
CONDOMINIUM OFFERING PLAN

THE ABSOLUTE CONDOMINIUM

111 STEUBEN STREET
BROOKLYN, NEW YORK 11205

Total Offering Price for 68 Units	\$ 25,298,000.00
(35) Residential Units.....	\$ 19,478,000.00
(2) Commercial Units.....	\$ 5,200,000.00
(31) Parking Units.....	\$ 620,000.00

SPONSOR AND SELLING AGENT:

941 Washington Associates LLC
636 Eastern Parkway
Brooklyn, New York 11213

PREPARED BY:
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THE DATE OF ACCEPTANCE OF THE FILING OF THE OFFERING PLAN IS JANUARY 5, 2007; THE OFFERING PLAN MAY NOT BE USED AFTER JANUARY 4, 2008 UNLESS EXTENDED BY A DULY FILED AMENDMENT.

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE (1)

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

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).

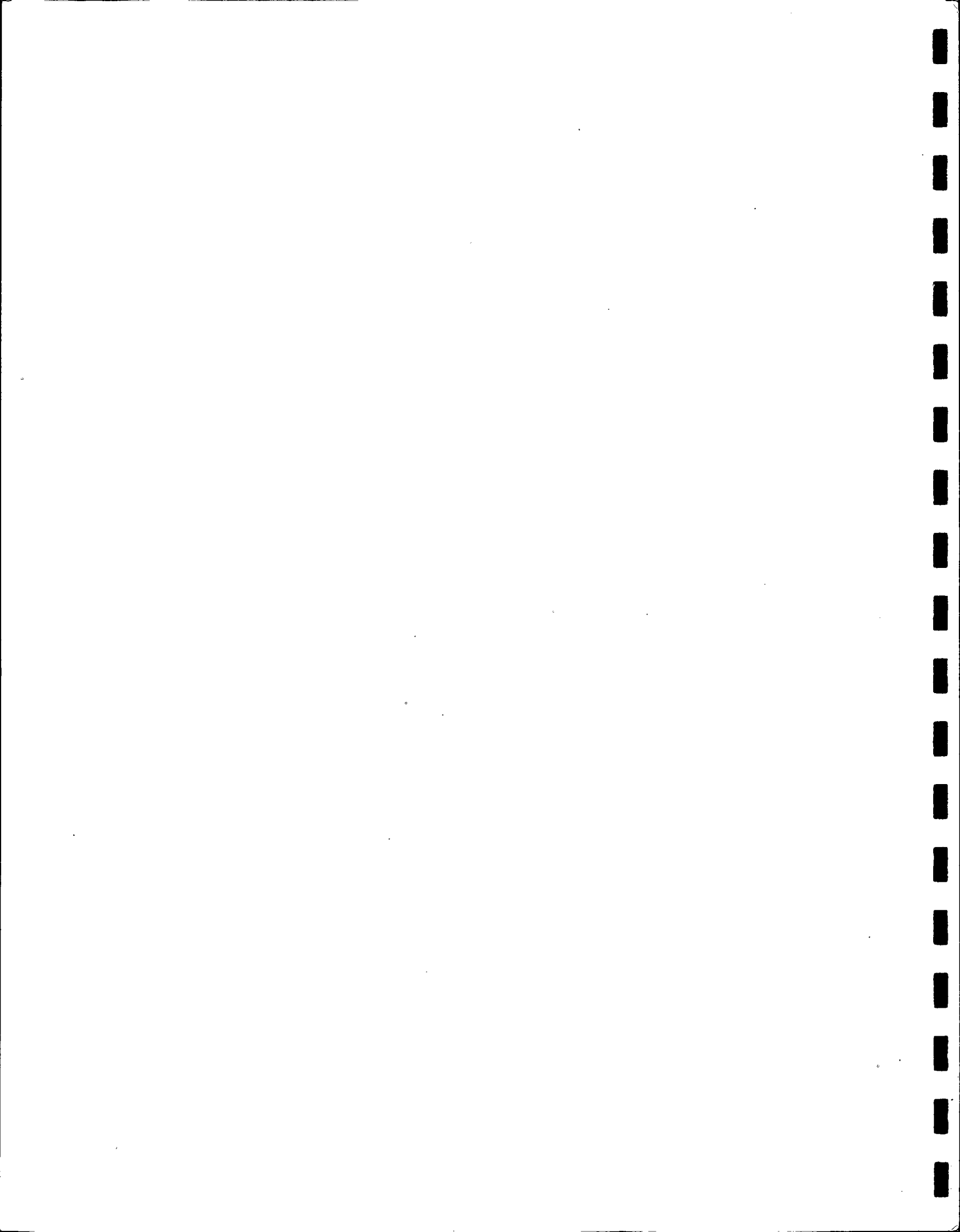


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A. SPECIAL RISKS¹

1. In accordance with Paragraph 13 of the form of Purchase Agreement, the time for the payment of the ten (10%) percent (or less as determined by Sponsor, but in no event less than \$1,000.00) down payment and the payment of the balance of the purchase price and the performance of Purchaser's obligations under said Purchase Agreement, TIME IS OF THE ESSENCE of this Agreement. If the Purchaser fails to make any of such payments when required or fails to perform any of the Purchaser's other obligations under the Purchase Agreement at the time specified for the performance thereof and does not cure said default within thirty (30) days after Sponsor gives written notice to the Purchaser of Sponsor's intention to cancel the Purchase Agreement, Sponsor's remedies include, without limitation, (i) the cancellation of such Purchase Agreement and the retention, as liquidated damages, of the down payment made by the Purchaser, together with interest earned thereon, if any, and (ii) the commencement of an action against the Purchaser for specific performance in which event the Purchaser would be compelled to complete the transaction. During the aforementioned thirty (30) day period Purchaser will be subject to the penalties set forth in the following paragraph. See "Procedure to Purchase" at Part I, Section K of the Plan for further discussion.

For example if a purchaser is paying \$450,000.00 for a unit and requests an adjournment of thirty (30) days which the seller grants the penalty would be calculated as follows: $\$450,000.00 \times 10\% = \$45,000.00 \div 365 = \$123.29$ per day $\times 30$ day adjournment = \$3,698.70 penalty.

TIME SHALL BE OF THE ESSENCE WITH RESPECT TO PURCHASER'S OBLIGATIONS TO CLOSE ON THE CLOSING DATE SCHEDULED HEREUNDER. THIS MEANS THAT IF PURCHASER FAILS TO CLOSE ON THE CLOSING DATE FOR ANY REASON WHATSOEVER, SELLER WILL HAVE THE RIGHT TO TERMINATE THIS PURCHASE AGREEMENT AND RETAIN PURCHASER'S DOWN PAYMENT AS LIQUIDATED DAMAGES.

2. In accordance with Section 2.2-4 of the By-Laws of the Condominium (as set forth in Part II of the Plan), until the earlier to occur of (a) the fifth anniversary of the first closing of title to a Unit or (b) the date on which Unsold Units represent less than twenty-five (25%) percent in number and also less than twenty-five (25%) percent in Common Interest of all Units, the Condominium Board may not, without Sponsor's prior written consent (i) make any addition, alteration or improvement to the Common Elements (unless required by law); (ii) assess any Common Charges for the creation of addition to or replacement of, all or part of the working capital, reserve, contingency or surplus funds in excess of the amounts for such funds as are referred to in the Projected Budget set forth as Schedule B at Part I of the Plan plus the balance of

¹All capitalized terms used herein which are not separately defined shall have the respective meanings ascribed thereto in "Definitions" at Part I, Section B of this Plan.

the working capital fund created by Sponsor after the adjustments taken at the First Unit Closing; (iii) hire any employee in addition to the number of employees referred to in said Schedule B; (iv) enter into any service or maintenance contract for work not covered in Schedule B, or otherwise provide services in excess of those contemplated by Schedule B or elsewhere in the Plan; or (v) borrow money on behalf of the Condominium. See "Control by Sponsor" at Part I, Section Q of the Plan for further discussion.

3. The Sponsor has obtained an estimate of the real estate taxes for the Units from a real estate tax consultant, who has provided a written opinion letter setting forth these estimates, which is printed in Section V. These figures are based upon an anticipated reduction of the full real estate taxes expected to be levied against the property by reason of anticipated benefits resulting from partial real estate tax exemption benefits available pursuant to Section 421-a of the Administrative Code of the City of New York; the Sponsor will apply for, and use its best efforts to obtain said benefits.

IN THE EVENT THAT 421-a BENEFITS ARE NOT GRANTED, PURCHASERS WILL HAVE NO RIGHT TO RESCIND THEIR PURCHASE AGREEMENTS. SPONSOR WILL PAY ALL LEGAL FEES AND COSTS IN CONNECTION WITH THE APPLICATION FOR PARTIAL REAL ESTATE TAX EXEMPTION BENEFITS, AND WILL USE ITS REASONABLE EFFORTS TO OBTAIN SUCH BENEFITS.

NO WARRANTY IS OR CAN BE MADE BY THE SPONSOR OR ANY OTHER PERSON THAT THE NEW YORK CITY DEPARTMENT OF HOUSING AND PRESERVATION AND DEVELOPMENT OR THE NEW YORK CITY REAL PROPERTY ASSESSMENT DEPARTMENT, OR ANY OTHER AGENCY HAVING JURISDICTION, WILL APPROVE THE SPONSOR'S APPLICATION FOR 421-a TAX BENEFITS, AND NEITHER THE SPONSOR NOR ITS COUNSEL SHALL BE LIABLE IF, BECAUSE OF CHANGES IN LAWS AND/OR REGULATIONS OR THE INTERPRETATION OF LAWS AND/OR REGULATIONS (OR, AS TO DAVID S. FRANKEL, ATTORNEY, IF THE FACTS REPRESENTED BY THE SPONSOR PROVE TO BE INCORRECT) THE PROPERTY FAILS TO OBTAIN, IN WHOLE OR IN PART, 421-a BENEFITS. SHOULD SUCH REAL PROPERTY TAX BENEFITS BE DENIED, IN WHOLE OR PART, THAN THE UNIT OWNERS WILL BE RESPONSIBLE FOR ALL OF THE TAXES DUE AND OWING ON THE PROPERTY WITHOUT ANY REDUCTION.

See "Real Estate Taxes" at Part I, Section T and "Schedule A" at Part I, Section E (which includes figures for real estate taxes with and without 421-a benefits) for details.

4. The Sponsor has contracted with American Building Management Corp., to act as Managing Agent for the condominium. See "Footnote #8 to Schedule B" at Part I, Section F; and "Management Agreement, Contracts and Leases" at Part I, Section Y for additional information.

5. Pursuant to existing law and regulations, the Sponsor may declare the plan effective by selling a minimum of fifteen percent of the apartments in the building. Even if the plan is

declared effective with a minimum number of sales, it is possible that the Sponsor may be able to convert the building with fewer than the minimum number of sales, if purchasers counted towards effectiveness do not ultimately purchase an apartment. Should the Sponsor be unable to sell 15% of the apartments, the Plan will be abandoned, and all DOWN PAYMENTS will be returned to the Purchasers promptly thereafter. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions include requiring that a certain percentage (such as 50% or more) of the apartments in a building be sold before the lender will consider making a loan. Thus it may be possible for a purchaser to experience difficulty obtaining a loan in a building where the percentage of the units purchased is lower than a lender's particular sales minimum. See "Effective Date" at Part I, Section M for additional information.

6. Pursuant to the terms of this Plan and the Purchase Agreement, Purchase Agreements may be contingent upon Purchaser obtaining a financing commitment. A Purchaser is not required to apply to a lender for a mortgage until the Plan is declared effective. However, nothing herein and nothing in the Purchase Agreement requires a Purchaser to wait until the Plan is declared effective to apply for a mortgage. However, a Purchaser shall have no right to terminate the Purchase Agreement if the commitment from the lender expires before the First Unit Closing, or for reasons beyond the control of Sponsor or if the Purchaser fails to satisfy any of the conditions set forth in the commitment, provided that if the commitment expires because of Sponsor's inability to deliver title to the Unit in accordance with the terms of this Plan and if lender fails to extend such commitment, a Purchaser shall have the right to terminate the Purchase Agreement, in which event the Down payment, with interest earned thereon, if any, shall be refunded to Purchaser. Except, that if a Purchaser's Purchase Agreement is contingent on obtaining financing within a certain amount of time, which in this Offering Plan is 45 days (See PURCHASE AGREEMENT in part II of this Offering Plan and the financing commitment lapses or expires prior to closing, and the Purchaser has made a good faith effort to extend the commitment, Sponsor must grant such purchaser a right of rescission and a reasonable time to exercise the right. Should a Purchaser apply for financing before the Plan is declared effective, Purchaser shall be responsible for all costs in connection with such application and the issuance of a commitment, including but not limited to the fees to extend the commitment, commitment fees, and application fees, whether or not the Plan is subsequently declared effective. See "Procedure to Purchase and DOWN PAYMENTS" at Part I, Section K for additional information.

7. At each closing, purchaser will be obligated to pay various closing costs, more specifically set out in Section O "Closing Costs and Adjustments". It should be noted that if Purchaser is unable to close at the office of Sponsor's attorney, a travel fee will be imposed by Sponsor's attorney which travel fee will not exceed \$600.00 so long as the closing takes place within one hours travel time, by car, from the office of Sponsor's attorney. If the Purchaser obtains financing for the Purchase of the Unit Purchaser shall pay Sponsor's attorney an additional fee of \$500.00 for the additional time required to be spent by sponsor's attorney in a financed transaction.

It should also be noted that at the closing, purchaser will be obligated to pay the common charges from the date of the closing of title to the end of the month in which title closes. However, if a Purchaser requests an adjournment of the closing, such Purchaser shall be responsible for Common

Charges from the originally scheduled date until the actual closing date for his or her Unit. See "Closing Costs" at Part I, Section O for additional information.

8. Sponsor has the financial resources to meet its obligations with respect to unsold units and will fund its financial obligations to the condominium with income from projected sales, rental of the units or, if necessary its own funds. No bond or other security will be or has been furnished to secure Sponsor's obligations. See "Rights and Obligations of Sponsor" at Part I, Section P for additional information.

9. Until the first annual meeting of Unit Owners (to be held within thirty-five (35) days after the expiration of the Initial Control Period as set forth in "Rights and Obligations of the Unit Owners and the Board of Managers" at Part I, Section S), the Condominium Board shall consist of three (3) persons designated by Sponsor. Accordingly, until such first annual meeting, Sponsor will have absolute control of the Condominium Board. This Initial Control Period shall end on the earlier to occur of (a) the second anniversary of the date of the First Unit Closing or (b) the date on which Unsold Units represent less than twenty-five (25%) percent in number and less than twenty-five (25%) in Common Interest of all Units. After such first annual meeting, the Condominium Board shall consist of five (5) persons. See "Rights and Obligations of the Unit Owners and the Board of Managers" at Part I, Section S for additional information.

At the first annual meeting of Unit Owners and at all times thereafter, Sponsor and its designees may be able to elect members of the Condominium Board as a result of its respective ownership of or interest in Unsold Units. In addition, Sponsor and its designees shall have the right to designate two (2) members of the five (5) member Condominium Board for so long as the Common Interest percentages attributable to Unsold Residential Units exceed twenty-five (25%) percent of the Common Interest of all Units; and one (1) member of the Board for so long as there is at least one (1) Unsold Residential Unit, except that the right of Sponsor and its designees to so designate members of the Board shall in any event terminate on the third anniversary of the First Unit Closing. As long as Sponsor has such right to designate members of the Board, the number of members of the Board may not be increased without the consent of Sponsor.

10. The Sponsor is providing a gas range and refrigerator as part of this sale. The Sponsor will not be supplying a washer/dryer, but will provide connections for same. See "Footnotes to Schedule A" at Part I, Section E for details.

11. All contract deposits will be deposited in escrow in a special account allocation to this condominium in Northfork Bank. This bank is covered by federal bank deposit insurance to a maximum of \$100,000.00 per individual deposit. See "Procedure to Purchase and DOWN PAYMENTS" at Part I, Section K for additional information.

12. Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all residential units to purchasers for the personal occupancy of purchasers or their immediate families. However, in the event that there is significant decline in market values of at least 15% from the most recent disclosed offering prices set forth in the contracts counted towards

effectiveness, sponsor reserves the right to rent, rather than sell, units until there is an upturn in the market. Sponsor's good faith efforts to sell to purchasers will include listing unsold units with brokers, showing unsold units to brokers and prospective purchasers or their representatives, filing update amendments to the plan and otherwise engaging in customer sales activities. Since Sponsor is not limiting the conditions under which it will rent rather than sell the units, there is no commitment to sell more units than the 15% necessary to declare the plan effective and owner-occupants may never gain effective control and management of the condominium. Due to the foregoing it should be noted that 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 "Introduction" at Part I, Section B; "Board of Managers" at Part I, Section R and "By-Laws" at Part II for additional information.

13. The New York City Real Property Transfer Tax and New York State Transfer Tax (for documentary stamps to be affixed to the deed), being 1% for transaction up to \$500,000.00 and 1.425% for transaction which exceed \$500,000.00 and \$2.00 for each \$500.00 of the consideration or fraction thereof respectively of the consideration paid by the Purchaser. Since the transfer tax is being paid by the Purchaser in calculating the consideration the tentative amount of the transfer tax is added to the purchase price and multiplied by the tax rate in calculating the amount of tax due, thus amounting in a tax on a tax. See "Footnotes to Schedule A" at Part I, Section E and "Closing Costs and Adjustments" at Part I, Section O for additional information.

14. If a downpayment check is returned for insufficient funds or any other reason, such return shall be deemed to be a default under the Purchase Agreement and upon such return, Sponsor shall have the right, among others, to deem such Purchase Agreement to be canceled and of no further force or effect. See "Procedure to Purchase and DOWN PAYMENTS" at Part I, Section K for additional information.

15. Units 2A, 2G, 2H, 3G, 3H, 4G, 4H, 5G, 6A, 6B, 6C and 6D include the use of balcony/terrace areas attached to their unit. Unit owners will be responsible for normal maintenance of such limited common elements including such things as cleaning, painting and repairs to surface; the condominium will remain responsible for structural repairs such as rafters, bulkheads, structural walls, etc., except where such repairs have been caused by the act or omission of the unit owner. See DESCRIPTION OF PROPERTY AND BUILDING CONDITION in Part II of this Offering Plan.

16. The square footage area and dimensions of the units are approximate and consists of the area measured horizontally from the Unit side of the glass windows or stone and brickwork of each exterior wall of the Building defining the Unit to (a) the Unit side of the glass windows or the brick work of the opposite exterior wall of the Building, or (b) the inner surfaces of the studs and framing of the interior walls of the Building separating the Unit from another unit, or (c) the unfinished inner surfaces of poured concrete walls, or (d) the Unit side of the concealed structural members of the interior walls of the Building separating the Unit from any corridors, stairs, elevators, and/or other mechanical equipment spaces. Purchasers are invited to measure

room dimensions prior to signing purchase agreements as these dimensions may vary from the actual "as-built" square footage, and that the square footage significantly exceeds the usable space of the unit.

17. The By-laws do not require that, after the initial Sponsor voting control period, a majority of the Board owner-occupants or members of an owner-occupants household who are unrelated to the Sponsor or its principal. Accordingly owner occupants may never take control of the Board. Due to the foregoing it should be noted that 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.)

B. INTRODUCTION

1. Offering of Residential Units For Sale

This is a Condominium Offering Plan for 111 Steuben Street, Brooklyn, New York. As used herein, the term "plan" refers to this plan.

Sponsor hereby offers two (2) Commercial Units, thirty five (35) Residential Units and thirty one (31) Parking Units in the Condominium for sale under this Plan. Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all residential units to purchasers for the personal occupancy of purchasers or their immediate families. However, in the event that there is significant decline in market values of at least 15% from the most recent disclosed offering prices set forth in the offering plan or an amendment to this offering plan, sponsor reserves the right to rent, rather than sell, units there is an upturn in the market. Sponsor's good faith efforts to sell to purchasers will include listing unsold units with brokers, showing unsold units to brokers and prospective purchasers or their representatives, filing update amendments to the plan and otherwise engaging in customer sales activities. Any or all Unsold Units may be used by Sponsor and its designees for any lawful purpose, on such conditions that Sponsor or its designee and any tenant may agree upon. Any of such Unsold Units may be subsequently sold upon the filing of an amendment to the Plan.

Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all residential units to purchasers for the personal occupancy of purchasers or their immediate families. However, in the event that there is significant decline in market values of at least 15% from the most recent disclosed offering prices set forth in the contracts counted towards effectiveness, sponsor reserves the right to rent, rather than sell, units until there is an upturn in the market. Sponsor's good faith efforts to sell to purchasers will include listing unsold units with brokers, showing unsold units to brokers and prospective purchasers or their representatives, filing update amendments to the plan and otherwise engaging in customer sales activities. Sponsor will have a significant role in the governance of the Condominium by reason of its voting control of the Board of Managers during the Sponsor's Board control period. Even thereafter, Sponsor will continue to have a voice in governance due to its right to designate a specified minority of the Board Members for so long as Sponsor owns one or more unsold units. Moreover, Sponsor and any other non-resident Owners will at all times have the same right as Owner-Occupants to vote on issues that require the approval or consent of Unit Owners (such as the exercise of the Board's Right of First Refusal.) Since Sponsor is not limiting the conditions under which it will rent rather than sell the units, there is no commitment to sell more units than the 15% necessary to declare the plan effective and owner-occupants may never gain effective control and management of the condominium. Due to the foregoing it should be noted that 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.) In the event Sponsor makes a bulk sale of all or some of the unsold Units the transferee successor sponsor will be bound by these representations with regard to Sponsor's commitment to sell units.

The purpose of this Plan is to set forth in detail all material facts relating to the offering by Sponsor of the Residential located in the Condominium. Sponsor may amend or supplement this plan from time to time by filing an amendment with the New York State Department of Law ("Department of Law") and serving same on Purchaser and Unit Owners.

2. Submission of Property to Condominium Statute

The statute in effect in the State of New York concerning condominiums, pursuant to which the condominium will be organized, is Article 9-B of the Real Property Law of the State of New York, as amended, commonly known as and hereinafter referred to as the "New York Condominium Act". The Property will be submitted to the provisions of said statute by Sponsor's recording the Declaration of Condominium Ownership (a copy of which is set forth in Part II of the Plan) in the Kings County Office of the Register of the City of New York. From and after the date of recording the Declaration, 941 Washington Associates, LLC will be the owner of each of the Units until each is sold and conveyed to a Purchaser thereof. The Condominium will comply with all statutes and regulations applicable to condominiums in the State of New York.

3. The Sponsor

941 Washington Associates LLC. is a limited liability company organized under the law of the State of New York. (See "Identity of Parties" at Part I, Section Z for more details regarding Sponsor.) This corporation is the Sponsor and owns the property which it purchased on December 13, 2001.

4. The Building and Units

The Condominium will consist of a single building consisting of a cellar and five stories. The building is located on Steuben Street between Park Avenue and Myrtle Avenue, in Brooklyn, New York. The building is currently under construction and expected to be completed by January 1, 2007.

There will be fifteen two bedroom apartments, nineteen one bedroom apartments and one three bedroom apartment. There will be thirty four parking units available for sale at the premises. Units 2A, 2G, 2H, 3G, 3H, 4G, 4H, 5G, 6A, 6B, 6C and 6D include the use of balcony/terrace areas attached to their unit. There will not be a common laundry room. Each apartment will have hook-ups for a washer and a dryer. A smoke detector and a carbon monoxide detector will be installed in each unit.

5. Purchase Prices

The initial prices for the Units offered for sale under the Plan are listed in Schedule A, entitled "Offering Prices", at Part I, Section E. The prices in Schedule A have been set by Sponsor alone and are not subject to review or approval by the Department of Law or any other

governmental agency.

6. The Offering Plan

The Plan is presented in two parts in one volume, which together constitute the Plan. Part I sets forth a general description of the Plan and Part II contains the basic documents necessary to create the condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed physical description of the Property and certifications of Sponsor, Sponsor's architect, and Sponsor's expert concerning the adequacy of the projected budget (set forth herein as Schedule B.) In addition, Sponsor has filed with the Department of Law Exhibits to the Plan which are presented as Part A (Certifications), B (General) and C (Engineering). The Plan, including all Schedules set forth herein, and Part A, B, C and D of the Exhibits constitute the entire offer of the Sponsor. Copies of the Plan and the Exhibits will be available for inspection by prospective purchasers without charge at the office of the Selling Agent/Sponsor.

7. Features of Condominium Ownership

The ownership of a Residential Unit is similar in many respects to the ownership of a private home. Each Residential Unit Owner owns fee title to his or her Unit and is entitled to the exclusive possession thereof. A Residential Unit Owner also owns and has the right to use, in common with owners of all other Units, an undivided interest in the Common Elements. As more particularly set forth herein and in the Declaration, a Residential Unit is a specific apartment in the Building. The Common Elements include all parts of the property other than the Units themselves, including, without limitation, the land, and the foundations and supports of the Building.

Limited Common Elements are those areas appurtenant to a particular unit, the use of which is restricted to the owner of such unit, but which are not owned by that unit owner. Thus, in this condominium, Units 2A, 2G, 2H, 3G, 3H, 4G, 4H, 5G, 6A, 6B, 6C and 6D include the use of balcony/terrace areas attached to their unit.

At least once a year, the Condominium Board will assess Common Charges against Unit Owners to meet Common Expenses for the Condominium. In accordance with Sections 339 (i) and (m) of the New York Condominium Act, the Condominium Board will assess each Unit Owner in proportion to his or her respective Common Interest, for his or her share of the costs and expenses of maintaining and operating the Common Elements. All Unit Owners will be billed monthly for their proportionate share of the Common Charges. The Estimated Common Charges for each Unit for the first year of operation of the Property as a condominium as set forth in Schedule A, entitled "Offering Prices", at Part I, Section E. Unit Owners will have no interest in any rents, profits or revenues derived from the rental or use of any Unit owned by another.

