Common Elements", as hereinafter defined), and has the right to non-exclusive use of the Common Elements. Certain of the Common Elements have exclusive advantages or substantially exclusive advantages which are enjoyed by one or more but less than all Unit Owners, and are known as "Limited Common Elements". An example of Limited Common Elements are the windows, doors and window frames located on a boundary of a Unit and exclusively serving such Unit and the exterior terrace of a Unit appurtenant to the Unit. The Common Elements and Limited Common Elements are described in Article 6 of the Declaration, found in Part II. Each Unit Owner is obligated to comply with the Declaration, the By-Laws, the rules and regulations thereto and the requirements of the Board of Managers. See the Declaration and By-Laws in Part II of the Plan.

The owner of a Residential Unit or Parking Unit can sell or lease the Unit, without restriction or limitation, subject only to a right of first refusal in favor of the Board of Managers of the Condominium exercisable at the same price offered to the Unit Owner (see the section of the Plan entitled "Sale or Lease of Units by Unit Owners") and as set forth below. However, the Sponsor's unsold Units are not subject to a right of first refusal, and the Sponsor is free to sell or lease its Units.

Only the Sponsor and its designees and Residential Unit Owners may own a Parking Unit or license a Storage Bin. Occupancy of a Residential Unit may only be for residential or permitted home occupational purposes in accordance with applicable zoning regulations. Occupancy of a

Parking Unit or Storage Bin may only be in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Condominium and as provided in the By-Laws and Rules and Regulations. See "Parking Units and Storage Bins" for details.

Unit Owners may decorate the interior of the Residential Unit in any way that they desire. Residential Unit Owners are obligated to pay the cost of interior decoration and repair after closing. Unit Owners are responsible for maintenance and repairs to the Unit (including entrance doors and windows), and to electrical and plumbing installations and fixtures (other than electrical and plumbing pipes, wires and lines to the extent they are located in Common Elements and serve multiple Units, which are the responsibility of the Board of Managers). Residential Unit Owners are responsible for payment for installation or replacement of appliances, including any console units that may provide individually controlled heat and air conditioning within the Units.

Unit Owners are also generally responsible for the maintenance of Limited Common Elements which are appurtenant to their Units including the terraces, balconies, windows, doors and window frames located on a boundary of a Unit and exclusively serving such Unit. Other than the Limited Common Elements, the exterior walls including party walls and roofs are Common Elements and will be maintained by the Condominium as a Common Expense.

Unit Owners may mortgage their Units in any amount. No Unit will be subject to the lien of any mortgages placed by other Unit Owners on their Units.

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and a Unit Owner will not be responsible for taxes on Units other than their own. In the opinion of Sponsor's counsel, as set forth in this Plan, under present tax law, a Unit Owner may deduct the real estate taxes assessed against the Unit, and paid by the Unit Owner, for income tax purposes, and, in the case of a primary residence, subject to the limitations set forth in the opinion, the interest paid on the mortgage encumbering the Unit.

Although the Board of Managers will carry fire insurance covering the Building and public liability insurance, Unit Owners are encouraged to carry insurance covering the interiors of their Units and the Limited Common Elements appurtenant to the Units, their furniture and furnishings and personal property and liability coverage. The Owners of the Parking will pay their proportionate share of the Building's fire and multi-peril insurance policy premiums and be responsible for any increase in insurance costs to the Condominium resulting from the particular use of such Units.

Managing the affairs of the Condominium will be the responsibility of its Board of Managers. Subject to the rights of the Sponsor as described elsewhere in this Plan, the members of the Board of Managers are elected by the Unit Owners. The Board of Managers will assess charges against each Unit Owner ("Common Charges"), in proportion to the respective interests in the Common Elements (or, with respect to the Parking, as set forth in the Declaration), for the maintenance of the Common Elements and for the operating costs of the Property ("Common Expenses"). A budget containing estimates of Common Expenses for the first year of condominium operation is contained in Schedule B. Unit Owners are obligated to pay their Common Charges in accordance with Sections 339(i) and 339(m) of the Condominium Act.

Each Unit Owner will pay for all electricity which is consumed within a Unit including for lighting, air conditioning, washer/dryer (if any) and appliances. Those charges will be separately metered and billed directly to the Unit Owner by the applicable utility. Each Unit will have a separate gas meter for cooking and heating. The Unit Owners will pay for gas as a Common Expense to heat the hot water utilized by the Units and the Common Elements, for the electric charges for the Common Elements and the water charges as part of the Common Expenses. See "Schedule B" for estimates of common electric and gas costs and "Schedule B-1" for estimates of individual unit gas and electric costs.

Since the Board of Managers does not have the right to approve or disapprove purchasers, although it does have the right to exercise a right of first refusal to purchase Units, excluding those sold by Sponsor, there is no limit on the number of owners who may purchase for investment rather

than personal occupancy and there may always be a substantial percentage of Unit Owners who are non-residents. However, except for the Sponsor and its designee, the licensing and use of Storage Bins is limited to Residential Unit Owners.

Legal Documents

The agreement to purchase a Unit is called a "Purchase Agreement". A Purchase Agreement for Residential Units is set forth in full in Part II of this Plan as Exhibit A. Attached thereto are riders for the purchase of a Parking Unit and for the purchase of a license for a Storage Bin.

The Declaration and By-Laws which will govern the operation of the Condominium are set forth in Part II as Exhibits F and G respectively. Each Unit Owner is required to comply with the Declaration, the By-Laws, and the rules and regulations thereunder and any other requirement of the Condominium's Board of Managers. They are summarized in Part I in the section entitled "Rights and Obligations of Unit Owners and the Board of Managers".

Copy of the Plan

To accommodate prospective Purchasers who desire to purchase a Unit but who are not ready to execute a Purchase Agreement, a prospective Purchaser may request a copy of the Plan from the Selling Agent. Such person shall tender a check made payable to Sponsor or the Selling Agent in the amount of \$250. The deposit assures the return of the copy of the Plan to the Selling Agent in good condition. If, within thirty (30) days of collection of the aforesaid check, a prospective Purchaser enters into a Purchase Agreement or returns the copy of the Plan in good condition to the Selling Agent, the deposit will be refunded. Any such deposit will not bear interest. After the expiration of such thirty (30) day period, if the copy of the Plan is not returned in good condition or the prospective Purchaser has not entered into a Purchase Agreement, then the aforesaid deposit will be forfeited to the Sponsor.

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

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property

The Property is L-shaped at the northwesterly corner of the intersection of Sterling Place and Seventh Avenue and is located in the area of Brooklyn known as Park Slope and measures approximately 97' x 172' on its longest sides.

The Building

The Building, when constructed, will consist of five (5) floors above a cellar, with twenty-two (22) Parking Units and seventeen (17) Storage Bins in a portion of the cellar. The twenty-two (22) Residential Units are located on the first through fifth floors. Nine (9) of the Residential Units are duplex (portions located on an adjoining floor).

The Residential Units

There will be twenty-two (22) Residential Units. The Residential Units will each contain a General Electric gas range, refrigerator, dishwasher and microwave oven. Sponsor will provide only the electrical, hot and cold water and drain connections for a washing machine and electric dryer in each Residential Unit. Purchasers will have to purchase their own washing machine and dryer. The Sponsor reserves the right to substitute different appliances provided they are of equal or better quality. See Exhibit D in Part II of the Plan for more details.

Each Residential Unit will have individually controlled hot water heating through air handlers in each Unit fed from gas fired boiler in the cellar. Domestic hot water will be provided to each Unit by two (2) gas fired hot water boilers in the cellar. The Units will be pre-wired for telephone and cable service.

Part II sets forth a description of the Building and Units, including the equipment supplied by Sponsor which is included in the Purchase Price. Purchasers should review the general description and outline of the specifications for the Building and the Units that appears in Part II as Exhibit D, "Description of Property and Specifications".

The Units and Buildings containing them will be constructed substantially in accordance with the plans prepared by Danois Architects, P.C. and the specifications thereon, copies of which are available in the office of the Sponsor, and will conform to all applicable rules, regulations, laws and other requirements of all governmental authorities having jurisdiction thereof, including those governing zoning and construction. These authorities are the New York State Building Code as applied and interpreted by the New York State Code Commission and the Building Department of the City of New York and the Board of Fire Underwriters. The Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules, regulations and other governmental requirements pertaining thereto. If there is a variation between the plans and specifications and the applicable rules, regulations, laws and other requirements including those governing zoning and construction, said applicable rules, regulations, laws and other requirements of governmental authorities having jurisdiction shall govern and control over the plans and specifications, and the plans and specifications shall be amended accordingly.

Sponsor has projected the First Closing of a Residential Unit for January 1, 2007 based upon the current construction and permit approval schedule. The actual date for the First Unit Closing is not guaranteed or warranted and may be earlier or later depending on the progress of construction and compliance with the other prerequisites to closing of title. Construction may be delayed by the late delivery of material or equipment, labor difficulties, unavailability of building trades, casualty, inclement weather and other events beyond Sponsor's reasonable control. The Units in the Building will be completed at varying times over a period that could extend well beyond the First Unit Closing. The order in which these Units will be completed is in the discretion of Sponsor. Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for damages or losses, in the event that the First Unit Closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor.

Limited Common Elements

Units 1A, 1B and 1C will each have a Limited Common Element patio directly accessible from the Unit and Units 4A, 4B, 4C and 4D will each have a Limited Common Element private terrace and Unit 5A will have a Limited Common Element private terrace and garden. Although the purchasers of these Units will have exclusive use of a portion of the roof, and/or patio, and/or terrace and/or garden as a limited common element (subject to an easement for Unit Owners for fire access

and to the Board of Managers for repairs, etc.), Sponsor makes no representation as to what use may be made of the space or what improvements, if any, may be made to the patios and terraces, either pursuant to law and government regulations or whether any request to improve it will be approved by the Board of Managers. Unit Owners are also generally responsible for the maintenance of Limited Common Elements which are appurtenant to their Units. The Owner of every Unit with a roof patio or terrace shall have the responsibility for the maintenance and repair of all railings, pavers or tiles, fencing, installations, planters, floor covering, doors and windows opening onto or leading to such patio or terrace and to any roofing or structural material damaged by the Unit Owner, including damage caused by the weight of planters or defective pottage. No planters or other objects may be placed on any terrace or balcony that impose weight on such terrace or balcony exceeding forty (40) pounds per square foot, and no terrace may be enclosed.

Building Services and Facilities

Staffing: There will be no staff except for a part time porter.

Laundry: All Residential Units will be equipped with the electrical, hot and cold water and drain connections for a washing machine and electric dryer.

Telecommunications Service: Each Unit will be pre-wired to receive cable television, and telephone services. Unit Owners will contract individually to purchase cable service and telephone service.

Trash Removal: There will be residential trash removal by the City of New York from the trash collection area located next to the building, servicing the Residential Units.

Mailboxes: Mailboxes for the Units will be located in the first floor vestibule. A U.S. Postal Service employee will deliver incoming mail.

Fire Protection and Security Systems: Hard-wired smoke/carbon monoxide detectors will be provided in each Residential Unit in accordance with applicable code. There will be an intercom system with a main panel located at the lobby, and a tenant panel in each Residential Unit with video capability. There will be a central sprinkler alarm monitoring the fire pump and tamper flow devices throughout the Building.

Snow Removal: The Condominium will be responsible for the removal of snow and ice from the sidewalk adjacent to the Buildings' lobby entrances.

LOCATION AND AREA INFORMATION

Location and Services

The Condominium is situated in the City of New York, Kings County, Borough of Brooklyn, City and State of New York, west of Grand Army Plaza and near Prospect Park.

The neighborhood area is known as Park Slope and includes residential, restaurants, educational, office, museums, art galleries and other commercial establishments.

Police, Fire, Water, Snow Removal & Road Maintenance

The Property is located within approximately one mile of a police station, a fire station, shopping facilities, public transportation and public recreation. Police and fire protection and road maintenance services (including snow removal from the street but excluding snow removal from the

sidewalk) are provided by the City of New York. Water is provided by City Water Department. Water and Sewer charges for the Units will be paid by Unit Owners as a part of the Common Expenses of the Condominium.

Easements

The Property is subject to two easements held by the Board of Managers of the Sterling Place Condominium located in the rear of the Property. One easement provides for certain set backs of any building constructed on the Property (See Exception No. 28(a) under "Status of Title at Closing" below). The other easement (Exception No. 28(b)) is a maintenance and repair easement to the same Board of Sterling Place Condominium relating to the Geothermal Well located in the garage of the new Building. The Property is also be burdened by easements to the City of New York, Consolidated Edison, Keyspan Energy, Verizon and/or any utility company for the purposes of installing, operating and maintaining water, sewer and gas mains, utility and cable lines and any facilities appurtenant thereto, which mains and facilities are to be installed and located on the Property.

Transportation

The property is on Broadway served by the B, Q, 2 and 3 subway trains and served by local and express bus lines.

Educational Facilities

Public elementary and secondary schools are both located within several blocks of the property. No representation is made that any Unit Owner's child will be able to attend any particular educational facility.

Religious Institutions

There are houses of worship of most major denominations in the vicinity of the Property.

Parks, Recreational and Cultural Facilities

The Property is located near several museums, several art galleries, the Brooklyn Academy of Music, Brooklyn Museum and Prospect Park. The Property is located in the prime cultural, shopping and dining area of Park Slope and is close to the cultural center of Brooklyn.

Zoning

The Buildings are located partly in R6-A and partly in R6-B residential use. The Building is located within the Park Slope Historic District and any exterior work may be subject to the review of the City of New York Landmarks Preservation Commission.

Schedule A

**THE VERMEIL CONDOMINIUM
133 Sterling Place, Brooklyn, New York
Price Schedule and Estimated Carrying Costs for Each Unit
For the Projected First Year of Operation
(January 1, 2007 - December 31, 2007)**

(1)	(2)	(2)	(2)	(2)	(3)	(3)	(4)	(5)	(6)	(6)	(6)	(7)	(7)
<u>Unit</u>	<u>BR</u>	<u>Bath</u>	<u>Interior SF</u>	<u>Ext. SF</u>	<u>% Common Interest</u>	<u>Offering Price</u>	<u>Annual Common Charges</u>	<u>Monthly Common Charges</u>	<u>Annual Real Estate Tax w/out 421-a</u>	<u>Annual Real Estate Tax w/421-a</u>	<u>Monthly Real Estate Tax w/ 421-a</u>	<u>Total Monthly Carrying Charges w/out 421-a</u>	<u>Total Monthly Carrying Charges w/421-a</u>
1A	1	1	1,079.0	1200	3.3090%	\$1,299,000	\$3,242.10	\$270.17	\$6,661.56	\$660.72	\$55.06	\$6,931.74	\$325.23
1B	2	2	1,564.0	872	4.4545%	\$1,699,000	\$4,364.34	\$363.70	\$8,967.45	\$889.42	\$74.12	\$9,331.14	\$437.81
1C	3	2.5	1,602.0	904	4.5669%	\$1,799,000	\$4,474.56	\$372.88	\$9,193.91	\$911.88	\$75.99	\$9,566.79	\$448.87
1D	1	1.5	1,927.0		5.0648%	\$989,000	\$4,962.29	\$413.52	\$10,196.05	\$1,011.28	\$84.27	\$10,609.58	\$497.80
1E	1	1.5	1,905.0		5.0069%	\$985,000	\$4,905.64	\$408.80	\$10,079.65	\$999.73	\$83.31	\$10,488.45	\$492.11
2A	3	2.5	1,606.0		4.2211%	\$1,600,000	\$4,135.67	\$344.64	\$8,497.59	\$842.82	\$70.23	\$8,842.23	\$414.87
2B	3	2	1,642.0		4.3157%	\$1,640,000	\$4,228.38	\$352.36	\$8,688.08	\$861.71	\$71.81	\$9,040.44	\$424.17
2C	3	3	2,046.0		5.3775%	\$2,100,000	\$5,268.73	\$439.06	\$10,825.70	\$1,073.73	\$89.48	\$11,264.76	\$528.54
2D	3	2	1,708.0		4.4892%	\$1,700,000	\$4,398.34	\$366.53	\$9,037.29	\$896.35	\$74.70	\$9,403.82	\$441.22
2E	3	2.5	1,792.0		4.7099%	\$1,800,000	\$4,614.65	\$384.55	\$9,481.75	\$940.43	\$78.37	\$9,866.30	\$462.92
3A	3	2.5	1,605.0	75	4.2677%	\$1,650,000	\$4,181.38	\$348.45	\$8,591.51	\$852.14	\$71.01	\$8,939.96	\$419.46
3B	3	2	1,642.0	60	4.3551%	\$1,699,000	\$4,267.00	\$355.58	\$8,767.44	\$869.58	\$72.47	\$9,123.03	\$428.05
3D	2	2	1,160.0		3.0488%	\$1,050,000	\$2,987.16	\$248.93	\$6,137.74	\$608.76	\$50.73	\$6,386.67	\$299.66
3E	2	2	1,168.0		3.0699%	\$1,175,000	\$3,007.76	\$250.65	\$6,180.07	\$612.96	\$51.08	\$6,430.71	\$301.73
4A	2	2.5	1,532.0	759	4.5253%	\$1,600,000	\$4,433.74	\$369.48	\$9,110.04	\$903.56	\$75.30	\$9,479.52	\$444.78
4B	3	2.5	1,543.0	794	4.5772%	\$1,700,000	\$4,484.60	\$373.72	\$9,214.55	\$913.93	\$76.16	\$9,588.26	\$449.88
4C	3	2.5	1,614.0	906	4.8374%	\$1,750,000	\$4,739.54	\$394.96	\$9,738.37	\$965.88	\$80.49	\$10,133.33	\$475.45
4D	3	2.5	1,843.0	953	5.4702%	\$2,100,000	\$5,359.51	\$446.63	\$11,012.21	\$1,092.23	\$91.02	\$11,458.84	\$537.64
4E	2	2	1,502.0		3.9477%	\$1,450,000	\$3,867.86	\$322.32	\$7,947.31	\$788.24	\$65.69	\$8,269.64	\$388.01
4F	3	2	1,711.0		4.4970%	\$1,650,000	\$4,406.06	\$367.17	\$9,053.16	\$897.92	\$74.83	\$9,420.34	\$442.00
4G	3	2.5	1,792.0		4.7099%	\$1,990,000	\$4,614.65	\$384.55	\$9,481.75	\$940.43	\$78.37	\$9,866.30	\$462.92
5A	3	2	1,758.0	620	5.0280%	\$2,300,000	\$4,926.24	\$410.52	\$10,121.98	\$1,003.93	\$83.66	\$10,532.50	\$494.18
Subtotal:			35,741.0	7143	97.8497%	\$35,725,000	\$95,870.21	\$7,989.18	\$ 196,985.17	\$19,537.65	\$138.72	\$204,974.36	\$9,617.32

FOOTNOTES ARE AN INTEGRAL PART OF SCHEDULE A AND SHOULD BE READ AS A PART HEREOF.

Schedule A
Price Schedule and Estimated Carrying Costs for Each Unit For the Projected First Year of Operation
(January 1, 2007 - December 31, 2007)

(1)	(2)	(2)	(2)	(2)	(3)	(3)	(4)	(5)	(5)	(6)	(7)	(7)	
Unit	BR	Bath	Interior SF	Ext. SF	% Common Interest	Offering Price	Annual Common Charges	Monthly Common Charges	Annual Real Estate Tax w/out 421-a	Annual Real Estate Tax w/421-a	Monthly Real Estate Tax w/421-a	Total Monthly Carrying Charges w/out 421-a	Total Monthly Carrying Charges w/421-a
1P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
2P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
3P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
4P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
5P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
6P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
7P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
8P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
9P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
10P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
11P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
12P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
13P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
14P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
15P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
16P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
17P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
18P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
19P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
20P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
21P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
22P			148.8		0.0977%	\$59,500	\$95.76	\$7.98	\$196.76	\$19.52	\$1.63	\$204.75	\$9.61
Subtotal:			3,272.5	0	2.1503%	\$1,309,000	\$2,106.79	\$175.57	\$4,328.83	\$429.35	\$35.78	\$4,504.39	\$4,751.51
TOTAL			39,013.5		100.0000%	\$37,034,000	\$97,977.00	\$8,164.75	\$201,314.00	\$19,967.00	\$174.50	\$209,478.75	\$14,368.84

FOOTNOTES ARE AN INTEGRAL PART OF SCHEDULE A AND SHOULD BE READ AS A PART HEREOF.

**THE VERMEIL CONDOMINIUM
FOOTNOTES TO SCHEDULE A**

1. Floor plans depicting the layouts of typical Residential Units are contained in Exhibit A to Part II of this Plan. All dimensions shown on such plans are approximate and subject to construction variances and square footage variations. Plans and dimensions may also contain minor variations from floor to floor. The dimensions are based upon measurements from the exterior walls and do not represent the interior space in the Units, and may thus exaggerate such interior area space by as much as ten (10%) percent. "Exterior Sq. ftg" refers to a Residential Unit which has an exterior patio, terrace or garden, which are Limited Common Elements. Room counts are based upon the standard presented by the Real Estate Board of New York.
2. Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the dimensions of the Unit. Square footage as calculated herein reflects the area measured horizontally from the outside face of the glass and/or the outside face of the blockwork of the exterior walls to the center line of the centerline of demising partitions between Units and to the opposite face of a concrete or masonry wall separating a Unit from fire stairs. In the case of masonry walls between Units, the dimensions of the Unit shall be measured to the center line of such masonry wall. These dimensions exclude the area of any decks. They exceed the usable net floor area of each Unit. The dimensions are based upon measurements from the exterior walls and do not accurately represent the interior space in the Units and, thus, will exaggerate such interior space.
3. The allocation of percentage of common interests as to the Residential Units, is based upon method (iv) contained in Section 339-i (1) of the New York Condominium Act--that is, upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit and as to Residential Units with the exclusive use of exterior terraces, patios or garden, pursuant to Section 339-m, a factor of 15% for each first floor terrace and a factor of 25% for all other terraces, patios or gardens. The method of allocating the common profits and expenses for the Parking Units, such Units being a non-residential units, are, specially allocated and apportioned based upon Section 339-m. The budget items shared by the Parking Units have been separated from the budget items shared by the Residential Units and charged only to the Parking Units. The Residential Units' Common Charges are determined by the Percentage of Residential Common Interest. See Schedule B.
4. These prices have been set by Sponsor. Prices are not subject to the approval of any governmental agencies. For an explanation of conditions affecting these prices, see the section of the Plan entitled "Changes in Prices and Units". Prices and other terms of the sale are negotiable; see the Section of this Plan entitled "Changes in Prices and Units". For closing costs payable by Purchasers (in addition to the price) and adjustments at closing, see the section of the Plan entitled "Unit Closing Costs and Adjustments".
5. The Projected Common Charges are based upon the "Projected Schedule of Receipts and Expenses for the First Year of Condominium Operation - Schedule B" which follows these footnotes. The figures shown do not include the cost of electricity consumed within Residential Units for lighting and appliances, air conditioning or gas for heating, the cost of telephone, cable television or internet access service or the costs to maintain the interior of the Unit or the Limited Common Elements appurtenant thereto. See Schedule B-1 for estimated individual utility costs. A Unit Owner who obtains a mortgage loan to purchase a Unit will also pay the debt service on that mortgage and all accompanying expenses associated with such mortgage including real estate tax escrows and insurance escrows.

6. The estimated real estate taxes for the Units are based on the calendar year commencing January 1, 2007 since the anticipated commencement date (anticipated date of First Unit Closing) is January 1, 2007. The real estate tax amount for the Condominium's budget year commencing January 1, 2007 includes six (6) months of the 2006/2007 City fiscal year (January 1, 2007 to June 30, 2007) and six (6) months of the 2007/2008 City fiscal year (July 1, 2007 through December 31, 2007).

a. Taxes without Tax Exemptions under 421-a

The current site is divided into four (4) separate tax lots with four (4) assessed values and different tax classifications and, thus, different tax rates. The 2006/07 assessed values, tax rates and estimated taxes are as follows:

<u>2006/07</u>				
Lot	Transition Assessed Value	Tax Class	2006/07 Tax Rate	Estimated 2006/07 Taxes
49	\$ 18,918	4	12.396%	\$ 2,345
48	74,248	2A	12.396%	9,205
51	20,736	1B	15.746%	3,266
52	51,840	1B	15.746%	<u>8,163</u>
				\$ 22,979

Therefore, the projected taxes for the 2006/07 fiscal year are (subject to change) approximately \$22,979. Since the estimated first year budget year includes six (6) months in 2006/07, the estimated taxes for such six (6) month period is \$11,490 ($\$22,979 \div 2$).

The estimated taxable assessed value for all of the Units in the aggregate for the 2007/2008 City fiscal year is estimated to be \$2,970,000. Assuming the continued tax rate of 12.396% (applicable to Class 2 properties), the estimated taxes for 2007/2008 will be \$368,161. Since only six (6) months of the 2007/2008 fiscal year (July 1, 2007 through December 31, 2007) are included in the estimated first year of operation, the taxes for such six (6) months would be \$184,080 ($\$368,161 \div 2$). Therefore, the real estate taxes for the year starting on September 1, 2006 for all of the Units in the aggregate (assuming no 421-a benefits) are anticipated to be approximately \$201,314.

b. Residential Units - 421-a Tax Exemption.

Assuming Section 421-a benefits, based upon a pre-construction assessed value of the property of \$161,074 with an anticipated tax rate of 12.396% (the current, 2006/2007, tax rate applicable to Class 2 residential properties) the real estate taxes for all of the Units in the Building would be \$19,967, assuming all the Units were residential and all qualified for 421-a benefits. Assuming that 421-a benefits are granted for the fiscal year 2007/2008, the increased valuation based upon the new building will be exempted from taxation for a ten (10) year period commencing with the 2007/2008 fiscal year and the estimated taxes, assuming the same tax rate of 12.396%, are estimated to be \$19,967.

c. Ultimate Tax Assessment.

It is anticipated that upon completion of the construction of the property that the valuation will be \$2,970,000. If over the following years the actual assessment is not further increased,

the projected full taxes (assuming no Section 421-a benefits) at the current rate would be approximately \$368,161.

The estimates of real estate taxes set forth in column 7 of Schedule A have been allocated based upon each Unit's respective Offering Plan Percentage of Common Interest multiplied by the total anticipated real estate taxes payable for the budget year commencing January 1, 2007, a method currently being utilized by the City Tax Assessor. However, the Sponsor does not represent or guarantee that this method of calculation and allocation will be utilized by the City of New York in allocating taxes to the Units of the Condominium as separate tax lots.

After the Units are divided into separate tax lots, each Unit will be taxed as a separate lot for real estate tax purposes, and no Unit Owner will be responsible for payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. There is no assurance that The City of New York tax assessor will allocate taxes among Units in proportion to their Purchase Prices. If it does not, Owners of Units having the same Purchase Price will pay different amounts of real estate taxes.

Assuming that 421-a benefits are granted to the Property, the assessed value of the improvements on the Property after the 421-a Tax Exemption will not be increased for ten (10) years. Thereafter, the exemption portion of the assessed value will be decreased each year for five (5) years by twenty (20%) percent of the increased value due to the improvements.

Although the estimate of New York City Real Estate Taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations and tax rates, when actually established by the City Of New York, may be lesser or greater. Accordingly, these estimates of assessed valuation and tax rates are to be considered opinions and are not intended, and should not be construed as, warranties as to future assessed valuations, tax rates or of the actual real estate taxes to be assessed. In no event will the Sponsor, its principals, sales agents, Sponsor's counsel or any other person be liable if the assessed valuation or tax rate, when actually established, is lesser or greater than that predicted herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future. Please refer to "Taxes - Deductions to Unit Owners" for more details.

7. This column represents the total of Projected Monthly Real Estate Taxes and Projected Monthly Common Charges.
8. Real estate taxes are deductible for income tax purposes for Residential Unit Owners who itemize deductions in accordance with current IRS regulations. The deductible amount of real estate taxes may vary due to changes in assessed valuations of Units, in tax rates or in the method of assessing real property which may result in a change in real property taxes or such other changes as may reasonably be expected to affect tax deductions. The interest portion of monthly mortgage payments made by a Purchaser who obtains mortgage financing for his or her Residential Unit and designates same as a primary qualifying residence, although not shown in this column, is also deductible for tax purposes by a person who itemizes deductions in accordance with current IRS regulations. The portion of the debt service deductible for income tax purposes may vary in subsequent years due to financing related changes such as changes in the interest rate on a Purchaser's mortgage, if any, the interest rate on a refinanced mortgage or the allocation of constant debt service payments between interest and principal. Sponsor makes no representation or warranty concerning tax deductions for any Unit Owners.

9. Purchasers will be required at the closing to pay a sum equal to two (2) months' common charges for their Unit to the Condominium as a contribution to the Working Capital Fund of the Condominium. See "Working Capital Fund" in Part I of the Plan.

SCHEDULE B

**The Vermeil Condominium
133 Sterling Place
Brooklyn, New York**

**Estimated Schedule of Receipts and Expenses
For Projected First Year of Condominium Operation
Beginning January 1, 2007**

RECEIPTS

Residential Common Charges (1)	\$96,977
Income from Storage Bin License Fees	<u>6,700</u>
Total:	\$103,677

EXPENSES

Salaries & Wages (2)	\$15,000
Heating(3)	\$ 8,985
Electricity (4)	\$ 9,855
Water & Sewer (5)	\$12,562
Repairs, Supplies & Maintenance (6)	\$ 6,000
Service Contracts (7)	\$ 4,500
Insurance (8)	\$19,075
Management Fee (9)	\$13,000
Legal & Accounting (10)	\$ 4,000
Other Expenses (11)	<u>\$ 5,000</u>
Total:	\$96,977

The notes to Schedule B below are an integral part of this Schedule and should be read in conjunction herewith.

SCHEDULE B

FOOTNOTES TO SCHEDULE B

1. Common Charges and License Fees - The expenses for the projected first year of Condominium operation were allocated among the Residential Units and Retail Units based on percentage of ownership. The Common Charges projected herein are based upon estimated expenses for the twelve (12) month period commencing January 1, 2007, the estimated date of the First Closing. In the event the First Closing does not take place within twelve (12) months from such estimated date of First Closing (except where Sponsor has previously notified Purchaser that he/she is in default as described in section "Failure to Close"), the Purchaser shall have the right during the thirty (30) day period after the expiration of said twelve period to cancel Purchaser's Purchase Agreement by notice in writing to Sponsor, unless Sponsor shall offer to close within thirty (30) days of such notice from Purchaser. (See "Purchaser's Right to Cancel").

If the actual or anticipated date of commencement of Condominium operation is to be delayed by more than six (6) months from the budget year projected in the Offering Plan, the Plan will be amended to include a revised budget disclosing the then current projections. If such amended projections exceed the original projections by twenty-five (25%) percent or more, the Sponsor will offer all Purchasers the right, for a specified, reasonable period of time of not less than fifteen (15) days, to rescind their Purchase Agreements and have their deposits refunded.

Annual License Fees of \$200 per year for seventeen (17) Storage Bins will provide \$3,400 per year additional income.

2. Payroll & Employee Benefits - The Building staff will consist of one part time non-resident porter. Such level of staffing complies with all applicable housing and labor laws and the level of payment will meet state minimum wage laws. The following expenses are mandated by law for each employee:

Salary	\$13,009.55
FICA Employer	\$ 995.23
Employee - SS	<u>\$ 995.23</u>

TOTAL: \$15,000.00

3. Heating - Residential Unit Owners will pay separately for gas consumption in individual Units. Each Residential Unit will have its own gas heating unit. See Schedule B-1 for detailed energy expense estimates.

The budget amount for gas is arrived at by multiplying the projected consumption by the most recent rates posted by Consolidated Edison including sales taxes, increased by ten percent (10%) and rounded.

Total = \$8,985.00

The amount of gas consumption is calculated based on heating the common areas as well as the hot water for all of the Units and the Common Areas. It is believed that the projected figure should be sufficient to cover any reasonable increases in the cost of gas during the first year of operation. However, no warranty is made that the projection for gas will be in accordance with the actual cost of the same during the first year of condominium operation.

4. Electricity - Includes the cost of electricity for the common areas. It does not include the cost of electricity to individual Residential Units. Each Residential Unit Owner will be responsible for electricity to her or his own Unit including appliances and HVAC systems. Each Unit will be metered separately and billed by Consolidated Edison, based on the same consumption. See Schedule B-1 for detailed energy expense estimates. The Mechanical Engineer, Klein, Levin Associates, 1839 Ocean Parkway, Brooklyn, New York 11223, has estimated that consumption of electricity for the common areas for the twelve (12) month period commencing January 1, 2007 will be 52,650 kilowatts. This consumption is calculated based primarily on interior and exterior lighting throughout the Common Areas of the Condominium.

The budget amount for electricity is arrived at by multiplying the projected consumption by the most recent rates posted by Consolidated Edison (\$0.18 per kilowatt in residential areas), increased by sales taxes and an additional ten percent (10%).

Total = \$9,855.00

Fuel shortages and other factors may raise the cost of electricity higher than current rates. It is believed that the projected figure should be sufficient to cover any reasonable increases in the cost of electricity during the first year of operation. However, no warranty is made that the projection for electricity will be in accordance with the actual cost of the same during the first year of condominium operation.

5. Water Charges and Sewer Rents - Units will not be separately metered. Consumption of water and sewer charges are estimated to be \$12,562 per year based upon current combined water and sewer rates of \$3.90 per hundred cubic feet of water (748 gallons). See Schedule B-1, below.

Total = \$12,562.00

6. Repairs, Supplies & Maintenance - Does not include repairs, painting, maintenance, or supplies for individual Units and Limited Common Elements appurtenant to Residential Units, all of which are the responsibility of the individual Unit Owners. The budgeted figure is based upon an estimation of repairs to the interior of the Building, the exterior of the non-Limited Common Element portions of Buildings (including stairwells), the plumbing and electrical systems, painting of public areas, foundations, roofs, walls, common garages, driveways and parking areas, the heating system (including pipes and control devices regulating distribution in the Building) and various supplies (such as cleaning supplies and materials, lubricants, bulbs, public fixtures, general and hardware supplies) to be used in common areas. No amount is included for items covered by construction warranties or to cover the cost of any major capital expenditure in the Building. The budgeted amount is based on the Managing Agent's experience in operating newly constructed buildings of comparable size and quality.

Supplies	\$3,000.00
Repairs	3,000.00

Total = \$6,000.00

7. Service Contracts - Includes the cost for the following service contracts:

<u>Elevator Repair and Inspection Service:</u>	\$4,500.00
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The Sponsor has reserved the right to enter into service, maintenance, employment, concessionaire and other agreements that will be binding on the Condominium on commencement of operation. However, the Sponsor may not enter into any binding service

or maintenance contract that will materially increase the first year's Common Expenses or that would be binding on the Condominium for more than two (2) years, unless disclosed in this Plan or in an amendment thereto.

For further details, see the section of the Plan entitled "Management Agreement, Contracts, and Leases".

8. Insurance - Insurance is projected on the basis of an estimate of insurance costs provided by Insurance Depot Agency, 7603 5th Avenue, Brooklyn, NY 11209 as of March 8, 2006.

Package Policy - Includes the following:

- a. Real Property Building: Fire, Extended Coverage and "all risk" (subject to company form) on a newly constructed residential condominium with some Retail units in an Agreed Amount of \$6,000,000 on the Building. Coverage includes Replacement Cost/Agreed Value and Boiler & Machinery with a \$5,000 Deductible.
- b. Retail General Liability Insurance subject to a limit of \$1,000,000 per occurrence and \$2,000,000 Annual Aggregate for Bodily Injury, Personal Injury and Property Damage. Coverage includes \$1,000,000 Non-owned & Hired Auto Liability.
- c. \$2,000,000 Directors & Officers Liability, with a deductible of \$2,500 and 1% retention.
- d. Employee Dishonesty - \$100,000 Retail Blanket Bond with a deductible of \$2,500, including the Managing Agent Rider.
- e. Umbrella Liability subject to a limit of \$10,000,000 and in the aggregate annually excess of the underlying coverage.

The terms of the fire, casualty and general liability insurance will provide (i) that each Unit Owner is an additional insured, (ii) that there will be no cancellation without prior notice to the Board of Managers, (iii) a waiver of subrogation, (iv) a waiver of invalidity because of the acts of the insured and Unit Owners and (v) a waiver of pro-rata reduction if Unit Owners obtain additional coverage. The insurance figures provided are adequate and acceptable to the insurance carrier in order to provide the Agreed Amount Clause which meets the co-insurance requirement.

A portion of the insurance expenses is allocated to the Retail Units in accordance with their respective interests in the Common Elements.

In order to safeguard the investment of its Unit Owners in the event of a substantial or total destruction of the Building, the Condominium should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage equals the estimated replacement cost at the time.

The Sponsor represents that it will deliver at the Condominium's expense, on or before the first closing of title to a Unit, a fire and liability binder or policy containing all the coverage described in this footnote and meeting the requirements of the Condominium By-Laws. This coverage does not include claims for personal injury or property damage resulting from occurrences in Units, nor does it include coverage of the furniture or personal property of the Unit Owner.

Unit Owners are advised to obtain insurance at their own cost to cover such risks as fire and casualty losses to Unit contents, replacements, additions, upgraded fixtures and improvements, and liability coverage for occurrences within the Unit.

Total = \$19,075.00

See the Subsection of the Offering Plan entitled "Insurance", in the Section entitled "Rights and Obligations of the Unit Owners and the Board of Managers".

9. Management Fees- Based on a proposed agreement with Parkway Management, LLC, 1574 President Street, First Floor, Brooklyn, New York 11213, for a term of one (1) year. The services of the managing agent shall commence upon the conveyance of title by the Sponsor of the first Unit in the Condominium and shall continue until the first anniversary of such date. The annual management fees will be \$13,000. This management fee reflects the prevailing cost for similar services. It is based on the size of the building and number of Residential Units.

Total = \$13,000.00

For further details as to the responsibilities of the managing agent, see the section of the Plan entitled "Management Agreement, Contracts, and Leases".

10. Financial Accounting and Return Fees/Legal - All Condominium Unit Owners are entitled to receive annually from the Condominium at the Condominium's expense an annual audited statement and annual tax returns prepared by an independent certified public accountant.

Audit: Doloboff & Nadler, CPA'S

600 Old Country Road, Garden City, NY

\$2,500.00

Legal: Sonnenschein, Sherman & Deutsch, LLP

1,500.00

Legal includes general business matters.

This estimate is based on a proposal from Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Suite 501, New York, NY. However, it is anticipated that the Condominium Association shall choose their own legal counsel.

Total = \$3,000.00

11. Other - This fund may be used at the discretion of the Board of Managers toward unforeseen expenses or other appropriate Condominium expenses. The purpose of the Other is intended to provide for any unanticipated expenses or unanticipated increase in projected expenses. The Operating Reserve fund is separate and distinct from the Capital Improvement Reserve (see the section of the Plan entitled "Capital Improvement Reserve ") (see above).

Total = \$5,000.00

In the opinion of Parkway Realty Group LLC (Annexed to the Offering Plan in section titled "Certification of Sponsor's Expert Concerning Adequacy of Budget"), the projected receipts appear reasonable and adequate based on present prices (adjusted to reflect continued inflation and present levels of consumption for comparable Units similarly situated) to meet the estimated expenses for the first year of operation, assuming such first year to be the year commencing January 1, 2007. The foregoing budget, however, is not intended and should not be taken as a guarantee or warranty by anyone that the annual Common Charges or other receipts or expenses for the first or any subsequent year of operation of the Property by the Condominium will be as set forth in said projected budget. It is likely that the actual expenses for the first year of operation will vary from the amounts shown in the projected budget.

SCHEDULE B-1**INDIVIDUAL UNIT ENERGY COSTS**

Based upon an Estimate by Klein, Levin Associates, Professional Engineers [1]

RESIDENTIAL UNITS:

<u>UNIT(S)</u>	<u>GAS USAGE</u>	<u>PRICE (per therm)</u>	<u>TOTAL GAS</u>	<u>ELECTRIC USAGE</u>	<u>PRICE</u>	<u>TOTAL ELECTRIC</u>
1A, 3D & 3E (heating) (cooking) 1B, 1C, 2A, 2B, 3A, 3B, 3D, 3E, 4A, 4B, 4C & 4E (heating) (cooking)	1,008 therms/yr. 195 therms/yr.	\$2.00/therm \$2.00/therm	\$2,016/year \$390/year	8,682 kw/year	\$.18/100 kw \$.187/100 kw peak	\$1,662/yr.
1D, 1E & 2C (heating) (cooking) 2D, 2E, 4D, 4F, 4G & 5A (heating) (cooking)	1,680 therms/yr. 195 therms/yr.	\$2.00/therm \$2.00/therm	\$3,360/yr. \$390/year	11,112 kw/yr.	\$.18/100 kw \$.187/100 kw peak	\$2,130/yr.
				14,112 kw/yr.	\$.18/100 kw \$.187/100 kw peak	\$2,714/yr.
				12,612 kw/yr.	\$.18/100 kw \$.187/100 kw peak	\$2,422/yr.

[1] 1839 Ocean Parkway, Brooklyn, NY 11223

[2] Hundred cubic feet of water

BROWN HARRIS STEVENS

Established 1873

New York State Department of Law
Investment Protection Bureau, Real Estate Financing Section
120 Broadway
New York, New York 10271

Re: Opinion Pursuant to Real Property Law ' 339-i
The Vermeil Condominium
133 Sterling Place, Brooklyn, New York 11213

Dear Sir/Madam:

The allocation of common interest for the Units of the captioned property has been made as follows:

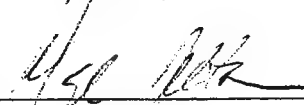
The 22 residential units, 22 Parking Units and 17 Storage Units were allocated an aggregate of one hundred (100%) percent of the total common interest of the condominium and the residential units were allocated a combined value of ninety seven and fifty seven hundredths (97.57%) percent of the total value of the condominium. This allocation of common interest was made pursuant to Real Property Law Section 339-i.(1)(iv), i.e., upon the floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements, for exclusive or shared use, and the overall dimensions of the particular unit.

It is our opinion that the above-mentioned determinations are in compliance with Real Property Law Section 339-i.(1)(iv).

The firm is a has been in the real estate business for over hundred (100) years.

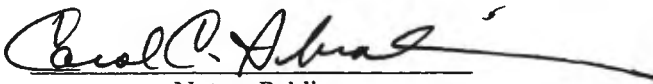
Very truly yours,

Brown Harris Stevens

By: 

Maryann Albano
Executive Vice President

Sworn to before me this
20th day of March, 2006.


Notary Public

SWORN C. IBRAHIM
Notary Public, State of New York
No. 011B4804457
Qualified in Kings County
Commission Expires July 3, 2006.

Brown Harris Stevens Brooklyn, LLC 100 Seventh Avenue, Brooklyn, New York 11215
Tel 718.230.5500 Fax 718.622.2721 www.brownharrisstevens.com

EXCLUSIVE AFFILIATE
CHRISTIE'S
GREAT ESTATES

PARKING UNITS AND STORAGE BINS

The Building contains twenty-two (22) Parking Units and seventeen (17) Storage Bins (which are not Units, but part of the General Common Elements licensed to Residential Unit Owners), which may be used for any lawful accessory use.

Parking Units

The Parking Units are located in the garage portion of the cellar level of the Building. The garage has its own separate driveway and entrance from the exterior of the Building on Sterling Place. Parking Units and Storage Bins may be used for any lawful accessory use provided such use is not a use specifically prohibited by the terms of the Declaration and By-laws set forth in Part II of this Plan (the "Prohibited Uses") or by local law. Parking Units are for storage of personal motor vehicles of Unit Owners. Parking Units are not to be used for transient parking. Commercial or oversized vehicles, trucks or trailers are not permitted in Parking Units. Parking Units will be sold on a first come, first serve basis.

The Sponsor can sell or lease a Parking Unit without restriction or limitation and, such Parking Units as are owned by the Sponsor or its designee are not subject to a right of first refusal while they are owned by Sponsor or its designee.

The percentage of interest of the Parking Units in the Common Elements is based, as in the case of the Residential Units, on method (iv) contained in Section 339-i(1) of the Condominium Act, that is, upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements and Limited Common Elements for exclusive or shared use, and the overall dimensions of the particular Parking Unit. The method of allocating the common profits and expenses for the Parking Units, such Units being a non-residential units, are, specially allocated and apportioned based upon Section 339-m of the Condominium Act. The budget items shared by the Parking Units and Storage Bins have been separated from the budget items shared by the Residential Units and charged only to the Parking Units and Storage Bins. The Sponsor believes, that the Common Charges payable by the Parking Unit Owners are sufficient to cover the expenses fairly attributable to the Parking Units.

If the cost of insurance on the Building is increased as a result of the particular use of a Parking Unit or Storage Bin, then the Unit Owner or licensee whose use has caused the increase will reimburse the Condominium the amount of such increased cost within thirty (30) days after demand by written notice from the Board to the Unit Owner or licensee.

Storage Bins. Sponsor intends to offer Purchasers of Residential Units the right to license one of seventeen (17) Storage Bins in accordance with the Purchase Agreement and the Storage Bin License Agreement, a copy of which is attached as Exhibit D to the Purchase Agreement at Exhibit A in Part II of the Plan. Storage Bins will only be licensed to Purchasers of Residential Units who have entered into a Purchase Agreement with Sponsor for such Residential Unit, by the execution of a Storage Bin License Agreement with the Board of Managers, on a first come, first serve basis, limit of one Storage Bin for each Residential Unit. Some Residential Unit Owners may not receive a license for a Storage Bin. Except for the Sponsor and its designees, the right to license a Storage Bin is limited to Residential Unit Owners (See Exhibit D to the Purchase Agreement).

These licenses will give the holder of a license the right to use a designated storage bin for residential storage purposes only, for a term of fifty (50) years or until such Residential Unit Owner no longer owns a Residential Unit in the Building and will be subject to the payment of an annual license fee of \$200 per year to the Board of Managers, due on the December 31st (or the last week day) of each year. The fee payable annually may be increased by the Board of Managers on twenty (20) days notice but by no more than a

cumulative ten (10%) percent per year. In addition, at the Closing, a Unit Owner who is licensing a Storage Bin will pay a \$500 fee to Sponsor's attorneys for the preparation of the Storage Bin License Agreement.

Storage Bins will be located in the Common Areas of the Cellar of the Building as shown on the Floor Plans at Exhibit A in Part II of the Plan. The Sponsor and the Board of Managers have the right to combine, alter or, as to previously combined Storage Bins, subdivide adjoining Storage Bins without requiring consent of anyone else, subject to applicable governmental regulations and the provisions of the Declaration and By-Laws of the Condominium, and provided that the total annual payment allocated to such Storage Bin shall not change. The license will provide that it may not be transferred to anyone (other than a surviving spouse who is a co-owner of the Unit) but reverts back to the Board of Managers and that in the event of a transfer in violation of the foregoing or other violation of the terms of the license, the license may be revoked by the Board of Managers.

Storage Bins may only be used for storage and may not be used for living space. The By-Laws and License provide that Licensees will not place or store inside their Storage Bin any materials which are dangerous, hazardous, flammable, create disturbing or noxious fumes, odors, noises or vermin, create any risks to the health, safety or well being of persons in the Building, or which create any material risk or hazard to other property, or which may increase the cost or premium of the Condominium's insurance. A copy of the form of Storage Bin License is annexed as a rider to the Purchase Agreement at Exhibit A to Part II of the Plan.

CHANGES IN PRICES AND UNITS

The prices for the Units may be changed from those set forth in this Plan. Purchasers may pay different prices for similar Units. Prior to the Plan being declared effective, no price change which (a) is across-the-board or affects one or more lines or types of Units, or (b) is to be advertised, or (c) is a price increase, will be made except pursuant to a duly filed amendment to this Plan. Prices and specific terms of sale are negotiable, and the Sponsor may enter into an agreement with an individual purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment to the Plan.

The Sponsor reserves the right to negotiate all aspects of the price of Units and other terms of sale with Purchasers, including, but not limited to (i) renovations or improvements to the Unit or the fixtures or equipment contained therein or credits or allowances therefor; (ii) reduced or increased Down Payment towards the Purchase Price; (iii) payment of all or part of the Purchaser's closing costs such as attorneys' fees, transfer taxes, financing costs, origination fees and/or commitment fees; (iv) extensions of time periods provided for in the Plan; (v) making the agreement conditioned upon financing (in Sponsor's sole discretion, based upon such factors as the number of Units closed and/or under contract at a particular time, purchase price for the particular Unit, credit history, Purchaser's income, prevailing interest rates, status of construction of the Units and Common Elements, among other factors); (vi) limiting Sponsor's rights on default of Purchaser; (vii) offering common charge rebates or other financial incentives; (viii) any and all other expenses related to the costs of acquiring title to the Unit; and (ix) any other matter, monetary or non-monetary, related to the purchase of the Unit, without filing an amendment to this Plan. The Sponsor also reserves the right to amend the Plan from time to time to add and/or delete negotiable terms.

Notwithstanding any other provision of this Plan, the Sponsor is not obligated to offer any Unit for sale even though such Unit is listed on Schedule A. The Sponsor may, if it chooses, withhold one or more other Units for future sale.

The Sponsor reserves the right to (i) change the layout of or number of rooms in any Unit, (ii) change the number of Unit types, (iii) reverse the layout of a Unit from that shown on the Floor Plans, and (iv) change the size and/or number of Units, including subdividing

one or more Units into separate Units, combining separate Units into one or more Units or altering the boundary walls of Units (provided, in each case, that any approval if required of all governmental authorities having jurisdiction is first obtained). In that event, the Sponsor will have the right to reapportion among the Units affected by such change, subdivision, combination or alteration, their appurtenant interest in the Common Elements, provided that unless the affected Purchaser is offered the right to rescind his or her Purchase Agreement, no material change will be made in the Unit size, location, layout or percentage of Common Interest allocated to any Unit for which a Purchase Agreement has been accepted and is not then in default. Unless all Unit Owners consent in writing, and all affected contract vendees are offered a right of rescission (which consent shall not be withheld, delayed or conditioned) no material change will be made in the size and no materially adverse change will be made in the quality of Common Elements. A material change in the size or number of Units and/or their respective percentages of Common Interest, and a material adverse change in the size or quality of Common Elements (other than the alteration of interior partitions) will be reflected by a duly filed amendment to this Plan and if required, by a duly recorded amendment to the Declaration.

The Sponsor reserves the right to make changes in any and all architectural, structural, mechanical or electrical plans and specifications provided that prior approval is first obtained from the municipal agencies having jurisdiction, and further provided that any such material changes are made with the approval of an architect or professional engineer, and are reflected by a duly filed amendment to this Plan. No such change, if material and adverse, shall be made with respect to any Unit for which a Purchase Agreement has been executed and is in effect and the Purchaser is not in default thereunder unless the Purchaser consents in writing. As long as the layout and dimensions of a Residential Unit conform substantially to the Floor Plans, a Purchaser will not be excused from performing under a Purchase Agreement, and will have no claim against Sponsor by reason of any variance in such layout or dimensions. No such change will be in violation of the Site Plan approval issued by the City of New York, as same may be amended.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit will be required to execute four (4) copies of a Purchase Agreement in the form set forth in Part II of this Plan, and to return it to the Sponsor at the sales office located in the Building, or to Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Suite 501, New York, New York 10106, together with a check for the required down payment drawn on a New York City bank to the order of "Sonnenschein, Sherman & Deutsch, as Attorneys". The down payment will be 10% of the Purchase Price of the Unit, except in the event the Purchaser orders additional work or items. In such event, Purchaser shall deposit by an additional check one hundred (100%) percent of the cost as estimated by Sponsor of any such optional extras or custom work which shall initially be deposited in Sponsor's attorney's escrow account. However, even if Purchaser is entitled under the Purchase Agreement to a return of the down payment, Purchaser will not receive back the cost of the optional extras or custom work but only the original 10% down payment since the cost of the optional extras or custom work may be released from time to time, prior to closing, to pay contractors and suppliers. When (and only when) accepted in writing by the Sponsor, the Purchase Agreement will be binding upon the Sponsor, subject to the Sponsor's rights to abandon this Plan, as set forth in the section of this Plan entitled "Effective Date of the Plan". The Sponsor shall have thirty (30) days within which to accept or reject any Purchase Agreement, during which time the Sponsor will return to Purchaser either a fully executed counterpart of the Purchase Agreement or a refund of the down payment previously tendered, without interest. Failure by the Sponsor to act within this thirty (30) day period shall be deemed a rejection of the Purchase Agreement.

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

No Mortgage Contingency

The Purchase Agreement is not contingent upon the Purchaser obtaining financing. Although a Purchaser may obtain financing from a lending institution or any other source, the Purchaser's obligation to purchase the Unit pursuant to the Purchase Agreement is not contingent upon obtaining financing for such purchase. Although a Purchaser is free to apply to any lender Purchaser chooses for any financing, either directly to a lender or through a mortgage broker, the inability to obtain a mortgage loan commitment or mortgage loan shall not relieve a Purchaser of Purchaser's obligations under the Purchase Agreement. If a Purchaser needs and fails or is unable to obtain a mortgage loan from a lender to purchase a Unit and thereby is unable to close on the purchase of the Unit, Purchaser will be in default of the Purchase Agreement and Sponsor shall have the right to its legal remedies, which include, but are not limited to taking Purchaser's down payment as liquidated damages. TIME IS OF THE ESSENCE with respect to Purchaser's obligations to perform all of Purchaser's obligations under the Offering Plan. Any and all costs, fees or expenses necessary or required to be paid in connection with any Purchaser's mortgage loan or mortgage loan commitment, and any extension, renewal or replacement of same, shall be borne solely by such Purchaser, no matter what the cause, and Sponsor shall not be responsible for paying any of such costs, fees or expenses under any circumstance. See "Procedure to Purchase" and the Purchase Agreement for further information.

In the event a Purchaser obtains a mortgage loan commitment to purchase a Unit, and (a) does not close on the purchase of the Unit before the expiration of the commitment, even if the Sponsor is not ready to close on the Unit because of lack of a temporary certificate of occupancy or otherwise, or (b) incurs additional fees to extend the commitment or obtain a new commitment from the same or another lender, or incurs any additional fees, costs or expenses in connection with any delay in the anticipated or scheduled closing date (including, but not limited to, increases in interest rates or additional "points" or extension fees levied by the lender), or (c) loses its commitment, Purchaser must pay all such fees or costs incurred or imposed. Sponsor, its members, principals, selling agents and counsel shall not be responsible under any circumstance for the payment or reimbursement of any of such fees or costs incurred by or imposed upon the Purchaser, or for any other damage, injury or loss. See "Procedure to Purchase" and the Purchase Agreement.

If a Purchaser's Commitment expires, or if the terms of the Commitment are changed, or the Commitment is revoked, or if Purchaser fails to make a timely written request for a renewal or extension of the Commitment, or fails to pay any required extension fees, or if a renewal or extension is denied or otherwise not obtained, the Purchase Agreement will remain in full force and effect and Purchaser must pay the balance of the Purchase Price at closing or be in default.

The Purchase Agreement and Purchaser's obligations thereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof), and Purchaser understands and agrees that his failure to obtain such financing will not relieve him of his obligations under the Purchase Agreement. Purchasers who require financing but do not have a Mortgage Contingency in their Purchase Agreement and fail to obtain financing shall not be relieved of their obligations under the Purchase Agreement. In no event will Sponsor be liable for any costs, fees or expenses of Purchaser relating to or resulting from Purchaser's inability to obtain financing, delay in obtaining financing, or closing with such financing.

Any notice or other communication required or permitted to be given under the Purchase Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or registered mail, return receipt required, to the last address provided by the addressee. All such notices and communications shall be deemed to have been received on the date of personal delivery or on the third (3rd) day after mailing, except that a notice of change of Purchaser's address shall be deemed given when actually received by Seller.

Purchaser shall be deemed to have been given a fully executed copy of this contract on the third business day following the date of ordinary or regular mailing, postage prepaid.

At the sole and absolute option of the Sponsor, Sponsor may offer and Purchaser may accept Sponsor obtained financing, and/or Sponsor may require that Purchaser shall make prompt application (or a second application) to another institutional lender or mortgage broker designated by the Sponsor for a mortgage loan. Any written commitment from an institutional lender for a loan of up to eighty (80%) percent of the purchase price, at then standard interest rates, and other standard provisions of a condominium unit mortgage, shall be deemed to have met a mortgage contingency if and only if such contingency is permitted by Sponsor, whether or not conditioned upon any factors other than an appraisal satisfactory to such institutional lender. If Sponsor permits a Purchase Agreement to be conditional upon the Purchaser obtaining a mortgage loan, and if within the later of (a) the earlier of (i) forty-five (45) days of Contract Delivery Date, or (ii) the date the lender or mortgage broker refuses to issue a commitment to Purchaser, or (b) forty-five (45) days after the date Sponsor notifies Purchaser of Sponsor's election to require Purchaser to make a second application, the mortgage loan commitment has not been obtained, either Sponsor or Purchaser may cancel the Purchase Agreement on written notice to the other party given within five (5) days of such date, time being of the essence as to such five (5) day period. The withdrawal by a lending institution of its loan commitment for any reason, including, but not limited to, a change in Purchaser's financial condition or an inability to obtain an extension of such commitment, refusal by Purchaser to pay an extension fee, or any refusal of the lender to fund the loan, shall not relieve Purchaser of his or her obligations under the Purchase Agreement. In no event shall Sponsor be liable for any costs, fees or expenses relating to Purchaser's inability to obtain or extend a mortgage commitment, even if such event results from a delay in closing caused by the Purchaser.

Failure to Close

Upon the closing of title, the Purchaser will be required to (i) pay the balance of the Purchase Price of the Unit and all closing costs and charges in connection with the closing; (ii) execute a Power of Attorney in the form contained in Part II; (iii) if a mortgage loan is being obtained by Purchaser (even though the Purchase Agreement is not contingent upon obtaining financing), execute the mortgage note or bond and mortgage and any other documents required by the mortgagee in connection with the loan, and a mortgage tax credit affidavit for the benefit of Sponsor; and (iv) execute all standard closing documents. The Purchaser will then receive a deed substantially in the form set forth in Part II. At closing, or at such earlier time as Purchaser enters into possession of the Unit pursuant to a written agreement with the Sponsor, the risk of loss from fire or other casualty will pass from Sponsor to the Purchaser. The Sponsor is under no obligation to allow a Purchaser to take possession of a Unit prior to closing and a Purchaser has no right to do so, absent Sponsor's written agreement.

If a Purchaser (i) does not pay the balance of the Purchase Price when due or execute the Power of Attorney to the Board of Managers or (ii) fails to perform any other obligation under the Purchase Agreement and/or this Plan, and if Purchaser does not remedy such default within thirty (30) days after written notice of default and demand for payment to the Purchaser, the Sponsor may (but is not obligated to) elect to cancel the Purchase Agreement. In such event, the Down Payment as described above, if any, with interest if earned, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Notwithstanding the foregoing, the Sponsor may not retain as liquidated damages a sum in excess of ten (10%) percent of the Purchase Price plus interest, if any has been earned, but may retain 100% of any additional down payment for the cost of optional extras and custom work ordered and any installation costs connected therewith, if any, as incurred.

After this Plan is declared effective, the Sponsor or Selling Agent will give written

notices to each Purchaser fixing the closing date for such Purchaser, which shall be no sooner than thirty (30) days thereafter unless such period is waived in writing by the Purchaser. The notice of closing date may also state when Common Charges will begin to be due and payable. The Sponsor may adjourn a closing date and reset it upon five (5) days' prior written notice. Any costs or expenses incurred by Purchaser as a result of any adjournment shall be payable solely by Purchaser; Sponsor shall not be responsible for any such costs or expenses.

Time is of the essence with respect to Purchaser's obligation to pay the balance of the Purchase Price and to pay or perform all of Purchaser's obligations under the Purchase Agreement after notice is given as provided above.

The Purchase Agreement provides that the Purchaser is purchasing the Unit without relying upon any warranties or representations as to financial data or estimated income tax deductions, except as specifically represented in this Plan and the Exhibits hereto.

Purchaser's Right to Cancel

The Purchase Agreement provides that if after the effective date of this Plan, title to a Unit for which a Purchase Agreement was executed prior to the date of the notice declaring the Plan effective, has not been conveyed to a Purchaser within twelve (12) months after the estimated date of commencement of the first year of condominium operation set forth in Schedule B to this Plan, as it may be amended, or any adjourned date which has been agreed upon in writing by both Sponsor and Purchaser (except where Sponsor has previously notified Purchaser that he/she is in default as set forth in Failure to Close above), then the Purchaser shall have the right, for a period of thirty (30) days from the expiration of such twelve (12) month period, to cancel the Purchase Agreement as provided below. Sponsor estimates that the First Closing will take place on or about January 1, 2007. A Purchaser desiring to so cancel must tender a written notice to the Sponsor during that thirty (30) day period and the Purchase Agreement will be deemed canceled at the end of the notice period, which shall be at least thirty (30) days from the sending of such notice (unless the Sponsor is ready, willing and able to close title within such thirty (30) day period). Upon such cancellation, the Sponsor shall return any monies paid under the terms of the Purchase Agreement, with interest earned, if any, less the monies paid for extras. (See the section of Part I of the Plan entitled "Escrow Funds").

All Units will be delivered at the closing of title free and clear of all leases, tenants and rights of occupancy.

Although Sponsor does not currently intend to rent unsold Residential Units, Sponsor reserves the right under certain financial conditions to offer unsold Residential Units for rent. However, Sponsor represents that its current intention is to endeavor in good faith to sell Residential Units in a reasonably timely manner to Purchasers for the personal occupancy of Purchasers or their immediate families. However, in the event Sponsor reasonably believes that there is a decline in market values from Sponsor's offering prices as set forth herein, or from and after the first anniversary of the Date of Acceptance set forth on the cover, such offering prices have not been increased by at least fifteen (15%) percent over the prices set forth so the offering prices set forth in this Plan, Sponsor reserves the right to rent, rather than sell, units. Sponsor's mortgage requires its lender's approval to rent Residential Units. Sponsor's good faith efforts to sell to Purchasers will include listing unsold Residential Units with brokers, showing unsold Residential Units to brokers and prospective purchasers or their representatives, and otherwise engaging in customary sales activities. In the event that Sponsor makes a bulk sale of all of the Units, the transferee successor-Sponsor will be bound by Sponsor's representations regarding its commitment to sell.

The Sponsor reserves the right for itself and its designee, without prior notice or amendment to the Plan, to use any unsold Units as sales offices and model units. If the

Sponsor or its designee thereafter elects to sell any such unsold Unit, the Sponsor, or its designee, may require the Purchaser thereof to purchase all or any of the furnishings, equipment or decorations therein and pay, in addition to the Purchase Price for such Unit, such amounts for the furnishings, equipment or decorations as Sponsor or its designee may determine, which shall be more fully set forth in a Rider to the Purchase Agreement. The presence of any furniture, furnishings, equipment, cabinetry, appliances or decorations in any model Unit is for display purposes only and does not and will not imply or represent that any Unit will contain such furniture, furnishings, equipment, cabinetry, appliances or decorations. Model apartments do not necessarily represent the interior finishing or decoration of any Unit offered for sale.

Final Inspection of Unit

At least three (3) business days before the closing date, the Sponsor will notify the Purchaser that the Unit is ready for final inspection before Closing. Upon receipt of the notice, Purchaser will promptly arrange an appointment with the Sponsor or Selling Agent to inspect the Unit during such three (3) business day period. Purchaser or his duly authorized agent shall attend such inspection, accompanied by a representative of Sponsor, and shall complete, date and sign the Inspection Report (in the form set forth as Schedule B to the Purchase Agreement) and deliver same to the Sponsor or Selling Agent at the conclusion of the inspection. The failure of the Purchaser either to arrange such appointment or to inspect the Unit within ten (10) days of receipt of said written notice or to so sign and deliver the completed inspection report, shall not excuse Purchaser from paying the balance when due and shall constitute Purchaser's full acceptance of the Unit in the as-built condition existing on the day of Closing. A Purchaser is obligated to pay the entire balance of the Purchase Price, without provision for escrow, notwithstanding Sponsor's obligation to complete or correct the construction items noted on Purchaser's Inspection Report, provided a temporary certificate of occupancy has been obtained either for the Building or for the Unit. However, nothing herein shall relieve Sponsor of its obligations as set forth in the "Rights and Obligations of Sponsor."

Risk of Loss

The risk of loss before Closing remains with Sponsor, except where the Purchaser occupies the Purchased Unit pursuant to an interim lease. In such instance, the following is a SPECIAL RISK: A Purchaser given possession of the Unit prior to Closing under an interim lease or otherwise, shall be solely responsible for any damage to, or loss or other condition in, the Unit or its contents resulting from Purchaser's use or occupancy, and Sponsor shall not be obligated to make any repairs to the Unit or its contents resulting from such use by Purchaser. However, until Closing Sponsor will remain responsible to make those repairs required of it as landlord or seller under any interim lease or occupancy agreement and as may be required by law and, after Closing, the Condominium Board will be responsible for making those repairs required of it under the Condominium Documents (provided access to the Sponsor or the Board, as the case may be, is granted by the tenant.). If during Purchaser's occupancy, the Unit or its contents is damaged by casualty or otherwise, then Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Unit or did not result from the acts of Purchaser, or other occupants of the Unit or of Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage, then Purchaser's failure to make such repair shall not excuse Purchaser from paying the balance of the Purchase Price and accepting delivery of the Deed. In the event a Purchaser occupies a Unit before Closing, it is recommended that such a Purchaser consult with his insurance broker about obtaining insurance coverage to protect Purchaser against any such loss.

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

Neither the Plan nor the Purchase Agreement shall contain or be modified to contain any provision waiving Purchaser's rights, other than the ability of Purchaser to waive his or her right to thirty (30) days written notice prior to closing of title to the Unit, or abrogating the Sponsor's obligations under the Offering Plan or under Article 23-A of the New York General Business Law.

Purchasers are prohibited from assigning Purchase Agreements without the prior written consent of the Sponsor, which may be given or withheld in the Sponsor's sole and absolute discretion.

All Purchase Agreements will be subject to the provisions of the section of the Plan entitled "Escrow Funds" which provides for, among other things, Sponsor's compliance with the escrow and trust fund provisions of the General Business Law and Attorney General's regulations.

ESCROW FUNDS

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto and Lien Law Section 71(a)(3).

Any provision of any Purchase Agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in a Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of the Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

In accordance with Lien Law Section 71(a)(3), all deposits, Down Payments or advances made by Purchasers prior to closing of each sale of a Unit (the "Escrowed Funds"), whether received before or after the date of consummation of the Plan, will be placed, within five (5) business days after the Purchase Agreement is signed by all necessary parties, and provided the Purchaser's social security number has been supplied to the Escrow Agent, in a segregated special escrow account of Sonnenschein, Sherman & Deutsch, LLP (the "Escrow Agent"), whose address is 888 Seventh Avenue, Suite 501, New York, New York 10106 and whose telephone number is 212/245-6754. The signatories on this account authorized to withdraw funds are any one of: Sander Srulowitz, Richard E. Feldman, Irving Sonnenschein and/or Martin J. Friedman, all of whom are partners of the law firm that is the Escrow Agent.

The name of the account is "Sonnenschein, Sherman & Deutsch Attorney Escrow Account", and it is located at Chase Manhattan Bank at its branch at 250 West 57th Street, New York, New York 10107. This bank is covered by federal bank deposit insurance to a maximum of \$100,000 for each individual deposit. If an individual makes a down payment in excess of \$100,000 for the purchase of a unit, **it is a special risk of this offering** that such deposit (and any interest thereon) will not be federally insured in excess of \$100,000.

The account will be an interest-bearing account and, unless the Purchaser defaults, interest will be credited or paid to the Purchaser at closing. The interest rate to be earned will be the prevailing rate for these accounts, which currently is approximately 1% per annum, depending on the amount of the Down Payment. Interest will begin to accrue on the Down Payment in accordance with the bank's policy.

All checks and other instruments shall be made payable to or endorsed to the order of "Sonnenschein, Sherman & Deutsch, as Attorneys".

In accordance with Lien Law Section 71(a)(3) within ten (10) business days after tender of a Down Payment submitted with a Purchase Agreement, and return of a fully executed Purchase Agreement to Purchaser or his/her attorney, and provided Purchaser's social security number has been supplied to the Escrow Agent, the Escrow Agent is to notify the Purchaser or his/her attorney that such funds have been deposited into the escrow account and will provide the account number and the initial interest rate. If the Purchaser or his/her attorney does not receive notice of such deposit within fifteen (15) business days after tender of the Down Payment with Purchaser's social security number, the Purchaser may forward a notice of cancellation and cancel the Purchase Agreement within 90 days after tender of the Down Payment or may apply to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Escrowed Funds were timely deposited and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

Before funds are transferred to a new escrow account, or if the escrow agent is replaced, the Plan will be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as is hereinafter provided in Part II of the Plan. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in writing the use of such an alternate form of security, pursuant to Section 20.3(o)(4) of the Regulations.

If insufficient funds are raised through this Plan, or otherwise, to effectuate the contemplated transaction, or if the Sponsor is unable for any reason to perform in accordance with the terms of the Purchase Agreement, then such monies will be fully returned to the Purchaser, with interest earned, if any, after deducting monies paid toward special work or options which have been ordered or installed.

Before funds are transferred to a new escrow account, or if the escrow agent is replaced, the Plan will be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as is hereinafter provided in Part II of the Plan. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in writing the use of such an alternate form of security, pursuant to Section 20.3(o)(4) of the Regulations.