Residential Units shall be used only as residences, in accordance with the provisions of the By-Laws and current zoning laws. Subject to certain conditions contained in the By-Laws, each Residential Unit owner may mortgage his or her Unit with such lender and in such amounts as he or she chooses.

Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units. See "Rights and Obligations of Unit Owners" at Part I, Section S for a more complete discussion on the foregoing.

Operation of the Condominium will be vested in the Condominium Board, which shall be comprised, after the first annual meeting of Unit Owners, of five (5) representatives. Each Unit Owner shall be entitled to vote for members of the Condominium Board, the number of votes cast by each Unit Owner being determined by the Common Interest percentage attributable to his or her Unit or Units (as more particularly set forth in Article 3 of the By-Laws). Until the fifth anniversary of the First Unit Closing, Sponsor may have the right to designate up to two members of the Condominium Board. See "Control by Sponsor" at Part I, Section Q for further discussion on the foregoing rights of Sponsor.

The Condominium Board does not have the right to approve or disapprove purchasers, there is no limit on the number of owners who may purchase for investment rather than for personal occupancy and there may always be a substantial percentage of owners who are non-residents.

Each Unit will be assessed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor will his or her unit be subject to, any lien arising from the non-payment of taxes on other Units. As more fully set forth under "Taxes - Deductions to Residential Unit Owners and Tax Status of Condominium" in Part I, Section U, Sponsor has been advised that under present income tax laws a Residential Unit Owner, in the same manner as a home owner, may deduct from his or her income, for Federal, New York State and New York City income tax purposes, his or her real estate taxes and the interest paid on the mortgage, if any, on his or her Unit.

In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of real estate taxes that will be separately assessed against his or her Unit(s), interest and amortization payments on the mortgage or mortgages, if any, covering his or her Unit and charges for gas and electricity consumed in his or her Unit. Water charges and sewer rents for all units will be paid by the Condominium Board and including in common charges. It is not anticipated that water charges and sewer rents will be separately assessed against the Units. As more fully set forth under "Real Estate Tax Benefits" in Part I, Section T, Sponsor will apply for preliminary Certifications of Eligibility to entitle the Units to a partial exemption from real estate taxes pursuant to Section 421-a of the Administrative Code of the City of New York. Schedule A, entitled "Offering Prices", sets forth estimates of the real estate taxes that will be payable with respect to each Unit during the first year of operation of the Property as a condominium, both on the assumption that the 421-a benefits will be granted, and on the assumption that such benefits will not be granted.

After the closing of title to his or her Unit, a Unit owner will be solely responsible for the cost of maintenance and interior repairs to his or her Unit, and for maintaining casualty insurance

with respect to the personal property within his or her Unit and liability insurance with respect to occurrences in or about the Unit. The Condominium Board will be solely responsible for the cost of maintenance and repairs to the Common Elements, and for maintaining casualty and liability insurance with respect to the Common Elements, in accordance with the provisions of Section 6.2 of the By-Laws. See "Rights and Obligations of Unit Owners and the Board of Managers" at Part I, Section S for a more complete discussion of the foregoing.

There are no limitations on who may purchase the Residential Units. However, Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of the Condominium Board, any Unit Owner or mortgagee, to refuse to approve and execute (i) a Purchase Agreement for any Residential, and (ii) a Purchase Agreement or Purchase Agreements, as the case may be, for more than one Residential Unit to any one person or entity. Sponsor hereby further reserves the right to offer the Residential in such order of priority as it may determine, and to make bulk sales of the Residential Units, so there may always be a substantial percentage of owners who are non-residents. In any of the above-described events, Sponsor shall not discriminate against any person because of such person's race, creed, color, sex, disability, marital status, occupation, sexual orientation, national origin or ancestry.

Each Unit owner is obligated to comply with the DECLARATION, BY-LAWS, Rules and Regulations, and other requirements of the Board of Managers.

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.

DEFINITIONS

For convenience of presentation, general definitions of the terms used in part I of the Plan are set forth below, which definitions are subject in most cases to the more particular definitions of such terms as set forth in the Declaration and By-Laws included in Part II of the Plan:

Building: The Building which is being built on the land, and in which building is located the Units of the Condominium.

By-Laws: The By-Laws governing the operation of the Condominium, the form of which is set forth in Part II hereof.

City Register's Office: The Kings County Office of the Register of the City of New York.

Common Charges: Assessments payable to the Condominium Board by the Unit Owners for the purpose of meeting the Common Expenses.

Common Elements: The Land, all part of the Building other than the Units, including the foundations, the roof, the supports of the Building, and all areas or facilities for the common use of the Units and Unit Owners.

Common Expenses: The costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements.

Common Interest: The proportionate undivided interest, expressed as a numerical percentage, in the Common Elements, appertaining to each Unit as determined in accordance with the Declaration. The total of Common Interest percentages, appertaining to all Units equals 100%. The Common Interest is the basis of determining, among other things, a Unit Owner's (a) voting power, (b) liability for a share of the Common Expenses and (c) share of any distributions upon termination of the condominium.

Condominium Board: The board of managers of the Condominium. The Condominium Board is sometimes referred to herein as the "Board".

Counsel to Sponsor: David S. Frankel, P.C., 870 Franklin Avenue, Valley Stream, New York 11580.

Declaration: The instrument creating the Condominium, the form of which is set forth as in Part II hereof.

Floor Plans: The floor plans of the Building which are, from time to time, filed with, and approved by, the Real Property Assessment Department of the City of New York, the City Register's Office and the Department of Buildings of the City of New York.

First Unit Closing: The first closing of title to a Unit pursuant to a Purchase Agreement.

Initial Control Period: The period ending on the earlier to occur of (a) the second anniversary of the date of the first Unit Closing or (b) the date on which Unsold Units represent less than fifty (50%) percent in number and less than fifty (50%) percent in Common Interest of all Units.

Land: The land located on Steuben Street near Myrtle Avenue, Brooklyn, New York, as more particularly described in the Declaration.

Permitted Encumbrances: Encumbrances to the title to a Unit subject to which a Purchaser agrees to take title, as more particularly itemized on Schedule A annexed to the form of Purchase Agreement.

Permitted Mortgages: A mortgage of a Unit or Units permitted to be placed thereon pursuant to the provisions of the By-Laws.

Plans and Specifications: The plans and specifications for the Building which (to the extent required by law) are filed with, and approved by, the Department of Buildings of The City of New York and which plans and specifications may, from time to time, have been amended or changed, or may hereafter be amended or changed in accordance with the provisions of the Plan.

Property: The Land, the Building and the appurtenances thereto.

Purchase Agreement: The agreement to purchase a Unit pursuant to the Plan the general form of which is set forth in Part II hereof.

Purchaser: A purchaser of a Residential under a Purchase Agreement.

Residential Unit; Residential Units: Any Unit in the Building designated as a Residential Unit in the Declaration. All such Units are collectively referred to as "Residential Units".

Residential Unit Owner; Residential Unit Owners: An owner of a residential Unit. All such owners are collectively referred to as "Residential Unit Owners".

Rules and Regulations: The rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A.

Structure: The Building is sometimes collectively referred to herein as the "Structure".

Unit; Units: Any space designated as a Residential Unit in the Declaration, consisting of a specific apartment in the Building, and an appurtenant undivided interest in the Common Elements. All of such Units are collectively referred to as the "Units".

Unit Owner; Unit Owners: Any owner of a Residential Unit. All of such Unit Owners are collectively referred to as "Unit Owners".

Unsold Units: Any Units owned by Sponsor, its designee or a principal of Sponsor, other than a Unit purchased by and for the use of Sponsor, its designee or a principal of Sponsor, until such time as same have been sold.

All other capitalized terms used in Part I of the Plan which are not separately defined in Part I shall have the meanings ascribed thereto in the By-Laws or in the Declaration, as the case may be.

C. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

1. The Building and the Units

The Building is a six story structure with 2 commercial, 35 Residential and 31 parking Units. It is located on Steuben Street, between Park and Myrtle Avenues, in Brooklyn, New York. The building will be in compliance with Local Law 58(Handicapped Access law).

There will be one main entrance on the first level entrance. There will be no doorman.

The Sponsor will complete the work set forth in this plan relating to the building and the apartments contained therein in conformity with all applicable New York City Administrative Code requirements and subject to procurement of all applicable and proper permits which are required thereunder (see Description of Property and Specifications in Part II of this Offering Plan and it is anticipated that all aspects of the condominium premises will be completed by January 1, 2007.

Detailed descriptions of the Units are set forth in the Declaration and in Part II, of the Plan.

2. The Common Elements

The Common Elements include, among other things, the following: (i) the Land; (ii) all foundations, footings, columns, girders, beams, supports, interior load bearing walls, those portions of the exterior walls of the Building beyond the Unit of the glass or concealed block work or concealed concrete structural members or concealed brick of those walls, all or concrete floor slabs or joists and concrete ceilings, and all staircases, landings, and stairs; (iii) all passages and corridors, mechanical and other rooms, areas and spaces which are not Units; (iv) the meter rooms on the ground level; (v) the entrance to the Building and the public lobby; (vi) the roof; and (vii) the apparatus, installations, systems, equipment and facilities which serve or benefit or are necessary or convenient for the existence, maintenance, or safety of the Building. A detailed description of the Common Elements is set forth in the Declaration.

3. Limited Common Elements

Limited Common Elements are those areas appurtenant to a particular unit, the use of which is restricted to the owner of such unit, but which are not owned by that unit owner. Thus, in this condominium, Units 2A, 2G, 2H, 3G, 3H, 4G, 4H, 5G, 6A, 6B, 6C and 6D include the use of balcony/terrace areas attached to their unit.

D. LOCATION AND AREA INFORMATION

1. Municipal Services

All municipal services, such as police, fire protection, water supply, sanitation and snow removal are supplied by the City of New York. The property is in the 88th Police Precinct, located at 298 Classon Avenue, and is served by FDNY Ladder 102 located at 850 Bedford Avenue. The closest hospital is Brooklyn Hospital located at 121 Dekalb Avenue which is approximately one mile from the premises. This area is served by a network of streets, roads and urban transportation (i.e. NYC train and bus service). There are several public and private schools as well as houses of worship in the area.

2. Zoning

The property is zoned R-6B in a residential Zoning District.

3. Neighborhood

The neighborhood in which the property is located is known as Clinton Hill. It is a residential neighborhood with several shopping areas.

4. Services and Facilities

There is easy access to Manhattan, shopping, public and private schools, parks, cultural activities and religious institutions.

Unit	Bedrooms/ Bathrooms	Offering Price	Percent of Common Interest	Estimated Monthly Common Charges	Estimated Monthly Real Estate Taxes with J-51 Benefits	Estimated Annual Real Estate Taxes With J-51 Benefits	Estimated Monthly Real Estate Taxes Without J-51 Benefits	Estimated Annual Real Estate Taxes without J-51 Benefits	Estimated Monthly Carrying Costs With J-51 Benefits	Estimated Monthly Carrying Costs Without J-51 Benefits	Approximate Square Feet
5F	1/1	\$475,000.00	1.74%	\$293.51	\$26.76	\$321.13	\$889.66	\$10,675.94	\$320.28	\$1,183.18	806
5G	2/2.5	\$760,000.00	2.96%	\$499.31	\$45.52	\$546.29	\$1,513.45	\$18,161.38	\$544.84	\$2,012.76	1380
6A	3/3.5	\$1,035,000.00	4.02%	\$678.12	\$61.83	\$741.92	\$2,055.43	\$24,665.11	\$739.95	\$2,733.55	1877
6B	2/2	\$600,000.00	2.30%	\$387.98	\$35.37	\$424.48	\$1,175.99	\$14,111.88	\$423.35	\$1,563.97	1066
6C	1/1	\$500,000.00	1.55%	\$261.46	\$23.84	\$286.07	\$792.52	\$9,510.18	\$285.30	\$1,053.98	716
6D	2/2.5	\$725,000.00	2.83%	\$477.38	\$43.53	\$522.30	\$1,446.98	\$17,363.75	\$520.91	\$1,924.36	1318
P1	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P2	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P3	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P4	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P5	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P6	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P7	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P8	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P9	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P10	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P11	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P12	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P13	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P14	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P15	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P16	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P17	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P18	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P19	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P20	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P21	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P22	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P23	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P24	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P25	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P26	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P27	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P28	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P29	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P30	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
P31	N/A	\$20,000.00	0.34%	\$57.35	\$5.23	\$62.75	\$173.84	\$2,086.10	\$62.58	\$231.20	162
TOTAL		\$25,298,000.00	100.00%	\$16,868.67	\$1,538.05	\$18,455.84	\$51,130.00	\$613,560.00	\$18,406.72	\$67,998.67	46,885

E. SCHEDULE A
THE ABSOLUTE CONDOMINIUM
111 STEUBEN STREET, BROOKLYN, NEW YORK
FIRST YEAR (MARCH 1, 2007 - FEBRUARY 28, 2007)

ANNUAL COMMON CHARGES \$16,868.67
ANNUAL TAXES WITH 421a- BENEFITS \$18,455.84
ANNUAL TAXES W/OUT 421a- BENEFITS \$613,560.00

Unit	Bedrooms/ Bathrooms	Offering Price	Percent of Common Interest	Estimated Monthly Common Charges	Estimated Monthly Real Estate Taxes with 421-a Benefits	Estimated Annual Real Estate Taxes With 421-a Benefits	Estimated Monthly Real Estate Taxes Without 421-a Benefits	Estimated Annual Real Estate Taxes without 421-a Benefits	Estimated Monthly Carrying Costs With 421-a Benefits	Estimated Monthly Carrying Costs Without 421-a Benefits	Approximate Square Feet
C1	N/A	\$5,000,000.00	13.22%	\$2,230.04	\$203.32	\$2,439.86	\$6,759.39	\$81,112.63	\$2,433.38	\$8,989.42	6220
C2	N/A	\$200,000.00	1.78%	\$300.26	\$27.44	\$328.51	\$910.11	\$10,921.37	\$327.70	\$1,210.38	835
2A	2/2	\$653,000.00	2.55%	\$430.15	\$39.22	\$470.62	\$1,303.82	\$15,645.78	\$469.37	\$1,733.97	1187
2B	1/1	\$445,000.00	1.75%	\$295.20	\$26.91	\$322.98	\$894.78	\$10,737.30	\$322.12	\$1,189.98	810
2C	2/2	\$680,000.00	2.59%	\$436.90	\$39.83	\$478.01	\$1,324.27	\$15,891.20	\$476.73	\$1,761.17	1196
2D	2/2	\$630,000.00	2.46%	\$414.97	\$37.83	\$454.01	\$1,257.80	\$15,093.58	\$452.80	\$1,672.77	1141
2E	1/1	\$445,000.00	1.74%	\$293.51	\$26.76	\$321.13	\$889.66	\$10,675.94	\$320.28	\$1,183.18	806
2F	1/1	\$445,000.00	1.74%	\$293.51	\$26.76	\$321.13	\$889.66	\$10,675.94	\$320.28	\$1,183.18	806
2G	1/1	\$500,000.00	1.95%	\$328.94	\$29.99	\$359.89	\$997.04	\$11,964.42	\$358.93	\$1,325.97	904
2H	1/1	\$400,000.00	1.47%	\$247.97	\$22.61	\$271.30	\$751.61	\$9,019.33	\$270.58	\$999.58	684
3A	2/2	\$655,000.00	2.59%	\$436.90	\$39.83	\$478.01	\$1,324.27	\$15,891.20	\$476.73	\$1,761.17	1187
3B	1/1	\$455,000.00	1.75%	\$295.20	\$26.91	\$322.98	\$894.78	\$10,737.30	\$322.12	\$1,189.98	810
3C	2/2	\$670,000.00	2.57%	\$433.52	\$39.53	\$474.32	\$1,314.04	\$15,768.49	\$473.05	\$1,747.57	1196
3D	2/2	\$640,000.00	2.46%	\$414.97	\$37.83	\$454.01	\$1,257.80	\$15,093.58	\$452.80	\$1,672.77	1141
3E	1/1	\$455,000.00	1.74%	\$293.51	\$26.76	\$321.13	\$889.66	\$10,675.94	\$320.28	\$1,183.18	806
3F	1/1	\$455,000.00	1.74%	\$293.51	\$26.76	\$321.13	\$889.66	\$10,675.94	\$320.28	\$1,183.18	806
3G	1/1	\$380,000.00	1.49%	\$251.34	\$22.92	\$274.99	\$761.84	\$9,142.04	\$274.26	\$1,013.18	857
3H	1/1	\$380,000.00	1.47%	\$247.97	\$22.61	\$271.30	\$751.61	\$9,019.33	\$270.58	\$999.58	684
4A	2/2	\$655,000.00	2.55%	\$430.15	\$39.22	\$470.62	\$1,303.82	\$15,645.78	\$469.37	\$1,733.97	1187
4B	1/1	\$465,000.00	1.75%	\$295.20	\$26.91	\$322.98	\$894.78	\$10,737.30	\$322.12	\$1,189.98	810
4C	2/2	\$680,000.00	2.57%	\$433.52	\$39.53	\$474.32	\$1,314.04	\$15,768.49	\$473.05	\$1,747.57	1196
4D	2/2	\$650,000.00	2.46%	\$414.97	\$37.83	\$454.01	\$1,257.80	\$15,093.58	\$452.80	\$1,672.77	1141
4E	1/1	\$465,000.00	1.74%	\$293.51	\$26.76	\$321.13	\$889.66	\$10,675.94	\$320.28	\$1,183.18	806
4F	1/1	\$465,000.00	1.74%	\$293.51	\$26.76	\$321.13	\$889.66	\$10,675.94	\$320.28	\$1,183.18	806
4G	1/1	\$390,000.00	1.49%	\$251.34	\$22.92	\$274.99	\$761.84	\$9,142.04	\$274.26	\$1,013.18	857
4H	1/1	\$390,000.00	1.47%	\$247.97	\$22.61	\$271.30	\$751.61	\$9,019.33	\$270.58	\$999.58	684
5A	2/2	\$655,000.00	2.58%	\$435.21	\$39.68	\$476.16	\$1,319.15	\$15,829.85	\$474.89	\$1,754.37	1187
5B	1/1	\$475,000.00	1.75%	\$295.20	\$26.91	\$322.98	\$894.78	\$10,737.30	\$322.12	\$1,189.98	810
5C	2/2	\$690,000.00	2.57%	\$433.52	\$39.53	\$474.32	\$1,314.04	\$15,768.49	\$473.05	\$1,747.57	1196
5D	2/2	\$660,000.00	2.59%	\$436.90	\$39.83	\$478.01	\$1,324.27	\$15,891.20	\$476.73	\$1,761.17	1141
5E	1/1	\$475,000.00	1.74%	\$293.51	\$26.76	\$321.13	\$889.66	\$10,675.94	\$320.28	\$1,183.18	806

FOOTNOTES TO
SCHEDULE A

EACH CONDOMINIUM UNIT SHOULD BE INSPECTED PRIOR TO PURCHASE TO DETERMINE ITS ACTUAL DIMENSION, LAYOUT AND PHYSICAL CONDITIONS.

1. See Architects Description of Property and Floor Plans in Part II. The Sponsor is providing a gas range, refrigerator and dishwasher as part of the purchase price. The Sponsor will not be supplying a washer/dryer, but will provide connections for same. The percentage of common interests were aggregated to the floor area of each unit in approximate proportion to the size of such unit in relationship of the building size as a whole in accordance with method (iv) contained in Section 339-i(1) of the New York Condominium Act.

Units 2A, 2G, 2H, 3G, 3H, 4G, 4H, 5G, 6A, 6B, 6C and 6D include the use of balcony/terrace areas attached to their unit. These are limited common elements. Use of limited common elements are restricted to those units to whom they are attributable.

2. The square footage area and dimensions of the units are approximate and consists of the area measured horizontally from the Unit side of the glass windows or stone and brickwork of each exterior wall of the Building defining the Unit to (a) the Unit side of the glass windows or the brick work of the opposite exterior wall of the Building, or (b) the inner surfaces of the studs and framing of the interior walls of the Building separating the Unit from another unit, or (c) the unfinished inner surfaces of poured concrete walls, or (d) the Unit side of the concealed structural members of the interior walls of the Building separating the Unit from any corridors, stairs, elevators, and/or other mechanical equipment spaces. Each Unit will consist of the volume measured vertically from the upper face of the sub-floor or other flooring material of the Unit to and including the ceiling material of the Unit, except that any Common Elements located within any Unit shall not be considered as part of that Unit. Purchasers are invited to measure room dimensions prior to signing purchase agreements as these dimensions may vary from the actual "as-built" square footage, and that the square footage significantly exceeds the usable space of the unit. The unit boundaries used for calculating the foregoing square footage are defined in Article 6 of the Declaration set forth in Part II of this Offering Plan. The estimated square footage of each unit is based on the Floor Plans and Architect's Description of Property included in Part II of this Offering Plan.
3. Subject to the conditions hereinafter set forth and the approval of the Sponsor, the Sponsor reserves the right to change the amount of the Offering Price of any of the apartments from the amount shown in Schedule A, provided that an amendment has been accepted for filing by the Department of Law in which such change is indicated. Such change shall also include the right to change other terms of sale and the manner of payment in respect to any such Unit, such a amount of down payment, closing date, amount of financing, etc. Consequently, Purchasers of apartments affected by such change may pay or have paid

more or less than other Purchasers under this Plan for the same percentage of Common Elements for similar apartments, but this shall not affect any prior or later sale of an apartment as to which the amount of the Offering Price has changed. Individually negotiated decreases in the amount of the Offering Price to be paid may be made without prior notice or amendment. The Plan must be amended to reflect any increase, a general price change affecting a group, line or other category of apartments or any price change to be advertised in a newspaper or any other media.

No change in the amount of the Offering Price or in the percentage interest allocated thereto will be made with respect to any apartment for which a purchase agreement has been accepted and which is not then in default unless written consent is first obtained from the purchaser of such apartment. See "Changes in Prices and Units" for a fuller discussion.

Each Purchaser shall have to pay his or her attorney a legal fee in connection with the signing of a Purchase Agreement and the closing of the apartment and the cost of title insurance for the Unit. In the event that the Purchaser obtains a mortgage for a portion of the Offering Price from a lending institution such purchaser should expect to pay any charges imposed by the lending institution including, but not limited to, an application fee, origination fee (points), the New York mortgage recording tax, and a legal fee to the lending institution's attorneys. Each prospective Purchaser also is advised that the charges levied and the interest rate charged by different lending institutions vary, and that any given lending institution may impose fees which are subject to change. Each prospective Purchaser is advised to consult with the lending institution of his or her choice regarding any charges imposed by it.

Additionally, the following fees shall be imposed in the following circumstances by the attorneys for Sponsor, which will be paid by Purchaser at the Closing of his or her apartment:

(1) A contribution of 3 month's common charges to the working capital fund, payable to the Board of Managers. See "Working Capital Fund" at Part I, Section X of the Plan.

(2) Legal fee of Sponsor's attorney in the amount of \$2,500.00, payable to David S. Frankel. In the event the Closing of title to an individual unit is held outside of David S. Frankel's office, the Purchaser shall be obligated to pay an additional travel fee to Sponsor's attorney for such closing, which shall not exceed \$600.00 so long as the closing takes place within one hours travel time, by car from the office of Sponsor's attorney. If the Purchaser obtains financing for the Purchase of the Unit Purchaser shall pay Sponsor's attorney an additional fee of \$500.00 for the additional time required in a financed transaction.

(3) The New York City Real Property Transfer Tax, being 1% for transaction up to \$500,000.00 and 1.425% for transaction which exceed \$500,000.00 being of the

consideration paid by the Purchaser. Since the transfer tax is being paid by the Purchaser in calculating the consideration the tentative amount of the transfer tax is added to the purchase price and multiplied by the tax rate in calculating the amount of tax due, thus amounting in a tax on a tax.

(4) New York State Transfer Tax (for documentary stamps to be affixed to the deed), being \$2.00 for each \$500.00 of the consideration or fraction thereof. Since the transfer tax is being paid by the Purchaser in calculating the consideration the tentative amount of the transfer tax is added to the purchase price and multiplied by the tax rate in calculating the amount of tax due, thus amounting in a tax on a tax.

(5) If a Purchaser chooses to obtain fee title insurance, payment of the cost of such title insurance shall be the responsibility of the Purchaser. Sponsor makes no representation as to the cost of such title insurance. While they may use any Title/Abstract company of their choosing, it is requested of Purchasers that any orders for fee title insurance be placed with Sutton Land Services, LLC, 515 Rockaway Avenue, Valley Stream, New York 11581, (877)656-9952.

(6) A fee for recording the Unit Deed and Unit Power of Attorney and any satisfaction(s) or release(s) of mortgages against the Unit. Such recording fees are estimated to be approximately \$250.00.

(7) In the event that a purchaser defaults, a fee of \$250.00 will be payable to the Attorney for the Sponsor for preparation of a letter of default.

Furthermore, if a Purchaser requests an adjournment of the closing, such Purchaser shall be responsible for Common Charges from the originally scheduled closing date until the actual closing date for his or her Unit.

See "Closing Costs and Adjournments" for a fuller discussion of closing costs.

4. The percentage interest of the respective Units in the Common Elements have been determined by Sponsor's expert in accordance with RPL Section 339-i(1)(ii), based on an approximate proportion of square footage for each unit and his opinion letter is reprinted as Part I, Section H herein.
5. These estimates are based on the Projected Schedule of Receipts and Expenses as set forth in Part I, Section B of this Plan and upon the assumption that the first year of Condominium operation will commence on March 1, 2007.

Apartments are individually metered for electricity and for gas for the individual heating systems and ranges, which will be billed directly to each Unit Owner by the utility. Estimated Common Charges include the cost of electricity for public areas and for all hot water. Each Unit Owner will be responsible for the cost of the interior apartment repairs,

maintenance, painting, decorating and replacement and repair of equipment and appliances in his or her apartment. Each Unit Owner will also be responsible for the cost of any insurance he or she may wish to obtain to cover his or her own furniture, equipment, and other personal property and liability to others for personal or property damage as a result of occurrences in his or her apartment. In addition, if a purchaser finances the purchase of his or her apartment, the purchaser debt service will be an added expense, which will be deductible for income tax purposes.

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

If the Units have not been separately assessed for real estate tax purposes prior to the closing of title of the first Unit, the Board of Managers will collect the taxes apportioned in Schedule A. The Board of Managers will hold said amount in escrow for the payment of taxes.

In the event that once the actual assessments are known, it is determined that a Unit Owner has overpaid or underpaid, the Unit Owners will be obligated to either pay the difference or be entitled to receive a refund, which adjustments shall be coordinated by the managing agent.

The real estate taxes paid on the individual condominium units are deductible for income tax purposes to the Unit Owner.

It is projected that the assessed valuation after completion of construction will be \$4,950,000 and that the construction will be completed by January 1, 2007 and the reassessment by July 1, 2007. The tax rate used in calculation the projected real estate tax is 12.396

The real estate tax projection is based upon the Property receiving the expected 421-a benefits. For a detailed discussion of real estate taxes, assessed valuations and 421-a benefits, see "Real Estate Tax Benefits Opinion", Part I, Section V. These figures are based upon an anticipated reduction of the full real estate taxes expected to be levied against the property by reason of anticipated benefits resulting from partial real estate tax exemption benefits available pursuant to Section 421-a of the New York Real Property Tax Law; the Sponsor will apply for, and use its best efforts to obtain said benefits.

IN THE EVENT THAT 421-a BENEFITS ARE NOT GRANTED, PURCHASERS WILL HAVE NO RIGHT TO RESCIND THEIR PURCHASE AGREEMENTS. SPONSOR WILL PAY ALL LEGAL FEES AND COSTS IN CONNECTION WITH THE APPLICATION FOR PARTIAL REAL ESTATE TAX EXEMPTION BENEFITS, AND

WILL USE ITS REASONABLE EFFORTS TO OBTAIN SUCH BENEFITS.

NO WARRANTY IS OR CAN BE MADE BY SPONSOR OR ANY OTHER PERSON THAT THE NEW YORK CITY DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT OR THE NEW YORK CITY REAL PROPERTY ASSESSMENT DEPARTMENT, OR ANY OTHER AGENCY WITH JURISDICTION, WILL APPROVE SPONSOR'S APPLICATION FOR 421-a BENEFITS, AND NEITHER THE SELLING AGENT, THE SPONSOR NOR ITS COUNSEL SHALL BE LIABLE IF, BECAUSE OF A CHANGE IN LAW AND/OR REGULATIONS OR THE INTERPRETATION OF LAWS AND/OR REGULATIONS (OR, AS TO DAVID S. FRANKEL, P.C., IF THE FACTS AS REPRESENTED BY THE SPONSOR PROVE INCORRECT) THE PROPERTY FAILS TO OBTAIN, IN WHOLE OR IN PART, 421-a BENEFITS. SHOULD THE PARTIAL REAL ESTATE TAX EXEMPTION BENEFITS BE DENIED, THEN EACH UNIT OWNER WILL BE RESPONSIBLE FOR ALL OF THE TAXES DUE AND OWING ON HIS OR HER UNIT.

IT IS RECOMMENDED THAT PURCHASER CONSULT WITH HIS/HER OWN ATTORNEY OR FINANCIAL ADVISOR BEFORE PURCHASING AN APARTMENT AND PROVIDE HIM OR HER WITH A COPY OF THIS OFFERING PLAN.

THE SPONSOR RESERVES THE RIGHT TO MODIFY, RENEW AND REPLACE EXISTING SERVICE, MAINTENANCE, EMPLOYMENT, CONCESSIONAIRE AND OTHER AGREEMENTS, IF ANY, AND INSURANCE POLICIES, AND TO ENTER INTO NEW AGREEMENTS AND POLICIES ON BEHALF OF THE CORPORATION WHICH WILL CONTINUE IN EFFECT AFTER THE FIRST UNIT CLOSING HEREUNDER, PROVIDED ANY MATERIAL INCREASE IN THE FIRST YEAR'S ESTIMATED COMMON CHARGES RESULTING THEREFROM WILL BE (i) DISCLOSED BY AN AMENDMENT TO THIS PLAN, AND (ii) APPROVED OR RATIFIED IN WRITING BY A MAJORITY OF ALL THEN-EXISTING PURCHASERS OR BY RESOLUTION ADOPTED WITHIN NINETY (90) DAYS AFTER THE FIRST CLOSING BY A MAJORITY OF THE MEMBERS OF THE BOARD OF MANAGERS.

F. SCHEDULE B

BUDGET FOR FIRST OF CONDOMINIUM OPERATION
Beginning March 1, 2007

Projected Income:(1)

Common Charges	\$202,424.00
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Projected Expenses:

Salaries and Wages (2).....	18,000.00
Electricity (3).....	96,272.00
Heat and Hot Water (4).....	0
Water Charges and Sewer Rents (5).....	12,000.00
Repairs, Maintenance, Services and Supplies (6).....	23,580.00
Insurance (7).....	30,000.00
Professional Fees (9).....	7,000.00
Corporate and Franchise Taxes (10).....	1,500.00
Contingencies.....	<u>4,000.00</u>
TOTAL	\$202,424.00

IN THE OPINION OF THE SPONSOR, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE CONDOMINIUM'S FIRST YEAR OF OPERATION. THE FOREGOING SCHEDULE, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ANNUAL RENT (COMMON CHARGES) OR EXPENSES FOR THE FIRST OF ANY SUBSEQUENT YEAR OF OPERATION OF THE BUILDING BY THE CONDOMINIUM WILL BE AS SET FORTH

IN SAID SCHEDULE, AND IT IS LIKELY THAT THE ACTUAL RENT (COMMON CHARGES) OR EXPENSES WILL EXCEED OR BE LESS THAN THE AMOUNT SHOWN IN THE SCHEDULE.

IN THE EVENT THAT THE PROJECTED COMMENCEMENT OF THE BUDGET YEAR DIFFERS FROM THE ANTICIPATED DATE OF MARCH 1, 2007 BY SIX MONTHS OR LONGER, THIS PLAN WILL BE AMENDED TO INCLUDE THE REVISED BUDGET DISCLOSING THE THEN CURRENT PROJECTIONS. IF SUCH AMENDED PROJECTIONS EXCEED THE ORIGINAL PROJECTIONS BY 25% OR MORE, AS BUDGETED, THE SPONSOR WILL OFFER ALL PURCHASERS THE RIGHT TO RESCIND HIS OR HER PURCHASE AGREEMENT, AND ANY DEPOSIT PAID THEREUNDER WILL BE RETURNED PROMPTLY, PLUS INTEREST, IF ANY (IT IS NOT ANTICIPATED THAT ANY INTEREST WILL BE EARNED). SAID RIGHT OF RESCISSION MUST BE EXERCISED WITHIN TEN DAYS FROM THE DATE OF SERVICE OF SUCH AMENDMENT ON THE PURCHASER.

FOOTNOTES TO BUDGET FOR FIRST
YEAR OF CONDOMINIUM OPERATION

March 1, 2007 - February 28, 2008

1. Receipts

Total estimated receipts do not include any interest income that may be earned by the Condominium from the investment of general funds or of the Working Capital Fund to be retained by the Condominium after the first Unit Closing. Correspondingly, no income taxes have been budgeted. See "Counsel's Income Tax Opinion" at Section V for additional information.

2. Salaries and Wages

The budget includes the payroll for a part-time superintendent at \$300.00 per week (\$10.00 per hour), this job includes general building maintenance and everyday operations of the building such as removal of garbage, cleaning of common areas and changing light bulbs of common areas. An additional \$2,400.00 is being budgeted for the benefits required under local, state and federal law.

3. Electricity

The budgeted amount includes charges for common areas including the lobby, public halls, and exterior lighting. Unit Owners will be responsible for payment of the cost of electricity used in their respective apartments, which will be separately metered and billed.

The budgeted amount is based upon an estimate from WB Engineers Consultants, LLC, 110 William Street, New York, New York 10038. It is for electricity for the common areas, as described in the opinion letter (reprinted as the next section herein), and is estimated at 687,655 kilowatt hours per year at a cost of \$.140 per KWH, including sales taxes. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of electricity during the first year of condominium operation. However, in view of the current energy situation, it is not possible to accurately predict whether the budgeted figure will reflect the actual cost to be incurred during the first year of condominium operation, which cost will vary with the level of consumption and the rate charged for electricity.

Increases in electric rates will result in raising the cost of electricity. The electric rates are largely affected by increases in the price of fuel paid by the utility company, among other factors.

4. Heat and Hot Water

Heat and Hot water are paid separately by each unit owner as listed in Schedule B-1.

5. Water Charges and Sewer Rents

The budgeted amount is based upon an estimate from WB Engineers Consultants, LLC, 110 William Street, New York, New York 10038. The water for the building will be metered, with one meter for the entire building. The budgeted amount is based upon an estimate of 683,200 cubic feet at the present (2005/2006) rate for combined water and sewer of \$1.670 per 100 cubic feet of water.

6. Repairs, Maintenance, Service and Supplies

The figure provided for the estimated cost of maintenance of and repairs to the common areas of the Building includes, but is not limited to, interior and exterior repairs and supplies required to operate, repair and maintain the Building. Individual Unit Owners shall be responsible for the repair and maintenance as well as the painting of their respective apartments. This amount includes an annual extermination contract of 780.00 (estimate received from High Tech Exterminators, 1204 Avenue U, Brooklyn, NY 11229) and an elevator service proposal of \$4,800.00 (received from Eastern Elevator Company, 213 Frost Street, Brooklyn, NY 11211), these amounts are estimates as the condominium has not yet signed contracts with either provider. Should the Unit Owners enter into any additional contracts the monthly common charges may increase or a special assessment may be necessary.

7. Insurance

The Property will be insured with a multi-peril guaranteed replacement cost insurance policy supplied by Insure Secure, Inc., whose offices are located at 4707 13th Avenue, Brooklyn, New York 11219. The policy will commence on the date of the first Unit Closing, and includes:

\$9,000,000.00 Building
 \$2,000,000.00 for General Aggregate Liability Insurance
 \$50,000.00 Fire Damage
 \$1,000,000.00 Each Occurance
 \$5,000.00 Deductible

The cost of the above insurance coverage is approximately \$30,000.00 for the first year. In addition, the coverage listed above includes the premium for Officers and Directors Liability.

The insurance is issued on an Agreed Amount basis which waives or eliminates the

standard co-insurance clause. It is the opinion of the insurance company that this insurance coverage of \$9,000,000.00 is an adequate amount to rebuild the structure if totally destroyed by fire or other insured perils.

The policy will not be canceled without prior notice to the Board of Managers, waives subornation against Unit Owners, waives invalidity because of acts of the insured and Unit Owners, and waives pro-rata reduction if Unit Owners obtain additional coverage. Each Unit owner is covered under the policy as an additional insured.

The Condominium may at some future date decide to increase insurance coverage to insure the equity value of Unit Owners.

IT SHOULD BE NOTED THAT IN THE EVENT THE PROPERTY IS TOTALLY DESTROYED BY FIRE OR OTHER CASUALTY, THE INSURANCE COVERAGE AS STATED HEREIN, ALTHOUGH SUFFICIENT TO REPLACE THE STRUCTURE, DOES NOT COVER THE FULL INVESTMENT OF THE UNIT OWNER. HOWEVER, THE AMOUNT OF INSURANCE WHICH WILL BE IN EFFECT AT THE TIME OF THE CLOSING DATE SHOULD BE SUFFICIENT TO PREVENT THE IMPOSITION OF ANY COINSURANCE FACTOR IN THE EVENT OF A PARTIAL LOSS.

In recent years, premiums for insurance (especially fire and liability) have increased considerably. It is not possible to predict whether future premiums will continue to escalate at the same rate or will level off. The projected premium is based upon an estimate and is not guaranteed to remain the same until the Closing Date.

Individual purchasers should explore obtaining insurance coverage, which would be at their own cost and expense, to insure them for such risks as fire and casualty losses in their apartments, their personal property therein, as well as liability insurance for each occurrence which might occur within their respective apartments. Individual purchasers should note that they could be potentially liable for injury to workers within their respective apartments or exclusive areas, even if such workers are hired to perform work exclusively for the Corporation.

8. Management Fees

The Sponsor has contracted with American Building Management Corp., 1663 8th Avenue, Brooklyn, New York 11215 to manage the condominium in the amount of \$12,000.00 per year. Activities that the Managing Agent will perform include maintenance of checking and savings account of the condominium; collection of monthly common charges; processing of individual unit sales; supervision and payment of building employees; building maintenance; review and resolution of any problems arising in the everyday operations of the building; compliance with all government rules and regulations affecting building operation, ownership and maintenance; filing of annual tax returns; enforcement of "house rules"; enforcement of maintenance obligations; seizure and sale of delinquent units; and

response to individual complaints, questions or issues; and any additional issues arising out of operation, maintenance, ownership and occupancy of the building will need to be dealt with by the Board of Managers. See "Management Agreement, Contracts and Leases" at Part I, Section Y for additional information.

9. Professional Fees

The budgeted figure consists, in large part, of the accountant's fee for the preparation of the Condominium's first year's certified financial statements and its federal, state and city tax returns which will be approximately \$3,500.00 based on the fee quote from Isaac Goldstein, 2918 Avenue L, Brooklyn, NY. An additional sum of \$3,500.00 has been factored in for miscellaneous legal services of a minor nature, though it is not anticipated that the Board of Managers shall need to engage an attorney.

10. Corporate and Franchise Taxes

The budgeted amount is sufficient to cover the annual taxes which the condominium will be required to pay.

IN THE OPINION OF THE SPONSOR, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE ESTIMATED EXPENSES FOR THE CONDOMINIUM'S FIRST YEAR OF OPERATION. THE FOREGOING SCHEDULE, HOWEVER, SHOULD NOT BE TAKEN AS A GUARANTEE BY THE SPONSOR OR ANYONE THAT THE ANNUAL COMMON CHARGES OR EXPENSES FOR THE FIRST YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE BUILDING BY THE CONDOMINIUM WILL BE SET FORTH IN SAID SCHEDULE, AND IT IS LIKELY THAT THE ACTUAL ANNUAL COMMON CHARGES AND EXPENSES WILL VARY FROM THE AMOUNTS SHOWN IN THE SCHEDULE.

IT IS RECOMMENDED THAT A PURCHASER CONSULT WITH HIS OR HER OWN ATTORNEY OR FINANCIAL ADVISER BEFORE PURCHASING AN APARTMENT, AND PROVIDE HIM OR HER WITH A COPY OF THIS OFFERING PLAN.

PROJECTED ENERGY COSTS FOR RESIDENTIAL UNITS AND COMMON AREAS**ESTIMATED ELECTRICAL CONSUMPTION PER TYPICAL RESIDENTIAL UNIT**

UNIT	APPROX. AREA	ANNUAL ELECTRICAL CONSUMPTION- GENERAL LIGHTING & RECEPTACLES (kWH/YR)	ANNUAL ELECTRICAL CONSUMPTION- AIR CONDITIONING (kWH/YR)	TOTAL ANNUAL ELECTRICAL CONSUMPTION (kWH/YR)	TOTAL ANNUAL ELECTRICITY COST(\$)
A	1187	1780.5	1354.88	3135.38	1,254.15
B	810	1215	826.36	2041.36	816.54
C	1196	1794	1778.28	3572.28	1,428.91
D	1141	1711.5	1039.52	2751.02	1,100.41
E	805	1207.5	578.16	1785.66	714.26
F	806	1209	826.36	2035.36	814.14
G	687	1030.5	826.36	1856.86	742.74
H	688	1032	826.36	1858.36	743.34

**Engineers | Consultants**

110 William Street, New York, NY 10038

Phone: (212) 791 8300, Fax: (212) 791 8301

ESTIMATED ELECTRICAL CONSUMPTION FOR COMMON AREAS-EQUIPMENT LOADS

UNIT	HP	TOTAL ANNUAL ELECTRICAL CONSUMPTION (KWH/YR)	TOTAL ANNUAL ELECTRICITY COST(\$)
GX-1	10	49537.8	6,935.29
TEF-1	0.16	1056.81	147.95
TEF-2	0.16	1056.81	147.95
TEF-3	0.25	1651.26	231.18
TEF-4	0.16	1056.81	147.95
KEF-1	0.16	1056.81	147.95
KEF-2	0.16	1056.81	147.95
KEF-3	2	13210.1	1,849.41
TR-X	0.25	1651.26	231.18
EF-1	0.03	198.15	27.74
HWP-1	3	10043.28	1,406.06
INJP-1	0.5	1651.26	231.18
SCWP-1	20	32572.8	4,560.19
CWP-1	15	48859.2	6,840.29
RTU-1	5	33025.2	4,623.53
RTU-1	40	124416	17,418.24
RTU-2	10	49537.8	6,935.29
AC-F	1.5	9907.6	1,387.06
CT	10	1113.6	155.90
ELEV 1	30	126144	17,660.16
ELEV 2	30	126144	17,660.16
TOTAL			88,892.63

ESTIMATED ELECTRICAL CONSUMPTION FOR COMMON AREAS (LIGHTS AND OUTLETS)

UNIT	TOTAL ANNUAL ELECTRICAL CONSUMPTION (KWH/YR)	TOTAL ANNUAL ELECTRICITY COST(\$)
GARAGE	49537.8	6935.29
RETAIL	1056.81	147.95
LOBBY	1056.81	147.95
TENANT RECREATION	1056.81	147.95
TOTAL		7379.15

ESTIMATED GAS CONSUMPTION FOR BUILDING

UNIT	TYPE	TOTAL ANNUAL GAS COST(\$)
APARTMENTS	COOKING	8,064.00
BOILERS	HEATING	72,439.49
BOILERS	DOMESTIC WATER	13,263.00
TOTAL		85,702.49

the DEVELOPERS GROUP

March 28, 2006

Department of Law, State of New York
Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, NY 10271

Re: 111 Steuben Street, Brooklyn, NY 11205

Ladies and Gentlemen:

This letter is with respect to the Plan of Condominium Organization of the premises at the above address and the allocation of the Percentage of Common Interest to the respective Units therein.

It is our opinion that the allocation of the Percentages of Common Interest allocated to the respective Units as set forth in Schedule A of the Plan of Condominium Organization are in compliance with the regulations issued pursuant to Real Property Law Article 9-B, Section 339-i(1).

The Sponsor had used method (iv) contained in Section 339-i(1) of the New York Condominium Act, that is upon floor space, subject to relative value to the other space in the Condominium, the uniqueness of the Unit, the availability of the common elements for exclusive or shared use, and the overall dimensions of the particular Unit.

The allocation of the percentages of Common Interest as set forth in the said "Schedule A" is based on the following: size of Unit, layout of Unit, location of the Unit in the Building and its status as a Residential Unit.

Principals of The Developers Group have had more than five years experience as brokers in sales of cooperative and condominium units and have provided opinions in numerous Offering Plans relating to condominiums and cooperatives. We have no beneficial interest in the Sponsor and no interest in the profits of this offering plan other than the fee we shall receive as sales agent of the Condominium.

Very truly yours,

By: 
Highlyann Krasnow
Executive Vice President
The Developers Group, LLC

I. CHANGES IN PRICES OR UNITS

1. Changes in the Condominium

a. Changes in Prices

Sponsor reserves the right, at any time and from time to time before and after the recording of the Declaration, without prior notice and without the consent of the Condominium Board, any Unit Owner or any Unit Owner's lender, to change the price, including, without limitation, the manner of payment thereof, and other terms of sale of any Unit, except that no such change with respect to any Unit for which a Purchase Agreement is then in effect must be made without the consent of the Purchaser. Price changes may only be made by duly filed amendment to the offering plan if (a) the price change is an across the board increase or decrease affecting one or more lines of units or unit models, (b) is to be advertised or (c) is an increase for an individual purchaser. Price related terms shall be limited to the following, unless the Plan is amended to modify, delete or add terms: non-structural alterations (modifications or improvements) to the apartment or the fixture or equipment contained therein or credits or allowances therefore; reduction of a downpayment deposit toward the purchase price, in no event shall the downpayment be less than \$1,000.00; payment by the Sponsor of all or part of the closing costs required to be paid by purchasers pursuant to the Plan or the Purchase Agreement, such as Sponsor's attorney's fees, transfer taxes, and any and all other costs which Purchaser may incur in connection with acquiring title to an apartment. Prices are negotiable and 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 first. If any such decrease in the purchase price is made, a Purchaser of a Unit affected thereby may pay more or less than other Purchasers under this Plan for similar Units, but this will not affect any prior or subsequent sale of Units that are not the subject of such change.

b. Changes in Units

In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor, for itself and its designees, reserves the right (except to the extent prohibited by law) at any time and from time to time, before and after the recording of the Declaration, without prior notice and without the consent of the Condominium Board, any Unit Owner or lender to (i) change the layout of, or number of rooms in, any Unsold Unit; (ii) change the size and/or number of Unsold Units by subdividing one or more of such Units into two or more separate Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Units, altering any boundary walls between one or more Unsold Units, or otherwise; and (iii) if appropriate, reapportion among the Unsold Units affected by any such change, their Common Interests. No change will be made in the size or number of units and/or their respective percentages of common interest, and no material change will be made in the size or quality of common elements, except by amendment to the plan. Unless an affected purchaser consents, no

material change will be made in unit size, layout, or percentage of common interest if a purchase agreement has been executed and delivered to the sponsor for that unit and the purchaser is not in default. Unless all purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of the common elements. The Common Interest of a Unit may change if there is a change in the ratio of the floor area of such Unit to the total floor area of all Units, reflecting the substantially exclusive advantages, in any, enjoyed by one or more but not all Units in a part or parts of the Common Elements. The Common Interest of a Unit may change if there is a change in the total square footage area of such Unit.

After the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, no material change may be made to the amount or quality of the Common Elements, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls, or otherwise, nor may the Common Interest of any Unit be changed, unless in each such event the Declaration and the Floor Plans are amended and such amendments are duly recorded. Notwithstanding the above sentence, if the size of any Unit or Units is changed, with a resulting aggregate change in the Common Interest of less than .01% since the recordation of the Declaration or any amendment thereto, the Declaration and the Floor Plans need not be amended. No increase in a Unit's Common Interest after the recording of the Declaration will be made without obtaining the prior consent of all Unit Owners affected by such change and all Unit Owners affected shall have consented to such amendment. As more particularly provided in the Declaration, Sponsor or its designee will then have the right to so amend the Declaration without the consent of the Board, or to cause the Condominium Board to do so, to the extent required in order to reflect such change affecting Unsold Units. To the extent permitted by law, in no event shall the Common Interest of any Unit be changed solely as a result of permitted alterations of a boundary wall between any Unit and any Common Elements adjacent to such Unit, further provided that the Declaration or applicable law does not require the affected Common elements to be maintained as such.

J. INTERIM LEASES

The Sponsor reserves the right to rent or lease any of the apartments to purchasers. Apartments rented before or after the Plan is consummated are not subject to the Rent Stabilization Law or Code.

Any prospective purchaser who signs a Purchase Agreement which is accepted by the Sponsor prior to the First Unit Closing under this Plan for an apartment then vacant, or which will become vacant, may request permission from the Sponsor to enter into a lease ("Interim Lease") for the particular apartment to take occupancy pursuant thereto prior to Closing. The Sponsor may approve such lease, or may refuse to consent to such lease, which consent may be unreasonably withheld.

The Interim Lease may be prepared on a standard form of apartment lease published by the Real Estate Board of New York, Inc. or any other form mutually agreed upon and as may be amended to comply with the terms hereof. Rent payable under the Interim Lease will be as negotiated with Sponsor. The terms of the Interim Lease will expire on the date of the First Unit Closing if this Plan is declared effective, notwithstanding any longer term contained in the Interim Lease. If this Plan is abandoned and the Purchaser is notified thereof, the purchaser-tenant under the Interim Lease may at any time, at his sole option, cancel the Interim Lease upon 90 days prior written notice to the Sponsor. In any event, the lease will terminate on the date set forth therein.

It will be a default under the Interim Lease if the purchaser-tenant thereunder fails to comply with all of the obligations under the Purchase Agreement signed by the purchaser-tenant within the applicable grace periods, if any. A default under the Interim Lease will also be a default under the Purchase Agreement and will permit the Sponsor to cancel the Purchase Agreement in accordance with its terms. The purchaser-tenant shall be required to vacate the apartment within 30 days after the notice of cancellation of the Purchase agreement, however the Sponsor must either obtain an order of eviction or other judgement or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the unit.

It should be noted that until this Plan is consummated in accordance with its terms, tenants of the apartments in the Building will not be able to claim the income tax deductions under the terms and conditions set forth for purchasers. Such deductions will become available only when there is a Closing of a Unit (apartment) under this Plan, and the purchaser becomes a Unit Owner. Only deductions for the period subsequent to the Unit Owner's closing may be taken. Rents due under the Interim Lease shall be adjusted as of the Unit Closing Date between the Sponsor and tenant. Unless specifically provided for in the Interim Lease, no part of any rent paid under any Interim Lease will inure to the benefit of the tenant-purchaser under the Interim Lease if such tenant later purchases the leased apartment or any other apartment in the Building. All rent paid under the Interim Lease will belong to the Sponsor as payment for the use and occupancy of the apartment prior to the Unit Closing Date. The Sponsor shall be under no obligation to issue Interim Leases or Leases containing the above clauses.