Since all Purchase Agreements are contingent upon the Plan's becoming effective, under no circumstances shall Sponsor have the right to release of the escrowed funds of a defaulting Purchaser (except for the deposited amount relating to extras) until after consummation of the Plan. Consummation of the Plan is defined as declaration of effectiveness by the Sponsor and acceptance of the amendment by the Department of Law confirming the declaration of effectiveness. Consummation of the Plan will not relieve Sponsor of its obligations pursuant to General Business Law §352-h.

If, instead of closing, the Sponsor terminates the Purchase Agreement because of the Purchaser's default, as set forth above in the section "Procedure to Purchase", then the escrowed funds (but in no event more than ten (10%) percent of the Purchase Price plus interest, if any, plus the cost of optional extras and custom work ordered and any installation costs connected therewith if any, as incurred) will be released to the Sponsor by the Escrow Agent as liquidated damages.

Subject to the foregoing, the Escrow Agent will hold funds in escrow until the closing under the Purchase Agreement or until otherwise directed in

- a. a writing signed by both the Sponsor and Purchaser (the issuance and acceptance of a deed and execution of closing documents shall be deemed such a writing); or

- b. a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
- c. a judgment or order of a court of competent jurisdiction.

If escrowed funds are to be released from escrow and no closing under the related Purchase Agreement has occurred, and if there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the escrowed funds to the Sponsor until the Escrow Agent has given the Purchaser at least ten (10) days prior written notice of the intended release. Thereafter, the escrowed 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 dispute resolution provisions.

The Sponsor will not object to the release of the escrowed funds (less the cost of extras, etc.) to:

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

The Escrow Agent is acting as an accommodation to the Sponsor and will not be liable for any action taken or omitted under this Plan or any Purchase Agreement except for its negligence or willful misconduct. It will incur no liability to the Sponsor with respect to any action taken or suffered by it in reliance upon any notice, direction, instruction, consent, statement or other paper or document reasonably believed by it to be genuine. Upon payment of the escrowed funds in accordance with the terms of the escrow agreement and this Plan, the Escrow Agent will be discharged from liability by the Sponsor.

Any provision of a Purchase Agreement by which Purchaser purports to waive or indemnify any obligation of the Escrow Agent is void.

In the event of a dispute, Purchasers and the Escrow Agent may apply to the Attorney General for a determination of the disposition of the escrowed funds, and any interest thereon. The Sponsor must avail itself of this procedure if there is a dispute as to the disposition of the escrowed funds. A form for this purpose is included in Part II of this Plan. The party applying for such a determination must send a copy of the application to all other parties.

Pending the determination of the Attorney General to grant or deny the application, the Sponsor, the Purchaser and the Escrow Agent will abide by any interim directive issued by the Attorney General. If the application permitting release of the escrowed funds is granted, the Escrowed Funds 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 permitting release of funds is granted, the deposit and any interest earned thereon shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted. The Regulations provided that the Attorney General shall act upon the application within 30 days after its submission to the Office of the Attorney General, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for stated reasons. If the application seeking release of funds is denied, the Escrow Agent shall continue to hold the deposit and any interest earned thereon until:

- a. both the sponsor and purchaser direct payment to a specified party in accordance with a written direction signed by both the sponsor and purchaser; or
- b. a judgment or order of a court of competent jurisdiction is served on the Escrow Agent; or
- c. the Escrow Agent deposits the disputed amount into court.

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

A copy of the Escrow Agreement which incorporates the terms set forth above is included in Part II of this Plan.

If a conflict arises over the disposition of the escrowed funds, the attorneys serving as Escrow Agent may represent the Sponsor in such dispute.

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

The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

ASSIGNMENT OF PURCHASE AGREEMENTS

Prior to closing, Purchasers are prohibited from assigning Purchase Agreements without the prior written consent of the Sponsor, which may be given or withheld in the Sponsor's sole and absolute discretion. Purchasers may not list the Unit with any broker, advertise, publicize or otherwise offer the availability of the Unit for sale.

EFFECTIVE DATE OF THE PLAN

All Purchase Agreements are contingent upon the Plan being declared effective in compliance with the time periods and conditions set forth herein. The First Unit Closing may not occur before this Plan has been declared effective.

This Plan will become effective at Sponsor's option, but not before there are binding Purchase Agreements from bona fide Purchasers for fifty (50%) percent in number of the Residential Units of the Condominium offered for sale as required by Sponsor's Lender. Even were Sponsor's Lender to waive the requirement that the Plan not be declared effective until there are Purchase Agreements for fifty (50%) percent in number of the Residential Units, Sponsor will not declare the Plan effective until it has Purchase Agreements for fifteen (15%) percent of the Residential Units as required by Section 13NYRR20.3(g)(3) of the Attorney General's Regulations. The Sponsor must declare this Plan effective when Sponsor has entered into valid and binding Purchase Agreements for eight (80%) percent in number of the Residential Units of this Condominium offered for sale. For the purpose of this Plan, a Purchase Agreement will be valid and binding if executed by both Purchaser and Sponsor.

For purposes of effectiveness, Purchase Agreements will not be included if (i) they were signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) the Purchaser was not afforded the protection required by Section 20.3(o)(15) of the Attorney General's Regulations that Purchasers have not fewer than three (3) business days to review the Plan and all filed amendments prior to executing such Purchase Agreement; or (iii) they were signed by any Purchaser who is the Sponsor, the Selling Agent or the Managing Agent or who is a principal of any of them, or who is related to of any of them by blood, marriage or adoption or as a business associate, employee, shareholder or limited partner. Notwithstanding the foregoing, such a Purchaser, other than the Sponsor or a principal of the Sponsor, may be included if the Sponsor has submitted proof reasonably satisfactory to the Department of Law establishing that the Purchaser is a bona fide purchaser.

This Plan may be abandoned by the Sponsor at any time before Sponsor has declared the Plan effective or before Sponsor has obtained valid and binding Purchase Agreements for 80% of the Units. If the Plan is abandoned, all Purchasers will be promptly notified, and within twenty (20) days of such notification, Sponsor will refund all monies paid under the Purchase Agreements to Purchasers, with interest, if earned. The Sponsor will promptly submit an amendment to the Department of Law confirming such abandonment together with form RS-3 or such other form as the Department of Law may require.

The Plan will be declared effective by the mailing or personal delivery of written notice to all Purchasers. Within five (5) business days after such notice is given, an amendment to the Plan will be submitted by Sponsor stating that the Plan has been declared effective. The closing of title to the first Unit will not occur until this Plan has been declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

The Sponsor may not abandon this Plan after it has been declared effective for any reason other than (i) a defect in title which cannot be cured without litigation or which cannot be cured for less than \$185,000 for all Units, which is not less than one half of one (0.5%) percent of the total amount of the offering; or (ii) substantial damage or destruction of any portion of the Building by fire or other casualty which cannot be repaired for less than \$100,000; or (iii) the taking of any material portion of the Property by condemnation or eminent domain. The figures computed for purposes of (i) and (ii) above shall not include attorneys' fees and title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and either are known to the Sponsor or are a matter of public record. Except as specifically set forth above, Sponsor or its designee shall have no obligation to incur any expenses or engage in litigation to cure title defects.

If requested, Sponsor will submit copies of all Purchase Agreements, and any amendments or modifications thereto, to the Department of Law within five (5) business days after a request is made.

TERMS OF SALE AND CLOSING OF TITLE TO UNITS

The closing of title to each Unit will take place only at the offices of the Sponsor's attorney, Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Suite 501, New York, New York 10106, only after or concurrently with the following events:

1. Sponsor's declaration of the Plan's effectiveness as described in the section of the Plan entitled "Effective Date";
2. Service on Purchaser of written notice of the Closing Date no less than thirty (30) days in advance of closing (unless such time period is waived in writing by Purchaser), giving Purchaser the opportunity to inspect the Unit and other property (the Common

Elements) subject to the Declaration prior to Closing, provided that Purchaser shall be obligated to make an inspection appointment with the Sponsor or Selling Agent and shall be accompanied at all times by a representative of the Sponsor or Selling Agent, and adjournments of closings shall be provided by note transmitted by facsimile to each affected Purchaser's attorney;

3. Recording of the Declaration and By-Laws in the of the City Register's Office. In addition, to the extent required by law, a set of Floor Plans of the Building showing the layout, location and approximate dimensions of the Units and the Unit designations, with tax authority certification as conforming to the official tax lot number for each such Unit and an architect's statement required by Section 339-p of Article 9-B of the Real Property Law of the State of New York certifying that the plans fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built or to be built, will be filed in said office;
4. Issuance of a temporary or permanent Certificate of Occupancy for the entire Building, or, alternatively, the issuance of a partial, temporary or permanent Certificate of Occupancy for the Unit under contract and being closed;
5. Release of the Unit to be closed and its undivided common interest as required by Section 339-r of the New York Condominium Act from the liens of all mortgages except the Purchaser's mortgage, if any, and free and clear of all other liens and encumbrances except those described in the section of this Plan entitled "Status of Title at Closing" and in the proposed Unit deed set forth in Part II;
6. Delivery to Purchaser of a Bargain and Sale Deed with Covenants against Grantor's Acts, in substantially the form as set forth in Part II of this Plan and in proper form for recording and containing the provisions set forth in subdivision 5 of Section 13 of the Lien Law;
7. Assignment to Purchaser of any manufacturer's warranties, if any, with respect to equipment and appliances installed in the Unit, and assignment to the Board of Managers of any warranties, if any, with respect to equipment and appliances installed in Common Elements. All personal property (except for obvious building material or cabinets, appliances, fixtures and the like obviously intended for other Units) located within the Unit on the date of execution of the Purchase Agreement or located within the Common Elements on the date of recording of the Declaration which is owned by the Sponsor, is included in the conveyance unless specifically excepted herein and noted in the Purchase Agreement;
8. The execution by the Purchaser of a Power of Attorney in substantially the form contained in Part II, designating the Board of Managers as the Purchaser's attorney-in-fact, coupled with an interest, for the purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Units which may be acquired by the Board on behalf of all Unit Owners or, in certain instances, on behalf of all Residential Unit Owners, authorizing the Board to apply for a reduction in the assessed valuation of the Unit as part of a single application on behalf of all Unit Owners, to prosecute and settle any such action and otherwise acting in accordance with the Condominium's Declaration and By-Laws. The Power of Attorney will not be effective for the election of managers.
9. At or prior to the first conveyance of a Unit, the holder of a mortgage encumbering the Unit to be conveyed will either: (a) consent to the formation of the Condominium and acknowledge that its lien will be limited to unsold Units; or (b) release or satisfy its lien on the Unit being conveyed.
10. The Purchaser's obligation for payment of the Common Charges and expenses applicable to such Purchaser's Unit will begin to accrue on the date on which title is closed unless otherwise provided in this Plan concerning adjourned closings, notwithstanding work

which may remain to be completed in the Unit or Common Elements.

11. a. The Purchaser shall not be entitled to possession of the Unit until the deed is delivered to Purchaser at Closing; however, Sponsor may, in its discretion, grant possession of the Unit to Purchaser prior to the Closing under an interim lease or other written agreement.
- b. If Purchaser is given possession of the Unit prior to Closing under an interim lease or otherwise, then Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit or its contents resulting from Purchaser's use or occupancy, and Sponsor shall not be obligated to make any repairs to the Unit or its contents resulting from such use by Purchaser. However, until Closing Sponsor will remain responsible to make those repairs required of it as landlord or seller under any interim lease or occupancy agreement and as may be required by law and, after Closing, the Condominium Board will be responsible for making those repairs required of it under the Condominium Documents (provided access to the Sponsor or the Board, as the case may be, is granted by the tenant.)
- c. If during Purchaser's occupancy, the Unit or its contents is damaged by casualty or otherwise, then Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Unit or did not result from the acts of Purchaser, or other occupants of the Unit or of Purchaser's guests, invitees, or workmen. If Purchaser is obligated to repair the damage, then Purchaser's failure to make such repair shall not excuse Purchaser from paying the balance of the Purchase Price and accepting delivery of the Deed.
- d. All risk of loss prior to Closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit or its contents except as set forth in the Plan. If Sponsor or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect. In such an event, the Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete or to permit the Board of Managers to complete, such repairs or replacements. Purchaser shall not be required to pay the balance of the Purchase Price unless and until (i) the Unit has been completely repaired as near as is reasonably possible to its condition immediately prior to the casualty, (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress have been restored and (iii) any condition in the Unit for which a violation (if any) is noted or issued has been corrected, other than those that are the obligations of Purchaser as tenant or occupant to cure or that are caused by the act or omission of Purchaser, its licensees, invitees and/or workmen. (Sponsor will endeavor in good faith, and with reasonable diligence, to remove or cause to be removed subsequent to Closing all violations of record it is obligated to correct.) Any proceeds received from insurance, or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Board of Managers or of other Unit Owners). If such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the three preceding sentences shall survive the Closing.
- e. In the event that Sponsor notifies the Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, the Purchase Agreement shall be deemed canceled and of no further force or effect, and Sponsor shall instruct the Escrow Agent to return to the Purchaser all sums deposited, whereupon the parties shall be released and discharged from all obligations and liability hereunder including interest and under the Plan, except that, if Purchaser is then in default (beyond the applicable

grace period, if any), Sponsor shall retain the Down Payment, together with sums received on account of special work to be performed by the Sponsor.

STATUS OF TITLE AT CLOSING

The deed conveying ownership of the Unit to the Purchaser will contain the provisions set forth in subdivision 5 of Section 13 of the Lien Law, and will convey title free and clear of all liens and encumbrances other than the following (the "Permitted Exceptions"):

1. State of facts shown on survey made by Earl B. Lovell-S.P. Belcher, Inc. dated August 28, 2001 and last revised May 8, 2002.
2. Any additional state of facts which an accurate survey would show since August 28, 2001 providing such additional facts do not render title unmarketable.
3. Zoning and building laws, ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the Building.
4. The Declaration, as it may be amended, and By-Laws, Maps and Floor Plans to be recorded and filed in the Office of the County Clerk for the County of Kings, as the same may be amended from time to time; and the terms, covenants and conditions of this Offering Plan and amendments thereto.
5. Power of Attorney from Purchaser to the Condominium Board of Managers.
6. Easement in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction of the Building, or which may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements, made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand.
7. Any easement or right of use required by Sponsor or its designee to obtain temporary, permanent or amended certificate(s) of occupancy for the Building or any part thereof.
8. Encroachments of trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and standpipes, and similar projections, if any, on, over or under the Property or the streets, sidewalks or premises abutting the Property, and the rights of governmental authorities to require the removal of any such projections, and variations between record lines of the Property and retaining walls and the like, if any.
9. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.
10. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided the same are adjusted at the Closing of Title.
11. Easements in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utilities and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units.

12. Any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, and the right to use, maintain and repair wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like upon, under and across the Property.
13. Franchise taxes, if any, provided the title company issuing a policy of title insurance to the Purchaser will insure that such taxes cannot be collected from the Unit.
14. Standard printed exceptions to the NYBTU or ATLA policies of title insurance.
15. Any (temporary or permanent) Certificate of Occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.
16. Any lease or other occupancy agreement for the Unit made by Sponsor and Purchaser.
17. Any violations against the Property (other than the Unit) that are the obligation of the Condominium Board or another Unit Owner to correct.
18. Variations between tax map and premises described in Schedule A.
19. Covenants and Restrictions in Liber 440 page 427; and in Liber 1460 page 421.
20. Railroad Consent in Liber 2216 page 94.
21. Premises are part of the Park Slope Historic District under a Notice of Designation recorded in Reel 656 page 1097 and are subject to all of the rules, laws, and ordinances affecting buildings having such a designation.
22. Declaration in Reel 1334 page 36.
23. Declaration of Separation from Zoning Lot Restrictions in Reel 5032 page 133.
24. Restrictive Declaration in Reel 5032 page 0140.
25. Zoning Lot Development Agreement in Reel 5044 page 1324.
26. Zoning Lot Agreement in Reel 5044 page 1339.
27. Declaration of Zoning Lot Restrictions in Reel 5044 page 1353.
28. The following easements and agreements:
 - (a) A Lot Line Easement between Affordable Dwelling Units Leasing Corp. (hereinafter "ADULC"), Sponsor's predecessor in ownership of the Property, and the Board of Managers of the Sterling Place Condominium ("SPC"), which owns the building at 121 Sterling Place, Brooklyn, New York, dated June 2, 2000 and recorded in the City Register's Office on August 18, 2000 at Reel 4946, Page 1103 (i) limits development on a rear portion of the Property to one story and (ii) grants an easement for light and air above that one story, but (iii) excepted therefrom are fire escapes, balconies or similar structures. The said easement also limits an additional 8' by 18' rectangle to no development except for fire escapes, balconies or similar structures.
 - (b) A Geothermal Well Maintenance Easement between ADULC and SPC, also dated June 2, 2000 and recorded in the City Register's Office on August 18, 2000 at Reel 4946, Page 1097, (i) grants SPC, its employees and agents at SPC's expense, the right to enter into the Property to perform maintenance and repair and to replace the Pump and

Piping for SPC's Geothermal Wells located on the Property so long as said Geothermal Wells are used for heating and cooling SPC's Building, (ii) precludes ADULC from building over the Pump, Piping and Geothermal Wells in such manner as to prevent reasonable access by SPC to the Pump, the Piping and Geothermal Well, (iii) provides SPC with exclusive use of the Pump, the Piping and the Geothermal Well, and (iv) forbids SPC to dig and/or replace or drill new Geothermal Wells, regardless of the condition of the existing Geothermal Wells.

(c) On October 13, 1999 Sponsor and the owners ("Seller") of Lots 46 and 47 in Block 942 (premises known as 20 and 20A Seventh Avenue, Brooklyn, New York) entered into a Zoning Lot Development Agreement recorded in the City Register's Office on January 9, 2001 at Reel 5044 Page 1339 granting Sponsor certain excess development rights from Seller's land and limiting development and granting easements of light and air over Seller's properties. On October 13, 1999, Sellers and Sponsor also entered into a Declaration of Zoning Lot Restrictions recorded in the City Register's Office on January 9, 2001 at Reel 5044, Page 1353 creating a single zoning lot from lots 46, 47, 48, 49, 51 and 52 in Block 942 (although each is a separate tax lot, and lots 46 and 47 are owned separately from the other lots).

The title company should affirmatively insure that none of the foregoing easements or agreements will interfere with the projected use of the premises as a condominium.

In the opinion of counsel to the Sponsor, none of the foregoing exceptions to title will materially adversely affect the proposed uses of the Property as set forth in this Plan.

Any lien, encumbrance, or title condition not included in the liens and encumbrances listed above (the "Non-Permitted Exceptions") shall not be an objection to title if: (i) the instrument required to remove it "as of record" has been delivered to the title company for recording in the proper office, together with the requisite recording or filing fees and a copy of said instrument is delivered to the representative of Purchaser's title insurance company (or, if none, to Purchaser's attorney); (ii) the title company is willing to insure (without additional premium) Purchaser against its collection or enforcement out of the Unit; or (iii) Sponsor, at its sole option, pays and discharges any lien or encumbrance upon the Property not provided in the Plan from monies paid by Purchaser at Closing.

Sponsor shall be entitled to adjourn the Closing to remove or correct any Non-Permitted Exception that cannot be dealt with as set forth above.

Sponsor shall give, and Purchaser shall accept, such title as National Granite Title Insurance Company Inc. (the "Title Company") as agent for any title insurer licensed to do business in New York will approve and insure, without additional premium, provided that the only liens, encumbrances and conditions affecting title shall be the encumbrances listed above or the Non-Permitted Exceptions, provided that each Non-Permitted Exception has been resolved in the manner provided above. As a result, Sponsor is not obligated to cause Purchaser's title company to omit any exception if the said title company is willing to insure, without additional premium, Purchaser's title with such exception. Purchaser will be responsible to pay to the title company the entire premium for Purchaser's title insurance. Purchaser may obtain title insurance from any other title insurance company but Seller shall have no obligation to provide documents or information to it, and shall not be obligated to "clear" title if title has, in general, been "cleared" with National Granite. Purchaser may elect to not obtain any title insurance at all, at Purchaser's sole discretion (unless Purchaser's lender shall require Purchaser to purchase title insurance covering such lender).

EASEMENTS

Each Unit Owner shall have an easement in common with the Owners of other Units to use all pipes, ducts, cables, wires, conduits, public utility lines or other Common Elements

located in other Units and serving his Unit. In addition, each Unit Owner shall have an easement for the continuance of any encroachment by his Unit on any adjoining Unit or on any Common Element, now existing as a result of construction of the Building, or which may come into existence hereafter as a result of the Building settling or shifting, or as a result of restoration of the Building or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, so that any such encroachment may remain undisturbed so long as the Building stands. The Board of Managers will have the right to grant additional gas, electric, steam or other utility easements or relocate same for the proper operation and maintenance of the Common Elements.

The Property and the Units will be subject to the Easements and Declarations set forth in the prior section of this Plan entitled "Status of Title at Closing."

The Board of Managers, through the managers, Managing Agent, or their employees shall have a right of access to each Unit to inspect and make repairs to the Unit to prevent damage to the Common Elements or any other Unit.

The Sponsor reserves to itself, its designees and each of their successors, assigns, invitees, contractors, agents, employees and tenants, any and all easements and rights of access, in and to Units and the Common Elements and Limited Common Elements consistent with the purposes of this Offering Plan and Sponsor's rights and obligations thereunder. Sponsor is obligated to repair any damage to Units and Common Elements caused by Sponsor's construction and renovation of the property. Construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. During the first year of condominium operation, it is anticipated that construction workers and related personnel will be at the property from time to time making adjustments and performing various tasks related to the completion of construction. Various systems, including, but not limited to, water supply, air conditioning, heating, ventilating and elevators, may require more than a year after any Unit closing to complete and may need to be shut down temporarily. Various other adjustments to windows and elevators and other systems may require months or more after the first closing to be completed. Sponsor may not complete the decoration of the lobby or corridors in the building, including, but not limited to, installing light fixtures, hanging wall coverings or laying carpeting, until that particular floor is fully occupied by Residential Unit Owners. Furthermore a Purchaser who closes title to his or her Unit during the completion of construction of Common Elements or other Units acknowledges that construction noise, vibrations and odors may interrupt their enjoyment of their Units during such period. With regard to the foregoing, in executing a Purchase Agreement, Purchaser acknowledges that Sponsor shall not be liable to Purchaser or any third party in the event of non-completion of any item of construction on any projected date, or any interruption of services in the building.

CLOSING COSTS AND ADJUSTMENTS

Estimated Closing Costs

The estimated closing costs to be borne and paid by each Purchaser of a Unit are set forth below. Recording charges, title costs and taxes are based on rates in effect on the date of the Plan and are subject to change without notice:

1. The premium for fee title insurance, if ordered, from the Title Company or another title insurance company authorized to do business in New York, is, pursuant to the rate schedule filed with the New York State Department of Insurance, \$402 for the first \$35,000 of fee insurance, plus \$6.67 per \$1,000 of the purchase price or fraction thereof in excess of \$35,000 and up to \$50,000. Premiums then increase as follows:

Fee Amount	Premium
\$50,000-100,000	\$5.43/1,000
100,000-500,000	4.36/1,000
500,000-1,000,000	3.98/1,000
1,000,000-5,000,000	3.66/1,000

2. If the Purchaser elects to obtain both fee title insurance and mortgage title insurance simultaneously from the Title Company, the premium for the mortgage title insurance will be at a simultaneous rate. The premium for mortgage title insurance will be computed using the "Basic Rate" schedule as described below. The premium on the amount of the loan policy that does not exceed the fee policy is calculated at thirty (30%) percent of seventy (70%) percent of the regular scheduled rate for loan policies. For example:

Loan Amount	Premium
\$300,000	\$ 415
500,000	633
700,000	832
900,000	1002

The premium for fee title insurance issued simultaneously is computed as in section 1 above.

3. Recording fee for recording the deed, power of attorney and other documents of \$42 for each instrument plus \$5 per page, and a service charge to the Title Company of approximately \$100 per instrument, and a filing fee to the City of New York of \$75 to file form RP-5217 NYC.

4. New York State Real Estate Transfer Tax, calculated at .4% of the purchase price, but when paid by the Purchaser is increased to approximately .4016% since the shifting of the statutory obligation from the Sponsor, as seller, to Purchaser, is deemed additional consideration to the Sponsor.

5. New York City Real Property Transfer Tax (RPT Tax), currently at the rate of one (1%) percent of the purchase price where the purchase price is \$500,000 or less (1.425% for a Commercial Unit) but when paid by the Purchaser is increased to approximately 1.01% since the shifting of the statutory obligation from the Sponsor, as seller, to Purchaser, is deemed additional consideration to the Sponsor, or at the rate of 1.425% (2.625% for a Commercial Unit) of the purchase price where the purchase price is more than \$500,000, or approximately 1.445% when paid by Purchaser, plus a \$65.00 filing fee to the City of New York. The fees, approximately \$150, for preparation of New York City ACRIS forms will be paid by Purchaser.

6. New York State Mansion Tax, which applies where the purchase price of a Residential Unit exceeds \$1,000,000.00, and is calculated at 1% of the purchase price, as increased by the New York State transfer taxes payable by the Purchaser.

7. If a Purchaser obtains a mortgage, the Purchaser shall pay all costs in connection with the mortgage. The costs that will be charged by the Title Company are as follows. However, the Purchase Agreement is contingent upon obtaining such financing.

- a. Mortgage title policy, the rates for which are as indicated in paragraph 2 above;
- b. Mortgage tax, currently at the rate of two and five one hundredths (2.05%) percent of the mortgage amount for mortgages securing a loan of less than \$500,000, less \$30, and at a rate of two and one hundred seventy-five hundredths (2.175%) percent of the mortgage amount, less \$30, for mortgages securing a loan of \$500,000 or more. However, see below as to reimbursement of Sponsor of mortgage recording tax credit.
- c. Recording charges to record the mortgage at the rate set forth in paragraph 3 above; and

In addition, the Purchaser shall pay all other costs in connection with Purchaser's mortgage. These costs may include, but may not be limited to the following.

- a. Loan origination fee or "points";
- b. Charge for appraisal service and credit check;
- c. Legal fees of lender's attorney;
- d. Private mortgage insurance premium, if required by the Purchaser's lender.

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, it is specifically understood that such credit shall inure to the benefit of Sponsor at Closing, without a corresponding reduction in the Purchase Price or any costs or adjustments. Accordingly, at closing, a Purchaser who elects mortgage financing will sign the mortgage tax credit affidavit proffered by Sponsor, and Purchaser will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. Sponsor at closing will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

8. The following are the fees of the Sponsor's attorneys:

- a. \$3,000 closing fee (however, this fee will be reduced to \$2,500 if Purchaser uses National Granite as its title company and Sponsor's attorney determines that this resulted in a time savings of said attorney's work);
- b. \$300 if the Purchaser requests a change in the name(s) of the grantee(s) on the deed and other conveyance documents, and informs Sponsor's attorney of such change less than five business (5) days prior to the scheduled closing date;
- c. \$350 for processing any assignment of the Purchase Agreement authorized by the Plan or the Sponsor;
- d. \$500 if the Purchaser (i) fails to close on the date set forth on the Notice of Closing or (ii) Purchaser closes with mortgage financing from two different lenders, such as a first mortgage issued by one lender and a second mortgage issued by a different lender;
- e. \$500 for preparation of a Storage Bin License Agreement, if applicable.

The costs in this Paragraph 8 are cumulative to the extent applicable to an individual closing.

If any of the costs in (1) through (8) above are advanced by Sponsor, Purchaser will reimburse Sponsor, at the Closing, for any costs so advanced.

Since the Sponsor has obtained a construction loan for the construction of the Condominium and paid a mortgage recording tax on that loan, a mortgage recording tax credit will become available to the Purchaser. At the Unit closing, however, the Sponsor will be reimbursed by the Purchaser to the extent of any such mortgage recording tax credit, and therefore, the Purchaser will not receive the benefit of any such credit. Such credit will not reduce the consideration paid for the Unit nor reduce any closing costs or adjustments.

A mortgage loan may require a Purchaser, as mortgagor, to make monthly deposits of one-twelfth (1/12th) of the estimated annual real estate taxes assessed or to be assessed against the Unit with the mortgagee, and at the closing of title Purchaser may be required to deposit a portion of the annual real estate taxes assessed against the Unit for the forthcoming period with the Purchaser's mortgagee.

9. At the closing of title, each Purchaser of a Residential Unit, except Sponsor and its designees, will be required to pay a sum equal to two (2) months' Common Charges to the Board of Managers as an initial, non-reimbursable contribution to the Condominium's Working Capital Fund. The contribution to the Working Capital Fund will be in addition to, and not in lieu of, monthly payments of Common Charges and will not be credited against Common Charges payable with respect to the Unit.

In addition to the foregoing, a Purchaser will be required to pay other costs, such as costs relating to Purchaser's mortgage financing, if any and the Purchaser's own legal fees, if applicable. These will vary significantly among lenders and attorneys, and are therefore cannot be estimated by the Sponsor.

EXAMPLE OF ESTIMATED CLOSING COSTS FOR TYPICAL RESIDENTIAL UNIT

[Unit 3A: Purchase Price \$1,650,000]

Fee title insurance:	\$ 4,821.00
Recording deed and power of attorney:	\$ 285.00
Municipal Searches	\$ 75.00
NYS Real Estate Transfer Tax:	\$ 6,722.00
NYC RPT	\$23,941.60 (+ \$75.00 filing fee)
Mansion Tax	\$16,500.00
Fee of Sponsor's attorney (basic):	\$ 3,000.00
Working capital contribution:	\$ 696.90
Mortgage recording tax (assuming a first mortgage of \$1,320,000)	\$25,385.00

This example does not include the following costs or fees, to the extent applicable: Purchaser's financing costs, legal fees of Purchaser's attorney, additional legal fees payable to Sponsor's attorney as set forth in Paragraph 8 above and to Lender's attorney as set forth in Paragraph 6 above, recording additional documents, penalty for late closing or apportionment of real estate taxes and insurance as described below.

Estimated Expenses and Adjustments

Each Purchaser will be required to pay Common Charges to the Board of Managers monthly in advance, even if work may remain to be completed in the Unit or Common Elements by the Sponsor. Common Charges assessed during the month in which title closes will be adjusted with the Sponsor as of the closing date, with the Purchaser paying common charges for the day on which the Closing occurs. The amount of Common Charges to be assessed against each Unit will be fixed by the Board of Managers.

At closing, Sponsor and Purchaser will apportion real estate taxes paid for the Land and Building for the tax year in which title closes, as of the date of closing of title. In addition, if, prior to the first closing of title to a Unit, the Residential Units have not been separately assessed for real estate tax purposes, the Sponsor will collect from each Purchaser, at each Unit Closing, an amount equal to the taxes next coming due allocable to each Unit based upon its percentage of common elements, and have the managing agent create an escrow account in the name of the Board of Managers in an amount equal to the unpaid real estate taxes which will be levied against the Residential Units for the full tax year following the first closing of title, and pay the real estate taxes from this escrow account when they become due and payable.

Each Purchaser will be required to reimburse the Sponsor, at closing for such Purchaser's pro rata share of the Condominium's insurance policy (as described in the footnotes to Schedule B) for the first year of operation of the Condominium, the premium for which may be prepaid by the Sponsor prior to the first closing of title to a Unit. The amount of reimbursement will vary depending on the Unit's percentage interest in the Common Elements and the date of closing of title to the Unit. The actual reimbursement will be determined by multiplying the amount of prepaid premium by the Unit's percentage interest in Common Elements, and then multiplying the resulting per diem rate by the number of days remaining in the relevant covered period.

Penalty for Adjourned Closings

If, through no fault of the Sponsor, a Purchaser fails to close title to the Unit for any reason on the date originally scheduled for closing of title to the Unit and is not held in default by the Sponsor, (including, but not limited to, Purchaser's request to adjourn the closing date, Purchaser's failure to send timely notice of a Non-Permitted Exception to title, or the inability of Purchaser's lender to attend the closing on such scheduled date) then the Purchaser shall reimburse the Sponsor (for construction interest expenses incurred and/or loss of earnings on the Purchase Price as a result of the Purchaser's delay), an amount equal to 0.05% of the Purchase Price of the Unit for each day's delay, starting with the day originally scheduled for closing and including the day immediately prior to the actual Closing Date and all adjustments shall be made as of the date originally fixed for the closing of title.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

1. Sponsor's Rights and Obligations. The Sponsor has certain rights and obligations under this Plan and applicable law with respect to the offering, including, without limitation, the following:

a. Sponsor's current intention is to endeavor, in good faith, to sell in a reasonably timely manner, all the Residential Units to Purchasers for the personal occupancy of purchasers or their immediate families. However, in the event Sponsor believes that there is a decline in market values from the amounts set forth on Schedule A hereto or from and after the first anniversary of the Date of Acceptance

set forth on the cover, such offering prices have not been increased by at least fifteen (15%) percent over the prices set forth as the offering prices in this Plan, Sponsor reserves the right to rent, rather than sell Units. Sponsor's good faith efforts to sell to purchasers will include listing unsold Residential Units with brokers and showing unsold Residential Units to brokers and prospective purchasers or their representatives. The Sponsor is required to obtain sales contracts for fifty (50%) percent of the Units (by square footage) by the Sponsor's Mezzanine Loan. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to close on the Units with fewer than the minimum number of sales, if Purchasers counted toward effectiveness default under their Purchase Agreement or otherwise do not ultimately close thereunder. Purchasers should note that banks and other lenders impose various restrictions on mortgage loans secured by condominium units. Such restrictions usually include a requirement that a certain percentage of the condominium units in a building be sold before the lender will make or consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building where the percentage of units purchased is lower than a particular lender's minimum requirements. Even once a building is declared a condominium, lenders may still impose minimum sales requirements before granting a loan. It may then be difficult for a purchaser to resell a unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

b. Sponsor will defend any suits or proceedings against the Condominium arising out of either the Sponsor's willful acts or omissions or material representations made by Sponsor in this Plan, and it will indemnify the Board of Managers and the Unit Owners against liability imposed as a result of such suits or proceedings.

c. All obligations under this Plan which are to be performed subsequent to the closing of title to a Unit will survive delivery of the deed.

d. The Sponsor will pay all Common Charges, real estate, taxes, special assessments and other expenses allocable to any Units owned by the Sponsor, so long as Sponsor shall continue to own the same. The Sponsor currently has the financial resources to meet its obligations with respect to unsold Units. In the first instance, these obligations will be funded from projected sales. However, no bond or other security has been furnished or will be furnished to secure the performance of the Sponsor's obligations. The ability of the Sponsor to perform its obligations will depend upon its financial condition at the time it is called upon to perform. No representation can be made as to its financial ability to perform any such obligations.

e. The Sponsor shall initially procure, on behalf of the Condominium, fire and casualty insurance pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance. The cost of such insurance shall be a Common Expense. See Part the Budget, Schedule B, Part I of the Offering Plan, and the footnote relating to insurance. Sponsor assumes all risk of loss prior to the Closing unless Purchaser occupies the Unit pursuant to an interim lease or otherwise. In the event such a Purchaser's occupancy, the Purchaser shall become responsible for any damage to the Unit caused by Purchaser or Purchaser's family, agents or contractors and for the contents of such Unit. See Paragraph 11 of "Terms of Sale and Closing of Title to Units" for details.

f. In the event of the dissolution or liquidation of the Sponsor, or the transfer of ten (10) or more of the Units or twenty (20%) percent or more of the total number of Units in the Condominium, whichever is less, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor hereunder as to such sold Units.

g. The Sponsor has obtained construction financing for the construction and marketing of the Condominium units from North Fork Bank and R.C.G. Longview II, L.P. The lien of said mortgages will be released from each Unit prior to that Unit being conveyed to a purchaser. The Construction Loan does not require that a certain number of Units must be sold before Sponsor may declare the Plan effective but requires that Sponsor pay a fixed amount before a Unit will be released from the Construction Loan. It also requires Lender's consent to rent Units.

h. The Sponsor will, at its sole cost and with reasonable diligence, complete the construction of the Property substantially in accordance with the plans and specifications described in this Plan and its Exhibits, in accordance with the City of New York Code and with a quality of construction comparable to currently prevailing standards. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in the Plan and in the architectural plans on file, but due to unavailability of materials and supplies or for any other reason, Sponsor may substitute materials, fixtures, appliances and equipment of substantially equal or better quality and design without the consent of any Purchaser. Sponsor also reserves the right to make modifications of layout or design, as more fully set forth in the section entitled "Changes in Prices and Units", provided, however, that the Sponsor may not change the size of Units or other improvements or Common Elements if such changes materially affect the Percentage of Common Interests or materially adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change.

i. Prior to the first unit closing, Sponsor will obtain either a permanent Certificate of Occupancy for the Building or will obtain a temporary Certificate of Occupancy for the Building or for the Unit to be closed and will renew such temporary Certificate of Occupancy until it obtains a permanent Certificate of Occupancy. If a permanent Certificate of Occupancy for the Building has not been issued at the time of closing of title to any Unit, the Sponsor will, at its sole cost and expense, do and perform or cause to be performed all work and will supply or cause to be supplied all materials necessary for its issuance, and will within two (2) years after closing, secure the permanent Certificate of Occupancy for the Unit, unless it is prevented from doing so by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations or any other reason not the fault of the Sponsor (including the performance of alterations or other work in a Unit by a Unit Owner prior to the issuance of such permanent Certificate of Occupancy, which work delays the Sponsor's completion or sign-offs of the Sponsor's work obligations). In any of such events, the two (2) year period will be extended for a period equivalent to the period of such delay.

j. If a closing takes place prior to the issuance of a permanent Certificate of Occupancy for the entire Building or for an individual Unit, Sponsor will maintain in the special escrow account required by Section 352-e(2)(b) of the New York General Business Law an amount the Sponsor's engineer or architect certifies as will be necessary to complete the work necessary to obtain a permanent Certificate of Occupancy for the Unit (and all sums exceeding the amount so certified by the Sponsor's engineer or architect may be released from or initially not deposited into escrow). Alternatively, Sponsor may deposit with the escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified, in which event same will be reflected by duly filed amendment to the Plan.

k. Notwithstanding Sponsor's obligation to correct original defects resulting from improper construction of the Units and Common Elements in violation of

applicable building codes, except as provided in Section 2.b. below, Sponsor assumes no responsibility and will not be liable to repair or replace any of the following:

- i. any condition resulting from normal wear and tear or natural deterioration or from the normal movement, settlement and shrinkage of the Building and/or Building materials; or
- ii. defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, protruding dry wall fastenings, ridging on gypsum board, lumber shrinkage, door or window sticking due to weather, door warpage including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight, slight scratches in plastic laminate, vitreous china, stainless steel, tile, porcelain or stone surfaces, bathroom finish, grouting, adjustment of bi-fold doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor;
- iii. normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast, or concrete cracks which do not reduce the structural integrity of the Building;
- iv. deviations in the level of ceilings, and imperfections in ceiling finishes;
- v. imperfections in painting finishes;
- vi. deviations in the level of a floor, or buckling or sinking due to expansion or shrinkage;
- vii. alignment of bathroom finishes and variation in grouting thickness;
- viii. air infiltration and water infiltration from windows in accordance with the Aluminum Manufacturers Standard;
- ix. noise from normal plumbing, heating, ventilating and air conditioning operation, including boiler, cooling tower, if any, and other equipment;
- x. floor noises and creaking;
- xi. carpet or floor discoloring or stretching;
- xii. variations in width, length, thickness, finish or color range of wood flooring;
- xiii. minor chips, scratches, mars, breaks, dents, cracks, imperfections, or other defects in windows, window glass, frames and hardware; sliding glass doors, frames, door glass and hardware; louvers; shower doors; lighting fixtures, lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins, water closets; kitchen cabinets, backsplashes and counter tops; vanity tops and cabinets; all tile, stone or marble floors; saddles; all appliances; woodwork, millwork and doors; mirrors; all hardware; appliance cabinets; ceilings and flooring;
- xiv. after the Unit Closing, paint touch-ups, repair dented appliances or fixtures, or replace light bulbs;

- xv. variations in tone or color of marble or stone or variations in tone or color of vanity tops or countertops or other marble or stone surfaces;
- xvi. leaching or color variation in exterior color mortar and colored brick, and dimensional variations in brick joints, and mortar droppings on bricks and window surfaces;
- xvii. ponding and/or controlled drainage on the roof or patio or terrace surface; or
- xviii. cracks in pressure-treated lumber or wood decking materials used or intended for use outside the Building if any; or
- xix. television, radio or other telecommunications reception; or
- xx. discoloration to hardware and plumbing finishes; or
- xxi. stains, runs, lumps, shags or imperfections in weave in fabric panels; or
- xxii. terrace tiles or decking not laid flat, or color variation in tiles or mortar, or stained tiles or wood; or
- xxiii. any other imperfection or defect, except as expressly warranted pursuant to this Plan.

Sponsor shall have discharged its obligation to repair abnormal scratches in tile, stone, wood, marble, plastic laminate, vitreous china, porcelain and stainless steel surfaces by filling or refinishing, and Sponsor shall not be obligated to replace such surfaces.

l. At the closing of title to each Unit, the Sponsor will assign to the Purchaser any assignable manufacturers' warranties relating to equipment and appliances installed in the Unit, and prior to the closing of title to the first Unit, the Sponsor will assign any warranties with respect to equipment and appliances installed in the Common Elements to the Board of Managers.

m. If any work still remains to be done to complete portions of the Condominium at the time of the first closing of title to a Unit, including completion of the Units and Common Elements, the Sponsor, at its own cost and expense, will perform or cause all such work to be performed and will supply or cause all such work to be supplied, will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction of the Units and Common Elements for work performed and fixtures, material and equipment supplied or installed in the construction of the Condominium, and will discharge by bonding or otherwise all mechanics' liens which may have been filed as a result of the construction of the Units or Common Elements. Purchasers who close during the construction or renovation of other Units and Common Elements acknowledge that their enjoyment of their Units may be interrupted by construction, noise, vibrations and odors as is common in construction or renovation projects, and possible interruption in services.

n. The Sponsor will bear all costs and expenses incurred by Sponsor in connection with the creation of the Condominium and the initial sale of Units, including, but not limited to, selling expenses and commissions, if any, advertising

and printing expenses, architect's fees, organization costs and engineering costs, whether incurred prior or subsequent to the effective date of the Condominium.

o. All references in this Plan to "plans and specifications" shall mean the plans for the Condominium filed with the appropriate governmental authorities, as the same have been amended or changed. After completion of the renovations and prior to the transfer of control of the Board of Managers to the Unit Owners, the Sponsor shall provide to the Board of Managers a copy of "as built" architectural plans as to the renovated portions of the Building.

p. Real Property Law Section 339-kk became law on July 22, 1998. The law is intended to provide financial protection for a condominium if a non-occupying owner fails to make required monthly payments for a dwelling unit which is sublet. The law provides in pertinent part, as follows:

i. If a Unit Owner who does not occupy the Unit rents any dwelling unit and then fails to make payments due for common charges, assessments or late fees for such unit within 60 days of the expiration of any grace period following the earliest date payment is due, then, upon notice from the Board of Managers as described below, all rental payments due from the tenant shall be payable directly to the condominium.

ii. If common charges, assessments or late fees due for any Unit have not been paid in full within 60 days after the expiration of any grace period following the earliest date they were due, the Board of Managers shall provide written notice to the tenant and to the non-occupying owner providing that commencing immediately, and continuing until such time as all payments for common charges, assessments and/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. Where a majority of the Board of Managers has been elected by and from among the Unit Owners who are in occupancy of their Units, the Board may elect not to require that rental payments be made payable to the condominium.

iii. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given by the Board of Managers within three (3) business days to the rental tenant and non-occupying owner. Thereafter, all rental payments for the unit shall be made payable to the non-occupying owner or to said non-occupying owner's designated agent.

iv. A non-occupying owner who disputes the Board of Manager's claim to a rental payment pursuant to this law shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the Board of Managers, which must be held within 30 days of the date that the Board receives notice that the owner seeks to dispute such claim.

v. Payment by a rental tenant to the condominium made in connection with said section shall relieve the tenant from the obligation to pay such rent to the non-occupying owner, and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

vi. Nothing in the statute shall limit any rights of Unit Owners or the Board of Managers existing under any other law or agreement.

2. Sponsor's Representations and Warranties.

a. No Representations or Warranties. The Sponsor makes no representations or warranties concerning the construction of the Building and the Units, except as may be provided below. Any claim based upon Sponsor's representations of the condition of the Building, the Units and their equipment or appliances or the Common Elements or upon Sponsor's obligations referred to in the Plan under "Rights and Obligations of Sponsor" must be presented by written notice to the Condominium Board and to Sponsor: (a) in the event of a defect concerning the Common Elements, one (1) year from the date earlier to occur of the issuance of a temporary or permanent Certificate of Occupancy for the building or the date of substantial completion of the portion(s) of Common Elements which is claimed to be defective; or (b) in the event of a defect concerning a Unit, within one (1) year from the date of issuance of a temporary or permanent Certificate of Occupancy for the Unit, unless such claim is based upon a defect which can be detected only by occupancy of the Unit, in which event such claim must be presented within one (1) year from the earlier of the Closing Date or the execution and delivery of an interim lease for the Unit. Purchaser agrees: (i) to purchase the Unit, without offset or any claim against, or liability of Sponsor, whether or not any layout or dimension of the Unit or any part thereof or of the Common Elements, as shown on the floor plans on file in Sponsor's office and filed in the City Register's Office, is accurate or correct provided the layouts and dimensions conform substantially to such Floor Plans; and (ii) that Purchaser shall not be relieved of any of Purchaser's obligations by reason of any minor inaccuracy or error in such Floor Plans. Construction shall be in accordance with Sponsor's plans and specifications and with City of New York Code, as applicable.

b. Housing Merchant Implied Warranty. The Housing Merchant Implied Warranty Law (GBL Article 36-B) applies to this offering since the Building is five (5) stories or less. The Housing Merchant Implied Warranty Law ("Warranty Law") grants to buyers of most newly constructed Units a statutory limited warranty. A copy of the form of written Limited Warranty is annexed as Schedule D to the Purchase Agreement, which is Exhibit D in Part II of the Plan. This Limited Warranty excludes all consequential, incidental, special and indirect damages, except as required by the laws of New York State.

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

The limited warranties cover the following parts of a Unit: (i) for one year from the Warranty Date, a Unit will be free from defects caused by Sponsor's failure to construct the Unit in a skillful manner; (ii) for two years from the Warranty Date, a Unit will be free from defects in the plumbing, electrical, heating, cooling or ventilation systems of the Unit (if any) caused by Sponsor's failure to have installed those systems in a skillful manner; and (iii) for six years from the Warranty Date, the Unit will be free from latent defects that are Major Structural Defects. Sponsor will not be liable unless the damage or injury was caused by one of the following defective workmanship by Sponsor or any agent or subcontractor of or person working for Sponsor: (a) defective materials supplied by Sponsor or any agent or subcontractor of or persons working for Sponsor; or (b) defective design provided by the architect or subcontractor, engineer or other design professional or subcontractor engaged solely by the Sponsor. Sponsor is not obligated to pay for any damage or injury not caused directly as a result of a defect covered by this Warranty. The Warranty Period for all

coverages begins on the date that you take title to the Unit or any person begins residential occupancy of the Unit, whichever date is earlier. It ends at the expiration of the applicable coverage period shown below. If a defect occurs in an item covered by this Limited Warranty, Sponsor will repair, replace or pay to you the reasonable cost of repairing or replacing the defective item within a reasonable time after Sponsor's inspection or testing discloses the problem. The choice among repair, replacement or payment is solely that of Sponsor. In no event will Sponsor's total liability for deficiencies under this Limited Warranty exceed the Sponsor's Limit of Total Liability. Repair, replacement or payment of reasonable cost for any Major Structural defect is further limited to: (i) the repair of damage to the load-bearing portions of the Unit themselves which is necessary to restore their load-bearing function; and (ii) the repair of those items of the Unit damaged by the Major Structural defect which made the Unit unsafe, unsanitary or otherwise unlivable. When Sponsor finishes repairing or replacing the defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the defect must be signed and delivered to Sponsor.

TIME IS OF THE ESSENCE WITH RESPECT TO ALL NOTICE PERIODS UNDER THE WARRANTY LAW. Sponsor shall be deemed to have discharged any obligation it may have with respect to patent or latent defects, as the case may be, if notification of any Warranty Claim is not accomplished within the time period described in the Limited Warranty.

For the full scope of the Limited Warranty, Purchasers are advised to read the Limited Warranty which is attached to the Purchase Agreement. (See Schedule D to the Purchase Agreement at Exhibit D in Part II of the Plan.)

3. Except as expressly set forth above, Sponsor has no obligation to correct or repair any other defect or conditions in the Unit, Common Elements or the Building and all other installations, apparatus, fixtures and appurtenances. The foregoing sets forth the entire obligation of Sponsor to correct any defects and none other shall be implied. Sponsor's obligation to correct, subject to the terms and conditions set forth above, is the sole and exclusive remedy for any defects. Sponsor makes no warranties other than as set forth in this Plan and the Housing Merchant Implied Warranty Law (New York State General Business Law Article 36-B).

4. Sponsor shall not be liable to the Condominium Board or the Purchaser for any matter as to which an assignable warranty, guarantee or bond has been assigned to the Board or to Purchaser and, in such case, the sole recourse of the Board or Purchaser, as the case may be, shall be against the warrantor, guarantor or obligor, as the case may be. Sponsor shall not, under any circumstances, be liable with respect to equipment as to which assignable warranties or guarantees are transferred to the Purchaser or to the Condominium.

5. Nothing contained herein shall be construed to render Sponsor liable for consequential damages (whether based on negligence, or breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations pursuant to this section of the Plan shall be to repair or replace, at Sponsor's option, any defective item of construction (arising as a result of substantial and material defects in material or as a result of improper workmanship) subject to the terms and conditions (and within the time limits) set forth in this section of the Plan.

6. Notwithstanding any provision to the contrary herein, Sponsor shall not be obligated to correct, and shall not be liable to any Purchaser as a result of any insubstantial variations from the Plans and Specifications or the descriptions of the Building or a Unit set forth in the Plan or variations from the Plans and Specifications or description of the Building or a Unit set forth in the Plan which are neither in violation of applicable Law, provided such variations are of substantially similar or better quality.

7. The Condominium is required to maintain and manage the Building, to keep the Common Elements therein clean and properly lighted, to keep structural and mechanical equipment in good working order, and to repair those portions of the Building which are not required to be maintained by the Unit Owners. Sponsor's warranty as set forth in this Plan will not be applicable to any defects caused by the negligence or lack of maintenance of the Units or Common Elements by the Unit Owners or the Condominium.

CONTROL BY THE SPONSOR

Title to all unsold Units will remain with the Sponsor until such Units are sold by the Sponsor and a deed delivered to a Purchaser. Such a sale by the Sponsor does not and will not require the approval of, or a first offer to, or a right of first refusal by the Board of Managers. No fee or cost of any kind may be imposed by the Board of Managers upon the Sponsor or the Purchaser in connection with any such sale of an unsold Unit.

The By-Laws state that the Sponsor, as owner of the unsold Residential Units, will have voting control of the Board of Managers until the earlier of (a) five (5) years from the date of the first closing of title to a Residential Unit, or (b) after the Closing of sale of Units representing, in the aggregate, 75% of the Common Interests. Such period is herein referred to as the "Sponsor Control Period". During the Sponsor Control Period, Purchasers for their own occupancy may not gain control of the Board of Managers under the terms of this Plan until five years from the first Unit closing. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchasing as a home as opposed to as an investment. While in control of the Board, the Sponsor will designate a majority of the members of the Board of Managers.

While Sponsor is in control of the Board, Sponsor will have control of the maintenance and operation of the Condominium and will, as controlling party on the Board of Managers, determine the Common Charges to be paid for all Unit Owners (including Sponsor); provided, however, Sponsor shall vote to authorize the expenditures set forth in Schedule B of this Plan or any other expenditure required: (i) to comply with applicable laws or regulations, (ii) to remedy any notice or violations, or (iii) to remedy any work order by an insurer. See "Control by Sponsor". Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment. See the By-Laws in Part II of the Plan for details.

Sponsor will call a meeting (the "Transition Meeting") of Unit Owners that will be held upon at least fifteen (15) days and not more than sixty (60) days notice following the end of the Sponsor Control Period or at such earlier time as the Sponsor deems appropriate. At such meeting, all the members of the Board of Managers (except one Sponsor designated member) shall resign and a new Board will be elected by the Unit Owners.

After the Sponsor has turned over control of the Board to the Unit Owners, and assuming a five (5) member Board of Managers, so long as the Sponsor or its designee owns at least one (1) Residential or Parking Unit, the Sponsor or its designee shall be entitled to designate one (1) less than a majority of the members of the Board of Managers. If at any time it is determined to increase the size of the Board, the representation of the Sponsor shall be changed proportionately.

Notwithstanding the foregoing, so long as the Sponsor or its designee owns Units representing at least 25% of the Common Interests, but not longer than five (5) years from the first closing of title to a Residential Unit, the Board of Managers may not, without the Sponsor's or such designee's prior written consent: (i) make any addition, alteration or capital improvement to the Common Elements or to any Unit except those required by law; or (ii)

assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; or (iii) increase or decrease the number or change the kind of employees in addition to or enter into any service or maintenance contract for work not required by law or contemplated by the Schedule of Projected Receipts and Expenses for the First Year of the Condominium's Operation set forth in the Plan; or (iv) borrow money on behalf of the Condominium, or (v) exercise a right of first refusal to lease or purchase a Residential Unit; or (vi) reduce services. As long as the Sponsor or its designee owns one or more Units, the Board of Managers may not (i) interfere with the offer and sale or leasing of Units belonging to Sponsor or its designee, the operation of general sales and leasing offices at the property or with any actions necessary for construction, renovation, repair or correction of the Property as required by Sponsor or its designee, or (ii) amend the Declaration or By-Laws of the Condominium without the prior written consent of the Sponsor or its designee, except as specifically permitted by such document. However, the Sponsor may not veto expenses described in Schedule B or any expenses required to comply with applicable laws or regulations, to remedy any notice of violation or to remedy any work order of an insurer.

All references to "Sponsor" in the foregoing section shall apply to Sponsor, its designees, successors and assigns.

BOARD OF MANAGERS

Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of not less than three (3) and not more than five (5) persons. Other than members designated by the Sponsor and its designees, all members of the Board of Managers must be Unit Owners, spouses of Unit Owners or officers, directors, members or principals of a Unit Owner that is not a natural person.

The first Board of Managers will consist of the following person designated by the Sponsor:

Jacob Pinson
Abe Pinson

A meeting will be held within sixty (60) days after the first closing of title to a Residential Unit to elect a Residential Unit Owner to the Board. See paragraph on previous page as to the makeup of the Board of Managers and Sponsor's Control Period.

As provided in the By-Laws, no member of the Board of Managers or officer of the Condominium will have any personal liability to the Condominium or to any Unit Owner for damages for any breach of duty in his or her capacity as member of the Board or officer, provided that this provision does not eliminate or limit the liability of a member of the Board or officer if a judgment or other final adjudication adverse to such member establishes (a) that such member's acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that such member personally gained a financial profit or other advantage to which such member was not legally entitled.

The Condominium will indemnify, to the fullest extent permitted by law, any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any partnership, joint venture, limited liability company, trust, employee benefit plan or other enterprise, which any member of the Board or officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that such person or such person's testator or intestate, was a member of the Board or officer of the Condominium, or

served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, provided that no indemnification may be made to or on behalf of any member of the Board or officer if a judgment or other final adjudication adverse to the member of the Board or officer establishes that such member's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that such member personally gained a financial profit or other advantage to which such member was not legally entitled. The liability of any Unit Owner on account of the indemnification described in this paragraph shall be limited to such proportionate share thereof as the common interest of such Unit Owner bears to the aggregate common interest of all Unit Owners.

Members of the Board of Managers will serve without compensation, and the Sponsor has agreed that the By-Laws will not be amended to provide otherwise while the Sponsor is in control of the Board of Managers.

Members of the Board of Managers may be removed for cause at any time by the Unit Owners except that members designated by the Sponsor may not be removed without cause except by the Sponsor or its designee. Members of the Board who are not designated by the Sponsor may also be removed without cause by the Unit Owners. Successors may be elected at any regular meeting of the Board of Managers or any special meeting called for such purpose. The Board of Managers will have the powers and duties necessary for the administration of the affairs of the Condominium, including but not limited to: determining the Common Charges, adopting rules and regulations covering the details of the Property, borrowing, opening of bank accounts, purchasing, leasing or otherwise acquiring Units, selling or mortgaging Units owned by the Board of Managers, applying to the Tax Commission of the City of New York for a reduction in the assessed valuation of Units, applying, as necessary, for construction, alteration or other approvals to any and all municipal authorities having jurisdiction over the Property, and generally managing or supervising the Condominium Property as provided in the Declaration and By-Laws.

The Unit Owners will hold annual meetings to elect members of the Board of Managers. The first annual meeting will be held within sixty (60) days following the first anniversary of the conveyance of title to the first Residential Unit or at such earlier time as the Sponsor deems appropriate. Each Unit Owner (including Sponsor despite its designation rights) will be entitled to cast one vote for each .001% of the interest in the Common Elements attributable to the Unit or Units owned by such Unit Owner on all matters put to a vote at all meetings of the Unit Owners. The presence, in person or by proxy, of a majority of Unit Owners will constitute a quorum at all meetings of Unit Owners and unless otherwise provided, the vote of a majority of Unit Owners at a meeting at which a quorum is present will be binding upon all Unit Owners. If Units are owned by more than one person as joint tenants, tenants by the entirety or as tenants in common, the persons owning said Unit must agree among themselves to cast the votes for their Units as a block.

The Declaration or By-Laws may be modified or amended by the vote of 66 2/3% in number and in common interest of all Unit Owners, plus the consent of the Sponsor or its designee for so long as the Sponsor owns at least one (1) Residential or Parking Unit, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or by written amendment, provided that (i) any amendment which materially and adversely alters the allocation of Common Interest appurtenant to any Unit will only be made with the consent of the affected Unit Owner; (ii) no amendment may be made which adversely affects a Unit Owner without the written consent of the affected Unit Owner; (iii) no amendment which adversely affects the lien of any mortgage may be made without the written consent of the affected mortgagee; (iv) no amendment may be made which adversely affects the Sponsor or its designee so long as the Sponsor or such designee owns any Units, and (v) no amendment may be made which converts General Common Elements to Limited Common Elements or converts Limited Common Elements to General Common Elements, unless the consent of the Sponsor or its designee is obtained, for so long as the Sponsor owns

at least one (1) unit, and insofar as any Limited Common Element appurtenant to a Unit is materially and adversely affected, unless the consent of the affected Commercial Unit Owner is obtained.

Notwithstanding the preceding paragraph, the Sponsor hereby reserves the right to record, or (on request of the Sponsor or its designee) to require the Board of Managers to duly execute and record, in the Kings County Office of the New York City Register's Office an amendment to the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owner or mortgagee for the purposes of (i) filing the revised Floor Plans; (ii) changing the number of Unsold Units and/or the designation, the approximate square footage area, the layout, and/or the number of rooms in an unsold Unit, (iii) making insubstantial changes to the Declaration; or (iv) making changes to the Declaration to comply with applicable law or regulations, as more fully set forth in the Declaration.

Special meetings of Unit Owners will be called by the President if directed by resolution of the Board of Managers or upon petition by Unit Owners representing at least twenty-five (25%) percent of the Common Interests, upon at least five (5) days notice.

The terms of the members of the Board of Managers will be for one (1) year.

The principal officers of the Condominium will be: the President, the Vice President, the Secretary and the Treasurer, all of whom will be elected by the Board of Managers. The Board of Managers may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in its judgment may be necessary. All officers will serve without compensation from the Condominium.

In order to limit the liability of the Unit Owners, the members of the Board of Managers and the managing agent, any contract or other commitment made by the Board of Managers, a managing agent or the manager will state that it is made by the Board of Managers or the managing agent, as the case may be, only as agent for the Unit Owners, and that the members of the Board of Managers the managing agent, as the case may be, will have no personal liability on any such contract or commitment (except as Unit Owners), and that the liability of any Unit Owner on any such contract or commitment will be limited to such proportionate share of the total liability thereunder as the common interest of such Unit Owner bears to the aggregate common interest of all Unit Owners.

Members of the Board who handle Condominium funds may, at the option of the Board, be bonded.

The Secretary of State of the State of New York will be designated as the agent of the Board of Managers upon whom process against the Board of Managers or the Condominium may be served.

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

Sale or Lease of Units by Unit Owners

Any lease of a Residential Unit (and related Parking Unit and Storage Bin) must be for a period no less than six (6) months and no greater than two (2) years and Unit Owners may only lease their Units, subject to Board approval once in any three-year period. Subject to the foregoing and the right of first refusal more fully set forth in Article VIII of the By-Laws (to which the Sponsor is not subject), each Owner of a Unit is free to sell or lease his or her Unit to anyone, without restriction or limitation. Any lease must be substantially in the form of the Condominium Apartment Lease published by the Real Estate Board of New

York City, a copy of which is available for review at the office of the Sponsor, with such modifications as may be approved in writing or required by the Board of Managers. Any Purchaser or lessee of a Unit will be bound by, and his or her Unit will be subject to, the Declaration and By-Laws, including the foregoing restrictions.

The By-Laws of the Condominium require that, with certain exceptions, a Residential Unit Owner desiring to sell or lease a Unit must first give the Board of Managers, on behalf of all Unit Owners, an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as offered by the proposed purchaser or lessee and to approve of the terms of the lease. Prospective lessees of a Unit must appear before the Board of Managers or a committee appointed by them for an interview within thirty (30) days of Unit Owner's notice of intention to lease.

Within thirty (30) days after receipt of notice from a Unit Owner of such Unit Owner's intention to sell or lease the Unit, which notice must be accompanied by a fully executed copy of the contract or lease, as the case may be, the Board must notify the Unit Owner whether it elects to exercise the right of first refusal and whether in the event of a proposed lease, the lease is acceptable. If the Board (i) waives its right of first refusal, or (ii) in the event of a lease, disapproves of such lease, or (iii) does not respond within the thirty (30) day period following receipt of the notice, such failure to respond being deemed a waiver of the right of first refusal, the Unit Owner will be free to sell or lease the Unit to the proposed purchaser or lessee within ninety (90) days of the Board's waiver on the terms and conditions set forth in the contract of sale or lease annexed to the Unit Owner's notice to the Board of Managers. The Board of Managers must purchase or lease the Unit within the longer of (a) thirty (30) days after the giving of a notice by such Board of its election to exercise its right of first refusal; or (b) the time fixed in the contract of sale as the last date for the Purchaser to close thereunder.

The right of first refusal with respect to sales or leases of Units, as described above, is not applicable to sales or leases of Residential Units by or to the Sponsor or its designee, sales of Units at foreclosure sales, conveyances by deed in lieu of foreclosure, or conveyances by a party who has acquired a Unit in foreclosure or by deed in lieu of foreclosure. A Unit Owner may sell or lease his Unit to his spouse or to any of his children, his parents or siblings, or to any one or more of them, or to a trust for their benefit, without first offering to sell or lease such Unit to the Board of Managers.

In all circumstances, however, Parking Units and Storage Bins may only be owned by a Residential Unit Owner.

Acquisition of Units by the Board of Managers, or its designee, on behalf of all Residential Unit Owners, may be made from the working capital and Common Charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Residential Unit Owner, as a Common Charge, and/or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit to be acquired by the Board of Managers, together with the appurtenant interest of such Unit in the Common Elements.

All Units acquired or leased by the Board of Managers or its designee, corporate or otherwise, will be held by it on behalf of all Unit Owners in proportion to the interest in the Common Elements appurtenant to their Units. No such Units held by the Board of Managers will carry voting rights. If any Unit is acquired by the Board of Managers, or its designee, on behalf of all Residential Unit Owners as tenants in common, all such Residential Unit Owners will be deemed to have waived all rights of partition with respect to such Unit. The proceeds from the sale of any Unit acquired by the Board of Managers will be disposed of at the discretion of the Board.

The Board of Managers may establish reasonable fees for the processing of sale or lease applications from Unit Owners, which will be payable by the selling or leasing Unit Owner, as the case may be, to the managing agent.

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 grounds prohibited by law, in its sale or lease of any Unit which it acquires.

Each Unit Owner, on the closing of title to the Unit, will be required to execute a Power of Attorney substantially in the form contained in Part II of this Plan, appointing the Board of Managers and their successors, as such Unit Owner's attorneys in fact, coupled with an interest, for the purpose of managing, selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or its designee, on behalf of the Unit Owners, authorizing the Board to apply for a reduction in the assessed valuation of the Unit as part of a single application on behalf of all Unit Owners, prosecute and settle any such action and otherwise acting in accordance with the Condominium's Declaration and By-Laws.

Each conveyance of a Unit by a Unit Owner will include such Unit Owner's undivided interest in the Common Elements and in any Unit or Units acquired by the Board of Managers from Unit Owners, in accordance with the provisions of the By-Laws.

Mortgaging of Units by Unit Owners

Each Unit Owner is free to mortgage his or her Unit, provided that the Unit Owner notifies the Board of Managers in writing indicating the name and address of the lender. Prior to or simultaneously with the closing of any such mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges and discharge any liens therefor. A Unit Owner selling the Unit may grant a purchase money mortgage to the purchaser of the Unit.

Common Charges and Assessments

The Board of Managers will prepare a budget for the Condominium from time to time but at least once a year. The budget may provide for the accumulation of reserves for capital expenditures, subject to the Sponsor's right to veto same, as described in the section entitled "Control by Sponsor." Copies of the budget will be furnished to Unit Owners and, if requested, to their mortgagees. The monthly Common Charges to be paid by Unit Owners in accordance with his or her Unit's proportionate interest in the Common Elements (or such other formula with respect to Unit described in the Declaration and By-Laws) will be based upon such budget. The proposed budget for the first year of Condominium operation is incorporated as part of this Offering Plan, as Schedule B.

The financial estimates contained in Schedule B have been prepared by the Sponsor and its experts based upon its experience in the ownership and operation of residential properties. Although the Sponsor believes these estimates to be dependable, actual expenditures may differ from the estimated expenditures and because of possible changes in the future income and expenses of the Property, the estimates are not intended nor should they be considered as representations, guarantees or warranties of any kind whatsoever, including without limitation, that the amounts deductible for income tax purposes or the actual expenses for any period of operation will not vary from the amounts estimated, that the Condominium will not incur additional expenses, or that its Board of Managers will not provide for such additional reserves or other sums not reflected in Schedule B.

The Sponsor believes that subject to the foregoing contingencies and assumptions, the projected Common Charges are adequate to meet the estimated normal operating

expenses enumerated on Schedule B for the first year of operation of the Condominium. The Sponsor further believes that the Common Charges payable by the Parking Unit Owners are sufficient to cover the expenses fairly attributable to such Parking Units.

The Board of Managers is authorized to impose a reasonable late charge for late payment of Common Charges, which will be added to the Unit owner's Common Charges due on the first day of the following month, and which will be a lien upon the Unit Owner's Unit if not paid.

No Unit Owner will be liable for the payment of any part of the Common Charges first assessed against his/her Unit after a permissible transfer of such Unit, or subsequent to a conveyance of such Unit by such Unit Owner, with or without consideration, to the Board of Managers on behalf of all Unit Owners in accordance with the provisions of the Declaration and By-Laws, provided that such Unit is, at the time of the conveyance, free and clear of all liens and encumbrances other than a permissible first mortgage and a statutory lien for Common Charges, none of which is outstanding at the time of conveyance.

Pursuant to Section 339-z of the Real Property Law, the Board of Managers, on behalf of the Unit Owners, will have a lien on each Unit for unpaid Common Charges assessed against such Unit by the Board of Managers. Such lien, however, will be subordinate to liens for taxes on the Units and as provided for by statute, any sums unpaid on a first mortgage of record on such Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after the filing of a notice thereof in the King County Clerk's Office and until all sums secured thereby, with interest at the highest legal rate thereon, are fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six (6) year period), whichever is sooner. Such lien may be foreclosed by a suit brought in the name of the Board of Managers, acting on behalf of the Unit Owners, in like manner as a mortgage of real property, as provided in Section 339-aa of the Real Property Law. Unit Owners against whom proceedings are brought to collect unpaid Common Charges with interest thereon, will also be responsible to pay for the expenses of the proceeding, including attorneys' fees.

Pursuant to Section 339-jj of the Real Property Law, the Board of Managers, on behalf of the Unit Owners, may incur debt for specific purposes set forth in the By-Laws. Provided that such debt was incurred no earlier than five (5) years following the conveyance of title to the first Residential Unit and the incurring of such debt was authorized by a majority of the Unit Owners in common interest, the Board of Managers may (a) assign the rights in and to receive future income and Common Charges; (b) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds; (c) agree that, to the extent of any amounts due under any of the provisions of the agreements under which the debt was incurred and subject to the provisions of Real Property Law Section 339(i)(2), all Common Charges received and to be received by it, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and the same shall be expended for such purpose before expending any part of the same for any other purpose; and (d) agree that at the lender's direction it will increase Common Charges to the extent necessary to pay any amount when due under any of the provisions of the agreements under which the debt was incurred. However, the Board of Managers is not authorized to create a lien on the Common Elements. Any such assignment may provide that, in the event of a default, the lender shall have the right of the Board of Managers to file liens in the lender's name on Units for unpaid Common Charges pursuant to applicable law and the right to foreclose such liens pursuant to applicable law.