Sponsor may rent any vacant apartment prior to the First Unit Closing or extend existing leases. If this Plan is abandoned, the occupancy rights of those who have signed Interim Leases and taken occupancy of the apartments in the Building will not be subject to the Rent Stabilization Law or Code unless the 421-a exemption is in effect.

Should Sponsor offer any purchaser who is an Interim Lessee a right to rescind a signed and accepted Purchase Agreement, and should the Interim Lessee rescind the Purchase Agreement, the Purchaser's Interim Lease will terminate effective with the date of rescission, and Sponsor shall have the right to evict the lessee if he or she does not vacate the apartment within 15 days thereafter, by commencing a summary eviction proceeding.

K. PROCEDURE TO PURCHASE AND DOWN PAYMENTS

1. Procedure to Purchase

A person desiring to purchase a Unit will be required to execute a Purchase Agreement (in Quadruplicate) in the form set forth in Part II of the Plan.

At the time he or she execute a Purchase Agreement, a Purchaser is required to make a Down payment in an amount equal to ten (10%) percent of the purchase price (the "Down payment") or such lesser amount as agreed to by Sponsor and Purchaser, but in no event less than \$1,000.00. Each payment of a Down payment shall be made by a check ("Permitted Check") which is either (a) drawn on a bank which is a member of the New York Clearing House Association or (b) a cashier's check or an unendorsed certified check drawn on a bank organized in accordance with the laws of the United States of America or any state thereof. All Permitted Checks for any portion of the Down payment shall be made payable to the direct The Absolute, Special Account - David S. Frankel, P.C. Escrow Agent" (the "Special Account"). Sponsor reserves the right to refuse any check for a Down payment which is not a Permitted Check. All Permitted Checks delivered by Purchaser are subject to collection. If such checks are returned for insufficient funds or any other reason, such return shall be deemed to be a default under the Purchase Agreement and upon such return, Sponsor shall have the right, among others, to deem such Purchase Agreement to be canceled and of no further force or effect.

After the plan has been declared effective the sponsor will fix dates for closing title to all units for which purchase agreements have been executed by serving notice on each purchaser stating the date of the first closing and setting such purchaser's closing date. Such notice will be served no less than thirty (30) days before the date set for the closing of the units.

The balance of the purchase price shall be payable simultaneously with the delivery of the deed to the Unit by a cashier's check or an unendorsed certified check drawn on a bank which is a member of the New York State Clearing House Association and payable to the direct order of Sponsor or as otherwise directed by Sponsor. Sponsor reserves the right, but not the obligation, to accept, in payment of the balance of the purchase price, checks other than those included in the preceding sentence.

The Purchase Agreements may not be assigned or inure to the benefit of any successors or assigns of Purchasers, without the prior written consent of Sponsor, which consent shall be in the sole discretion of Sponsor which may be unreasonably withheld.

In accordance with Paragraph 13 of the Purchase Agreement, time is of the essence as to the requirement for the payment of the Down payment and the balance of the purchase price. If the Purchaser fails to make any of such payments when required or fails to perform any of the Purchaser's other obligations under the Purchase Agreement and does not cure said default within thirty (30) days after Sponsor gives notice to the Purchaser of Sponsor's intention to cancel the

Purchase Agreement, Sponsor's remedies include, without limitation, (i) the cancellation of such Purchase Agreement and the retention, as liquidated damages, of the Down payment made by the Purchaser, together with interest earned thereon, if any, and (ii) the commencement of an action against the Purchaser for specific performance in which event the Purchase would be compelled to complete the transaction.

TIME IS OF THE ESSENCE WITH RESPECT TO PURCHASER'S OBLIGATIONS TO CLOSE ON THE CLOSING DATE SCHEDULED HEREUNDER. THIS MEANS THAT IF PURCHASER FAILS TO CLOSE ON THE CLOSING DATE FOR ANY REASON WHATSOEVER, SELLER WILL HAVE THE RIGHT TO TERMINATE THIS PURCHASE AGREEMENT AND RETAIN PURCHASER'S DOWN PAYMENT AS LIQUIDATED DAMAGES.

If Seller determines in its sole discretion not to enforce the time of the essence clause provided in the Purchase Agreement, and if Seller agrees to an adjournment if Purchaser is not ready to close on the date and time which Seller selected in its notice of closing (or any other date which Seller selected and Purchaser agreed to), any adjournment granted at Purchaser's request shall entitle Seller to the following additional rights: (i) closing apportionments ordinarily made as of the actual closing date shall be made as of the originally scheduled closing date; and (ii) a penalty shall be added to the balance of the purchase price due at closing, which shall be an amount derived by (x) multiplying the purchase price for the Unit by 10%, (y) dividing that product by 365, and (z) multiplying the resulting amount by the number of days the closing is delayed, beginning with the date originally scheduled for closing, through and ending with the actual closing date. If the originally scheduled closing date is adjourned at Seller's request, the foregoing shall not be applicable. However, it shall apply to any subsequent postponements by Purchaser of the adjourned closing date. For example if a purchaser is paying \$450,000.00 for a unit and requests an adjournment of thirty (30) days which the seller grants the penalty would be calculated as follows: $\$450,000.00 \times 10\% = \$45,000. \div 365 = 132.29$ per day $\times 30$ day adjournment = \$3968.70 penalty.

The closing of Title under the Purchase Agreement shall be held at such place in the State of New York and at such hour as Sponsor may designate to the Purchaser on not less than thirty (30) days' prior notice, which notice shall also set forth the date on which Common Charges shall be due and payable.

At the time of closing each purchaser whether purchasing from sponsor or on resale will be required to sign a power of attorney to the board of manager of the condominium. If a purchaser refuses to sign such power of attorney Sponsor may consider same an event of default under the Purchase Agreement and shall have the right, among others, to deem such Purchase Agreement to be canceled and of no further force or effect.

The Sponsor expects the first closing of a Unit to occur on or about March 1, 2007. If the first closing is delayed and does not occur on or before February 28, 2008, purchasers shall be offered rescission, that is, the right to cancel their purchase agreements and have their DOWN

PAYMENTS refunded with interest, if any. From and after the closing of title to each Unit, the Purchaser will become obligated for the payment of Common Charges, real estate taxes and assessments in proportion to the Purchaser's Common Interest, and all other expenses with respect to his or her Unit, and will assume the risk of loss to the Unit by fire or other casualty, whether or not he or she has taken possession of his or her Unit and whether or not all work required to be performed by Sponsor or anyone else in or to Purchaser's Unit or the Building has been completed. After the Plan has been declared effective, Sponsor will fix dates for closing of title to all units then under contract.

The risk of loss to the Unit by fire or other casualty until the closing of title is assumed by Sponsor (unless the Purchaser takes possession of same pursuant to written agreement, at which time such risk shall be assumed by the Purchaser), but without any obligation or liability by Sponsor to repair or restore the Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the closing of title and the election by Sponsor to repair and restore the Unit, the Purchase Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the purchase price. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction of the Unit by fire or other casualty prior to the closing of title, and if 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 (see "Rights and Obligations of Condominium Board" at Part I, Section S), the Purchase Agreement shall be deemed canceled and of no further force or effect and Sponsor shall return to the Purchaser all sums deposited thereunder, with interest earned thereon, if any, whereupon the parties shall be released and discharged from all obligations and liability thereunder and under this Plan.

Purchasers shall be afforded not less than three business (3) days to review this Plan, including all filed amendments, prior to executing a Purchase Agreement. The Purchase Agreement sets forth in detail the terms of sale with respect to each Residential Unit and should be read carefully by each prospective Purchaser. A complete copy of the form of Purchase Agreement is set forth in Part II of the Plan.

If a Purchaser desires to finance the purchase of his or her Unit, the Purchase Agreement will be conditioned upon the issuance to Purchaser of a commitment by a lender in at least the amount set forth in the Purchase Agreement. If Purchaser elects such financing contingency, Purchaser must submit an application in good faith to a lender for financing within fifteen (15) days after the notice declaring the Plan effective is mailed to purchaser. The contingency clause provides that Purchaser shall have thirty (30) days from the date the Effectiveness Amendment is accepted for filing to obtain a written loan commitment for financing. In the event Purchaser fails to obtain a written loan commitment within such thirty (30) day time period, or in the event the loan commitment is subsequently withdrawn, Purchaser must notify Sponsor of same within five (5) days (unless said event occurs within five (5) days of the closing

date under the Purchase Agreement, in which event such notice must be given prior to the closing date). The Purchase Agreement may be declared null and void by either party by written notice to the other postmarked or delivered within ten (10) days subsequent to such thirty (30) day period or notification by Purchaser that such financing has been withdrawn, and, unless Purchaser's failure to obtain a loan commitment or the subsequent withdrawal of the commitment is due to the acts or failure to act by the Purchaser, the Down payment with interest earned thereon, if any, shall be returned to the Purchaser. The financing contingency clause may be canceled at the option of Sponsor and become null and void, if (i) Purchaser fails to apply in good faith for mortgage financing within the fifteen (15) day time period, (ii) Purchaser fails to notify Sponsor of Purchaser's failure to obtain a written loan commitment, or of the withdrawal of such commitment, within the time periods herein above provided and/or (iii) Purchaser's acts or failure to act have caused the lender to withdraw the loan commitment. If a purchaser's obligations are contingent on obtaining a financing commitment and the financing commitment lapses or expires prior to closing, and the purchaser has made a good faith effort to extend the commitment, such purchaser shall have ten (10) days to rescind said purchase agreement. No other financing contingency is permitted by this Offering Plan.

Nothing herein and nothing in the Purchase Agreement requires a Purchaser to wait until the Plan is declared effective to apply for a mortgage. However, a Purchaser shall have no right to terminate the Purchase Agreement if the commitment from the lender expires before the First Unit Closing, or for reasons beyond the control of Sponsor or if the Purchaser fails to satisfy any of the conditions set forth in the commitment, provided that if the commitment expires because of Sponsor's inability to deliver title to the Unit in accordance with the terms of this Plan and if lender fails to extend such commitment, a Purchaser shall have the right to terminate the Purchase Agreement, in which event the Down payment, with interest earned thereon, if any, shall be refunded to Purchaser. Should a Purchaser apply for financing before the Plan is declared effective, Purchaser shall be responsible for all costs in connection with such application and the issuance of a commitment, including but not limited to fees to extend the commitment, commitment fees, and application fees, whether or not the Plan is subsequently declared effective.

If there exists or occurs any conflict between the Plan and the Purchase Agreement, the provisions of the Plan shall control.

Purchase Agreements will not be binding on Sponsor until approved and executed by it and Sponsor will have thirty (30) days after the delivery by the Purchaser of an executed Purchase Agreement and the Down payment required thereby, within which to accept or reject such Purchase Agreement. Sponsor reserves the right to request thorough identification and financial information concerning any prospective Purchaser, subject to the requirements of the law. If a Purchase Agreement is not accepted by Sponsor within the aforesaid thirty (30) day period, the Purchase Agreement shall be deemed to have been rejected and canceled and all sums theretofore deposited thereunder shall be promptly returned to the Purchaser.

Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without prior notice or prior amendment to the Plan and without the consent of the

Condominium Board, any Unit Owner or lender, to refuse to approve and execute a Purchase Agreement for any Unit(s), except as prohibited by law.

The Purchase Agreement shall not contain, and shall in no event be modified to contain, a provision waiving the Purchaser's rights or abrogating Sponsor's obligations under the Plan or under Article 23-A of the General Business Law of the State of New York.

2. DOWN PAYMENTS

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

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

All deposits, DOWN PAYMENTS, or advances made by purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the Plan, will be placed, within five business days after the agreement is signed by all necessary parties, in a segregated special escrow account of David S. Frankel, P.C., the escrow Agent, whose address is 870 Franklin Avenue, Valley Stream, New York 11580, and whose telephone number is (516) 596-9800. The sole signatory on this account authorized to withdraw funds is David S. Frankel. The name of the account is The Absolute Special Account - David S. Frankel, Attorney, located in Northfork Bank, at Central Avenue, Valley Stream, New York 11580. This bank is covered by federal bank deposit insurance to a maximum of \$100,000.00 per individual deposit.

The account will be non-interest bearing and, unless the purchaser defaults, interest will be credited to the purchaser at closing.

All instruments shall be made payable to or endorsed to the order of David S. Frankel, P.C. as escrow agent.

Within ten business days after tender of the deposit submitted with the Purchase Agreement, the escrow agent will notify the purchaser that such funds have been deposited into the escrow account and will provide the account number. If the Purchaser does not receive notice of such deposit within fifteen business days after tender of the deposit, the purchaser or subscriber may cancel the purchase and rescind so long as the right to rescind is exercised within ninety days after the tender of the deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and

requisite notice was timely mailed to the purchaser or subscriber in conformity with the Attorney General's regulations.

Escrow revisions. 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 was originally provided. A bond, letter of credit or other security may be substituted for the escrow account only after the Office of the Attorney General approves in writing the use of such alternate form of security.

Since all contracts are contingent upon the Plan's becoming effective, under no circumstances shall the Sponsor apply for release of the escrowed funds of a defaulting purchaser until after consummation of the Plan.

Sponsor will make a written demand for payment after default at least thirty (30) days before forfeiture of the deposit may be declared.

The escrow agent will hold funds in escrow until otherwise directed in:

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

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

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

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

Purchasers and the escrow agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the down payment and any interest thereon. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is contained in Part II of this Plan. The party applying for a determination must

send all other parties a copy of the application.

Pending the determination of the Attorney General to grant or deny the application, the Sponsor, the purchaser and the escrow agent shall abide by any interim directive issued by the Attorney General. If the application permitting release of funds is granted, the deposit and interest earned thereon shall be disposed of in accordance with the determination of the Attorney General, subject to any court action from which preliminary relief is granted. The Attorney General shall act on the application within thirty (30) days after a submission to the Department of Law for either making a determination or notifying the parties that an extension of time is needed in which to do so. If the application seeking release of funds is denied, the escrow agent shall continue to hold the deposit and any interest earned thereon until : both the sponsor and purchaser direct payment to a specified party in accordance with the written direction signed by both sponsor and purchaser; or judgement or order of a court of competent jurisdiction is served on the escrow agent; or escrow agent deposits the disputed amount with the court.

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

The escrow agreement which incorporates the terms of the Attorney General's regulations is reprinted in Part II of this Plan and the original was submitted to the Department of Law as an exhibit to the Plan.

The escrow agent will maintain all records concerning the escrow account for seven years after the release of funds.

Escrow Agent makes no representation with regard to and shall not be responsible for the amount of interest that may be earned on any such Down payment. The responsibilities of Escrow Agent shall be only as set forth in that certain escrow agreement ("Escrow Agreement") between Escrow Agent and Sponsor, (reprinted in Part II) as set forth in the Purchase Agreement, or as otherwise imposed by law.

Escrow Agent shall have no responsibility or liability for any act or omission to act except for his own willful misconduct or gross negligence or as otherwise imposed by law.

If the Plan is withdrawn or abandoned (as described in "Effective Date: in Part I, Section M), all DOWN PAYMENTS, with accrued interest thereon, if any, will be fully returned to the Purchaser, within ten (10) days.

L. ASSIGNMENT OF PURCHASE AGREEMENTS

The Purchase Agreements may not be assigned or inure to the benefit of and successors or assigns of Purchaser(s), without the prior written consent of Sponsor which consent shall be in the sole discretion of Sponsor and may be unreasonably withheld.

M. EFFECTIVE DATE

The offering by Sponsor under this Plan is contingent upon the Plan being declared effective, by a duly filed amendment to the Plan or by service of written notice to all Purchasers, followed by a duly filed amendment, in compliance with the applicable laws and regulations and the relevant conditions and time periods set forth herein. It is anticipated that the Plan will be declared effective by notice.

The First Unit Closing may not occur until the Plan has been declared effective.

The Plan may be declared effective, at Sponsor's option, when Purchase Agreements have been executed and are in effect with respect to fifteen (15%) percent or six (6) units, of the Residential Units with bona fide purchasers. The Plan must, however, be declared effective by Sponsor when Purchase Agreements have been executed and are in effect with respect to eighty (80%) or twenty eight (28) units. A purchaser shall not be considered a bona fide purchaser if (i) the purchaser has been granted a right of rescission which has not expired or been assigned or transferred (ii) the purchaser has not been afforded the protection of 13 NYCRR 20.3(o)(15) which states that not fewer than seven (7) days after delivering an executed Purchase Agreement together with the required deposit to rescind the Purchase Agreement and have the full deposit refunded promptly. The Purchaser must either personally deliver a written notice of rescission to the Sponsor within the seven (7) day period, or mail the notice of rescission to the Sponsor and have the mailing post marked within the seven (7) day period; or be afforded not less than three (3) business days to review the Offering Plan and all filed amendments prior to executing a Purchase Agreement, or (iii) the purchaser is the Sponsor, the selling agent or the managing agent or is a principal of the Sponsor, the selling agent or the managing agent or is related to the Sponsor, the selling agent or the managing agent or to any principal of the Sponsor, the selling agent or the managing agent by blood, marriage or adoption or as a business associate, an employee, shareholder or a limited partner; except that such a purchaser other than the sponsor or a principal of the sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the purchaser is bona fide.

The Plan may be withdrawn or abandoned by Sponsor for any reason whatsoever at any time prior to being declared effective, or before Purchase Agreements are in effect with respect to eighty (80%) percent of the Units but not after the first Unit Closing Date. Purchasers will be notified in writing, by service of a duly filed amendment to the Plan, in the event the Plan is abandoned or withdrawn. In the event the plan is withdrawn or abandoned by Sponsor, sponsor will file an amendment and form RS-3 with the Department of Law.

Once the Plan has been declared effective by an amendment that has been submitted to and accepted for filing by the Department of Law, or by service of written notice to Purchasers, it may not thereafter be abandoned or withdrawn, except that prior to the First Unit Closing, the Plan may, at the option of the Sponsor, be withdrawn in the event of: a defect in the title which cannot be cured without litigation, or expenditure of an amount in excess of one-half ($\frac{1}{2}$) of one

percent (1%) of the total offering price; or violations, or casualty damage, which cannot be cured for less than one-half ($\frac{1}{2}$) of one percent (1%) of the total offering price; or the taking of any material portion of the property by condemnation or eminent domain; however, such title defects, or casualty losses, as are known to the sponsor at time of presentation shall be excluded from calculations under this section. Additionally, any dollar amount relied upon as a basis for abandonment after effectiveness must exclude any attorney's fees.

In the event the Plan is withdrawn or abandoned, all DOWN PAYMENTS, with interest earned thereon, if any, will be returned to the Purchasers within ten (10) days following such withdrawal or abandonment.

The plan may be declared effective by (i) an amendment to the plan or (ii) by personal service of notice on every purchaser or by commencement of service by mail stating that the plan is declared effective and submitting an amendment to the Office of the Attorney General within five (5) days confirming that the plan was declared effective on a specified date. The Sponsor intends to declare the plan effective by notice. The closing of the first unit shall not occur until the Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

N. TERMS OF SALE

The term "closing" herein refers to the conveyance of title to a Residential Unit from Sponsor to the Purchaser by the delivery to the Purchaser of a deed, upon payment by the Purchaser to Sponsor of the balance of the purchase price for such Unit. The closing of title to each Unit shall be held at such time and place, pursuant to the applicable Purchase Agreement, as Sponsor may designate to the Purchaser on not less than thirty (30) days' prior notice. The closing of title of each Unit shall take place after or concurrently with the following events:

(1) The recording or filing, as required by law, of the Declaration, By-Laws and Floor Plans in accordance with Section 339-p of the New York Condominium Act;

(2) Either (a) the release of the Unit and its appurtenant interest in the Common Elements from the lien of all mortgages or (b) if the Purchaser is obtaining financing on such Unit, the assignment to the Purchaser's lender of any existing mortgage(s) covering such Unit and its appurtenant interest in the Common Elements, in accordance with Section 339-r of the New York Condominium Act (provided, however, that any such existing mortgages are not greater than the purchase price for such Unit);

(3) The delivery to the Purchaser of written notice of the time and place of the closing of title to his or her Unit at least thirty (30) days advance notice to the date of closing specified therein, including a reasonable opportunity for the Purchaser to examine his or her Unit and the Property prior to the closing of title will be provided unless Purchaser waives such time period. At the closing, each Purchaser will be required to sign and deliver to Sponsor an inspection statement substantially in the form set forth in part II of the Plan wherein the Purchaser acknowledges the condition in which he or she has received the Unit;

(4) The submission to, and acceptance for filing by, the Department of Law of an amendment to the Plan declaring the Plan effective and that the Sponsor has complied with all the requirements of this Section N;

(5) The execution and delivery by Sponsor of a bargain and sale deed with covenants against grantor's acts ("Unit Deed"), conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances and any existing mortgages assigned to Purchaser's mortgagee as described in (3) above. The Unit Deed will be substantially in the form set forth in Part II of the Plan;

(6) The issuance of a temporary or permanent certificate of occupancy for the Unit closed;

(7) The assignment by Sponsor to the Purchaser of the right to proceed under

any existing assignable warranties covering appliances, equipment or fixtures installed in his Unit, and the assignment by Sponsor to the Condominium Board of the right to proceed under any existing assignable warranties covering appliances, equipment or fixtures installed in the Common Elements; and

(8) The execution and delivery by the Purchaser of the Unit Power of Attorney which will give the Board of Managers the right to acquire residential units and to lease and sell same as they determine, to file and amend documents as they relate to the common elements and to file documents with regard to non payment of common charges, the form of which is set forth in Part II of the Plan.

(9) In the event of damage to a unit by fire or other casualty prior to the closing of title thereto the risk of loss shall remain with the Sponsor. However, the Sponsor is under no obligation to make any repair or expend any money to restore the unit. The Purchaser, at its option, may purchase the unit in its present condition or cancel the Purchase Agreement in which event the Down payment, with interest thereon, if any, will be refunded to the purchaser.

(10) All personal property located within the unit on the date that Purchase agreement is signed or located within the Common elements on the date the Declaration is filed, that is owned by the Sponsor is included in the conveyance unless specifically excepted in the offering plan.

(11) The declaration, by-laws and floor plans for the condominium and such other documents as required by law will be recorded or filed prior to the first conveyance of title to a unit in accordance with the New York Condominium Act or other applicable state and local law. Such documents are to be filed with the office of the County Clerk in the county in which the property is located.

(12) At the time of conveyance of the first unit and each closing thereafter, any mortgagee will release its lien on the condominium unit being conveyed and its interest in the common elements.

O. CLOSING COSTS AND ADJUSTMENTS

As more particularly set forth in the Purchaser Agreement, in addition to the Purchaser's own legal fees and fees imposed by Purchaser's lender, the Purchaser of a Unit will pay the following closing costs at the time of the closing of title of the Purchaser's Unit²:

(i) If a Purchaser chooses to obtain fee title insurance, payment of the cost of such title insurance shall be the responsibility of Purchaser. Sponsor makes no representation as to the cost of such title insurance. While Purchaser can order title from the company of their choosing, it is requested of Purchasers that any orders for fee title insurance be placed with Sutton Land Services, 515 Rockaway Avenue, Valley Stream, New York 11581. Rates which are set by the New York Board of Title Underwriters are currently \$1,985.00 on the Purchase Price up to \$200,000.00 and approximately \$4.03 for each additional thousand dollars or fraction thereof of additional fee insurance up to \$500,000.00. In addition, if Purchaser opts to finance part of the purchase price the lender may require a policy insure its loan. The rates for such insurance are currently \$1,018.00 for up to \$200,000.00 and approximately \$4.03 for each additional thousand dollars or fraction thereof of additional mortgage insurance up to \$500,000.00 and Purchaser will be entitled to simultaneous rate reduction of 70% of the mortgage insurance if the purchase and loan close at the same time. A discounted bulk rate may be available when ordering title insurance through Sutton Land Services.

(ii) A fee for recording the Unit Deed and Unit Power of Attorney, and any satisfaction(s) or release(s) of mortgages against the Unit. Such recording fees are estimated to be approximately \$250.00.

(iii) The New York City Real Property Transfer Tax, being 1% of the consideration paid by the Purchaser if less than \$500,000.00. If the consideration exceeds \$500,000.00 the amount shall be 1.425% of the consideration paid by the Purchaser. Since the transfer tax is being paid by the Purchaser in calculating the consideration the tentative amount of the transfer tax is added to the purchase price and multiplied by the tax rate in calculating the amount of tax due, thus amounting in a tax on a tax.

(iv) New York State Transfer Tax (for documentary stamps to be affixed to the deed), being \$2.00 for each \$500.00 of the consideration or fraction thereof. Since the transfer tax is being paid by the Purchaser in calculating the consideration the tentative amount of the transfer tax is added to the purchase price and multiplied by the tax rate in calculating the amount of tax due, thus amounting in a tax on a tax.

(v) A contribution of three months' Common Charges to the Working

²All recording charges, fees and taxes are estimates and are subject to change without notice.

Capital Fund, payable to the Board of Managers. See "Working Capital Fund" at Part I, Section X of the Plan.

(vi) Legal fee of Sponsor's attorney in the amount of \$2,500.00 payable to David S. Frankel, P.C.. In the event that the closing of title to an individual unit is held outside of Mr. Frankel's office the Purchaser shall be obligated to pay an additional fee to Sponsor's Attorney for such closing, which shall not exceed \$600.00 so long as the closing takes place within one hours travel time, by car, from the office of the Sponsor's attorney. If the Purchaser obtains financing for the Purchase of the Unit, Purchaser shall pay Sponsor's attorney an additional fee of \$500.00. If the closing is adjourned other than by Sponsor, there will be an additional fee of \$250.00 per Unit payable to Sponsor's attorney, which will be the sole responsibility of the Purchaser. In the event that a purchaser defaults, a fee of \$250.00 will be payable at closing to the attorney for the Sponsor, David S. Frankel, P.C., for preparation of a letter of default. All checks for the above fees must be paid by CERTIFIED or BANK CHECK at the closing. The above fees are cumulative to the extent applicable to an individual closing.

(vii) In addition to any fees which may be charged by the Lender, if the Purchaser obtains a mortgage loan, the Purchaser shall pay a fee to record the mortgage of approximately \$200.00 and a mortgage recording tax, which is currently 1.8% of the principal amount of the mortgage if under \$500,000.00, minus \$30.00, and 2.175% of the principal amount (also minus \$30.00) if the mortgage is \$500,000.00 or more. If a mortgage tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit shall inure to the benefit of Sponsor. Accordingly, at closing, each Purchaser utilizing mortgage financing shall pay the full amount of (but not more than) the mortgage recording tax chargeable on the entire amount being financed. Sponsor, at Closing shall be reimbursed to the extent of any mortgage tax credit allowed.

An example of closing costs for a unit costing \$660,000.00 would be as follows:

Title insurance	\$ 2,570.00
Deed recording fee	250.00
NY City Transfer Tax	9,506.00
NY State Transfer Tax	2,648.00
Working Capital contribution	1,228.00
Legal Fee to Sponsor's attorney	<u>2,500.00</u>
Total	\$ 18,702.00

If purchaser were to obtain financing on the above unit in the amount of \$520,000.00 the additional closing costs would be as follows:

Additional title insurance	\$ 607.00
Mortgage tax	9,950.00
Additional recording fees	200.00
Additional legal fee to Sponsor's attorney	<u>500.00</u>
Total	\$11,287.00

At the closing of title to each Unit, adjustments will be made between Sponsor and the Purchaser with respect to (a) real estate taxes and assessments, if any, (including water charges and sewer rents if separately assessed) on the basis of the period for which assessed; provided, however, that the Units have not been separately assessed for such payments, the Purchaser will pay his share of said payments in proportion to the percentage of Common Interest allocated to his or her Unit, (b) Common Charges for the month in which title closes, (c) accrued or prepaid rent and any other charges pursuant to an interim lease, if any, covering the Purchaser's Unit and (d) the rent and the security deposit if Purchaser is purchasing an occupied Unit.

P. RIGHTS AND OBLIGATIONS OF SPONSOR

1. Sponsor's Obligations With Respect to the Building

Subject to the terms and conditions of the Plan, Sponsor has the following obligations:

(a) Sponsor will cause each Unit and its appurtenant Common Interest to be released from any lien of the Mortgage and any other mortgage encumbering the Unit prior to the closing of title to such Unit, or, if Purchaser is obtaining financing for the purchase of such Unit, Sponsor may assign to the Purchaser's lender any mortgages encumbering the Unit.

(b) Sponsor will diligently, expeditiously and at its sole cost and expense, perform or cause to be performed such work, and will supply or cause to be supplied all materials, necessary to complete construction of the Condominium substantially in accordance with the Plans and Specifications. Subject to compliance with all applicable laws, Sponsor reserves the right to amend and modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures and other construction details) and substitute for any materials, appliances, equipment and fixtures set forth therein, provided, however, that:

(i) any materials, appliances, equipment and fixtures which Sponsor may substitute shall be of substantially equal or better quality or design; and

(ii) subject to the restrictions contained herein, Sponsor shall not change the size or location of the Building, Units, or Common Elements if such change would affect the Common Interest or adversely affect the value of any Unit to which title has closed pursuant to a Purchase Agreement or for which a Purchase Agreement has been fully executed by a Purchaser and Sponsor and is in force and effect, unless, however, all Unit Owners whose Units would be affected by such change consent in writing to such change and all Purchasers under Purchase Agreements then in force and effect whose Units would be affected by such change are given the opportunity, within fifteen (15) days after notice thereof, to rescind their respective Purchase Agreements, and if so rescinded, Sponsor would return the DOWN PAYMENTS for such Purchase Agreements with interest accrued thereon, if any, theretofore received by Sponsor thereunder.

(c) Sponsor will obtain or cause to be obtained for each Unit, a temporary or permanent Certificate of Occupancy and any other certificate or permit required by law including, without limitation, a New York Board of Fire Underwriters' Certificate, a Certificate of Compliance for Electrical Work from the Department of Water Supply, Gas and Electric and all necessary elevator inspections. Prior to the closing of title for a Unit, Sponsor will obtain a temporary Certificate of Occupancy for such Unit, unless Sponsor is unable to obtain same as a result of acts of or changes requested by the Purchaser of such Unit. If a permanent Certificate of

Occupancy and/or any other certificate of authorization required to permit the occupancy of the Unit shall not have been issued at the date of closing of title for such Unit, Sponsor will secure the same as expeditiously as possible after the closing of title for such Unit, and will, at its sole cost and expense, do and perform or cause to be done and performed, all work, and will supply or cause to be supplied all materials necessary therefor. Notwithstanding the preceding sentence, if Sponsor is unable to obtain such certificate or authorization or is required to incur additional costs and expenses to obtain the same, as a result of acts of or changes requested by the Purchaser of such Unit or by the Condominium Board (unless the Board was under the control of Sponsor at the time such act or change was authorized), then Sponsor, may cause such party to correct such changes, at its own expense, so that sponsor may obtain a permanent certificate of occupancy. In no event shall a Closing take place prior to a temporary certificate of occupancy having been issued by the Department of Buildings.

Sponsor will obtain or cause to be obtained for the Building a permanent Certificate of Occupancy within twenty-four (24) months after the First Unit Closing, subject, however, to construction of the Building being delayed by weather, strikes, lockouts, acts of God, shortages of, or inability to obtain, materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements, or any other cause over which Sponsor had no control.

(d) In the event the First Unit Closing shall occur prior to the issuance of a permanent Certificate of Occupancy for the Building, Sponsor is required to maintain all deposits and funds in the escrow unless the Sponsor's architect certifies that a lesser amount will be reasonably necessary to complete the alterations and improvements to the public portions and common areas of the building. In such case the sum exceeding the amount so certified may be released from escrow. Alternatively, Sponsor may deposit in escrow an unconditional, irrevocable letter of credit, post a surety bond in the amount so certified or provide other collateral acceptable to the Department of Law.

(e) On the date which is the earlier of (i) the issuance of a temporary Certificate of Occupancy for the Building or (ii) the first annual meeting of Unit Owners (as set forth in "Rights and Obligations of Condominium Board/Summary of By-Laws" as Part I, Section S), Sponsor will assign, or otherwise grant to the Condominium Board, the right to proceed under any existing assignable warranties or guarantees of material and/or workmanship from any contractor, subcontractor, materialman or others that performed work in respect of, or furnished or fabricated materials to, the Building. Sponsor shall obtain from any contractor, subcontractor materialman or other persons involved in the installation of the systems in the Building or otherwise in the construction or completion of the Building, such warranties or guarantees, as the case may be, as are customarily given in their respective trades as to the materials and workmanship.

(f) On the date of the First Unit Closing, Sponsor will assign, or otherwise grant to the Condominium Board, the right to proceed under any existing assignable warranties covering appliances, equipment or fixtures installed in the Building, provided that any such warranties with respect to appliances, equipment and fixtures located in the Unit of a Purchaser shall be assigned to such purchaser on the date of closing of title to his or her Unit.

(g) Sponsor will cause to be corrected any material defects in the construction of the Building, or in the installation or operation of any mechanical equipment therein, due to improper workmanship or material substantially at variance with the Plans and Specifications, provided and on condition that it is notified by the Condominium Board or Unit Owners or lessee of a Unit in writing of such defect no later than one (1) year after such defects are discovered. Notwithstanding the foregoing, Sponsor will not be responsible for correcting any defects in construction or defects in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, subcontractors, materialmen or others are assigned to the Condominium Board or Unit Owners unless such warrantor shall not be required or be financially unable to perform its warranty or undertaking within a reasonable period of time. In addition, in no event shall Sponsor be responsible for any condition resulting from normal wear and tear or natural deterioration or from the normal settling or shifting of the Building, or for defects of any insubstantial nature, such as, without limitation, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking due to weather, door warpage of less than 1/4", bath tile grouting, any consequential damage resulting from settlement (including, without limitation, concrete cracks which do not impair the structural soundness of the Building), normal plumbing, and heating noises, or carpet discoloring and stretching. In addition, Sponsor shall not be responsible for repair of chips, mars, breaks or other defects in window sashes, electric fixtures and globes, interior painted surfaces, sinks, tubs, bowls, shower doors, kitchen cabinets, counter tops, vanity tops and bases, medicine cabinets, doors, mirrors, hardware, flooring and appliance cabinets, unless notified of a defect therein prior to the closing of title to such Unit or the leasing thereof to the Purchaser thereof. Except as expressly set forth herein, Sponsor has no obligation to make any repairs of any kind. Nothing contained herein shall be construed to render Sponsor liable for consequential damage (whether based on negligence, or breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligations hereunder shall be to repair or replace (at Sponsor's option) any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the Plans and Specifications), subject to the terms and conditions (and within the time limits) set forth in this subparagraph (g).

(h) Notwithstanding any of the provisions to the contrary in the Plan or any Purchase Agreements, Sponsor shall not be obligated to correct and will not be liable to any Purchaser as a result of (i) any insubstantial variation from the Plans and Specifications or the description of the Building or a Unit set forth in the Plan including, without limitation, appliances and equipment, or (ii) variations from the Plans and Specifications or the description of the Building or a Unit as set forth in the Plan which are neither in violation of applicable building codes and laws, nor require the approval of any governmental authority having jurisdiction, provide such variations are substantially similar or better quality than as set forth in the Plans and Specifications or description and that such variations shall be set forth in the "as-built" drawings hereinafter referred to in this Section P of the Plan.

(i) Sponsor will bear all costs and expenses incurred by it in connection with the creation of the Condominium and the preparation of the Plan, all selling expenses and

compensation payable to sales or other personnel of Sponsor.

(j) Sponsor will pay or cause to be paid all contractors, subcontractors, and materialmen and all others involved in the construction and equipping of the Building, for work performed and fixtures, material and equipment supplied or installed in the construction thereof and will cause any and all mechanics' liens arising out of such construction and equipping, if any, to be discharged by means of the execution of a bond or undertaking, by deposit with the County Clerk of the County of Kings, or by payment into court, in such amounts as a Court of competent jurisdiction shall direct, all as provided in the Lien Law of the State of New York.

(k) Sponsor shall not be liable for or obligated to defend any suits or claims with respect to any Unit arising out of any occurrence taking place on or after the date of closing of title to such Unit or the leasing thereof to any Purchaser or, with respect to the Common Elements, arising out of any occurrence taking place on or after the date of the recording of the Declaration, except suits or claims arising out of acts of Sponsor or representations made by Sponsor in this Plan.

(l) The obligations of Sponsor under this Section P shall survive the delivery of the respective Unit Deeds in accordance with the terms hereof.

(m) After substantial completion of the Building, Sponsor will deliver to the Condominium Board a complete set of "as-built" drawing of the Building.

(n) Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under this Section P of the Plan.

(o) Sponsor will pay all Common Charges, real estate taxes, and special assessments allocated to all Unsold Units and has financial resources to meet its obligations with respect to such unsold units, which source of funding includes both proceeds of the sale of units and existing financial resources of the Sponsor in accordance with the provisions of the By-Laws.

(p) Sponsor will initially cause to be procured on behalf of the Condominium Board the insurance relating to the Condominium which is required to be maintained by the Condominium Board in accordance with the provisions of the By-Laws (see "Rights and Obligations of Condominium Board/Summary of By-Laws" at Part I, Section R), the cost of which insurance has been reflected in Projected Budget set forth as Schedule B at Part I, Section F. Such insurance will contain fire and casualty coverage pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance as set forth in Schedule B at Part I, Section F.

(q) Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of this Plan and all exhibits of documents referred to herein shall be available for inspection by prospective Purchasers and any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at the selling office or the office of Sponsor and shall remain available for such inspection for a period of six (6) years

from the date of recording of the Declaration. In addition, a set of Floor Plans showing the layout, location and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of the City of New York as conforming to the official tax lot number for each such Unit, will be filed in the City Register's Office when the Declaration is recorded, and an additional set will be furnished to the Condominium Board.

(r) Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the Unsold Units. Sponsor will repair any damage caused as a result of such access and will exercise such access in such a manner as will not unreasonably interfere with the use of the Unit for its permitted purposes.

(s) In the event of damage to a unit by fire or other casualty prior to the closing of title thereto the risk of loss shall remain with the Sponsor. However, the Sponsor is under no obligation to make any repair or expend any money to restore the unit. The Purchaser, at its option, may purchase the unit in its present condition or cancel the Purchase Agreement in which event the Down payment, with interest thereon, if any, will be refunded to the purchaser.

(t) In the event of the dissolution or liquidation of the Sponsor or the transfer of ten (10) or more 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 the Sponsor for those units under the offering plan, applicable laws or regulations.

(u) The Sponsor has obtained all necessary construction financing for the completion of the project. There are no conditions as to the availability of said funds. The Sponsor has adequate available funds to complete construction of this condominium project.

(v) Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all residential units to purchasers for the personal occupancy of purchasers or their immediate families. However, in the event that there is significant decline in market values of at least 15% from the most recent disclosed offering prices set forth in the contracts counted towards effectiveness, sponsor reserves the right to rent, rather than sell, units until there is an upturn in the market. Sponsor's good faith efforts to sell to purchasers will include listing unsold units with brokers, showing unsold units to brokers and prospective purchasers or their representatives, filing update amendments to the plan and otherwise engaging in customer sales activities.

2. Housing Merchant Implied Warranty

Effective March 1, 1989, a new law went into effect which grants to buyers of most newly constructed units a Housing Merchant Implied Warranty. The law applies to this Condominium. The following is a brief summary of that law. The full text of the law appears in

Part II of the Plan.

Newly constructed single-family homes and cooperative and condominium units in buildings of five stories or less are covered by the new law. The coverage of the law is as follows:

(a) For one year from the date of the First Unit Closing, the Building must be free from defects caused by workmanship or materials that do not meet the standards of the applicable building code; for items not covered by the Code, the construction must be in accordance with locally accepted building practices.

(b) For two years from the date of the First Unit Closing, the plumbing, electrical, heating, cooling and ventilation systems must be free from defects caused by unskillful installation.

(c) For six years from the date of the First Unit Closing, the Building must be free from physical defects in the structural elements (foundation, floors, walls, roof framing) which make it unsafe or unlivable.

Items which are not covered are:

- (a) A defect not caused by defective workmanship, materials or design.
- (b) A patent defect which was obvious or would have been obvious upon inspection.
- (c) Defects in items sold with the Unit, such as stoves, refrigerators, air conditioners, etc. There are implied warranties from the manufactures of such goods which are covered by other laws.

Buyers must give notice of defects in their Units in writing no later than 30 days after the end of the warranty period.

3. Sponsor's Undertaking With Respect to Common Charges

Sponsor will pay all Common Charges, special assessments and real estate taxes with respect to all Unsold Units. Sponsor has the financial resources to meet its obligations with respect to unsold units and will fund its financial obligations to the condominium with income from projected sales. No bond or other security will be or has been furnished to secure sponsor's obligations.

4. Rights Reserved to Sponsor

Sponsor reserves the right to rent or lease any Residential Unit, prior to the date of closing title thereto, to any prospective Purchaser who has executed a Purchase Agreement which

has been accepted by Sponsor and who has paid the Down payment required by such Purchase Agreement, if Purchaser so desires, for such rent and term and on such other conditions as may be agreed to between Sponsor and such Purchaser. Any such lease will provide, however, among other things, that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit so rented will constitute a default under the lease entitling Sponsor, at its sole option, to immediately terminate such lease and obtain possession of the Unit so leased. In addition, each Purchase Agreement will provide that an uncured default by the Purchaser under any lease with respect to the Unit which is the subject of the Purchase Agreement will constitute a default under the Purchase Agreement entitling Sponsor, at its sole option, to immediately terminate such Purchase Agreement

Sponsor further reserves the right, without prior notice or amendment, to use any Units in the Building as sales offices and/or model apartments. In the event Sponsor later elects to sell any such Unit, Sponsor may require the Purchaser thereof to purchase all or any of the furniture, furnishings, equipment or decorations therein and pay such amounts as Sponsor may determine, upon the filing of an amendment to the Plan disclosing same.

Sponsor will endeavor in good faith to sell, in a reasonably timely manner, all units to Purchasers for personal occupancy by themselves or their families. Until at least 50% of the units are so sold and conveyed to Purchasers for personal occupancy, Sponsor will not rent unsold units, nor enter into Purchase Agreements for investment or resale. After such 50% threshold is achieved, Sponsor will continue to endeavor in good faith to so sell units to Purchasers for personal occupancy, but, reserves the right, if market conditions become unfavorable after the filing of this Plan, to rent unsold units until they may be sold at prices determined in good faith to be satisfactory to Sponsor, or to sell unsold units to unrelated Purchasers for rental operation and not personal occupancy. In addition, Sponsor will have a significant role in the governance of the Condominium by reason of its voting control of the Board of Managers during the Sponsor's Board control period. Even thereafter, Sponsor will continue to have a voice in governance due to its right to designate a specified minority of the Board Members for so long as Sponsor owns one or more unsold units. Moreover, Sponsor and any other non-resident Owners will at all times have the same right as Owner-Occupants to vote on issues that require the approval or consent of Unit Owners (such as the exercise of the Board's Right of First Refusal.)

To further assure that this Plan will create a fully viable condominium, the By-Laws contain a residency requirement pursuant to which a majority of the Condominium Board Must be Owner-Occupants of the Condominium who are unrelated to the Sponsor or its principals, after the end of the Sponsor's control of the Board of Managers.

NO BOND OR OTHER SECURITY HAS BEEN FURNISHED TO SECURE THE PERFORMANCE OF THE SPONSOR'S OBLIGATIONS SET FORTH HEREIN. THE ABILITY OF THE SPONSOR TO PERFORM ITS OBLIGATIONS WILL DEPEND ON ITS FINANCIAL CONDITION WHEN AND IF IT IS CALLED UPON TO PERFORM.

NO WARRANTY IS MADE THAT SPONSOR WILL BE FINANCIALLY ABLE TO PERFORM ANY OR ALL OF SUCH OBLIGATIONS.

Q. CONTROL BY SPONSOR

Until the first annual meeting of Unit Owners (to be held within thirty-five (35) days after the expiration of the Initial Control Period as set forth in "Rights and Obligations of the Unit Owners and the Board of Managers" at Part I, Section S), the Condominium Board shall consist of three (3) persons designated by Sponsor. Accordingly, until such first annual meeting, Sponsor will have absolute voting control of the Condominium Board. This Initial Control Period shall end at the earlier to occur of (a) the second anniversary of the date of the First Unit Closing or (b) the date on which Unsold Units represent less than fifty (50%) percent in number and less than fifty (50%) percent in Common Interest of all Units. After such first annual meeting, the Condominium Board shall consist of five (5) persons.

So long as a majority of the Board of Managers consists of managers elected by the sponsor or holders of unsold units, the board:

- (i) Shall not eliminate or reduce the number of employees, insurance coverages
- (ii) or any service to a level less than that provided in Schedule B unless a majority of board members elected by bona fide unit purchasers vote in favor thereof.
- (ii) Shall, to the extent of their authority as Board Members, use all reasonable efforts to cause the Building (including its equipment, services and installations) to be kept operational, clean, and, in a good state of repair and condition;
- (iii) Shall not veto expenditures required to comply with applicable laws or regulations and/or expenses necessary to remedy notice of violations of law or of an insurance carrier.

Until the earlier of five years from the date of closing, or at the time at which the Sponsor or other Holder of Unsold Units owns units consisting of less than 25% of the common interest of the Condominium, Sponsor may exercise veto power over any expenses other than those described in Item (iii) above. Additionally, so long as the Sponsor retains ownership of at least one unit in the building, the By-Laws, Declaration, and Rules and Regulations of the Condominium, may not be amended or modified in any way so as to adversely affect the Sponsor without written consent by the Sponsor.

All Board Members shall serve without compensation. Any member of the Board of Managers, who is a designee of the Sponsor, may contract or deal with Sponsor, or a partner, affiliate or entity controlled by the Sponsor; however, such Board members shall remain under a fiduciary duty to act in the best interest of the condominium.

The By-laws do not require that, after the initial Sponsor voting control period, a majority of the Board owner-occupants or members of an owner-occupants household who are unrelated to the Sponsor or its principal. Accordingly owner occupants may never take control of the Board. Due to the foregoing it should be noted that 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.)

R. BOARD OF MANAGERS

1. Condominium Board

The affairs of the Condominium shall be governed by the Condominium Board which shall be comprised of representatives of the Unit Owners. Until the first annual meeting of the Unit Owners, the Board shall consist of three (3) persons designated, from time to time, by Sponsor. It is the intention that the first Board of Managers will consist of Aaron Schwartzman, a principal of Sponsor, Leib Poretz, a principal of Sponsor and David Yerushalmi, an associate of the Sponsor. Within ten (10) days after the earlier to occur of (a) the date on which Units held by Sponsor or its designee represent less than fifty (50%) percent in number and less than fifty (50%) percent in Common Interest of all Units or (b) the second anniversary of the date of the First Unit Closing, such first Board shall call the first annual meeting of unit Owners, and shall be held within 35 days of the calling thereof. (See "By-Laws" at Part II, Section 2.4.) From and after the first annual meeting of Unit Owners, the Board shall consist of five (5) persons elected by Unit Owners, subject, however, to certain rights of Sponsor to designate up to two (2) members of the Condominium Board until the third anniversary of the First Unit Closing. Within thirty (30) days after the expiration of the Initial Control Period, the Board shall cause the President thereof to call the first annual meeting ("First Annual Meeting") of the Unit Owners for the purpose of electing the five (5) member Board. (See "Control by Sponsor" at Part I, Section O.) Except for the first Board and certain rights of Sponsor, as aforesaid, each member of the Board shall be elected at the annual meeting of Unit Owners and shall serve until the next annual meeting thereof and until a successor has been elected and qualified. Any Board member may be removed, with or without cause, by a vote of the Unit Owners present in person or by proxy at a regular or special meeting of Unit Owners at which a quorum is present, except that, any Board member designated as such by Sponsor may be removed only by cause. Except for Board members elected by Sponsor or its designee, all members of the Board must be either Unit Owners or individuals entitled to reside in the Residential Units. All Board members shall serve without compensation.

At the first annual meeting, the incumbent Condominium Board shall resign and a new Board shall be elected. Thereafter, annual meetings of Unit Owners shall be held on the first Thursday in May of each succeeding year unless such day shall be a holiday in which event the meeting shall be held on the next succeeding business day. At such meeting, the Unit Owners shall elect the five (5) member Condominium Board. In addition, special meetings may be held from time to time pursuant to the By-Laws. At all meetings of Unit Owners, the presence in person or by proxy of Unit Owners, owning more than fifty (50%) percent of the Common Interests attributable to all Units shall constitute a quorum and, except as otherwise provided in the By-Laws or Declaration, a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Unit Owners.

The By-laws do not require that, after the initial Sponsor voting control period, a majority of the Board owner-occupants or members of an owner-occupants household who are unrelated to the Sponsor or its principal. Accordingly owner occupants may never take control of

the Board. Due to the foregoing it should be noted that 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.)

At all meetings, each Unit Owner (or Unit Owner's proxy) entitled to vote thereat (including Sponsor with respect to Units owned by Sponsor or its designee) shall be entitled to cast one vote for each .01% of Common Interest appurtenant to his or his Unit or Units.

2. Powers and duties of and determinations by the Board

The Condominium Board shall have the powers and duties necessary for incidental to the administration of the affairs of the Condominium. As more fully set forth in the By-Laws, all determinations required to be made by the Condominium Board shall be by majority of the votes cast at any meeting at which a quorum is present.

3. Officers

The principal officers of the Condominium shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Condominium Board to have such Powers and perform such duties as are set forth in Article 4 of the By-Laws. The Board may appoint additional officers. None of the officers of the Condominium need be Unit Owners or have any interest therein or be Board members until the first organization meeting of the Board following the first annual meeting of Unit Owners. Thereafter, the President and Vice President of the Condominium must be members of the Board and Unit Owners. Except as otherwise provided by the Board, no officer shall receive any compensation for acting as such.

4. Management

The Sponsor has contract with American Building Management Corp, 1663 8th Avenue, Brooklyn, New York 11215 to act as Managing Agent for the condominium.

The annual certified financial statement with respect to the Condominium will not be prepared by the Board. Such Statement will be prepared by an independent certified public accountant engaged by the Condominium Board at the sole expense of the Unit Owners.

All expenses incurred by the Board in performance of its duties are Common Expenses and are to be paid by Unit Owners who will indemnify the Board members from any liability for acts properly performed by it in connection therewith.

5. Repairs to and Maintenance of Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, in or to the Common Elements will be made

by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a Common Expense. (see "rights and Obligations of Unit Owners" at Part I, Section S.)

6. Repairs or Reconstruction after Fire or Other Casualty

In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the Board will, except as set forth below, arrange for the prompt repair and restoration thereof in accordance with the Plans and Specifications (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not consisting a part of such Unit). If the insurance are insufficient to cover the cost of repairs or restorations, Unit Owners may be assessed for deficits, if any, in insurance proceeds. Any surplus insurance proceeds shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid out of his or her share of the funds, such amounts as may be necessary to reduce unpaid liens on his or her Unit, other than Permitted Mortgages, in the order of priority of such liens.

If three-fourths (3/4ths) or more of the Building is destroyed or substantially damaged and if seventy-five (75%) percent or more of Common Interests of all Unit Owners do not duly resolve, within sixty (60) days from the date of such damage or destruction, to proceed with the repair or restoration thereof, the Building will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common by all Unit Owners residing in the Building, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners residing in the Building in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages, which are Permitted Mortgages) in the order of priority of such liens.