While the Sponsor is in control of the Board of Managers, it will cause the Board to file a lien as provided for in Section 339-aa of the Real Property Law against Units with respect to which the Sponsor is in arrears of Common Charges for more than thirty (30) days.

Repairs

Unit Owners will be responsible for all maintenance of and repairs to the Unit and any Limited Common Element appurtenant to such Unit which is used exclusively by such Unit Owner, ordinary or extraordinary (including the exterior side of Unit entrance doors and windows of the Unit), to individual heat pumps and console units providing heat and air conditioning within the Unit, to kitchen appliances, individual clothes washers and clothes dryers and to electrical and plumbing installations and fixtures within the Unit or belonging to or installed by the Unit Owner, which shall be at the Unit Owner's expense, except as otherwise specifically provided in the By-Laws. The Board of Managers is responsible for electrical, gas and plumbing pipes, wires and lines to the extent they are located in Common Elements and serve multiple Units.

Unit Owners are also generally responsible for the maintenance of Limited Common Elements which are appurtenant to their Units including the patios, terraces and gardens with direct access from any Unit.

All maintenance, repairs and replacements to the General Common Elements, including but not limited to common area portions of exterior walls (not a Limited Common Element), common entrance and stairway leading to the front sidewalks adjacent to the Building's residential entrances, utility rooms, laundry room, sewer sprinkler standpipe, water and sewer lines from the utility main or public sewer line to the main connection to each Unit, roof members, pipes, wires, risers, conduits and public utility lines, any portion of which is located in one Unit and serves another Unit or more than one Unit or as to pipes, wires, risers, conduits and public utility lines that are located in the Common Elements or serve one or more Units, will be made by the Board of Managers with the cost thereof to be charged to all Unit Owners as a Common Expense, subject to restrictions set forth in the By-Laws. However, to the extent maintenance, repairs and replacements to the Common Elements are necessitated by the negligence, misuse or neglect of a Unit Owner or the Unit Owner's lessees, invitees, licensees or agents, they will be charged to such Unit Owner.

Unit Owners must grant access to the Unit to the Board of Managers and/or the manager or Managing Agent, and persons acting at their direction, for the purpose of making any repairs or replacements to any of the Common Elements contained in such Unit or elsewhere in the Building, or to remedy any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage covering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, and for other purposes permitted by the By-Laws.

Insurance

The Board of Managers will obtain and maintain, to the extent obtainable, the following insurance: Fire insurance with extended coverage normal for a condominium building of this type, vandalism and malicious mischief endorsements, insuring the Building (together with all service and other machinery contained therein (but not including wall, ceiling or floor decorations or coverings or fixtures, furniture, furnishings, appliances or other property in any Unit and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to the agreed upon replacement value of the Building or such other amount as shall be adequate to prevent the Condominium from becoming a co-insurer in the event of casualty loss (exclusive of the cost of excavations and foundations) without deduction for depreciation, as determined by the Board of Managers.

All such policies will provide that adjustment of loss will be made by the Board of Managers and that the net proceeds thereof, if \$250,000 or less, will be payable to the Board

of Managers and if more than \$250,000 will be payable to the Insurance Trustee, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners. No portion of the insurance proceeds will 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. Prior to the closing of title to the first Unit, the fire insurance coverage on the Building will be at least \$2,200,000 and said coverage will be maintained while Sponsor is in control of the Board of Managers.

The Sponsor shall appoint the Insurance Trustee, for so long as the Sponsor or its designee owns at least one (1) Unit. Said Trustee will not use the insurance proceeds to reduce the principal balance of any mortgage held by it before applying same for the purpose of repairing, restoring or rebuilding the Building whenever the Unit Owners elect to do so as provided in the By-Laws.

All policies of physical damage insurance will contain waivers of subrogation and of any defense based on coinsurance or of pro-rata reduction of liability of the insurer as a result of any insurance carried by Unit owners or of the invalidity arising from any acts of the insured or any Unit Owners, and will provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. The standard mortgagee loss payable clause will be attached to all policies.

The Board of Managers will also be required to obtain and maintain, to the extent obtainable: (1) public liability insurance covering each member of the Board of Managers, the managing agent, if any, and each Unit Owner, in such limits as the Board of Managers may deem proper and covering all claims for bodily injury or property damage occurring in the Common Elements; (2) Officers and Directors liability insurance; (3) workers' compensation insurance for the Condominium's employees; (4) fidelity bonds covering members of the Board of Managers of the Condominium who handle Condominium funds; (5) boiler and machinery insurance and (6) disability benefits insurance covering any employees of the Condominium. Until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners, such public liability insurance carried by the Board of Managers will be at least in a single limit of \$1,000,000. The public liability insurance will cover cross liability claims of one insured against another but said policy will not cover the liability of a Unit Owner arising from occurrences within his or her own Unit. The Condominium will also obtain excess liability coverage in the amount of at least \$5,000,000.

The cost of the multi-peril insurance and officers' and directors' liability insurance will be paid by the Board of Managers and will constitute a Common Expense. The cost of all other insurance described above will constitute a common expense of the Unit Owners. However, if the cost of insurance on the Building is increased because of the use of a Parking Unit or Storage Bin, then such insurance cost increase will be repaid to the Condominium by the Parking Unit or Storage Bin Owner whose use has caused the increase, within thirty (30) days after the increased cost has been demanded of the Condominium and written notice has been given by the Board to the said Unit Owner.

The Board of Managers will review all insurance carried by it once each year.

Unit Owners are encouraged to carry other insurance for their own benefit, provided that all such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers will not be affected or diminished by reason of any such additional insurance carried by Unit Owners. It is advisable for insurance obtained by Unit Owners to cover such risks as fire and casualty losses to Unit contents, replacements, additions, upgraded fixtures and improvements and Unit Owner's liability coverage for occurrences within the Unit, or where applicable, on Limited Common Elements.

In the event of damage to or destruction of the Building as a result of fire or other casualty, unless 75% or more of the Building is destroyed or substantially damaged and 75% or more in number and in common interest of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Board of Managers will arrange for the prompt repair and restoration of the Building (including any damaged Units, and any kitchen or bathroom fixtures, but not including any wall, ceiling, or floor decorations or coverings or other furniture, furnishings, fixtures or other personal property or equipment installed in the Units by the Unit Owners or a tenant of a Unit Owner), and the Board of Managers or the Insurance Trustee, as the case may be, will disburse the proceeds of all insurance policies in appropriate progress payments to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the net insurance proceeds will constitute a common expense and the Board of Managers will assess all the Unit Owners for such deficit as part of the Common Charges.

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

Additions, Alterations and Improvements

A Unit Owner may not commence any alteration, addition, or improvement which would require a construction permit issued by the City of New York Department of Buildings, including but not limited to, the combination of two or more Residential or Storage Bins, until the Permanent Certificate of Occupancy for the Building has been obtained. The Department of Buildings may impose severe fines if a permanent Certificate of Occupancy for the Building is not issued within two (2) years of the initial temporary certificate of Occupancy. Any Unit Owner (as Unit Owner) who causes a delay in the issuance of a permanent Certificate of Occupancy will be liable to other Unit Owners, the Sponsor and the Condominium Board for any such fines, and for damages.

A Residential Unit Owner, other than the Sponsor and its designees, may not make any alterations in the Unit or Limited Common Element appurtenant thereto unless and until the Unit Owner's proposed alteration plans have been reviewed and approved by Sponsor and Sponsor's experts or, if the Condominium has been established, by the Board of Managers (which may be controlled by Sponsor at such time of such application). A Parking Unit or Storage Bin Owner, other than the Sponsor and its designees, may not make any alterations or additions to such Unit. Any increase in the number of bedrooms in a Residential Unit is subject to approval by the appropriate New York City agency. The Unit Owner shall be free to hire any contractor to perform such custom work in his or her Unit as the Unit Owner desires. The cost of such work, including, but not limited to, building permits and drawings, will be at the sole cost and expense of the Unit Owner. The Unit Owner, other than Sponsor or its designees, shall be required to comply with the procedures and requirements pertaining to alteration of Units more fully set forth in the By-Laws and the Condominium's Rules and Regulations. Architectural drawings shall be submitted to the Sponsor's or the Board's Architect for approval and such architect's fees of \$1,000 per submission shall be paid by the Unit Owner, as billed. If such proposed alterations involve any of the Building's mechanical systems, a copy of the specifications shall be submitted to the Sponsor's or the Board's mechanical engineer for approval whose fee of \$250 per review shall be paid by the Unit Owner as billed. The fees of any other expert required by the Sponsor, the Board or their respective Architects or engineers for a proper review of

proposed plans shall be the responsibility of the Unit Owner, provided the Architect or engineer notifies the Unit Owner in writing of the need for such additional opinion or review.

A Unit Owner wishing to do any such construction in his Unit shall pay \$1,000 to a Coordinator designated by Sponsor or, if the Condominium has been established, by the Board of Managers ("Coordinator"). The responsibilities of the Coordinator shall be solely to coordinate the alteration approval with the Sponsor's and/or Board's experts, arrange elevator use by the Unit Owner's contractor and subcontractors and coordinate such activities with the Managing Agent. Scheduling or supervision of construction work or contractors and sub-contractors shall not be the responsibility of the Coordinator. Insurance certificates reasonably acceptable to Sponsor (or, as the case may be, the Board) shall be delivered to the Coordinator prior to the commencement of any work along with an agreement, in form and substance reasonably satisfactory to the Board, setting forth the terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done and indemnifying and holding harmless the Sponsor, the Board, its members and officers, and all Unit Owners from and against any liability, cost or expense arising out of or connected to such work. The Unit Owner will also bear the cost of any increased taxes or insurance premiums resulting from his alterations, additions or improvements. The Coordinator's fees shall be paid in two equal installments, the first of which shall be due when the Unit Owner submits his proposed building plans to Sponsor or the Board for approval and the when work commences in the Unit.

Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit or appurtenant Limited Common Elements will be completed by the Unit Owner and executed by the Board of Managers (if it is factually accurate), without however, incurring any liability on the part of the Board of Managers, or any member, to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. The Board may not increase the amount of impervious surface area in any Common Area nor reduce the number of required parking spaces with approval of the Planning Board.

These provisions of this section do not apply to Units owned by the Sponsor or its designee, and they are free to make any alterations, additions or improvements without approval of or application to the Condominium, and without delivery of plans or specifications or payment of fees. However, any such alterations, additions or improvements shall be made in compliance with applicable law.

The Board of Managers will make all additions, alterations or improvements in or to any Common Elements and Residential Common Elements and the costs and expenses thereof will be charged to all Unit Owners as a Common Expense or to all Residential Unit Owners as a Residential Common Expense, as the case may be.

Whenever in the judgment of the Board of Managers the Common Elements require additions, alterations or improvements that will cost in excess of \$50,000 in the aggregate in any calendar year, the making of such additions, alterations, or improvements and source of funds therefor must be approved by a majority of the Unit Owners present and voting at a meeting of which a quorum is present. However, if such addition, alteration or improvement only pertains to Residential Limited Common Elements', approval of a majority of the Residential Unit Owners only is required.

When and if the required approvals of the Unit Owners (and to the extent required, mortgagees) are received, the Board of Managers will proceed with such additions, alterations or improvements and will assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing in the aggregate

\$50,000 or less in any calendar year may be made by the Board of Managers without approval of the Unit Owners or mortgagees and the cost thereof will constitute part of the Common Expenses.

Restrictions on Occupancy and Use

The Residential Units may be used only as residences except that any Unit may, in addition, be used for any lawful home occupation, provided (i) that such use does not violate zoning regulations, the Certificate of Occupancy for the Building, or the use restrictions set forth in the Declaration and By-laws and (ii) the prior consent of the Board of Managers is obtained or, in the case of Purchasers who purchase a Unit from the Sponsor or its designee, written notice of such use is given to the managing agent. The Sponsor or its designee may however, without the permission of the Board of Managers or anyone else, retain ownership of one or more Units for use as models, or sales, leasing, business or administration offices and may place signage of any size and in any location on the Property as it may determine in its sole discretion in connection with the sale or rental of Units in this Condominium.

The Storage Bins may be only be licensed only by the Sponsor and/or its designees, or Residential Unit Owners. The Parking Units and the Storage Bins may be used for any lawful parking of passenger vehicles or storage purpose permitted for such use by the City of New York and further provided that such use is not a use specifically prohibited in the Declaration and By-laws or the Rules and Regulations thereto, set forth in Part II of this Plan.

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

No nuisances will be allowed on the Property nor will any use or practice be allowed which is a source of annoyance to its residents or occupants or which interferes with the peaceful possession or proper use of the Property by its residents or occupants.

Unit Owners may not use any portion of the Property for an immoral, improper, offensive, or unlawful use and must observe all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction. Violations of laws, orders, rules, regulations or requirements that are issued by any governmental agency having jurisdiction thereof, relating to any portion of the Property, must be complied with, by and at the sole expense of the party (that is the appropriate Unit Owner or the Board of Managers), having the obligation to maintain or repair the portion of the Property to which the violation pertains.

No portion of a Residential Unit (other than the entire Unit) may be rented, and no transient tenants may be accommodated in any Residential Unit.

Residential Unit Owners may keep dogs, cats or other common household pets, not to exceed two (2) per Unit, subject to the rules and regulations adopted by the Board of Managers, including, without limitation, those pertaining to the size of a permitted pet and the permitted level of noise. In no event shall any dog be permitted in any portion of the Common Elements unless carried or on a leash.

Compliance with Declaration, By-Laws, Rules and Regulations

Pursuant to Section 339-j of the New York Condominium Act, each Unit Owner will be required to comply with and abide by the Declaration, the By-Laws and the Rules and Regulations of the Condominium made in accordance therewith and to pay the Common Charges levied by the Board of Managers. Failure to comply will constitute grounds for an

action against the offending Unit Owner for damages or injunctive relief or both. The obligation of the Unit Owners to pay Common Charges is enforceable by the Board of Managers by suit to collect the same or by foreclosure of its statutory lien against the Unit for the amount of any such unpaid Common Charges. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law or any provision of the Declaration will give the Board of Managers the right to enjoin, abate or remedy the continuance of any such breach by appropriate legal proceedings, either at law or in equity. The Board of Managers may also fine a Unit Owner for such violations. Failure to comply with the Declaration, By-Laws and Rules and Regulations of the Condominium or to pay the Common Charges levied by the Board of Managers may also constitute an event of default under the terms of the Unit Owner's mortgage.

Amendments to Condominium Documents

The Declaration and By-Laws may be modified or amended by the vote of 66 2/3% in number and in common interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or by written amendment, provided that (i) any amendment which materially and adversely alters the allocation of Common Interest appurtenant to any Unit may only be made with the consent of the affected Unit Owner; (ii) no amendment which adversely affects the lien of any mortgage may be made without the written consent of the affected mortgagee (iii) no amendment which adversely affects a Unit Owner may be made without the written consent of the affected Unit Owner; (iv) no amendment may be made which adversely affects the Sponsor or its designee so long as the Sponsor or such designee owns any Units, and (v) no amendment may be made which converts General Common Elements to Limited Common Elements or converts Limited Common Elements to General Common Elements, unless the consent of the Sponsor or its designee is obtained, for so long as the Sponsor owns at least one (1) Residential or Parking Unit.

Notwithstanding the preceding paragraph, the Sponsor hereby reserves the right to execute and record, or (on request of the Sponsor or its designee) to require the Board of Managers to duly execute and record, in the New York County Office of the Register of the City of New York, an amendment to the Declaration or By-Laws at any time without the requirement of a vote and without the approval or consent of any Unit Owner or mortgagee for the purposes of (i) filing revised floor plans, (ii) changing the designation, the approximate square footage area, and number of Unsold Units (iii) changing the number of rooms and/or layout in an unsold Unit and the percentage of Common Interest allocated thereto, (iv) making insubstantial changes to the Declaration; or (v) making changes required by applicable law or regulations as more fully set forth in the Declaration. The amendment to the Declaration and other documents shall be executed by the Condominium Board of Managers upon presentation and demand by the Sponsor (which execution shall be deemed a mere ministerial function and subject to injunctive relief in favor of the Sponsor), but the recording thereof and the filing of revised Floor Plans and all costs of preparation and recording in connection therewith shall be the obligation of the Sponsor or its designee.

No Partition of Common Elements

As provided in Section 339-i(3) of the Real Property Law, the Common Elements will remain undivided and no right exists to partition or divide any portion of the Common Elements, except as otherwise provided therein (and described in this Section of the Plan) in the event of condemnation, destruction of more than 75% of the Building, or termination of the Condominium.

Complete copies of the Declaration and By-Laws are set forth in Part II of this Plan, and in the case of any conflict between the provisions of those documents and the description thereof in this Plan, the provisions of the actual documents shall control.

Termination of Condominium

The Condominium will continue (unless terminated by casualty loss or by condemnation) until such time as the Property is withdrawn from the provisions of Article 9B of the Real Property Law of the State of New York as a result of the vote of at least 80% in number and in Common Interests of the Unit Owners. In that event, the Property will be subject to an action for partition by any Unit Owner or any lienor, as if owned in common, following which the net proceeds of the sale resulting therefrom will be divided among all Unit Owners in proportion to their respective interests in the Common Elements, after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner, to the payment of any liens on his or her Unit, in order of the priority of such liens. The Sponsor may not vote its interest to terminate the Condominium unless 80% of Unit Owners other than the Sponsor vote to do so, but even in that event, the Sponsor will not be obligated to vote.

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

Real Estate Taxes

After the Units are divided into separate tax lots, each Unit will be taxed as a separate lot for real estate tax purposes, and no Unit Owner will be responsible for payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. There is no assurance that The City of New York tax assessor will allocate taxes among Units in proportion to their respective Common Interests. If it does not, Owners of Units having the same Common Interest will pay different amounts of real estate taxes.

If the First Unit Closing occurs prior to the separate assessment of the Units of the Condominium, and there is still only a single real estate tax bill with respect to all of the Units in the aggregate, then each of the Unit Owners shall be obligated to pay to the Condominium Board (or to the Sponsor, if the Sponsor had previously paid said bill) at such Unit's closing, a pro rata share of the full tax bill for all of the Units due for the next tax period following such closing based on the Unit's percentage interest in the Common Elements and the Condominium Board or the Sponsor shall pay the single tax bill. The Condominium Board will hold such payments on account of the real estate tax bill in an escrow account. See "Estimated Expenses and Adjustments".

The estimated real estate taxes for the Units are based on the twelve (12) month period commencing January 1, 2007 since the anticipated commencement date (anticipated date of First Unit Closing) is January 1, 2007. The real estate tax amount for the Condominium's budget year commencing January 1, 2007 includes six (6) months of the 2006/2007 City fiscal year (January 1, 2007 to June 30, 2007) and six (6) months of the 2007/2008 City fiscal year (July 1, 2007 through December 31, 2007).

a. Taxes without Tax Exemptions under 421-a

The current site is divided into four (4) separate tax lots with four (4) assessed values and different tax classifications and, thus, different tax rates. The 2006/07 assessed values, tax rates and estimated taxes are as follows:

2006/07 Tentative

Lot	Transition Assessed Value	Tax Class	2005/06 Tax Rate	Estimated 2006/07 Taxes
49	\$18,918	4	12.396%	\$ 2,345
48	74,248	2A	12.396%	9,205
51	20,736	1B	15.746%	3,266
52	51,840	1B	15.746%	<u>8,163</u>
				\$22,979

Therefore, the projected taxes for the 2006/07 fiscal year are (subject to change) approximately \$22,979. Since the estimated first year budget year includes six (6) months in 2006/07, the estimated taxes for such six (6) month period is \$11,490 ($\$22,979 \div 2$).

The estimated taxable assessed value for all of the Units in the aggregate for the 2007/2008 fiscal year is estimated to be \$2,970,000. Assuming the continued tax rate of 12.396% (applicable to Class 2 properties), the estimated taxes for 2007/2008 will be \$368,161. Since six (6) months of the 2007/2008 fiscal year are included in the estimated first year of operation, the taxes for such six (6) months would be \$184,080 ($\$368,161 \div 2$). Therefore, the real estate taxes for the year starting on January 1, 2007 for all of the Units in the aggregate (assuming no 421-a benefits) are anticipated to be approximately \$195,570 ($\$11,490 + \$184,080$).

b. Residential Units - 421-a Tax Exemption.

Assuming Section 421-a benefits, based upon a pre-construction assessed value of the property of \$161,074 with an anticipated tax rate of 12.396% (the current, 2006/2007, tax rate applicable to Class 2 residential properties) the real estate taxes for all of the Units in the Building would be \$19,967, assuming all the Units were residential and all qualified for 421-a benefits. Assuming that 421-a benefits are granted for the fiscal year 2007/2008, the increased valuation based upon the new building will be exempted from taxation for a ten (10) year period commencing with the 2007/2008 fiscal year and the estimated taxes, assuming the same tax rate of 12.396%, are estimated to be \$19,967.

c. Ultimate Tax Assessment.

It is anticipated that upon completion of the construction of the property that the valuation will be \$2,970,000.

If over the following years the actual assessment is not further increased, the projected full taxes (assuming no Section 421-a benefits) at the current rate would be approximately \$368,161.

Depending upon a number of factors including the date of recording of the Condominium Declaration, the date of issuance of the new temporary Certificate of Occupancy and the practices of the New York City assessing authorities, the Units should be divided into separate tax lots for the 2007/2008 fiscal year, resulting in separate tax bills thereafter.

The estimates of real estate taxes set forth in column 7 of Schedule A have been allocated based upon each Unit's respective Offering Plan Purchase Prices multiplied by the total anticipated real estate taxes payable for the budget year commencing September 1,

2006. However, the Sponsor does not represent or guarantee that this method of calculation and allocation will be utilized by the City of New York in allocating taxes to the Units of the Condominium as separate tax lots.

Assuming that 421-a benefits are granted to the Property, the assessed value of the improvements on the Property will not be increased for ten (10) years and thereafter, the assessed value will be increased each year for five (5) years by twenty (20%) percent of the increased value due to the improvements, each year.

After the Units are divided into separate tax lots, each Unit will be taxed as a separate lot for real estate tax purposes, and no Unit Owner will be responsible for payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. There is no assurance that The City of New York tax assessor will allocate taxes among Units in proportion to their Purchase Prices. If it does not, Owners of Units having the same Purchase Price will pay different amounts of real estate taxes.

If the First Unit Closing occurs prior to the separate assessment of the Units of the Condominium, and there is still only a single real estate tax bill with respect to all of the Units in the aggregate, then each of the Unit Owners shall be obligated to pay to the Condominium Board (or to the Sponsor, if the Sponsor had previously paid said bill) at such Unit's closing, a pro rata share of the full tax bill for all of the Units due for the next tax period following such closing based on the Unit's percentage interest in the Common Elements and the Condominium Board (or its Managing Agent) or the Sponsor shall pay the single tax bill. The Condominium Board will hold such payments on account of the real estate tax bill in an escrow account. See "Estimated Expenses and Adjustments".

Although the estimate of New York City Real Estate Taxes is a good faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations and tax rates, when actually established by the City Of New York, may be lesser or greater. Accordingly, these estimates of assessed valuation and tax rates are to be considered opinions and are not intended, and should not be construed as, warranties as to future assessed valuations, tax rates or of the actual real estate taxes to be assessed. In no event will the Sponsor, its principals, sales agents, Sponsor's counsel or any other person be liable if the assessed valuation or tax rate, when actually established, is lesser or greater than that predicted herein or if the Administrative Code and the applicable rules and regulations of the City of New York are changed in the future. Please refer to "Taxes - Deductions to Unit Owners" for more details.

No representation is made nor is any warranty given with respect to: (a) whether or not there will be (i) a further increase in the assessed valuation of the Property, or (ii) an increase in the tax rate, or (iii) an increase in the assessed valuation of the property by reason of its conversion to condominium ownership; or (b) the method of determining the assessed valuation of the Property; or (c) the amount of any increase in the assessed valuation of the Property.

Section 581 of the Real Property Tax Law provides that real property which is owned in condominium form shall be assessed for real estate tax purposes at a sum which does not exceed the assessment which would otherwise be placed on the property if it were not owned in condominium form. Section 339 of the Condominium Act provides that, among other things, each Unit (and its appurtenant common interest) shall be assessed separately from other Units (and their appurtenant common interest) for tax purposes, but that the aggregate of the assessed valuations of all of the Units and their common interest shall not exceed the total valuation of the property were the same to be assessed as a single parcel.

There are no tax certiorari tax proceedings currently pending. The Board of Managers is granted authority to apply to the Tax Commission of the City of New York for a reduction in the assessed valuation of Units, prosecuting and settling as it may deem

advisable any such action, including payment of any costs which may be incurred in such proceedings, on behalf of all Unit Owners as part of a single application in Article II, Section 2.u. of the By-Laws.

The Sponsor makes no representation and gives no warranty that the assessed valuation of the Property and the real estate tax rates applicable thereto will not increase in future years. The estimates of projected real estate taxes set forth in this Plan have been prepared by or at the request of the Sponsor, but are not to be construed as an assurance of the final tax costs; the same merely being estimates based upon information available to the Sponsor at this time.

Income Taxes

The Sponsor has been advised by Sonnenschein, Sherman & Deutsch, LLP, counsel to the Sponsor, that each Residential Unit Owner who itemizes deductions will be entitled under present law to deduct the real estate taxes assessed against the Unit and paid by such Unit Owner, for Federal and New York State income tax purposes as well as the amount paid by the Unit Owner representing interest on any mortgage indebtedness covering the Unit if the Unit is the Unit Owner's primary residence. The deductions are subject to certain exceptions and limitations which are more particularly discussed in the Counsel's Tax Opinion which is set forth as Exhibit H in Part II of this Plan.

Schedule A contains estimates of the amount of real estate taxes which a Unit Owner may be entitled to deduct for Federal and New York State income tax purposes under present law. In calculating individual tax deductions, each Purchaser should add to that the deduction, if applicable, for the interest portion of the Unit Owner's monthly mortgage payment.

The Sponsor has also been advised by counsel that, under present law, persons who become Unit Owners and (a) who are veterans of the United States Armed Forces may be entitled to Veterans' Exemptions; or (b) are senior citizens may be entitled to "Star" exemptions covering part of the real estate taxes otherwise assessed to their respective Units.

With respect to the taxability of the Condominium, Section 528 of the Internal Revenue Code provides that condominiums are generally taxable in a manner similar to corporations, except to the extent that the Condominium qualifies as a "homeowners association" under section 528, which requires, among other things that substantially all of the Units (calculated in terms of square footage) are used as residences and that substantially all of the expenditures are for management, maintenance and care of the Condominium Property. According to the opinion of Sponsor's counsel, provided the projected budget at Schedule B proves to be accurate and the Condominium timely makes the election to be treated as a homeowners' association under Section 528, the Condominium will qualify for such treatment since less than fifteen (15%) percent of the square footage and percentage of common interest will not be used for residential purposes. If the Condominium is required to pay taxes, such taxes will constitute Common Expenses, assessed to all Unit Owners as part of the Common Charges and may generate an increase in common charges to pay such taxes.

No warranties are made that either the Internal Revenue Service or the New York State Department of Taxation and Finance will continue to allow the aforementioned deductions for real estate taxes and/or mortgage interest to Unit Owners. The Sponsor and Sonnenschein, Sherman & Deutsch, LLP, will not be liable under any circumstances if it is determined that the Unit Owners are no longer entitled to such income tax deductions for real estate taxes and/or mortgage interest, as aforesaid, because of changes in fact or statutory or decisional law or amendment to any law which could not be foreseen or expected to be foreseen. The opinion of Sonnenschein, Sherman & Deutsch, LLP is limited to the state of the law existing on the date this Plan was filed with the Department of Law.

NO RESERVE FUND FOR CAPITAL EXPENDITURES

The budget for the first year of Condominium operation set forth in Schedule B does not include a reserve fund for future roof replacement or major capital repairs or replacement items which may be needed within the first five years of condominium operation, since the Building will be newly constructed. No representation or warranty is made as to the adequacy of such amount. The Contingency provided for in the Projected Budget at Schedule B is intended to provide a fund for unanticipated expenses not included in the budget and for increases in operating expenses above the amounts projected. The Contingency is not intended and may not be sufficient to meet the cost of any major capital repairs or replacements which may be required to be made by the Board of Managers. The Board of Managers, in its discretion, and subject to certain restrictions contained in the By-Laws, may decide in the future to create a reserve fund by special assessment of by increases in Common Charges to pay for any such capital items or otherwise. In the event the reserve fund is insufficient to meet the capital needs of the condominium, the Board of Managers, in its discretion and subject to the By-Laws, may decide in the future to enhance the reserve fund or pay for necessary repairs or capital items by special assessment, or by increasing Common Charges. In addition, the By-laws provide that the Board of Managers may borrow up to \$500,000 without the consent of the Unit Owners, and over \$500,000 with the consent of a majority of Unit Owners, which loan may be secured by pledging a security interest in the Common Charges pursuant to Section 339-jj of the Condominium Act.

The budget for the first year of condominium operation set forth in Schedule B does not include a reserve fund for major capital repairs or replacement items which may be needed within the first five years of condominium operation, No representation or warranty is made as to the adequacy of such amount.

The reserve fund may not be used to reduce projected Common Charges during the time that the Sponsor or its designee controls the Board, nor may it be used to cover closing adjustments with the Condominium.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED OR IS REQUIRED TO PASS UPON THE ADEQUACY OF SUCH RESERVE FUND FOR CAPITAL EXPENDITURES.

Although Common Charges may also be assessed from Residential Unit Owners for this purpose, as long as the Sponsor or its designee own at least one Residential Unit or Parking Unit, the prior consent of Sponsor or its designee is necessary in order to assess Common Charges to create, add to or replace a reserve, emergency or surplus fund unless required by law.

WORKING CAPITAL FUND

In addition to paying regular monthly payments of Common Charges, each Purchaser of a Unit (except for Sponsor or its designees) will be required to pay to the Condominium at Closing a non-refundable payment equal to two (2) months estimated Common Charges as set forth in Schedule A. These payments will be accumulated to provide the Condominium with working capital for capital items and/or repairs, emergencies and other appropriate purposes as determined by the Board of Managers. The sale of all Residential Units will result in a Working Capital Fund of approximately \$16,163.00.

So long as the Sponsor controls the Board of Managers, the Working Capital Fund may not be used to reduce projected Common Charges as set forth in Schedule B to this Plan.

The Working Capital Fund may not be used to cover closing adjustments with the Condominium. Individual closing adjustments, consisting of pro-rated monthly common charges, real estate taxes and insurance premiums, are payable by Purchasers as more fully set forth in the section of the Plan entitled "Unit Closing Costs and Adjustments".

The Working Capital Fund is to be distinguished from the contingency fund provided for in the proposed Budget, Schedule B to the Offering Plan, and which may in fact be used during the period of Sponsor's control of the Board of Managers.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED OR IS REQUIRED TO PASS UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

Due to the small number of Units in the Condominium, the Condominium will not enter into a management agreement.

If, after the transfer of control of the Board of Managers to the Unit Owners, the Condominium Board elects to employ a managing agent or manager of its own choice, any additional cost thereof will be added to the annual budget and become part of the Common Charges assessed against all of the Unit Owners. No representation is made by the Sponsor as to cost, terms or availability of such management services.

Insurance

Prior to the first closing of title to a Residential Unit, the Sponsor will obtain the insurance coverage described in the footnotes to Schedule B on behalf of the Condominium.

Service Contracts

The service and maintenance contracts listed in the Footnotes to Schedule B, as extended or replaced, will be binding on the Condominium after the first closing of title to a Residential Unit.

IDENTITY OF PARTIES

Sponsor

The Sponsor of the Plan is The Vermeil LLC, a New York limited liability company (the "Sponsor"), with an office at 357 Flatbush Avenue, Brooklyn, New York 11213. The managing member of the Sponsor is Jacob Pinson, with an office at the same address. Sponsor is complying with the amended notice publication requirements of the Limited Liability Company Law that became effective June 1, 2006.

The Sponsor was formed on July 25, 2002. Mr. Pinson is a real estate developer. Neither Sponsor nor Mr. Pinson has been involved in a prior condominium or cooperative offering plan in New York State during the past five (5) years except for the following: Mr. Pinson was a principal of the sponsor of (i) 616 Dean Street, Brooklyn, New York, first filed July 20, 2004 where all Units have closed except one Unit and the sponsor of such building is current in its obligations under the offering plan and (ii) 56 State Street, Brooklyn, New York, first filed April 8, 2002, where all Units have closed. Copies of the foregoing plans

are available for inspection at the office of the Attorney General, 120 Broadway, 23rd Floor, New York, New York.

Architects

The architect is Denois Architects, P.C., with an office at 259 West 30th Street, Suite 901, New York, New York, and has been in business for 15 years.

Selling Agent

The Selling Agent is Brown Harris Stevens, with an office at 100 Seventh Avenue, Brooklyn, New York 11215, which has been in business for over fifty (50) years and has sold units in many new construction and conversion condominiums in the New York metropolitan area.

Attorneys for Sponsor

Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, New York, NY 10106 is the law firm retained by Sponsor to represent it in connection with this Plan. Such law firm has, on behalf of Sponsor, prepared this Plan, the Declaration and By-Laws, the form of Purchase Agreement, Deed and the related Exhibits referred to herein and will be acting as Escrow Agent for Down Payments by Purchasers. It has also rendered an opinion to Sponsor with respect to the availability of income tax deductions to purchasers of Residential Units, which opinion is set forth in Part II of the Plan. Sander Srulowitz, Esq. and Perry Balagur, Esq. were primarily responsible for preparing the Plan. Sonnenschein, Sherman & Deutsch, LLP has not undertaken any responsibility for the business or financial terms of this Plan and has no financial interest in the Plan, the Property, the Sponsor or other parties to this transaction, except for its fee for service rendered. Sonnenschein, Sherman & Deutsch, LLP is currently acting as Escrow Agent under the Plan for the purpose of holding Purchasers' down payments.

REPORTS TO UNIT OWNERS

All Unit Owners are entitled to receive copies of the following reports and/or notices annually, from the Condominium, at the Condominium's expense.

1. annual financial statements of the Condominium, prepared and certified by independent certified public accountants, to be mailed within three (3) months after the end of the fiscal year;
2. notices of the holding of the annual meetings of the Unit Owners, to be sent not less than ten (10) nor more than forty (40) days in advance of the meeting, stating the purpose thereof as well as the time and place where it is to be held;
3. a copy of the proposed annual budget of the Condominium to be sent not less than ten (10) days prior to the date set for adoption thereof. While the Sponsor is in control of the Board of Managers, the budget shall be certified in accordance with the Attorney General's regulations.

DOCUMENTS ON FILE

Pursuant to Section 352-e(9) of the General Business Law, Sponsor will keep copies of this Plan, all documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan on file, and available for inspection without charge and copying at a reasonable charge, at the office of the Sponsor for six (6) years from the first closing of title to a Residential Unit during normal business hours and upon reasonable notice, by prospective Purchasers and any person who has purchased a Condominium Unit offered by this Plan or who has otherwise participated in this offering.

GENERAL

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

The Property is not and has never been the subject of any prior cooperative or condominium public offerings. As of the date of the Plan, neither the Sponsor, the Selling Agent nor any other representative or agent of Sponsor has raised funds from, accepted any deposits or advances from, made any preliminary offering to or made any binding agreement with, prospective purchasers with respect to condominium Units nor collected any money from prospective purchasers.

The Sponsor and the Selling Agent will not discriminate against any person or persons on the basis of race, creed, sex, color, disability, marital status, age, sexual orientation or national origin or other grounds prohibited by law.

As of the date of the submission of the Plan to the Department of Law, all of the Units offered in the Plan to the extent they have been constructed, are vacant.

The Sponsor reserves the right, from time to time, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Units are sold, including changes affecting the rights, obligations and liabilities of the Condominium, Unit Owners, Purchasers and/or prospective Purchasers under this Plan. All substantive or material revisions will be contained in a duly filed amendment to this Plan. In the event of a material revision adversely affecting the rights, or materially increasing the obligations or liabilities, of then existing Purchasers or the Condominium, or materially reducing the undertakings or obligations of Sponsor, such Purchasers will be given the right, for fifteen (15) days after the presentation date of the amendment, to rescind their Purchase Agreements in writing, delivered to the Sponsor within such fifteen (15) day period and have all monies paid thereunder (with interest earned on their Down Payment, if any) refunded, provided such persons comply in all respects with any procedure for rescission set forth in an amendment to this Plan.

The Sponsor has not entered into any agreements or contracts, written or oral, for the sale or transfer of any Units offered in this Plan nor taken any deposits or advances of funds in connection with the reservation, sale or transfer of such units prior to the date this Offering Plan was accepted for filing. No binding obligation between the Sponsor and a Purchaser may arise unless and until a Purchase Agreement, executed by both the Purchaser and the Sponsor, has been executed and delivered.

This Plan contains an accurate summary of the pertinent provisions of the various documents referred to herein and copies thereof are on file with the Sponsor for inspection purposes. Any information, data, or representation not referred to in this Plan and not contained in the various documents referred to herein, cannot be relied upon. This Plan does

not intentionally omit any material fact or contain any untrue statement of a material fact. No person has been authorized by the Sponsor to make any representation which is not expressly contained herein.

All references in this Plan to the Sponsor will be deemed to include any assignee or designee of Sponsor.

This Plan may not be changed or modified orally.

SPONSOR'S STATEMENT OF SPECIFICATIONS AND BUILDING CONDITION

The Sponsor adopts the Description of Property and Specifications (the "Report") prepared by Danois Architects, P.C., in consultation with the professional engineer, which is set forth in Part II of this Plan, and has relied solely on this Report. The Sponsor represents that it does not know of any material defect or need for major repairs except as set forth in the Report.

Dated: New York, New York
_____, 2006

The Vermeil LLC,
Sponsor

PART II

of the Offering Plan

PART II

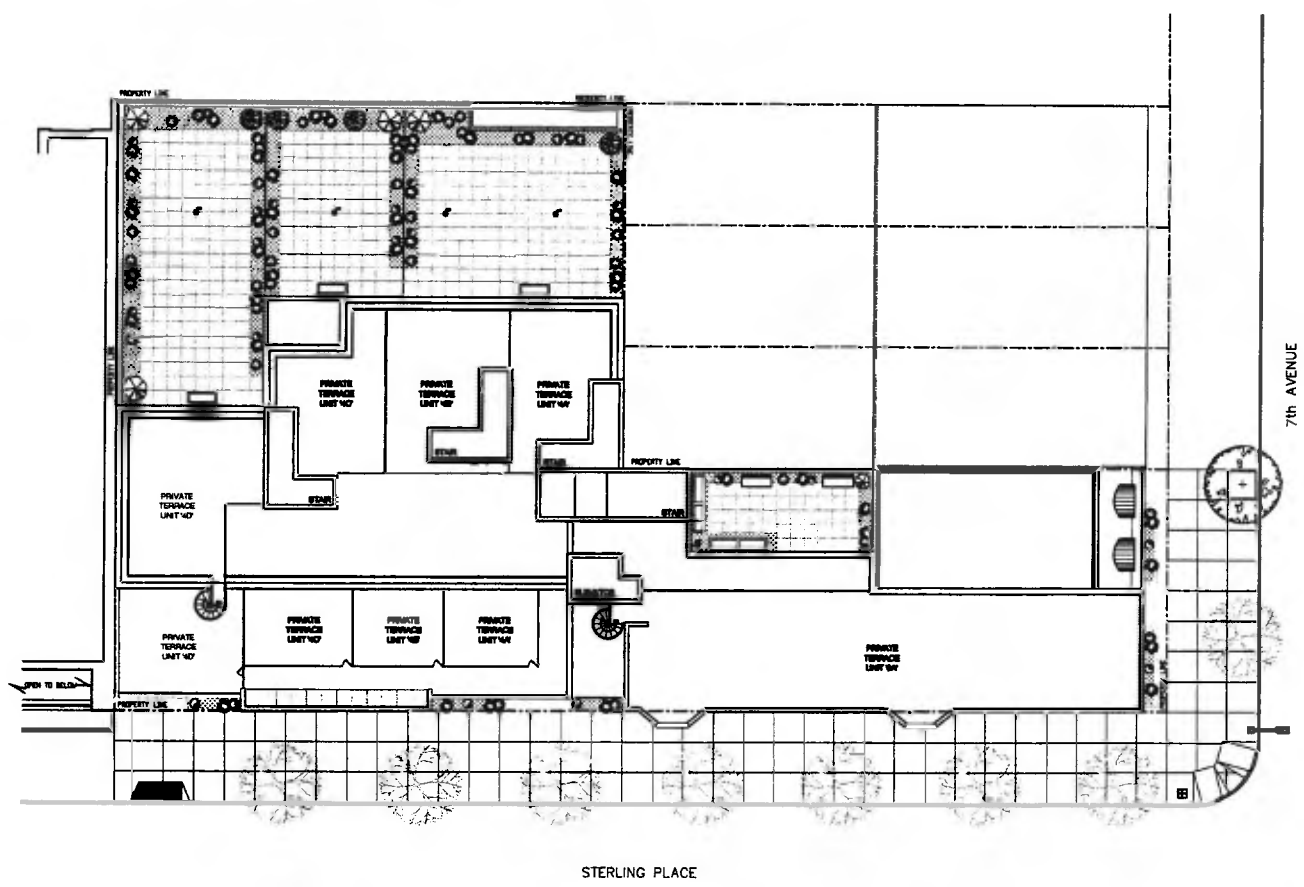
TABLE OF CONTENTS

EXHIBIT A	- Floor Plans
EXHIBIT B	- Architects's Description of Property
EXHIBIT C	- Unit Description
EXHIBIT D	- Purchase Agreement and Power of Attorney
EXHIBIT E	- Unit Deed
EXHIBIT F	- Declaration of Condominium
EXHIBIT G	- Condominium By-Laws
EXHIBIT H	- Counsel's Opinions
EXHIBIT I	- Certifications:
	Sponsor
	Sponsor's Engineer (or Architect)
	Sponsor's Expert Concerning Adequacy of Budget
EXHIBIT J	- Escrow Agreement for Purchaser's Down Payments
EXHIBIT K	- Application to Attorney General for Determination on the Disposition of Down Payments



0' 5' 10' 15' 20' 40' 60' 80' 100'

1



THE VERMEIL CONDOMINIUMS
Danois Architects, P.C.

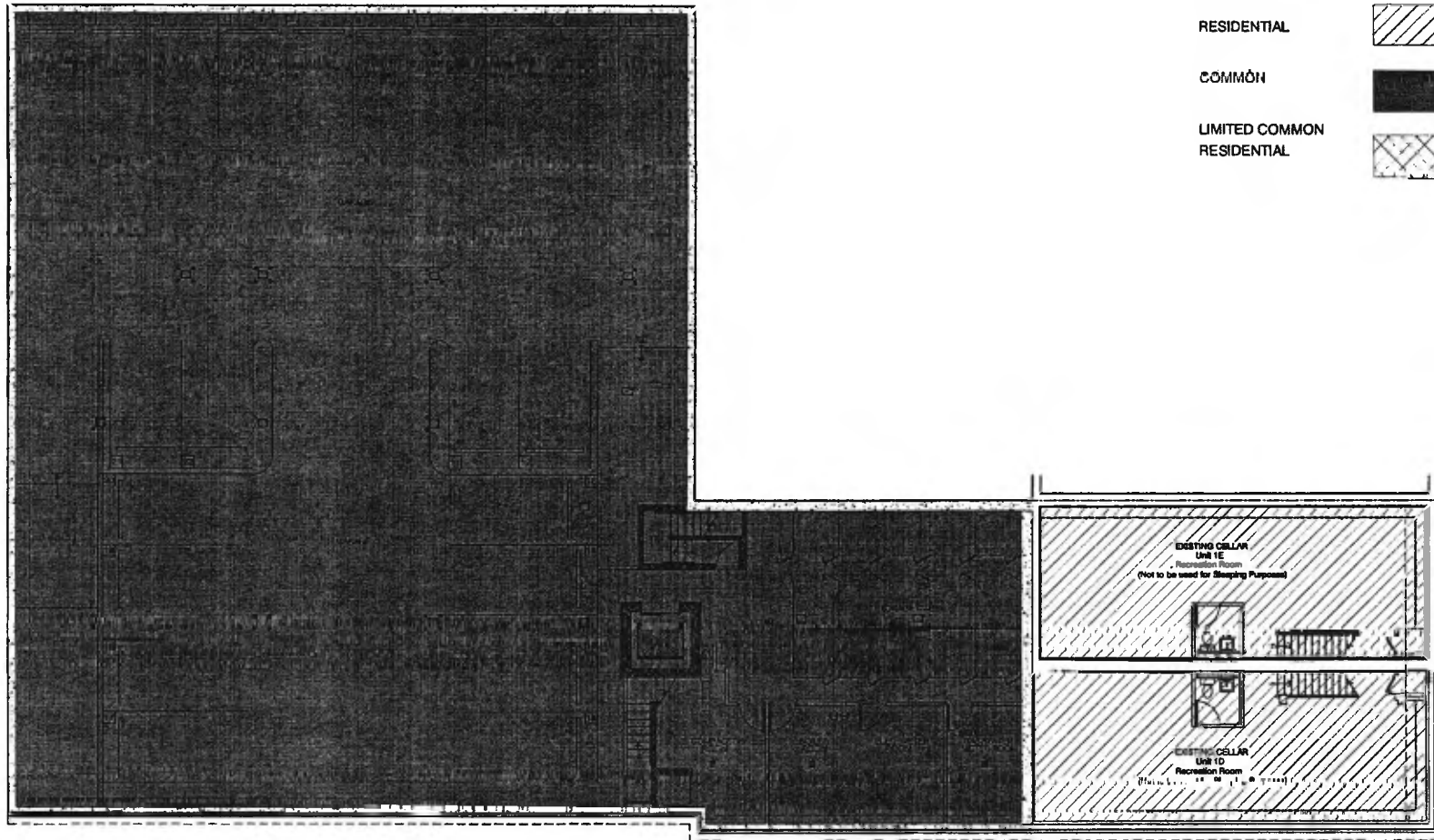


Landscape Plan

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SCALE: 1" = 30'-0"
DATE: 08-30-06

2



LEGEND

RESIDENTIAL



COMMON



LIMITED COMMON
RESIDENTIAL



THE VERMEIL CONDOMINIUMS
Danois Architects, P.C.

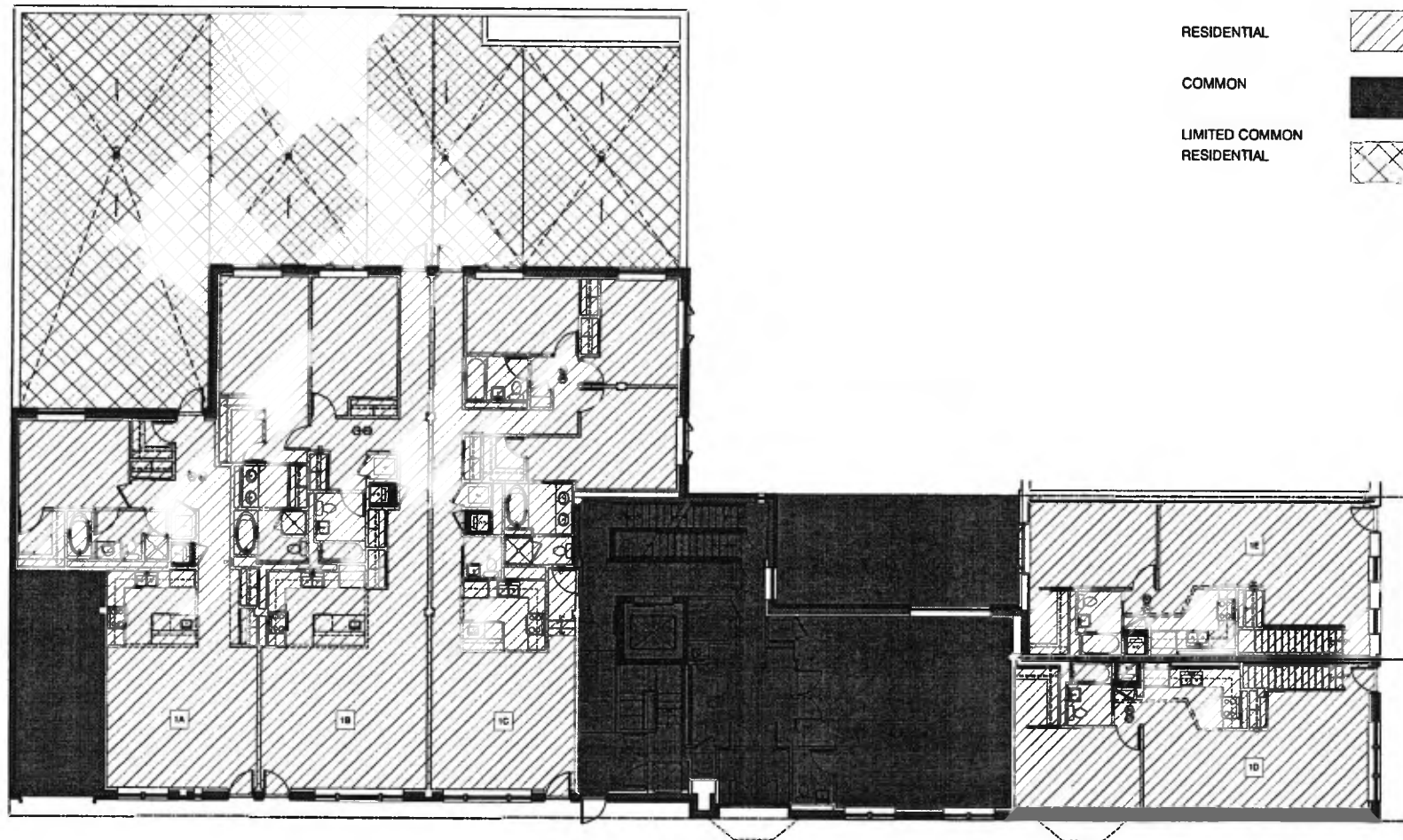


Cellar Plan

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DATE: 08-30-06

3



LEGEND

RESIDENTIAL



COMMON



LIMITED COMMON
RESIDENTIAL



THE VERMEIL CONDOMINIUMS
Danois Architects, P.C.



First Floor Plan

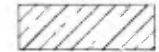
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DATE: 08-30-06

0' 10' 20' 30' 40' 60'

4

LEGEND

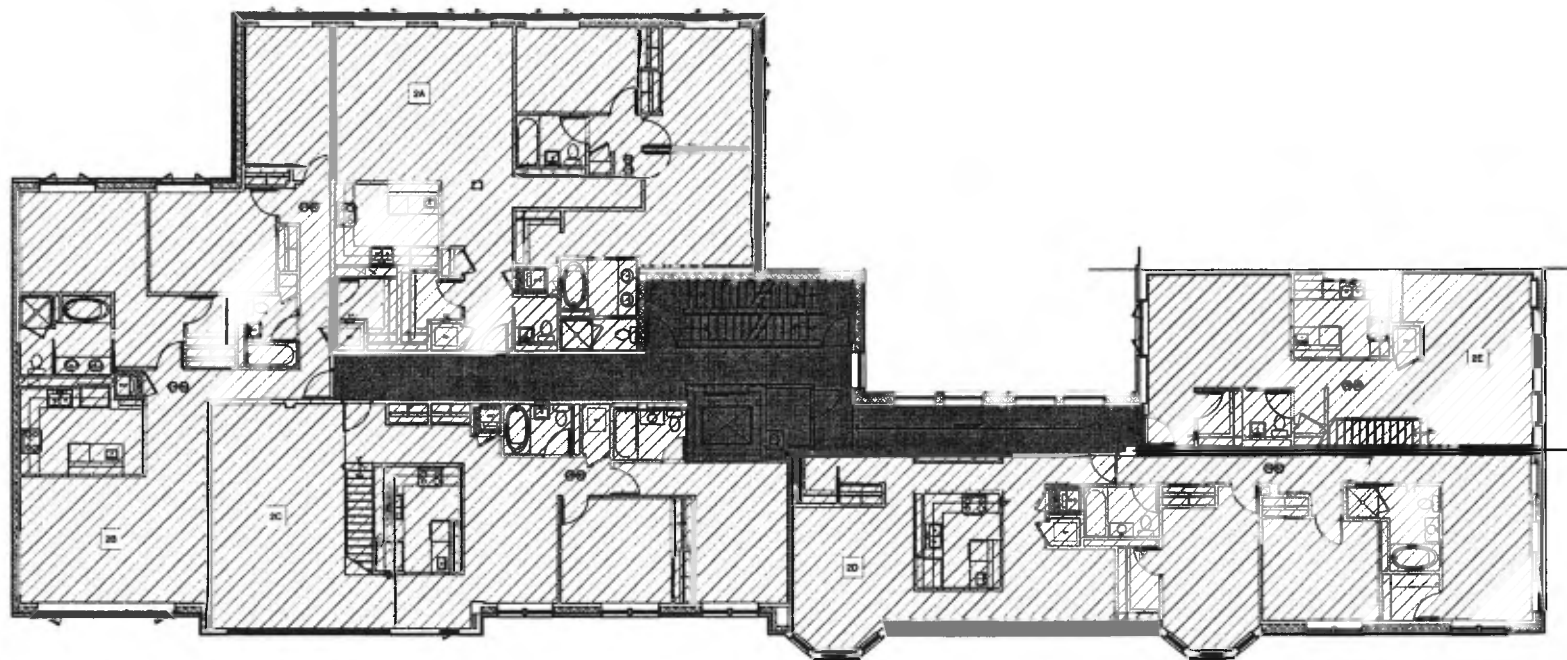
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COMMON



LIMITED COMMON
RESIDENTIAL



THE VERMEIL CONDOMINIUMS
Danois Architects, P.C.



Second Floor Plan

SCALE: 1" = 20'-0"
DATE: 08-30-06

5

LEGEND

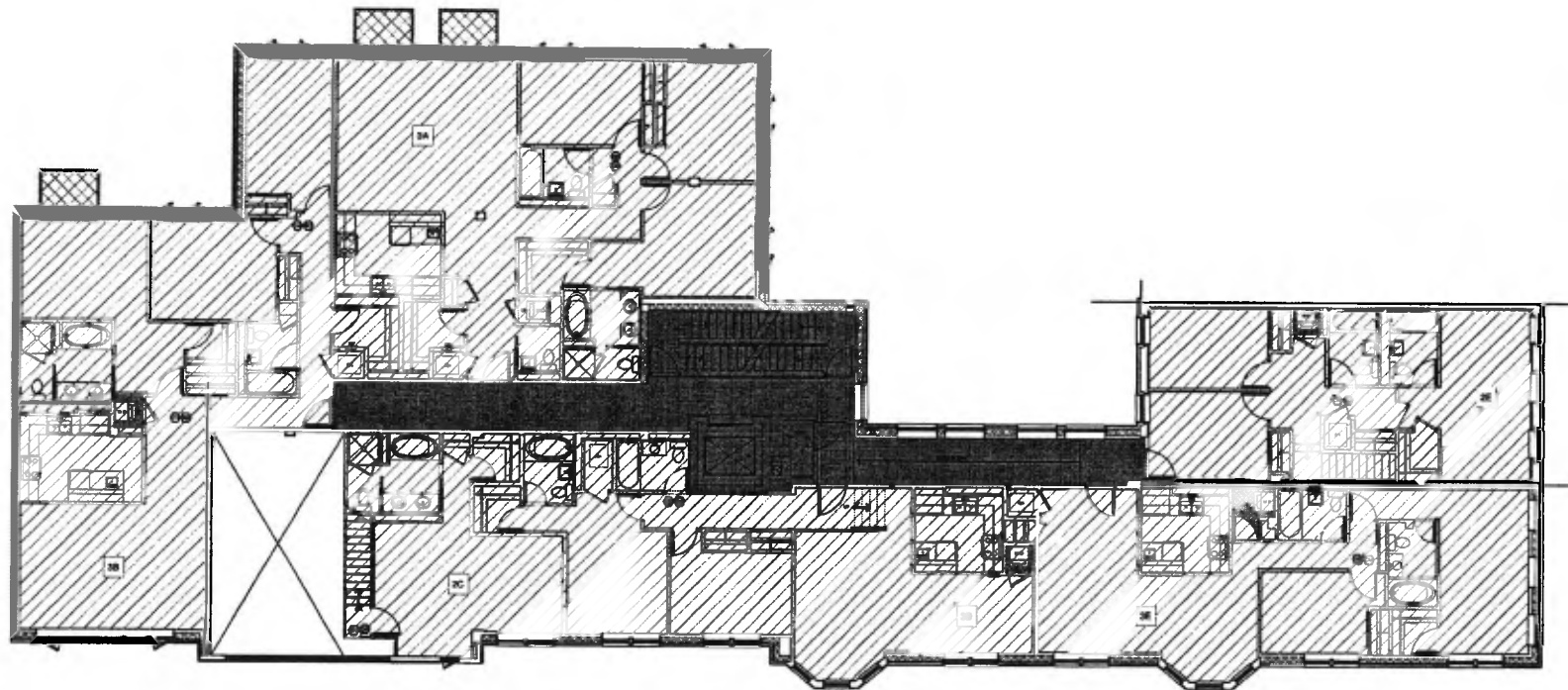
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COMMON



LIMITED COMMON
RESIDENTIAL



THE VERMEIL CONDOMINIUMS
Danois Architects, P.C.



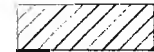
Third Floor Plan

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6

LEGEND

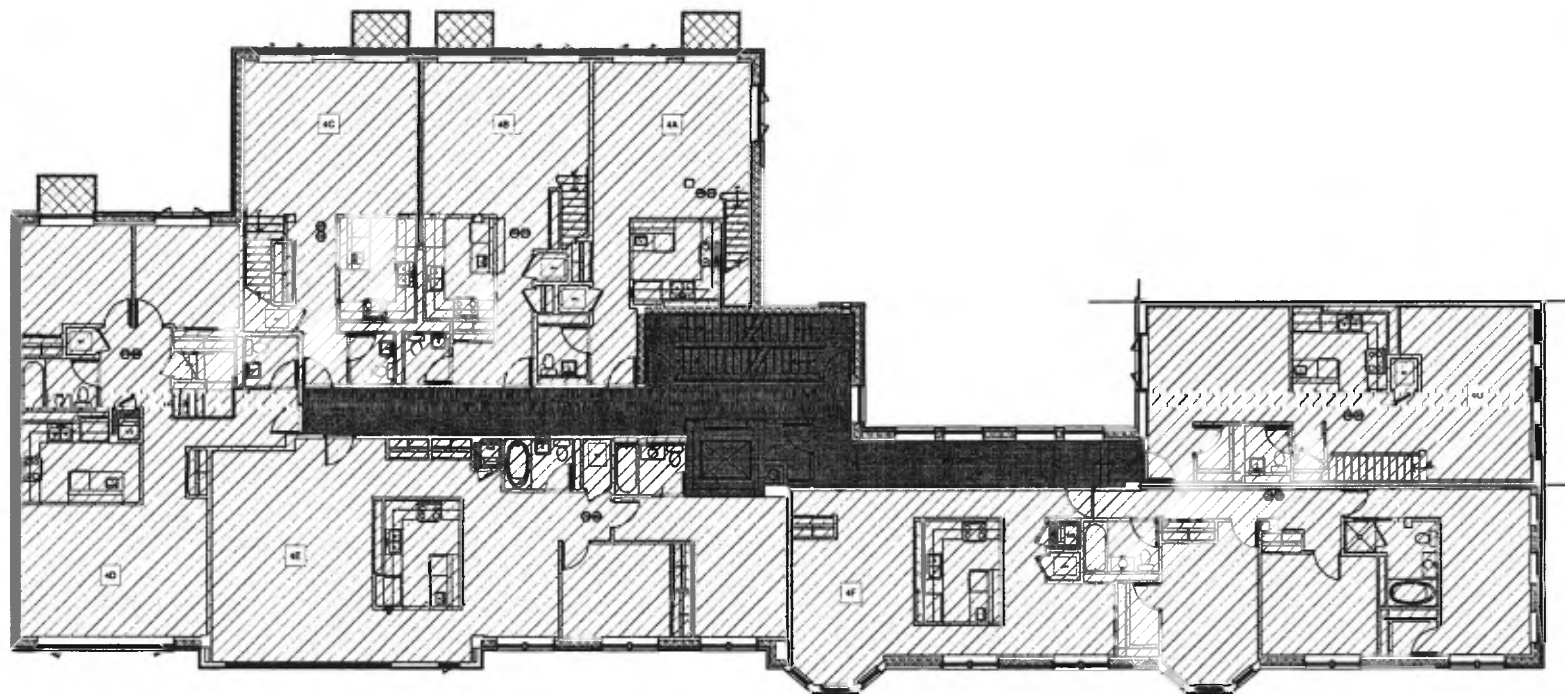
RESIDENTIAL



COMMON



LIMITED COMMON
RESIDENTIAL



THE VERMEIL CONDOMINIUMS
Danois Architects, P.C.



Fourth Floor Plan

SCALE: 1" = 20'-0"

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0' 10' 20' 30' 40' 50' 60'

LEGEND

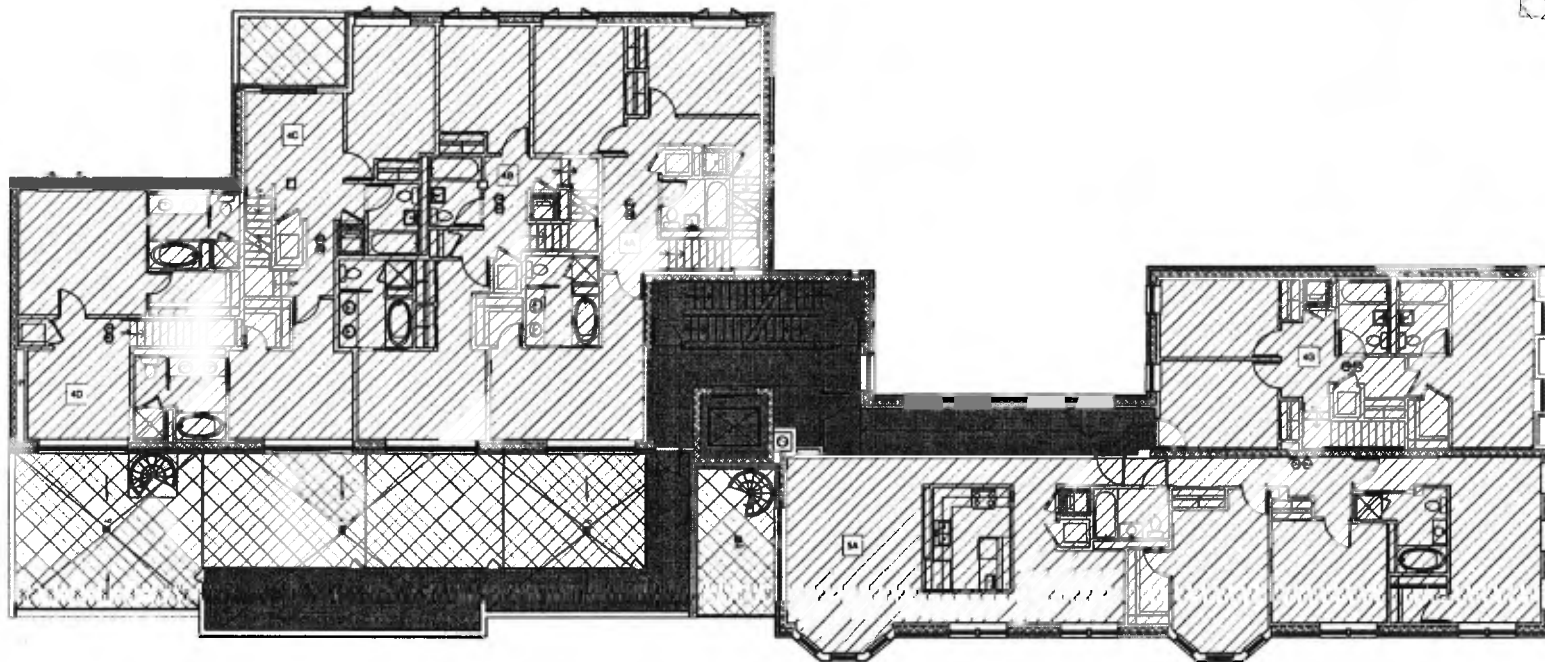
RESIDENTIAL



COMMON



LIMITED COMMON
RESIDENTIAL



06

THE VERMEIL CONDOMINIUMS
Danois Architects, P.C.



Fifth Floor Plan

SCALE: 1" = 20'-0"

DATE: 08-30-06

0' 10' 20' 30' 40' 60'

8

LEGEND

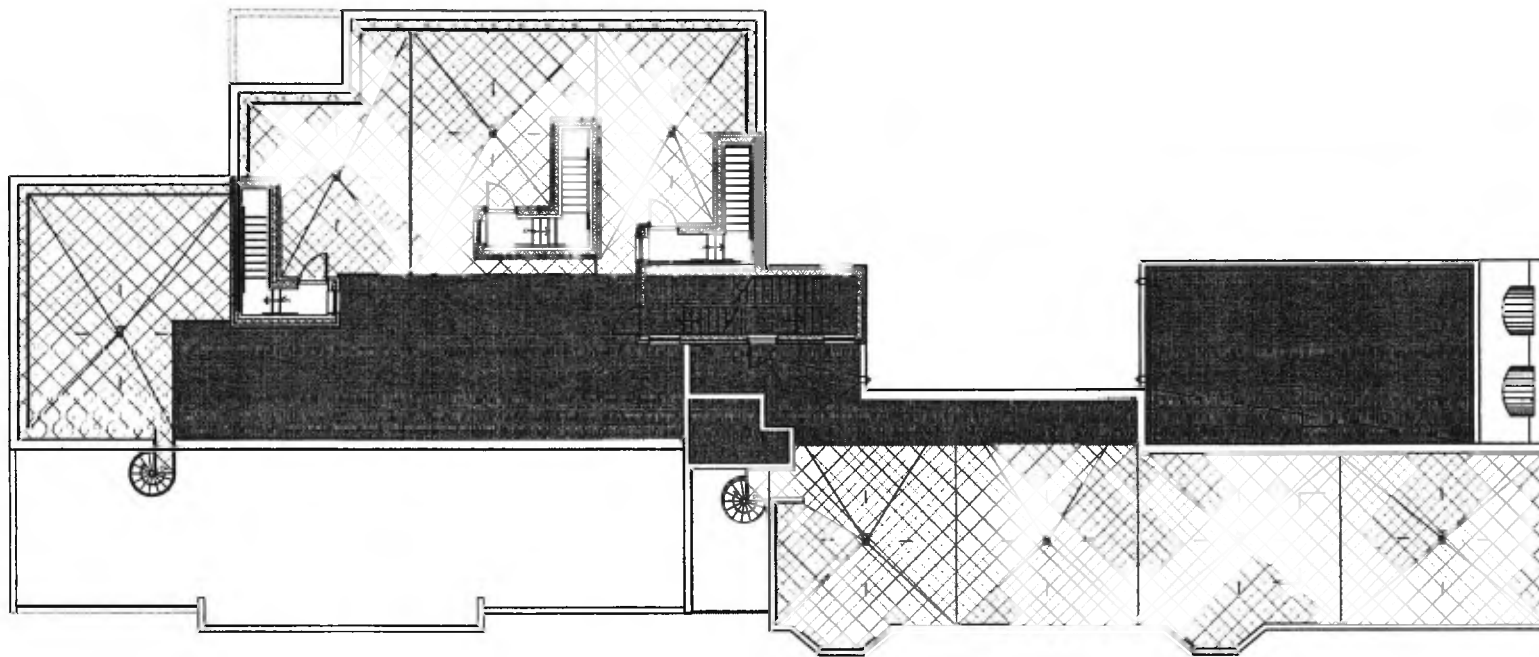
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COMMON



LIMITED COMMON
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THE VERMEIL CONDOMINIUMS
Danois Architects, P.C.



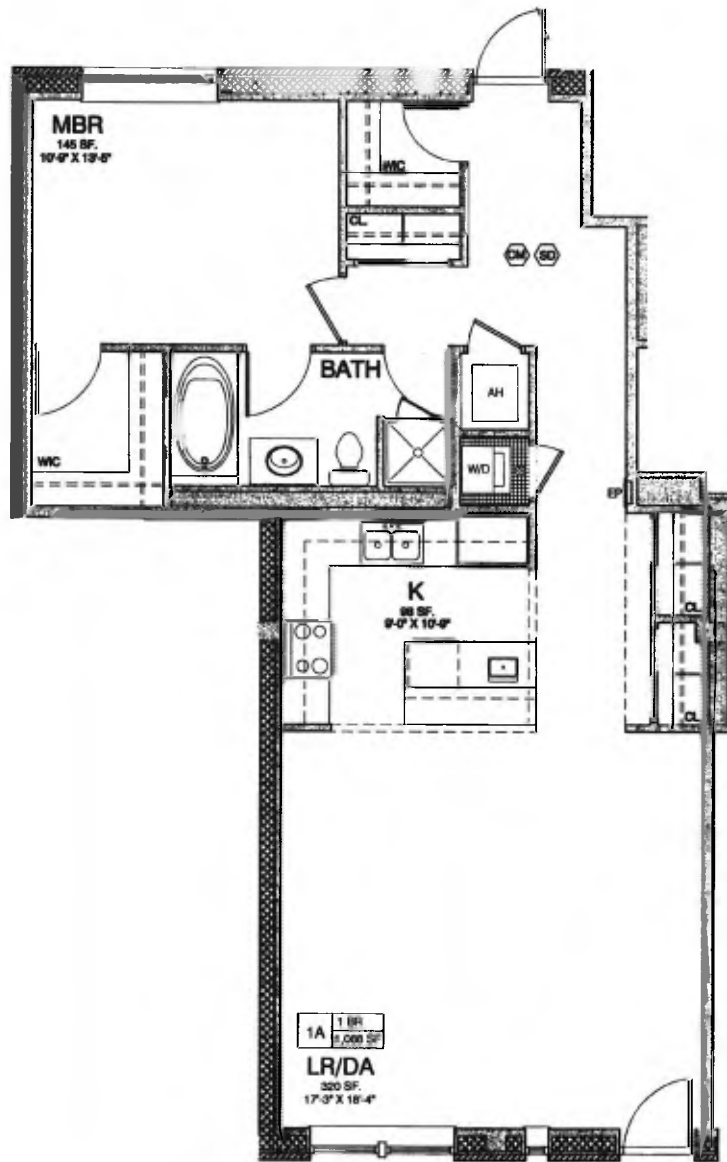
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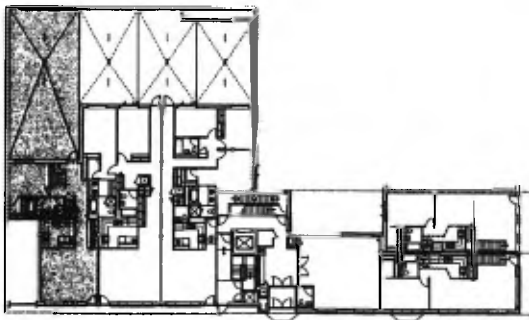
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9

EXHIBIT C



KEY:



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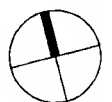


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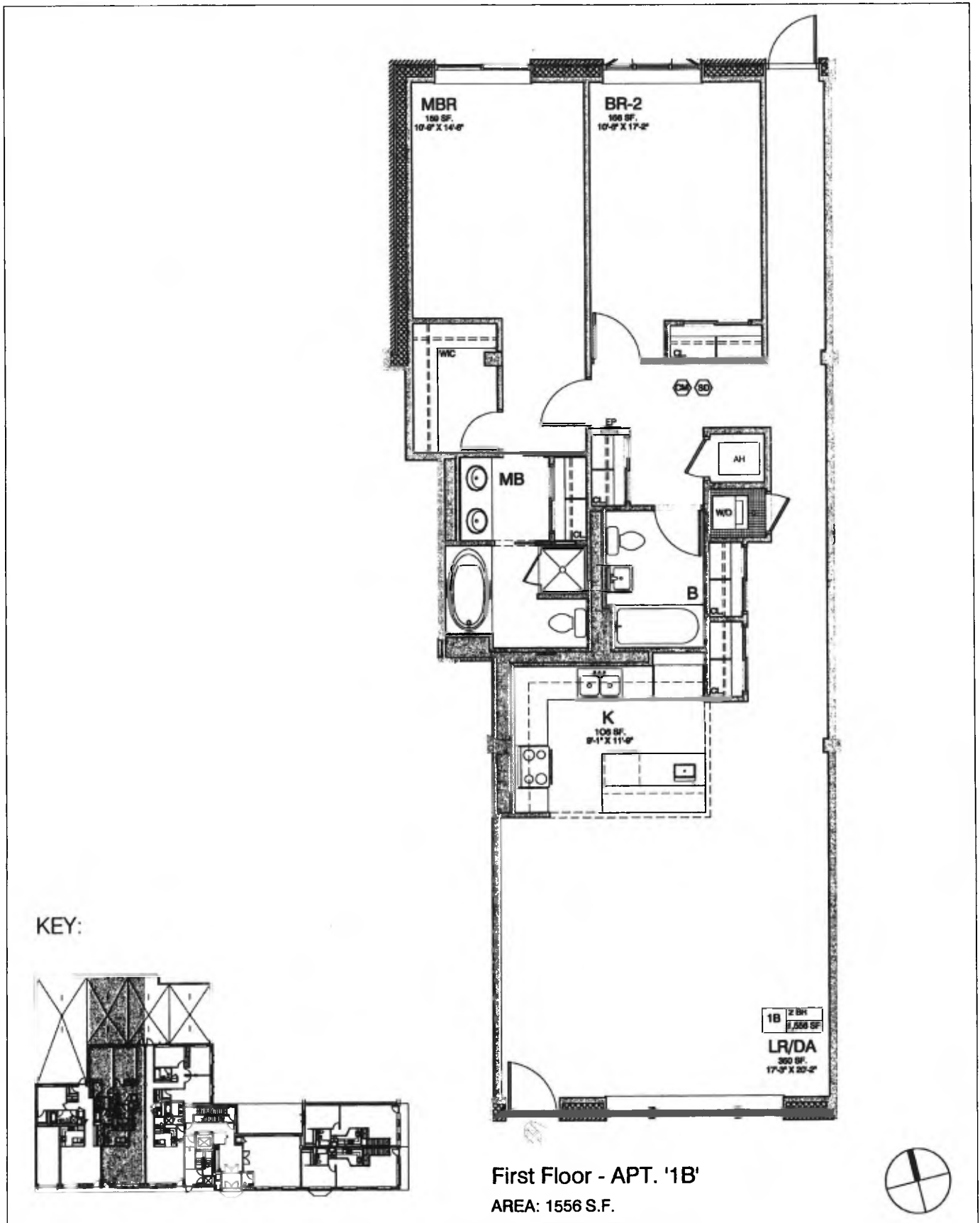
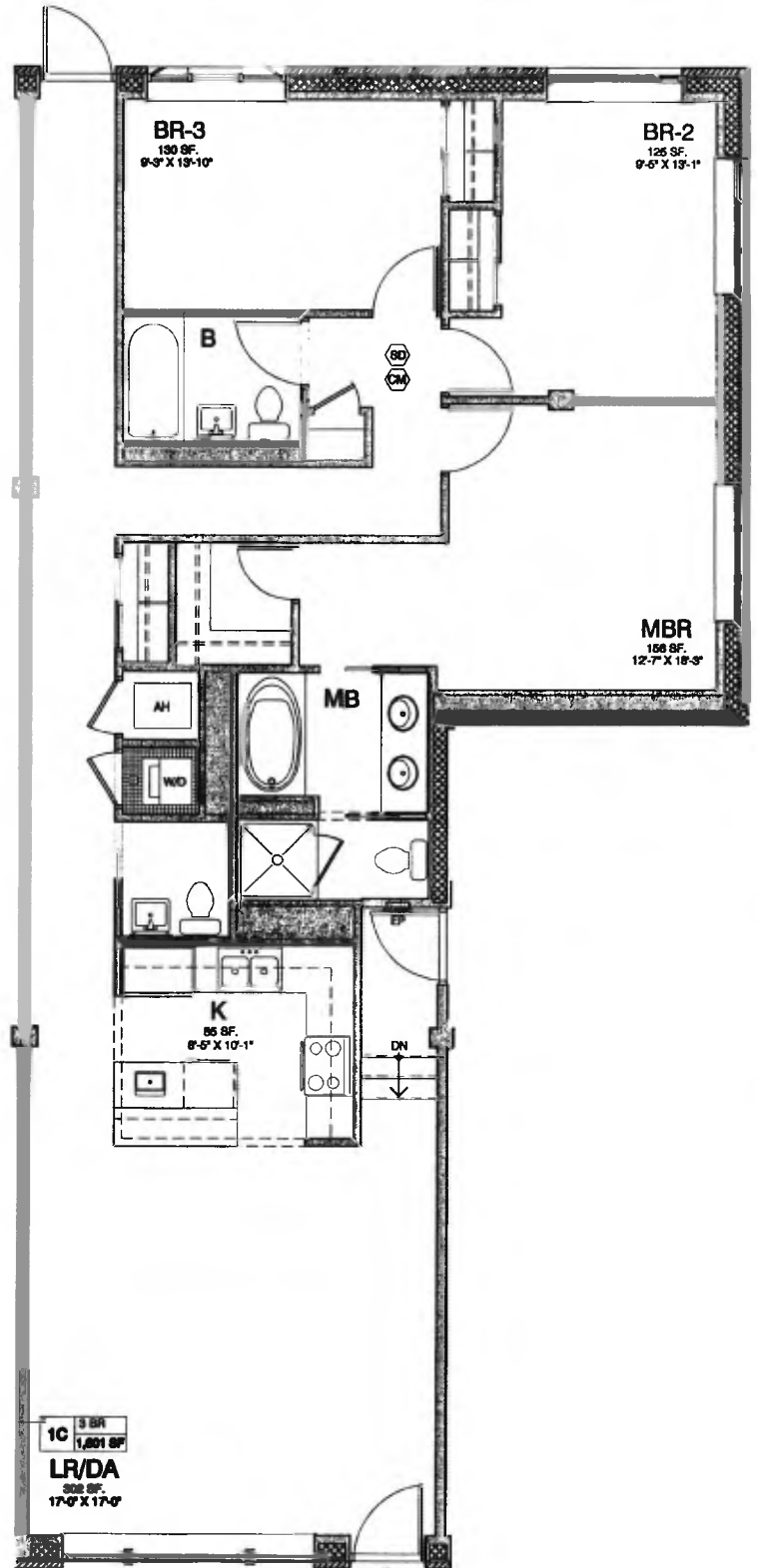
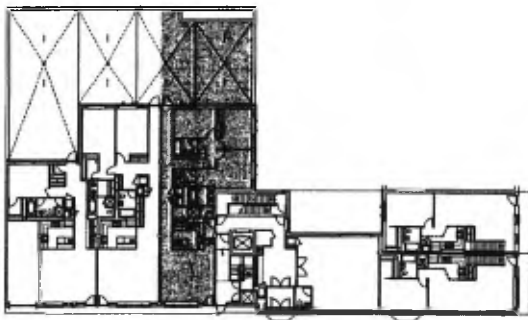


EXHIBIT C



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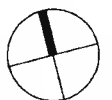
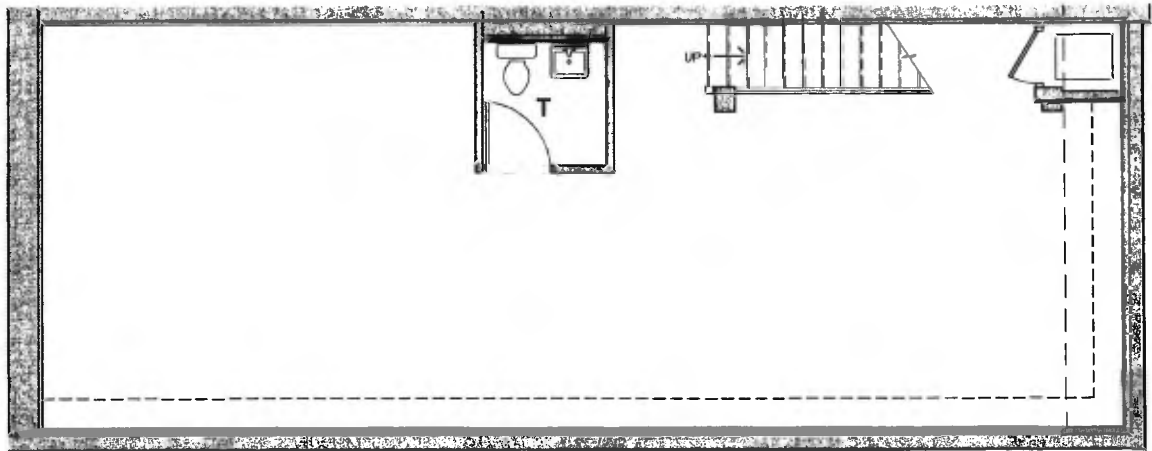


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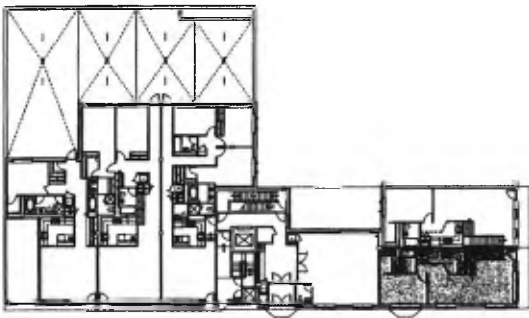


Collar Plan



First Floor Plan

KEY:



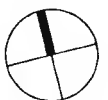
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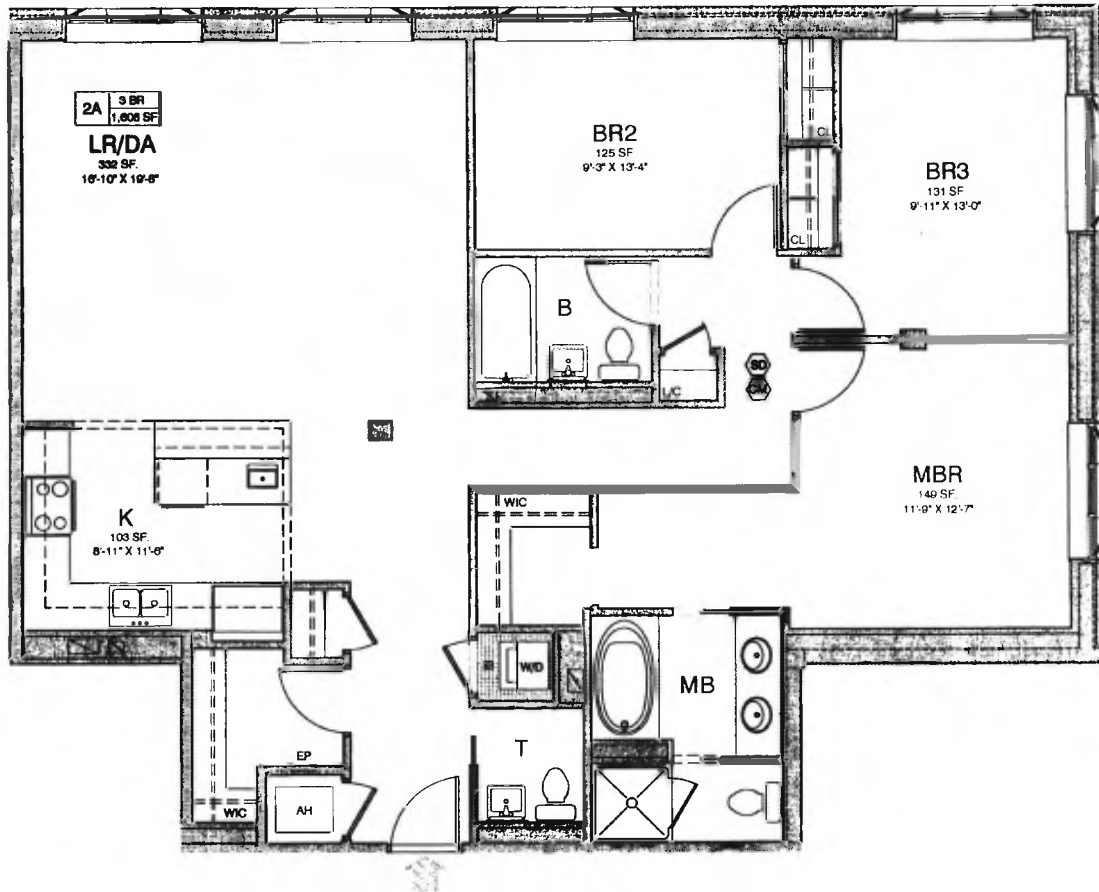
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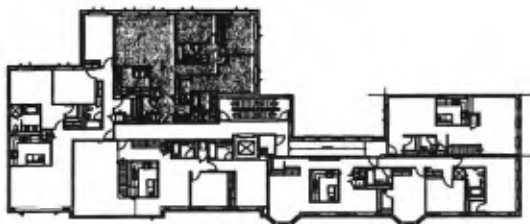
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DATE: Aug 30, 2006

DATE: Aug 30, 2006

EXHIBIT C



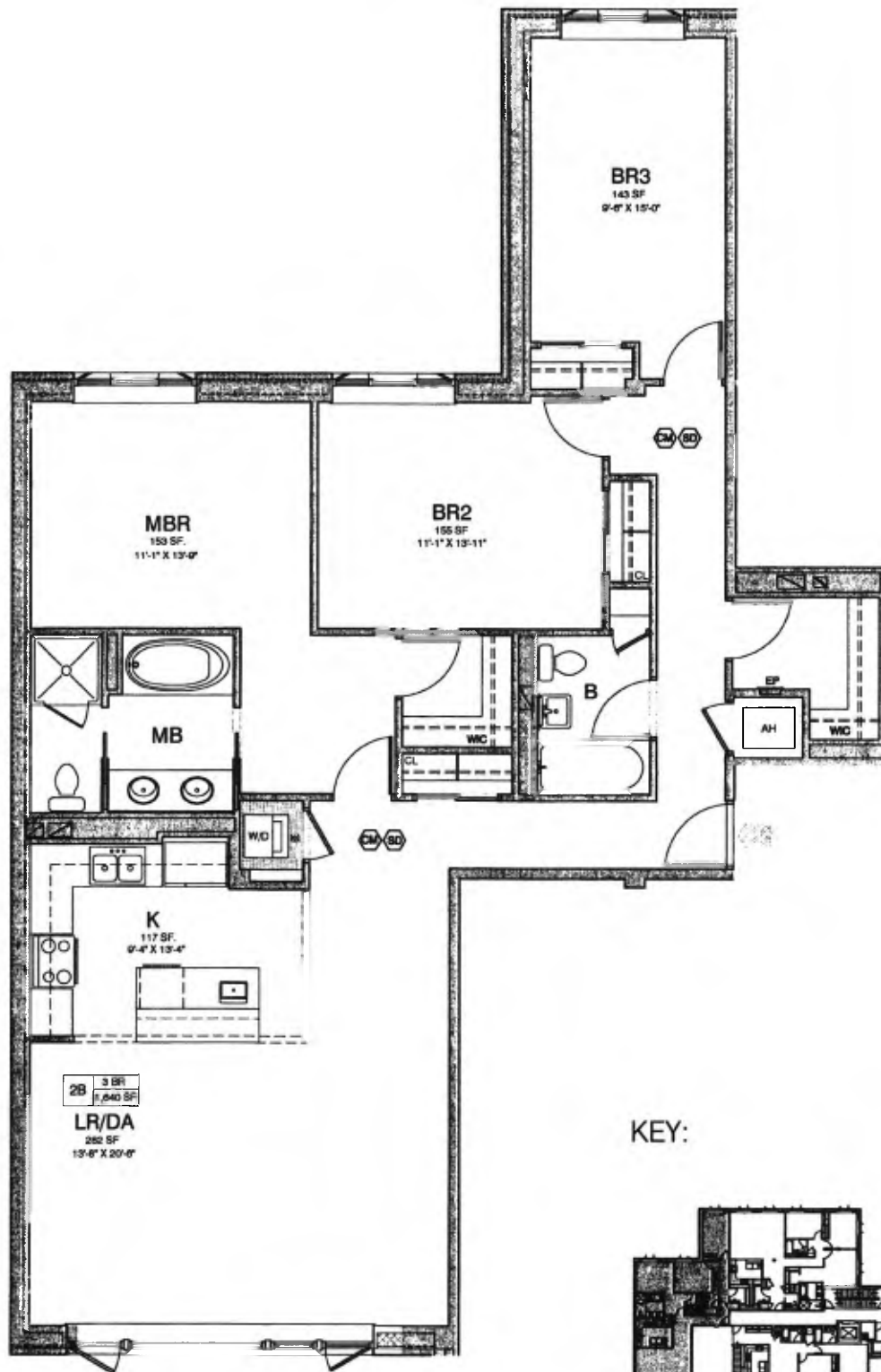
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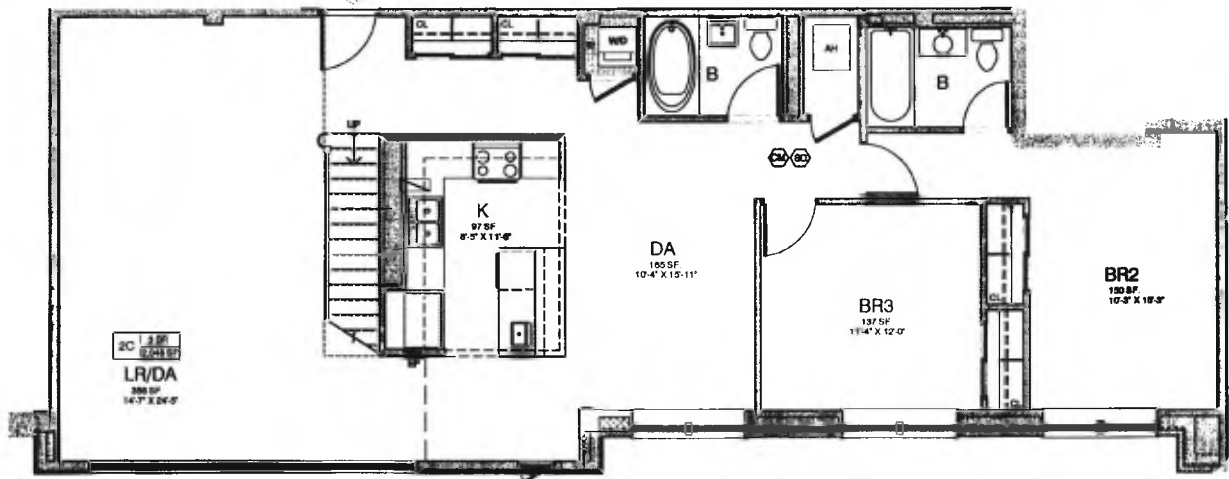
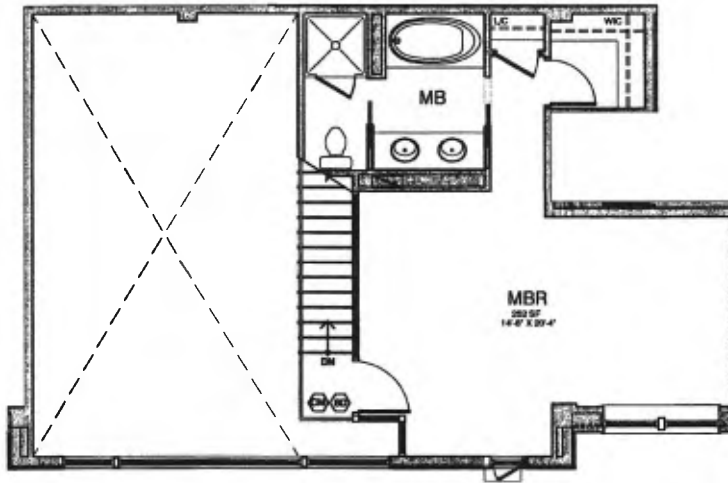
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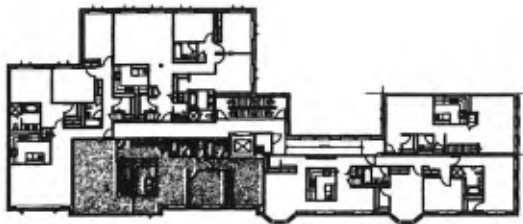
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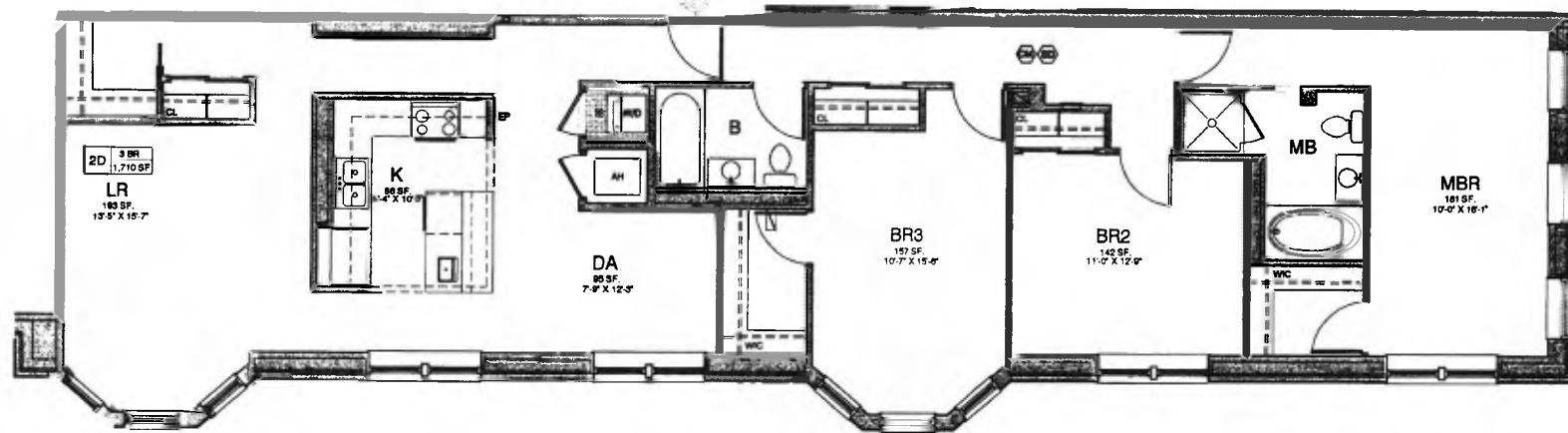


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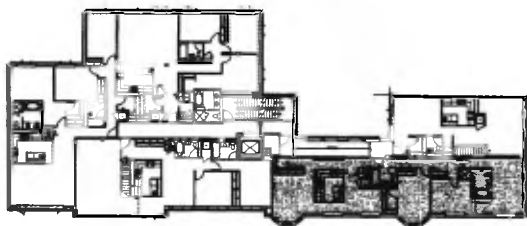
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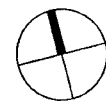
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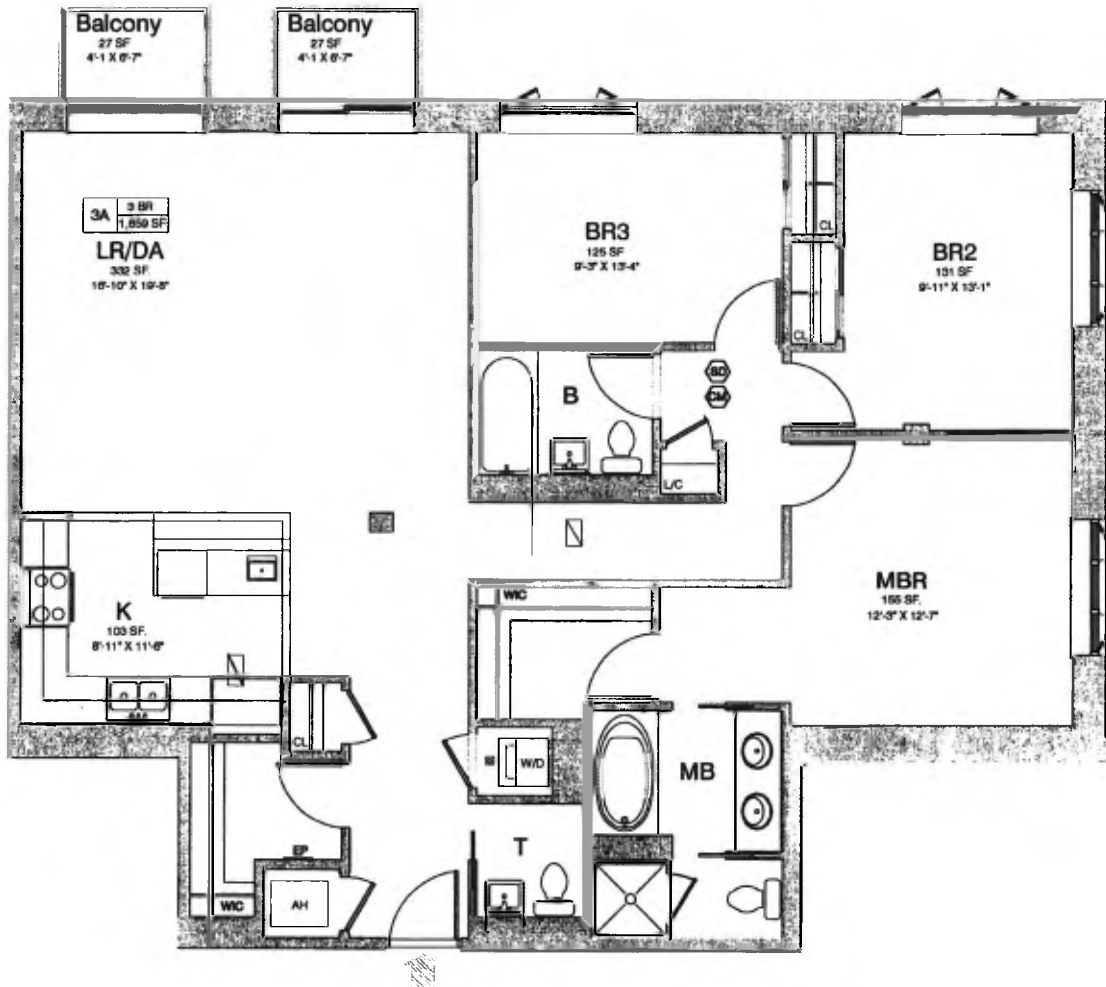




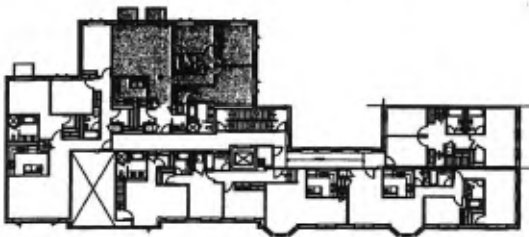
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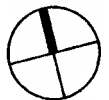
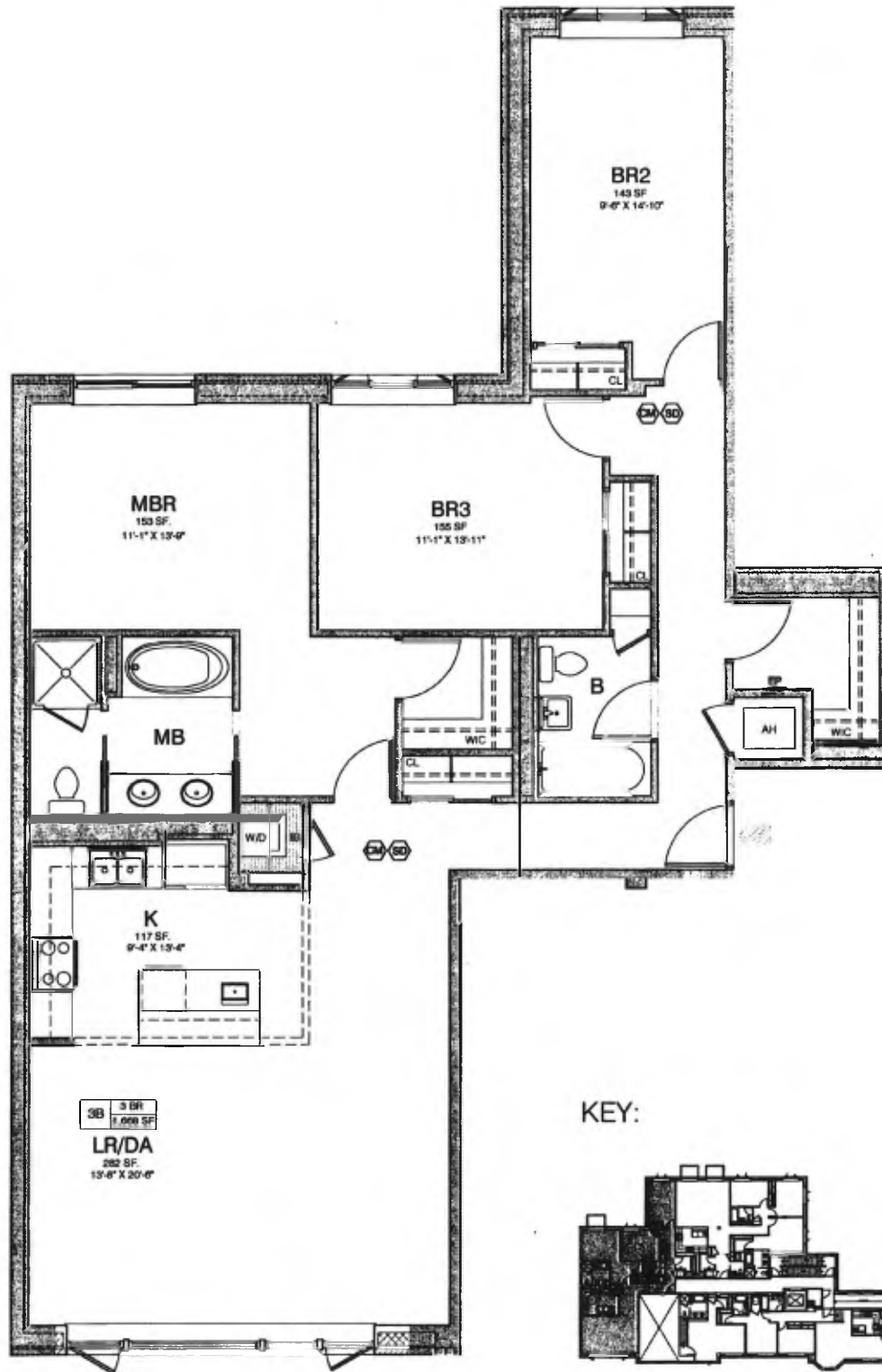


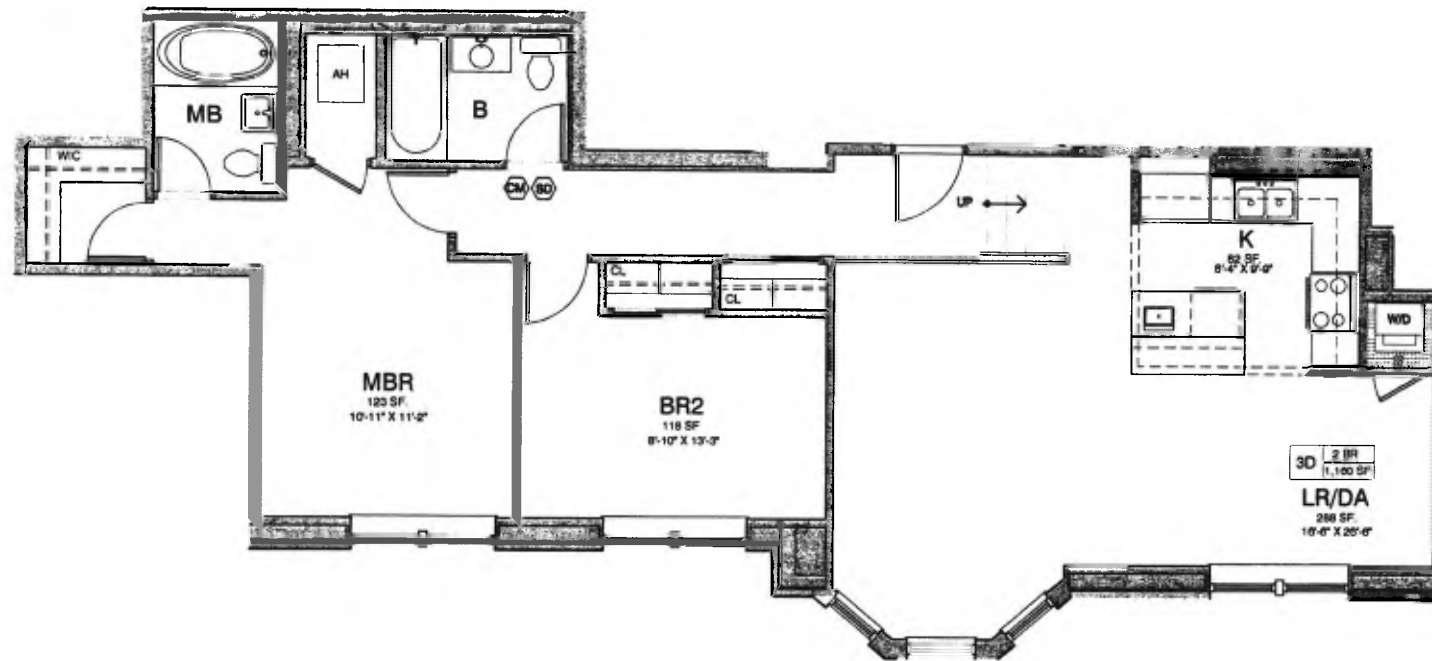
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EXHIBIT C



KEY:



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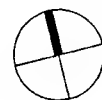
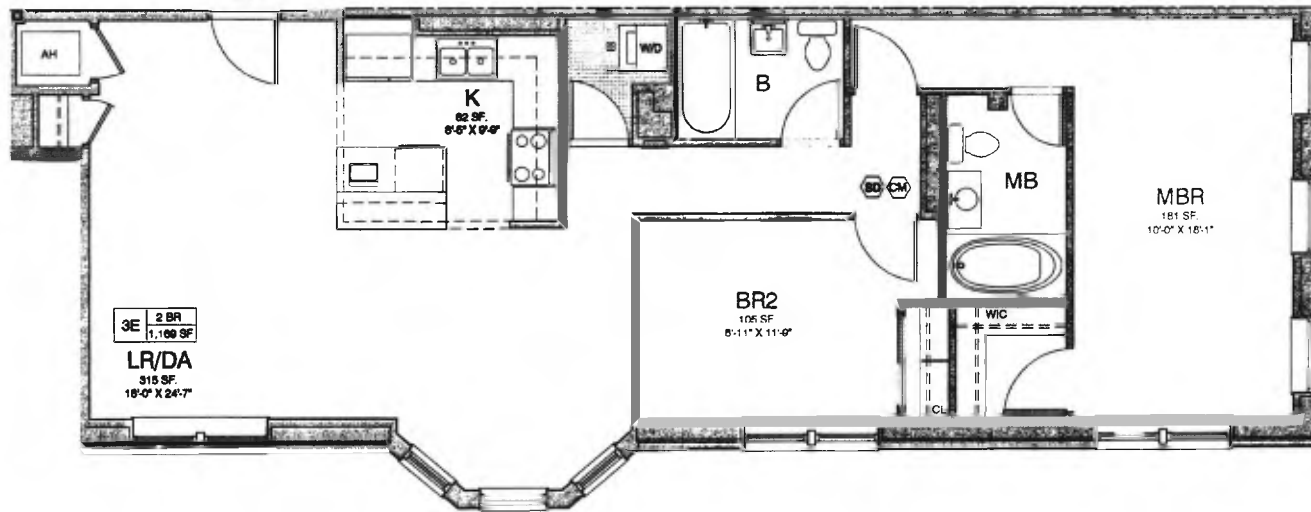
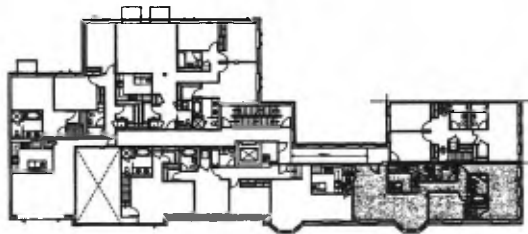


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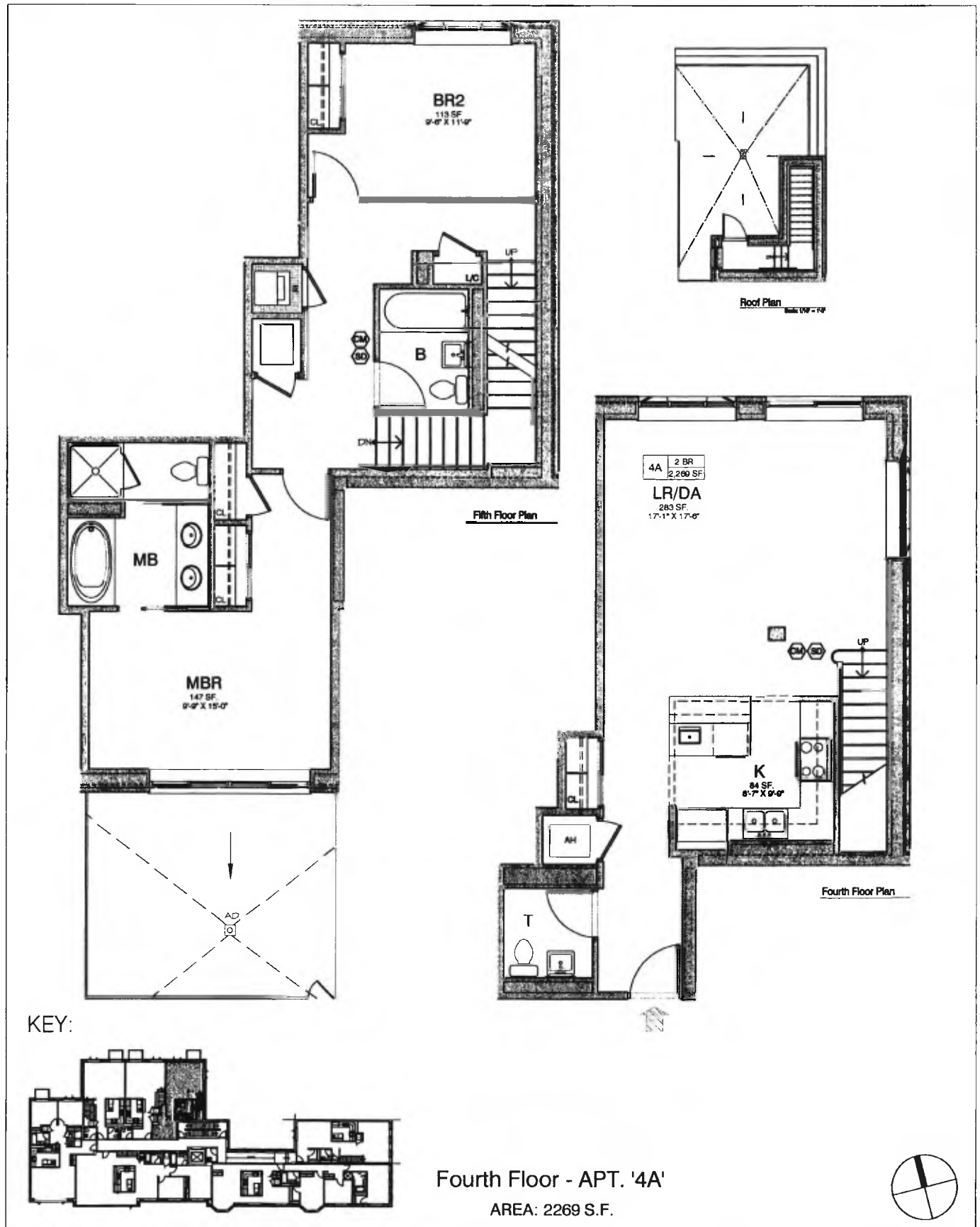


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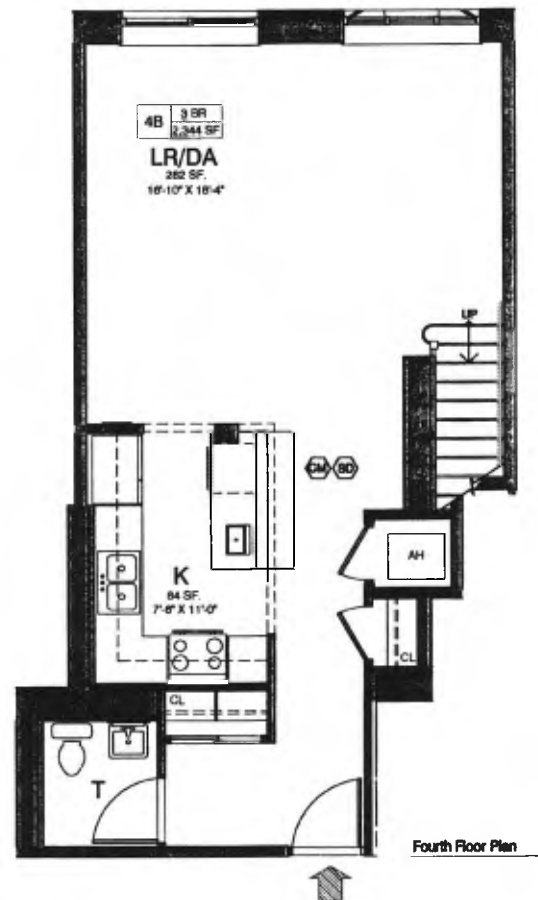


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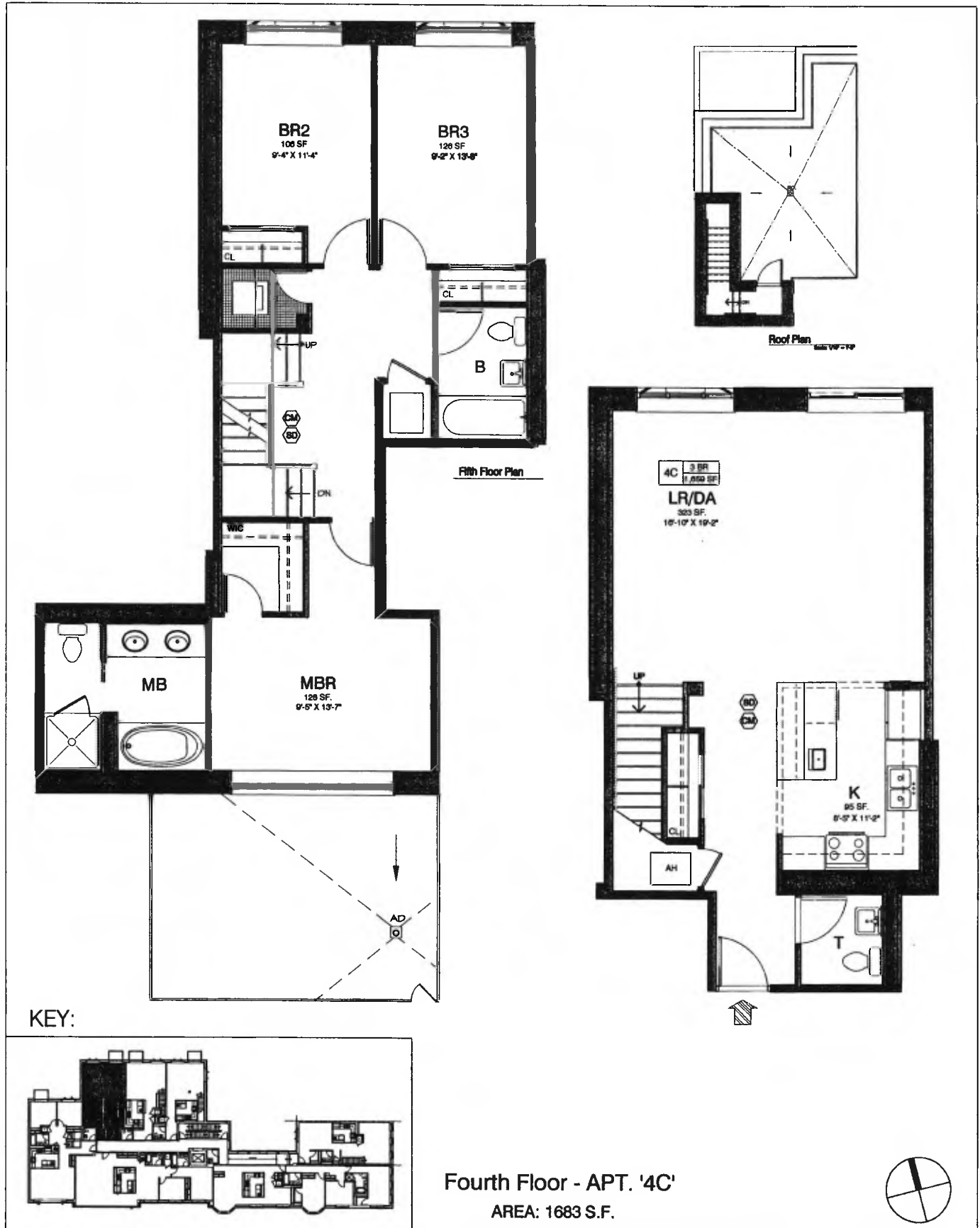


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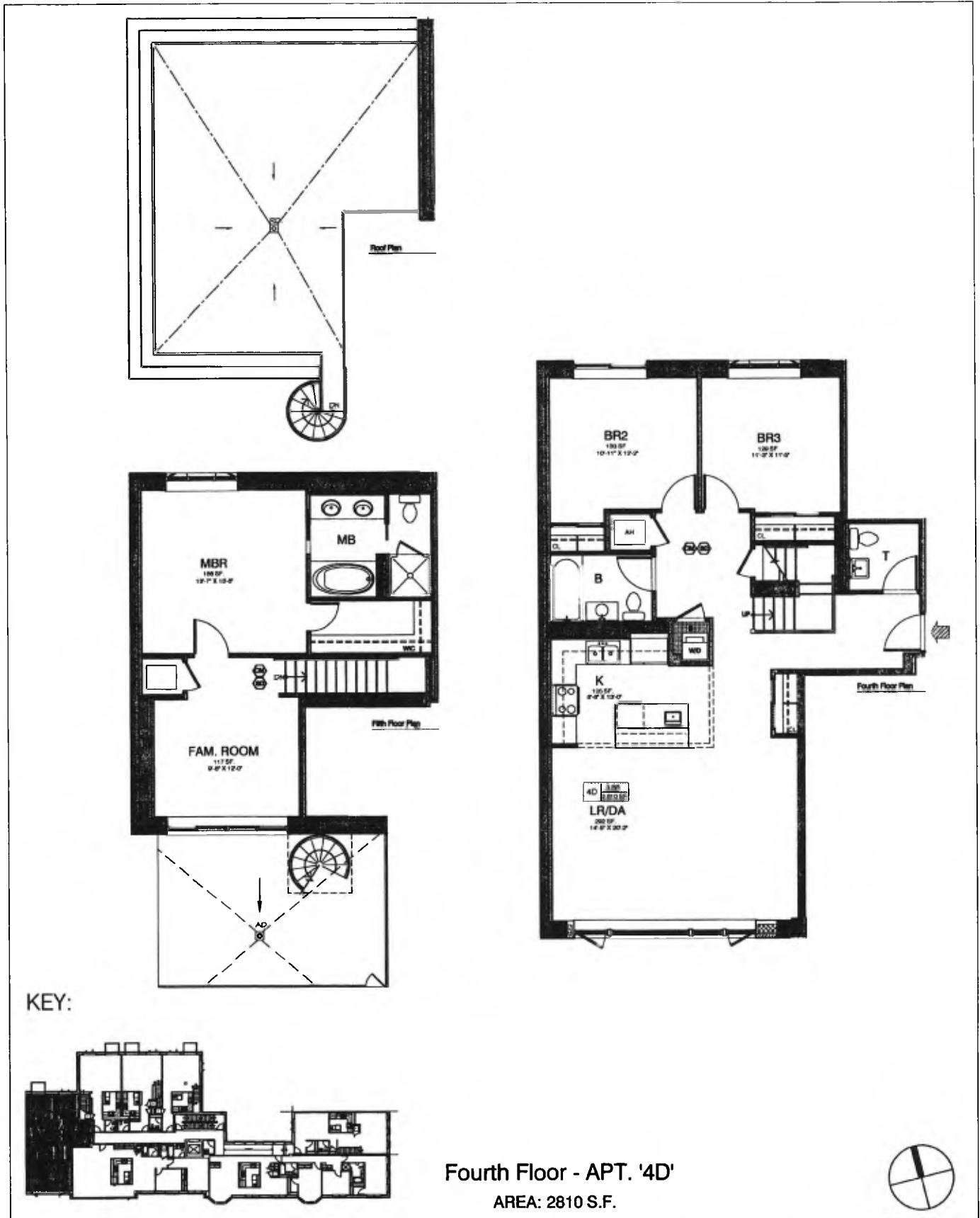
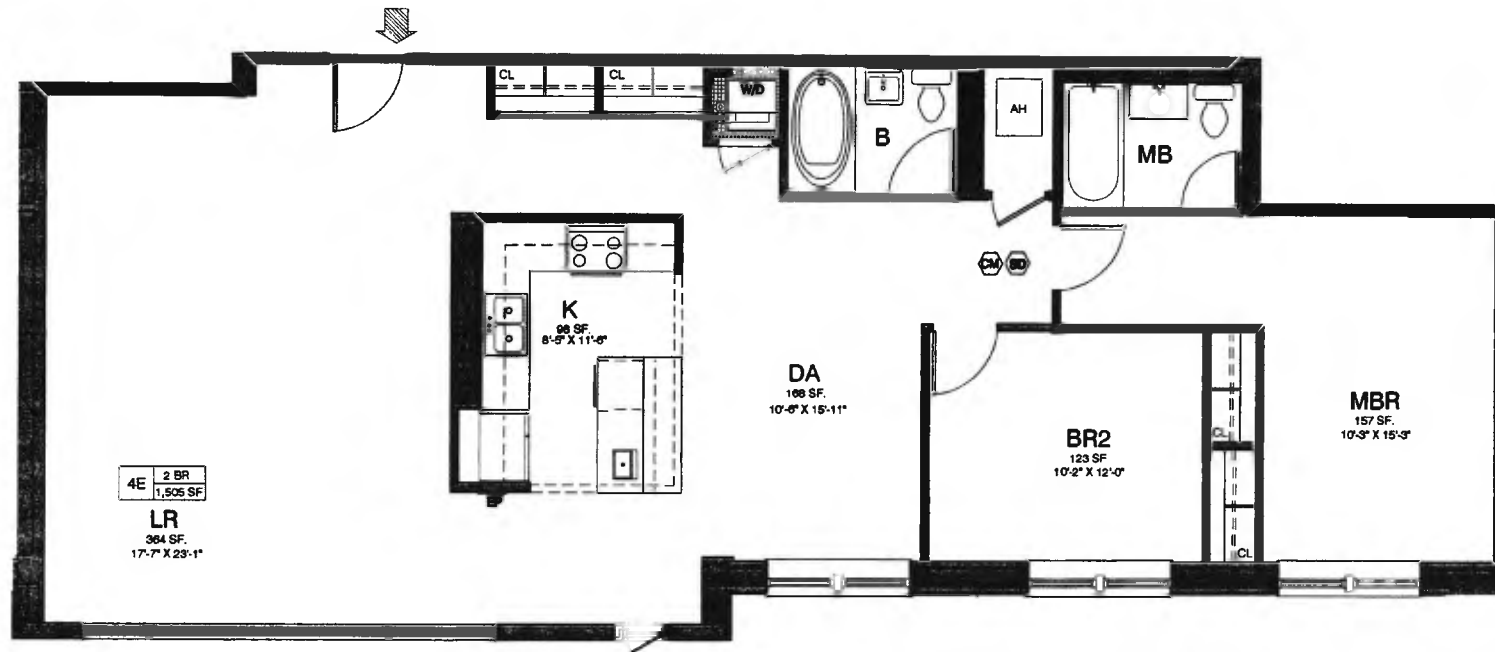
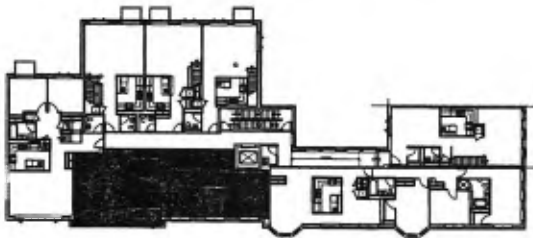


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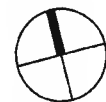
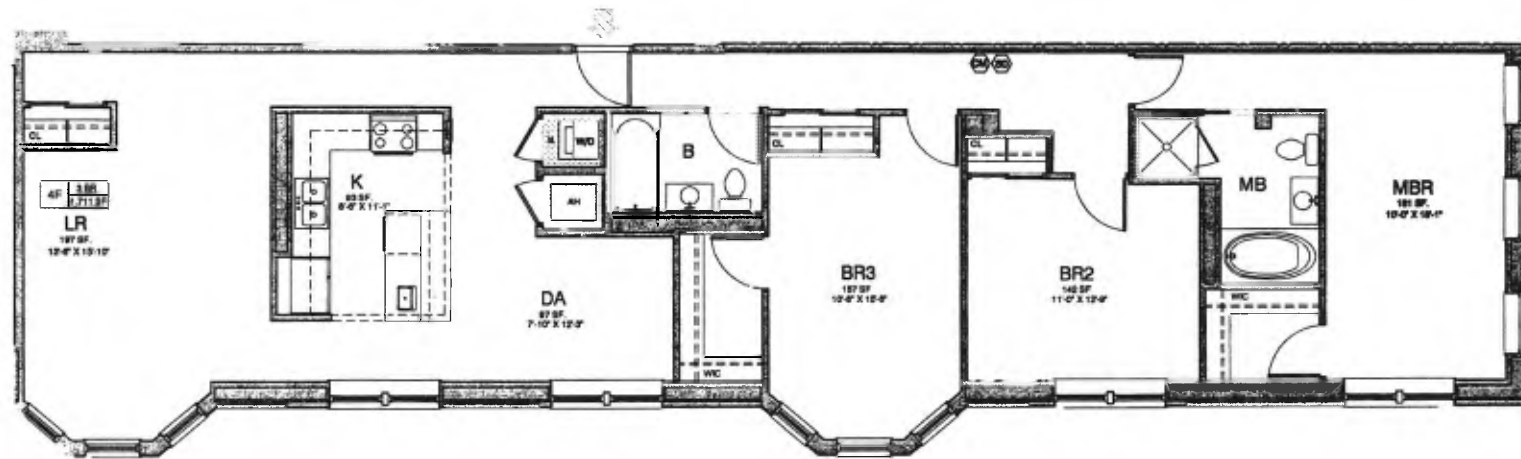


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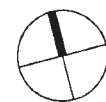
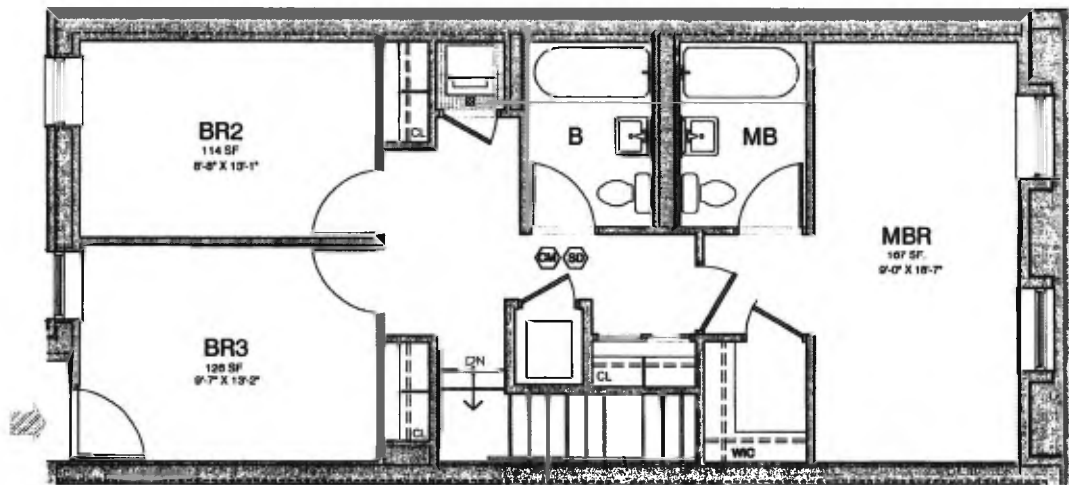
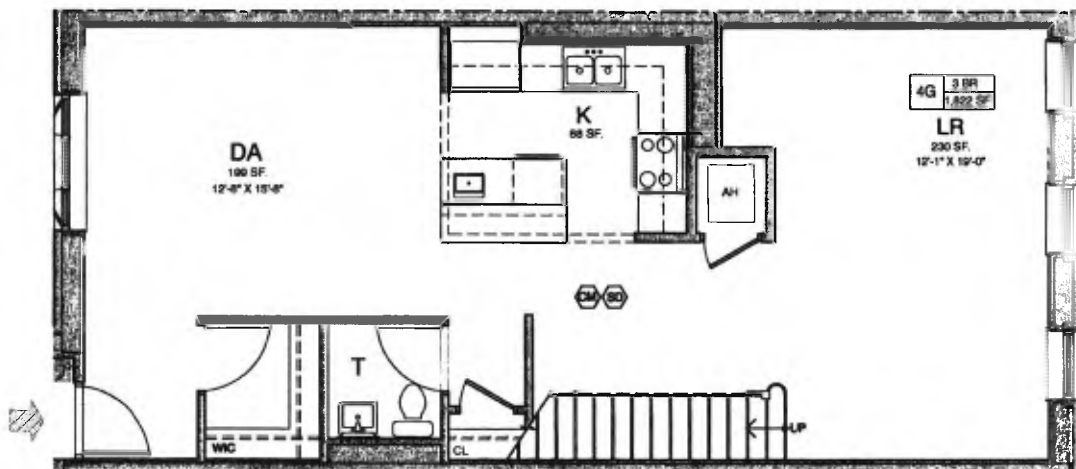


EXHIBIT C



Fifth Floor Plan



Fourth Floor Plan

KEY:

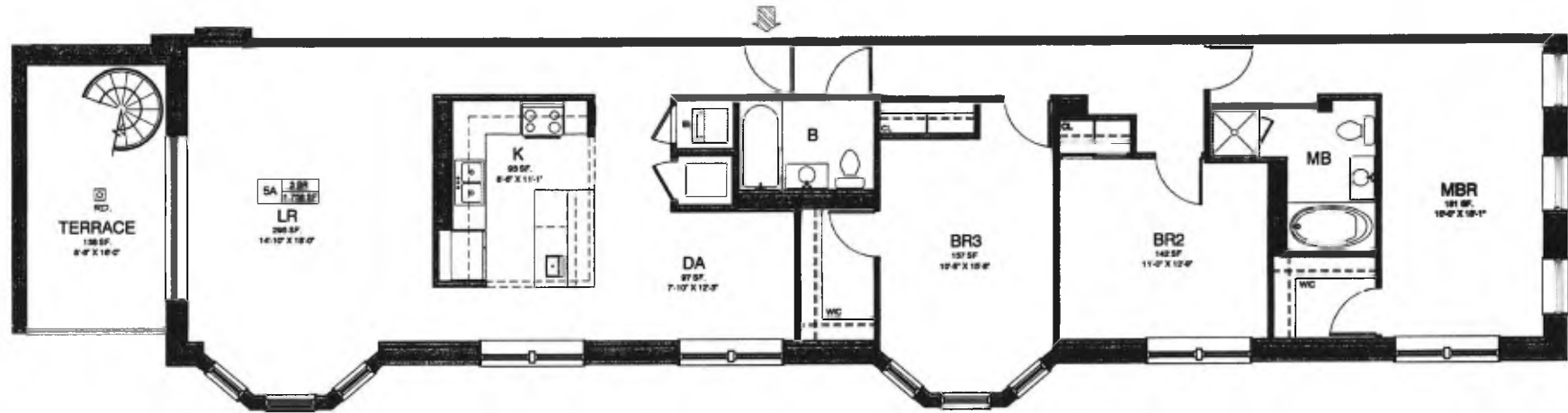


Fourth Floor - APT. '4G'

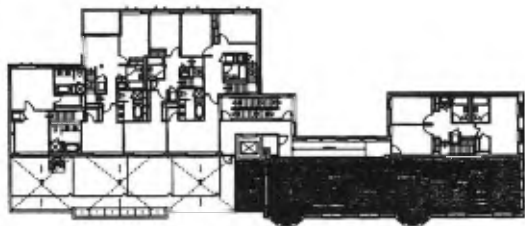
AREA: 1822 S.F.



EXHIBIT C



KEY:



Fifth Floor - APT. '5A'
AREA: 1758 S.F.



EXHIBIT B**DANOIS**

Architects, P. C.
22 Cortlandt Street, Suite #1703
New York, NY 10007-3107
(917)339-0305 fax (917)339-0360

**REPORT**

From: David Danois

Date: August 30, 2006

Project: 133 Sterling Place Owner's Corporation, LLC

One, Cellar & Five Story Mid-rise Apartment Building

133 Sterling Place, Brooklyn, N.Y., Referred to as "The Vermeil Condominiums"

Re: Attorney General Offering Plan Documentation:

**SECTION 21.7 DESCRIPTIONS OF PROPERTY (AND SPECIFICATIONS) FOR
ONE, CELLAR AND FIVE STORY MID-RISE APARTMENT BUILDING.**

The offering plan is required to include a comprehensive description of the building(s) and property included in the project. The following describes and sets forth outline specifications for all applicable items in the order specified by Attorney General's regulation.

A. Location & Use of Property:

- 1) Address: 133 Sterling Place, Brooklyn, NY 11217 (The "Vermeil")
- 2) Block & Lot: Block 942, Lot 51
- 3) Zoning: R6-A/R6-B Building and use will comply with this zoning under the Quality Housing program.
- 4) Permitted uses provided in this building will be:
 - Residential (apartments)
 - Accessory parking

B. Status of Construction:

- 1) All New Construction except for one gut rehabilitation of one 100+ year old 20x45 fourth-story building containing a cellar and basement. Existing elements to be repaired or replaced are all concrete foundation walls and concrete cellar slabs and walls; all floor slabs (1 thru 4), all windows, new façade drivit coating, and roof parapet walls. All other architectural components are new as well as mechanical, plumbing, sprinkler, and electrical systems as drawn and described in the contract documents and specifications.
- 2) Class of Construction: Class 3, Combustible construction
- 3) Certificate of Occupancy: A certificate of Occupancy will be issued prior to occupancy.
- 4) Architect's plans have been approved by the Landmarks Preservation Conservation and the New York City Department of Building.
- 5) All units are designed to comply with Local Law 58 to provide Handicap Adaptability. Building is designed to comply with Local Law 10/99 to provide automatic sprinkler systems.
- 6) Excavation date May 12, 2003
- 7) Foundation pouring date September 10, 2003
- 8) One existing buildings on site
- 9) Expected completion May 2006

C. Site:

- 1) Size – Lot area: 11,892 sq. ft. + 5,400 sq. ft. (Air Rights)
- 2) Number & use of buildings:
 - a) One building
 - b) Uses: Residential (apartments)
 - (i) Accessory Parking Non-Attended
- 3) Streets (existing): The property has 169'-1" of frontage on Sterling Place, and 40'-0" of frontage on 7th Avenue.
 - a) Paving – Asphalt paving—good condition

b) Curbing – Concrete & Steel nose— all new

c) Drainage:

5 @ Lower Roof Above Garage

4 @ 5th Floor Terraces

11 @ Upper Roof

Water runs into drains and leaders, which empties into NYC street combined sewers

d) Street lighting: Existing one standard NYC Street light, on 7th Ave., galvanized steel construction, sodium or mercury vapor type lamp -- (located on the sidewalk 1-2 feet from the curb). Good condition (will be retained and used).

1) Drives, sidewalks, & ramps:

a) General: One driveway

b) Replace existing sidewalks and curbs with new.

c) New ramp from street to cellar parking.

2) Sidewalks:

a) Paving (discussed above under Drives, sidewalks, & ramps).

b) Curbs, catch basins and street lighting (discussed above under "Streets")

c) Provide tree pits for both new and existing street trees

3) New Ramp to Cellar parking

a) Paving—concrete, plus concrete paved walkway

b) Curb for walkway—concrete

c) Drainage—trench drain across ramp as required

d) Ramp lighting—upper portion of ramp will be lit by site lighting (discussed below); lower portion by ceiling lighting inside garage.

D. Utilities:

1) Electric—by Consolidated Edison (a public utility)

a) Separate Meters will be provided for:

- Interior and exterior common space—(co-op)
- All apartments

2) Water—by NYC Dept. of Environmental Protection. One meter for all residential users. One meter for sprinkler system.

3) Gas—by Consolidated Edison; one meter for each dwelling unit.

4) Sewers—by New York City Department of Environmental Protection

- 5) Telephones—billed individually

E. Sub-Soil Conditions:

- 1) There is no evidence of moisture or seepage or ground water at the depth of the foundation of the Building, nor any danger of mudslides or erosion in the site or adjacent sidewalks in the immediate vicinity of the site.
- 2) There appears to be no or little danger of flooding either due to water table or overflow from other bodies of water.

F. Landscaping and Enclosures:

- 1) General: There are neither Retaining Walls nor Gates.
- 2) Street Trees: 1 Pine Oaks 3" caliper
- 3) Fencing: New standard galvanized chain link fence at rear lot line location.
- 4) Terraces: Private rear yards are provided for the first floor units 1A, 1B, and 1C with a square footage of 1,200 SF, 872SF, and 904SF respectively.

G. Building Height:

- 1) Total Height (from ground level to highest part of roof): The total height is 54 feet 0 inches on the North wing of the building, 55 feet 0 inches on the South Wing, and 52 feet 9 inches on the rehab portion of the building.
- 2) Number of Floors: there are five floors in the building plus a basement; there are four floors on the rehab portion of the building plus a cellar and basement.
- 3) Floor to Ceiling Height:
 - a) Cellar: 7'-5"
 - b) Basement: 9'-0"
 - c) First Floor: 9'-0"
 - d) Second Floor: 9'-3"
 - e) Third Floor: 9'-2"
 - f) Fourth Floor: 9'-0"
 - g) Fifth Floor: 8'-10"
- 4) Bulkhead (Height above roof): additional 10'-10"
- 5) Parapet (Height above roof): 3'-6"

H. Occupancy:

1. (1) 22 Units (3 1BR Apts. + 5 2BR Apts. + 14 3BR Apts.)