7. Insurance Provided by the Condominium Board

The Condominium Board is required to obtain and maintain, to the extent obtainable and to the extent determined by the Board to be appropriate, the following insurance: (a) fire insurance insuring the Building (including each Residential Unit, the fixtures, furniture and furnishings in the lobby and other common areas, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of a Residential Unit), together with all service machinery contained therein and covering the interests of the Condominium, the Condominium Board, the Board members, all Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of the cost of excavation, foundations and footings), without deduction for depreciation; and (b) comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, and on, in or about passageways in such amounts as from time to time are carried by prudent owners of comparable buildings in the City of New York.

The Condominium Board is also required to obtain and maintain, to the extent obtainable, the following: (a) comprehensive bond in the amount of \$25,000.00 covering all officers, directors and employees of the Condominium, and of Managing Agent or agents who handle funds of the Condominium; and (b) such other insurance as the Condominium Board may determine. This amount is included in the Condominium's insurance premium.

The amount of the fire insurance to be maintained until the first meeting of the Condominium following the First Annual Meeting of the Unit Owners shall be in at least the sum of \$2,500,000.00. The amount of comprehensive general liability insurance to be maintained until such time shall be in at least the sum of \$1,000,000.00, covering all claims in respect to personal injury, death and property damage in respect of any one occurrence.

All policies of physical damage insurance shall contain waivers of subornation and waivers of any defense based on (i) co-insurance, or (ii) other insurance, or (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of liability if additional Unit Owners obtain coverage, and shall provide that such policies may not be canceled or substantially modified without at least thirty (30) days' prior written notice to all of the insured, including all Permitted Mortgages. Duplicate originals or certificates of insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners, if requested, and all Permitted Mortgagees at least thirty (30) days prior to the expiration of the then current policies.

Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Board determines. The premiums for all insurance referred to above shall be a Common Expense and shall be paid by the Board.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, and the Condominium Board shall not be prohibited from carrying insurance for the benefit of the Unit Owners and itself, respectively, provided that all such policies shall contain waivers of subrogation, if available, without expenses for the benefit of other Unit Owners, and further provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

8. Liability of the Condominium Board and Unit Owners

Every contract made by the Condominium Board or by any member, officer, superintendent or managing agent thereof shall state that (a) it is made as agent for all Unit Owners and such Board member, officer, managing agent or superintendent shall have no personal liability thereon (except in his or her capacity as a Unit Owner) and (b) the liability of any Unit Owner to the Board with respect to such contract shall be limited to (i) such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners and (ii) to the extent permitted by law, such Unit Owner's interest in his or her Unit and its appurtenant Common Interest. To the extent permitted by applicable law, Board members shall have no liability to Unit Owners except that a Board member shall be liable for his or her bad faith or willful misconduct. All Unit Owners shall severally, to the extent of

their respective interests in their Units and their appurtenant Common Interests, indemnify each Board member against any liability of claim except those arising out of such Board member's bad faith or willful misconduct. The Board may contract or effect any other transaction with any Board member, any Unit Owner, Sponsor or its designee or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

9. Reports to Unit Owners

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Board to all Unit Owners within three (3) months after the end of the fiscal year.

10. Amendments to Condominium Documents

Generally, subject to certain exceptions (including, among others, exceptions concerning Unsold Units and Sponsor), and provided that required consents of the Mortgage Representatives (as such term is defined in the By-Laws), if any, are obtained, any provisions of the Declaration, By-Laws or Rules and Regulations may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in number and in Common Interest of Unit Owners.

11. Termination of Condominium

The Condominium shall continue (unless terminated by casualty loss, condemnation or eminent domain as provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the New York Condominium Act as a result of the vote to do so of at least eighty (80%) percent in number and in Common Interest of all Unit Owners. In addition, the written consent of the Mortgage Representatives, if any, shall be required before such vote is effective. Sponsor will not vote its interests appurtenant to Unsold Units for such withdrawal unless eighty (80%) percent in number of all Unit Owners elect to withdraw, at which time Sponsor may choose to vote either in favor or against withdrawal from condominium ownership, as it sees fit. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interest 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 the order of priority of such liens.

12. Units Acquired by the Condominium Board

All Units acquired or leased by the Condominium Board, or its designee, shall be held by the Board, or its designee, on behalf of all Unit Owners and the rent or purchase price, closing costs and adjustments payable in connection therewith shall be assessed against all Unit Owners. No Units held by the Board shall carry any voting rights.

The purchase of any Unit by the Condominium Board or its designee, on behalf of

all Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Board may levy an assessment against each Unit Owner, in proportion to his or her respective Common Interest, as a Common Charge, and/or the Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased to be purchased together with its appurtenant interests in the Common Elements.

13. Procedures to Review Real Estate Tax Assessments

The Board, on behalf of and as agent for, all Residential Unit Owners, will be authorized to commence, pursue and settle certiorari proceeding to obtain reduced real estate assessments with respect to Residential Units. All Residential Unit Owners will share the costs in connection therewith and the benefits derived therefrom based on the respective Common Interests of those Residential Unit Owners on whose behalf said proceeding has been commenced. In the event any Residential Unit Owner individually seeks to have the assessed valuation of a Unit reduced by bringing a separate certiorari proceeding, the Board, if necessary for said proceeding, will execute documents or other papers required for, and otherwise cooperate with the Unit Owner in pursuing the reduction, provided that the Unit Owner indemnifies the Board from all claims, costs and expenses (including, without limitation, such Unit Owner's attorney's fees) resulting from the proceedings. Should a Unit Owner bring a separate proceeding, he or she may still be obligated to pay a portion of the costs for the Board's challenge, as such cost may be paid by the Board as Common Expense.

14. Covenant Against Partition

No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his or her Unit without including therein its appurtenant interests in the Common Elements, it being the intention to prevent any severance of such combined ownership.

15. Right to Accumulate Reserves

Common Expenses shall be determined by the Board and shall be borne by Unit Owners. Common Expenses may include such amounts as the Board may deem proper for a general operating reserve for working capital or for replacements with respect to the Common Elements.

16. Copies of the Declaration and By-Laws

Copies of the Declaration and the By- Laws are set forth in Part II of the Plan.

S. RIGHTS AND OBLIGATIONS OF UNIT OWNERS

1. Sales and Leases of Units

Each Residential Unit Owner may sell or lease his or her Unit (subject to the terms of any mortgage or other lien of such Unit) provided that (a) any lease (except for Unsold Unit owned by Sponsor or its designee) be for a term of not less than six (6) months and (b) the Unit Owner (other than Sponsor or its designee with respect to Unsold Units) must first give the Condominium Board, on behalf of all Unit Owners, notice of his or her intention to sell or lease such Residential Unit and an opportunity to purchase or lease such Residential Unit at the same price or rental and on the same terms as were offered in good faith by a prospective purchaser or lessee, as more specifically provided in Article 8 of the By-Laws. If the Condominium Board does not elect to purchase or lease the Unit within ten (10) days after receipt of the offering Unit Owner's notice and other information reasonably requested by the Board, said Owner will have a period of sixty (60) days within which to enter into a written agreement with the prospective purchaser or lessee, as the case may be, embodying the terms set forth in said notice. In the event that such written agreement is not fully executed by the Unit Owner and such prospective purchaser or lessee within said sixty (60) day period, said Unit Owner will be required to again first offer same to the Board. The Board may not exercise its option to purchase or lease any Unit without prior approval of a majority in interest of Unit Owners present in person or by proxy and voting at a meeting at which a quorum is present. In all events, any lease for a Residential Unit shall be substantially in the applicable form then recommended by The Real Estate Board of New York, Inc. except for such changes therein as are provided in the By-Laws and shall state that tenant must abide by the Declaration, By-Laws and Rules and Regulations then in effect.

Notwithstanding the foregoing, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than Permitted Mortgages, as such term is defined in the By-Laws) and paid and satisfied at or prior to the conveyance of title to such Unit.

A Residential Unit Owner may lease, sell or convey his Residential Unit to a spouse, adult child, parent, parent-in-law or adult sibling, or may convey his or her Unit by gift, or may devise his Unit by will, or have it pass by intestacy, without complying with the foregoing restrictions above; provided, however, that each succeeding Residential Unit Owner shall be bound by, and his or her Unit shall be subject to, the preceding restrictions.

The restrictions upon the sale or lease of Units shall not apply to Sponsor, its designee or to any principal of Sponsor with respect to Unsold Units, or to Units acquired by a lender in foreclosure or by deed in lieu of foreclosure. Sponsor, its designee, such principal of Sponsor or such lender shall be free to sell or lease such Units without first offering to sell or lease them to the Condominium Board.

Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed such Unit Owner's (i) undivided interest in the Common Elements, (ii) undivided

interest in any Unit or Units acquired by the Condominium Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit) and (iii) undivided interest in any other assets of the Board and the Condominium.

The Condominium Board may establish reasonable fees for the processing of such sale and lease notices which shall be payable by the selling or leasing Residential Unit Owner, as the case may be, to Managing Agent, if any, or, if there is no Managing Agent, to the Working Capital Fund of the Condominium.

2. Use of Units

Residential Units shall be used only as residences. A Residential Unit may be owned or leased by an individual, corporation, partnership, fiduciary or any other entity (including, without limitation, embassies and consulates of foreign governments), and may be occupied by said Unit Owner or members of his or her family. A residential Unit Owner, as defined in Section 6.14 of the By-Laws, is either, (i) the individual unit owner, (ii) a designated officer, director, stockholder or employee of such corporation, (iii) a designated partner or employee of such partnership, (iv) a designated fiduciary or beneficiary of said fiduciary, or (v) a designated principal or employee of such other entity, as the case may be. "Members of his or her family" or words of similar import whenever used herein shall be deemed to mean parents, spouse and children as well as one other adult occupant who resides with the Unit Owner, and his or her children, and nothing contained herein shall be deemed to prohibit the exclusive occupancy of any Residential Unit by such family members.

The current zoning law permits a person who reside in a Residential Unit to use up to twenty-five (25%) percent of the floor area of his Unit (but in no event to exceed 500 square feet) for offices (e.g. lawyer, doctor [exclusive of veterinary medicine] or dentist) and teaching of not more than four (4) persons simultaneously, or, in the case of musical instruction, of not more than a single pupil at one time. No portion of a Residential Unit, other than a entire Unit, may be leased and no transient tenants may be accommodated therein.

Sponsor or its designee may, without permission of the Condominium Board, retain ownership of one or more Units for the use as models and sales and/or promotion offices in connection with the sale or rental of other Units.

Notwithstanding anything to the contrary contained herein, no nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Building or any portion thereof. All valid laws, zoning ordinances and regulations or governmental bodies having jurisdiction thereof, relating to any portion of the Property shall be complied with at the sole expense of the Unit Owners or Condominium Board, whoever shall have the obligation to maintain or repair such portion of the Property. Sponsor is not responsible for such compliance. Rules and regulations concerning the use of the Units may be promulgated and amended from time to time by the Condominium Board provided that copies thereof are furnished to each Unit Owner prior to the time that they become effective.

Further restrictions on the use and leasing of the Units are set forth in the By-Laws and in the Rules and Regulations.

3. Mortgage of Units by Unit Owners

Each Unit Owner may mortgage his or her Unit, provided that the conditions with respect thereto set forth in Article 7 of the By-Laws are first complied with by said Unit Owner. As more fully set forth in Article 7, these conditions include the requirements that (a) the Condominium Board is notified in writing of the name and address of the lender and (b) the Unit Owner making such mortgage first satisfies all unpaid liens against his Unit, other than Permitted Mortgages.

4. Common Charges

Common Expenses are allocated among Unit Owners in proportion to their respective Common Interests. The respective Common Interests of each Unit are based upon the ratio of floor area (i.e., the square foot area) of each Unit to the total floor area (i.e., the total square foot area) of all Units, but such ratio includes the substantially exclusive advantages enjoyed by one or more but not all Units in part or parts of the Common Elements. Common Expenses include, without limitation, all costs and expenses, including the cost of financing, if any, incurred in connection with the repair, maintenance, replacement, renewal, refurbishment, modernization, addition, substitution, restoration and operation of, and any alteration, addition or improvement to, the Common Elements, water charges and sewer rents (unless separately assessed to individual Units) and may include amounts for certain other items as the Condominium Board may deem proper, such as for reserves or in connection with the purchase or lease by the Board of any unit.

At least annually, the Condominium Board will prepare a budget for Common Expenses and allocate and assess among all Unit Owners the Common Charges to meet Common Expenses.

The Condominium Board will furnish copies of the budget on which Common Charges are based to all Unit Owners and advise such Unit Owners of the amount of Common charges payable by them. Unless otherwise determined by the Board, Common Charges will be payable in advance on the first day of each month.

No Unit Owner may exempt himself from liability for his or her Common Charges by waiving use of any of the Common Elements or by abandonment of his or her Unit. However, as more specifically set forth in the By-Laws, no Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a permissible sale, transfer or other conveyance by him of such Unit. In addition, as more specifically set forth in the By-Laws, a Unit Owner may, by conveying his or her Unit, without consideration, to the Condominium Board, and complying with certain conditions in connection therewith, exempt himself or herself from Common Charges accruing thereafter.

On the resale of a Unit, the purchaser thereof will be liable for the payment of Common Charges accrued and unpaid against such Unit prior to his acquisition thereof. In the event of a foreclosure by the Condominium Board of its lien on any Unit for unpaid Common Charges, if the net proceeds of the foreclosure sale shall be insufficient for the payment of such unpaid charges or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the Unit Owner will remain liable for the unpaid balance. The Condominium Board will have the right to assess such unpaid balance as a Common Charge among all Unit Owners.

Under the provisions of Section 339-z of the New York Condominium Act and Article 6 of the By-Laws, the Condominium Board, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges, together with interest thereon at the rate of eighteen (18%) percent per annum (but in no event in excess of the maximum amount permitted by law), assessed against each Unit. All such liens, however, to the extent permitted by applicable law, will be subordinate to liens for real estate taxes on the Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after filing a verified notice thereof in the City Register's Office and until all sums secured thereby with interest accrued thereon shall have been fully paid, or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six (6) year period, whichever shall occur sooner. Such liens may be foreclosed by a suit brought in the name of the Condominium Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Condominium to recover unpaid Common Charges without foreclosing the lien. While the Sponsor is in control of the board of managers, Sponsor will cause the board of managers to file a lien on units in which the Sponsor is more than thirty (30) days in arrears of common charges.

5. Repairs to and Maintenance of Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary, (a) in or to any Unit (including the Limited Common Elements included therein) and the interior side of the entrance doors thereto will be made by the Unit Owner at such Unit Owner's sole cost and expense, (b) in or to the General Common Elements will be made by the Condominium board and the cost and expense thereof will be charged to all Unit Owners as a Common Expense. Without limiting the foregoing, Unit Owners shall be responsible for all maintenance, repairs and replacements of heating and cooling systems in their respective Units except to the extent that Sponsor is obligated to maintain, repair or replace the same. (see "Rights and Obligations of Sponsor" at Part I, Section O, and see Article 7 of the Declaration contained in Part II.)

The glass surfaces of all windows located in any Unit are to be washed and cleaned by the Unit Owner at such Unit Owner's sole cost and expense. Any replacements of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Condominium Board and will be a Common Expense, unless such breakage is caused by the Residential Unit Owner in which case the sole cost and expense will be billed to such Residential Unit Owner. The owner of a Unit shall, at his or her own cost and expense, repair and replace any

portion of the roof needing such repair if such work is necessitated by the acts or negligence of the Unit Owner. The Condominium Board will make any structural or ordinary repairs or replacements to the roof and the cost and expenses thereof will be charged to all Unit Owners as a Common Expense.

The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in first class condition (and with respect to the balconies, the roof or other part of the Property exposed to the elements, free of snow, ice and accumulation or water) by the Unit Owner or the Condominium Board, as the case may be, responsible for the maintenance thereof. In the event that any Unit Owner fails to keep his or her balcony or any portion of the Common Elements within his or her Unit or which his or her Unit affects in such condition, the Board may, at the expense of such Unit Owner, enter his Unit and perform such acts as are necessary to cure such default. (See "Rights of Access" at Part I, Section Q (8) of the Plan).

The By-Laws further require that those public or other areas of the Building exposed to public view (including windows, shades, blinds or any decorations) which are required to be maintained by each Unit Owner or the Condominium Board, shall be kept in good appearance in conformity with the dignity and character of the Building by such Unit Owner or the Board.

6. Alterations and Improvements of Units and Common Elements

No Residential Unit Owner may make any structural alteration, addition, improvement or repair in or to his or her Unit without the prior written approval of the Condominium Board, but, as more fully set forth in the Declaration, this provision shall not apply to Sponsor, its designee or any lessee of an Unsold Unit. Except as otherwise permitted in the By-Laws, no Unit Owner may make any alteration, addition, improvement or repair in or to the Common Elements without the prior written approval of the Board.

Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Residential Unit, the Condominium Board shall require the Residential Unit Owner to execute an agreement in such form and substance satisfactory to the Board, setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done.

Generally, all permitted alterations, additions or improvements in or to the Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to the Unit Owners as a Common Expense. In addition, as set forth in Section 6.15 of the By-Laws, the owner of any two (2) or more Units, which Units are the only Units serviced or benefited by any Common Elements adjacent to such Units, shall, under certain circumstances, have the exclusive right to use that portion of the Common Elements as if it were a part of such Units and shall be responsible for normal maintenance, repairs and replacements in or to said portion of the Common Elements at such owner's sole cost and expense.

7. Insurance

The Condominium Board shall obtain and maintain casualty and liability insurance with respect to the Condominium, in accordance with the provisions of Section 6.2 of the By-Laws. The Condominium Board is not required to obtain or maintain any insurance with respect to any property not constituting a part of the Common Elements. Consequently, individual Unit Owners are urged to consider obtaining casualty insurance with respect to the fixtures, furniture, furnishings and other personal property located within their respective Units and liability insurances with respect to occurrences in or about their respective Units. For a detailed description of insurance to be maintained by the Condominium Board, see "Rights and Obligations of Condominium Board/Summary of By-Laws" at Part I, Section R.

8. Rights of Access

As more fully set forth in the By-Laws, the Condominium Board and any managing agent, manager, superintendent and other persons authorized by it will have a right of access to any Unit for the purposes, among others, of making inspections of or removing violations of governmental laws or regulations against any part of the Property, or curing defaults by the Unit Owner under the By-Laws, Declaration or Rules and Regulations for correcting any conditions originating in any Unit and threatening another Unit or any Common Element.

In the event that any Unit Owner fails to maintain or repair parts of any one of the Buildings required to be maintained or repaired by such Unit Owner, or in the event of any breach of the Declaration, the By-Laws or the Rules and Regulations, then, as set forth in Article 6 of the By-Laws, the Condominium Board shall have certain rights to perform such maintenance or repairs or cure such breach.

Sponsor and its contractors, subcontractors, agents and employees will have a right of access, upon reasonable notice, except that no notice is necessary in the case of emergencies, to each Unit and to all of the Common Elements for purposes of fulfilling Sponsor's obligations hereunder.

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

Each Unit Owner must strictly comply with the provisions of the Declaration, the By-Laws and the Rules and Regulations. The By-Laws, together with the Rules and Regulations, will be recorded with the Declaration in the City Register's Office. Pursuant to Section 339(j) of the New York Condominium Act, failure of a Unit Owner to comply with the By-Laws and with the Rules and Regulations is grounds for an action by the Condominium Board or an aggrieved Unit Owner for damages or injunctive relief or both.

Certain rights reserved by Sponsor are set forth in "Rights and Obligations of Sponsor" at Part I, Section O. In addition, the restrictions upon the sale and lease of Residential

Units shall not apply to Sponsor or its designee with respect to any Unsold Units; and the restrictions with respect to the making of any permitted structural alteration, addition, improvement or repair in a Residential Unit shall not apply to Sponsor, its designee or any lessee of an Unsold Unit.

T. REAL ESTATE TAXES

The Building should be entitled to the benefits of the partial real estate tax exemption provided for under Section 421-a of the New York Real Property Tax Law ("421-a") and the regulations ("Regulations") adopted pursuant thereto by the New York City Department of Housing Preservation and Development ("HPD"). The property will be entitled to these benefits for twenty five (25) years. Sponsor has been advised by Moseson and Associates, 769 Empire Avenue, Far Rockaway, New York, special 421-a consultant to Sponsor, that in his opinion, it would appear that such exemption will be fully granted, provided that (i) that the Units are constructed substantially in accordance with the Plans and Specifications, (ii) a temporary Certificate of Occupancy for at least 90% of the Units or a permanent Certificate of Occupancy is issued prior to December, 2010, (iii) an application is filed with HPD for a final Certificate of Eligibility and the final Certificate is issued by HPD prior to initial occupancy of the Units, and (iv) a copy of such final Certificate and of the temporary or permanent Certificate of Occupancy for the Units is filed with the New York City Department of Finance between February 1st and March 15th next succeeding the issuance of the Final Certificate of Eligibility. A copy of the Opinion of Moseson and Associates is included in Section V of the Plan. A sponsor applying for 421-a benefits must request a opinion letter from the New York City Department of Housing Preservation and Development (HPD) with opinion letter must be obtained before the plan is declared effective.

Sponsor will maintain all records required by (HPD) and which make such records available to HPD whenever requested. HPD routinely conducts audits which can result in the reduction or revocation of benefits if proper documentation is not provided. Upon closing sponsor will make all tax benefit documents available to the board of managers for inspection or copying for the life of the benefit. Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

Mr. Moseson has advised Sponsor that, for the year prior to construction, the assessed valuation of the land and building was \$149,218.00. Mr. Moseson has estimated that the assessed valuation of the Property at the completion of construction will be \$4,950,000.00. If Section 421-a benefits are granted, Mr. Moseson projects that 100% of the taxes attributable to the increase in assessed valuation due to the construction of the building (but not any increase in the assessed valuation of the land) will be abated during the first eleven years after the completion of construction, 80% for the twelfth year after the completion of construction, 60% for the thirteenth year after the completion of construction, 40% for the fourteenth year after the completion of construction and 20% for the fifteenth year after completion of construction. Accordingly, if the Section 421-a benefits are granted the approximate taxes for the first year of operation will be calculated by multiplying the assessed valuation prior to construction of \$149,218.00 by the tax rate of 12.396% for a total tax of \$18,497.06. Each Unit Owner will be responsible for real estate taxes equal to the total real estate taxes on the Property multiplied by that Unit Owner's Percentage of Interest in the Common Elements (see Schedule A in Part I).

SPECIAL RISK: SPONSOR REPRESENTS THAT IN ORDER TO OBTAIN SECTION 421-a REAL ESTATE TAX BENEFITS IS WILL USE ITS BEST EFFORTS TO (i)

CAUSE THE UNITS TO BE CONSTRUCTED SUBSTANTIALLY IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS, (ii) CAUSE TO BE ISSUED A TEMPORARY CERTIFICATE OF OCCUPANCY FOR AT LEAST 90% OF THE RESIDENTIAL UNITS OR A PERMANENT CERTIFICATE OF OCCUPANCY FOR THE UNITS BEFORE DECEMBER, 2010 UNLESS, HOWEVER, CONSTRUCTION OF THE BUILDING IS DELAYED DUE TO UNAVOIDABLE DELAY, AND (iii) FILE ALL CERTIFICATES AND ALL APPLICATIONS WITHIN THE REQUIRED TIME PERIODS. NOTWITHSTANDING THE FOREGOING, IN NO EVENT SHALL SPONSOR, SPONSOR'S COUNSEL OR SPONSOR'S SPECIAL TAX CONSULTANT BE LIABLE IF THE REAL ESTATE TAX BENEFITS UNDER SECTION 421-a ARE NOT GRANTED UNLESS SUCH BENEFITS ARE NOT GRANTED AS A RESULT OF THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF SPONSOR, SPONSOR'S COUNSEL OR SPONSOR'S SPECIAL TAX CONSULTANT. NEITHER SPONSOR, COUNSEL TO SPONSOR, THE MANAGING AGENT NOR ANY OTHER PERSON MAKES ANY WARRANTY THAT THE PARTIAL EXEMPTION OF REAL ESTATE TAXES UNDER SECTION 421-a WILL BE GRANTED OR AS TO THE AMOUNT, IF ANY, OF THE MAXIMUM TAX THAT WILL BE ASSESSED AGAINST THE UNITS OR THE AMOUNT OF REAL ESTATE TAXES PAYABLE AT ANY TIME BY ANY UNIT OWNER.

After the units are separately assessed each unit will be taxed as a separate lot for real estate tax purposes and each unit owner will not be responsible for the payment of nor will the unit owner be subjected to any lien arising from the non-payment of taxes on other units.

If the Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first unit the Sponsor will place in escrow in the name of the board of managers an amount equal to the real estate taxes attributable to the unsold units for a six month period and may collect at each unit closing the estimated amount attributable to such unit for the balance of the six month period. The board of managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from the Unit Owners to the extent of the actual assessment.

The assessment for the premises is made by the New York City Department of Assessment for Kings County based on the value of an individual units. The tax assessment for each unit may be allocated on a basis different for the percentage of common elements. However, for purposes of estimating taxes payable for the first year of the condominium the percentage of common elements was applied to an estimated assessed valuation as made by Jacob Moseson for the premises. The estimated assessed valuation after the completion of construction is \$4,950,000.00 to which a tax rate of 12.396% has been applied.

In accordance with the condominium by-laws the Board may act as agent for Residential Unit Owners (subject to the right of any Residential Unit Owner to revoke such agency by written notice to the Board of Managers, provided such notice is received before the Board of Managers has commenced the applicable action and further provided that such revocation shall apply only to the year in question) to (1) protest to the appropriate taxing authority to correct the tax assessments of the units for any year by filing a single complaint on behalf of all such Unit

Owners, (2) commence and prosecute a special proceeding for the review of assessments of real property, (3) seek administrative and judicial review of the tax assessments for any year, (4) negotiate and settle with the taxing authority the tax assessments and any resulting proceedings and litigation, (5) execute and acknowledge in the name of each unit owner for which it is acting as agent, as such unit owner's attorney-in-fact, all applications, certifications, petitions, complaints, settlements and other documents in furtherance of the foregoing and (6) retain legal counsel on behalf of the Unit Owners for which it is acting as agent to represent such Unit Owners in connection with the foregoing. A unit owner may revoke such agency by written notice to the Board of Managers.