	1 ST FLR	2 ND FLR	3 RD FLR	4 TH FLR	5 TH FLR	Total
1 Bedroom	3	0	0	0	0	3
2 Bedrooms	1	0	2	2	0	5
3 Bedrooms	1	5	2	5	1	14
Total	5	5	4	7	1	22

2. Total number of residential zoning rooms. (State formula for calculation) **Total: 105**

	Apt A	Apt B	Apt C	Apt D	Apt E	Apt F	Apt G	Total
Cellar	--	--	--	--	--	--	--	--
1st	3	4	5	2	2	--	--	16
2nd	5	5	6	6	6	--	--	28
3rd	5	5	--	4	4	--	--	18
4th	4	5	5	6	5	6	6	37
5th	6	--	--	--	--	--	--	6
Subtotal:	23	19	16	18	17	6	6	105

(One zoning room equals one habitable room. If a kitchen exceeds 85 sf., it is considered one zoning room.)

3. Square Footage of Units

FLOOR	UNIT No.	UNIT APPROX. SQUARE FOOTAGE						UNIT DESCRIPTION	
		PATIO	BALCONY	TERRACE	ROOF TERRACE	BULKHEAD	UNIT	BEDROOMS	BATHS
1ST FL.	A	1,200 SF	-	-	-	-	1,079 S.F.	1	1
1ST FL.	B	872 SF	-	-	-	-	1,564 S.F.	2	2
1ST FL.	C	904 SF	-	-	-	-	1,602 S.F.	3	2 ½"
1ST FL.	D	-	-	-	-	-	1,927 S.F.	1	1 ½"
1ST FL.	E	-	-	-	-	-	1,905 S.F.	1	1 ½"
2ND FL.	A	-	-	-	-	-	1,606 S.F.	3	2 ½"
2ND FL.	B	-	-	-	-	-	1,642 S.F.	3	2
2ND FL.	C	-	-	-	-	-	2,046 S.F.	3	3
2ND FL.	D	-	-	-	-	-	1,708 S.F.	3	2
2ND FL.	E	-	-	-	-	-	1,792 S.F.	3	2 ½"
3rd FL.	A	-	75 SF	-	-	-	1,605 S.F.	3	2 ½"
3rd FL.	B	-	60 SF	-	-	-	1,642 S.F.	3	2
3rd FL.	D	-	-	-	-	-	1,160 S.F.	2	2
3rd FL.	E	-	-	-	-	-	1,168 S.F.	2	2
4th FL.	A	-	45 SF	200 SF	377 SF	137 SF	1,532 S.F.	2	2 ½"
4th FL.	B	-	50 SF	190 SF	422 SF	132 SF	1,543 S.F.	3	2 ½"
4th FL.	C	-	50 SF	225 SF	504 SF	127 SF	1,614 S.F.	3	2 ½"
4th FL.	D	-	120 SF	266 SF	567 SF	-	1,843 S.F.	3	2 ½"
4th FL.	E	-	-	-	-	-	1,502 S.F.	2	2
4th FL.	F	-	-	-	-	-	1,711 S.F.	3	2
4th FL.	G	-	-	-	-	-	1,792 S.F.	3	2 ½"
5th FL.	A	-	-	153 SF	467 SF	-	1,758 S.F.	3	2
TOTAL		2,976 SF	189 SF	1034 SF	2,410 SF	396 SF	35,741 S.F.	55	53

I. Structural System:

1) Exterior of buildings:

- a) Foundations: 12" thick.
- b) Footings: 36" thick continuous concrete footing around perimeter of garage.
- c) Exterior Walls (Front and Rear):
 - 8" Load bearing concrete masonry unit + 4" solid brick exterior face, with 3 ½" insulation between 2 ½" studs with 5/8" gypsum wall board interior face.
 - R value of batt insulation = 11
 - Window lintels supporting block: structural steel
 - Lintel on exterior face (supporting brick masonry) – Precast concrete and/or steel angle

2) Windows: There are NO lot line windows.

- a) General: Exterior aluminum tilt-wash, double-hung, double glazed (with tempered insulated glass, as required), thermal break frames. Manufactured by Anderson Window & Door or equal with 1 year warranty on parts and labor.
- b) Color — Terratone
- c) Air infiltration/seepage: .10cfm/ft @ 25 mph
- d) Storm weather resistance relative to ambient in area: Meets or exceeds technical standards of the NYC/HPD.
- e) Sills (in exterior wall): cast stone

3) Parapets and copings:

- a) Reinforced CMU wall with brick and cast stone face and cast stone coping. Reinforcing extends down to exterior wall below.

4) Chimneys and caps:

- a) Boiler flue chimney –
 - Steel double wall flue enclosed in a fire rated shaft;
 - Cap: metal, with spark arrester. Location: on roof.
- b) Compactor chute – Aluminized steel with Explosion Cap.

5) Patios/Terraces

- a) Copings: Cast stone or aluminum
- b) Doors to patios/terraces: Sliding, Aluminum fully glazed @ 1st floor and 4th Floors.

6) Exterior entrances:

- a) Storefront doors and frames (i.e., outer doors):
- b) Aluminum & glass (hinged),
- c) Vestibule doors and frames – aluminum and glass;.
- d) Exterior stairs & Railings: (concrete stairs/iron pipe rails)
- e) Mailboxes in Entrance Lobby;
 - Horizontal, 5" H x 6" W x 17" deep, front loading (P.O. key to entrance doors in vestibule)

f) Lighting (type, location).

- Lighting Fixtures high hats and fluorescent
- Lighting in Vestibule and Lobby—fluorescent ceiling fixtures
- Exterior lighting - Surface mounted lights.

7) Service entrances

a) Doors and frames:

- Hollow metal frames and 18 Ga. Hollow metal doors; Panic Lock.

b) Exterior stairs and railings: (None)

8) Roof and roof structures

a) Type roofs for all areas:

• Material:

- 2-ply base sheet, 1-ply bitumastic roofing.
- Insulation -- "R" Factor minimum 20.0 (per NYC Energy Code).
- Surface finish: Flood Coat, main roof
- Expected useful life; 15 years
- Bond or guarantee; 10 years
- Flashing including counter flashing:

Base flashing – at patios/terraces: stainless steel or copper; all other locations: roofing felt.

Counter flashing – stainless steel or copper.

- 2" x 24" x 24" precast concrete pavers on 1" pedestal at low roof and penthouse roofs only or equal

9) Roof Drains:

a) Number 8 on main roof, 4 on 1st Floor Terrace, and 3 on 5th Floor Terrace.

b) Material and type; Cast Iron dome type strainer on main roofs, flat brass on Terraces.

c) Gutters and leaders; (None: internally drained)

10) Skylights: (None)11) Bulkheads/Penthouse:

a) Stair Bulkheads:

- 6" heavy gauge metal stud w/dense glass gold sheating cover + 4" solid brick exterior face w/ c-joint decking + poured concrete.

b) Gutters and leaders:

- 4" gutter located top of bulkhead with 3 1/2" downspout down to a splash-block.

12) Metal work at roof levels:

a) 3'-6" high metal railing and/or masonry wall at main roof.

- b) 3'-6" high metal railing at terraces and/or masonry wall.
 - c) Hatches to roof: (None)
 - d) Roof top facilities (None)
- 13) Fire escapes: (None)
- 14) Yard and courts: (None)
- 15) Interior stairs:
- a) Number of stairs and type: 2 Fire stair
 - b) Enclosure: CMU, painted
 - c) Stair construction: Metal Pan with concrete fill.
 - d) Treads and Risers: Concrete
 - e) Hand rails: Steel Pipe
- 16) Interior doors and frames:
- a) Apartment entrance doors, interior doors and frames;
 - Hollow metal (HM) entrance doors and frames (1 ½ hr rated)
 - Masonite hollow core apartment interior doors in HM frames
 - b) Corridor doors and frames:
 - HM doors & frames -1 ½ hr rated (in 2 hr walls)
 - c) Stair hall doors and frames:
 - HM doors & frames (1 ½ hr rated) w/vision panels
 - d) Roof doors, cellar doors and frames:
 - HM doors & frames, exterior construction at roof; ¾ hr rated.
- 17) Interior Stairs:
- a) There is new stairs in the building. The stair connects all of the units with the building's first floor. There is a fire separation between the public stairs and the apartments.
 - b) All duplexes and triplexes stairs are wood construction, including the handrails.
- 18) Elevators:
- a) Number of passenger and service elevators: One (1) passenger elevator, fully handicapped compliant; no service elevator.
 - b) Manufacturer and capacity; Action or equal – 2000 lbs., 200 fpm, 15hp, 278 amps peak starting current. Ventilation is provided by a louver; hands free telephone; electric eye for door control; steel side opening cab door,
 - c) Operation: traction
 - d) Automatic (*type of control*) 2 car selective collective (the "Palm"), 1 car (the "Rio")
 - e) Floors served;
 - Serve all floors; Cellar to 5th Floor.

- f) Doors: sliding, automatic - single speed, side opening
- g) Location of machine room: machine less elevator type.
- h) DC to motor; N/A
- i) AC to motor-generator set; AC drive, vvvf (variable voltage, variable frequency)

19) Elevator cabs:

- a) Manufacturer: Action or equal
- b) Floor: VCT or equal
- c) Walls (*material*); Plastic laminate; front wall set in stainless steel
- d) Ceiling (*material*); Plastic diffuser
- e) Lighting (*describe*). Indirect, fluorescent

J. Auxiliary Facilities:

- 1) There is no communal laundry room. Each apartment is provided with a laundry closet with a gas dryer and laundry hook-up.
- 2) Refuse disposal: (Refuse chute and compactor)
 - a) Incinerator: N/A
 - b) Compactor; One compactor, at Lobby/cellar floor. Horizontal bagger, automatic controls, including shutdown. 3.33 cu.ft. Chamber capacity (2650 lbs/hr). Manufactured by U.S.C. Group Model 1250 Extruder Style or equal.
 - c) Refuse Chute: In Refuse Room on each floor, including space for recycling bin—aluminized steel construction (sprinklered every other floor). Wash-down head at 5th Floor
 - d) Approvals: N/A – New construction
 - e) Initial storage location: Compactor room (stored until wheeled out to sidewalk for pickup)
 - f) Pick-up schedule; by NYC Dept of Sanitation – 2 times per week

K. Plumbing and Drainage:

- 1) Water supply: Potable water interior copper pipes shall be supplied via New York City public water system.
- 2) Fire protection system:
 - a) Sprinkler heads:

The building is to be sprinklered throughout via a sprinkler system with wet system and dry system. The dry system is only at the driveway and at the garage area. The wet system is throughout the rest of the building with standard pendant heads of ceiling mounted and wall mounted. Standard pendant heads connected to sprinkler system shall be provided in the trash

compactor room and on every other floor in the trash chutes, in all indoor public areas, in all apartments as required by New York City Building Code.

b) Siamese connection:

A total of one Siamese connection per building will be provided on street frontage of Sterling Place.

3) Water storage tanks and enclosures: N/A: No water storage tanks required.

4) Sanitary sewage system. General description including:

- a) Sewage piping (materials): Sanitary piping shall be no-hub cast iron above grade and bell & spigot with neoprene joints below grade.
- b) Sewage pumps: Sewage pumps have been provided for miscellaneous areas located below grade.
- c) Sewage disposal (public treatment, sewer): The building is connected to the municipal combined sewer system and flows by gravity out to the street main.

5) Permits required. (List with dates obtained):

Approval has been or will be obtained from the New York City Department of Environmental Protection for one combined sewer in East 119th Street. Approval has also been granted for one 6" fire standpipe connection and one 4" domestic water service. Application has been filed with the NYC Department of Environmental Protection.

6) Storm drainage system.

- a) Roof: Storm water shall be collected by means of a series of roof mounted drains and a cast iron no-hub piping system, which is located in the building interior, and disposed of into the public combined sanitary/storm water system.
- b) Yard Drainage: There are yard and area drains in various locations which also discharge into the system.

L. Heating

- 1) Each individual unit will be provided with forced heat furnaces as per schedule listed below

EQUIPMENT MODEL CAPACITY APPROVAL

Furnace

Luxaire	FL9SO80B12UP11	80,000 BTU	MEA. 8-E-VOL II
Luxaire	FL9S100C16UP11	100,000 BTU	MEA. 8-E-VOL II
Luxaire	FL9S120D12UP11	120,000 BTU	MEA. 8-E-VOL II

This system will maintain an inside temperature of 72° F. with an outside temperature of 0° F. and an allowance of 3° F. swing.

Domestic hot water boiler is provided by (1) gas-fired, 325MBH Teledyne-Laars, Model #PW325, MEA #156-92-E. The boiler is supplied with (1) 200-gallon storage tank for additional hot water capacity.

- 2) The furnace (air handler) units are provided with a direct expansion evaporative coil with outdoor condenser units which provide cooling for individual apartments. Model numbers and capacity as follows:

EQUIPMENT MODEL CAPACITY APPROVAL - Condenser Units

Luxaire HABD-F036S	36,000 BTU (3ton)MEA. 345-98-E vol II	
Luxaire HABD-F048S	48,000 BTU (4ton)MEA. 345-98-E vol II	Luxaire
HABD-F060S	60,000 BTU (5ton)MEA. 345-98-E volIII	
Bard HAC36-A	36,000 BTU (3ton)MEA. 132-03-E	
Bard HAC48-A	48,000 BTU (4ton)MEA. 132-03-E	
Bard HAC60-A	60,000 BTU (5ton)MEA. 132-03-E	

- 1) Each unit is provided with its own air handler/furnace unit, located in the mechanical room of each dwelling unit. The cooling unit will be sufficient to maintain 72° F, within the dwellings when the outside ambient temperature is 15° F.
- 2) There is no oil tank on the premises.

(M) Gas supply

- 1) Natural gas from Keyspan for space heating, hot water and cooking.
- 2) Units are individually metered (for cooking and gas dryers). The meters are located in the cellar.
- 3) Piping for gas shall be black iron type and pressure tested within the requirements of the New York City Plumbing Code.

(N) Central Air Conditioning

Air conditioning units are manufactured by "Luxaire" a division of York Air Conditioning Company, as mentioned above in Paragraph #2. Units will be owned and maintained by the owner of the unit for which it serves. They are adequate for normal standards of cooling the residential units.

(O) Ventilation

- 1) Kitchen: Ventilation for condominium units, as required by applicable Building Code Section, will be provided with an individual kitchen fan connected to a common exhaust duct or to a common roof exhaust fan.
- 2) Bathrooms and other internal spaces: Each condominium unit will have a connection to a duct running to the roof for exhaust ventilation of bathrooms per NYC code. The fan unit will be provided, installed, and connected to the individual bathroom vents, which are connected to the common exhaust duct/roof ventilation.
- 3) Ventilation systems to be manufactured by "Penn" or approved equal with a minimum capacity of 50CFM for bathrooms and toilets.

(P) Electrical System**1. SERVICE**

Main building electric service is 4 wire, 3 phase 120 / 208 volt from Con Edison, 800 Amps. Switchgear will be located in the cellar with individual metering, plus an additional meter for common building electrical uses.

The electric system described above is fully adequate for modern usage. The 100-amp panel with six to twelve circuits provided to each apartment is adequate for the build-out of a modern residential dwelling. A custom build-out utilizing an excessive amount of dedicated circuits for lighting systems may require the addition of another sub-panel to the service panel provided for additional circuits.

Service to the building section to be underground and to be supplied by Con Edison.

Each unit contains 120/240-volt single-phase circuits.

- The electrical system shall be sized and laid out within the requirements of the New York City Electrical Code. All circuits are to be provided with circuit breakers as protective equipment.
- Meters to be located in the cellar of the building, subject to the approval of the utility company. Ultimate placement to comply with utility company requirements.
- Only copper wire shall be used (u.o.n.).
- Switches and receptacle as per N.Y.C. Code.
- No ceiling fixtures in bedrooms (switch wall receptacles).
- Lighting circuits protected by 15 AMP breaker.
- Utility outlets protected by 20 AMP breaker.
- No. 12 BX wire and No. 14 BX wire as per N.Y.C. Code.
- Outside fixtures shall be waterproof type.
- Separate circuits for heating.
- Intercoms and bell systems per apartment shall be of low voltage (24 volts).
- Average number of circuits per apartment shall be twelve (12).
- Service per apartment: single phase- 220 volts- 60 amps.
- Common service for each building section: single phase- 220 volts- 100 amps.

2. WIRING

All wiring to be copper BX Cable approved type, all in accordance with the requirements of the New York Board of Fire Underwriters.

Square 'D' company or equal with a protective metal panel box will construct all wire protective equipment. All piping or ductwork to be in galvanized pipe.

3. OUTLETS AND LIGHTING FIXTURES

Each residential unit is provided with 100-amp circuit breaker panel, and the minimum number of convenience outlets and light fixtures required by the New York City Building Code.

All electrical wall outlets are duplex receptacles. In all rooms where there are no ceiling fixtures, one duplex outlet will be wired to a switch. All fixtures in each unit will be as per Builder's Fixture Samples. Lighting fixtures are to be located in the following areas: in ceiling kitchen, dining area, hall areas, walk-in closets, boiler rooms and utility rooms. Wall brackets will be provided in bathrooms and toilets and outside the front entrance door.

LIGHTING FIXTURES are provided as follows:

<u>Location</u>	<u>Make</u>
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Front entry of building	
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Progress, P5684-31 or equal	100 watt incandescent cast wall lantern.
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Common hallways	Lightolier Model 6790 or equal and stairwells 32 watt circline fluorescent with white Lexan diffuser.
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Bathroom Wall Mounts	Progress, Model P3015-30 or equal (2) 60 watt incandescent.
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Bedrooms	Progress, Model P4961 or equal.
----------	---------------------------------

Kitchen	Lightolier Model 5240 or equal 32 watt and 40 watt circline Fluorescent with white Lexan diffuser.
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Apartment Foyer	Progress, Model P3750-10 or equal, 60 watt incandescent.
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Balcony	-Progress, Model P5602 or equal, 60 watt incandescent.
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Light fixtures provided will be incandescent exposed lamps in a ceramic base and include one (1) in the foyer, one (1) in the bathroom, one (1) in the kitchen, and one (1) in any walk-in closets, mechanical rooms or hallway spaces.

PUBLIC AREA LIGHTING

Adequate fluorescent lighting as required by the New York City Building code will be provided outside the residential entrance, inside the lobby, at each landing inside the fire stairs, and any other common building space. Fixture model chosen and installed by builder in accordance with N.Y.C. Electrical code.

Individual unit owners are responsible for having any additional lighting, and power, as needed.

4. METER

Each unit will have its own electric meter and get its own bill. Common electric meter for the building and meters for the dwelling units are to be located in the designated cellar meter room.

5. SAFETY AND WARNING DEVICES

Hard-wired combination smoke & carbon monoxide detectors will be provided on each level of each unit, and installed as per Local Law 62/81 and R.S. 17 and as per Section 28-02 of the New York City Building Code.

Emergency lighting with battery back up will be provided in all fire stairs and in the building lobby.

Q. Television Reception Facilities: (cable TV)

Provisions for future cable TV hook-up are provided. Each building is to be pre-wired with cable TV only. Each apartment is to have cable TV connection in all living rooms and bedrooms. The cabling will be run in a closet in the apartment and express down to the cellar. The community facility will have a cable connection as well. The cable will end in a terminal box for future connection by cable TV Utility Company. Internet access will be available through the cable.

R. Garages and Parking Areas:

- a. Location of garage: The garage is located behind the Cellar accessed by an overhead roll up gate through a ramp. The garage will contain 22 parking spaces and will be lit by ceiling mounted lighting fixtures.
- b. Surfaces: Concrete paving and concrete walls and ceiling.
- c. Parking: Non-attended (sold as separate parking units)
- d. Garage ventilation: Shall be accomplished by the use of exhaust fans. A carbon monoxide detection unit shall control the fans.
- e. Garage fire protection: Sprinkler coverage from base building wet standpipe system. Dry pipe sprinkler system provided throughout. A dry pipe valve with integral air compressor shall automatically release water into system upon activation of any sprinkler head.
- f. Drainage: Trench floor drains – pitch to drains. Floor drains as required located throughout the garage & one trench drain located at the bottom of the ramp are connected to a sump pump located in the appropriate location.

S. Recreation Facilities:

- 1) Rooftop Recreation: Passive open garden with pavers and plantings on 1st Fl. and 5th Fl. rooftops only.
- 2) Indoor: Recreation room at 1st floor, approximate 710 square feet with two 6'-0" x 4'-8" windows facing the street and one 10'-0" sliding glass doors leading out to open air recreation space ; air-conditioned, direct access from 1st Floor. Codes, Permits, Approvals:

Dept of Buildings	New Building	1 Year*
Dept of Buildings	Plumbing	1 Year*
Dept of Buildings	Curb Cut	1 Year*
Dept of Buildings	Boiler	1 Year*
Dept of Buildings	Sprinkler/Standpipe	1 Year*
Dept of Buildings (Elev.Div.)	Elevator Installation	1 Year*
Dept of Buildings/DOT	Builders Pavement Plan	N/A
Dept. of Transportation	Sidewalk Repair	3 Months*
Dept. of Transportation	Street Closing	3 Months*

- Or to expiration of respective contractor's insurance
- Note: No incinerator and no Fuel Storage. No separate permit for compactor

All plans have been approved by New York City Department of Buildings and in compliance with all local laws including NYC Local Law 58.

1) *List all violations:* New construction; N.A.

T. Unit Information:

1) Unit Types:

UNIT TYPES			ROOMS				NOTES
Floor	Unit No.	Type	LR/DA	Kitchen	BR's	Baths	
1 st FL.	A	1BR	1	1	1	1	Patio Access
1 st FL.	B	2BR	1	1	2	2	Patio Access
1 st FL.	C	3BR	1	1	3	2	Patio Access
1 st FL.	D	1BR	1	1	1	1	
1 st FL.	E	1BR	1	1	1	1	
2 nd FL.	A	3BR	1	1	3	2	
2 nd FL.	B	3BR	1	1	3	2	
2 nd FL.	C	3BR	1	1	3	2	
2 nd FL.	D	3BR	1	1	3	2	
2 nd FL.	E	3BR	1	1	3	2	
3 rd FL.	A	3BR	1	1	3	2	Balcony
3 rd FL.	B	3BR	1	1	3	2	Balcony
3 rd FL.	D	2BR	1	1	2	2	
3 rd FL.	E	2BR	1	1	2	2	
4 th FL.	A	2BR	1	1	2	2	Private Terrace/Balcony
4 th FL.	B	3BR	1	1	2	2	Private Terrace/Balcony
4 th FL.	C	3BR	1	1	1	1	Private Terrace/Balcony
4 th FL.	D	3BR	1	1	2	2	Private Terrace/Balcony
4 th FL.	E	2BR	1	1	2	2	Private Terrace
4 th FL.	F	3BR	1	1	2	2	Private Terrace
4 th FL.	G	3BR	1	1	2	2	Private Terrace
5 th FL.	A	3BR	1	1	3	2	Private Terrace

2) *Finish Schedule: Type and grade of finish material used in each unit and the number of coverings given. Include paint, wall and floor coverings, as well as specifying the type of flooring, walls and ceiling used.*

	Room/ Space	Floor			Base				Walls			Ceiling
		C	W	T	WB	V	C	T	V.W.C.	P	T	P
Apartments	Living / Dining		✓		✓					✓		✓
	Bedrooms		✓		✓					✓		✓
	K'tte		✓	✓	✓	✓				✓		✓
	Bathrooms			✓				✓		✓	✓	✓
Public Corridors		✓				✓	✓		✓	✓		✓

Abbreviations:

W Hardwood Flooring
V Vinyl
P Paint
C Carpet

T Ceramic Tile
V.W.C. Vinyl Wall Covering
WB Painted Wood Baseboard

- Ceiling –paint
- Walls – painted gypsum board
- Floors – padding & carpet
- Kitchen floors – ceramic tile w/ 4" Wood base at exposed areas
- Bath floors – ceramic tile with 4" tile base

a) Bathrooms:

i Apartments

- Sink – Briggs 6514 "Millbrook" China Lavatory
- Tub – Briggs 2208/2209 Pendant AFR 5' Steel Tub
- Shower— Fiat 36WL/42WL Shower Floor
- Toilet – Briggs 4232 "Altima"

b) Kitchens:

- i Range – G.E. RGB508PEHWH
- ii Refrigerator—G.E. GTS18HBRWW
- iii Dishwasher – .G.E. GSD2600GWW

- iv Sink – Sterling Pro 2522-6-3 (Stainless Steel)
- v Cabinets— Birch wood frameless cabinetry
- vi Countertops—Formica - Self edge

2) Light fixture schedule *

Location	Manufacture	MFG. Catalog	Lamp	Mounting
Kitchen	*	*	*	ceiling
Foyer/Hall	*	*	*	wall
Walk in closet	*	*	*	wall
Bathrooms	*	*	*	wall

* All standard "Builders" type fixtures

(i) Data is same for all units.

(ii) If any equipment or fixtures described are not included in the offering price, or the offering price is conditioned on the equipment and fixtures selected, such fact must be conspicuously noted in the body of the plan.

U. Finish Schedule of Spaces Other Than Units:

	Room/ Space	Floor		Base			Walls			Ceiling	
		C	T	V	C	T	V.W.C.	T	P	P	H
1st Flr	Main Entry/Vestibule		✓			✓	✓		✓		
	Recreation Rm		✓	✓					✓	✓	
	Vestibule		✓			✓	✓		✓	✓	
2 nd thru 5th Flr	Public Corridors	✓		✓			✓		✓	✓	
	Refuse Area		✓			✓		✓	✓	✓	

Abbreviations: C Carpet * V Vinyl P Paint V.W.C. Vinyl Wall Covering
T Ceramic Tile H Hung Ceiling

*Carpet is commercial grade from "Cambridge Carpets".

Exposed concrete foundation walls at garage, meter rooms and public halls.

Painted gypsum board at recreational spaces for units 1E and 1F.

Parking garage floor drain(s): 5

Boiler room, Compactor room, and gas/meter room floor drain(s): 1 per room.

Mechanical exhaust ventilation at parking garage area.

F.A.I. at Boiler room.

V. General Information—Fire Safety:

- 1) Sprinklers (See Item K-(2), Fire Protection System)
- 2) Fire Alarms (See Item P (7))

- 3) Combination Smoke & Carbon Monoxide detectors are located in all units outside bedrooms, refuse room, on top of the elevator shaft, and mechanical rooms in the cellar as required by local law.

W. Additional Information Required:

- 1) Floor plans for each unit drawn to scale and showing room dimensions (Attached)
- 2) An area map if the cooperative is not located in a highly urban area: NA

X. Asbestos:

- 1) New Construction: Not Applicable



David Danois

Danois Architects, P.C.

ONLY TYPEWRITTEN
APPLICATIONS WILL
BE ACCEPTED

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Page 1 of _____

NOT AN ASBESTOS PROJECT

FOR OFFICE PURPOSES ONLY

NOTE: THIS FORM IS TO BE COMPLETED IF THERE IS NO FRIABLE ASBESTOS CONTAINING MATERIAL PRESENT OR IF THE TOTAL AMOUNT OF FRIABLE ASBESTOS CONTAINING MATERIAL IS 10 SQUARE FEET OR LESS, OR 25 LINEAR FEET OR LESS, OR IF NORMALLY NONFRIABLE ACM (AS PER 40 CFR PART 61.141) IS PRESENT IN ANY AMOUNT.

1.	NYC Buildings Dept. Application No.
	ACP5 Fee \$
	NYC Dept. of Environmental Protection

2. FACILITY ADDRESS 22 Seventh Avenue BORO Brooklyn ZIP CODE 11217
AKA _____ 3. BLOCK # 942 4. LOT # 48

5. BUILDING OWNER Sterling & Seventh Corporation TEL. # () _____

6. ADDRESS 350 5th Avenue, Suite 806 STATE NY ZIP CODE 10118

7. CONTACT PERSON Mr. John English 8. TEL. # (212) 273-1111

9. DESCRIPTION OF ENTIRE SCOPE OF WORK Gut renovate the entire building, interior partition modifications, electric & plumbing upgrades with new fixtures, new construction finishes throughout and the removal and replacement of roofing materials.

10. ESTIMATED START DATE As Soon As Permit Is Issued ESTIMATED COMPLETION DATE _____ OF THE ENTIRE SCOPE OF WORK.

11. I Efim Krimgold, HAVE CONDUCTED AN ASBESTOS INVESTIGATION ON 2/10/00 IN ACCORDANCE WITH THE
Type - Name of Asbestos Investigator Date(s)
PROCEDURES REQUIRED BY THE NYC DEP ASBESTOS CONTROL PROGRAM REGULATIONS AND DECLARE THAT AT SAID FACILITY ADDRESS, THE

- ☐ a. premises to be demolished are free of any asbestos containing material (ACM)
- ☐ b. premises to be demolished contain 10 square feet or less or 25 linear feet or less of friable ACM or of normally nonfriable ACM that demolition forces may make friable: all ACM shall be removed according to the NYS DOL ICR 56 or the NYC DEP Asbestos Regulations
- ☐ c. cumulative surfaces of relevant structure(s) affected by an alteration or plumbing repair are free of any friable ACM and free of normally nonfriable ACM that alteration or plumbing repair forces may make friable
- ☐ d. cumulative surfaces of relevant structure(s) affected by an alteration or plumbing repair contain 10 square feet or less or 25 linear feet or less of friable ACM or of normally nonfriable ACM that alteration or plumbing repair forces may make friable: removal as in b.
- ☒ e. normally nonfriable ACM shall be disturbed/removed in accordance with the NYS DOL ICR 56 or the NYC DEP Asbestos Regulations: Sq. Ft. 3086
- ☐ f. friable ACM and/or normally nonfriable ACM will NOT be disturbed during alteration/plumbing repair/modification/renovation: Friable ACM Sq Ft _____ Lin Ft _____ Nonfriable ACM Sq Ft _____

12. COMPLETE AND THOROUGH ASBESTOS INVESTIGATION PERFORMED OF

STORY (Include cellar and basement)	DESCRIBE SECTION OF FLOOR (e.g. entire, east wing, room # _____ boiler room, lobby, etc.)	ALL FRIABLE SURFACING MATERIALS INCLUDING FRIABLE ACM AND NORMALLY NONFRIABLE ACM	NUMBER OF SAMPLES ANALYZED	ASBESTOS PRESENT	
				YES	NO
basement	Entire	Ceiling Materials	3		XX
1st Floor					
thru	Entire	Wall/Ceiling Materials	4		XX
2nd Floor		Floor Coverings (2186 ft)	Presumed	XX	
Roof	Entire	Roofing/Flashing Materials (900)	Presumed	XX	
	There may be additional ACM behind and above finished surfaces that were not visible or accessible at the time of the inspection.		were not		

13. NAME OF LABORATORY THAT ANALYZED SAMPLES Eastern Analytical Services

14. ELAP # 10851 NVLAP # 101646-0
NYS DEPT. OF HEALTH CERTIFICATION U.S. DEPT. OF COMMERCE, N.I.S.T.

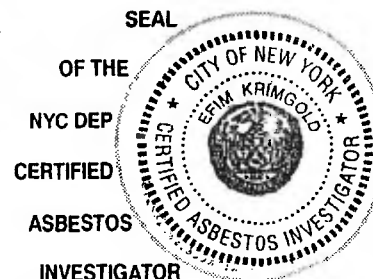
15. DATE(S) SAMPLES ANALYZED 02/16/00

AND THAT THE INFORMATION PROVIDED HEREIN IS TRUE AND COMPLETE

16. Efim Krimgold 02/27/00
SIGNATURE OF NYC DEP-CERTIFIED ASBESTOS INVESTIGATOR DATE

17. # 7794241902
NYC DEP ASBESTOS INVESTIGATOR CERTIFICATE NUMBER

NOTE: STORAGE, TRANSPORTATION AND DISPOSAL OF ASBESTOS CONTAMINATED WASTES ARE REGULATED BY THE NYC DEPARTMENT OF SANITATION (LL70/85)



THE PIECEMEAL CARRYING OUT OF AN OPERATION TO AVOID COVERAGE BY A STANDARD THAT APPLIES ONLY TO OPERATIONS LARGER THAN A SPECIFIED SIZE IS A VIOLATION.

ACM = Asbestos Containing Material - Material Containing Greater than 1% Asbestos

ANY MODIFICATION OR VARIANCE FROM INFORMATION PROVIDED ON THIS FORM MUST BE REPORTED IMMEDIATELY IN WRITING DIRECTLY TO THE NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION ASBESTOS CONTROL PROGRAM / NYC DEPT. OF ENVIRONMENTAL PROTECTION, 59-17 JUNCTION BLVD. - 8th FLOOR, ELMHURST, NEW YORK 11373-5107

EXHIBIT C**DESCRIPTION OF UNITS**

The dimensions of the Residential, Storage and Parking Units shown on the floor plans reflect the approximate dimensions of each Unit. Accordingly, with respect to the Residential and Storage Units, they measure the approximate distance from the outer face of the masonry of the outer walls of the building to the center line of the wall separating the Unit from corridors, stairs, elevators, mechanical spaces and other Units. The vertical measurement of the Unit shall be from the unexposed surface of the gypsum wallboard, plaster, concrete or other material forming the ceiling of the highest story level of the Unit to the upper surface of the sub-floor of the lowest story level of the Unit; with respect to doors within the unit which open either onto a Common Element or the exterior of the Property, the Unit shall be defined by the exposed face of the exterior side of such door. With respect to the Parking Units, they begin on the upper surface of the cellar concrete flooring and shall end at a height of approximately seven feet (7') above the surface of the concrete flooring and shall be approximately eight feet six inches (8'6") wide by seventeen feet six inches (17'6") long.

Each Residential and Storage Unit shall include (i) the entrance doors including terrace doors, (ii) all windows located within or opening from the Unit; (iii) interior doors, partitions, walls, floors, fixtures, equipment, cabinets, appliances, and finishes which are located within the Unit; (iv) heating and air-conditioning units, branch piping, ducts, wiring, sprinkler heads and other mechanical equipment or installations that are appurtenant to such Unit and that benefit only that Unit, regardless of the location of such elements and (v) all other facilities affixed, attached, or appurtenant to such Unit and which benefit only that Unit.

EXHIBIT D**PURCHASE AGREEMENT**

**For Unit _____ of
The Vermeil Condominium
133 Sterling Place
Brooklyn, New York 11217**

(Please execute in quadruplicate)

THIS AGREEMENT is made as of _____, 200__, by and between The Vermeil LLC having an office at 357 Flatbush Avenue, Brooklyn, New York 11213 (hereinafter referred to as "Sponsor") and _____ having an address at _____ (hereinafter referred to as "Purchaser").

Form of ownership as will appear on deed (individual, tenants in common, tenants by the entirety, joint tenants with right of survivorship, etc.): _____.

Purchaser's Social Security Number: _____.

Co-Purchaser's Social Security Number: _____.

Purchaser's Attorney's Name/Firm: _____.

Address: _____.

Telephone: _____. Fax: _____.

WITNESSETH:**1. Definitions**

The following terms shall have the meanings ascribed to them:

a. "Building" shall mean the building known as The Vermeil Condominium, located at 133 Sterling Place, Brooklyn, New York 11217.

b. "Closing Date," "Closing," "Closing of Title" and words of similar import are used synonymously and mean the settlement of the mutual obligations of Sponsor and Purchaser under this Purchase Agreement, including the payment to Sponsor of the Purchase Price and the delivery to Purchaser of the deed transferring ownership (fee simple title) to the Unit on the terms set forth in this Purchase Agreement.

- c. "Condominium" shall mean The Vermeil Condominium.
- d. "Declaration" shall mean the Declaration of The Vermeil Condominium, establishing condominium ownership of the Property.
- e. "Escrow Agent" shall mean Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Fifth Floor, New York, New York 10106.
- f. "Plan" shall mean the Offering Plan for Condominium Ownership of the Property and any amendments thereto filed prior to the date upon which Purchaser signs this Purchase Agreement.
- g. "Sponsor" shall mean The Vermeil LLC, its successors, assigns and designees.
- h. "Sponsor's Title Agency" shall mean National Granite Title Insurance Agency, Inc. ("Granite"), as agent for a title insurance company licensed to do business in New York (the "Sponsor's Title Agency").

All other capitalized terms not defined elsewhere in this Purchase Agreement shall have the meanings ascribed to them in the Plan or in the By-Laws to the Declaration (the "By-Laws"), unless the context in which the same are used otherwise requires.

2. Plan

Purchaser acknowledges having received the Plan at least three (3) business days prior to Purchaser's signing and submitting this Purchase Agreement and Purchaser's Down Payment check.

Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the proposed Condominium Declaration and By-Laws 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 Sponsor (including without limitation, amendments involving any changes, modifications, or updating of the floor plans and proposed unit fixtures and finishes, the projected Common Charges, the projected real estate taxes to be paid by Purchaser, or Schedule B to the Plan, the "Estimated Budget for the Projected First Year of Condominium Operation"). Any such amendments shall neither excuse Purchaser from performing Purchaser's obligations hereunder nor entitle Purchaser to any offset or credit against the Purchase Price and may be made by Sponsor without Purchaser's consent or approval. However, if the Sponsor files an amendment to the Plan that materially and adversely affects the Purchaser and provides for a right of rescission, Purchaser shall be given 15 days from the date of presentation of the amendment within which to rescind this Purchase Agreement in writing delivered to the Sponsor within such 15 day period and receive a refund of Purchaser's Down payment (as defined below). The Plan is hereby incorporated in this Purchase Agreement with the same force and effect as if set forth in its entirety herein. In the event of any inconsistency or conflict between the provisions of this Purchase Agreement and those contained in the Plan, the provisions

of the Plan shall govern and be binding. Purchaser acknowledges having had full opportunity to examine all documents, and investigate all statements, made herein and in the Plan.

3. Agreement to Purchase and Sell

Purchaser agrees to purchase from Sponsor, and Sponsor agrees to sell (or cause to be sold) to Purchaser, the unit designated as Unit Number _____ (hereinafter called the "Unit") in the Declaration, together with its _____% percentage undivided interest in the Common Elements, on, and subject to, the terms and conditions set forth herein.

4. Purchase Price

a. The total purchase price for the Unit (exclusive of closing adjustments and costs referred to in Paragraphs 13, 14, 15 and 45 below) is \$_____ (hereinafter called the "Purchase Price"), which Purchaser agrees to pay to the Sponsor, as follows:

i. \$_____ (hereinafter called the "Down Payment") is due when Purchaser signs and submits this Purchase Agreement, and is to be paid either by Purchaser's good personal check or (at Sponsor's option) Purchaser's good personal certified check or an official cashier's check, subject to collection, receipt of which is hereby acknowledged by Sponsor; and

ii. \$_____ (hereinafter called the "Balance") constituting the balance of the Purchase Price, is due at the Closing and must be paid by Purchaser's good certified personal check or bank or official cashier's check or, at Sponsor's sole option, by wire transfer.

All checks shall be unendorsed, made payable to the direct order of "Sonnenschein, Sherman & Deutsch, LLP as Escrow Agent" unless Purchaser is otherwise instructed in a writing given at least one (1) business day prior to Closing, and drawn on or issued by a bank or trust company that is a member of the New York Clearing House Association unless otherwise agreed to by Sponsor.

b. Purchaser's payment of the Balance and acceptance of a deed to the Unit shall constitute Purchaser's acknowledgment that Sponsor has satisfactorily performed all of those obligations stated in the Plan and this Purchase Agreement to be performed by Sponsor prior to Closing including all work performed in Purchaser's Unit, subject to completion of the items, if any, noted on Purchaser's punchlist. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the Closing, and nothing herein shall be in derogation of the rights of Purchasers under Article 23-A of the New York State General Business Law, the Plan or Part 20 of the Regulations issued by the New York State Department of Law.

c. Purchaser is required to pay the full amount of the Balance, without provision for escrow, and all of the closing costs and adjustments set forth in the Plan as amended notwithstanding Sponsor's obligation to complete or correct the construction of other Units or Common Elements or the construction items noted on Purchaser's punchlist, if any.

5. Purchase Monies to be Held in Trust

a. Sponsor will hold in trust all monies due to Sponsor and receive by it directly or through its agents, employees, or Escrow Agent (as defined above) until the Unit is transferred to Purchaser or this Purchase Agreement is canceled in accordance with its terms. All monies due to Sponsor and received hereunder will be deposited with JP Morgan Chase Bank, 250 West 57th Street, New York, New York 10107 in a non-interest-bearing IOLA escrow account entitled "Sonnenschein, Sherman & Deutsch, LLP IOLA Attorney Escrow Account" or similar name. Interest will not be paid on the Down Payment. The funds so deposited and the interest accrued thereon, if any, will be disbursed only in accordance with the provisions of this Purchase Agreement, the Plan and the Escrow Agreement between Sponsor and the Escrow Agent set forth in Part II of the Plan. The signature of a member of the law firm of Sonnenschein, Sherman & Deutsch, LLP, will be required before any funds held in trust may be released.

b. Within ten (10) business days after tender of the Down Payment, and provided the Purchaser's social security number has been provided to the Escrow Agent, the Escrow Agent will notify the Purchaser or his/her attorney of the account into which it has been deposited. If Purchaser or his/her attorney does not receive such notice within fifteen (15) business days after tender of the Down Payment with Purchaser's social security number, Purchaser may, at his election, forward a notice of cancellation and cancel this Purchase Agreement within ninety (90) days after tender of the Down Payment or Purchaser may apply to the New York State Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations.

c. In the event the Plan is abandoned or withdrawn, such monies held in trust, together with any interest earned thereon, will be returned to Purchaser except as otherwise provided in the next sentence. If the Plan is abandoned or withdrawn after being declared effective, or if the Purchaser shall be in default hereunder and shall have failed to cure such default within the applicable grace period, if any, or if this Purchase Agreement had been previously canceled due to Purchaser's uncured default, then Sponsor shall retain as and for liquidated damages the Down Payment, together with any interest earned thereon, plus any additional sums paid to or incurred by Sponsor on account of any special work, upgrades or extras in the Unit ordered by Purchaser and any installation costs connected therewith, if any, as incurred, plus the cost of removal of same.

d. Upon the payment and performance by Purchaser of all of Purchaser's obligations hereunder and the transfer to Purchaser of title to the Unit, the Escrow Agent shall pay to Sponsor all monies deposited with the Escrow Agent, pursuant to this Purchase Agreement.

All funds due to Sponsor and received under this Purchase Agreement will be handled in accordance with Sections 352- (e)(2)(b) and 352-h of the New York General Business Law and with Section 71-a(3) of the New York Lien Law.

6. Release of Funds

Absent a Closing hereunder, if there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to Sponsor until the Escrow Agent has given Purchaser written notice of the intended release of not fewer than ten (10) days. Thereafter, the funds may be paid to Sponsor unless Purchaser has already made application to the New York State 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. In no case shall Sponsor apply for release of escrowed funds of a defaulting Purchaser until after consummation or abandonment of the Plan.

Except under the circumstances as provided in paragraph 5c above, Sponsor will not object to the release of the escrowed funds to: (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan; or (b) all Purchasers after an amendment abandoning the Plan is accepted for filing by the New York State Department of Law.

Purchaser or the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on disposition of the escrowed funds and any interest thereon. Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is included in Part II of the Plan. The party applying for a determination must send all other parties a copy of the application. Pending the determination of the Attorney General to grant or deny the application, Sponsor, Purchaser and the Escrow Agent shall abide by any interim directive issued by the Attorney General. Any provision of a Purchase Agreement by which Purchaser purports to waive or indemnify any obligation of the Escrow Agent is void.

Sponsor and Purchaser hereby jointly direct the Escrow Agent as follows:

- a. if title to the Unit is transferred to Purchaser, the Down Payment shall be paid to Sponsor, and any interest earned on the Down Payment shall be paid to Purchaser; or
- b. if Purchaser becomes entitled to cancel this Purchase Agreement in accordance with the terms of this Purchase Agreement or the Plan, and actually cancels this Purchase Agreement as so provided, the Down Payment and any interest earned on the Down Payment shall be refunded in full to Purchaser.

In the event of an uncured default by Purchaser in his or her obligation, and unless otherwise directed, no more than (10%) of the Purchase Price plus any interest earned thereon may be retained as liquidated damages. Notwithstanding the above, the actual costs incurred by Sponsor for any special work in the Unit ordered, in writing, by Purchaser (and the installation and removal costs of same) may also be retained as liquidated damages even though the sum total may then exceed 10%

of the Purchase Price. No Down Payments for other monies shall be released pursuant to an uncured default by Purchaser prior to the First Unit Closing and/or the consummation of the Plan.

7. Closing Contingent on Plan Being Declared Effective

a. The obligations of Sponsor to close hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan, as it may be amended from time to time. Purchaser understands and agrees that the Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter, in certain limited cases as set forth in the Plan (see the section in the Plan entitled "Effective Date of the Plan" for full details, the terms of which are incorporated herein by reference and made part of this Purchase Agreement). The Sponsor shall notify Purchaser in writing when the Plan becomes effective or by a duly filed amendment if it is abandoned.

b. If the Plan is abandoned or if, after being declared effective the Plan shall not be consummated by Sponsor for any reason, this Purchase Agreement shall be deemed canceled and all monies paid by Purchaser hereunder, with interest earned thereon, shall be disbursed in accordance with the provisions of Paragraph 5 above. After the funds are so disbursed, Purchaser and Sponsor shall each have no claim against the other in connection with this Purchase Agreement or the Plan, and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan.

8. Closing Date and Place

a. The Closing of Title shall occur on the date and at the time and place in the City and State of New York which Sponsor shall designate to Purchaser upon notice served at least thirty (30) days' prior to such scheduled Closing Date, unless such time period is waived in writing by Purchaser. Closings shall be held at the office of Sonnenschein, Sherman & Deutsch LLP, 888 Seventh Avenue, New York, New York 10106. Sponsor shall have the right, from time to time, to adjourn such date and time for Closing on written notice to Purchaser. If the Closing is adjourned by Sponsor, then Sponsor shall fix a new date and time of the Closing of Title and shall give Purchaser not less than five (5) days' prior written notice of the new scheduled date and time for Closing. Any and all costs or expenses incurred by Purchaser as a result of any adjournment, including but not limited to mortgage commitment extension fees and temporary housing costs, shall be payable solely by Purchaser; and Sponsor shall not be responsible for any such costs or expenses.

b. The Closing of Title shall occur after or concurrently with Sponsor's compliance with the prerequisites set forth under "Terms of Sale" in Part I of the Plan.

c. TIME IS OF THE ESSENCE with respect to Purchaser's obligation to pay the Balance of the Purchase Price and to pay or perform all of Purchaser's other obligations under this Purchase Agreement after notice is given pursuant to subparagraph (a) of this paragraph.

9. The Deed and Other Deliveries by Sponsor

a. Sponsor shall deliver to Purchaser a bargain and sale deed with covenants against grantor's acts (the "Deed") transferring to Purchaser fee simple title to the Unit, subject to the liens, encumbrances and title conditions set forth in Schedule A to this Purchase Agreement, which is made part hereof, and further subject to paragraph 10 below. The Deed shall be substantially in the form reproduced in Part II of the Plan and shall be executed and acknowledged by the grantor and grantee(s) in form for recording. The executed Deed shall be promptly delivered to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Purchaser's attorney) for recording at the Office of the Register of the City of New York, in the County of Kings, City and State of New York (the "City Register's Office").

Acceptance of the Deed will evidence Purchaser's acknowledgment that Sponsor has performed all of its obligations under this Purchase Agreement and the Plan, except such as may expressly be stated to survive delivery of the Deed or except such as may be required under the Plan or by operation of law to be performed by Sponsor subsequent to Closing. The foregoing applies only to the Purchaser. This shall not relieve Sponsor from any liability for representations under the Plan. Nothing contained herein shall be in derogation of the rights of Purchasers pursuant to Article 23-A of the New York State General Business Law or other rights of Purchasers under the Plan.

b. Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in the form then required by the Internal Revenue Code withholding section and (ii) each party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, as such other party may reasonably request in order to comply with IRS §6045(e), as amended, or any successor provision or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions.

10. State of Title

Except as otherwise set forth in Paragraph 11 below, fee simple title to the Unit shall be transferred to Purchaser at Closing subject only to the liens, encumbrances and title conditions (hereinafter called the "Permitted Exceptions") that are set forth in Schedule A to this Purchase Agreement or as set forth in the Deed or in the Plan, as same may be amended. The existence of the Permitted Exceptions shall not be deemed a breach of Sponsor's covenants in the Deed, even if the Deed shall not expressly provide it is given subject to the Permitted Exceptions. It is intended and agreed that the Deed to be given by Sponsor to Purchaser at Closing shall be deemed to be subject to the Permitted Exceptions to the same effect as if set forth therein at length. Sponsor shall be entitled to adjourn the Closing to remove or correct any exception that cannot be dealt with as set forth in the Plan. The Sponsor is not obligated to cure any violations issued by governmental authorities which are not specific to the Unit.

11. Sponsor's Title Agency Approval

Subject to the terms of Paragraph 12 below, Sponsor shall give, and Purchaser shall accept, such title as the Sponsor's Title Agency will approve and insure, without additional premium, provided that the only liens, encumbrances and conditions affecting title shall be the Permitted Exceptions or any other exceptions, provided that such latter exception has been resolved in the manner provided in the Plan. As a result, Sponsor is not obligated to cause Purchaser's title company (if not the Sponsor's Title Agency) to omit any exception if the Sponsor's Title Agency is willing to insure, without additional premium, Purchaser's title with such exception. Purchaser will be responsible to pay to Purchaser's title company the entire premium for Purchaser's title insurance. Purchaser may obtain title insurance from any title insurance company or may not obtain any title insurance at all, at Purchaser's sole discretion (unless Purchaser's lender shall require Purchaser to purchase title insurance covering such lender).

12. Sponsor's Inability to Convey Title

If Sponsor (a) is unable to deliver title to the Unit to Purchaser in accordance with the provisions of the Plan and this Purchase Agreement or (b) if Sponsor would be required to commence a lawsuit or expend in excess of the "Cure Amount", which for purposes of this Purchase Agreement shall equal \$200,000 for all Units and the Building to remove or cure one or more title exceptions that affect all the Units (or such proportion of the cure amount as represents the Unit's percentage interest in the Common Elements, in the case of any encumbrance affecting the Unit only), and Sponsor notifies Purchaser of Sponsor's inability or refusal to remedy the title defect, then Purchaser shall have the option, if not in default hereunder, to (i) take title subject to such title defect (without any abatement in, or credit against the Purchase Price, or claim or right of action against Sponsor for damages or otherwise) or (ii) terminate this Purchase Agreement. If Purchaser elects to terminate, Sponsor shall instruct the Escrow Agent, within ten (10) days after receipt of Purchaser's termination notice, to return to Purchaser all monies deposited hereunder, with interest, if any, accrued thereon, within thirty (30) days from receipt of said termination notice. Upon making such refund, this Purchase 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 Purchaser in writing sent to Sponsor within fifteen (15) days after Sponsor gives Purchaser written notice of its refusal to remedy the title defect. If Purchaser fails to give such written notice, Purchaser shall be deemed to have elected the first option above (i.e., to acquire title subject to the title defect). Under no circumstances shall Sponsor be obligated to commence litigation or expend in excess of the Cure Amount which for purposes of this Purchase Agreement shall equal \$200,000 in the aggregate, for all Units and the Building, to remedy a title defect.

13. Closing Adjustments

- a. At Closing, Sponsor and Purchaser shall apportion, as of midnight of the day preceding the Closing:

- i. real estate taxes and assessments for the then-current tax year, based on either (a) the actual taxes or charges for all the Units in the aggregate (i.e., for the tax lot of the Property prior to the recording of the Declaration) for the then-current tax year, prorated to the Unit based on its percentage interest in the Common Elements if the Units were not separately assessed as of the First Unit Closing and separate tax bills were not issued as of such date, or (b) the actual tax bill for such Unit if such bill was issued prior to the first Unit Closing. In addition, in the case of either (a) or (b) above, the Condominium Board will collect from the Purchaser and place in a segregated bank account an escrow for real estate taxes for the tax period following the Closing (not withstanding any requirement for such escrow which may be imposed by Purchaser's lending institution);
 - ii. Common Charges for the month in which title closes (based on the number of days in the month in which the Closing occurs);
 - iii. any prepaid expenses pertaining to the Unit, as set forth in the Plan (including a pro rata share of the Condominium's insurance policy).
- b. Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. The "Customs in Respect to Title Closings" 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.
- c. Any errors or omissions in computing adjustments at Closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the Closing for one year.
- d. Installments for tax assessments due after the delivery of the Deed, if any, shall be paid by the Purchaser and shall not be considered a Non-Permitted Exception.
- e. If Purchaser fails for any reason to close on the date originally scheduled for the Closing of Title to his Unit as provided in Paragraph 8 (the "Original Closing Date"), including but not limited to, Purchaser's request to adjourn the Closing for any reason or the inability of Purchaser's lender or such lender's attorney to attend the Closing on such scheduled date, then (i) the aforementioned closing apportionments shall be made as of midnight of the day preceding the Original Closing Date; and (ii) Purchaser shall pay interest at the rate of eight (8%) percent per annum on the total Purchase Price, for each day between the Original Closing Date and the actual Closing Date. The provisions of this subparagraph (e) shall not be applicable if, through no fault of Purchaser, Sponsor adjourns the Closing Date. However, these provisions shall then apply to the adjourned Closing Date.

14. Purchaser's Closing Costs

At Closing, Purchaser will pay certain costs in connection with the purchase of the Unit, in addition to (a) the Purchase Price, (b) the mortgage recording tax credit described in section 15 below, (c) the amount of any net credit in favor of Sponsor that may result from the Closing adjustments and (d) any daily late Closing charge described in the preceding section 13(e). Such Closing costs are those costs more particularly described in Part I of the Plan entitled "Closing Costs and Adjustments," the types and amounts of which (where applicable) are based on rates in effect on the date of the Plan and are subject to change without prior notice.

15. Mortgage Recording Tax Credit

In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, it is specifically understood that such credit shall inure to the benefit of Sponsor at Closing, without a corresponding reduction in the Purchase Price or in any costs or adjustments. Accordingly, at Closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed, and at such Closing, the Purchaser will reimburse the Sponsor to the extent of any mortgage recording tax credit allowed. At Closing Purchaser shall execute an affidavit prepared by Sponsor concerning the foregoing and setting forth the amount of the credit.

16. Power of Attorney to Condominium Board and Sponsor

At Closing, Purchaser shall execute (in duplicate), acknowledge and deliver to the representative of the title insurance company insuring Purchaser's title to the Unit (or, if no representative is present, then to Sponsor's attorney) for recording in the City Register's Office, a power of attorney in favor of the Condominium Board relative to, *inter alia*, purchasing or leasing of Units, and in favor of Sponsor relative to amending the Condominium Declaration, By-Laws and Floor Plans to the extent permitted in the power of attorney. The power of attorney shall be substantially in the form set forth in Part II of the Plan. After being recorded, the original power of attorney shall be sent to the Condominium Board in care of the Managing Agent.

17. Transfer Tax Returns

At Closing, Sponsor and Purchaser shall each duly complete and sign before a Notary Public such transfer tax returns as are required to be filed with the City of New York and the State of New York, including, but not limited to, New York City Real Property Transfer Tax, New York State Real Estate Transfer Tax, the so-called "Mansion Tax" and any other taxes which may be imposed or required by the applicable tax authorities. The transfer tax returns shall be delivered at Closing to the representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for filing with the proper governmental office. Payment of such taxes and any filing fees shall be the obligation of Purchaser and shall be paid at the Closing hereunder.

18. Events of Default

a. Each of the following, occurring either singly or in combination, shall constitute an "Event of Default" hereunder:

- i. Purchaser's failure to pay the Balance on the Closing Date designated by the Sponsor;
- ii. the dishonor or failure of collection of any check tendered by Purchaser; or
- iii. Purchaser's failure to pay Purchaser's contribution to the Condominium Working Capital Fund, transfer taxes, mortgage recording tax credit or any other Closing costs or adjustments set forth in this Purchase Agreement or the Plan on the Closing Date designated by Sponsor.
- iv. Purchaser's failure to duly sign, notarize and deliver at the times specified the Power of Attorney pursuant to Paragraph 16 above, the New York City Transfer Tax return, the New York State Transfer Tax return and any other required tax returns pursuant to Paragraph 17 above, or to pay the transfer taxes required thereunder, or to sign and deliver the mortgage recording tax credit affidavit, or to provide written evidence of required insurance, or
- v. Purchaser's failure to pay, perform, or observe any of Purchaser's other obligations hereunder which is not cured within thirty (30) days after mailing of written notice specifying the default;
- vi. Purchaser's recordation or assignment of this Purchase Agreement or any rights therein or any interest in Purchaser without Sponsor's prior written consent; or
- vii. Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or
- viii. if a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or
- ix. if a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same; or
- x. any other act or omission set forth in this Purchase Agreement or the Plan which constitutes an Event of Default.

b. Upon the occurrence of an Event of Default, Sponsor, in its sole discretion may terminate this Purchase Agreement and retain the Down Payment and any interest accrued

thereon as liquidated damages. If Sponsor elects to so terminate, Sponsor must give Purchaser written notice of its intent to so terminate because of the occurrence of the Event of Default. Purchaser shall then have thirty (30) days from the giving of notice of termination to cure the default. TIME IS OF THE ESSENCE TO CURE SUCH DEFAULT WITHIN SAID THIRTY (30) DAY PERIOD. Notwithstanding the foregoing, if Purchaser has requested an adjournment of the Closing and Sponsor has declared Time of the Essence with respect to Purchaser's obligations to close on such adjourned date, then Purchaser shall not be entitled to the thirty (30) day cure period referred to above and Purchaser will be required to close on the adjourned Closing Date. If Sponsor elects to terminate the Purchase Agreement, Sponsor shall notify Purchaser in writing of such termination and may instruct the Escrow Agent to deliver to Sponsor the Down Payment with any interest earned thereon and any amounts paid by Purchaser for actual custom work, extras or upgrades done or materials purchased (and any installation costs thereof) on behalf of Purchaser as and for liquidated damages (even if the total sum exceeds 10% of the Purchase Price) and thereafter this Purchase Agreement shall become null and void and all parties to this Purchase Agreement shall have no further rights, obligations or liabilities to or against the other. However, if there is no written agreement between the parties to release the escrow funds, the Escrow Agent shall not pay the funds to Sponsor until it gives Purchaser written notice of not less than five (5) business days. Thereafter, the funds may be paid to Sponsor unless Purchaser had already applied to the New York State 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 Escrow Agent shall continue to hold the Down Payment until resolution of such dispute or pay the Down Payment into court. Sponsor shall not seek the remedy of specific performance in connection with this Purchase Agreement when there has been default by Purchaser.

c. Upon termination of this Purchase Agreement in accordance with this Paragraph, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another party as though this Purchase Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale. Any disputes regarding the return of the Down Payment shall be resolved in the manner provided in the Escrow Agreement set forth in Part II of the Plan.

19. Appliances and Equipment

At Closing, the Unit will contain only those fixtures, equipment, hardware, appliances and furnishings (or their equivalents) described as being part of the Unit in the Description of the Property in Part II of the Plan, and as same may have been amended. Kitchen appliances and equipment installed in Residential Units shall be in good working order and condition.

Purchaser acknowledges and agrees that Sponsor has the right to substitute other materials, fixtures, appliances, equipment and cabinetry in place of those listed in the Plan without any consent of the Purchaser and without any credit or adjustment of the Purchase Price, provided only that the substitutions are of substantially equal or better quality and design.

Furnishings, furniture, wall coverings, cabinets, appliances, decorations and the like in or about any model apartments are for display purposes only and are not included in the sale. Model apartments do not necessarily represent the interior finishing or decoration of the Unit subject to this Purchase Agreement.

20. Condition of the Unit

a. The Unit is sold "as is" on the date of this Agreement subject to reasonable wear and tear and to Seller's obligation under the Plan to construct and maintain the Unit prior to Closing and make the alterations and improvements described in the Plan, as it may be amended. The renovation and/or construction of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plans and Specifications (as defined in the Plan) and subject to the rights reserved by Sponsor to modify and amend the Plans (i) in accordance with construction variations including alterations necessitated by structural or mechanical considerations encountered during renovation and construction and (ii) in order to substitute materials, equipment, fixtures, appliances or cabinetry of substantially equal or better quality and design, provided only that the approval of any governmental authorities having jurisdiction thereover is first obtained (if required). The issuance of a permanent Certificate of Occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been renovated and/or constructed in accordance with the Plans. However, nothing herein contained shall excuse Sponsor from its obligation to correct any material defects in construction in accordance with the conditions set forth in the Plan in the section entitled "Rights and Obligations of Sponsor".

b. The construction of the Building and the Unit and the correction of any defects in construction to the extent required under the Plan are the sole responsibility of the Sponsor. However, Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan as indicated in "Rights and Obligations of the Sponsor" in Part I of the Plan and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in the Plan, as amended, and the Limited Warranty annexed hereto as Exhibit D.

SPONSOR HEREIN MAKES NO HOUSING MERCHANT IMPLIED WARRANTY OR ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE PURCHASER AGREEMENT OR UNIT COVERED HEREBY AND ALL SUCH WARRANTIES ARE EXCLUDED, EXCEPT AS PROVIDED IN THE LIMITED WARRANTY ANNEXED HERETO AS SCHEDULE D. THE TERMS OF THE LIMITED WARRANTY ARE HEREBY INCORPORATED INTO THIS PURCHASE AGREEMENT AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE THEREOF. PURCHASER HEREBY ACKNOWLEDGES THAT A WRITTEN COPY OF THE TERMS OF THE ANNEXED LIMITED WARRANTY HAS BEEN PROVIDED BY SELLER TO PURCHASER FOR PURCHASER'S EXAMINATION AND THAT

A REASONABLE PERIOD OF TIME FOR ITS EXAMINATION BY PURCHASER HAS BEEN AFFORDED TO PURCHASER PRIOR TO THE TIME OF PURCHASER'S EXECUTION OF THE PURCHASE AGREEMENT. PURCHASER UNDERSTANDS AND ACCEPTS THE ANNEXED WARRANTY TO THE PURCHASE AGREEMENT IN LIEU OF ANY OTHER EXPRESS OR IMPLIED WARRANTIES IN CONNECTION WITH THIS TRANSACTION. THE ANNEXED WARRANTY WILL BE FULLY EFFECTIVE WITHOUT THE EXECUTION OF ANY OTHER DOCUMENT BY EITHER PURCHASER OR SPONSOR ON THE DATE THAT PURCHASER OR ITS FAMILY SHALL FIRST OCCUPY THE UNIT WHICH IS THE SUBJECT OF THIS AGREEMENT AS A RESIDENTIAL UNIT OR THE DATE THAT THE DEED TO SUCH UNIT SHALL BE DELIVERED TO PURCHASER, WHICHEVER OCCURS FIRST. IN ADDITION TO THE ANNEXED LIMITED WARRANTY, PURCHASER WILL RECEIVE ANY MANUFACTURERS' WARRANTIES APPLICABLE TO THE APPLIANCES INSTALLED IN THE UNIT WHICH HAVE BEEN RECEIVED BY SPONSOR.

The renovation and/or construction of the Building and the Unit and the correction of any material defects in such renovation or construction to the extent required under the Plan are the sole responsibility of the Sponsor. However, Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, violations which are not specific to the Unit or certain variations from the Plan as indicated in "Rights and Obligations of the Sponsor" in Part I of the Plan and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in the Plan, as amended.

c. The Closing of Title shall occur only after, or concurrently with, compliance by Sponsor with its obligations and prerequisites set forth under "Terms of Sale and Closing of Title to Units" in Part I of the Plan. As a result, if all other prerequisites not involving the construction of the Unit are met, Purchaser shall be obligated to close, execute all necessary and appropriate documents as provided for herein and in the Plan, and complete payment of the full Purchase Price (without provision for escrow) once a temporary or permanent Certificate of Occupancy is issued for the Unit, notwithstanding any construction items noted on Purchaser's punchlist remaining for Sponsor to complete and/or correct in accordance with its obligations under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building not directly affecting the legal occupancy or lawful means of access to the Unit. Purchaser acknowledges that the completion of the Common Elements and other Units may interrupt Purchaser's quiet enjoyment of the Unit, including noise, odors, vibrations, dust, debris and temporary interruption of building services. Neither Purchaser nor any third parties shall have any claim against the Sponsor or the Condominium Board in the event of any such noise, odors, vibrations, dust, debris or interruption of services.

d. Sponsor has projected the First Unit Closing for September 1, 2006 based upon the current construction and permit approval schedule. The actual date for the First Unit Closing

is not guaranteed or warranted and may be earlier or later depending on the progress of construction and compliance with the other prerequisites to closing of title set forth herein and in the Offering Plan. Purchaser acknowledges that construction may be delayed by the shortage or late delivery of material or equipment, labor difficulties, unavailability of building trades, casualty, failure of power, inclement weather, acts of God, terrorist attacks, riots, civil disturbance, or war and other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the Units in the Building will be completed at varying times over a period that could extend well beyond the First Unit Closing. The order in which these Units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor, its principals, members, Selling Agent or attorneys for any type of damage or loss, in the event that the First Unit Closing or any other Closing occurs substantially later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor, including any fees, costs or expenses including, but not limited to, mortgage commitment extension fees or temporary housing costs, which Purchaser may incur due to the extension of the Closing Date.

21. Final Inspection of Unit

At least five (5) business days before the Balance is to be paid, Sponsor or Selling Agent shall notify Purchaser that the Unit is ready for final inspection before Closing. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with the Sponsor or Selling Agent to inspect the Unit during such five (5) business day period. Purchaser or its duly authorized agent shall attend such inspection, accompanied by a representative of Sponsor or Selling Agent, and shall complete, date and sign a punchlist of remaining items, if any, and deliver same to the Sponsor or Selling Agent at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within said five (5) day period or to so sign and deliver a punchlist, shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit in the as-built condition existing on the day of Closing. Purchaser is obligated to pay the entire Balance of the Purchase Price, without provision for escrow, notwithstanding Sponsor's obligation to complete or correct the items noted on Purchaser's punchlist, provided a temporary certificate of occupancy has been obtained for the Unit. However, nothing herein shall relieve Sponsor of its obligations as set forth in the section of the Offering Plan entitled "Rights and Obligations of Sponsor."

22. Possession; Risk of Loss

a. Purchaser shall not be entitled to possession of the Unit until the Deed is delivered to Purchaser at Closing; however, provided the Plan has been amended to provide for such interim occupancy, or if Sponsor agrees to such interim occupancy in this Purchase Agreement, Sponsor may, in its discretion, grant possession of the Unit to Purchaser prior to the Closing under an interim lease or other written agreement.

b. If Purchaser is given possession of the Unit prior to Closing under an Interim lease or otherwise, then Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit or its contents resulting from Purchaser's use or occupancy, and Sponsor shall not be obligated to make any repairs to the Unit or its contents resulting from such use by Purchaser. However, until Closing Sponsor will remain responsible to make those repairs required of it as landlord or seller under any interim lease or occupancy agreement and as may be required by law and, after Closing, the Condominium Board will be responsible for making those repairs required of it under the Condominium Declaration and By-Laws (provided access to the Sponsor or the Board, as the case may be, is granted by the tenant.)

c. If during Purchaser's occupancy, the Unit or its contents is damaged by casualty or otherwise, then Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Unit or did not result from the acts of Purchaser, or other occupants of the Unit or of Purchaser's guests, invitees, or workmen. If Purchaser is obligated to repair the damage, then Purchaser's failure to make such repair shall not excuse Purchaser from paying the Balance and accepting delivery of the Deed.

d. Except as provided in the preceding subparagraph c, all other risk of loss prior to Closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit or its contents except as set forth in the Plan. If Sponsor or (in the event the Declaration has been recorded and the First Unit Closing has occurred) the Unit Owners elect to repair or replace the loss or damage, this Purchase Agreement shall continue in full force and effect. In such an event, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete or to permit the Condominium Board to complete, such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until (i) the Unit has been completely repaired as near as is reasonably possible to its condition immediately prior to the casualty, (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress have been restored and (iii) any condition in the Unit for which a violation (if any) specific to the Unit is noted or issued has been corrected, other than those that are the obligations of Purchaser as tenant or occupant to cure or that are caused by the act or omission of Purchaser, its licensees, invitees and/or workmen. Any proceeds received from insurance, or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board or of other Unit Owners). If such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the two preceding sentences shall survive the Closing.

e. In the event that Sponsor notifies Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Purchase Agreement shall be deemed canceled and of no further force or effect, and Sponsor shall instruct the Escrow Agent to return to Purchaser all sums deposited hereunder, including interest, if any, whereupon the parties shall be released and discharged

from all obligations and liability hereunder and under the Plan, except that, if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain the Down Payment, together with sums received on account of special work to be performed by the Sponsor, pursuant to paragraph 5(c) above.

23. No Representation

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, its principals, Selling Agent or its principals, or others, including, but not limited to, those relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners or the projected Common Charges and projected real estate taxes for the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or amount or duration of real estate tax exemption benefits or any other data, except as may be specifically represented herein or in the Plan, Purchaser having relied on Purchaser's own examination and investigation thereof. No person has been authorized to make any representations on behalf of Sponsor. No oral representations or statements shall be considered a part of this Purchase Agreement. Purchaser agrees (a) to purchase the Unit, without offset from any claim against, or liability of, Sponsor or its principals, whether or not any layout, dimension or finished condition of the Unit or any part thereof, or of the Common Elements, as shown on the floor plans, is accurate or correct and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any inaccuracy or error in such layouts and dimensions. Furthermore, this Purchase Agreement cannot be cancelled by Purchaser in the event of a terrorist or similar type of attack near the Property or elsewhere in New York City, even if there is a temporary inability to gain, or an alteration of access to the Property or the surrounding areas. The provisions of this Paragraph 23 shall survive the Closing of Title.

24. Notices

All notices, elections, consents, demands and communications (collectively called "Notices or individually called "Notice") shall be delivered personally or given in writing by registered or certified mail, return receipt requested, with proper postage affixed, prepaid with proper postage affixed, and, if sent to Purchaser, addressed to Purchaser at Purchaser's address given in the preamble to this Purchase Agreement and with a copy sent simultaneously and in like manner to Purchaser's attorney, at such attorney's address given in the preamble to this Purchase Agreement and, if sent to Sponsor, addressed to the Sponsor, 357 Flatbush Avenue, Brooklyn, New York 11213 (with a copy sent simultaneously and in like manner to Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Suite 501, New York, New York 10106, Att: Perry Balagur, Esq.). Either party may, by written notice to the other, change the address to which notices are to be sent. Unless otherwise provided herein, all notices shall be deemed given when personal delivery is effected or three (3) days after it has been deposited in any branch, station or depository maintained by the U.S. Postal Service in the City and State of New York, in a registered or certified, properly prepaid wrapper addressed

as aforesaid, except that a notice of a change of address shall be deemed given when actually received.

25. Broker

Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction apart from Sponsor's Selling Agent named in the Plan (and _____ as co-broker with the Selling Agent). Sponsor shall pay such broker's commission. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt (other than Sponsor's Selling Agent) and Purchaser agrees that should any claim be made against Sponsor for commissions by any broker on account of any acts or dealings of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Sponsor 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 25 shall survive the Closing.

26. No Lien; Purchase Agreement Subordinate to Mortgage

a. No lien or encumbrance shall arise against the Property or the Unit as a result of this Purchase Agreement or any monies deposited hereunder. This Purchase Agreement shall not be recorded and any purported recordation hereof by Purchaser shall be void and constitute an Event of Default.

b. In furtherance, and not in limitation, of the provisions of the preceding subparagraph (a), Purchaser agrees that the provisions of this Purchase Agreement are, and shall continue to be, subject and subordinate to the lien of any mortgages heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred pursuant to the terms thereof or incidental thereto, or to protect the security thereof, to the fullest extent permitted by law, without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either obtain a satisfaction of such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages, in proper form for recording, on or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor.

27. Entire Agreement

This Purchase Agreement, together with the Plan, as the Plan may be amended from time to time, constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior understandings and agreements, oral or written.

28. Purchase Agreement May Not Be Assigned

Purchaser may not assign this Purchase Agreement or any interest in Purchaser or in this Purchase Agreement without the prior written consent of Sponsor, which consent can be conditioned in any manner determined by Sponsor in its sole discretion, or withheld for any reason or no reason. Any purported assignment by Purchaser in violation of this Purchase Agreement shall be voidable at the option of Sponsor and shall, at Sponsor's option, be a default hereunder. Sponsor's refusal to consent to an assignment shall not entitle Purchaser to cancel this Purchase Agreement or give rise to any claim for damages against Sponsor. Sponsor may assign this Purchase Agreement without the consent of Purchaser.

29. Prohibition Against Advertising

Prior to the Closing of Title, Purchaser shall not list the Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without Sponsor's prior written consent.

30. Joint Purchasers

The term "Purchaser" shall be read as "Purchasers" if the Unit is being purchased by more than one person, in which case their obligations shall be joint and several.

31. Liability of Sponsor

Sponsor or its designee shall be excused from performing any obligation or undertaking provided for in this Purchase Agreement for so long as such performance is prevented, delayed, or hindered by an act of God, fire, flood, explosion, war, riot, terrorism, sabotage, inability to procure or, general shortage of, energy, labor, equipment, facilities, materials, or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions or any other cause (whether similar or dissimilar to the foregoing) that is not within the reasonable control of Sponsor including the failure of Unit Owners to complete construction (if any) in their own Units and/or the failure of Unit Owners to obtain all required sign-offs (if any) from municipal authorities. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused pursuant to this paragraph. Furthermore, Purchaser acknowledges that the Unit is located in a former industrial building and Sponsor shall not be liable to a Purchaser or to any third party in the event that floors are not level.

32. 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 Purchase

Agreement, or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

33. Severability

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

34. Strict Compliance

Any failure by Sponsor to insist upon strict performance by Purchaser of any of the provisions of this Purchase 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 Sponsor, 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 Purchase Agreement to be performed by Purchaser.

35. Governing Law

The provisions of this Purchase Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York applicable to contracts made and to be performed in the State of New York, without regard to principles of conflicts of law.

36. Waiver of Jury Trial

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, connected with, or relating to this Purchase Agreement or the relationship created hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

37. Gender

A reference in this Purchase Agreement to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

38. Certain References

The term "herein", "hereof" or "hereunder" or similar terms used in this Purchase Agreement refer to this entire Agreement and not to the particular provision in which the term is used. Unless

otherwise stated, all references herein to Paragraphs, subparagraphs or other provisions are references to Paragraphs, subparagraphs or other provisions of this Purchase Agreement.

39. 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.

40. Successors and Assigns

Subject to the prohibition against assignment by Purchaser in Paragraph 28 hereof, the provisions of this Purchase Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors, assigns and designees.

41. No Oral Changes

This Agreement cannot be changed or any provision waived orally. ANY CHANGES OR ADDITIONAL PROVISIONS OR WAIVERS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.

42. Acceptance of Purchase Agreement

a. On or prior to Purchaser's signing and delivering this Purchase Agreement together with the Down Payment, Purchaser agrees (if requested) to provide Sponsor with written information about Purchaser's employment, financial and rental/ownership history. Such information shall be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor.

b. Upon Purchaser signing and delivering this Purchase Agreement and Purchaser's Down Payment check to the Sponsor, Sponsor's attorney or the Selling Agent, Purchaser shall be irrevocably bound to purchase the Unit. No binding obligation on the part of Sponsor to sell the Unit shall arise unless and until an original counterpart of this Purchase Agreement, signed by Sponsor or its duly authorized agent, is actually received by Purchaser. If, within thirty (30) days after Sponsor receives this Purchase Agreement signed by Purchaser and Purchaser's Down Payment check and social security number, an original counterpart of this Purchase Agreement signed by Sponsor or its authorized agent is not sent or delivered to Purchaser or his/her attorney, then it shall be deemed rejected and of no force or effect, and all monies paid by Purchaser hereunder shall be promptly refunded, without interest. Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Sponsor has the right, without incurring any liability, to

reject this Purchase Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to any ground proscribed by law.

43. Mortgage Financing (*Delete if inapplicable*)

a. (*Delete paragraph if inapplicable*) (a) The obligation of Purchaser to purchase under this contract is conditioned upon issuance, on or before 45 days after a fully executed copy of this contract is given to Purchaser or Purchaser's attorney (the "Contract Delivery Date") in the manner set forth in paragraph 42 (the "Commitment Date"), of a written commitment from an Institutional Lender pursuant to which such Institutional Lender agrees to make a first mortgage loan, other than a VA, FHA or other governmentally insured loan, to Purchaser, at Purchaser's sole cost and expense, of \$ _____, but in any event not more than eighty (80%) percent of the Purchase Price, for a term of no more than 30 years (or such lesser sum or shorter term as Purchaser shall be willing to accept) at the prevailing fixed or adjustable rate of interest and on other customary commitment terms (the "Commitment"). To the extent a Commitment is conditioned on the sale of Purchaser's current home, payment of any outstanding debt, no material adverse change in Purchaser's financial condition or any other customary conditions, Purchaser accepts the risk that such conditions may not be met; however, a commitment conditioned on the Institutional Lender's approval of an appraisal shall not be deemed a "Commitment" hereunder until an appraisal is approved (and if that does not occur before the Commitment Date, Purchaser may cancel under subparagraph 43(e) unless the Commitment Date is extended). Purchaser's obligations hereunder are conditioned only on issuance of a Commitment. Once a Commitment is issued, Purchaser is bound under this contract even if the lender fails or refuses to fund the loan for any reason.

b. Purchaser shall (i) make prompt (within seven (7) business days of the Contact Delivery Date) application to one or, at Purchaser's election, more than one Institutional Lender for such mortgage loan, (ii) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (iii) pay all fees, points and charges required in connection with such application and loan, (iv) pursue such application with diligence, and (v) cooperate in good faith with such Institutional Lender(s) to obtain a Commitment. Purchaser shall accept a Commitment meeting the terms set forth in subparagraph 43(a) and shall comply with all requirements of such Commitment (or any other commitment accepted by Purchaser). Purchaser shall furnish Sponsor with a copy of the Commitment promptly after receipt thereof. FAILURE TO COMPLY WITH THESE REQUIREMENTS WILL BE CONSIDERED A MATERIAL BREACH OF THIS AGREEMENT.

c. (*Delete this subparagraph if inapplicable*) Prompt submission by Purchaser of an application to a mortgage broker registered pursuant to Article 12-D of the New York Banking Law ("Mortgage Broker") shall constitute full compliance with the terms and conditions set forth in subparagraph 43(b)(i), provided that such Mortgage Broker promptly submits such application to such Institutional Lender(s). Purchaser shall cooperate in good faith with such Mortgage Broker to obtain a Commitment from such Institutional Lender(s).

d. If all Institutional Lenders to whom applications were made deny such applications in writing prior to the Commitment Date, Purchaser may cancel this contract by giving Notice thereof to Sponsor, with a copy of such denials, provided that Purchaser has complied with all its obligations under this paragraph 43.

e. If no Commitment is issued by an Institutional Lender on or before the Commitment Date, then, unless Purchaser has accepted a written commitment from an Institutional Lender that does not conform to the terms set forth in subparagraph 43(a), Purchaser may cancel this contract by giving Notice to Sponsor within 5 business days after the Commitment Date, provided that such Notice includes the name and address of the Institutional Lender(s) to whom application was made and that Purchaser has complied with all its obligations under this paragraph 43.

f. If this contract is canceled by Purchaser pursuant to subparagraphs 43(d) or (e), neither party shall thereafter have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Down payment shall be promptly refunded to Purchaser and except as set forth in paragraph 46.

g. If Purchaser fails to give timely Notice of cancellation or if Purchaser accepts a written commitment from an Institutional Lender that does not conform to the terms set forth in subparagraph 43(a), then Purchaser shall be deemed to have waived Purchaser's right to cancel this contract and to receive a refund of the Down payment by reason of the contingency contained in this paragraph 43.

h. If Sponsor has not received a copy of a commitment from an Institutional Lender accepted by Purchaser by the Commitment Date, Sponsor may cancel this contract by giving Notice to Purchaser within 5 business days after the Commitment Date, which cancellation shall become effective unless Purchaser delivers a copy of such commitment to Sponsor within 10 business days after the Commitment Date. After such cancellation neither party shall have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Down payment shall be promptly refunded to Purchaser (provided Purchaser has complied with all its obligations under this paragraph 43) and except as set forth in paragraph 46.

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

j. For purposes of subparagraph 43(a), Purchaser shall be deemed to have been given a fully executed copy of this contract on the third business day following the date of ordinary or regular mailing, postage prepaid.

k. At the sole and absolute option of the Sponsor, if the lender(s) selected by Purchaser refuse to issue the required commitment to Purchaser for any reason and Purchaser has notified Sponsor that Purchaser wishes to cancel this Agreement pursuant to either subparagraph 43(d) or 43(e), Sponsor may, within seven (7) business days from the date Sponsor is notified of Purchaser's desire to cancel pursuant to subparagraphs 43(d) or 43(e) above, require that Purchaser shall make prompt application to another institutional lender or mortgage broker designated by the Sponsor for the required mortgage loan. Any written commitment from an institutional lender which meets the financial terms described in this Agreement shall be deemed to have met the mortgage contingency whether or not conditioned upon any factors other than an appraisal satisfactory to such institutional lender. If within the later of (a) the earlier of (i) sixty (60) days of Contract Delivery Date, or (ii) the date the Mortgage Broker refuses to issue a commitment to Purchaser, or (b) sixty (60) days after the date Sponsor notifies Purchaser of Sponsor's election to require Purchaser to make a second application, the required mortgage loan commitment has not been obtained, either Sponsor or Purchaser may cancel this Agreement on written notice to the other party given within five (5) days of such date, time being of the essence as to such five (5) day period. This Agreement is contingent upon the issuance of a loan commitment, not upon the funding of such loan by the lending institution. The withdrawal by such lending institution of its loan commitment for any reason, including, but not limited to, a change in Purchaser's financial condition or an inability to obtain an extension of such commitment or refusal by Purchaser to pay an extension fee, shall not relieve Purchaser of his or her obligations under this Agreement. In no event shall Sponsor be liable for any costs, fees or expenses relating to Purchaser's inability to obtain or extend a mortgage commitment, even if such event results from a delay in closing caused by the Sponsor.

If the previous subparagraphs 43(a) through 43(k) above have been crossed out or in the event the blanks in subparagraph 43(a) are not filled in, the terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof) stated in Section 4 of this Agreement, and Purchaser understands and agrees that his failure to obtain such financing will not relieve him of his obligations hereunder. In no event shall Sponsor be liable for any costs, fees or expenses relating to Purchaser's obtaining or extending a mortgage commitment or Purchaser's inability to obtain or extend a mortgage commitment, even if such event results from a delay in closing caused by Sponsor.

[(Delete paragraph if inapplicable)] This Purchase Agreement is not contingent upon the Purchaser obtaining financing. Although a Purchaser may obtain financing from a lending institution or any other source, the Purchaser's obligation to purchase the Unit pursuant to the Purchase Agreement is not contingent upon obtaining financing for such purchase. A Purchaser is free to apply to any lender Purchaser chooses for any financing, either directly or through a mortgage broker, but the inability to obtain a mortgage loan commitment or mortgage loan shall not relieve a Purchaser of

Purchaser's obligations under the Purchase Agreement. If a Purchaser needs and fails or is unable to obtain a mortgage loan to purchase a Unit from a lender and thereby is unable to close on the purchase of the Unit, Purchaser will be in default of the Purchase Agreement and Sponsor shall have the right to seek its legal remedies, which include, but are not limited to forfeiture of Purchaser's down payment. Time is of the essence with respect to Purchaser's obligations to perform all of Purchaser's obligations under the Offering Plan. Any and all costs, fees or expenses necessary or required to be paid in connection with any Purchaser's mortgage loan or mortgage loan commitment shall be borne solely by such Purchaser, no matter what the cause, and Sponsor shall not be responsible for paying any of such costs, fees or expenses. See the Purchase Agreement in Part II for further information.

In the event a Purchaser obtains a mortgage loan commitment to purchase a Unit under the preceding paragraph(s) and (a) does not close on the purchase of the Unit before the expiration of the commitment, even if the Sponsor is not ready to close on the Unit because of lack of a temporary certificate of occupancy or otherwise, and (b) incurs additional fees to extend the commitment or obtain a new commitment from the same or another lender, or incurs any additional fees, costs or expenses in connection with any delay in the anticipated or scheduled closing date (including, but not limited to, increases in interest rates or additional "points" or extension fees levied by the lender), or loses its commitment, Purchaser must pay all such fees or costs incurred by or imposed upon the Purchaser. Sponsor, its members, principals, selling agents and counsel shall not be responsible for the payment or reimbursement of any of such fees or costs incurred by or imposed upon the Purchaser.]

44. Tax Certiorari Proceedings

Sponsor may bring proceedings in court or take other actions Sponsor believes may result in lowering the assessed valuation of the Property in which case Purchaser will cooperate with Sponsor and will not take actions or proceedings while those of Sponsor's are underway. If a tax reduction is obtained, the parties will apportion the reduction based on the proportion of time for which the reduction is granted and Purchaser agrees to apportion the legal fees and expenses for such actions and proceedings and pay same upon thirty (30) days notice to Purchaser.

45. Special Work (If Any)

a. Purchaser acknowledges that the Purchaser may not perform any alterations in the Unit which would require a permit from the New York City Department of Buildings until the permanent Certificate of Occupancy has been obtained for the Building and all Units as more fully set forth in the Plan and the By-Laws, the provisions of which are incorporated herein as if set forth at length.

b. Purchaser acknowledges that Purchaser is familiar with and has referred to the Architect's Report in Part II of the Offering Plan and as it may have been amended, for a description of the "finished" condition of the Units. Purchaser further acknowledges that all dimensions shown on Unit Floor Plans are approximate and subject to square footage and construction variations, including alterations necessitated by structural changes performed during renovation, in Sponsor's sole discretion.

46. Form 1099

The Purchaser shall cause its attorney to execute a designation agreement designating such attorney, or such other person specified by the Sponsor, as the “real estate broker” who is required to file a 1099 return with respect to the sale of the Unit pursuant to Section 6045 of the Internal Revenue Code. The Purchaser shall cause such “real estate broker” to make such 1099 return and to comply with all other requirements of Section 6045 of the Internal Revenue Code in connection with the sale of the Unit, and the Purchaser shall indemnify and hold harmless the Sponsor and its attorneys against any and all penalties, loss and expense (including, without limitation, attorneys’ fees) resulting from the failure of the Purchaser or such “real estate broker” to comply with the Internal Revenue Code and the provisions of this Purchase Agreement and such designation agreement.

47. Lead-Based Paint

a. Purchaser’s obligations under this Agreement are contingent upon Purchaser’s exercising its option to obtain, on or before 5:00 P.M. on the tenth calendar day after the day a fully executed copy of this Agreement is given to Purchaser, an “Inspection” of the Premises to determine whether there exist lead-based paint and/or lead-based paint hazards in the Unit (the “Inspection”). If Purchaser fails to deliver the Inspection report to the Seller within the aforementioned ten-day period, Purchaser shall be deemed to have ratified the terms of this Agreement. If the Inspection indicates that there is “lead based paint” or “lead based paint hazards,” Seller shall notify Purchaser within ten days after receipt of the Inspection Report whether Seller will, at Seller’s expense, correct any conditions noted in the Inspection report prior to the Closing or whether Seller elects to cancel the Contract. If the Seller elects to cancel this contract pursuant to this paragraph, Purchaser may, by notice to Seller within five days after receipt of Seller’s notice to cancel, elect to complete the purchase of the Unit without rededication by the Seller of any conditions which may have been noted in the Inspection report and without any allowance from the Purchase Price. If Purchaser shall fail to respond in such five day time period, Seller shall thereafter promptly refund the down payment to the Purchaser. Upon such refund, this Contract shall be canceled and neither Party shall have any further claim against the other hereunder.

b. The Inspection shall be performed by a lead-based paint investigator certified by the State of New York or in such other State as is acceptable to the Seller. No invasive testing of any surface in the Unit shall be permitted without the prior written consent of the Sponsor, and only in such situations, if any, as to which non-invasive testing is “inconclusive” within the meaning of 10 NYCRR §67-2.4(a)(2)(ii). If limited invasive testing is performed in the Unit, all affected surfaces and finishes shall be restored to the same condition as existed prior to the testing. Purchaser hereby indemnifies and holds the Seller harmless from any and all damages Seller incurs as a result of any testing. The terms “lead-based paint,” “lead-based paint hazards” and “Inspection” as used in this paragraph shall be defined as set forth in 40 CFR §745. Purchaser may at any time waive any contingency or rights Purchaser may have under this paragraph.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as of the date first above written.

SPONSOR:

THE VERMEIL LLC

By: _____
_____, *Managing Member*

PURCHASER(S):

[*Print Name*]

[*Print Name*]

ESCROW AGENT:

SONNENSCHN, SHERMAN &
DEUTSCH, LLP

By: _____

888 Seventh Avenue, Suite 501
New York, New York 10106

Date Accepted:

SCHEDULE A**Permitted Exceptions**

1. State of facts shown on survey made by Earl B. Lovell-S.P. Belcher, Inc. dated August 28, 2001 and last revised May 8, 2002.
2. Any additional state of facts which an accurate survey would show since August 28, 2001 providing such additional facts do not render title unmarketable.
3. Zoning and building laws, ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the Building.
4. The Declaration, as it may be amended, and By-Laws, Maps and Floor Plans to be recorded and filed in the Office of the County Clerk for the County of Kings, as the same may be amended from time to time; and the terms, covenants and conditions of this Offering Plan and amendments thereto.
5. Power of Attorney from Purchaser to the Condominium Board of Managers.
6. Easement in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction of the Building, or which may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements, made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand.
7. Any easement or right of use required by Sponsor or its designee to obtain temporary, permanent or amended certificate(s) of occupancy for the Building or any part thereof.
8. Encroachments of trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and standpipes, and similar projections, if any, on, over or under the Property or the streets, sidewalks or premises abutting the Property, and the rights of governmental authorities to require the removal of any such projections, and variations between record lines of the Property and retaining walls and the like, if any.
9. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.
10. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided the same are adjusted at the Closing of Title.

11. Easements in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utilities and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units.
12. Any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, and the right to use, maintain and repair wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like upon, under and across the Property.
13. Franchise taxes, if any, provided the title company issuing a policy of title insurance to the Purchaser will insure that such taxes cannot be collected from the Unit.
14. Standard printed exceptions to the NYBTU or ATLA policies of title insurance.
15. Any (temporary or permanent) Certificate of Occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.
16. Any lease or other occupancy agreement for the Unit made by Sponsor and Purchaser.
17. Any violations against the Property (other than the Unit) that are the obligation of the Condominium Board or another Unit Owner to correct.
18. Variations between tax map and premises described in Schedule A.
19. Covenants and Restrictions in Liber 440 page 427; and in Liber 1460 page 421.
20. Railroad Consent in Liber 2216 page 94.
21. Premises are part of the Park Slope Historic District under a Notice of Designation recorded in Reel 656 page 1097 and are subject to all of the rules, laws, and ordinances affecting buildings having such a designation.
22. Declaration in Reel 1334 page 36.
23. Declaration of Separation from Zoning Lot Restrictions in Reel 5032 page 133.
24. Restrictive Declaration in Reel 5032 page 0140.
25. Zoning Lot Development Agreement in Reel 5044 page 1324.
26. Zoning Lot Agreement in Reel 5044 page 1339.
27. Declaration of Zoning Lot Restrictions in Reel 5044 page 1353.
28. The following easements and agreements:

(a) A Lot Line Easement between Affordable Dwelling Units Leasing Corp. (hereinafter "ADULC"), Sponsor's predecessor in ownership of the Property, and the Board of Managers of the Sterling Place Condominium ("SPC"), which owns the building at 121 Sterling Place, Brooklyn, New York, dated June 2, 2000 and recorded in the City Register's Office on August 18, 2000 at Reel 4946, Page 1103 (i) limits development on a rear portion of the Property to one story and (ii) grants an easement for light and air above that one story, but (iii) excepted therefrom are fire escapes, balconies or similar structures. The said easement also limits an additional 8' by 18' rectangle to no development except for fire escapes, balconies or similar structures.

(b) A Geothermal Well Maintenance Easement between ADULC and SPC, also dated June 2, 2000 and recorded in the City Register's Office on August 18, 2000 at Reel 4946, Page 1097, (i) grants SPC, its employees and agents at SPC's expense, the right to enter into the Property to perform maintenance and repair and to replace the Pump and Piping for SPC's Geothermal Wells located on the Property so long as said Geothermal Wells are used for heating and cooling SPC's Building, (ii) precludes ADULC from building over the Pump, Piping and Geothermal Wells in such manner as to prevent reasonable access by SPC to the Pump, the Piping and Geothermal Well, (iii) provides SPC with exclusive use of the Pump, the Piping and the Geothermal Well, and (iv) forbids SPC to dig and/or replace or drill new Geothermal Wells, regardless of the condition of the existing Geothermal Wells.

(c) On October 13, 1999 Sponsor and the owners ("Seller") of Lots 46 and 47 in Block 942 (premises known as 20 and 20A Seventh Avenue, Brooklyn, New York) entered into a Zoning Lot Development Agreement recorded in the City Register's Office on January 9, 2001 at Reel 5044 Page 1339 granting Sponsor certain excess development rights from Seller's land and limiting development and granting easements of light and air over Seller's properties. On October 13, 1999, Sellers and Sponsor also entered into a Declaration of Zoning Lot Restrictions recorded in the City Register's Office on January 9, 2001 at Reel 5044, Page 1353 creating a single zoning lot from lots 46, 47, 48, 49, 51 and 52 in Block 942 (although each is a separate tax lot, and lots 46 and 47 are owned separately from the other lots).

The title company should affirmatively insure that none of the foregoing easements or agreements will interfere with the projected use of the premises as a condominium.

SCHEDULE B
INSPECTION REPORT

Date:

The Vermeil LLC
357 Flatbush Avenue
Brooklyn, New York 11213

Re: Unit _____
The Vermeil Condominium
133 Sterling Place
Brooklyn, New York 11217

Ladies and Gentlemen:

This is to confirm that based on the undersigned's personal inspection of the above referenced Unit, I (we) have found the Unit, its floors, walls, doors, fixtures, appliances, equipment, hardware and all other items listed below, to be in good and satisfactory condition, free of chips, mars, scratches, breaks or other defects, except for those matters (if any) expressly noted below under "Exceptions" requiring repair, adjustment or correction:

	Exceptions (if any)	Purchaser's <u>Initials</u>
1. Unit Interior:		
(a) Walls:		
(b) Floors:		
(c) Ceilings:		
(d) Windows:		
(glass, sash, pane, sill, etc.)		
(e) Doors:		
(f) Electrical fixtures:		
(g) Painted surfaces:		
(h) Kitchen cabinets:		
(i) Kitchen sink:		
(k) Medicine cabinets: (doors & mirror)		
(l) Vanities:		
(m) Bathroom sinks:		
(n) Water closet:		
(o) Bathtubs:		
(p) Shower door:		
(q) Bathroom tile:		
(r) Hardware:		
(doorbell, doorknob, faucets, locks, etc.)		
(s) Other:		

2. General Operating Condition:
- (a) All Doors:
 - (b) All Windows:
 - (c) All Plumbing:
 - (d) All Hardware:
 - (e) Other:

I (We) understand that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, and towel bars will be installed just prior to the date I (we) move in.

I (We) understand that the full Balance of the Purchase Price of the Unit must be paid at Closing under the Purchase Agreement, without provision for escrow, notwithstanding your obligation to complete or correct the items noted above after the Closing.

The undersigned will sign and deliver to you a separate statement signifying my (our) satisfaction with each item excepted above (if any), immediately upon the completion of the repair, adjustment or correction of same. The undersigned understands and agrees that you shall not be obligated to make any repairs, adjustments or corrections to the Unit or any portion thereof or its fixtures, appliances, equipment, etc., contained therein, from or after the date of delivery of possession of the Unit to the undersigned, except as to those items (if any) expressly excepted above (and your obligation regarding any such excepted items shall cease upon the completion of the repair, adjustment or correction of same). Purchaser acknowledges that except as set forth above, Sponsor's work on the Unit is complete. Nothing contained herein shall be construed to excuse Sponsor from its obligations to correct defects in construction to the extent required in the section entitled "Rights and Obligations of Sponsor" contained in the Offering Plan for Condominium Ownership of the captioned premises.

Very truly yours,

Purchaser's Signature

Purchaser [*Print Name*]

Co-Purchaser's Signature

Co-Purchaser [*Print Name*]

AGREED TO:

THE VERMEIL LLC

By: _____
Authorized Representative

SCHEDULE C - LEAD-BASED PAINT DISCLOSURE

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards SALES

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential 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 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

1. Presence of lead-based paint and/or lead-based paint hazards (*Check (i) or (ii) below*):
 - i. ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing. (*Explain*)
.....
 - ii. ☒ Seller has no knowledge of lead-based paint in the housing.
2. Records and reports available to the seller (*Check (i) or (ii) below*):
 - i. ☐ 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*)
.....
 - ii. ☐ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (*initial*)

3. _____ Purchaser has received copies of all information listed above.
4. _____ Purchaser has received the pamphlet ***Protect Your Family from Lead in Your Home***.
5. ☒ Purchaser has (check (i) or (ii) below):
 - i. ☐ received a 10 day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards, or
 - ii. ☐ waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (*initial*)

6. _____ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, the information they have provided is true and accurate.

THE VERMEIL LLC

By:

SELLER _____	DATE _____	SELLER _____	DATE _____
PURCHASER _____	DATE _____	PURCHASER _____	DATE _____
AGENT _____	DATE _____	AGENT _____	DATE _____

NOTE: The use of this form and the preparation of its contents may have significant legal consequences. Consult your attorney as to the proper use and preparation of this form. Retain this record and copies of all documents to which it refers for at least three years.

SCHEDULE D**LIMITED WARRANTY**

SPONSOR:

The Vermeil LLC
 357 Flatbush Avenue
 Brooklyn, New York 11213

NAME OF PURCHASER(S):

UNIT :

The Vermeil Condominium
 133 Sterling Place
 Brooklyn, New York 11217

COMMENCEMENT DATE: The date that Purchaser takes title to the Unit or the date that any person begins residential occupancy to the Unit, whichever is earlier ("Warranty Date").

This Limited Warranty excludes all consequential, incidental, special and indirect damages, except as required by the laws of New York State.

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

1. **This is a Limited Warranty.** This is a Limited Warranty which excludes any other promises or guarantees that Sponsor could make (also known as "express warranties" or "implied warranties") regarding the construction of your Unit and its components, including any warranties of merchantability or fitness for a particular purpose or the Housing Merchant Implied Warranty. There are no warranties which extend beyond the face of this document.
2. **Limit on Sponsor Liability.** Sponsor is not obligated to pay for any damage or injury not caused directly as a result of a defect covered by this Warranty. In other words, this Limited Warranty excludes "consequential", "incidental", "special" and "indirect" damages, except as required by state law. In addition, Sponsor's obligation to pay for the cost of repairing any damage to property is limited to 35% of the purchase price of your Unit.
3. **Warranty Only to You.** This Limited Warranty is given only to you while you own your Unit. It will end automatically if you transfer the Unit to any other person at any time.
4. **By Whom Warranty Given.** This Warranty is made exclusively by the Sponsor whose name appears on Page 1.
5. **Warranty Coverages and Periods.** The Warranty Period for all coverages begins on the date that you take title to the Unit or any person begins residential occupancy of the Unit, whichever date is earlier. It

ends at the expiration of the applicable coverage period shown below. TIME FOR THESE WARRANTY COVERAGE PERIODS IS OF THE ESSENCE AND WILL NOT BE EXTENDED.

6. Final Inspection of the Unit. Before you move into the Unit or accept the deed, the Sponsor will set up an appointment for final inspection of the Unit with you. The purpose of this final inspection is to discover any defects or flaws of a visible or obvious nature—such as mars, chips, dents, cracks or scratches—that may have occurred during the final stages of finishing the Unit, or any unfinished work caused by back-orders beyond the Sponsor's control.

All defects or flaws found on final inspection of the Unit will be itemized on a Final Inspection Sheet, which will be signed by you and the Sponsor before occupancy of the Unit or transfer of the deed.

When you move into the Unit or accept the deed, the Sponsor's responsibility is limited to:

- a. completion of items in accordance with the Final Inspection Sheet, and
- b. performance of warranty obligations under the provisions of this Limited Warranty as listed below. The purpose of the Limited Warranty is identify the Sponsor's responsibilities for construction defects of a latent or hidden kind that would not have been found or disclosed on final inspection of the Unit.

7. What is Included in Warranty.

- a. Sponsor makes the following warranties to you about the following parts of your Unit:
 - i. for one year from the Warranty Date, your Unit will be free from defects caused by Sponsor's failure to construct your Unit in a skillful manner;
 - ii. for two years from the Warranty Date, your Unit will be free from defects in the plumbing, electrical, heating, cooling or ventilation systems of your Unit (if any) caused by Sponsor's failure to have installed those systems in a skillful manner; and
 - iii. for six years from the Warranty Date, the Unit will be free from latent defects that are Major Structural Defects.
- b. Sponsor will not be liable unless the damage or injury was caused by one of the following:
 - i. defective workmanship by Sponsor or any agent or subcontractor of or person working for Sponsor;
 - ii. defective materials supplied by Sponsor or any agent or subcontractor of or persons working for Sponsor; or
 - iii. defective design provided by the architect or subcontractor, engineer or other design professional or subcontractor engaged solely by the Sponsor.
- c. Definitions. As used in this Paragraph 7, the following words and phrases have the following meanings:
 - i. "Constructed [or installed] in a skillful manner" means meeting or exceeding the requirements of the Building Code of the City of New York, and the Fire Prevention Code standards enacted by the City of New York. In the absence of specific code requirements, the above term means that the workmanship or materials meet locally accepted building practices
 - ii. "Major Structural defect" means actual physical damage to the following load-bearing parts of the Unit which affects their load-bearing functions to the extent that the Unit

becomes unsafe, unsanitary or unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems and roof framing systems.

iii. "Plumbing system" means gas supply lines and fittings, water supply, waste and vent pipes and their fittings, water, gas and sewer service piping and their extensions to the tie-in of a public utility connection or on-site well and sewage disposal system.

iv. "Electrical system" means all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

v. "Heating, cooling and ventilation system" means all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

d. Sponsor's Limited Warranty does not extend to any other type of defect.

8. What is Excluded from Warranty Coverage. The following items are excluded from Sponsor's Limited Warranty:

a. Any defects in appliances sold by Sponsor with your Unit, unless the defect was caused by Sponsor's failure to install the appliance in a skillful manner. However, Sponsor will transfer to you any manufacturer's warranties which it receives.

b. Any defect which was obvious (or would have been obvious if you had inspected your Unit) before purchase or occupancy, including defects shown on the Final Inspection Sheet.

c. Any normal wear and tear or deterioration in your Unit.

d. Any normal settling or shifting of your Unit, for example, expansion or contraction of the walls or floor with changes in the weather.

e. Minor defects, for example, nails popping, lumber shrinkage, door sticking due to weather, door warping, bath tile grouting, normal plumbing or heating noises, floor discoloring or leaks due to your failure to install storm doors or windows.

f. Damage to real property.

g. Any damage to the extent that it is caused or made worse by:

i. negligence, improper maintenance or improper operation by anyone other than Sponsor, its employees, agents or subcontractors;

ii. failure by you or anyone other than Sponsor, its employees, agents or subcontractors to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment;

iii. your failure to give notice to Sponsor of any defects or damage within a reasonable time;

iv. changes in the grading of the ground by anyone other than Sponsor, its employees, agents or subcontractors;

v. changes, alterations or additions made to the Unit by anyone after the Warranty Date referred to on the first page of this Limited Warranty; or

vi. dampness or condensation due to your failure to maintain adequate ventilation.

h. Condition which does not result in actual physical damage to the Unit.

- i. Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, war, acts of terrorism, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind-driven water and not reasonably foreseeable changes in the underground water table.
- j. Loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect.
- k. Any damage caused by soil movement for which compensation is provided by legislation or which is covered by other insurance.
- l. Any damage which you have not taken timely action to minimize.
- m. Insect damage.
- n. Bodily injury or damage to personal property.
- o. Sponsor's failure to complete construction of the Unit.
- p. Loss or damage which arises while the Unit is being used primarily for non-residential purposes.
- q. Loss or damage due to abnormal loading on floors by you which exceeds design loads as mandated by the Building Code or building standards.
- r. Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair.
- s. Consequential damages (except where required by laws of New York State).
- t. With respect to a claim for a Major Structural Defect, damage to non-load bearing portions of the Unit including (but not limited to) the following: roofing and sheathing; drywall and plasters, exterior siding; brick, stone and stucco veneer; floor covering material; wall tile and other wall coverings; non-load bearing walls and partitions; concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the Unit; electrical, plumbing, heating, cooling and ventilation systems; appliances, fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware and insulation.
- u. Loss or damage caused by defective workmanship performed by any person other than the Sponsor or an agent or subcontractor of the Sponsor working under the direction and supervision of the Sponsor.
- v. Loss or damage caused by defective materials supplied by any person other than the Sponsor.
- w. Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by the Sponsor.
- x. If applicable, defects in outbuildings including, but not limited to, detached garages and carports (except outbuildings which contain the plumbing, electrical, heating, cooling or ventilation systems serving the Unit); recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); off-site improvements or any other improvements not a part of the Unit itself.
- y. Any claim not filed in a manner set forth below in Paragraph 10, "How to Make a Warranty Claim".

9. Warranty

- a. If a defect occurs in an item covered by this Limited Warranty, Sponsor will repair, replace or pay to you the reasonable cost of repairing or replacing the defective item within a reasonable time after Sponsor's inspection or testing discloses the problem. The choice among repair, replacement or payment is solely that of Sponsor.
- b. In no event will Sponsor's total liability for deficiencies under this Limited Warranty exceed the Sponsor's Limit of Total Liability, shown in Section 2.
- c. Repair, replacement or payment of reasonable cost for any Major Structural defect is further limited to: (i) the repair of damage to the load-bearing portions of the Unit themselves which is necessary to restore their load-bearing function; and (ii) the repair of those items of the Unit damaged by the Major Structural defect which made the Unit unsafe, unsanitary or otherwise unlivable.
- d. When Sponsor finishes repairing or replacing the defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the defect must be signed and delivered to Sponsor.

10. How to Make Warranty Claim.

- a. If you believe that you are covered under this Limited Warranty, you must send to Sponsor a Notice of Warranty Claim. The Notice of Warranty Claim is a letter, sent by certified mail, return receipt requested to the following address: The Vermeil LLC, 357 Flatbush Avenue, Brooklyn, New York 11213. The letter must identify the Unit, give the Warranty Date, explain your claim and include your name, address and work and home phone numbers.
- b. You must notify Sponsor of your claim within 30 days after the last day of the warranty period for the defective part, as described in Paragraph 5 or you will lose your right to have it repaired by Sponsor under this Limited Warranty.
- c. Within a reasonable time after Sponsor receives your complete letter, it will make an appointment to inspect the defective part of your Unit with you. Sponsor is not obligated to make any repair if it is unable to get into your Unit to inspect (or you did not keep an appointment) after reasonable efforts.
- d. Upon completion of inspection and testing, the Sponsor will determine whether to accept or reject the claim. If the Sponsor rejects the claim, the Sponsor will give written notice of that decision to you at the address shown on the Notice of Claim. If the Sponsor accepts the claim, the Sponsor will take corrective action within a reasonable time under the circumstances and, upon completion, will give written notice of completion to you at the address shown on the Notice of Claim form.
- e. If Sponsor confirms that a repair must be made, it will start the repair within a reasonable time and continue working until the repair is completed.
- f. If you and Sponsor disagree about whether Sponsor is liable, you may elect to have the claim arbitrated following the rules of the American Arbitration Association. If you sue Sponsor, though, you may no longer demand that your claim be arbitrated unless Sponsor consents. **IF YOU DO NOT FOLLOW ALL OF THE ABOVE PROCEDURES, YOU WILL BE BARRED FROM MAKING A WARRANTY CLAIM. SPONSOR WILL NOT EXTEND ANY TIME PERIODS FOR MAKING A CLAIM UNDER ANY CIRCUMSTANCES.**

11. Additional Protections for Sponsor in Response to Your Claim.

a. No steps taken by Sponsor, you or any other person to inspect, test or correct defects will extend any time period under this Limited Warranty. If Sponsor elects to respond to a complaint or request which is not made in the form of a proper and timely Notice of Warranty Claim, the fact that Sponsor has chosen to respond will not affect or reduce any of Sponsor's rights under this Limited Warranty. Sponsor will continue to have all of its rights under this Warranty, including its right to receive a timely and properly completed Notice of Warranty Claim.

b. In response to a Notice of Warranty Claim or any other complaint or request by you, Sponsor will have the right to inspect and test the portion of the Unit to which the claim relates. You must provide reasonable access to Sponsor and its agents during normal business hours to complete inspection, testing and repair or replacement.

c. Sponsor will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects necessarily are subject to weather conditions, Acts of God, availability of materials and other events beyond Sponsor's control.

12. Legal Actions. No claim under this Limited Warranty may be commenced or asserted in any suit, action or other legal proceeding against Sponsor in any court or forum unless notice of the claim has been received by Sponsor in a timely and properly completed Notice of Warranty Claim Form as provided in Paragraph 10 above.

13. General Provisions.

a. This Limited Warranty is governed by the laws of New York State.

b. If any part of this Limited Warranty is deemed unenforceable by a court, the remainder will remain enforceable.

c. This Limited Warranty may not be changed in any way.

d. As used in this Limited Warranty, "including" means "including, but not limited to"; "or" means "and/or"; use of one gender includes the other gender; and the singular includes the plural and vice versa.

SCHEDULE E**PARKING UNIT RIDER TO PURCHASE AGREEMENT**

Re: _____ ("Purchaser")
 Parking Unit No. _____
 The Vermeil Condominium (the "Condominium")
 133 Sterling Place
 Brooklyn, New York 11217

THIS RIDER TO PURCHASE AGREEMENT made as of the ____ day of _____, 200_ by and between The Vermeil LLC, a New York limited liability company, having an office at 357 Flatbush Avenue, Brooklyn, New York 11213 ("Sponsor"), and _____ having an address at _____ ("Purchaser").

WITNESSETH:

1. This Rider (the "Rider") amends and modifies that certain Purchase Agreement (the "Purchase Agreement") by and between Sponsor and Purchaser with respect to the purchase of Residential Unit No.: ____ in the Condominium. In case of any inconsistencies between any of the terms and conditions of the Purchase Agreement, including any handwritten modifications thereto, and the terms and conditions of this Rider, the terms and conditions of this Rider shall prevail. All of the paragraphs and provisions contained in this Rider are incorporated into the Purchase Agreement and made a part thereof with the same force and effect as if therein originally contained.

2. a. Upon and subject to the terms and conditions set forth in this Rider, Sponsor agrees to sell and grant, and Purchaser agrees to purchase the Parking Unit designated as Parking Unit ____ (the "Parking Unit") simultaneously with the closing of title to the Unit. The Purchase Price for the Parking Unit is \$ _____ ("Parking Unit Price") which is separate from and in addition to the Purchase Price for the Unit. The balance of the Parking Unit Price shall be paid at the closing of title to the Unit by Purchaser delivering a good certified check of Purchaser or official bank check payable directly to Sponsor or such other party as Sponsor may designate upon not less than two (2) days notice. Purchaser shall be responsible for the payment of transfer and other taxes, if any, that are associated with the Parking Unit.

b. The downpayment for the Parking Unit is \$ _____, to be paid herewith and held by Escrow Agent under the same terms as set forth in Paragraph 4(a)(i) of the Purchase Agreement; that upon the collection of the downpayment for the Parking Unit, the balance due on such Unit will be \$ _____; and that the undivided percentage interest in the General Common Elements for the Parking Unit is ____%.

c. A default by Purchaser under this Rider shall constitute a default under the Purchase Agreement for the Unit. Any other default by Purchaser under the Purchase Agreement for the Unit shall constitute a default under this Rider entitling Sponsor to those remedies as more fully described in the Purchase Agreement and the Plan.

3. Purchaser has been advised that this License is subject to the Rules and Regulations contained in the By-Laws, and specifically, Rule number 16 thereof, and that Purchaser has read same and agrees that its use of the Parking Unit shall be in accordance therewith.

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

IN WITNESS WHEREOF, the parties have executed this rider as of the date written hereinbelow.

DATE: _____
(to be inserted by Sponsor after countersignature by Sponsor)

SPONSOR:

THE VERMEIL LLC

By: _____
Name: _____
Title: _____

PURCHASER:

SSN or Federal I.D. No.: _____
Telephone No.: _____

SSN or Federal I.D. No.: _____
Telephone No.: _____

ESCROW AGENT:

Sonnenschein, Sherman & Deutsch, LLP

By: _____

SCHEDULE F**STORAGE BIN RIDER TO PURCHASE AGREEMENT**

Re: _____ ("Purchaser")
 Storage Bin No. _____
 The Vermeil Condominium (the "Condominium")
 133 Sterling Place
 Brooklyn, New York 11217

THIS RIDER TO PURCHASE AGREEMENT made as of the ____ day of _____, 200__ by and between The Vermeil LLC, a New York limited liability company, having an office at 357 Flatbush Avenue, Brooklyn, New York 11213 ("Sponsor"), and _____ having an address at _____ ("Purchaser").

W I T N E S S E T H:

1. This Rider (the "Rider") amends and modifies that certain Purchase Agreement (the "Purchase Agreement") by and between Sponsor and Purchaser with respect to the purchase of Residential Unit No.: _____ (the "Unit") in the Condominium. In case of any inconsistencies between any of the terms and conditions of the Purchase Agreement, including any handwritten modifications thereto, and the terms and conditions of this Rider, the terms and conditions of this Rider shall prevail. All of the paragraphs and provisions contained in this Rider are incorporated into the Purchase Agreement and made a part thereof with the same force and effect as if therein originally contained.

2. a. Upon and subject to the terms and conditions set forth in this Rider, Sponsor agrees to sell and grant, and Purchaser agrees at Closing to enter into a Storage Bin License Agreement for Storage Bin No.: _____ (the "Storage Bin") simultaneously with the closing of title to the Unit. Upon the Closing of title to the Unit, Purchaser agrees to pay the sum of Five Hundred (\$500.00) Dollars to Sponsor's attorneys for the preparation of the Storage Bin License Agreement.

b. A copy of the form of the Storage Bin License Agreement is annexed hereto as Schedule 1 hereto.

c. A default by Purchaser under this Rider shall constitute a default under the Purchase Agreement for the Unit. Any other default by Purchaser under the Purchase Agreement for the Unit shall constitute a default under this Rider entitling Sponsor to those remedies as more fully described in the Purchase Agreement and the Plan.

3. Purchaser acknowledges that the Rules provide that Storage Bin Licensees will not place or store inside their Storage Bin any materials which are dangerous, hazardous, flammable, create disturbing or noxious fumes, odors, noises or vermin, create any risks to the health, safety or well being of persons in the Building, or which create any material risk or hazard to other property, or which may increase the cost or premium of the Condominium's insurance. Storage Bin Licensees are not permitted to lease, sublease, or permit use by others to their parking space, except as permitted under Article VIII, Section 1 of the By-Laws. The captions in this Rider and the Purchase Agreement are for convenience of reference only and in no way define, limit or describe the scope of this Rider of the Purchase Agreement or the intent of any provision hereof.

IN WITNESS WHEREOF, the parties have executed this rider as of the date written hereinbelow.

DATE: _____
(to be inserted by Sponsor after countersignature by Sponsor)

PURCHASER:

SSN or Federal I.D. No.:
Telephone No.:

SSN or Federal I.D. No.:
Telephone No.:

SPONSOR:

THE VERMEIL LLC

By: _____
Name:
Title:

ESCROW AGENT:

Sonnenschein, Sherman & Deutsch, LLP

By: _____

SCHEDULE 1

LICENSE AGREEMENT

LICENSE AGREEMENT made this ____ day of _____, 200__ between the Board of Managers of The Vermeil Condominium, having its principal place of business at 133 Sterling Place, Brooklyn, New York 11213, as Licensor, and _____, a _____ with a residence at 133 Sterling Place, Brooklyn, New York 11213, as Licensee.

WHEREAS, Licensor is the Board of Managers of The Vermeil Condominium located at 133 Sterling Place, Brooklyn, New York 11213 (the "Premises");

WHEREAS, Licensee is the Residential Unit Owner of Residential Unit ____ in The Vermeil Condominium;

WHEREAS, Licensee wishes to acquire the right to utilize a portion of the Residential Common Areas for the storage of various residential personal property in the form of a Storage Bin; and

WHEREAS, Licensor is willing to grant an exclusive license to the Licensee for the use of a Storage Bin as more particularly set forth herein;

NOW, THEREFORE, it is mutually agreed as follows:

1. Licensor gives and grants to Licensee the license and privilege to occupy and maintain a portion of the Residential Common Area located in the cellar of the Premises where indicated on the attached diagram designated as "Storage Bin No. ____" in the attached diagram.
2. Licensee shall be solely responsible for the proper and safe use and maintenance of the Storage Bin and for any property located in the portions of the Storage Bin. Storage Bins may only be used for storage and may not be used for living space. Licensees will not place or store inside their Storage Bin any materials which are dangerous, hazardous, flammable, create disturbing or noxious fumes, odors, noises or vermin, create any risks to the health, safety or well being of persons in the Building, or which create any material risk or hazard to other property, or which may increase the cost or premium of the Condominium's insurance. Any of Licensee's family members, employees, agents, representatives or guests who may be in any manner connected with the use of the Storage Bin shall at all times conduct themselves in a safe and businesslike manner and in accordance with the Condominium's Rules and Regulations.
3. This Agreement shall begin and become operative on _____, 200__ and shall terminate on the expiration of fifty (50) years thereafter on _____, 20__.
4. In consideration of the granting of this license, Licensee shall pay to Licensor the sum of \$100 per year on the first day of each year during the term of this license. In addition to any of Licensor's other remedies, for any payment not so received by Licensor by the 30th day of the month due, Licensee shall be obligated to pay a \$50 late fee. At the expiration of the term of this Agreement, unless extended prior to the expiration thereof, Licensee will cause all equipment, personal property and materials maintained on, connected to or stored in the Storage Bins to be removed therefrom and the Storage Bin restored to its original condition.
5. Licensee acknowledges and understands that Licensor will not in any event whatsoever be liable or responsible to Licensee for any harm, loss or damage to the personal property maintained in the Storage Bin, other than in the case of Licensor's gross negligence or wilful misconduct. Licensee agrees to defend, indemnify, and hold Licensor, its officers, members, managing agent, tenants and occupants of the Premises harmless from and against any claim, loss, damage, liability, cost

or expense caused by, arising out of, or resulting from or out of use of the Storage Bin by Licensee, its family members, employees, agents, representatives or guests. This indemnity includes damage to the Premises and claims of damage to persons or property, whether caused by the negligence of Licensee, its family members, representatives, agents, employees or guests. Licensee further agrees to reimburse Licensor, its officers and members, managing agent, tenants and occupants of the Premises for any loss, cost or expense (including, without limitation, attorney's fees and disbursements) incurred in connection with any claims, liabilities or litigation arising hereunder.

6. Simultaneously with the execution of this Agreement, Licensee agrees to provide Licensor with proof of satisfactory liability and property damage insurance for Licensee, which insurance policies name Licensor and any managing agent of the Premises as additional insured parties. Such policies shall each provide that same may not be terminated except on at least ten days' prior written notice to Licensor.
7. Licensor may locate, both vertically and horizontally, install, maintain, use, repair and replace, pipes, utilities lines, ducts, conduits, flues, refrigerant lines, drains, sprinklers mains, access panels, wires, and structural elements leading through the Licensed Premises. Licensor may make such repairs or improvements to the Licensed Premises as Licensor deems necessary or desirable for the benefit of the Shopping Center
8. Licensee may use such electricity as is supplied to the Licensed Premises as of the date of the instrument to power such electric lights as are on the Licensed Premises as of the date of this instrument and for no other purpose. Licensee may not modify any lighting fixtures on the Licensed Premises as of the date of this instrument nor may Licensee increase the wattage of any light bulbs in use on the Licensed Premises as of the date of this instrument. Licensee shall be responsible for repair and replacement of any lighting fixtures on the Licensed Premises as of the date of this Lease. Licensee shall replace burned out light bulbs on the Licensed Premises. Licensor shall not be responsible for any interruptions of any electrical service provided to the Licensed Premises for any reason whatsoever. Licensor shall have no obligation to supply heat, air conditioning, water service, sewer service, or any other utility service to the Licensed Premises.
9. Licensee, at Licensee's expense, shall maintain the Licensed Premises in an orderly and neat condition. Licensee shall not permit trash or garbage or other solid waste to accumulate within the Licensed Premises. Licensee shall maintain the Licensed Premises in accordance with the laws of the State of New York, the Declaration, By-Laws and Rules and Regulations of the Licensor and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector, or other proper officials of the governmental agencies having jurisdiction and Licensee at Licensee's expense, shall comply with all laws, ordinances, rules, regulations, and orders applicable to the Licensed Premises. Licensee, at Licensee's expense, shall install and maintain such fire extinguishers and other fire protection devices as may be required by law or by the insurance underwriters insuring the building which the Licensed Premises is located.
10. Licensor may, from time to time, request Licensee to execute and deliver to Licensor such certifications to Licensor and designees of Licensor relating to this Storage License Agreement in form and substance as Licensor deems appropriate. Should Licensee fail to deliver such certification to Licensor within five days of receipt of Licensor's request, Licensor may, without further notice, terminate this Storage License Agreement.
11. Licensee shall not assign or sublet the Licensed Premises or any interest in this instrument to any party whatsoever nor to permit any party whatsoever (other than Licensee and members of Licensees immediate family residing in the Premises) to use the Licensed Premises for any purpose. Transfer of a controlling interest of Licensee's stock constitutes an "assignment" for the purposes of this Section.

12. Upon Destruction of the Licensed Premises or damage thereto which materially impairs its use as storage space, this Storage License Agreement shall terminate. Licensors shall have no responsibility whatsoever for the loss of any item stored upon the Licensed Premises regardless of the cause of the loss.
13. Licensors shall have the right to revoke this License Agreement for failure to cure defaults after the expiration of the following cure periods:
 1. For non-payment upon ten days' prior written notice; and
 2. For any other default under this Agreement upon thirty days' prior written notice.
14. All notices hereunder shall be given in writing by certified mail, return receipt requested, by recognized overnight courier service or hand delivery and addressed to the party to be notified at the address noted in the initial paragraph of this Agreement, provided that any notice to Licensors shall concurrently be sent to Licensors' attorneys, Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Suite 501, New York, NY 10106, Att: Perry Balagur, Esq. Notices shall be deemed given as follows:
 3. If by hand delivery, then the day delivered;
 4. If by overnight courier, then the next business day; and
 5. If by certified mail, then the second business day after mailing, excluding Sundays and holidays.
15. This Agreement shall be governed by the laws of the State of New York. Each party waives trial by jury in any action, proceeding or counterclaim (except for bodily injury or property damage) arising from or out of this Agreement. If Licensors commences a legal proceeding against Licensee in connection with this Agreement, no counterclaims will be brought by Licensee in such a proceeding nor any defenses raised except if permitted by statute.
16. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, distributees, executors, administrators, successors and assigns.
17. Licensee may have access to the designated locations only during normal business hours, 8:00 A.M. to 10:00 P.M. Mondays through Fridays and from 10:00 A.M. to 3:00 weekends and holidays, except in emergencies. Should emergency access be required, Licensee must notify Licensors' resident manager, _____, telephone _____ the designated representative of Licensors, before entering the Premises.

IN WITNESS WHEREOF, the parties have set their hands and seals on the day and year first above written.

LICENSOR:

LICENSEE:

THE BOARD OF MANAGERS OF
THE VERMEIL CONDOMINIUM

Print Name:

By: _____
Name:
Office:

Print Name:

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

On the ____ day of _____, in the year 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in ____ capacity, and that by ____ signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

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

On the ____ day of _____, in the year 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in ____ capacity, and that by ____ signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

POWER OF ATTORNEY

THE VERMEIL CONDOMINIUM
133 STERLING PLACE
BROOKLYN, NEW YORK 11217

The undersigned, _____, the Owner of Unit _____ in the building known as The Vermeil Condominium, Brooklyn, New York, as designated and described in the Declaration dated _____ recorded in the Office of the Register of the City of New York, Kings County on _____, 200__, at CRFN _____ establishing a plan for condominium ownership of said building and the land on which it is erected, to be known as The Vermeil Condominium (the "Condominium"), and on the floor plans filed in the Real Property Assessment Department of the City of New York as Condominium Plan No. _____, do hereby irrevocably nominate, constitute and appoint the Board of Managers of the Condominium, and their successors, jointly, true and lawful attorneys-in-fact of the undersigned, with a power coupled with an interest, with power of substitution (1) to acquire, in their own names as members of the Board of Managers or in the name of their designee, corporate or otherwise by deed, on behalf of all Unit Owners in said Condominium property, in accordance with their respective Common Interests, (a) any Unit whose owner desires to sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit theretofore acquired by the Board of Managers, or its designee, on behalf of the Unit Owners, or in the proceeds of sale of lease thereof, if any, and the interest of such Unit Owner in all other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests"), or (b) any Unit which shall be the subject of a foreclosure or other judicial sale or whose owner desires to surrender or abandon same in accordance with the By-Laws, and (2) to lease any Unit whose Owner desires to rent the same, at such prices or at such rental, as the case may be, and on such other terms, and conditions as said attorneys-in-fact shall, in their sole discretion deem proper, and (3) in connection with (1) and/or (2) above, thereafter to convey, sell, lease, sublease, mortgage, vote (except for election of members to the Board of Managers), or otherwise deal with any such Unit so acquired by them, on such terms and conditions as said attorneys-in-fact in their sole discretion determine, granting to said attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present, and (4) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium which the Board of Managers of the Condominium deems necessary or appropriate to comply with the Declaration of Condominium, or any law, ordinance or regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, the Landmarks Preservation Commission or any other public authority, applicable to maintenance, demolition, construction, alteration, repair or restoration of the Condominium or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto affecting the Condominium or the Common Elements, that the Board of Managers deems necessary or appropriate, provided such change is consistent with the Condominium Act and (5) to commence, pursue, compromise or settle tax certiorari proceedings to obtain reduced real estate tax assessments with respect to the Unit for the benefit and on behalf of the Unit Owner and at the expense of the Unit Owner and (6) to act as an agent of each Unit Owner to complain or apply to the Board of Assessment review of the assessing agency by filing a single complaint on behalf of all Unit Owners pursuant to Section 512 of the Real Property Tax Law as same may from time to time be amended or successor statute and to commence and prosecute a special proceeding for the review of assessments of real property as an aggrieved person pursuant to Section 704 of the Real Property Tax Law as same may from time to time be amended or successor statute.

The Board of Managers may retain legal counsel for the purpose of the proceedings or actions described herein on behalf of all Unit Owners and shall charge all such Unit Owners a pro rata share of expenses, disbursements and legal fees. However, with respect to proceedings or actions described herein pertaining solely to one or more Residential Units, the Board of Managers may retain legal counsel on behalf of all Owners of Residential Units and shall charge all such Residential Unit Owners a pro rata share of expenses, disbursements and legal fees as set forth herein. The Board of Managers shall have a lien pursuant to Section 339(z) of the Condominium Act for such charges.

The acts of a majority of the said Board of Managers shall constitute the acts of said attorneys-in-fact.

The undersigned does/do hereby irrevocably nominate, constitute and appoint Sterling & Seventh, LLC (the "Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, By-Laws and the Rules and Regulations of the Condominium, or any of such documents, when such amendment (i) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with Section 9 and 17 of the Declaration; or (ii) will be required by (A) an Institutional Lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (B) any governmental agency having regulatory jurisdiction over the Condominium, or (C) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivisions (i) or (ii) of this paragraph will not (x) change the Common Interest of the undersigned's Unit, (y) require a 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 an Institutional Lender covering the undersigned's Unit unless the undersigned (in the event described in subdivisions (x) or (y) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph will remain in full force and effect until such time as Sponsor or its designee will cease to own any of the Units in the Condominium.

This Power of Attorney is irrevocable and shall not be affected by the subsequent disability or incompetence of the undersigned.

IN WITNESS WHEREOF, I (we) have (has) executed this Power of Attorney this ____ day of _____, 200__.

Unit Owner

Unit Owner

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

On the ____ day of _____, in the year 200__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in ____ capacity, and that by ____ signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

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

On the ____ day of _____, in the year 200__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in ____ capacity, and that by ____ signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

**CONDOMINIUM
POWER OF ATTORNEY**

THE VERMEIL LLC

to

**The Vermeil Condominium
133 Sterling Place
Brooklyn, New York 11217**

County: Kings
Block: 942
Lot: ____ (formerly part of Lots 48, 49,
51 and 52)

RECORD AND RETURN TO:

Sander Srulowitz, Esq.
Sonnenschein, Sherman & Deutsch, LLP
888 Seventh Avenue
Suite 501
New York, New York 10106

EXHIBIT E**DEED**

THIS INDENTURE made the _____ day of _____, 200____ between The Vermeil LLC, a New York limited liability company, having a place of business at 357 Flatbush Avenue, Brooklyn, New York 11213, "Grantor", and _____, "Grantee":

WITNESSETH:

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

THE CONDOMINIUM UNIT (the "Unit") in the building (the "Building") known as The Vermeil Condominium and by the street number 133 Sterling Place, Borough of Brooklyn, County of Kings, City and State of New York, said Unit being designated and described as Unit No. _____ in the Declaration dated _____, 200____ made by Grantor, as Declarant, pursuant to Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") establishing a Plan for condominium ownership of the Building and the Land (the "Land") upon which the building is situate (which Land is more particularly described below and by this reference made a part hereof), which Declaration was recorded in the Kings County Office of the Register of the City of New York on _____, 200____ as CRFN _____ (which Declaration and amendments thereto are hereinafter collectively referred to as the "Declaration"). This Unit is also designated as Tax Lot _____ in Block 942 of the County of Kings on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of the Building certified by David Danois, Registered Architect and filed with the Real Property Assessment Department on _____ as Condominium Plan No. _____ and also filed in the Kings County Office of the Register of the City of New York on _____ as Condominium Map No. _____.

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

BEING A PORTION of the premises conveyed to Grantor by deed dated September 13, 2002 from Sterling & Seventh Corp. and recorded in the Kings County Office of the Register of the City of New York on October 31, 2002 in Reel 5874 at Page 0952.

TOGETHER with an undivided _____% interest in the Common Elements (as such term is defined in the Declaration).

TOGETHER with and SUBJECT to the rights, obligations, easements, restrictions and other provisions set forth in the Condominium Offering Plan pursuant to which this Deed is made, as the same may be amended from time to time, and in the Declaration, Floor Plans and the By-Laws of The Vermeil Condominium, as the same may be amended from time to time, all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein.

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

TOGETHER with and subject to all easements of subjacent support and necessity in favor of such Unit or in favor of other Units or the Common Elements.

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

The Land on which the building and unit is located is situated in the Borough of Brooklyn, County of Kings, City and State of New York and is more fully described in the Declaration 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: **See Schedule A**, annexed hereto.

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

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

AND 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 to be applied first for purpose of paying the cost of the improvement before using any part of the total of the same for any other purpose.

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

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

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

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

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

GRANTOR:

The Vermeil LLC

By: _____
Dan Aizer, Managing Member

GRANTEE(S):

[Signature]

[Signature]

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

On the ____ day of _____, in the year 200__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

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

On the ____ day of _____, in the year 200__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that __he executed the same in _____ capacity, and that by _____ signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

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

On the ____ day of _____, in the year 200__, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that __he executed the same in _____ capacity, and that by _____ signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

SCHEDULE A

(Property Description)

CONDOMINIUM UNIT DEED

THE VERMEIL LLC

to

**The Vermeil Condominium
133 Sterling Place
Brooklyn, New York 11217**

Residential/Commercial Unit No.: _____

County: Kings
Block: 942
Lot: _____ (formerly part of Lots 48, 49,
51 and 52)

RECORD AND RETURN TO:

(Exhibit F to the Offering Plan)

DECLARATION

Establishing a Plan for Condominium Ownership
of the Premises known as and by the street number

133 Sterling Place
Brooklyn, New York 11217

Pursuant to Article 9-B of the
Real Property Law of the State of New York

Name of Condominium: The Vermeil Condominium

Sponsor-Declarant: The Vermeil LLC
357 Flatbush Avenue
Brooklyn, New York 11213

Date of Declaration: _____, 200__

Location: Block 942, Lots _____ to _____ of the Tax Map
of the Borough of Brooklyn, Kings County
(formerly Lots 48, 49, 51 and 52)

Record and return to:

SONNENSCHIN, SHERMAN & DEUTSCH, LLP
Attorneys for Sponsor-Declarant
888 Seventh Avenue, Suite 501
New York, New York 10106
(212) 245-6754
Attention: Sander Srulowitz, Esq.

DECLARATION OF THE VERMEIL CONDOMINIUM

Table of Contents

ARTICLE 1 - SUBMISSION OF PROPERTY	
ARTICLE 2 - THE LAND	
ARTICLE 3 - THE BUILDING	
ARTICLE 4 - THE UNITS	
ARTICLE 5 - DIMENSIONS OF UNITS	
ARTICLE 6 - COMMON ELEMENTS	
ARTICLE 7 - DETERMINATION OF PERCENTAGES IN COMMON ELEMENTS	
ARTICLE 8 - USE OF UNITS	
ARTICLE 9 - SUBDIVISION, COMBINATION AND ALTERATION OF UNITS	
ARTICLE 10 - PERSON TO RECEIVE SERVICE	
ARTICLE 11 - ENCROACHMENTS	
ARTICLE 12 - EASEMENTS	
ARTICLE 13 - COVENANT OF FURTHER ASSURANCES	
ARTICLE 14 - UNITS SUBJECT TO DECLARATION, BY-LAWS, RULES AND REGULATIONS	
ARTICLE 15 - POWERS OF ATTORNEY TO DECLARANT & THE BOARD OF MANAGERS	
ARTICLE 16 - ACQUISITION OF UNITS BY BOARD OF MANAGERS	
ARTICLE 17 - AMENDMENTS TO DECLARATION	
ARTICLE 18 - TERMINATION OF CONDOMINIUM	
ARTICLE 19 - SEVERABILITY	
ARTICLE 20 - WAIVER	
ARTICLE 21 - CAPTIONS	

ARTICLE 22 - GENDER
ARTICLE 23 - SUCCESSORS AND ASSIGNS
ARTICLE 24 - INCORPORATION BY REFERENCE

SCHEDULES TO THE DECLARATION

SCHEDULE A
SCHEDULE B
SCHEDULE C
SCHEDULE D

DECLARATION
of
THE VERMEIL CONDOMINIUM

(Pursuant to Article 9-B of the Real Property Law of the State of New York)

Declarant, The Vermeil LLC (the "Declarant"), a New York limited liability company maintaining an office at 357 Flatbush Avenue, Brooklyn, New York 11213, hereby submits the land it owns located at 133 Sterling Place, Brooklyn, New York (the "Land"), and the building and improvements thereon erected (the "Building", together, such Land, Building and Improvements are sometimes referred to herein as the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") to create the Condominium to be known as "The Vermeil Condominium." Declarant is sometimes referred to herein as "Sponsor" as such term is defined in the Offering Plan to convert the Property to Condominium ownership (the "Offering Plan"). Declarant hereby declares as follows:

ARTICLE I
SUBMISSION OF PROPERTY

1.1 Declarant hereby submits the Property to the provisions of the Condominium Act and pursuant hereto does establish the Condominium to be known as "The Vermeil Condominium."

1.2 The Condominium and the Property shall comprise the Land and the Building and shall consist of a total of forty-four (44) Units made up of twenty-two (22) Residential Units and twenty-two (22) Parking Units, all as set forth on Schedule B annexed hereto, subject to the terms and conditions of this Declaration.

1.3 Attached to this Declaration as Schedule C and made a part hereof are the By-Laws of the Condominium which set forth detailed provisions governing the operation, use and occupancy of the Condominium (said By-Laws, as they may be further amended from time to time, are hereinafter referred to as the "By-Laws").

ARTICLE 2
THE LAND

The Land is the parcel of land designated prior to the creation of the condominium Units as Block 942, Lots 48, 49, 51 and 52 on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York, and more particularly described as all that certain tract, piece and parcel of land situate, lying and being in the County of Kings, City

and State of New York as described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Declarant in fee simple absolute.

ARTICLE 3

THE BUILDING

The Building erected on the Land contains a cellar and five (5) structural stories above the cellar level. The structure of the Building consists of exterior concrete load bearing masonry walls with solid brick exterior facing.

The Building shall contain twenty-two (22) Parking Units in a portion of the cellar floor and twenty-two (22) Residential Units on the first through fifth floors. The Parking Units and the Residential Units are collectively referred to as the "Units". There will also be seventeen (17) Storage Bins located in the cellar which will be part of the Common Areas and will offered to Residential Unit Owners under a license agreement from the Board of Managers.

Domestic water is supplied via a domestic water service line connecting the Building to the City water main. Sanitary and storm water drainage are provided through piping to a combined sanitary and storm drain that exits the Building and is connected to the public New York City sewer lines.

The Building shares a partial party wall with the property to the north known by the address 24 Seventh Street and Declarant has entered into a Party Wall Agreement with the owner of such property.

ARTICLE 4

THE UNITS

Schedule B annexed hereto and made a part hereof sets forth the following data with respect to the Units necessary for the proper identification thereof: Unit designation; tax lot number; approximate square foot area; location; the portions of the Common Elements (as hereinafter defined) to which the Unit has immediate access or the right to exclusive use; and the percentage of interest in the Common Elements. The Residential Units are designated as Units 1A through 1E, 2A through 2E, 3B, 3D and 3E and 4A through 4G and the Parking Units as P1 through P22. The land area of the Property and the location of the Building are shown on a Site Plan made by Danois Architects, P.C., to be filed in the Kings County Office of the Register of the City of New York ("City Register's Office"). The locations of the Units are shown on the Floor Plans of the Building (the "Floor Plans"), certified by Danois Architects, P.C., and filed in the City Register's Office simultaneously with the recording of this Declaration.

ARTICLE 5

DIMENSIONS OF UNITS

The dimensions of the Residential and Parking Units shown on the floor plans reflect the approximate dimensions of each Unit. Accordingly, with respect to the Residential, they measure the approximate distance from the outer face of the masonry of the outer walls of the building to the center line of the wall separating the Unit from corridors, stairs, elevators, mechanical spaces and other Units. The vertical measurement of the Unit shall be from the unexposed surface of the gypsum wallboard, plaster, concrete or other material forming the ceiling of the highest story level of the Unit to the upper surface of the sub-floor of the lowest story level of the Unit; with respect to doors within the unit which open either onto a Common Element or the exterior of the Property, the Unit shall be defined by the exposed face of the exterior side of such door. With respect to the Parking Units, they begin on the upper surface of the cellar concrete flooring and shall end at a height of approximately seven feet (7') above the surface of the concrete flooring and shall be approximately eight feet six inches (8'6") wide by seventeen feet six inches (17'6") long.