U. TAXES--DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The following discussion of certain income tax consequences of the Plan was prepared by Sponsor based, in part, upon the tax opinion of counsel to Sponsor, a copy of which is included as Section V in Part I of the Plan ("Tax Plan").

1. Deductibility of Mortgage Interest and Real Estate Taxes

A Residential Unit Owner will own his or her Unit and its appurtenant Common Interest in the Common Elements in fee simple and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Residential Unit Owner owns his or her Unit in fee simple, a Unit Owner may mortgage his or her Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. (See "Rights and Obligations of Unit Owners" under the subheading "Mortgage of Units by Unit Owners" at Part I, Section S(3) of the Plan).

As fully set forth in the Tax Opinion, under present law, a Residential Unit Owner will, for Federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes under sections 163 and 164³ in the year paid or properly accrued, according to his or her method of accounting, provided that the Unit Owner itemizes deductions. These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Tax Opinion. These deductions may be affected by an individual Residential Unit Owner's liability for federal alternative minimum income tax. Under present law, each individual Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to similar deductions for mortgage interest and real estate taxes paid or properly accrued during the taxable year. Such deductions may also affect his or her New York State and New York City minimum tax liabilities and the amount of income eligible for the benefits of the New York State maximum tax. No tax opinion has been received with respect to any tax consequences other than as set forth in this subsection 1.

2. Tax Status of the Condominium

The affairs of the Condominium will be governed by the Condominium Board. (see "Rights and Obligations of the Unit Owners and the Board of Managers" at Part I, Section S of the Plan). Common Charges will be borne by the Unit Owners and assessed and collected by the Condominium Board. Under present law, the exact tax status of the Condominium is uncertain and no opinion has been rendered with respect to it. The Federal income tax consequences to the Condominium of the receipt of the Common Charges and of the expenditure of condominium

³All section references are to the Internal Revenue Code of 1986, as amended, unless otherwise indicated.

funds will depend on whether the Condominium

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

If the Condominium is treated as a conduit, it will not be subject to income tax. Rather, items of income, expense, credit, and deduction will be attributed to each Unit Owner in proportion to his or her Common Charges. There appear to be no judicial precedents directly supporting such treatment.

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

If the Condominium satisfies the requirements for a "homeowners association" under section 528, it may elect to be exempt from Federal income tax on the Common Charges. Generally, the requirements for such election are:

- (i) The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance, and care of the association property;
- (ii) Sixty (60%) percent or more of the gross income of the condominium management association must consist solely of amounts received as membership dues, fees or assessments from Residential Unit Owners ("Exempt Function Income");
- (iii) Ninety (90%) percent or more of the expenditures of the condominium management association must be for the acquisition, construction, management, maintenance and care of the association property;
- (iv) No part of the net expenses of the condominium management association can inure to the benefit of private individuals other than by the acquisition, construction, management, maintenance and care of the association property, and other than by a rebate of excess, membership dues, fees or assessments; and
- (v) Substantially all of the Units must be used by individuals as residences.

Under the Treasury regulations issued pursuant to section 528, a condominium management association must qualify annually for the election as a homeowners association under

section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium to elect the benefits of section 528 will depend on the particular facts and circumstances prevailing in each taxable year.

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

If the Condominium either cannot qualify for or chooses not to elect the benefits of section 528, the implication of certain published rulings of the Service is that the Condominium will be treated as an association taxable as a corporation. Consequently, unless the Condominium can file a valid election pursuant to section 528, the Condominium is likely to be taxed on that portion of the Common Charges that exceeds expenses paid or incurred by the Condominium for the operation of the Condominium property which are deductible for Federal Income tax purposes. The Condominium would also be taxed on income derived from the interim investment of the Common Charges, on income from nonresidential leases of Common Elements, if any, and on income from the operation of facilities that are available to outsiders, net of deductible expenses related to the production of such income.

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

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

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

The foregoing summary is for informational purposes only and counsel to Sponsor expresses no opinion other than as set forth in the "Income Tax Opinion" Part I, Section V. In particular, no opinion is expressed with respect to the likelihood of which method of taxation will be applied to the Condominium.

**EACH PURCHASER SHOULD CONSULT HIS OR HER OWN TAX ADVISOR
AS TO THE TAX CONSEQUENCES OF THE PLAN AND OF UNIT OWNERSHIP**

DAVID S. FRANKEL, P.C.

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V. COUNSEL'S INCOME TAX OPINION LETTER

August 26, 2006

941 Washington Associates LLC
636 Eastern Parkway
Brooklyn, NY 11213

Re: Offering Plan for The Absolute Condominium

Dear Sir:

You have requested my opinion concerning (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes (but not for purposes of the New York City earnings tax on non-residents) to persons who purchase Residential Units for residential use ("Residential Unit Owners") under the Offering Plan for The Absolute Condominium (the "Plan") and the Federal income tax treatment of the Common Charges received by the condominium association of the condominium (the "Condominium").

In connection with rendering this opinion, I have reviewed the Plan, the schedules and exhibits thereto, 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 Regulations promulgated by the Treasury Department (the "Treas. Regs."), the New York State Tax Law, the Administrative Code of the City of New York, revenue rulings, relevant case law and such other materials as I have deemed relevant.

You have advised me that, to the best of your knowledge, the following statements are an accurate summary of the relevancy facts, and my opinion is conditioned upon the accuracy of such facts.

You are the Managing Member of 941 Washington Associates, LLC (the "Sponsor") and will apply to the Department of Law of the State of New York to establish the premises located at 111 Steuben Street, Brooklyn, New York as a condominium pursuant to the provisions of New York State's Condominium Act. See Article 9-B of the Real Property Law of the State of New York.

The Condominium will consist of thirty five (35) residential units. Each holder of a Residential Unit will own his or her unit plus an undivided interest in the elements common to all

units (the "Common Elements"). Each unit owner will be entitled to the exclusive ownership and possession of his unit and will receive a separate deed to the Residential Unit.

The Condominium will be operated by a Board of Managers which, pursuant to the By-Laws, will comprise of at least three but not more than seven members, who shall each be elected by the Unit Owners. See Article 2, Section 2.4 and Article 3, Section 3.1 of the By-Laws. The primary function of the Board of Managers will be to supervise the maintenance and operation of the Common Elements, and collect the charges (the "Common Charges") necessary to maintain and operate the Common Elements.

Deductibility of Mortgage Interest and Real Estate Taxes

Under the Condominium Act, each Unit Owner will own his/her 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. See 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. Failure to pay his or her share of Common Charges will result in the Board of Managers having a lien on the Unit for the unpaid Common Charges. See Section 339-z of the Condominium Act.

The deductibility of the mortgage interest and real estate taxes paid or accrued by the Residential Unit Owner during his or her taxable year will be governed by section 163 and 164 of the Code. Section 163 of the Code allows a taxpayer to deduct all interest paid on mortgage indebtedness so long as it is "qualified residence interest" as defined in Section 163(h)(3) of the Code, but limits the deductibility of interest on debt incurred other than by a corporation, to buy or carry property held for investment, or property held in connection with a trade or business where it can be considered "passive activity". The limitations are quite complex, so a purchaser of a Residential Unit for any reason other than for the Purchaser's primary residence is urged to see a tax advisor as to the deductibility of interest paid on any indebtedness incurred in connection with the purchase of a Residential Unit. Section 164 of the Code allows a taxpayer to deduct real estate taxes paid or accrued during the taxable year, but this deduction is also subject to some of the limitations which apply to interest deductions, as discussed above.

Since Sections 339-g and 339-y of the Condominium Act provide that each unit and its common interest shall be taxed as a separate tax lot for real estate purposes, Residential Unit Owners shall be entitled to deduct real estate taxes paid or incurred on their Units during the taxable year. In no event shall the aggregate of the assessment of the individual Units plus their common interests exceed the total valuation of the Property were is assessed as a single parcel. See Section 339-y of the Condominium Act.

In Revenue Ruling 64-31, 1964-1 C.B. 300, the Internal Revenue Service (the "Service") considered the deductibility of mortgage interest and real estate taxes incurred by the owner of a condominium unit. The Service ruled that Sections 163 and 164 of the Code, respectively, permitted these deductions by a Residential Condominium Unit Owner, provided that

he or she itemized his or her deductions in filing his or her Federal income tax return.

In my opinion, under Code Sections 163 and 164 respectively, a Residential Unit Owner will, for Federal income tax purposes, be entitled to a deduction for interest paid or accrued with respect to his or her ownership of a Unit during a taxable year, so long as the interest is "qualified residence interest" as defined in Code Section 163(h)(3), but it is not possible, without numerous facts, to render an opinion with regard to a Unit Owner who does not reside in the Unit.

Prospective purchasers should be aware of the possible impact of the alternative minimum tax. Section 55 of the Code, as amended by the Tax Reform Act of 1986, provides for an alternative minimum tax rate, to be applied to the taxpayer's adjusted gross income, after certain exclusions and deductions are allowed. If the alternative minimum tax exceeds the tax otherwise payable by the taxpayer on his income, it becomes the tax due. The effect of the alternative minimum tax is to reduce the tax benefits of itemized deductions. Prospective purchasers should consult with their tax professionals to determine whether they will be subject to the alternative minimum tax.

It is also my opinion that each Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year. See Section 615 of the New York State Tax Law. It should be noted, however, that for New York City income tax purposes, the benefit of such deduction may be reduced if the Unit Owner has more than the specified amount of tax preference items. See Sections 615, 622 and 623 of the New York State Tax Law, Sections T46-115.00, T46-122.0 and T46-123.0 of the City Code.

Federal Income Taxation of The Condominium

I have reviewed Part I, Section U of the Plan entitled "Taxes--Deductions to Residential Unit Owners and Tax Status of Condominium", which includes a discussion of section 528 of the Code, and concludes that the Internal Revenue Service appears to now take the position that a condominium association is taxable as a corporation, and I believe that such Section is an accurate general description of the Federal income taxation of the Condominium under present law and the Condominium as organized qualifies under Section 528.

Conclusion

I 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 leasing of a unit to another; ownership of a unit in connection with a Residential Unit Owner's trade or business; for purposes of investment; or for the production of income; or tax consequences which may result to a foreign Residential Unit Owner by reason of his foreign status.

This opinion also does not consider the tax consequences which may arise if units are acquired and/or leased by the Board of Managers or the issue of whether a Residential Unit Owner may be deemed to be resident of New York State due to ownership of a unit, and the attendant income, estate or other tax consequences. I therefore advise each person contemplating the purchase of a unit to consult his/her own tax professional as to all such tax matters, as well as with respect to the tax matters discussed in this opinion.

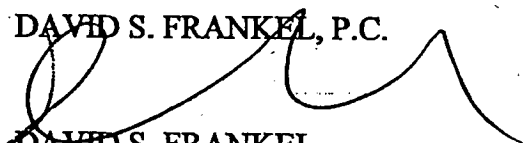
The opinions expressed herein are based solely upon my current understanding and interpretation of the existing law, regulations, decided cases and rulings of administrative agencies and upon information set forth herein. If there has been any misstatement of a fact or omission of any fact which may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

IN MY OPINION, THE RESIDENTIAL UNIT OWNERS WILL BE ELIGIBLE FOR THE TAX TREATMENT DESCRIBED ABOVE. HOWEVER, THIS OPINION IS NOT A GUARANTEE: IT IS BASED ON EXISTING RULES OF LAW. NO ASSURANCES CAN BE GIVEN THAT THE TAX LAWS UPON WHICH COUNSEL BASED THIS OPINION WILL NOT CHANGE. IN NO EVENT WILL THE SPONSOR, THE SPONSOR'S COUNSEL, THE BOARD OF MANAGERS OF THE CONDOMINIUM, THE SELLING AGENT OR ANY OTHER PERSON BE LIABLE IF THERE IS A CHANGE IN THE FACTS ON WHICH COUNSEL HAS RELIED IN ISSUING THIS OPINION OR IF THERE ARE CHANGES IN THE APPLICABLE STATUTES, REGULATIONS, DECISIONAL LAW OR INTERNAL REVENUE SERVICE RULINGS ON WHICH COUNSEL HAS RELIED, WHICH CAUSE THE CONDOMINIUM TO CEASE TO MEET THE REQUIREMENTS OF SECTION 528 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, OR THE NEW YORK STATE TAX LAW, AS AMENDED, AND WHICH CAUSE RESIDENTIAL UNIT OWNERS NOT TO BE ENTITLED TO INCOME TAX DEDUCTIONS, OR WHICH CAUSE RESIDENTIAL UNIT OWNERS NOT TO BE OR TO CEASE TO BE ENTITLED TO THE BENEFITS OR THE LEVEL OR DURATION OF BENEFITS DESCRIBED ABOVE.

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

Sincerely,

DAVID S. FRANKEL, P.C.



DAVID S. FRANKEL

MOSESON & ASSOCIATES

769 Empire Avenue
Far Rockaway, NY 11691

Telephone (718) 327-5779
Fax (718) 327-5737

May 8, 2006

941 Washington Associates, LLC
c/o Schneur Plotkin
636 Eastern Parkway
Brooklyn, New York 11213

RE: 35 units plus community facility at 111 Steuben Street, Brooklyn
Block: 1894 Lot:58

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, 2007.
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, 2010.
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 thirty five units plus community facility.

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, 2010 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 prided 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.

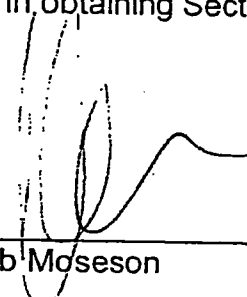
The total assessed value of the property (i.e., the aggregate assessment of all units) following completion of construction is estimated to be approximately 4,950,000. Using the foregoing estimate of assessed value upon completion, assuming completion to be on or before December 31, 2010 and assuming 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 149,218.00 then upon completion of the 15 year tax abatement the real estate taxes will be approximately \$613,602.00. 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

DAVID S. FRANKEL, P.C.

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COUNSEL'S OPINION LETTER PURSUANT TO SECTION 20.3(y)(5)

August 26, 2006

941 Washington Associates LLC
636 Eastern Parkway
Brooklyn, NY 11213

Re: Offering Plan for The Absolute Street Condominium

Dear Sir:

You have requested my opinion with regard to the above referenced section of Part 20 of the Regulations of the Department of Law, concerning the architect's compliance with Real Property Law Section 339(i) in assigning the percentage of common interest to each unit.

Pursuant to Part 20 Section 20.3(i), your architect has assigned the percentages and rendered an opinion, in a letter by Gary Shoemaker Architects P.C., a registered architect, reprinted at Part I, Section H.

This opinion is based upon the letter from Mr. Shoemaker referred to above, which states in pertinent part, that the percentages of common elements were "aggregated to the floor area of each unit in approximate proportion to the size of such unit in relationship of [sic] the building size as a whole." Section 339(i)(1)(ii) of the Real Property Law provides that the common interests may be allocated, among other enumerated ways, "in the approximate proportion that the floor area of the unit at the date of the declaration bears to the then aggregate floor area of all the units, but such proportion shall reflect the substantially exclusive advantages enjoyed by one or more but not all units in a part or parts of the common elements". It is my opinion that the Sponsor has complied with the requirements of Section 339(i)(1)(ii).

This letter may be reprinted in the Plan.

Sincerely,



DAVID S. FRANKEL

W. RESERVE FUND

The condominium will not have a reserve fund set up to cover capital expenditures. The Sponsor feels that as the premises will be new construction there will be no need for any capital expenditure for a period of several years. Neither the Office of the Attorney General nor any other government agency has passed upon the adequacy of the fund. If the Board of Managers feels there will be a need for capital expenditures they can at any time establish a reserve fund.

X. WORKING CAPITAL FUND

At the close of transfer of each Residential Unit, the Purchaser thereof will contribute an amount equal to three months' common charges to the working capital fund. The working capital fund will be held and used for working capital, for repairs or for such other appropriate purposes as will be determined by the Board. During the Initial Control Period (while the Sponsor is in control of the Board of Managers), the working capital fund may not be used to reduce Common Charges.

At the First Unit Closing, Sponsor will apportion with the Condominium Board the following items (as are applicable) as of the day preceding said Closing:

- (1) Employee's wages, vacation and severance pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Building;
- (2) Fees for assignable permits and licenses, if any;
- (3) Cost of fuel, hot water, oil and gas, plus sales tax;
- (4) Charges for electricity and gas for the Common Elements;
- (5) Payments under service, maintenance and concession contracts;
- (6) Water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);
- (7) Cost of supplies on hand at Sponsor's cost (plus sales tax); and
- (8) Premiums for transferable insurance policies.

The working capital fund will be used to pay the net closing adjustments, if in favor of Sponsor, at the First Unit Closing, and may be held for working capital and repairs with respect to the Building and Common Elements and for other appropriate purposes as determined by the Condominium Board. It is anticipated that said net closing adjustments will be in favor of Sponsor and that the amount thereof may be substantial. If the net closing adjustments are in favor of Sponsor to such extent that payment thereof would reduce the working capital fund (including contributions from Purchasers at the initial closing) to less than \$1,000.00, then payment of such net closing adjustments shall be made by the Board in twelve (12) equal monthly installments commencing one (1) month after the First Unit Closing, without interest, pursuant to unsecured promissory notes to be delivered at the First Unit Closing. If the net closing adjustments are in favor of the Condominium Board, the amount thereof will be added to the working capital fund by Sponsor. It is not anticipated that the budget will have to be increased in order to reimburse the

Sponsor should it be necessary for the condominium to deliver promissory notes to the Sponsor at closing, as the sums that may be required to be adjusted with the Sponsor, and thereafter repaid, are already in the budget for the first year of operation, such as, the first year's insurance premium. Any notes payable to Sponsor will not result in an increase of common charges.

The Condominium Board will be able to utilize the money in the working capital fund at any time and, accordingly, no representation can be made as to the exact amount of the funds available at any specific time. However, in no event shall any portion of the working capital fund be used to pay any Common Charges attributable to Unsold Units or to pay any amount owed by Sponsor to the Condominium Board in connection with its undertaking with respect to Common Charges. (see "Sponsor's Undertaking With Respect to Common Charges at Part I, Section P(2)). In addition, within three (3) months following the end of the Initial Control Period, Sponsor shall deliver to the Condominium Board a statement, certifying in reasonable detail, as to any changes in the amount of the working capital fund which have occurred since the First Unit Closing.

No representation is made that the working capital fund will be, or is intended to be, adequate to cover current or future expenses, including repairs or replacements, and if additional funds are required over and above the working capital fund, it may be necessary to increase the Common Charges.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

Y. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

The Sponsor has contracted with American Building Management Corp., 1663 8th Avenue, Brooklyn, New York 11215 to manage the condominium in the amount of \$12,000.00 per year and reimbursable expenses. The agreement is for one (1) year, not assignable and automatically renewed if not cancelled thirty (30) days prior to expiration.

Activities that the Managing Agent will perform include maintenance of checking and savings account of the condominium; collection of monthly common charges; processing of individual unit sales; supervision and payment of building employees; building maintenance; review and resolution of any problems arising in the everyday operations of the building; compliance with all government rules and regulations affecting building operation, ownership and maintenance; filing of annual tax returns; enforcement of "house rules"; enforcement of maintenance obligations; seizure and sale of delinquent units; and response to individual complaints, questions or issues; and any additional issues arising out of operation, maintenance, ownership and occupancy of the building will need to be dealt with by the Board of Managers.

Either party may cancel this agreement on thirty (30) day written notice with cause.

Contracts

There are no contracts or agreements, written or oral, for the sale of any of the units offered in the Plan.

Leases

None of the units in the building which is the subject of this Offering Plan are occupied by residential or commercial tenants which will be binding on the condominium.

Z. IDENTITY OF PARTIES**SPONSOR and SELLING AGENT:**

941 Washington Associates LLC, a New York Corporation, formed under the laws of the State of New York, is the Sponsor and Selling Agent, whose principals are Leib Puretz and Aaron Schwartzman. Both Principals have extensive experience in construction and management of real estate. Neither the Sponsor nor the Principals of the Sponsor have been involved in the prior public cooperative or condominium offering plans prior to the present project.

COUNSEL:

David S. Frankel, P.C., 870 Franklin Avenue, Valley Stream, New York 11580, has prepared this Plan and will represent the Sponsor at the closings. He has no financial interest in the Property, the Sponsor, the Condominium, the Selling Agent or any other party interested in this transaction, except that he has been paid a fee for preparing the Offering Plan and related legal services.

ARCHITECT:

Gary Shoemaker, 55 John Street, 17th Floor, New York, New York 10018 has examined the physical condition of the Building and has rendered his report thereon, as set forth in Part II. This firm has previous experience in the preparation of such reports. The firm has no financial interest in the property, the Sponsor, the Condominium, the Selling Agent, or any other party interested in this Plan, except for receiving a fee for its services.

MANAGING AGENT:

American Building Management Corp., 1663 8th Avenue, Brooklyn, New York 11215
(718)788-8900.

AA. REPORTS TO UNIT OWNERS

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

- A. an annual audited financial statement of the Condominium prepared by an independent certified public accountant or a public accountant, during the period of Sponsor control such statement shall be certified; and
- B. notice of the holding of an annual Unit Owners' meeting; and
- C. a copy of the proposed annual budget of the Condominium at least 15 days prior to the date set for the adoption thereof by the Board of Managers, during the period of Sponsor control such budget shall be certified.

BB. DOCUMENTS ON FILE

In accordance with Section 352-e (9) of the GBL, copies of this Plan and all documents referred to herein and all exhibits submitted to the Department of Law in connection with the filing of this Plan will be available at the office of the Sponsor, or at another designated place, for inspection and copying by actual and prospective purchasers of Units offered by this Plan or by those who have participated in the offering of such units and shall remain available for such inspection without charge, and copying at a reasonable charge, for a period of six years from the date of the First Unit Closing.

CC. GENERAL

The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. Sponsor believes that the Plan contains a fair summary of the material provisions of the documents referred to in the Plan, other than those documents contained in Part II of the Plan. Exact copies are contained in Part II of the Plan of the forms of Declaration, By-Laws, Purchase Agreement, Unit Deed, Unit Power of Attorney and certain legal opinions and other documents. Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to herein, copies of which are on file with Sponsor, are not necessarily complete. Each such statement is qualified in all respects by the contents of such documents and, in the case of any such documents executed by or with written consent of a Purchaser pursuant to the Plan, any rider or separate agreement changing or adding provisions to such document.

There are no law suits or other legal proceedings now pending, or any judgments outstanding, which could materially affect this offering, the Purchaser of Units, the portions of the Property being offered for sale hereunder, Sponsor's capacity to perform all of its obligations hereunder, the Condominium or the operation thereof.

In accordance with the provisions of the laws of the State of New York, neither Sponsor nor Selling Agent will discriminate against any person because of such person's race, creed, color, sex, disability, marital status, sexual orientation, national origin or ancestry in the sale of Units offered by the Plan or in the leasing of any such Units.

Sponsor reserves the right to amend the Plan at any time subject to the rights of persons who have theretofore executed Purchase Agreements.

The Building is currently vacant and Sponsor has not entered into any contract or agreement for the sale of any unit and has not accepted any deposits or advances of funds in connection with the reservation, sale or transfer of any unit.

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

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

Dated: Valley Stream, New York
August 26, 2006

941 Washington Associates LLC

Sponsor

DD. SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the description of the property and specifications set forth in Part II of this Plan. Sponsor has no knowledge of any material defects or need for major repairs to the property, except as set forth in the Description of Property.

The number of Commercial, Parking and Residential Units Offered is identical to the number of Commercial, Parking and Residential units that will be reflected on the Certificate of Occupancy when issued, and the proposed use of the Units is the same as will be stated on the Certificate of Occupancy.

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OFFERING PLAN

THE ABSOLUTE CONDOMINIUM

111 STEUBEN STREET

BROOKLYN, NEW YORK

PART II

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PURCHASE AGREEMENT

941 WASHINGTON ASSOCIATES LLC

Seller,

TO

Purchaser

UNIT NO.

**The Absolute Condominium located at
111 Steuben Street
Brooklyn, New York**

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UNIT NO.

of

The Absolute Condominium located at
111 Steuben Street
Brooklyn, New York

(to be executed in quadruplicate)

AGREEMENT, made as of _____, 200 , between 941 Washington Associates LLC, having an office at 636 Eastern Parkway, Brooklyn, NY 11213 ("Seller" or Sponsor) and having an address at

("Purchaser").

WITNESSETH:

1. The Plan. Purchaser acknowledges having received, at least three (3) days prior to the date hereof, and has read, or has waived the reading of, a copy of the Offering Plan for The Absolute Condominium (the "Condominium") and any amendments thereto which have been filed with the Department of Law of the State of New York prior to the date hereof (hereinafter collectively referred to as the "Plan"). The Plan is incorporated herein by reference and made part hereof with the same force and effect as if set forth at length herein. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern.

2. Definitions. Terms used herein which are also used in the Plan shall have the same meanings herein as therein unless the context otherwise requires.

3. The Unit. Seller agrees to sell and convey, and Purchaser agrees to purchase, the unit ("Unit") designated as Unit No. __ at 111 Steuben Street, Brooklyn, New York in the Declaration, together with a % undivided interest in the Common Elements appurtenant thereto, upon and subject to the terms and conditions set forth herein.