Each Residential Unit shall include (i) the entrance doors including terrace doors, (ii) all windows located within or opening from the Unit; (iii) interior doors, partitions, walls, floors, fixtures, equipment, cabinets, appliances, and finishes which are located within the Unit; (iv) heating and air-conditioning units, branch piping, ducts, wiring, sprinkler heads and other mechanical equipment or installations that are appurtenant to such Unit and that benefit only that Unit, regardless of the location of such elements and (v) all other facilities affixed, attached, or appurtenant to such Unit and which benefit only that Unit.

ARTICLE 6

COMMON ELEMENTS

The Common Elements of the Condominium (the "Common Elements") are comprised of the General Common Elements, which are described in Paragraph (a) of this Article 6 and the Limited Common Elements which are described in Paragraph (b) of this Article 6.

6.1 The General Common Elements consist of the entire Land described in Article 2 of this Declaration and that portion of the Building not incorporated into or which is not a Unit or does not exclusively service a particular Unit or which is not part of a Limited Common Element pursuant to Paragraph (b) of this Article 6, and will include, without limitation, the following:

- (i) the Land, including without limitation, the portions of the Land on which the Building is erected, and all other improved and unimproved areas not within the Units together with all easements, rights and privileges appurtenant thereto;

- (ii) all foundations, columns, girders, beams, joints, supports, exterior walls, interior bearing walls, portions of the cellar, elevators, staircases, stair bulkhead, corridors, subfloors and roofs, except for portions thereof specifically designated herein or on the Floor Plans as parts of Units or Limited Common Elements; those portions of the walls and partitions dividing the Units from corridors and stairs located beyond the exposed face of the wallboard enclosing the Unit; and those portions of the walls and partitions dividing Units located between the unexposed faces of both wallboard walls enclosing the Units;
- (iii) the water and sewer pipes from the City water main and public sewer line to the meters servicing the Units, if any, or to the point where they are within the boundaries of the Unit;
- (iv) the areas in the cellar, including, without limitation, those designated on the Floor Plans as rooms for utility services, the boiler room, compactor room, hallways and elevators and meter rooms.
- (v) all central and appurtenant installations for services such as heat, hot water, air conditioning, power, light, telephone, refuse compacting, water and sewer and all gas, water, sewer and drainage pipes, drywells, detention tanks, risers, valves, fittings, flues and appurtenances thereto to the extent such installations and fixtures service multiple Units;
- (vi) the sprinkler system including fittings, valves, sprinkler heads and piping servicing the Units;
- (vii) the elevators serving the cellar through the fifth floor level including elevator component parts, elevator shafts and pits and elevator machine room;
- (viii) the ramp (driveway) to the cellar garage and the common driveways in the cellar;
- (ix) first floor vestibule, recreation room, lobby and doors and windows from the lobby to the outside;
- (x) the hallways serving more than one (1) Unit;
- (xi) all other apparatus and installations existing in the Building for the common use or necessary or convenient to the existence, maintenance or safety of the Building; and
- (xii) the Storage Bins which may only be used by a Unit Owner of a Residential Unit as an accessory use to his/her Residential Unit in the Building as permitted by the Zoning Resolution of the City of New York, provided that such use is consistent with applicable governmental regulations

and with the Declaration and By-Laws of the Condominium, including, without limitation, the rules and regulations that are a part of the By-Laws. Notwithstanding the foregoing, no such Storage Bin may be used, occupied or leased for use which causes an increase in the cost of insurance carried by the Condominium unless such increase in premium is paid by the Unit Owner whose change in use causes the increases.

6.2 The Limited Common Elements consist of all portions of the Land and the Building (other than the Units) that are for the use of one or more specified Units to the exclusion of all other Units. They are designated on the Floor Plans as Limited Common Elements. The Limited Common Elements include, without limitation:

- (i) any portion of the roof patios located on the roof of the cellar (other than the structural elements thereof), to which there is exclusive use by Residential Units 1A, 1B and 1C as shown on the Floor Plans, which shall be a Limited Common Element for the exclusive use of such Residential Units;
- (ii) the fifth floor terraces adjacent to the fifth floor portions of Units 4A through 4E and the fifth floor garden area;
- (iii) the terrace portions of the top (sixth) floor roof of the building (other than the structural elements thereof) to which there is an exclusive use of Residential Units 4A through 4D and 5A as shown on the Floor Plans, which shall be a Limited Common Element for the exclusive use of such Residential Units;
- (iv) the entrance and exit doors, glass doors, canopies and corridors (if any) leading directly and exclusively from any street or Limited Common Element to any Unit or any portion thereof, which is not part of a Unit, which shall be a Limited Common Element for the exclusive use of such Unit;
- (v) all central and appurtenant installations for services such as heat, hot water, air conditioning, power, light, telephone, cable, DSL, refuse compacting, intercom, water and sewer and all gas, water, sewer and drainage pipes, risers, valves, fittings, flues and appurtenances thereto to the extent such installations and fixtures service a Unit exclusively;
- (vi) the stairways and vestibules above the first floor which services one Unit and/or its Limited Common Element exclusively; and
- (vii) The portion of the sprinkler system including fittings, valves, sprinkler heads and pipe servicing Units respectively, which shall be for the exclusive use of the Unit served by such system.

Unit Owners are also generally responsible for the maintenance of Limited Common Elements which are appurtenant to their Units. Every Unit with a terrace,

garden area or roof terrace shall have the responsibility for the maintenance and repair of all railings, pavers or tiles, fencing, installations, planters, floor covering, doors and windows opening onto or leading to such terrace or garden area and to any roofing or structural material damaged by the Unit Owner, including damage caused by the weight of planters or defective pottage. No planters or other objects may be placed on any terrace, garden area or balcony that impose weight on such terrace or balcony exceeding forty (40) pounds per square foot, and no terrace or garden area may be enclosed.

ARTICLE 7

DETERMINATION OF PERCENTAGES IN COMMON ELEMENTS

The percentages of interest of the respective Units in the Common Elements are as set forth on Schedule B.

Such percentages are based upon method (iv) contained in Section 339-i (1)(iv) and Section 339-i (2) of the Condominium Act, that is, upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit, except that the percentages of interest of the Parking Units, in addition to the foregoing, are based on Sections 339-i (2) and 339-m of the Condominium Act, being non-residential Units.

ARTICLE 8

USE OF UNITS

As more particularly set forth in the By-Laws, each Residential Unit may be used only as a residence and not more than one natural person and his/her family members (spouse, parents, grandparents, children, grandchildren, nieces and nephews) or domestic partner may occupy a Residential Unit at one time.

A Residential Unit owned or leased by a corporation, partnership, limited liability company, fiduciary or any other entity may be occupied only by an officer, director, member, stockholder or employee of such corporation or by a partner or employee of such partnership or by said fiduciary (including a director, officer, member, stockholder or employee of a corporate fiduciary and a partner or employee of a partnership fiduciary), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, or by family members of any of the foregoing. Units may only be leased in accordance with the By-Laws and the Rules and Regulations. Sale or lease of Units are subject to the right of the Board of Managers to exercise a Right of First Refusal as set forth in Article VIII of the By-Laws. Leasing of Residential Units are also subject to certain restrictions as set forth in Article VIII of the By-Laws.

Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, the Sponsor or its designee may, without the permission of the Board of Managers or the Unit Owners, retain ownership of one or more Units for use as models, or sales, business or administration offices, place signage of any size and in any location on the Property, in connection with the sale or rental of the Units until such time as all such Units have been conveyed to Purchasers thereof, and lease any Units to third parties, even if they are not owners of a Residential Unit.

Further restrictions on the use of the Units are set forth in the By-Laws.

ARTICLE 9

SUBDIVISION, COMBINATION AND ALTERATION OF UNITS

9.1 Subject to any applicable building and fire codes, rules and regulations, zoning and other requirements of governmental authorities, the Declarant or its designee, or the successor of the Declarant as to more than one unsold Unit (where Sponsor so designates such successor), shall have the right, at its sole cost and expense and without the requirement of consent of the Board of Managers, the other Unit Owners or anyone else, to change the layout and/or size and/or number of rooms in any unsold Unit, change the number of unsold Units, by subdividing one or more Unsold Residential Units into separate Residential Units, combining separate unsold Units into one or more unsold Residential Units or altering the boundary walls of unsold Units, incorporating Common Elements into unsold Residential Units, and in connection therewith to reapportion among the Units affected by any such change, subdivision, combination or alteration, their respective appurtenant percentage interests in the Common Elements. Further, after this Declaration is recorded, the Declarant has the right to convey a portion of the General or Limited Common Elements to a purchaser (only in connection with a conveyance of one or more Units), without the consent of any other Unit Owners, if such Common Element consists of hallway space between two Units. In such event, (i) the Declaration and Floor Plans will be amended to reflect that the affected Common Element shall henceforth be designated as a Limited Common Element appurtenant to said Unit or Units, and; (ii) the legal description and percentage interest in the Common Elements of the appurtenant Units shall not be affected by such change. Any such change by the Declarant or its designee which is required by law to be included in an amendment to the Declaration will be reflected in a duly recorded amendment to the Declaration, the revised Floor Plans and other documents as may be necessary to effectuate the change, prepared by the Declarant or its designee and meeting the requirements of Article 9-B of the New York Real Property Law. Such amendment to the Declaration and other documents shall be executed by the Condominium Board of Managers upon presentation and demand by the Declarant (which execution shall be deemed a mere ministerial function and subject to injunctive relief in favor of the Declarant), but the recording thereof and the filing of revised Floor Plans and all costs of preparation and recording in connection therewith shall be the obligation of the Declarant or its designee.

Any amendment made pursuant to this Section 9.1 shall in no event (i) materially and adversely change the Common Interest of any other Unit not then owned by Declarant unless the Owner of such other affected Unit shall consent thereto, (ii) require a physical modification of any other Unit not then owned by Declarant unless the Owner of such other affected Unit shall consent thereto or (iii) adversely affect the priority of validity of the lien of any mortgage encumbering an affected Unit unless the Unit Owner (in the event described in subparagraph (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subparagraph (iii) of this paragraph) shall consent thereto and provided such additions, alteration or improvement is permitted by applicable law and building and fire codes.

9.2 Except for the Declarant or its designee(s) and principals thereof, no Unit Owner shall make any structural addition, alteration, or improvement in or to any Unit or any appurtenant Limited Common Element without first (i) obtaining the consent of the Board of Managers not to be unreasonably withheld or delayed, (ii) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe, (iii) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, (iv) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its members and officers, and all other Unit Owners from and against any liability, cost or expense arising out of or connected to such work, and (v) complying with the provisions of the By-Laws concerning the prerequisites for such addition, alteration or improvement. Notwithstanding the foregoing, no Unit Owner may increase the floor area of the Building or transfer or attempt to transfer development rights or air rights.

Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit or any Common Element will be executed by the Board of Managers without, however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or material man on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

All responsibility with respect to any such addition, alteration or improvement shall remain with the Unit Owner until conveyance of the Unit, at which time such responsibility shall, without need for any writing or agreement, pass to and is assumed by the transferee and the successors and assigns of such transferee.

9.3 The Declarant and its designee, successors and assigns reserve the exclusive right to utilize in any manner and for any purpose whatsoever (other than for the purpose of expanding the size of the Building) any and all development rights and/or air rights which may be appurtenant to the Property as of the date of this Declaration or which may hereinafter accrue with respect thereto. No income or profit derived by the Declarant in connection with its usage or transfer of such development rights and/or air rights shall

accrue to the benefit of the Condominium or any Unit Owner other than the Declarant or such designee, successor or assignee.

9.4 The provisions of this Article as they relate to the Declarant or its designee may not be added to, amended, modified or deleted without the prior written consent of the Declarant or its designee, as the case may be.

ARTICLE 10

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York is hereby designated to receive service of process in any action that may be brought against the Condominium. The Secretary of State shall promptly send a copy of any process served upon them to Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Suite 501, New York, NY 10106.

ARTICLE 11

ENCROACHMENTS

If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements as a result of construction of the Building, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent (when required by the By-Laws) of the Board of Managers or made by a Unit Owner in accordance with this Declaration or the By-Laws, or (c) repair or restoration of the Building (or any portion thereof) or a Unit or of the Common Elements after damage or destruction by fire or other casualty, or (d) condemnation or eminent domain proceedings of all or any portion of the Building or a Unit or the Common Elements, then in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand, provided that the creation of such encroachment was not intentional and that it does not materially impair the utilization of the portion of the Building encroached upon for its intended and assigned purpose.

ARTICLE 12

EASEMENTS

12.1 Each Unit Owner shall have an easement in common with the Owners of other Units to inspect, use, maintain, construct, repair, alter and replace all Common Elements wherever on the Property they may be located. Each Unit shall be subject to an easement in favor of all other Units to use, maintain, repair, alter, restore, rebuild or

replace any and all Common Elements serving such other Units and located in such Unit or such Unit's appurtenant Limited Common Elements. The Board of Managers shall have a right of access to each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building, provided that such right of access shall be exercised in such manner as will not unreasonably interfere with the normal conduct of the business being transacted at the Commercial Unit(s). Such entry shall be permitted on not less than one (1) day's notice, except that no notice will be necessary in the case of an emergency. The General Common Elements of the Condominium shall be repaired and maintained by and at the cost and expense of the Condominium.

12.2 The Unit Owners shall each have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of each other and the Common Elements. They shall each have an easement in common with the others for the benefit of themselves, their licensees and invitees, for ingress and egress through all Units and all Common Elements as required in an emergency. They shall further each have easements over the Common Elements as are reasonably necessary to allow use of said Units for the purposes set forth herein.

12.3 The Board of Managers shall have the right to grant such additional electric, gas, steam, water, sewer, drainage or other utility easements or relocate any existing utility easements in an portion of the Property as the Board shall deem necessary or desirable for the proper operation and maintenance of the Building, or any portion thereof, provided that such additional easements will not prevent or unreasonably interfere with the normal conduct of business of the Commercial Unit Owner(s) and their tenants. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easements.

12.4 Each Unit Owner whose Unit has one or more appurtenant Limited Common Elements shall have an easement of access through the Common Elements and an exclusive easement or easement for use in common (as appropriate) for the enjoyment thereof.

12.5 So long as it is the Owner of one or more Unsold Units, the Declarant shall have an easement over, under and through the Common Elements and building system Limited Common Elements to install equipment relating to the heating and hot water system and other mechanical systems in the Building, including the right to store materials in said Common Elements and Limited Common Elements and the right to enclose any pipes, ducts, etc., within walls.

12.6 The Declarant and its designees shall have an easement, over the Common Elements, the Limited Common Elements and the Units (i) to maintain a sales office and/or model Units, (ii) to erect, maintain, repair and replace from time to time one or more selling, directional and informational signs on the Property as it deems necessary for the purposes of advertising the sale or lease of Units and (iii) for access to Units and all Limited and General Common Elements consistent with the purposes of the Offering Plan, as same may be amended and Declarant's rights and obligations thereunder, including, without

limitation, the right to construct, renovate, maintain, repair, refurbish, enclose, alter, offer, sell and lease Units, and to construct, renovate, maintain, repair, refurbish, enclose the Common Elements, including, without limitation, the elevators, plumbing, electrical, HVAC, telecommunication and any other mechanical machinery, equipment, pipes, wires and conduits necessary or appurtenant to the Units, including the right to store materials in said Common Elements and Limited Common Elements, together with their respective appurtenant percentage interests in the Common Elements, until such time as all such Units have been conveyed to purchasers thereof.

12.7 The user of any easement granted by this Article 12 shall have the responsibility of repairing any damage resulting therefrom. No fee or charge may be imposed by the Board of Managers for any easement granted herein.

12.8 The Declarant and its designee shall have the right to erect, maintain, alter, repair or replace, from time to time, at their sole discretion, exterior signage, provided they are approved by Declarant, so long as the Declarant owns a Unit, and they are located next to the entrance to the ground floor, provided they are in compliance with local law.

12.9 The Board of Managers shall have an easement over the roof top Limited Common Elements of the appurtenant Unit Owners for access to the elevator equipment room and any emergency exits and/or fire stairs. In addition, the Board of Managers shall have access to the Limited Common Elements for the purpose of maintaining, repairing and improving the Common Elements. The Unit Owners shall also have access over the Limited Common Elements to the extent such access is required for fire safety purposes.

12.10 The owner of the property which shares the partial north party wall of the Building will have a such easements of access to the Common Elements, Limited Common Elements and Units as are granted in the Party Wall Agreement.

12.11 The Board of Managers of the adjoining Sterling Place Condominium has an easement over a portion of the cellar for the purpose of maintaining, repairing and/or replacing the pump and the piping of its geothermal wells located in the cellar of the Building so long as the geothermal wells are used for heating and cooling such condominium in accordance with the easement recorded in the City Register's Office on August 18, 2000 at Reel 4946, Page 1097.

ARTICLE 13

COVENANT OF FURTHER ASSURANCES

13.1 Any party subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, or the occupant of a portion of a Unit, a member of the Board of Managers, an officer of the Condominium, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action as such other party may reasonably request to

effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

13.2 If any Unit Owner or any other party subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which the Unit Owner or such other party is required to take pursuant to this Declaration, then the Board of Managers is hereby authorized as attorney-in-fact for such Unit Owner or other party, 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 party, and such document or action shall be binding on such Unit Owner, or other party.

13.3 If any Unit Owner or the Board of Managers or any other party 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 (10) days after request therefor, to take any action that the Board of Managers, any Unit Owner, or other party is required to take pursuant to this Declaration at the request of the Declarant or its successors, then the Declarant or its successors is hereby authorized as attorney-in-fact for the Board of Managers, such Unit Owner, or other party, 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 the Board of Managers, such Unit Owner, or other party, and such document or action shall be binding on the Board of Managers, such Unit Owner, or other party, as the case may be.

13.4 Nothing contained in this Article 13 shall be in derogation of Section 339(i) of the Condominium Act; and nothing contained in this Article 13 shall preclude the Declarant, the Board of Managers or any Unit Owner from exercising any other rights and remedies available.

ARTICLE 14

UNITS SUBJECT TO DECLARATION, BY-LAWS, RULES AND REGULATIONS

14.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations annexed thereto, 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 every part thereof and interest therein, and all of the provisions thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, 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 owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations as they may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into

occupancy of a Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws, and Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were stipulated at length in each and every deed and conveyance and lease thereof.

ARTICLE 15

POWERS OF ATTORNEY TO DECLARANT AND THE BOARD OF MANAGERS

15.1 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, (i) to take all actions on behalf of the Condominium as authorized by this Declaration and by the By-Laws, (ii) to apply for a reduction in the assessed valuation of the Unit as part of a single application on behalf of all Unit Owners, prosecute and settle any such action, and (iii) to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired or to sublease any Unit so leased by the Board of Managers.

15.2 Each Unit Owner shall also be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution the Declaration, Declarant to amend this Declaration pursuant to the terms of Articles 9 and 17 hereof.

ARTICLE 16

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 Interests"), pursuant to the provisions Section 339-x of the Real Property Law of the State of New York, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant interests, title to any such Units together with the Appurtenant Interests shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all 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, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

ARTICLE 17

AMENDMENTS TO DECLARATION

17.1 Except as otherwise provided herein or in the By-Laws with respect to amendments, modifications, additions or deletions, this Declaration may be amended, modified, or amended by a vote of at least sixty-six and two-thirds (66-2/3%) percent in common interest of all Unit Owners cast in person or taken by proxy in accordance with the provisions of the By-Laws, or in lieu of a meeting, by written amendment approved in writing by sixty-six and two-thirds (66-2/3%) percent in common interest of all Unit Owners.

Notwithstanding anything herein to the contrary, in the event that the interest of the Declarant or its designee is adversely affected by any such proposed amendment, deletion or modification, or any of the rights, powers, easements, privileges or benefits reserved to the Declarant or its designee, are to be eliminated, changed or impaired thereby, then this Declaration shall not be amended without the prior written consent of the Declarant or its designee. In the event the allocation of Common Interest appurtenant to a Unit Owner's Unit is materially and adversely altered, then this Declaration shall not be amended without the written consent of the affected Unit Owner. In addition, no amendment which adversely affects the lien of any mortgage on a Unit may be made without the written consent of the affected mortgagee.

17.2 The Declarant hereby reserves the right to amend or (on request of Declarant or its designee) to require the Board of Managers to duly execute and record in the City Register's Office, an amendment to this Declaration, at any time, without the requirement of a vote of Unit Owners and without the approval or consent of any Unit Owners or mortgagees, for the purposes of (i) filing revised or amended Floor Plans required by New York Real Property Law Section 339-p for the portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and/or the revised or amended Floor Plans the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p; (ii) changing the designation, the approximate square foot area, the layout, interior dimensions and/or the number of rooms in an unsold Unit or the number of Unsold Residential or Parking Units or Storage Bins; (iii) re-allocating common interests of one or more Unsold Units; (iv) making insubstantial changes to this Declaration; (v) making such changes to this Declaration and to the By-Laws and Floor Plans as may be required by the New York State Department of Law or by any governmental agency with jurisdiction over the property or over the offering of condominium units to the public in order to enable the Declarant to make a public offering of the Units which will include such additional Units as may hereafter be created by the Declarant by construction, alteration, combination and/or addition to existing Units and the Common Elements appurtenant thereto, as provided in Article 9 hereof or otherwise in this Declaration, the By-Laws or the Offering Plan; and (vi) making any other changes to this Declaration and to the By-Laws and Floor Plans as authorized in this Declaration.

No such amendment shall be effective until recorded in the City Register's Office.

17.3 The provisions of this Article may not be amended or deleted in whole or in part without the consent of the Declarant or its designee, so long as the Declarant or its designee owns any Unit.

17.4 In the case of an amended to the condominium documents by the Condominium Board, the amendment shall be signed and acknowledged in recordable form by the president or a vice president and by the secretary or an assistant secretary of the Condominium and shall include a certification by the secretary or an assistant secretary that the required percentage of Unit Owners have approved or consented to the amendment. In the case of an amendment to the condominium documents by the Declarant, the amendment shall be signed and acknowledged in recordable form only by a person authorized by, or having authority to act on behalf of, the Declarant. Notwithstanding the foregoing, the Condominium Board shall sign and acknowledge any amendment permitted to be signed and acknowledged by the Declarant pursuant to this Declaration and the By-Laws, if requested to do so by the Declarant.

17.5 Any person authorized to sign, acknowledge and record an amendment to this Declaration is also authorized to cause to be properly certified and filed and/or recorded with the tax assessor (and other Governmental Authority having jurisdiction) and in the City Register's Office any appropriate amendments to the Floor Plans whenever required in connection with such amendment to this Declaration (such as in the case of amendment to this Declaration to reflect a Unit subdivision or Unit combination pursuant to Article 9).

17.6 A conformed copy of any amendment to the Condominium documents shall be filed promptly with the Secretary or assistant secretary of the Condominium or the Condominium's managing agent by the applicable party recording the amendment and shall be made available by the Condominium Board at the property or the office of the managing agent for inspection (without charge) and copying (at a reasonable charge) by all Unit Owners, permitted mortgagees, mortgage representatives, if any, and prospective purchaser, mortgage lenders or tenants of a Unit and authorized representatives of each of the foregoing.

ARTICLE 18

TERMINATION OF CONDOMINIUM

The Condominium shall continue until:

18.1 terminated by casualty, loss, condemnation, or eminent domain as provided in the By-Laws;

18.2 terminated by withdrawal of the Property from the provisions of the New York Condominium Act by a vote of at least eighty (80%) percent of all Unit Owners both in number and in common interest and at least eighty (80%) percent in common interest of the Commercial Unit Owners.

In the event said withdrawal is authorized, the Property shall be subject to an action for partition by any Unit Owner or its lienor as if owned in common, in which event the net proceeds of sale shall be divided among the Unit Owners in proportion to their respective Common Interests, provided that no payment shall be made to a Unit Owner until there has first been paid out of such share of the net proceeds all liens on said Unit, in order of priority of such liens.

ARTICLE 19

SEVERABILITY

The invalidity of any provision of this Declaration or the enforceability of any provision as against any person or under certain circumstances shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provisions had never been included herein, and shall be valid and enforced to the fullest extent permitted by law.

ARTICLE 20

WAIVER

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

ARTICLE 21

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision thereof.

ARTICLE 22**GENDER**

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

ARTICLE 23**SUCCESSORS AND ASSIGNS**

The rights and/or obligations of the Declarant and its designees set forth herein shall insure to the benefit of, and be binding upon, any successor, assign or designee of the Declarant provided that at the time of assignment the rights of the Declarant or designee are specifically assigned in writing to such successor, assignee or designee, except as specifically set forth in this Declaration or in the By-Laws. The Declarant shall have the right, at any time in its sole discretion to assign, transfer or encumber its interests herein, whether by merger, consolidation, lease, assignment or otherwise.

ARTICLE 24**INCORPORATION BY REFERENCE**

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Schedule A; (ii) the description of the Units annexed hereto as Schedule B; (iii) the By-Laws annexed hereto as Schedule C; (iv) the Unit Owner's Power of Attorney annexed hereto as Schedule D; and (v) the Floor Plans are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof.

[CONTINUED ON SIGNATURE PAGE]

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be duly executed this ____ day of _____, 2006.

The Vermeil LLC,
a New York limited liability company

By: _____
Name:
Office:

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

On the ____ day of _____, in the year 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he execute the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.

Notary Public

SCHEDULE A

Description of the Land

SCHEDULE B TO THE DECLARATION

The Vermeil Condominium

133 Sterling Place, Brooklyn, New York 11213

[illegible]

SCHEDULE C

SCHEDULE C

By-Laws

SCHEDULE D

Form of Power of Attorney

EXHIBIT G

to the Offering Plan

BY-LAWS

OF

THE VERMEIL CONDOMINIUM

SONNENSCHNEIN, SHERMAN & DEUTSCH, LLP
Attorneys for the Declarant

888 Seventh Avenue, Suite 501
New York, New York 10106
Attention: Perry Balagur, Esq.
Sander Srulowitz, Esq.

EXHIBIT C

to the Declaration

BY-LAWS OF THE VERMEIL CONDOMINIUM

Table of Contents

ARTICLE I - GENERAL	1
Section 1 - Unit Ownership	1
Section 2 - Applicability of By-Laws	1
Section 3 - Application	1
Section 4 - Office	2
ARTICLE II - CONDOMINIUM BOARD OF MANAGERS	2
Section 1 - Number and Term	2
Section 2 - Powers and Duties	2
Section 3 - Managing Agent and Manager	6
Section 4 - First Board of Managers and Declarant's Representation	6
Section 5 - Removal	7
Section 6 - Vacancies	7
Section 7 - Organization Meeting	7
Section 8 - Regular Meeting	7
Section 9 - Special Meeting	7
Section 10 - Waiver of Notice	8
Section 11 - Quorum of Board of Managers	8
Section 12 - Fidelity Bonds	8
Section 13 - Compensation	8
Section 14 - Liability of the Board of Managers	8
Section 15 - Committees	9
ARTICLE III - UNIT OWNERS	9
Section 1 - Annual Meetings	9
Section 2 - Place of Meetings	10
Section 3 - Special Meetings	10
Section 4 - Notice of Meetings	10
Section 5 - Adjournment of Meetings	10
Section 6 - Order of Business	10
Section 7 - Title to Units	11
Section 8 - Voting	11
Section 9 - Quorum	11
Section 10 - Majority of Unit Owners	11
Section 11 - Action by Unit Owners	11
Section 12 - Action Without Meeting	11
ARTICLE IV - OFFICERS	12
Section 1 - Designation	12
Section 2 - Election of Officers	12
Section 3 - Removal of Officers	12
Section 4 - President	12

Section 5 - Vice President	12
Section 6 - Secretary	12
Section 7 - Treasurer	13
Section 8 - Agreements, Contracts, Deeds, Checks, etc	13
Section 9 - Compensation of Officers	13
ARTICLE V - NOTICES	13
Section 1 - Notices	13
Section 2 - Waiver of Service of Notice	13
ARTICLE VI - OPERATION OF THE PROPERTY	14
Section 1 - Determination of Common Expenses and Fixing of Common Charges	14
Section 2 - Insurance	15
Section 3 - Repair or Reconstruction After Fire or Other Casualty	16
Section 4 - Payment of Common Charges	17
Section 5 - Assessment Roll and Collection of Assessments	18
Section 6 - Default in Payment of Common Charges	18
Section 7 - Foreclosure of Liens for Unpaid Common Charges	19
Section 8 - Statement of Common Charges	19
Section 9 - Maintenance and Repairs	19
Section 10 - Restrictions on Use of Units	20
Section 11 - Additions, Alterations or Improvements by Board of Managers ..	22
Section 12 - Additions, Alterations or Improvements by Unit Owners	22
Section 13 - Use of Common Elements	24
Section 14 - Right of Access	24
Section 15 - Rules and Regulations	24
Section 16 - Electricity	24
Section 17 - Gas	24
Section 18 - Water Charges and Sewer Rents	25
Section 19 - Abatement and Enjoinment of Violations by Unit Owners	25
Section 20 - No Right of Partition	26
ARTICLE VII - MORTGAGES	26
Section 1 - Notice to Board of Managers	26
Section 2 - Notice of Unpaid Common Charges	26
Section 3 - Notice of Default	26
Section 4 - Examination of Books	26
ARTICLE VIII - SALES, LEASES AND MORTGAGES OF RESIDENTIAL AND COMMERCIAL UNITS	26
Section 1 - Sales and Leases	26
Section 2 - Consent of Unit Owners to Purchase or Lease of Units by Board of Managers	28
Section 3 - No Severance of Ownership	29
Section 4 - Release by Board of Managers of Right of First Refusal	29
Section 5 - Certificate of Termination of Right of First Refusal	29

Section 6 - Financing of Purchase of Units by Board of Managers	29
Section 7 - Exceptions	29
Section 8 - Gifts and Devises. etc	30
Section 9 - Waiver of Right of Partition.	30
Section 10 - Fees Upon Transfer of Units	30
Section 11 - Payment of Assessments	30
Section 12 - Mortgaging of Units	30
Section 13 - By-Laws	30
ARTICLE IX - CONDEMNATION	31
Section 1 - Condemnation	31
ARTICLE X - RECORDS AND AUDITS	31
Section 1 - Records and Audits	31
ARTICLE XI - AMENDMENTS TO BY-LAWS	32
Section 1 - Amendments to By-Laws	32
Section 2 - Sponsor Amendments.	32
Section 3 - Commercial Unit Owners Amendments	33
Section 4 - Amendments or Deletions	33
Section 5 - Conflicts	33
ARTICLE XII - MISCELLANEOUS	33
Section 1 - Invalidity	33
Section 2 - Captions	34
Section 3 - Gender	34
Section 4 - Waiver	34
ARTICLE XIII - CONFLICTS	34
Section 1 - Conflicts	34
SCHEDULE A RULES AND REGULATIONS	-i-

BY-LAWS

of

THE VERMEIL CONDOMINIUM

133 STERLING PLACE
BROOKLYN, NEW YORK 11217

ARTICLE I

GENERAL

Section 1 - Unit Ownership. The property located at 133 Sterling Place, Borough of Brooklyn, City and State of New York more particularly described on Schedule A to the Declaration to be recorded in the office of the Register of the City of New York, Kings County (the "City Register's Office") simultaneously herewith and the building (the "Building") constructed on said land (hereinafter called the "Property") have 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 recorded in the City Register's Office on such date. The Condominium thereby created is known as "The Vermeil Condominium" (hereinafter called the "Condominium"). The twenty-two (22) Parking Units (the "Parking Units") and the twenty-two (22) Residential Units (the "Residential Units") are more fully described in the aforesaid Declaration and are hereinafter referred to collectively as the "Units," which term shall include and refer to any additional Units which may be hereafter created by alteration, subdivision or combination of one or more of the Units described herein. Unless otherwise provided herein, all terms used in these By-Laws shall have the same meaning as ascribed thereto in the aforesaid Declaration. These By-Laws, as they may be further amended from time to time, are hereinafter referred to as the "By-Laws".

Section 2 - Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Building and all other improvements thereon (including the Units and the Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Condominium Act.

Section 3 - Application. All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations attached hereto as Schedule A, each as amended from time to time.

The acceptance of a deed of conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4 - Office. The office of the Condominium and of the Condominium Board of Managers shall be located at the Property or at such other place, reasonably convenient thereto, as may be designated from time to time by the Board of Managers.

ARTICLE II

CONDOMINIUM BOARD OF MANAGERS

Section 1 - Number and Term. The affairs of the Condominium shall be governed by the Condominium Board of Managers. The number of Managers which shall constitute the whole Board shall not be less than one (1) and not more than five (5). As more particularly set forth in Section 4 below, the initial Board of Managers shall consist of three (3) or more persons appointed by the Declarant or its designee until the expiration of the Sponsor Control Period (as defined in Section 4 below). Starting with the first annual meeting of Unit Owners after the end of the Sponsor Control Period, the Board will consist of five (5) Members. The term of each Member shall be one (1) year. The members shall hold office until their successors have been elected and hold their first meeting.

Except for Members designated by the Declarant or its designee, all other Members shall be Unit Owners or spouses of Unit Owners, or, in the case of a partnership or limited liability company, shall be partners, members or employees of such partnership or limited liability company, or in the case of corporate owners, shall be officers, members, directors, stockholders or employees of such corporations, or in the case of fiduciary owners or mortgagees, shall be the fiduciaries or officers or employees of such fiduciaries or mortgagees. In the case of Declarant designated members, they need not be unit Owners. No Member shall continue to serve on the Board after he or she ceases to qualify as herein provided.

Section 2 - Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all acts and things on behalf of the Condominium except those 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. The 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.
- b. Determination of the common charges required to fund the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.
- c. Collection of common charges and assessments from the Unit Owners, and imposition and collection of reasonable late charges for late payment thereof.
- d. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.
- e. Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property.
- f. Opening and maintaining bank accounts on behalf of the Condominium and designating the signatories required therefor. The Condominium may authorize a manager or managing agent to be the signatory on such accounts.

- g. Purchasing, leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or Units surrendered by their owners to the Board of Managers.
- h. Purchasing of Units at foreclosure or other judicial sale in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.
- i. Selling, leasing, mortgaging (but not voting the votes appurtenant to), or otherwise dealing with Units acquired by, and subleasing Units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.
- j. Organizing corporations or limited liability companies to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of the Unit Owners.
- k. Obtaining and reviewing of insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof.
- l. Adjusting and settling claims under insurance policies obtained pursuant to Article VI Section 2 and executing and delivering releases on settlement of such claims on behalf of all Unit Owners, all holders of mortgages or other liens on the Units and all owners of any other interest in the Property.
- m. Representing the Unit Owners in any proceedings, negotiations, settlements or agreements relating to losses or proceeds from condemnation, destruction or liquidation of all or part of the Condominium or from termination of the Condominium, and making of repairs, additions and improvements to, or alterations of, the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- n. Enforcing obligations of the Unit Owners, allocating profits and expenses and doing anything and everything else necessary and proper for the sound management of the Condominium.
- o. Borrowing money on behalf of the Condominium when required in connection with the operation, care and upkeep of the Common Elements, provided, however, that no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the Unit Owner, except as provided in (p) below, and further provided that the borrowing of a sum in excess of \$500,000 for any one purpose must be approved by a majority of the Unit Owners present in person or by proxy and voting at a meeting at which a quorum is present. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as its interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from a creditor a release of any judgment or other lien which said creditor shall have the right to file against the Unit Owner's Unit. The other Unit Owners shall cooperate in all ways necessary in order to obtain such release.
- p. Pursuant to Real Property Law Section 339-jj, incurring debt for any purpose enumerated in these By-Laws relating to the payment, collection and disbursement of Condominium 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 that such debt is incurred no earlier than the fifth anniversary of the first conveyance of a Residential Unit (following acceptance for filing of an Offering Plan by the New York State Department of Law, "Acceptance of the Plan") and the incurring of such debt was authorized by a majority of the Unit Owners in common interest.

In connection with an aforesaid debt, the Board of Managers on behalf of the Unit Owners may:

- i. Assign the rights in and to receive future income and common charges;
 - ii. Create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds;
 - iii. Agree that, to the extent of any amounts due under any of the provisions of the agreements under which the debt was incurred and subject to the provisions of Real Property Law Section 339(i)(2), all common charges received and to be received by it, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and the same shall be expended for such purpose before expending any part of the same for any other purpose; and
 - iv. Agree that at the lender's direction it will increase common charges to the extent necessary to pay any amount when due under any of the provisions of the agreements under which the debt was incurred. The preceding sentence shall not be construed to authorize the Board of Managers to create a lien on the common elements. Any such assignment may provide that, in the event of a default, the lender shall have the right of the Board of Managers to file liens in the lender's name on units for unpaid common charges pursuant to applicable law and the right to foreclose such liens pursuant to applicable law.
- q. Provided the prior consent of at least sixty-six and two-thirds (66-2/3%) percent in common interest of all Unit Owners is obtained plus the consent of the Declarant or its designee for so long as Declarant owns at least one (1) Unit, at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, the Board of Managers shall have the power to: (i) convert General Common Elements to Limited Common Elements or to convert Limited Common Elements to General Common Elements, and (ii) lease or sell to a Unit Owner, Common Elements, General or Limited.
- r. Entering Units when necessary, provided that an effort is made to minimize inconvenience to the Unit Owner, in connection with the maintenance, care and preservation of the Property.
- s. Purchasing supplies and equipment, entering into contracts and generally having the powers of a manager in connection with the operation of the Property.
- t. Bringing and defending actions pertinent to the operation of the Property.
- u. Applying to the Tax Commission of the City of New York for a reduction in the assessed valuation of Units, prosecuting and settling as it may deem advisable any such action, including payment of any costs which may be incurred in such proceedings, on behalf of all Unit Owners as part of a single application.

- v. Applying, as necessary, for construction, alteration or other approvals, to any and all municipal authorities having jurisdiction over the Condominium, including, but not limited to the Department of City Planning, Department of Buildings and the Landmarks Preservation Commission, on behalf of all Unit Owners.
- w. Establishing a reserve fund to be used only for capital expenditures.
- x. Levying fines against the Unit Owners for violations of the Rules and Regulations established by it to govern the conduct of the Unit Owners as provided in Article VI Section 19 of these By-Laws, and such fines may be collected as if they were additional Common Charges owed by the Unit Owner against whom such fines were levied.
- y. Establishing reasonable fees for the processing of sale, lease or lease renewal applications, applications for Certificates of Termination of the Right of First Refusal and for other services agreed to by the Board of Managers, all of which fees shall be payable by the Unit Owner to the managing agent.
- z. Complying with the regulations concerning operation and maintenance of "accessible parking space(s)," in the event such parking spaces are created in the cellar garage of the Building.
- aa. Establish fees for the Storage Bin License Agreement and regulations concerning the use, maintenance and issuance of license agreements to the Residential Unit Owners.

Notwithstanding the foregoing, neither the Board of Managers nor the Unit Owners shall take any of the following actions so long as the Declarant or its designee owns Units representing at least twenty-five (25%) percent of the common interest, but not longer than five (5) years from the first closing of title to a Residential Unit following acceptance of the Plan, unless the prior written consent of the Declarant, or its designee, as the case may be, is obtained: (i) make any additions, alterations or improvements to the Common Elements or any Unit, except those required by law; (ii) assess Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; (iii) increase or decrease the number, or change the kind of employees referred to in the Condominium budget in the Offering Plan establishing the Condominium; (iv) exercise a right of first refusal to lease or purchase a Unit; (v) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of a Unit under the Offering Plan or otherwise provide services in excess of those referred to in the Offering Plan, except as is required to reflect normal annual increases in operating services, (vi) borrow money on behalf of the Condominium, or (vii) reduce any services. As long as Declarant or a Declarant-designee shall own one or more Units, the Board may not, without the prior written consent of Declarant or the Declarant-designee, as the case may be, which consent may be withheld by Declarant or the Declarant-designee, as the case may be, in its sole discretion: (i) amend the Declaration or By-Laws of the Condominium except as specifically permitted in such documents; (ii) interfere with the offer and sale or leasing of Units belonging to Declarant or a Declarant-designee, operation of general or sales and leasing offices on the Property, or with any actions necessary for construction, renovation, repair, or correction of the Property as required by Declarant or a Declarant-designee, as the case may be.

Notwithstanding anything set forth above, the Board of Managers must undertake any of the aforesaid actions and the expenditure of any amounts reasonably necessary to comply with applicable laws and regulations, to remedy any notice of violation or to remedy any work order of any insurer.

Any action of the Condominium Board which exclusively benefits one or more Unit Owners shall be taken at the sole expense of said affected Unit Owner(s).

Section 3 - Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, including but not limited to the duties listed in subdivisions (a), (c), (d), (k), (m), (q) and (r) of Section 2 of this Article II. The Board of Managers may delegate to the manager or managing agent, all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i) (j), (l), (n), (o), (p), (q), (t), (u), (v), (w), (x), and (y) of Section 2 of this Article II.

The compensation for the managing agent and/or manager will be at a competitive rate. Any agreement with a manager or managing agent shall be for a term not to exceed three (3) years. Any agreement with a manager or managing agent shall provide that the books and records of the Condominium shall be returned to the Board of Managers by the manager or managing agent upon demand.

Section 4 - First Board of Managers and Declarant's Representation. The first Board of Managers shall consist of three (3) persons designated by the Declarant. Within sixty (60) days of the date of closing of title to the first Residential Unit, one (1) member appointed by Declarant shall resign and one (1) new member shall be added by being elected by a majority of the then Residential Unit Owners. This three (3) person Board shall hold office and exercise all powers of the Board of Managers until the special meeting of Unit Owners after the expiration of the Sponsor Control Period (as defined below).

Notwithstanding anything to the contrary contained herein, the special meeting of Unit Owners after the expiration of the Sponsor Control Period (the "Transition Meeting") shall be held on at least fifteen (15) days notice, within thirty (30) days of the date (such date being the end of the "Sponsor Control Period") of either (a) the fifth anniversary of the date of the first closing of title to a Residential Unit following acceptance of the Plan or (b) the date of the closing of the sale of Units representing, in the aggregate, seventy-five (75%) percent or more of the common interest, whichever first occurs. At such meeting, all the non-Declarant designated Members of the Board of Managers and all but two (2) of the Declarant designated Members shall resign and a new Board of five (5) members shall be elected by the Unit Owners, except that two (2) members (of the five (5)) shall be appointed by the Declarant if the Declarant owns any Units.

After the Declarant has turned over control of the Board to the Unit Owners, so long as the Declarant or its designee owns at least one Unit, the Declarant or its designee shall be entitled to designate one less than a majority of the Members of the Board of Managers, none of whom need be a Unit Owner. The Owners of Units, including the Declarant, may vote to elect the balance of the Members of the Board of Managers, but Declarant may not vote so as to elect a majority of the Board of Managers who are under its control. If at any time it is determined to increase the size of the Board, the representation of the Declarant shall be changed proportionately. Any or all of the Members of the Board of Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 6 of this Article.

At the first annual meeting of Unit Owners after the end of the Sponsor Control Period, all members of the Board of Managers shall be Unit Owners or spouses of Unit Owners or officers, directors, members or principals of Unit Owners which are not natural persons, except that members of the Board of Managers appointed by the Declarant or its designee, need not be Unit

Owners. After the Sponsor Control Period, a majority of the members of the Board of Managers must be owner-occupants (or members of an owner-occupant's household) or investors, who are unrelated to the Declarant or its principals.

Section 5 - Removal. Subject to the provisions of Section I of this Article II, at any regular or special meeting of Unit Owners, any Member of the Board of Managers, except a Member appointed by the Declarant, may be removed for cause by an affirmative vote of a majority of Unit Owners. A Member of the Board who has been designated by the Declarant or its designee may not be removed without cause by affirmative vote of a majority of Unit Owners. Whether removal is with cause or without cause, a successor shall then or thereafter be elected to fill the vacancy, provided, however, that the vacancies of Members designated by the Declarant or its designee shall be filled only by the Declarant or its designee. Any Member of the Board of Managers whose removal with cause has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

Section 6 - Vacancies. Vacancies in the Board of Managers caused by any reason other than as provided for in Article III Section 1 hereof or the removal of a Member thereof by a vote of the Unit Owners, shall be filled by a vote of a majority of the remaining Members of the Board 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. Each person so elected shall be a Member of the Board of Managers until a successor shall be elected at the next annual meeting of the Unit Owners. Notwithstanding the foregoing, vacancies of Members designated by the Declarant or its designee shall be filled only by the Declarant or its designee.

Section 7 - Organization Meeting. The first meeting of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the Members of the Board of Managers, and only one (1) day's notice shall be necessary to the newly elected Members of the Board of Managers in order legally to constitute such meeting, provided that a majority of the whole Board of Managers shall be present thereat.

Section 8 - Regular Meeting. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the Members of the Board of Managers, but at least two (2) 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 personal delivery, mail, facsimile, e-mail or overnight delivery service, at least three (3) business days prior to the day named for such meeting. Regular meetings are open meetings which may be attended by Unit Owners.

Section 9 - Special Meeting. Special meetings of the Board of Managers may be called by the President or Secretary or written request of any Member of the Board of Managers on three (3) business days' notice to each Member of the Board of Managers, given by personal delivery, mail, facsimile, e-mail or overnight delivery service, which notice shall state the time, place and purpose of the meeting. Special meetings are closed meetings which may not be attended by Unit Owners unless otherwise specifically provided.

Section 10 - Waiver of Notice. Any Member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. Any one or more Members of the Board of Managers or any committee thereof may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. If all the Members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11 - Quorum of Board of Managers. At all meetings of the Board of Managers, a majority of the Members thereof shall constitute a quorum for the transaction of business, and subject to the provisions of Section 2 of this Article II, the votes of a majority of the Members of the Board of Managers shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers 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 proceedings of the Board.

Section 12 - Fidelity Bonds. The Board of Managers shall obtain adequate fidelity bonds for all officers and employees of the Condominium handling or responsible for Condominium funds. The premiums on such bonds shall constitute a common expense charged to all Unit Owners.

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. No Member of the Board of Managers or officer of the Condominium shall have any personal liability to the Condominium or to any Unit Owner for damages for any breach of duty in his or her capacity as Member of the Board or officer, provided that this provision does not eliminate or limit the liability of a Member of the Board or officer if a judgment or other final adjudication adverse to him or her establishes (a) that his or her acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

The Condominium, through the Unit Owners, shall indemnify to the fullest extent permitted by law any person made, or threatened to be made, a party to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation or limited liability company of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any Member of the Board or officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that he, his testator or intestate, was a Member of the Board or officer of the Condominium or served such other corporation, partnership, joint venture,

trust, employee benefit plan or other enterprise in any capacity; provided that no indemnification may be made to or on behalf of any Member of the Board or officer if a judgment establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

The Unit Owners shall indemnify and hold harmless each of the Members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the Members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium (except as Unit Owners). It is understood and permissible for the original Board of Managers, who may be members of or be employed by the Declarant, to contract with the Declarant and affiliated corporations and entities without incurring any liability for self-dealing, provided that (i) the connection is disclosed to, or known by, the Board or a majority of members thereof or noted in the minutes thereof and the Board shall authorize, approve or ratify such contract or transaction in good faith by a vote of a majority of the Board, excluding such Member, and (ii) the contract or transaction is reasonable to the Condominium Board at the time that the same is authorized, approved, ratified, executed or otherwise consummated. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the Members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners).

Each Unit Owner's liability pursuant to this Section 14 shall be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 15 - Committees. The Board of Managers may, by resolution duly adopted, create such committees as it shall deem appropriate and such committees shall have such powers and authority as the Condominium Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be designated by Declarant or its designee so long as Declarant or its designee has the right to designate a member of the Board of Managers, and at least one of whom shall be designated by non-Declarant members, shall be appointed by the President of the Condominium.

ARTICLE III

UNIT OWNERS

Section 1 - Annual Meetings. Within sixty (60) days after the anniversary of the first closing of title to a Unit following acceptance of the Plan, or at such earlier time as the Declarant deems in the best interests of the parties, the Declarant or the Board of Managers shall call a special annual Unit Owners meeting. At such meeting, the one (1) member of the Board of Managers elected by the Unit Owners shall resign and a new Board member shall be elected by the Unit Owners. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of these By-Laws subject to Article II, Section 4. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

Prior to the actual meeting at which the Unit Owners elect the Board of Managers as herein provided, the Declarant may call, at its discretion, meetings of the Unit Owners so that the Board of Managers designated by the Declarant can report to the Unit Owners, or for such other purpose as the Board determines.

Section 2 - Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3 - Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Board of Managers or upon a petition signed by Unit Owners representing at least twenty-five (25%) percent of the common interest, upon at least five (5) days notice. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4 - Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, 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 Property or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary, at least ten (10) but not more than forty (40) days prior to such meeting. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or these By-Laws, the notice of meeting shall be mailed at least twenty (20) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 5 - Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. Proxies remain in effect for any such adjourned meeting.

Section 6 - Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

1. Roll call.
2. Proof of notice of meeting.
3. Reading of minutes of preceding meeting.
4. Reports of officers.
5. Report of Board of Managers.
6. Reports of committees.
7. Election of inspectors of election (when so required).
8. Election of members of the Board of Managers (when so required).
9. Unfinished business.
10. New business.

Section 7 - Title to Units. Title to Units may be taken in the name of an individual, in the names of two (2) or more persons, as tenants in common, joint tenants or tenants by the entirety, or in the name of a corporation, partnership, limited liability company or in the name of a fiduciary or, in the discretion of the Board of Managers, the name of a trust.

Section 8 - Voting. The Owner or Owners of each unit (including Declarant and its designee(s)), or some person designated by such Owner or Owners to act as proxy on his, her or their behalf and who need not be an owner, shall be entitled to cast one (1) vote for each .001% of interest in the Common Elements attributable to the Unit or Units owned by him or her in all matters put to a vote at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of the Unit Owners and (those constituting a group or entity acting unanimously), may vote or take any other action as a Unit Owner either in person or by proxy. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to a vote. A proxy which is given by facsimile transmission which is valid in all other respects shall be valid for all purposes and shall be deemed given as if the original had been delivered.

Section 9 - Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of Unit Owners by percentage interest shall constitute a quorum at all meetings of the Unit Owners.

Section 10 - Majority of Unit Owners. As used in these By-Laws, the term "majority of Unit Owners" shall mean those Unit Owners having greater than fifty (50%) percent of the total authorized votes as a percentage of common interest of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners at which a quorum is present, determined in accordance with the provisions of Section 8 of this Article III.

Section 11 - Action by Unit Owners. Subject to the provisions contained in the last two paragraphs of Article II Section 2 of these By-Laws regarding authorization by Declarant or its designee for certain actions of the Board of Managers, the vote of a majority of Unit Owners shall be required to take any action at any meeting of Unit Owners, except where in the Declaration or these By-Laws or by law, a higher percentage vote is required. Notwithstanding the foregoing, any action which restricts the permitted use of any Unit or any portion of the Common Elements or Limited Common Elements must be authorized by the affected Unit Owner unless the By-Laws specifically permit the taking of such action.

Section 12 - Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if Unit Owners sufficient in number and in Common Interest to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or these By-laws consent in writing to the adoption of a resolution authorizing such action and writing is filed with the records of the Condominium.

ARTICLE IV

OFFICERS

Section 1 - Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, must be Members of the Board of Managers. Except for (i) the First Board of Managers and (ii) Members of the Board of Managers appointed by the Declarant or its designee, all officers must be Unit Owners, or spouses of Unit Owners, or officers, directors or principals of Unit Owners which are not natural persons.

Section 2 - Election of Officers. The officers of the Condominium shall be elected annually by vote of 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 the Members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose, provided notice of the proposed removal was given to the officer and in the notice of the meeting. Any officer whose removal has been proposed shall be given an opportunity to be heard at the meeting. An officer who is a Declarant-designee may be replaced at any time by another Declarant-designee, at Declarant's sole discretion.

Section 4 - President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the unit owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium. The President shall be an ex-officio member of all committees of the Board of Managers.

Section 5 - Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President, and shall have such other powers and duties as are usually vested in the office of vice president of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 6 - Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general perform all the duties incident to the office

of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7 - Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping or supervising the keeping of full and accurate financial records and books of account showing all receipts and disbursements necessary for the preparation of all required financial data. He shall be responsible for the deposit of all funds and other securities in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York. He shall disburse Condominium funds in the manner directed by the Board of Managers, making proper vouchers for all disbursements. He shall submit to the President and Board of Managers, at regular meetings of the Board of Managers or whenever they may require it, an account of all of his transactions as Treasurer, as well as the financial condition of the Condominium.

Section 8 - Agreements. Contracts. Deeds. Checks. etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any one (1) officer of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9 - Compensation of Officers. No officer shall receive any compensation from the Condominium for acting as such.

ARTICLE V

NOTICES

Section 1 - Notices. All notices required or desired to be given hereunder (except of notices of regular annual or special meetings of the Unit Owners and except all meetings of the Condominium Board which may be sent by personal delivery, by facsimile copy with electronic confirmation or by email) shall be sent by registered or certified mail return receipt requested, postage prepaid, addressed: (i) if to the Board of Managers, in care of the managing agent, or if there be no managing agent, to the principal office of the Board of Managers or to such other address as the Board of Managers may hereafter designate from time to time; (ii) if to a Unit Owner, other than the Declarant, to the Property address of such Unit Owner or to such other address as may have been designated by him from time to time, in writing, to the Board of Managers; (iii) if to the Declarant, to Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Suite 501, New York, NY 10106. All notices to mortgagees of Units shall be sent by registered or certified mail (return receipt requested) to their respective addresses, as designated by them from time to time, in writing to the Board of Managers. All notices shall be deemed to have been given when mailed in a postage prepaid sealed wrapper (or when sent as to notices of meetings as set forth above), except notices of change of address which shall be deemed to have been given when received.

Section 2 - Waiver of Service of Notice. Whenever any notice is required to be given by Law or under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing,

signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1 - Determination of Common Expenses and Fixing of Common Charges. The Board of Managers shall from time to time, at least annually, prepare a budget for the Condominium, determine the amount of the common charges payable by the Unit Owners to meet the common expenses of the Condominium and allocate and assess such common charges and expenses among the Unit Owners according to their respective common interests or such different method of allocation as is set forth in the "Budget for the First Year of Condominium Operation", Schedule B to the Offering Plan (the "Condominium Budget") or as determined by the Board of Managers to reflect exclusive use or the availability or control of particular Common Elements or services provided by the Condominium. The Board of Managers may allocate common expenses in a manner different from the allocation of common interests, as permitted by the Condominium Act, provided that such allocation is based on the proportion of expenses and charges fairly attributable to such Units, based on actual usage of particular services. With respect to the Parking Units, the Board of Managers may allocate such actual or estimated expenses as are fairly attributable to each such Unit. The common expenses shall include, without limitation, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article VI, and the fees and disbursements of the Insurance Trustee, if any. The common expenses may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, electric and gas expenses, water and sewer charges for service to the Units and the Common Elements, costs for heating and hot water in Units and common areas, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, accountants' fees and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as the Board of Managers may deem necessary for customary or extraordinary legal expenses incurred with respect to the Condominium Property. With respect to the Parking Units, the Board of Managers is authorized to specifically allocate these or other expenses or specific expense items and apportion common charges of such Unit(s), provided such expense items are actually utilized by such Units due to usage, changes in use or from changed circumstances, including, without limitation, maintenance and repair of the first floor lobby and the elevator. In addition, the common expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at foreclosure or other judicial sale. Until construction and renovation of the Property and all of the Units is completed and title thereto has been conveyed, the Board of Managers may reduce the amount of common charges allocated to the Units and payable by Unit Owners (including the Declarant as owner of Unsold Units). Any such reduction shall be in proportion to each Unit Owner's percentage of interest in the Common Elements, or as regards the Parking Units, in proportion to the Unit's share of expenses so reduced.

The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of common charges payable by each of them as determined by the Board of Managers as aforesaid and shall furnish copies of such budget on which such common charges are based, to all Unit Owners. All costs and expenses which are allocable solely to the repair, maintenance and operation of a particular Unit or Units (or such Unit's Limited Common Elements, if any, provided that the Declaration or these By-Laws specifically allocates the responsibility of such repair,

maintenance or operation thereof to the Unit Owner), as the case may be, shall be borne solely by the owner(s) of such Unit(s). Notwithstanding anything to the contrary in the Declaration or in these By-Laws, the power of the Board is subject to: (a) the restrictions contained in Section 2 of Article II of these By-Laws (b) Residential Unit Owners shall be responsible for the cost of repair, maintenance and operation of any addition or alteration made by such Residential Unit Owner to a Limited Common Element appurtenant to his/her Residential Unit which is used exclusively by such Residential Unit Owner; and (c) the Parking Unit Owners shall at all times be responsible for the cost of repair, maintenance and operation of the Limited Common Elements appurtenant to such Units or which are for the exclusive use of Owner of such Units, including the following:

- a. all installations for services such as heat, air conditioning, power, light, telecommunications, water, gas and sewer and drainage pipes, ducts, risers, valves and fittings and appurtenances thereto which service exclusively the Parking Unit(s); and
- b. the sprinkler system, including fittings, valves, sprinkler heads and piping servicing the Storage Bins and/or Parking Unit(s).

Section 2 - Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance; (1) fire insurance with extended coverage normal for a condominium of this type, vandalism and malicious mischief endorsements insuring the Building, together with all service and other machinery contained therein (but not including wall, ceiling or floor decorations or coverings or fixtures, appliances, furniture, furnishings or other personal property in any Unit) covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their respective interests may appear, in an amount equal to the agreed upon replacement value of the Building or such other amount as shall be adequate to prevent the Condominium from becoming a coinsurer in the event of casualty loss (exclusive of the costs of excavation and foundations) without deduction for depreciation, as determined by the Board of Managers. Each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers or the Insurance Trustee, if any, as herein provided; (2) boiler and machinery insurance; (3) a fidelity bond or bonds in sufficient amounts to fully protect the interest of the Condominium, to be carried on each member of the Board of Managers and officers of the Condominium who handle or are responsible for funds of the Condominium; (4) Officers and Directors liability insurance covering officers and members of the Board of managers; (5) comprehensive general liability insurance covering each Member and officer of the Board of Managers, the managing agent, each Unit Owner, in such limits as the Board of Managers may deem proper, covering all claims for bodily injury or property damage arising out of an occurrence in the Common Elements and covering cross liability claims of one insured against another (but not covering the liability of a Unit Owner arising from occurrences within his own Unit); (6) workers, compensation insurance; (7) water damage legal liability; (8) rent insurance in an amount equal to the aggregate of the common charges (estimate) payable to the Board of Managers in any calendar year; (9) elevator collision insurance; and (10) such other insurance as the Board of Managers may determine. The premiums for such insurance shall be a common expense, provided, however, that in charging the same to the Unit Owners consideration may be given to the higher premium rates on some units than on others and the cost of such premiums may be charged to Unit Owners in a manner different from the Units' respective percentage interests in the Common Elements.

All such policies shall provide that adjustments shall be made by the Board of Managers and that the net proceeds thereof, if \$250,000 or less, shall be payable to the Board of Managers

and if more than \$250,000 shall be payable to the Insurance Trustee, if any, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners.

The Delcarant reserves the right to designate an Insurance Trustee. If at any time said Trustee holds a mortgage on the Property or any Unit, in no event shall it use the insurance proceeds to reduce the principal balance of any mortgage held by it before applying same for the purpose of repairing, restoring or rebuilding the Building whenever the Unit Owners elect to do so as provided in these By-Laws. The Insurance Trustee shall hold and disburse the insurance proceeds for purposes of repair and restoration as directed by the Board of Managers.

All policies of physical damage insurance shall contain waivers (a) of subrogation, (b) of any defense based on coinsurance, (c) of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit owners, and (d) of invalidity arising from any acts of the insured or any Unit Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. The standard mortgagee loss payable clause shall be attached to all policies. Duplicate originals or 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 Units who have requested same in writing, at least ten (10) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers may obtain an appraisal from a fire insurance company or otherwise of the full replacement value of the Building (exclusive of the cost of excavation and foundations) including all of the Units and all of the Common Elements therein, without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section 2.

Unit Owners are advised to carry other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation against the Condominium and the Board of Managers and further provide that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies shall be so endorsed as to state that they will in no way conflict with any insurance carried by the Board of Managers.

Section 3 - Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty, unless seventy-five (75%) percent or more of the Building is destroyed or substantially damaged and seventy-five (75%) percent or more in number and common interest of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Board of Managers shall arrange for the prompt repair and restoration of the Building (including any damaged Units, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or other personal property or equipment of the Unit Owners or a tenant of a Unit Owner), and the Board of Managers or the Insurance Trustee shall disburse the proceeds of all insurance policies in appropriate progress payments to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the net insurance proceeds shall constitute a common expense and the Board of Managers shall assess all the Unit Owners for such deficit as part of the common charges.

In the event of a repair or restoration pursuant to the first paragraph of this Section 3 and in the event that the net proceeds of insurance received by or payable to the Board of Managers shall exceed the cost of such repair or restoration, then the excess of such insurance proceeds shall be paid by the Board of Managers to the Unit Owners in proportion to their respective interests

in the Common Elements after first paying out of the share due each Unit Owner such amounts as may be required to reduce unpaid liens on any Unit in the order of priority of such liens.

If seventy-five (75%) percent or more of the Building is destroyed or substantially damaged and seventy-five (75%) percent or more in number and in common interest of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property will not be repaired and shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies shall be divided by the Board of Managers among the Unit Owners in proportion to their respective common interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Whenever in this Section the words "promptly repair" are used it shall mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notifies the Board of Managers and the Unit Owner or Unit Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated costs of such work, or not more than ninety (90) days from the date the Insurance Trustee notifies the Board of Managers and Unit Owner or Owners that such proceeds of insurance are insufficient to pay said estimated costs of such work or, in the event the proceeds of insurance are payable to the Board of Managers, not more than sixty (60) days from the date of receipt by the Board of Managers of proceeds of insurance on account of such damage or destruction, whether or not sufficient to pay the estimated costs of such work. Whenever the words "promptly resolve" are used it shall also mean not more than sixty (60) days from the date the Board of Managers notifies the Unit Owners that it holds proceeds of insurance on account of such damage or destruction and that such proceeds are or are not sufficient to pay the estimated costs of the work (as the case may be).

The Board of Managers shall make good faith effort to complete any restoration as set forth above with a goal toward completing any such restoration of the Commercial Unit within nine months of the casualty, subject to force majeure, actions of insurance carrier and schedule of contractors.

Section 4 - Payment of Common Charges. Each Unit Owner shall be obligated to pay the common charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine. The Board of Managers may also impose a reasonable late charge for late payment of common charges, which shall be added to the Unit Owner's common charges due on the first day of the following month, and which shall be a lien upon the Unit Owner's Unit if not paid. Assessments for common charges are the personal obligation of the person or entity owning the Unit at the time the assessment becomes due.

No Unit Owner shall be liable for the payment of any part of the common charges assessed against its Unit subsequent to a sale, transfer or other conveyance (made in accordance with the provisions of Section 1 of Article VIII of these By-laws) of such Unit, together with the "Appurtenant Interests", as defined in Section 1 of Article VIII hereof. A purchaser of a Unit shall be liable for the payment of common charges assessed and unpaid against such Unit prior to the acquisition of such Unit, except that, to the extent permitted by law, 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. In the event of a foreclosure sale of a Unit by a mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid common charges accrued prior to such sale.

In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that its Unit is free and clear of liens and encumbrances other than a permissible mortgage and the statutory lien for unpaid common charges, convey his or her Unit, together with the Appurtenant Interests, to the Condominium Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, and in such event, be exempt from common charges thereafter accruing.

Section 5 - Assessment Roll and Collection of Assessments. The Board of Managers shall assess common charges against the Unit Owners from time to time and at least annually. An assessment roll relating to common charges and other assessments shall be maintained in a set of accounting books duly approved by a certified public accountant in which there shall be an account for each Unit.

The Board of Managers shall take prompt action to collect any common charge and other amounts, if any, due from any Unit Owner which remains unpaid for more than thirty (30) days after the due date for payment thereof.

Section 6 - Default in Payment of Common Charges. In the event any Unit Owner shall fail to make prompt payment of its common charges or any assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the highest legal rate on such unpaid common charges computed from the due date thereof, in addition to any late charge which may have been imposed pursuant to Section 4 of this Article VI, together with all expenses, including attorneys, fees, paid or incurred by the Board of Managers or the Managing Agent in any proceeding brought to collect such unpaid common charges or assessments or in an action to foreclose the lien on such Unit arising from said unpaid common charges or assessments. The Board of Managers shall have the right and obligation to attempt to recover such common charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. While the Declarant or its designee is in control of the Board of Managers, it will cause the Board to file a lien as provided for in Section 339-aa of the Real Property Law against Units with respect to which the Declarant or such designee is in arrears of common charges by more than thirty (30) days.

A lien for non-payment of common charges granted pursuant to Section 339-z has priority over all other liens except (i) liens for taxes on the Unit in favor of any assessing unit, school district, special district, county or other taxing unit, and (ii) all sums unpaid on a first mortgage of record or on a subordinate mortgage of record held by the New York Job Development Authority, the New York State Urban Development Corporation, the New York City Housing Development Corporation or the New York City Department of Housing, Preservation and Development.

Section 7 - Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of its Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, cast the votes appurtenant to (other than for the election of Members to the Board of Managers), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

In the event the net proceeds received on such foreclosure (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligation to the Condominium, then such Unit Owner shall remain liable for the deficit.

Section 8 - Statement of Common Charges. The Board of Managers (or managing agent on its behalf) shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid common charges due from such Unit Owner.

Section 9 - Maintenance and Repairs.

- a. All maintenance, repairs and replacements in and to a Unit, ordinary or extraordinary, to the units, consoles, boilers, condensers or other equipment providing heat, ventilation, hot water and air conditioning, kitchen appliances, individual washers and dryers (if any), entrance doors, windows, electrical and plumbing installations and fixtures within a Unit or in appurtenant Limited Common Elements, internal drains and drywells, wholly within the boundary of a Unit or its appurtenant Limited Common Element, or belonging to or installed by the Unit Owner, shall be at the Unit Owner's expense, except as otherwise specifically provided herein. The Board of Managers is responsible for electrical, gas and plumbing pipes, wires and lines to the extent they are located in Common Elements and serve multiple Units.
- b. Each Unit Owner shall perform promptly all maintenance and repair work to his own Unit and the Limited Common Elements appurtenant to such Unit, which if omitted would affect the Condominium in its entirety or in a part belonging to other Unit Owners (including the Declarant or its designee), such Unit Owner being expressly responsible for any damages and liabilities which may result from his failure to do so. Each Unit Owner shall, at his sole expense, maintain the interior of the Unit, its furniture, furnishings, appliances, fixtures and appurtenances in good order and condition, and shall do all redecorating and other work which may at any time be necessary to maintain the good condition of the Unit. For those Units that have a balcony or terrace appurtenant to their Unit, the Unit Owner shall be responsible for the maintenance and repair of such balcony or terrace.
- c. All maintenance, repairs and replacements to the General Common Elements and structural repairs to the Limited Common Elements shall be made by the Board of Managers and be charged to all the Unit Owners as a common expense if affecting the General Common Elements or charged to all Unit Owners and/or Parking Unit Owner(s) if affecting only the Limited Common Elements appurtenant to such Parking Unit(s) except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner or his invitees, licensees or agents, in which case such expense shall be charged to such Unit Owner. Notwithstanding the preceding sentence, with respect to those terraces and balconies and garden which are Limited Common Elements for the use of particular Unit Owners, the repair and maintenance responsibility of the Unit Owner is limited to any material over the roofing material and all installations, railings, fencing and the like, and any repair of damage caused by any installations placed by the Unit Owner on such terrace as well as for damage to the concrete balcony surface or roofing material caused by the act or omission of the Unit Owner or his or her lessees, invitees,

licensees or agents. No planters may be placed on roof terraces; and no roof terraces may be enclosed.

- d. The Board of Managers shall maintain and abate any nuisance that would have an adverse effect on the health, safety and welfare of the City and State of New York related to the case of the internal drains and drywells that are not wholly within any Unit or its Limited Common Element as a Common Expense.

Section 10 - 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. (i) Parking Units may be used only for parking of Parking Unit Owners' personal motor vehicles, (ii) no bicycles, trailers, tires, boats, boxes, furniture or commercial trucks, oversized vehicles or commercial vehicles may be parked or stored in such Parking Units, (iii) Parking Unit Owners shall not be permitted to perform any repairs, maintenance or cleaning of cars in such Units and (iv) such Parking Unit may be only be used for lawful purposes consistent with applicable governmental regulations, the Declaration, these By-Laws and the Rules and Regulations and may not be used for, a use which causes an increase in the cost of insurance carried by the Condominium unless such increase in premium is paid by the Unit Owner whose change in use causes the increases.
- b. The Residential Units shall be used only as residences for natural persons and their family members as specified in the Declaration. The Residential Units shall not be used for a day care center or for the care of young children, as a nursery or school or part-time care of young children or babysitting of more than two (2) children who do not live full time in such Residential Unit. Notwithstanding the foregoing, however, Declarant or its designee (or, when there are no longer any Unsold Units, the Condominium Board) may, in its sole discretion, consent to the use of a Residential or Parking Unit as a professional or business office or for any purpose other than that set forth in this subparagraph (c), provided that the nature and manner of such use complies with law, does not violate a use restriction set forth in subparagraph (a) and (b) above and does not violate the then-existing or amended Certificate of Occupancy covering such Unit. Any such consent shall be in writing and shall be personal to such Unit Owner. Any lessee of, or successor in title to, such Owner shall be required to obtain the prior written consent of Declarant or its designee or the Condominium Board (as the case may be) before using such Unit for any purpose other than as a residence or an accessory use thereto.
- c. A Residential or Parking Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or other entity may be occupied only by said individual or by an officer, director, stockholder or employee of such corporation or by a member of such limited liability company or by a partner or employee of such partnership or by said fiduciary (including a director, officer, stockholder or employee of a corporate fiduciary and a partner or employee of a partnership fiduciary), or by the beneficiary of said fiduciary or by a principal or employee of such other entity, respectively or by family members or occasional guests of any of the foregoing. Additionally, in no event shall a portion of a Unit (as opposed to the entire Unit) be sold, conveyed, leased or subleased (unless such a Residential Unit has been properly subdivided as provided in the Declaration and

herein and in accordance with law), and no transient occupant other than a guest permitted under this subparagraph (c) may be accommodated therein.

- d. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.
- e. No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its occupants or which interferes with the peaceful possession or proper use of the Property by its occupants.
- f. No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.
- g. Notwithstanding the foregoing or anything else contained in the Plan, the Declarant or its designees may, without the permission of the Board of Managers or anyone else, retain ownership of one or more Units for use as models, or sales, or business or administration offices, may place signage of any size and in any location on the Property, in its sole discretion, in connection with the sale or rentals of Units in the Condominium and lease any Units to third parties for their occupancy.
- h. Declarant may, at its sole cost and expense, including maintenance and repair thereof, place signage on the Buildings consisting of exterior signs on the exterior walls of the Building, provided same complies with all laws, codes, orders, ordinances, rules and regulations of all governmental entities with jurisdiction. Any signage shall be maintained at all times in good condition at the sole cost and expense of the party who installed it.
- i. Storage Bins shall only be used for storage purposes as limited by Article VIII, Section 13.

Section 11 - Additions, Alterations or Improvements by Board of Managers

All alterations, additions or improvements in or to any Common Elements shall be made either by the Board of Managers or Unit Owner required to maintain such Common Element as set forth in Section 9 hereof and the cost and expense thereof shall be charged either to all Unit Owners as a common expense or to one or more Unit Owners responsible therefor, as the case may be. Whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements costing in excess of \$200,000 in the aggregate in any calendar year, and the making of such additions, alterations or improvements shall have been approved by a majority in Common Interest of the Unit Owners present and voting at a meeting at which a quorum is present (including Declarant as owner of Unsold Units), the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements costing in the aggregate \$200,000 or less in any calendar year may be made by the Board of Managers

without approval of the Unit Owners, and the cost thereof shall constitute part of the common expenses.

Notwithstanding the foregoing, for so long as the Declarant or its designee shall own Units representing at least twenty-five (25%) percent of the common interest, but not more than five (5) years from the date of the first closing of title to a Residential Unit following acceptance of the Plan, no additions, alterations or improvements shall be made to the Common Elements, regardless of the cost thereof, except those required by Law, unless the consent of Declarant or its designee is first obtained pursuant to Article II Section 2 of these By-Laws, unless such action is required by law.

Section 12 - Additions, Alterations or Improvements by Unit Owners.

No Unit Owner, except for the Declarant or its designee(s) and principals thereof, shall have the right to make any structural addition, alteration or improvement in or to the Unit or any Limited Common Element appurtenant thereto without the requirement of consent of the Board of Managers. Any such addition, alteration or improvement shall not affect the portion of the Building utilized by any other Unit Owner, and the Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction.

No Unit Owner (except for the Declarant or its designee(s) and principals thereof) shall make any structural addition, alteration or improvement in or to a Unit or Limited Common Element without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe, and (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, and (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its members and officers, and all other Unit Owners from and against any liability, cost or expense arising out of or connected to such work, which requirement shall also apply to the Declarant. The Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from his or her alterations, additions or improvements.

A Unit Owner may not commence any alteration, addition, or improvement which would require a construction or alteration permit issued by the NYC Department of Buildings, including but not limited to, the combination of two or more Units, until the Permanent Certificate of Occupancy for the Building has been obtained. The Department of Buildings may impose severe fines if a permanent Certificate of Occupancy for the Building is not issued within two (2) years of the initial temporary certificate of Occupancy. Any Unit Owner who causes a delay in the issuance of a permanent Certificate of Occupancy will be liable to other Unit Owners, the Declarant and the Condominium Board for damages.

No Unit Owner (except the Declarant or its designee(s) and principals thereof) may make any alterations in the Unit or Limited Common Element appurtenant thereto unless and until the Unit Owner's proposed alteration plans have been reviewed and approved by the Board of Managers (which may be controlled by Declarant at the time of such application), which approval will not be unreasonably withheld or delayed. The Unit Owner shall be free to hire any contractor to perform such custom work in his or her Unit as the Unit Owner desires. The cost of such work, including, but not limited to, building permits and drawings, will be at the sole cost and expense of the Unit Owner. Architectural drawings shall be submitted to the Board's Architect for approval and such architect's fees of \$1,000 per submission shall be paid by the Unit Owner, as billed. If such proposed alterations involve any of the Building's mechanical systems, a copy of the specifications

shall be submitted to the Board's mechanical engineer for approval, whose fee of \$250 per review shall be paid by the Unit Owner as billed. The fees of any other expert required by the Board or its Architect or mechanical engineer for a proper review of proposed plans shall be the responsibility of the Unit Owner, provided the Architect or engineer notifies the Unit Owner in writing of the need for such additional opinion or review.

A Unit Owner (except the Declarant or its designee(s) and principals thereof) wishing to do any such construction in his Unit shall pay \$1,000 to a Coordinator designated by the Board of Managers ("Coordinator"). The responsibilities of the Coordinator shall be solely to coordinate the alteration approval with the Board's experts, arrange elevator use by the Unit Owner's contractor and subcontractors and coordinate such activities with the Managing Agent. Scheduling or supervision of construction work or contractors and sub-contractors shall not be the responsibility of the Coordinator. Insurance certificates reasonably acceptable to the Board shall be delivered to the Coordinator prior to the commencement of any work along with an agreement, in form and substance reasonably satisfactory to the Board, setting forth the terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done and indemnifying and holding harmless the Declarant, the Board, its members and officers, and all Unit Owners from and against any liability, cost or expense arising out of or connected to such work. The Unit Owner will also bear the cost of any increased taxes or insurance premiums resulting from his alterations, additions or improvements. The Coordinator's fees shall be paid in two equal installments, the first of which shall be due when the Unit Owner submits his proposed building plans to the Board for approval and the when work commences in the Unit.

Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit or appurtenant Limited Common Elements will be executed by the Board of Managers without, however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom. All responsibility with respect to any such addition, alteration or improvement shall remain with the Unit Owner until conveyance of the Unit, at which time such responsibility shall pass to and be assumed by the transferee and the successors and assigns of such transferee.

Any Unit owner whose Unit includes a terrace, balcony or garden must comply with all local laws and ordinances concerning the type of structures erected or installed on such terraces or balconies or garden. No planter, deck, equipment, fixture, structure or mechanical or telecommunications equipment of any kind may be placed on the roof terrace or balcony or garden which may impair the structural integrity of the roof. No terrace or balcony or garden may be enclosed. Any such Unit Owner must obtain the consent of the Board of Managers prior to installation of any planter, structures, fixtures or mechanical or telecommunications equipment on such roof, terrace or garden.

Notwithstanding anything in this Article VI to the contrary, no Storage Bin or Parking Unit may be added to or altered, although adjoining Storage Bins may be merged provided their permitted use may not be changed.

Section 13 - Use of Common Elements. No furniture, packages or objects of any kind shall be placed on the grounds, walks, common entrances, common terrace, lobbies, public halls, service corridors or other public areas, or any other part of the Common Elements, other than areas which may be designated as storage areas. The lobbies, public halls, common terrace, service corridors and other public areas shall be used only for the purposes established by the

Board of Managers from time to time. The provisions of this Section 13 shall not apply to the Declarant or its designee until such time as all Units have been initially sold and conveyed by the Declarant or its designee. However, the Declarant or its designee shall not use the Common Elements in such a manner as will unreasonably interfere with the use of the other Units for their permitted purposes. The Board of Managers shall have the right to enter into Storage Bin License Agreements with Residential Unit Owners granting them a license to use a particular Storage Bin.

Section 14 - Right of Access. Each Unit Owner shall grant a right of access to his or her Unit to the Board of Managers, the manager and/or the managing agent and/or any other person authorized by the Board of Managers, for the purpose of making inspections to determine if there exist conditions threatening another Unit or a Common Element, or violations of the By-Laws or Rules and Regulations of the Condominium or any state or municipal ordinances, or for the purpose of correcting any conditions originating in the Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his or her Unit or elsewhere in the Building, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for such entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 14, any costs for repairs shall be borne in accordance with the provisions of Section 9 of this Article VI.

Section 15 - Rules and Regulations. Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers, are annexed hereto and made a part hereof as Schedule A.

Section 16 - Electricity. Electricity for lighting, air conditioning and appliances within Units shall be supplied by the public utility company to the Building, and will be metered to the individual Units. Electricity charges for the Common Elements, including the hallway and lobby lighting and the elevators, shall be billed to the Board of Managers, and the cost shall be included in the Common Charges.

Section 17 - Gas. Gas which will heat hot water for residential use and for space heating and shall be billed to the Condominium and paid as a part of the Common Charges. Gas for cooking and for clothes dryers will be metered to the individual units.

Section 18 - Water Charges and Sewer Rents. The Condominium Board shall pay, as a Common Expense, all water charges for the Common Elements and facilities and the Units, together with all related sewer rents arising therefrom promptly after the bills for the same shall have been rendered unless separate meters for water or sewer usage service the Units are installed. The Board of Managers may change this method of allocation in the event that the method of water or sewer service delivery to the Property is changed during the course of construction of the Condominium or thereafter.

Section 19 - Abatement and Enjoinment of Violations by Unit Owners.

- a. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other rights set forth in these By-Laws: (i) 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 provision hereof (provided, however, that judicial proceedings must be instituted before any item of construction can be altered or diminished, and provided further that no prior notice shall be required in the event that the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property or for the safety of the residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium), and/or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, and/or (iii) to impose against such Unit Owner a onetime fine of two hundred and fifty (\$250.00) dollars for any such violation, which amount may be revised not more than once per year at an annual Unit Owners' meeting.
- b. The violation or breach of any of the provision of these By-Laws, the Rules and Regulations, or the Declaration with respect to any rights, easements, privileges or licenses granted to the Declarant or its designee shall give to the Declarant or its designee, as the case may be, the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either in law or in equity, the continuance of any such violation or breach.
- c. The violation or breach of any of the provisions of these By-Laws, the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to any Unit Owner shall give to the aggrieved Unit Owner a right of action for damages or the right to enjoin, abate or remedy by appropriate legal proceedings, either in law or in equity, the continuance of any such violation or breach.
- d. The expenses of any proceeding brought under this Section 19 and all other costs and expenses, including reasonable attorneys, fees, incurred hereunder by the Board, the Declarant or a Unit Owner, as the case may be, together with interest thereon at the highest legal rate from the date of expenditure, shall immediately be payable by the defaulting Unit Owner to (i) the Board in the event set forth in (a) above, (ii) the Declarant in the event set forth in (b) above and (iii) the aggrieved Unit Owner in the event set forth in (c) above. All sums payable under this Section 19 shall constitute common charges payable by the Unit Owner.

Section 20 - No Right of Partition. As provided in Section 339-I(3) of the Real Property Law, the Common Elements shall remain undivided and no right shall exist to partition or divide any thereof, except as otherwise specifically provided therein (and described in the Declaration or in this Article VI or in Article IX), as in the event of condemnation, destruction of more than seventy-five (75%) percent of the Building or termination of the Condominium.

ARTICLE VII

MORTGAGES

Section 1 - Notice to Board of Managers. A Unit Owner who mortgages his or her Unit shall notify the Board of Managers of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers. A conformed copy of the satisfaction of any such mortgage shall also be filed with the Board of Managers. The Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 2 - Notice of Unpaid Common Charges. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall notify any mortgagee of a Unit of such Unit Owner's non-payment of common charges, or other default in the obligations of such Unit Owner under the Declaration, these By-Laws or the Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3 - Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has previously been furnished to the Board of Managers. If the Unit Owner shall fail to cure said default within the time and in the manner provided for in said notice, then the holder of the mortgage shall have an additional period of time equal to the time originally given to the Unit Owner to cure said default, and the Board of Managers will not act upon said default until the time of the holder of the mortgage to cure said default has elapsed and the holder of the mortgage has not cured said default.

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, during normal business hours on business days, on ten (10) days' prior written notice, but not more often than once a month.

ARTICLE VIII

SALES, LEASES AND MORTGAGES OF RESIDENTIAL AND PARKING UNITS

Section 1 - Sales and Leases. No Unit Owner, other than the Declarant or its designee (who may sell or lease such Units or any interest therein without the requirement of consent or waiver by or from the Unit Owners or the Board of Managers or anyone else) may sell or lease a Unit (Residential or Parking) or any interest therein except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer to:

1. purchase his or her Unit together with:
 - a) the undivided interest in the Common Elements appurtenant thereto;

- b) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; and
- c) the interest of such Unit Owner in any other assets of the Condominium, (hereinafter collectively called the "Appurtenant Interests"), or

2. lease his or her Unit,

which he or she intends to accept ((a) and (b) collectively and individually called an "Outside Offer") shall give notice by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the Owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Unit Owners that such Unit owner believes the Outside Offer to be bona fide in all respects. The Board of Managers will have the right to request information from and interview the proposed purchaser or lessee. The Unit Owner shall be responsible for paying to the managing agent a reasonable fee, as established by the Board of Managers, for processing a sale or lease application. In the event the Outside Offer is for a lease, such lease must be for a term of no less than six (6) months nor more than two (2) years.

Upon receipt of the notice from the Unit Owner, the Board may initially request an application and accompanying information from the proposed purchaser or lessee. Within twenty (20) days after receipt of a completed information package, the Board may request an interview and/or further information. Any interview will be scheduled within fifteen (15) days of the request therefor. Within ten (10) days after the date of interview or receipt of additional information requested, whichever is later, or, if the Board waives its right to such application and/or interview, within thirty (30) days after the date of receipt of the initial notice or completed application and information package, the Board of Managers may elect, by notice to such Unit Owner, by certified or registered mail, to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner. In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant interests, or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or lease shall be executed at the office of the attorneys for the Condominium, in accordance with the terms of such offer, within thirty (30) days after the giving of notice by the Board of Managers of its election to accept such offer. If the selling Unit Owner's existing mortgage is not satisfied, the Board of Managers may purchase the Unit and assume or take subject to said existing mortgage, if possible. At the closing, the Unit Owner, if such Unit, together with the Appurtenant Interests, is to be sold, shall convey the same to the Board of Managers, or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall execute and deliver to the Board of Managers, or to its designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or its designee, as tenant, covering such Unit, for the rental and term contained in such Outside Offer.

In the event the Board of Managers or its designee shall (i) waive the right of first refusal, or (ii) fail to accept such offer within ten (10) days after the interview or receipt of additional

information requested, whichever is later, or (iii) fail to take any action within thirty (30) days after receipt of the initial notice or of the completed application and information package, the offering Unit owner shall be free to sell such Unit together with the Appurtenant Interests, or to lease such unit, as the case may be, within ninety (90) days after the expiration of the period in which the Board of Managers or its designee might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such deed to an outside Offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned, without the prior consent in writing (or waiver) of the Board of Managers, which shall, except as provided above, not be unreasonably withheld or delayed, that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, which consent shall not be unreasonably withheld or delayed, and that the Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. Except as hereinbefore set forth, the form of any such lease shall be the then current form of lease recommended by the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing or required by the Board of Managers. In the event the offering Unit Owner shall not, within such ninety (90) day period, sell such Unit together with the Appurtenant Interests, or lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another outside offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VIII.

Other than initial sales of Parking Units by the Sponsor, its designees, or members or principals thereof, a Parking Unit Owner may only sell or lease his or her Parking Unit (i) to a proposed Purchaser or proposed lessee of his Residential Unit pursuant to an Outside Offer, in conjunction with and simultaneously with the sale or lease to such proposed Purchaser or proposed lessee of a Residential Unit by the Residential Unit Owner; or (ii) to another Residential Unit Owner (including Sponsor or its designees or principals thereof). In either (i) or (ii) above, the Unit Owner may not sell or lease such Parking Unit or any interest therein except by complying with the provisions of this Section 1. Parking Units and Storage Bins are accessory uses to the Residential Units. The sale or lease of a Parking Storage Unit, or the licensing of a Storage Bin to any party who is not a Residential Unit Owner is prohibited.

Any purported sale or lease or license of a Unit or Storage Bin in violation of this section shall be voidable at the election of the Board of Managers.

The restrictions of Section I of this Article VIII shall not apply to Units owned by the Sponsor, its designees, members or principals thereof. The Sponsor and its designees, members, and principals thereof with respect to their Units shall have the right to freely sell such Units or to freely lease all or any of them without having to first offer the same for sale or lease to the Board of Managers or Unit Owners.

Section 2 - Consent of Unit Owners to Purchase or Lease of Units by Board of Managers. The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners, but may exercise its option to refuse a Unit Owner the right to lease his Unit. If the Unit to be purchased

or leased is a Residential Unit, the prior approval of a majority of the Residential Unit Owners is required. The foregoing requirement shall not apply to the right of the Board of Managers to refuse its consent to lease to a Unit Owner under Section 1.

Section 3 - No Severance of Ownership. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such Interests, without including all such Interests, shall be deemed and taken to include the Interest or Interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4 - Release by Board of Managers of Right of First Refusal. The right of first refusal may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold, conveyed, or leased, free and clear of the provisions of such section.

Section 5 - Certificate of Termination of Right of First Refusal. A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VIII have been met by a Unit Owner, or have been duly waived by the Board of Managers, and the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers and the Unit Owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner to whom the provisions of Section 1 of this Article VIII do not apply (upon request of such Unit Owner) who has in fact complied with the provisions of Section 1 of this Article VIII or in respect to whom the provisions of such section have been waived, upon request, at a reasonable fee payable to the Condominium or its managing agent, which fee is currently Two Hundred and Fifty (\$250.00) Dollars but which may be modified by the Unit Owners at any annual meeting of Unit Owners.

Section 6 - Financing of Purchase of Units by Board of Managers. Acquisition of Units by the Board of Managers, or its designee, on behalf of the Unit Owners, may be made from the working capital and common charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner in proportion to his or her interest in the Common Elements, as a common charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article VI, and/or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers.

Section 7 - Exceptions. The provisions of Section 1 of this Article VIII shall not apply with respect to any lease, sale or conveyance of any Unit together with the Appurtenant Interests, by (i) the Unit Owner thereof to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one or more of them, or a trust for their benefit, or to a limited liability

company or corporation whose sole members and shareholders, respectively, are the Unit Owner, his/her spouse, parents, siblings, children or any of them without any right to transfer membership interests or shares, respectively, except among each other without first offering to sell or lease such Unit to the Board of Managers, (ii) the Declarant or its designee or successor Sponsor, (iii) the Board of Managers, (iv) a party conveying a Unit in connection with the foreclosure of a mortgage or other lien covering the Unit or delivering a deed in lieu of foreclosure, or (v) a mortgagee authorized herein who shall acquire title to such Unit by foreclosure of a mortgage or by a deed in lieu of such foreclosure; provided, however, that any purchaser of such Unit from such mortgagee shall be bound by, and his Unit subject to, the provisions of this Article.

Section 8 - Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to the provisions of this Article.

Section 9 - Waiver of Right of Partition. In the event that any Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, as the case may be, as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 10 - Fees Upon Transfer of Units. The Board of Managers shall have the right and authority to fix by resolution and collect an application fee payable to the managing agent in connection with any proposed sale or lease of a Unit, and any fee due an attorney retained by the Board with respect to any such sale or lease.

No such application fee, transfer fee, flip tax or other fee shall be applicable to sales or leases by the Declarant or its designee, or to gifts and devises as described in Section 8 of this Article VIII.

Section 11 - Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Board of Managers all unpaid common charges theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 12 - Mortgaging of Units. Subject to the preceding Section 11, each Unit Owner shall have the right to mortgage his Unit without restriction, provided that any such mortgage shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association or other institutional or non-institutional lender to make the mortgage loan. The terms and conditions of this Section 12 shall not apply to any mortgage covering any Unit owned by Declarant or its designee.

Section 13 - Storage Bins. Storage Bins, being a common area, may only be licensed to Residential Unit Owners. The Storage Bin License Agreement between the Board of Managers and the Residential Unit Owner may provide for an annual (or monthly) license fee to be paid to the Board of Managers. The initial license fee shall not exceed \$200.00 per year. The annual

license fee may be increased by the Board of Managers annually, but by no more than ten (10%) percent cumulative per year. Storage Bin Licenses may not be assigned or sold. When a Residential Unit Owner no longer holds title to a Residential Unit, such Unit Owners license is deemed terminated and the Board of Managers shall then have the right to award a license to another Residential Unit Owner. Storage Bins may only be used for storage and may not be used for living space. Storage Bin Licensees will not place or store inside their Storage Bin any materials which are dangerous, hazardous, flammable, create disturbing or noxious fumes, odors, noises or vermin, create any risks to the health, safety or well being of persons in the Building, or which create any material risk or hazard to other property, or which may increase the cost or premium of the Condominium's insurance. See the Rules and Regulations for further restrictions on use of Storage Bins.

ARTICLE IX

CONDEMNATION

Section 1 - Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award for such taking shall be payable to the Board of Managers if the award does not exceed \$250,000, and shall be payable to the Insurance Trustee if it exceeds \$250,000. If seventy-five (75%) percent or more in number and in common interest of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five (75%) percent or more in number and in common interest of Unit Owners do not duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements and the loss to the Common Elements is in excess of \$250,000, then the Board of Managers shall promptly notify all mortgagees of Units of such taking and loss.

ARTICLE X

RECORDS AND AUDITS

Section 1 - Records and Audits. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of common charges against each Unit, the date when due, the amounts paid thereon, and the balance, if any, remaining unpaid. A copy of each proposed annual budget of the Condominium shall be submitted by the Board of Managers to all Unit owners, to be received not less than ten (10) days prior to the date set for adoption thereof by the Board.

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Board of Managers to all Unit Owners within three (3) months after the end of each fiscal year. The cost of such report shall be paid by the Board of Managers as a common expense.

The books and records of the Condominium, including copies of the Declaration and these By-Laws, shall be subject to inspection by Unit Owners and by mortgagees of Units at reasonable times, during business hours, upon three (3) business days' prior written notice.

ARTICLE XI

AMENDMENTS TO BY-LAWS

Section 1 - Amendments to By-Laws. Except as otherwise provided herein and in the Declaration, these By-Laws may be modified or amended by the vote of at least sixty-six and two-thirds (66-2/3%) percent of all Unit Owners in number and in common interest, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or, in lieu of a meeting, by written amendment approved in writing by sixty-six and two-third (66-2/3%) percent in common interest.

Notwithstanding anything herein to the contrary, in the event that the interest of the Declarant or its designee is adversely affected by any such proposed amendment, deletion or modification, or any of the rights, powers, easements, privileges or benefits reserved to the Declarant or its designee are to be eliminated, changed or impaired thereby, then the Declaration shall not be amended without the prior written consent of the Declarant or its designee. In the event that the rights of a Parking Unit Owner is materially and adversely affected by any such proposed amendment, deletion or modification, or any such rights are to be eliminated or impaired, then the Declaration shall not be amended without the written consent of the Parking Unit Owner. In the event the allocation of Common Interest appurtenant to a Unit Owner's Unit is materially and adversely altered after the acceptance of the Offering Plan and the first closing of title to a Residential Unit pursuant thereto, then the Declaration shall not be amended without the written consent of the affected Unit Owner. In addition, no amendment which materially and adversely affects the lien of any mortgage on a Unit may be made without the written consent of the affected mortgagee.

The consent of a Parking Unit Owners is not required for any proposed amendment to the Declaration with respect to matters solely affecting the Residential Unit Owners.

Section 2. Sponsor Amendments. The Declarant hereby reserves the right to amend or (on request of the Declarant or its designee) to require the Board of Managers to duly execute and record in the City Register's Office, an amendment to the Declaration, at any time, without the requirement of a vote and without the approval or consent of the Board of Managers, any Unit Owner or mortgagee for the purposes of (i) filing the Floor Plans and/or revised or amended Floor Plans required by New York Real Property Law Section 339-p for the portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the revised Floor Plans the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment fully and fairly depict the layout, location, unit

designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p; (ii) changing the designation, the approximate square foot area, the layout and/or the number of rooms in an unsold Unit; (iii) re-allocating common interests of one or more Unsold Units; (iv) making insubstantial changes to the Declaration; (v) changing the number of Units by subdivision of an existing Unit and, to the extent required, filing Floor Plans and recording an Amendment to the Declaration reflecting such subdivision; (vi) making such changes to the Declaration and to the By-Laws and Floor Plans as may be required by the New York State Department of Law or by any governmental agency with jurisdiction over the property or over an offering of condominium units to the public in order to enable the Declarant to make a public offering of the Units which will include such additional Units as may hereafter be created by construction, alteration, subdivision, combination and/or addition to existing Units and the Limited Common Elements appurtenant thereto, which includes the right to decrease the percentage of common interest of the Commercial Unit and increase or reallocate the aggregate percentage of common interest of any Unit owned by the Declarant, notwithstanding any provision of the Declaration to the contrary; and (vii) making such changes to the Declaration as may be permitted by the provisions of the Declaration, the Offering Plan and/or applicable laws.

The amendment to the Declaration shall be executed by the Condominium Board of Managers upon presentation and demand by the Declarant (which execution shall be deemed a mere ministerial function and subject to injunctive relief and legal fees incurred in connection therewith in favor of the Declarant), but the recording thereof and the filing of the revised Floor Plans and all costs of preparation and recording in connection therewith shall be the obligation of the Declarant.

Section 3. Intentionally deleted.

Section 4. - Amendments or Deletions. The provisions of this Article may not be amended or deleted in whole or in part without the consent of the Declarant or its designee so long as the Declarant or such designee owns any Unit.

Section 5. - Conflicts. In the event of any conflict between the provisions of this section and any provision of the Declaration, the provisions of the Declaration shall control and be binding.

ARTICLE XII

MISCELLANEOUS

Section 1 - Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 2 - Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision hereof.

Section 3 - Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4 - Waiver. No restriction, condition, obligation, or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5 - Real Estate Taxes. Until the Units are separately assessed for real estate taxes, the Owner of each Unit shall pay to the Board of Managers a pro-rata share of the then current year's real estate bill for the "base lot", which pro-rata share shall be based upon the percentage of common interest owned by each Unit, and the Board of Managers shall cause such tax bill to be paid for the "base lot".

ARTICLE XIII

CONFLICTS

Section 1 - Conflicts. These By-Laws and the Rules and Regulations are intended to comply with the requirements of Article 9-B of the Real Property Law of the State of New York and all other applicable laws. In case any of these By-Laws or any provision of the Rules and Regulations conflict with the provisions of said statute, the Declaration or any other applicable law, the provisions of said statute, the Declaration, or such other applicable law, as the case may be, shall control.

SCHEDULE A
(to the By-Laws)

RULES AND REGULATIONS FOR
THE VERMEIL CONDOMINIUM

1. Nothing shall be done or kept in any Unit or the Common Elements which will increase the rate of insurance on the Building, or contents thereof, without the prior written consent of the Board of Managers. If the cost of insurance on the Building is higher or increased because of the particular use of a Parking Unit and/or Storage Bin, then such insurance cost in excess of the standard cost and/or the increase in cost shall be repaid to the Condominium by the Parking and/or Storage Bin Owner whose use has resulted in a higher cost or has caused the increase, within thirty (30) days after the higher or increased cost has been billed to the Condominium and written notice has been given by the Board to the Parking Unit and/or Storage Bin Owner. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements which will result in the cancellation of insurance on the Building, or contents thereof, or which would be in violation of any law. No Unit Owner or occupant or any of its agents, servants, employees, licensees or visitors shall at any time bring into or keep in its Unit or in the Common Elements any flammable, combustible or explosive fluid, material, chemical or substance. No waste shall be committed in the Common Elements.
2. All electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit.

No radio or television aerial, satellite dish or other similar telecommunications device shall be erected on the roof, terraces or exterior walls of the Building without obtaining in each instance the written consent of the Board of Managers. Any aerial so installed without such required consent shall be subject to removal without notice at any time. Declarant (as defined in the Declaration and By-Laws) shall have the right, at its sole cost and expense, and in accordance with all applicable laws, codes, rules, regulations, codes and ordinances, and in accordance with all regulations and plans approved by the Condominium, to install for its own use only an antenna or satellite "dish" or similar device for the reception and transmission of signals on the portion of the roof above the third floor. Declarant must comply at its sole cost and expense with all laws, ordinances and regulations relating to the installation, use and maintenance of such devices. Declarant or its assigns or successors shall indemnify the Declarant, Condominium Board of Managers, Parking and all Residential Unit Owners and hold all of same harmless from any claim, cause of action, injury, loss, cost, damage or liability, including legal fees and disbursements incurred, whether direct or indirect resulting from such installation, use, maintenance, existence and removal of the devices.

3. Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the structural integrity of the Building or which would structurally change the Building without the prior written consent of the Board of Managers.
4. Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board of Managers.
5. No noxious or offensive activity shall be carried on in any Unit or in the Common Elements nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with by and at the sole expense of the Unit Owners or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.
6. No swill, brine, offensive animal matter, noxious liquid, or other filthy matter of any kind, shall be allowed by any person to fall upon or run into any street, or Common Element or be taken to or put therein.
7. There shall be no obstruction of the Common Elements. The entrances, passages, public halls, elevators, vestibules, corridors, stairways and other areas within the Common Elements shall not be used for any other purpose than that for which they are intended. Nothing shall be stored in the Common Elements without the prior consent of the Board of Managers, except as otherwise expressly provided for in writing herein or elsewhere.
8. The agents of the Board of Managers or the managing agent, and any contractor or worker authorized by the Board of Managers or the managing agent, may enter any Unit at any reasonable hour of the day 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.
9. If any key or keys are entrusted by a Unit Owner or occupant or by his or her agent, servant, employees, licensee or visitor to any employee of the Board of Managers, whether for such Unit 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.
10. Except to the extent expressly authorized herein or in the By-Laws, no industry, business, trade, occupation or profession of any kind, Community Facility, 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. However, the Declarant (or its designee) shall have the right to place "For Sale", "For Rent" or "For Lease" signs on the Condominium Property and on any unsold or

unoccupied Units, and to maintain such selling and informational signs as are deemed necessary by Declarant (or its designee) to sell or lease any Units. No illuminated sign may be placed on such Unit or in its appurtenant Limited Common Elements so as to shine or reflect light into any Residential Unit. No sign, canopy or awning may extend above the top of the first floor of the Building.

11. The Board of Managers or the Managing Agent may retain a passkey to each Unit. The Unit Owner shall not alter any lock on any door leading to his or her Unit without the written consent of the Board of Managers or the Managing Agent. If such consent is given, the Board of Managers or the Managing Agent shall be provided with a key.
12. Unit Owners shall, at their sole cost and expense, comply with all present and future laws, orders and regulations of all state, federal, municipal and local governments, departments, commissions and boards regarding the collection, sorting, separation, recycling and disposal of waste products, garbage, refuse and trash (including, without limitation, medical, regulated or other hazardous waste). Unit Owners shall sort and separate such waste products, garbage, refuse and trash into such categories as provided by law, and in accordance with the rules and regulations adopted by the Board of Managers of the Condominium for the sorting and separating of such designated recyclable materials. Unit Owners shall comply with the requirement to rinse recyclable bottles and containers before placing them in the designated receptacles, in accordance with all applicable law and regulations. The Board reserves the right, where permitted by law, to refuse to collect or accept from Unit Owners any waste products, garbage, refuse or trash which is not separated and sorted as required by law. Unit Owners shall pay all costs, expenses, fines, penalties or damages which may be imposed on the Board of Managers, the Declarant or any Unit Owner by reason of the Unit Owner's failure to comply with these provisions and, at the Unit Owner's sole cost and expense, the Unit Owner shall indemnify, defend and hold harmless the Board of Managers, the Declarant and the other Unit Owners (including legal fees and disbursements) from and against any actions, claims and suits arising from the Unit Owner's noncompliance, utilizing counsel reasonably satisfactory to the Board or the Declarant, as the case may be, if said party so elects. The Unit Owner shall be liable to the Board of Managers for any costs, expenses or disbursements, including legal fees, which may be incurred by the Board in the commencement and/or prosecution of any action or proceedings by the Board against the Unit Owner, predicated upon the Unit Owner's breach of this paragraph. Unit owners are advised that local regulations governing recycling make Unit Owners liable for non-compliance.
13. Unit Owners will faithfully observe the procedures established from time to time by the Board of Managers or the Managing Agent with respect to services provided and management of the Building.
14. 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.
15. No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) shall be permitted, kept or harbored in a Unit without the

same in each instance having been expressly permitted in writing by the Board or managing agent, and such consent, if given, shall be revocable by the Board or such managing agent in their sole discretion, at any time. Any pet constituting a nuisance shall be permanently removed from the Unit within one (1) week after notice from the Board or the managing agent. In no event shall there be maintained in any Residential Unit more than two (2) pets without the consent of the Board, nor shall any dog, bird, reptile or animal be permitted in any Common Areas. The combined total weight of any pet(s) residing in a Unit is not to exceed 80 pounds. Each Unit Owner who keeps (or permits to be kept) any type of pet in such Unit Owner's Residential Unit may be required to enter into an agreement with the Board setting forth such other rules regarding pets as the Board shall deem suitable and indemnifying and holding harmless the Board, all Unit Owners and the managing agent from all claims and expenses resulting from such acts of such pet. All pets shall either be carried when within the Common Areas unless they are a dog, which may be on a leash. Dogs shall not be walked on the Common Areas and Unit Owners shall be responsible to clean up after their pets. The following dog breeds are prohibited from residing in Units at the Condominium: Pit Bulls (Staffordshire Terrier or other variations or combinations containing such breed) and Rottweilers.

16. Parking Unit Owners may use Parking Units only for parking of Unit Owners' personal vehicles, and for no other purposes.
 - a. Unit Owners will not place or store inside the their vehicles any materials which are dangerous, hazardous, flammable, create disturbing or noxious fumes, odors, noises or vermin, create any risks to the health, safety or well being of persons in the Premises, or which create any material risk or hazard to other property, or which may increase the cost or premium of the Condominium's insurance, other than normal petroleum products stored in their vehicle's fuel tanks and engine.
 - b. Parking Unit Owners are not permitted to lease, sublease, or permit use by others to their parking space, except as permitted under Article VIII, Section 1 of the By-Laws.
 - c. Parking Unit Owners acknowledge and understand that the Condominium will in no event be liable or responsible to Unit Owners for any harm, loss, or damage to any vehicles or property located therein or for any harm, loss or damage, physically, to anyone accessing the garage, except in the event of the Condominium's gross negligence or willful misconduct. Parking Unit Owners further understand that the Condominium does not, and is not obligated to, provide any security for the garage or provide insurance coverage for any items stored in such vehicle. In this regard, Parking Unit Owners shall (i) keep their vehicles secure, except as may be required for attendant parking; and shall (ii) purchase and maintain at Parking Unit Owners' sole cost and expense, theft and property damage insurance in an amount appropriate to insure Parking Unit Owner's vehicle parking in such Parking Unit.
 - d. The Condominium and its agents and employees will not be liable to Unit Owners or any other person for any loss, damage, injury or death resulting from any crime, the acts or omissions of any person or from any other cause (including, without

limitation, government acts) except the gross negligence or willful misconduct of the Condominium or its agents or employees in the operation or maintenance of the garage and the parking of Parking Unit Owners' vehicles. The Condominium has not, is not and will not be taking care, custody, control or dominion of the Parking Unit Owners' vehicle or its contents, or security thereof.

- e. The hours of operation of the garage shall be posted. Parking Unit Owners understand that parking valet services will not be provided.
- f. Parking Unit Owners will indemnify and hold harmless the Condominium, its employees, officers, managers and agents from and against any and all damages, liabilities, claims, costs, and expenses including, without limitation, the Condominium's reasonable attorneys' fees, costs and disbursements arising from any violation of these Rules and Regulations, any action commenced by or to which the Condominium is made a party in connection with these Rules and Regulations, any violation of law or any damage to the vehicle and their contents and/or area in the garage of the Premises where such Parking Units are located, whether caused, suffered, or permitted by Parking Unit Owner or any of Parking Unit Owner's family members, tenants, agents, servants, employees, business associates, guests or invitees.
- g. When the Parking Unit Owner's ownership terminates, the Parking Unit Owner's right to use the Parking will terminate and the Parking Unit Owner shall, prior to that time, remove all vehicles and other property therefrom and leave the Parking clean, in good condition and ready for use by another party. Any property remaining in the garage after said termination shall be deemed abandoned by the Parking Unit Owner, thereby giving the Condominium the right to dispose of same however the Condominium deems fit, at the Parking Unit Owner's sole expense and without compensation to the Parking Unit Owner. Any damage to the garage shall be repaired by the Parking Unit Owner at the Parking Unit Owner's expense.
- h. Parking Unit Owners acknowledge that the Condominium and its employees, doormen and parking valets have the right to enter or move vehicles in order to operate the garage and to remove a vehicle from the garage in an emergency situation, including, but not limited to, fire, flood, explosion or other similar disaster, well-founded suspicion of the presence of a dangerous, flammable or hazardous materials being present in a vehicle, or upon order or direction of municipal authorities. In such event, the Condominium shall not be required to obtain the Parking Unit Owners' prior consent to such entry, movement or removal and the Condominium shall not be liable to the Parking Unit Owners in the event of any damage or destruction to Unit Owners' vehicle placed in the garage (or Parking Unit) or damage to any locking device on the door of such vehicle. Notwithstanding the above, the Condominium shall make reasonable efforts to notify Unit Owners of such entry immediately thereafter.
- i. Parking Unit Owners waive trial by jury in any action, proceeding or counterclaim (except for bodily injury or property damage). If the Condominium commences a

special proceeding, no counterclaims will be brought by the Parking Unit Owners in such proceeding nor any defenses raised, except if required as mandatory by statute upon penalty of waiver.

- j. The failure of the Condominium on a previous occasion to take action for a non-compliance with the Rules and Regulations of the Condominium with respect thereto will not prevent the Condominium from taking action for subsequent non-compliance.
17. Storage Bin Licensees will not place or store inside their Storage Bin any materials which are dangerous, hazardous, flammable, create disturbing or noxious fumes, odors, noises or vermin, create any risks to the health, safety or well being of persons in the Building, or which create any material risk or hazard to other property, or which may increase the cost or premium of the Condominium's insurance. Storage Bin Licensees are not permitted to lease, sublease, or permit use by others of their Storage Bin, except as permitted under Article VIII, Section 13 of the By-Laws.

EXHIBIT H

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The Vermeil LLC
 357 Flatbush Avenue
 Brooklyn, New York 11213

**Re: The Vermeil Condominium
 133 Sterling Place
Brooklyn, New York 11217**

Gentlemen:

You have requested our opinion as to: (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes to persons who purchase units for residential use ("Unit Owners") under the Condominium Offering Plan for 133 Sterling Place, Brooklyn, New York 11217 (the "Plan"), and (ii) the Federal income tax treatment of the Common Charges (hereinafter defined) received by the condominium association of The Vermeil Condominium (the "Condominium").

In connection with the rendering of this opinion, we have reviewed the Declaration of the Condominium Plan (the "Declaration"), the By-Laws of the Condominium (the "By-Laws"), the relevant sections of the Internal Revenue Code of 1986, as amended (the "Code"), the New York State Tax Law, the Administrative Code of the City of New York and such other materials as we have deemed relevant.

FACTS

You have advised us that, to the best of your knowledge, the following statements are an accurate summary of the relevant facts, and our opinion is conditioned upon the accuracy of such facts:

You will cause to be filed a condominium offering plan to convert 133 Sterling Place, Brooklyn, New York 11217 condominium ownership, consisting of twenty-two (22) Residential Units, twenty-two (22) Parking Units and seventeen (17) Storage Units, and will cause a Declaration to be recorded concerning same.

The Vermeil LLC
July 27, 2006
Page 2

Each owner of a Unit will own his or her own Unit plus an undivided interest in the elements common to all Units (the "Common Elements"). The Condominium will be operated by a Board which, pursuant to the By-Laws, will act only as an agent of all Unit Owners. The Board will be elected by the Unit Owners. The primary function of the Board will be to supervise the maintenance and operation of the Common Elements and collect charges (the "Common Charges") necessary to maintain and operate the Common Elements.

DISCUSSION

I. Deductibility of Mortgage Interest and Real Estate Taxes by Owners of Residential Units.

Under the Condominium Act, each Residential Unit Owner will own his Unit and its appurtenant interest in the Common Elements in fee simple, and each Unit will be taxed as a separate tax lot for real estate tax purposes. Sections 339-g and 339-y of the Condominium Act. Each Unit Owner may mortgage his Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. In our opinion, under Code Sections 163 and 164, respectively, a Residential Unit Owner will, for federal income tax purposes, be entitled to deduct the amount of interest paid or accrued with respect to any such mortgage indebtedness and the amount of real estate taxes paid or accrued with respect to a Unit during a taxable year in accordance with such Unit Owner's method of accounting. Revenue Ruling 64-31, 1964-1 C.B. 300. However, under Code Section 461(g), no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

It should be noted that under Federal income tax law, certain itemized deductions are involved in computation of the "alternative minimum tax" and therefore the tax benefits obtainable from ownership of a Unit will depend upon an individual's personal income tax situation.

In addition, the potential tax benefits may be further limited by Code Section 163(d), dealing with investment interest, and Code Section 469, dealing with passive activity losses. Each Unit Owner should consult his or her personal tax advisor.

It is also our opinion that a Residential Unit owner who itemizes deductions for Federal income tax purposes will, for New York State and New York City income tax purposes, likewise be entitled to a deduction equivalent to that which is allowed for Federal income tax purposes for such mortgage interest and real estate taxes paid or accrued during the taxable year. Section 615 of the State Tax Law and Section 11-1715 of the Administrative Code.

The Vermeil LLC
 July 27, 2006
 Page 3

II. Common Charges - Federal Income Taxation of the Condominium.

A. Introduction.

The Common Charges will be borne by the Unit Owners and assessed and collected by the Board. The Common Charges will be used to fund annual operational costs and capital improvements or to establish and maintain reserve funds for such purpose. In determining whether Common Charges will be includable in income of the Condominium or the individual Unit Owners and the tax effect of such assessment and collection, it is necessary to set forth our analysis with respect to the tax status of the Condominium and its exemption from Federal income taxation.

B. Tax Status of the Condominium.

A condominium under New York State law is not a corporation but an unincorporated association. See General Association Law of the State of New York and Section 339-v of the Condominium Act. For Federal income tax purposes, such an unincorporated association can be treated as a partnership or as an association taxable as a corporation.

Regulations Section 301.7701-2 (a)(1) provides that the major characteristics of a corporation are: associates, an objective to carry on business and divide gains therefrom, continuity of life, centralization of management, liability for corporate debts limited to corporate property, and free transferability of interests. Whether an organization is to be classified as a corporation or as a partnership depends upon the presence or absence of these characteristics. Regulations Section 301.7701-2(a) (2). However, the Regulations further specify that characteristics common to both partnerships and corporations are not material in distinguishing between the two types of entities. Regulations Section 301.7701-2(a)(2). Characteristics common to both a partnership and a corporation are associates and an objective to carry on business and divide gains therefrom; therefore, whether an organization is to be treated as a partnership or corporation depends upon whether there exists centralization of management, continuity of life, free transferability of interests and limited liability. Regulations Section 301.7701-2(a)(2). Finally, an unincorporated organization will not be treated as a corporation, unless such organization has more corporate characteristics than noncorporate characteristics. Regulations Section 301.7701-2(a)(3). See also *Larson v. Commissioner*, 66 T.C. 159 (1976) *acq.*, Rev. Rul. 79106, 1979-1 C.B. 448.

Although there is no specific authority with respect to the tax status of a condominium management association, it appears that the Condominium will have at least three (3) corporate characteristics: continuity of life, centralization of management, and a modified form of free transferability of interests. Accordingly, it is likely that the Condominium would be treated as an association separately taxable as a corporation under the tests set forth in

The Vermeil LLC
July 27, 2006
Page 4

Regulations Section 301.7701-2. In such event, and in the absence of any specific exception, the Condominium would be subject to Federal corporate income tax, New York State Corporation Franchise Tax and the New York City General Corporation Tax to the extent of its taxable income, if any. Additional assessments to meet this tax liability would be required.

C. Taxation of Common Charges.

Under the Plan, the Condominium will, from time to time, assess Common Charges against the Residential Unit Owners generally in proportion to their respective percentage interests in the Residential Limited Common Elements, and against the Commercial Units and Storage Units in accordance with their usage of services and facilities of the Condominium, in order to pay the costs and expenses of operating, repairing and maintaining the Common Elements.

Certain condominiums that satisfy the requirements of Section 528(c)(1) of the Code may elect to be treated as "homeowners associations" for federal income tax purposes. In order for the Condominium to qualify as a homeowners association, Section 528 would require, among other things, the following:

1. Election to be Taxed Under Code Section 528. Code Section 528 provides an exemption from regular corporate income tax for an organization that qualifies as a "homeowners association" which term includes a "condominium management association". A "condominium management association" is defined as an organization organized and operated to provide for the acquisition, construction, management, maintenance, and care of a condominium, provided substantially all of the units are used by individuals for residences. Code Sections 528(c)(1)(A) and 528(c) (2). "Substantially all" the units will be considered used by individuals for residences, if at least eighty-five (85%) percent of the total square footage of all units within the project is used, or is intended to be used by individuals, for residential purposes or purposes auxiliary to residential use, such as storage rooms, laundry and maintenance areas. Regulations Section 1.528-4(b). The organization itself will be considered "organized and operated" for the acquisition, construction, management, maintenance, and care of such condominium if the facts and circumstances indicate such to be the case. Regulations Section 1.528-2.

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

- a. Sixty (60%) percent or more of the gross income of the organization must be "exempt function income," that is, income derived from the payment

The Vermeil LLC
July 27, 2006
Page 5

of dues or fees from the residential unit owners in their capacity as owner-members rather than in their capacity as customers for services;

b. Ninety (90%) percent or more of the expenditures of the organization for the taxable year must be used for the acquisition, construction, management, maintenance and care of the organization property;

c. No part of the net earnings of the organization may inure to the benefit of any individual; and

d. The organization must properly and timely elect to have Code Section 528 apply for the taxable year.

Based upon our understanding of the manner in which the Condominium will be operated, it appears the Condominium will be eligible to qualify as a homeowners association within the meaning of Code Section 528(c)(1) since you have represented that all of the Units will be used by individuals for residences or accessory uses.

The failure to qualify or properly elect to be treated as a homeowners association under Section 528 would mean that the Condominium (as a corporation) could be subject to regular Federal, New York State and New York City corporate income taxes on the portion of the Common Charges which is deemed to constitute gross income of the Condominium, to the extent that such portion (together with any income earned from other sources, such as interim investment of funds) exceeds the current expenses paid or incurred and other expenditures by the Condominium which are allowable as deductions for Federal corporation income and State and City franchise tax purposes, respectively. In determining its taxable income, the Condominium's deductions attributable to providing services to Unit Owners may be limited to its income derived from Unit Owners.

2. Special Assessments for Specified Capital Improvements. Common Charges should not constitute gross income to the Condominium to the extent such charges are used solely for capital improvements and are deposited in separate bank accounts, on the theory that: (i) the Condominium is collecting and holding the funds as agent for the Unit Owners (Revenue Ruling 75-370, 1975-2 C.B. 25); or (ii) the Common Charges constitute a nontaxable capital contribution to the Condominium (Code Section 118; Revenue Ruling 75-371, 1975-2 C.B. 52). It should be noted that if Common Charges are treated as contributions to capital, and such charges (together with any other funds accumulated by the Condominium) are expended for capital improvements, then the Service may contend that the capital expenditures benefit the Unit Owners, and, therefore, that each Unit Owner should be subject to tax on his pro-rata share of the amount expended. See Code Section 301.

The Vermeil LLC
July 27, 2006
Page 6

III. Conclusion

We express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to the tax consequences of the Plan under the laws of any other state or foreign jurisdiction. This opinion does not discuss the tax consequences which may result from the ownership of a Commercial Unit, or the leasing of a Unit to others in connection with a Unit Owner's trade or business, for purposes of investment, or for the production of income, or tax consequences which may result under Code Section 897 or otherwise to a foreign Unit Owner by reason of his foreign status. This opinion also does not consider the tax consequences which may arise if Units are acquired by corporations, partnerships, or trusts or other persons which are not individuals, or are acquired and/or leased by the Board of Managers. Similarly, we have not addressed the issue of whether a Unit Owner may be deemed to be a resident of New York State due to ownership of a Unit and the income, estate or other tax consequences attendant thereto. We therefore advise each person contemplating the purchase of a Unit to consult his own tax advisor as to all such tax matters, as well as with respect to the tax matters discussed in this opinion.

The opinions expressed herein are for the benefit of The Vermeil LLC and are based solely upon our current understanding and interpretation of the existing law, and upon information set forth herein. If there has been any misstatement of a fact or omission of any fact, which may be material, or any amendment or change in the Declaration, the By-Laws or the Plan, any such omission, misstatement or change may require modification of part or all of this opinion. Moreover, it should be specifically noted that this opinion is not binding on the Internal Revenue Service, the New York State Department of Taxation and Finance, or the New York City Department of Taxation, and that such entities may not agree with any or all of the views stated above. Further, the Federal and State tax laws and Regulations and the rulings and decisions thereunder may change and thereby affect the views stated above in whole or in part.

Very truly yours,

/s/

SONNENSCHIN, SHERMAN & DEUTSCH, LLP

LAW OFFICES

SONNENSCHN, SHERMAN & DEUTSCH, LLP

IRVING SONNENSCHN
SANDER SRULOWITZ
RICHARD E. FELDMAN*
MARTIN J. FRIEDMAN
SARA R. THRONE
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NEW YORK, NEW YORK 10106

(212) 245-6754
TELEFAX: (212) 956-7549

COUNSEL
JEROME B. SHERMAN
ALEX DEUTSCH
MITCHELL R. MASS

*MEMBER OF NY AND NJ BARS

July 27, 2006

The Vermeil LLC
357 Flatbush Avenue
Brooklyn, New York 11213

Re: The Vermeil Condominium (the "Condominium")
133 Sterling Place, Brooklyn, New York 11217

Gentlemen:

You have requested our opinion regarding the allocation of common interests to the Units at the above-referenced Condominium as required by NYCRR Section 20.3(y)(5). Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Offering Plan for the Condominium (the "Plan").

In rendering this opinion we have reviewed the allocation of Common Interests as shown on Schedule A to the Plan and the Declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act (Real Property Law Article 9-B) and such other materials as we deem relevant. Our opinion is based upon the factual determinations made by Brown Harris Stevens as set forth in its opinion contained in the Plan as required by NYCRR Section 20.3(i). We have not made an independent investigation of the truth or accuracy of the factual determinations made by Brown Harris Stevens.

Based on our review of the foregoing, we have determined that Common Interests were allocated among the Units of the Condominium pursuant to the method set forth in Real Property Law ("RPL") Sections 339-i(1)(iv) i.e., upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the Unit, and the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Unit, except that expenses to non-residential Units may be allocated based upon usage.

The Vermeil LLC
July 27, 2006
Page 2

Accordingly, based on the foregoing, it is our opinion that Real Property Law Section 339-i has been complied with in assigning Common Interests to the Units. This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to purchasers. In no event will the Sponsor, Sonnenschein, Sherman & Deutsch, LLP, the Selling Agent or the Condominium Board be liable if there are changes in the facts on which we have relied in rendering this opinion or if there are changes in Real Property Law Section 339 or other applicable law.

The opinion expressed herein is based solely on New York law.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,
/s/

SONNENSCHN, SHERMAN & DEUTSCH, LLP

MOSESON & ASSOCIATES

769 Empire Avenue
Far Rockaway, NY 11691

Telephone (718) 327-5779
Fax (718) 327-5737

March 13, 2006

7th And Sterling, LLC
Jacob Pinson
1328 President Street
Brooklyn, New York 11213

RE: 22 units at 133 Sterling Place, Brooklyn
Block: 942 Lot: 48, 49, 50, 51, 52 tentative 49

Dear Sir:

You have requested me to advise you with respect to the applicability of The City of New York's program for partial real estate tax exemption under Section 421-a of the Real Property Tax Law and the procedure therefore.

You and your architect have represented to us that:

1. You have commenced construction on the site of the building based on approved building plans issued by the Department of Buildings of the City of New York before January 1, 2005.
2. Upon completion of construction, the Building will be classified as multiple dwellings pursuant to the Multiple Dwelling Law.
3. The Site was unimproved 36 months prior to the commencement of construction (as defined in the site requirements of section 2.5(1) (a) of the Regulations).
4. The building will be substantially used for dwelling purposes for a period of at least fifteen years following its completion.
5. Construction of the building will be completed on or before Dec. 31, 2008.
6. An application for Preliminary Certificate of Eligibility will be filed with HPD upon start of construction.
7. Upon completion, the project will consist of a condominium consisting of twenty two units.

CONCLUSION

Based solely on these representations, and if (i) the building is constructed substantially in accordance with the plans and specifications approved by the New York City Department of Buildings and comply with the requirements of section 421-a, the Regulations and HPD, and HPD is notified of any modifications to the plans for the building or the "sell-out" price; (ii) HPD determines that the property was "underutilized" (pursuant to the provisions of Section 421-a) 36 months prior to commencement of construction; (iii) a preliminary Certificate of Eligibility is issued by HPD after commencement of construction and prior to the issuance of a temporary Certificate of Occupancy; (iv) temporary Certificates of Occupancy for all of the residential areas of the building or permanent Certificates of Occupancy for the building is issued and filed with HPD no later than six months after an application for a Final Certificate of Eligibility is filed with HPD, or prior to December 31, 2008 which ever is earlier; (v) a copy of such Final Certification and of the temporary or permanent Certificate of Occupancy for the residential units is filed with the New York City Department of Finance succeeding the issuance of such Final Certificate of Eligibility; and (vi) there is no change in Section 421-a, the Regulations and decisional law, the Building would appear to be eligible for the partial real estate tax exemption provided under Section 421-a.

The units of the condominium should be entitled to Section 421-a tax benefits under present law. Generally, for predominantly residential buildings, under section 421-a, 100% of the increased assessed value of the property resulting from the improvement thereon (i.e., the assessed value above the pre-construction assessed value) is exempt from taxation during construction and during the ten (10) years following the first taxable status date immediately following completion of construction. The exemption declines to 80% of the increased assessed value for the eleventh (11) year and is further reduced by an additional 20% for each of the succeeding years. Following the 15-year period, the Unit Owners will pay real estate taxes based on the full assessed valuation of their Units and the tax rate then in effect, without the benefit of any exemption.

The total assessed value of the property (i.e., the aggregate assessment of all units) following completion of construction is estimated to be approximately 2,970,000. Using the foregoing estimate of assessed value upon completion, assuming completion to be on or before December 31, 2008 and assuming the tax rate remains the same as the current rate (i.e., \$12.396 per \$100 of assessed value) during the 15 year abatement period and upon completion of construction, and using a pre-construction assessed value of the property of 149,744.00 then upon completion of the 15 year tax abatement the real estate taxes will be approximately \$368,161.00. You are advised that this projection is an estimate as it is unlikely

that the post-construction assessed value or tax rate will remain constant for the 15-year Section 421-a exemption period. Thus, the actual assessment and real estate tax for each Unit may be more or less than the Unit's proportionate share of the total assessment and tax amount shown. If any of the foregoing requirements or conditions, however, should not be met to the satisfaction of HPD, or if any of the foregoing representations should prove to be inaccurate, then, unless the Regulations are modified to remove or change any requirement or condition that is not met, the building would not qualify for the partial real estate tax exemption provided under Section 421-a.

We have been retained by you to undertake the procedures outlined in this letter and consent to the inclusion of this letter in any offering plan with respect to the project. We make no representations and express no opinion as to whether or not any or all of the requirements and conditions set forth herein will be fulfilled.

Although the estimate of the 2005/2006 Actual Assessed Valuation is a good faith estimate, it is not possible to estimate it with any degree of certainty, and thus such assessed valuation when actually made, may be lesser or greater than as estimated. In no event will my firm, the Sponsor, the Sponsors' counsel, the Condominium Board or any other person be liable if the assessed valuation when actually made, is lesser or greater than predicted if the Administrative Code and the applicable rules and regulations of the City of New York are in the future changed or if the facts as represented to my firm prove to be untrue.

As president of Moseson & Associates a real estate tax consulting firm, I have represented homeowners, real estate developers, attorneys, and corporations since 1983 in dealings with the NYC Department of Housing Preservation and Development. I specialize primarily in obtaining Section 421a, 421b, ICIP, & J51 tax abatements for my clients.



Jacob Moseson

EXHIBIT I**CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS
PURSUANT TO SEC. 20.4 OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED**

New York State Department of Law
Investment Protection Bureau - Real Estate Financing Section
120 Broadway, 23rd Floor
New York, New York 10271

Re: The Vermeil Condominium
133 Sterling Place, Brooklyn, New York

Dear Sir or Madam:

The undersigned certify as follows:

We are the Sponsors and the principals of the Sponsors of the condominium offering 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 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for making this Certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

- (1) set forth the detailed terms of the transaction and be complete, current and accurate;
- (2) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (3) not omit any material fact;
- (4) not contain any untrue statement of a material fact;
- (5) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(7) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representations or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

THE VERMEIL LLC, *Sponsor*

By: _____

Jacob Pinson, *Managing Member*

Principal: _____

Jacob Pinson _____

Principal: _____

Principal: _____

Sworn to before me this

12 day of Dec, 2006

Notary Public

Joseph Kitzoff

Notary Public, State of New York

Qualified in Kings County No. 24-6013359

Commission Expires Sept. 14, 2006

Sworn to before me this

11 day of Dec, 2006

Notary Public

Joseph Kitzoff

Notary Public, State of New York

Qualified in Kings County No. 24-6013359

Commission Expires Sept. 14, 2006

Sworn to before me this

___ day of _____, 200__

Notary Public

Sworn to before me this

___ day of _____, 200__

Notary Public

**SPONSOR'S ENGINEER OR ARCHITECT CERTIFICATION
PURSUANT TO 13 NYCRR 21.4 (C)**

September 4, 2006

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

RE: 133 Sterling Place Owner's Corporation, LLC.

Gentlepeople:

The Sponsor of the offering plan for cooperative ownership of the captioned property retained me/our firm to prepare a report describing the construction and/or renovation of the property (the "Report"). I visually inspected existing portions of the renovated property, if any, on 133 Sterling Place on July 26, 2006 and I examined the building plans and specification that were prepared by Danois Architects, P.C. dated August 28, 2006 and prepared Report dated August 30, 2006 a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I am a registered architect in the State in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Office of the Attorney General in Part 21 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

- (i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation and/or construction provided that renovation and/or is in accordance with the plans and specifications that I examined;
- (ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property at it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that I examined;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;

- (v) does not contain any fraud, deception, concealment or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I/We:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth, or
 - (d) did not have knowledge concerning the representations or statements made.

I further certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing the Report is not contingent on the conversion of the property to a cooperative 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.

Very Truly yours,



Signature of Individual or Name of Firm

Signature of Individual if prepared by Firm

EVELYN NEGROW
Commissioner of Deeds
City of New York - No. 8-6295
Certificate Filed in Bronx County
Commission Expires

June 12, 2007

President

Title of Position if prepared by Firm

Sworn to before me this
30 day of Augus, 2006

Evelyn Negrow
Notary Public

PARKWAY REALTY GROUP LLC

CERTIFICATION OF SPONSOR'S EXPERT
CONCERNING THE ADEQUACY OF THE COMMERCIAL UNIT OWNER(S)
PURSUANT TO SEC. 20.4(d)
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

August 4, 2006

New York State Department of Law
Real Estate Securities Bureau
120 Broadway, 23rd Floor
New York, New York 10271

Re: The Vermeil Condominium
133 Sterling Place, Brooklyn, NY

Dear Sir/Madam:

The sponsor of the condominium Offering Plan for the captioned property has retained me/our firm to review or prepare Schedule B containing projections of the income and expenses for the first year of condominium operations of the Residential and Parking and Storage Unit(s). My/Our experience in this field includes acting as a managing agent of condominium, cooperative, rental properties for over five (5) years and currently managing approximately sixteen such properties.

I/We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B.

I/We have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying it with due diligence in order to form a basis for this certification. I/We have also relied on our experience in managing residential and mixed-use buildings.

I/We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I/We certify that the Schedule(s):

- (i) sets forth in detail the projected income and expenses for the first year of condominium operation of the unit(s);

New York State Department of Law
Page 2

- (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 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;

I/We further certify that we are not owned or controlled by the sponsor. I/We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee of 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/We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

PARKWAY REALTY GROUP LLC

By: 
Name: Ari Sperling

Sworn to before me this
4th day of August, 2006



Notary Public

CARL DEAN CARLTON
Notary Public, State of New York
No. 24-0570560
Qualified in Kings County
Commission Expires June 30, 2007

EXHIBIT J**ESCROW AGREEMENT**

AGREEMENT made this 11th day of May, 2006 between THE VERMEIL LLC, (the "Sponsor") as sponsor of the Offering Plan for premises 133 Sterling Place, Brooklyn, New York and SONNENSCHN, SHERMAN & DEUTSCH, LLP ("Escrow Agent") as escrow agent.

WHEREAS, The Vermeil LLC is the Sponsor of an Offering Plan to convert to condominium ownership the premises located at 133 Sterling Place, Brooklyn, New York;

WHEREAS, Sonnenschein, Sherman & Deutsch, LLP, is authorized to act as an Escrow Agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, Sponsor desires that Escrow Agent act as escrow agent for deposits and payments by purchasers pursuant to the terms of this agreement.

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

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. Sponsor and Escrow Agent hereby establish an escrow account with Escrow Agent for the purpose of holding deposits or payments made by purchasers. The escrow account will be opened with JP Morgan Chase Bank, N.A. at its branch located at 250 West 57th Street, New York, New York 10019.

1.2. The name of the account is "Sonnenschein, Sherman & Deutsch, LLP Attorney Escrow Account".

1.3. Escrow Agent is the sole signatory on the account.

1.4. The escrow account shall be an interest-bearing attorney's escrow account.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1. All funds received from prospective purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be forwarded by Sponsor to Escrow Agent within five (5) business days for deposit in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser to the order of "Sonnenschein, Sherman & Deutsch, LLP, as Attorneys". Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by Escrow Agent. In the event of such return of funds, the instrument shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Agreement.

2.2. Sponsor acknowledges that within ten (10) business days after tender to the Sponsor of the deposit submitted with the purchase agreement, and other necessary documents, Escrow Agent is obligated to notify the purchaser of the deposit of such funds in the bank indicated in the Offering Plan, provide the account number, and disclose the initial interest rate. Failure of the Sponsor to deliver the deposit promptly to Escrow Agent may prevent Escrow Agent from furnishing timely notice of deposit to a purchaser. Pursuant to regulations promulgated by the Attorney General of the State of New York, if the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or purchaser.

3. **RELEASE OF FUNDS.**

3.1. Escrow Agent shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan, as defined in the Attorney General's regulations. Consummation of the plan shall not relieve Sponsor of its fiduciary obligations pursuant to GBL Section 352-h.

3.2. Escrow Agent shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both Sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3. Sponsor agrees not to object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

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

4. **RECORD KEEPING.**

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

4.2. Upon the dissolution of Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

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

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

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

5.2. A fiduciary relationship shall exist between Escrow Agent and purchasers, and Escrow Agent acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF SPONSOR.

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

6.2. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION AGREEMENT.

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

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

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

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

7.2. In the event of cancellation of this agreement pursuant to paragraph 7.1 of this agreement, should Sponsor fail to appoint a successor Escrow Agent within fifteen (15) days after notice of cancellation is given, Escrow Agent is authorized to designate a successor Escrow Agent and Sponsor is obligated to file an amendment with the Department of Law forthwith which provides for such successor Escrow Agent.

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

8. SUCCESSORS AND ASSIGNS.

8.1. This Agreement shall be binding upon Sponsor and Escrow Agent and their successors and assigns.

9. GOVERNING LAW.

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

10. ESCROW AGENT'S COMPENSATION.

10.1. Sponsor agrees that Escrow Agent's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to Escrow Agent shall not be deducted from escrowed funds by any financial institution under any circumstance.

10.2. Sponsor agrees to compensate Escrow Agent for services rendered as Escrow Agent for each apartment unit for which a deposit is received by Escrow Agent. The amount of compensation will be determined by separate agreement between Sponsor and Escrow Agent, and in the absence of such an agreement, will be in accordance with Escrow Agent's hourly fee then in effect.

10.3. Should Escrow Agent find it necessary to apply to the Attorney General for dispute resolution or be made a party to or a participant in such dispute resolution, or be a party to any litigation relating or pertaining to a deposit or the performance by the Escrow Agent of its duties, Sponsor agrees to reimburse Escrow Agent for its attorneys' fees, costs and disbursement or to compensate Escrow Agent at its usual hourly rates for the time expended by Escrow Agent representing itself in such dispute resolution or litigation.

11. SEVERABILITY.

11.1. If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. **INDEMNIFICATION OF ESCROW AGENT.**

12.1. Sponsor agrees to defend (by attorneys selected by escrow agent), indemnify and hold harmless escrow agent against and from any claim, judgment, loss, liability, cost or expense resulting from any dispute or litigation arising out of or concerning escrow agent's duties or services hereunder. This indemnity includes, without limitations, disbursements and reasonable attorneys' fees either paid to retain attorneys or representing the fair value of legal services rendered by escrow agent to itself.

12.2. Escrow agent shall not be liable for any error in judgment or for any act done or step taken or omitted in good faith, or for any mistake of fact or law, except for escrow agent's own gross negligence or willful misconduct.

12.3. Sponsor acknowledges that escrow agent is merely a stakeholder. Upon payment of the down payment to Sponsor or purchaser pursuant to the provisions of the Offering Plan or this Escrow Agreement, escrow agent shall be fully released from all liability and obligations with respect to the down payment.

13. **ENTIRE AGREEMENT.**

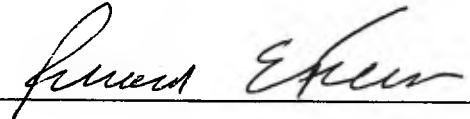
13.1. This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

[Continued on signature page]

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

ESCROW AGENT:

SONNENSCHN EIN SHERMAN &
DEUTSCH, LLP

By: 

SPONSOR:

THE VERMEIL LLC

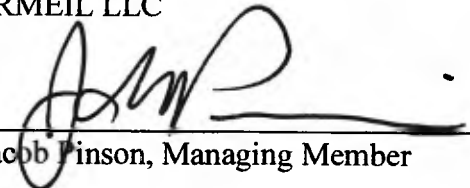
By: 
Jacob Finson, Managing Member

EXHIBIT K**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: The Vermeil Condominium
133 Sterling Place, Brooklyn, New York
Address of Building or
Name of Project

File Number: _____

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

1. Name _____
of Applicant

2. Address _____
of Applicant

3. Name, Address, and Telephone Number of Applicant's Attorney (if any): Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Suite 501, New York, New York 10106, telephone number: 212-245-6754, Attention: Perry Balagur, Esq.

4. This is an application for ☐ return of downpayment
☐ forfeiture of downpayment
☐ other: _____

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

6. The project is structured as ☐ a cooperative
☒ a condominium.
☐ a homeowners association
☐ other: _____

7. Name and Address of Sponsor: The Vermeil LLC with an address at 357 Flatbush Avenue, Brooklyn, New York 11213

8. Name and Address of Escrow Agent: Sonnenschein, Sherman & Deutsch, LLP, 888 Seventh Avenue, Suite 501, New York, New York 10106.

9. If downpayments are maintained in an escrow account:

(a) Name of account Sonnenschein, Sherman & Deutsch, LLP Attorney Escrow Account

(b) Name and address of bank JP Morgan Chase Bank, 250 West 57th Street, New York, NY 10019.

(c) Account number (if known) _____

(d) Initial interest rate (if known) _____

10. If downpayments have been secured by bonds:

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

(b) Copy of bond included in this application. (Do not send original bond.) If not included, explain: _____

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

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

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

12. Plan information:

(a) Date of filling of plan: _____

(b) Plan

☐ has been declared effective. Approximate date: _____

☐ has not been declared effective.

(c) If effective, the plan

☐ has closed or the first unit has closed. _____

Approximate date: _____

☐ has not closed.

☐ don't know.

(d) Downpayments are secured by

☐ escrow account

☐ bonds.

☐ letter of credit.

13. Contract information:

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

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

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

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

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

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

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

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

Signature: _____ Date: _____

Name (Printed): _____

Telephone: (Home) _____ (Business) _____

Mailing Address: _____

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