4. Purchase Price.

4.1 The purchase price ("Purchase Price") is \$ _____, payable as follows:

(a) \$ _____, constituting a downpayment ("Downpayment") on the signing of this Agreement by check (subject to collection), receipt of which is hereby acknowledged; and

(b) \$ _____, constituting the balance of the Purchase Price on the delivery of the deed as hereinafter provided.

4.2 Payments of installments of the Purchase Price shall be made as follows:

(a) All payments made towards the Downpayment shall be made by check ("Permitted Check") which is either (1) drawn on a bank in the City of New York which is a member of the New York State Clearing House Association or (2) a cashier's check or an unendorsed certified check drawn on a bank organized in accordance with the laws of The United States of America or any of the state thereof. Permitted Checks shall be payable to the direct order of "The Absolut Special Account - David S. Frankel, P.C. as Attorney" ("Special Account"); and

(b) Payment of the balance of the Purchase Price referred to in subsection 4.1(b) hereof shall be made by a cashier's check or unendorsed certified check drawn on a bank which is a member of the New York State Clearing House Association and which, in either case shall be payable to the direct order of Seller or as otherwise directed by Seller.

4.3 Seller reserves the right to refuse any check delivered in payment of a Downpayment which is not a Permitted Check. If any Permitted Check is returned for insufficient funds or any other reason, such return shall be deemed to be a default by Purchaser under this Agreement and shall entitle Seller to exercise any of the remedies set forth in Article 14 hereof.

4.4 Financing Contingency For Purchasers.

(a) This Agreement is submitted on the condition that, within forty-five (45) days from the date of the amendment disclosing that the Plan has been declared effective ("Effectiveness Amendment") is presented (presentment is defined as 5 days after the date of mailing, or if personally delivered, the date it is personally delivered to Purchaser), any bank or financial institution ("Lender") shall have issued a mortgage commitment to Purchaser pursuant to which it agrees to lend not less than 80% of the purchase price in connection with the purchase of the Unit pursuant to this Agreement upon Lender's prevailing terms, conditions and interest rates and subject to such terms as Lender, has agreed generally to make mortgage loans available. Purchaser will make application in good faith to the Lender for such loan within seven (7) days from the date the Effectiveness Amendment is presented, as defined above, and Purchaser will cooperate in good faith with Lender for the purpose of obtaining such loan. Purchaser will notify Seller when the application is made and, in due course, when it is accepted or rejected. In the event Purchaser fails to obtain a written mortgage loan commitment within such forty-five (45) day period or in the event the loan commitment is subsequently withdrawn, Purchaser must notify Sponsor of same (the "No Commitment Notice") within five (5) days thereof (or if said event occurs within five days of the closing hereunder, then prior to closing). Thereupon, unless Lender has withdrawn the loan commitment due to Purchaser's acts or failure to act, this Agreement may be declared null and void by either party by written notice (the "Termination Notice") to the other party postmarked or delivered within ten (10) days subsequent to the delivery of the No Commitment Notice. In the event this Agreement is so declared null and void, the downpayment shall be promptly returned to the Purchaser with interest, if any. In the event that the Purchase Agreement is canceled, neither party to the agreement shall have any further obligations to one another.

(b) Seller shall have the right to cancel the financing contingency contained in subsection 4.4(a) and the financing contingency shall be null and void, if (i) Purchaser shall fail to apply for a loan in good faith within the aforesaid seven (7) day period, (ii) the No Commitment Notice is not sent within the aforesaid five (5) day period, or (iii) Lender has withdrawn the loan commitment due to Purchaser's acts or failure to act. No other financing contingency is permitted.

(c) Notwithstanding anything contained in subsection 4.4(a) hereof, Purchaser shall have no right to terminate this Agreement if the mortgage loan commitment from an institutional Lender expires, or is terminated for reasons beyond the control of Seller, or if Purchaser fails to satisfy any of the conditions set forth in such commitment. If such commitment expires, however, because of Seller's inability to deliver title in accordance with the terms of the Plan, (provided that the issue date of the commitment is a date no later than the date the Effectiveness Amendment is presented) and if Lender fails to extend such commitment, Purchaser shall have the right to terminate this Agreement, in accordance with the provisions of Article 14 hereof, in which event any Downpayment deposited hereunder, with interest earned thereon, if any, shall be refunded to Purchaser. Seller shall not be deemed unable to deliver title until, at the earliest, the date which is six (6) months from the date the Effectiveness Amendment is presented.

5. Closing of Title.

5.1 The closing of title shall be held at such place in the City and State of New York or the County of Nassau, State of New York and at such hour as Seller may designate to Purchaser on or not less than thirty (30) days' prior notice, which notice shall also set forth the date on which Common Charges shall be due and payable. Seller, from time to time, may adjourn such date and hour on notice to Purchaser, which notice shall fix a new date, hour and place for the closing of title.

5.2 The closing of title shall occur only after or concurrently with the compliance with the prerequisites as set forth under "Terms of Sale" in Part I, Section N of the Plan.

5.3 The term "Closing Date" or "closing of title" or words of similar import, whenever used herein, shall mean the date designated by Seller on which the deed to the Unit is delivered to Purchaser or any adjourned date fixed by Seller pursuant to subsection 5.1 hereof.

5.4 TIME SHALL BE OF THE ESSENCE WITH RESPECT TO PURCHASER'S OBLIGATIONS TO CLOSE ON THE CLOSING DATE SCHEDULED HEREUNDER. THIS MEANS THAT IF PURCHASER FAILS TO CLOSE ON THE CLOSING DATE FOR ANY REASON WHATSOEVER, SELLER WILL HAVE THE RIGHT TO TERMINATE THIS PURCHASE AGREEMENT AND RETAIN PURCHASER'S DOWNPAYMENT AS LIQUIDATED DAMAGES.

5.5 If Seller determines in its sole discretion not to enforce the time is of the essence clause provided herein, and if Seller agrees to an adjournment if Purchaser is not ready to close title on the date and time which Seller selected in the notice of closing (or any other date which Seller

selected and Purchaser agreed to), any adjournment granted at Purchaser's request shall entitle Seller to the following additional rights: (i) closing apportionments ordinarily made as of the actual closing date shall be made as of the originally scheduled closing date; and (ii) a penalty shall be added to the balance of the purchase price due at closing, which shall be amount derived by (x) multiplying the purchase price for the Unit by 10%, (y) dividing the product by 365, and (z) multiplying the resulting amount by the number of days the closing is delayed, beginning with the date originally scheduled for closing, through and ending with the actual closing date. If the originally scheduled closing date is adjourned at Seller's request, the foregoing shall not be applicable. However, it shall apply to any subsequent postponements by Purchaser of the adjourned closing date.

5.6 Nothing herein shall be construed to require Seller to grant an adjournment.

5.7 The existence of any unpaid taxes of any kind at the time of title closing shall not constitute an objection to title, provided Seller shall deposit a sufficient amount with the title company so that the title company is willing to insure against collection of unpaid taxes from the Unit sold hereunder. Seller agrees to discharge any liens upon the Unit prior to or simultaneously with the closing and Seller may pay and discharge any such liens out of monies paid by Purchaser at the time of closing.

6. Delivery of the Deed and Power of Attorney to the Condominium Board.

6.1 At the closing of title, Seller shall deliver to Purchaser a bargain and sale deed with covenants against grantor's acts conveying title to the Unit to Purchaser. The deed shall be prepared by Seller substantially in the form set forth in Part II of the Plan and shall be executed and acknowledged by Seller and Purchaser, in a form for recording. Seller and Purchaser shall duly execute and swear to a New York City Real Property Transfer Tax return, a New York State Real Property Transfer Tax return and any other form then required by law, all of which shall be prepared by Seller.

6.2 At the closing of title and simultaneously with the delivery of the deed conveying the Unit to Purchaser, Purchaser shall execute, acknowledge and deliver a Power of Attorney to the Condominium Board and to the Sponsor prepared by Seller substantially in form set forth in Part II of the Plan.

6.3 The Deed and Power of Attorney to the Condominium Board shall be delivered to the representative of the title company insuring Purchaser's title (or if no such representative is present then to Seller's attorney) for recording in the Kings County office of the Register of the City of New York (the "City Register's Office"). After being recorded, the deed shall be returned to Purchaser and the power of attorney shall be sent to the Condominium Board.

7. Title.

7.1 At the closing of title, Seller shall convey to Purchaser title in fee simple to the Unit, subject to any state of facts an accurate survey or personal inspection would show, provided facts

would not prevent the use of the Unit for dwelling purposes, free and clear of all encumbrances other than those set forth in Schedule A annexed hereto and made part hereof and mortgages, in any, covering the Unit, which Purchaser assumes. Any encumbrance to title which is not set forth in Schedule A shall not be an objection to title if (a) the instrument required to remove said encumbrance of record is delivered to the proper party together with the recording and filing fees or (b) Purchaser's title insurance company will insure Purchaser that said encumbrance will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien.

7.2 It is requested of Purchasers that any orders for fee title insurance be placed with Sutton Land Services LLC, 515 Rockaway Avenue, Valley Stream, NY 11581. Purchaser may order title insurance from any other company of their choosing but in such event may be responsible for paying Sponsor's attorney the sum of \$500.00 for additional time in clearing title. This amount shall be in addition to any other fees payable hereunder to Sponsor's attorney.

8. Closing Adjustments.

8.1 The following adjustments shall be made as of the Closing Date with respect to the Unit:

(a) Real estate taxes and assessments, if any (including water charges and sewer rents if separately assessed), on the basis of the period for which assessed;

(b) Common charges for the month in which title closes; and

(c) Accrued rent and any other charges pursuant to an interim lease, if any covering the Unit.

8.2 If the Unit has been separately assessed but the closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments of tax assessments which are due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title. If the Unit has not been separately assessed as of the Closing Date for the then current tax period, the adjustment under subsection 8.1(a) hereof shall be based upon the assessment of the Property as prorated for the Unit in proportion to the percentage of Common Interest allocated to the Unit. The "Customs in Respect of 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. Until the Units are separately assessed for real estate taxes, all Unit Owners will make payments towards real estate taxes of the Condominium Board in proportion to his or her percentage of Common Interest, and the Condominium Board shall serve as escrow agent for said taxes and shall pay said taxes to the appropriate agencies on behalf of all Unit Owners. Failure of a Unit Owner to Pay the taxes to the Board shall result in a lien against the Unit, as the amount due shall be deemed part of the Unit Owner's obligation to pay common charges. Purchaser understands that the actual tax assessment for each Unit may be allocated by the taxing authorities on a basis that differs from the allocation of Common Interests. The provisions of this Article 8 shall survive the

closing of title hereunder.

9. Closing Costs. Purchaser shall pay the following costs and expenses at the time of closing of title:¹

(a) if Purchaser elects to obtain title insurance, Purchaser will pay a premium therefor at rates to be determined by the title company insuring such title; if Purchaser obtains title insurance from a company other than Sutton Land Services LLC, Purchaser will pay Sponsor's counsel, David S. Frankel, P.C. a fee of \$500.00;

(b) a fee for recording the deed and power of attorney, and satisfactions or releases of Seller's mortgage(s) necessary to clear title to the Unit, such fee being approximately \$250.00;

(c) if Purchaser obtains a Mortgage Loan from a lender, (i) an amount equal to the premium for any mortgage title insurance required by such lender; (ii) a fee for recording the mortgage securing such Mortgage Loan; and (iii) any mortgage recording tax which may be due and payable in connection therewith;²

(d) New York State Transfer Tax (for documentary stamps to be affixed to the deed), being \$2.00 for each \$500.00 of the purchase price or fraction thereof above \$100;

(e) New York City Real Property Transfer Tax, which for residential Units is 1% of the consideration paid by Purchaser, if the consideration is less than \$500,000.00, and 1.425% if the consideration is \$500,000.00 or more. For Parking Units, the tax is 1.425% of the consideration, provided the consideration is less than \$500,000.00. Such consideration includes the Purchase Price and the amount of certain other taxes the Purchaser contractually assumes the obligation to pay such as the tax in (d) above and this tax;

(f) a contribution of three months' common charges to the working capital fund, payable to the Condominium Board; and

(g) legal fee of Sponsor's attorney in the amount of \$2,500.00 payable to David S. Frankel. In the event that the closing of title to an individual unit is held outside of Mr.

¹Recording charges and fees and transfer taxes are based on the rates in effect at the date of the commencement of the offering under the Plan and are subject to change without notice, and without further amendment of the Plan.

²If a mortgage tax credit becomes available pursuant to Section 339-ee(2) of the New York Condominium Ac, such credit shall, at Seller's option, inure to the benefit of the Sponsor. See Section O, "Closing Costs and Adjustments" for details.

Frankel's office, the Purchaser shall be obligated to pay an additional fee of \$350.00 to Sponsor's attorney for such closing. If the Purchaser obtains financing for the Purchase of the Unit Purchaser shall pay Sponsor's attorney an additional fee of \$250.00. If the closing is adjourned other than by Sponsor, there will be an additional fee of \$250.00 per Unit payable to Sponsor's attorney, which will be the sole responsibility of the Purchaser. In the event that the Purchaser defaults, a fee of \$250.00 will be payable at closing to the attorney for the Sponsor, David S. Frankel, Esq., for preparation of a letter of default. All checks for the above fees must be paid by CERTIFIED OR BANK CHECK at the closing. The above fees are cumulative to the extent applicable to an individual closing.

Purchaser shall also be required to pay those costs more particularly described in the section of the Plan entitled "Closing Costs and Adjustments" at Part I, Section O and shall be responsible for the payment of all closing costs and expenses in connection with any Mortgage Loan. The provisions of this Article 9 shall survive the closing of title hereunder.

10. Downpayment. Any Downpayment received from Purchaser hereunder will be delivered to David S. Frankel, P.C., as escrow agent ("Escrow Agent") and except as hereinafter set forth, held in an account entitled "The Absolute Special Account" as trust funds, at North Fork Bank at Central Avenue, Valley Stream, New York. The signature of David S. Frankel, shall be required to withdraw any such funds. All Downpayments will be held pursuant to Section 352(e)(2)(b) and 352-h of the General Business Law of the State of New York and the Regulations of the Department of Law of the State of New York. The Downpayment shall be kept in an account which earns interest and the interest shall be paid to the party entitled to the downpayment. For additional information about the laws applicable to downpayments, see Section K at Part I.

10.1 If Seller is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, and Purchaser terminates this Agreement in accordance with the provisions of Article 14 hereof, Purchaser shall be entitled to the return of the Downpayment, to the extent paid, with interest earned thereon, if any. In order to recover the Downpayment, or portion thereof, made pursuant to this Agreement, Purchaser shall give written notice ("Refund Notice") to Seller and Escrow Agent of a demand for refund of said Downpayment pursuant to the provisions of Paragraph 11. See Paragraph 14 "Default by Purchaser" for additional provisions concerning the downpayment. Should any of the provisions herein be inconsistent with the Regulations of the New York State Department of Law, as described in Part I, Section K, those Regulations shall control.

11. Escrow Terms.

11.1 Escrowee acknowledges receipt of the check for the Contract Deposit, subject to collection.

11.2 The check for the Contract Deposit shall be deposited by Escrowee in the escrow account as described in Paragraph 10 and the proceeds shall be held and disbursed in accordance with terms of this Contract and the Plan. Upon Closing, Escrowee shall deliver the Contract Deposit

to Seller. In all cases, the regulations of the New York State Department of Law (summarized herein) shall govern the disposition of the downpayment. The Seller (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.

11.3 If either party make a demand upon Escrowee for delivery of the Contract Deposit, Escrowee shall give Notice to the other Party of such demand. If a Notice of objection to the proposed payment is not received from the other party within 20 business days after the giving of Notice by the Escrowee, time being of the essence, Escrowee is hereby authorized to deliver the downpayment to the party who made the demand. In the event a Notice of objection is received by Escrowee, Escrowee is hereby authorized to make application to the New York State Department of Law to resolve the dispute.

11.4 Any provision of any contract or agreement, whether oral or in writing, by which purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void.

11.5 The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the offering plan or in this purchase agreement.

11.6 Purchaser 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.

11.7 The downpayment made by Purchaser simultaneously with the execution of this Agreement, will be place, within five business days after this Purchase Agreement is signed by all necessary parties, in a segregated special escrow account of David S. Frankel, Escrow Agent, whose address is 870 Franklin Avenue, Valley Stream, New York and whose telephone number is (516) 596-9800. The signatory on this account authorized to withdraw funds is: David S. Frankel. The name of the account is "The Absolute Special Account - David S. Frankel as Attorney", located in North Fork Bank, at Central Avenue, Valley Stream, New York. This bank is covered by federal bank deposit insurance to a maximum of \$100,000 per individual deposit. The account will be an non interest-bearing account 2.50%. Interest will begin to accrue within five business days of the deposit of the downpayment.

11.8 Within ten business days after tender of the deposit, the escrow agent will notify the purchaser or subscriber that such funds have been deposited into the escrow account and will provide the account number and initial interest rate. If the purchaser or subscriber does not receive notice of such deposit within fifteen business days after tender of the deposit, the purchaser or subscriber may cancel the purchase and rescind so long as the right to rescind is exercised within ninety days after tender of the deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

11.9 When the disposition of the escrowed funds is in dispute, the escrow agent will hold the funds in escrow until otherwise directed in

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

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

11.11 The sponsor will not object to the release of the escrowed funds to:

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

11.12 Purchasers, subscribers, and the escrow agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of a downpayment and any interest thereon. The sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is attached as an exhibit to this amendment. The party applying for a determination must send all other parties a copy of the application. Pending the determination of the Attorney General to grant or deny the application, the sponsor, the purchaser or subscriber, and the escrow agent shall abide by an interim directive issued by the Attorney General.

11.13 Included in Part II of the Offering Plan is a copy of the escrow agreement which incorporates the terms of the Attorney General's regulations.

11.14 In the event of any dispute or doubt as to the genuineness of any document or signature, or uncertainty as to Escrowee's duties, then Escrowee shall have the right to continue to hold the Contract Deposit in escrow or to make application to the New York State Department of Law to resolve the dispute or to authorize Escrowee to pay the Contract Deposit into court pursuant to relevant statute.

11.15 The Parties acknowledge that Escrowee is merely a stakeholder. Upon payment of the

Contract Deposit pursuant to the terms of this Contract, Escrowee shall be fully released from all liability and obligations with respect to the Contract Deposit.

11.16 In the event Escrowee is the attorney for either Party, Escrowee shall be entitled to represent such Party in any lawsuit.

12. Binding Effect of Plan, Declaration, By-Laws and Rules and Regulations. Purchaser hereby accepts and approves the Plan (including without limitation the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof.

13. Agreement Subject to Mortgage. No encumbrance shall arise against the Property as a result of the Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the proceeding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subordinate to the lien of any mortgage, including, but not limited to, any construction or building loan mortgage, heretofore and hereinafter made and any advances heretofore and hereinafter made thereon 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 full extent thereof without the execution of any further documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with any schedule of payments or accelerated by virtue of the right of the lender to make advances before they become due in accordance with the schedule of payments. At or prior to the closing of title, Seller shall, at its option either (i) satisfy any such mortgage affecting this Unit or (ii) obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgage. 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 her or his other obligations hereunder or be the basis of any claim against, or liability of, Seller, provided that any such mortgage is subordinated to the Declaration.

14. Default by Purchaser. The time for the payment of the Downpayment and the balance of the Purchase Price and the performance of the Purchaser's other obligations hereunder is of the essence of this Agreement. If Purchaser fails to make such payments when required as herein provided, or does not sign all of the documents referred to in the Plan that the Purchaser is required to sign, or fails to perform any of Purchaser's other obligations hereunder, Seller may keep Purchaser's downpayment. However, before Seller may keep Purchaser's downpayment, Seller must give notice to Purchaser by registered or certified mail of Purchaser's default. If Purchaser fails to cure such default within thirty (30) days after the notice is postmarked, Seller may, at its option, either consider the Purchase Agreement to be terminated and keep the downpayment with interest earned thereon, if any, provided any amount in excess of 10% of the purchase price is returned to Purchaser, or Seller may instead elect to bring an action against Purchaser for damages or specific performance or may exercise any other right or remedy to which Seller may be entitled hereunder, at law, in equity or otherwise. If Seller elects to cancel this Agreement, (i) Seller may retain the

Downpayment deposited by Purchaser hereunder together with any interest accrued thereon as reasonable liquidated damages (Seller's actual damages being difficult or impossible to ascertain), and upon retaining such sums, neither party shall have any further rights, obligations or liability to or against the other hereunder, and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan and (ii) Seller may sell the Unit to any third part as though this Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale). The remedies provided herein shall be cumulative and not exclusive of any other remedy. PURCHASER UNDERSTANDS THAT TIME SHALL BE OF THE ESSENCE WITH RESPECT TO PURCHASER'S OBLIGATION TO CURE ANY DEFAULT WITHIN THE AFOREMENTIONED 30 DAY CURE PERIOD. IF AFTER THE THIRTY DAY CURE PERIOD EXPIRES PURCHASER'S DEFAULT REMAINS UNCURED, PURCHASER UNDERSTANDS THAT SELLER MAY RETAIN THE DOWNPAYMENT AS LIQUIDATED DAMAGES AND MAY SELL THE UNIT TO ANOTHER PURCHASER AS IF THIS AGREEMENT HAD NEVER BEEN MADE, OR SELLER MAY BRING AN ACTION AGAINST PURCHASER FOR DAMAGES OR SPECIFIC PERFORMANCE.

15. Seller's Inability to Convey the Unit. If Seller is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Seller shall not be obligated to bring an action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of 1/2 of 1% of the purchase price of the entire property to cure such inability and Seller shall not otherwise incur any liability in connection therewith. If Seller notifies Purchaser of its inability to deliver such title and, provided Purchaser is not in default hereunder, Purchaser's sole remedy shall be to terminate this Agreement. If Purchaser terminates this Agreement, Seller shall, within twenty (20) days after receipt of notice of termination from Purchaser, return to Purchaser any Downpayment deposited hereunder, with interest earned thereon, if any, and upon making such payment, this agreement shall be null and void and neither party shall have any further rights, obligations or liability to or against the other hereunder and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan. The foregoing right to terminate must be exercised by notice from Purchaser in writing to Seller within ten (10) days after the giving of Seller's notice of its inability to deliver title in accordance with the terms hereof and the Plan. Seller shall not be deemed unable to deliver title until, at the earliest, the date which is six months from the date the Effectiveness Amendment is presented.

16. Agreement Subject to the Plan Being Effective.

16.1 The performance by Seller of its obligations under this Agreement is contingent upon the Plan being declared effective. The Plan may be withdrawn or abandoned by Seller only under certain conditions and at certain times, as set forth in the Plan. Provided Purchaser has not been in default under this Agreement beyond any applicable grace period, if title to the Unit does not close within the time set forth in the Plan for any reason other than Purchaser's default, this Agreement shall be deemed canceled and, not later than twenty (20) days thereafter, Seller shall return to Purchaser the Downpayment deposited by Purchaser hereunder, with interest earned thereon, if any, and upon making such payment, neither party shall have any further rights, obligations or liability to or against the other hereunder and the parties shall be released and discharged from all obligations

and liability under this Agreement and under the Plan.

16.2 If the Plan is abandoned or does not become effective, or, if after being declared effective the Plan shall not be consummated for any reason, this Agreement shall be deemed canceled and all monies paid by Purchaser hereunder shall be promptly returned to Purchaser with accrued interest, if any. After the funds are returned, Purchaser shall have no claims against the Sponsor or the Selling Agent in connection with this Agreement or the Plan, and all parties and persons shall be released from all liabilities and obligations hereunder and under the Plan.

17. Fixtures, Appliances and Personal Property. Only these fixtures, appliances and items of personal property which are described in Part II of the Plan as being part of the Unit are included in the sale of the Unit pursuant to the provisions of this Agreement.

18. Acceptance of Condition of Property. Purchaser shall accept title (without abatement in or credit against, the Purchase Price) to the property "as is". In no event will the provisions of the foregoing sentence be in derogation of Seller's obligations as set forth in the Plan under "Rights and Obligations of Sponsor". Purchaser shall be given a reasonable opportunity to examine the Unit prior to the closing of title and shall make a careful inspection of the Unit at such time.

19. Interim Leases and Existing Tenancies.

19.1 In the event that the Unit is presently occupied by Purchaser pursuant to an interim lease, or in the event that the Unit is presently occupied by a tenant other than the Purchaser, or is subject to a lease or other right of tenancy, the following shall apply:

(a) Purchaser acknowledges and agrees that if the tenant in occupancy of the Unit does not voluntarily remove from the Unit when his lease expires or is terminated, or his right to occupancy thereof ends, Purchaser shall be required to obtain possession at his or her own expense.

(b) Purchaser acknowledges and agrees that after the closing of title he or she will accept an assignment of Sponsor's rights, as landlord, and assume Sponsor's obligations, as landlord, under the existing lease which will include the obligation to repair and maintain the Unit for the benefit of the existing tenant and the right to collect rent payable under the existing lease whether the same is greater or less than the Common Charges allocated to the Unit.

19.2 If any lease under which Purchaser may occupy the Unit is terminated; or Purchaser's right to continue to occupy the Unit is terminated by reason of Purchaser's failure to fulfill his or her obligations under such lease or under applicable law (a default under the lease pursuant to law), this Agreement may be unilaterally terminated by Sponsor on notice to Purchaser, in which event all amounts paid by Purchaser hereunder shall be fully returned.

20. Damage to the Unit. If between the date of this Agreement and the closing of title, the Unit is damaged by fire or other casualty, the following shall apply:

20.1 The risk of loss to the Unit by fire or other casualty until the closing of title, is assumed by Seller (unless Purchaser takes possession of same, at which time such risk shall be assumed by Purchaser), but without any obligation or liability by Seller to repair or restore the Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to closing of title and the election by Seller to repair or restore the Unit, this Agreement shall continue in full force and effect, and Purchaser shall not have the right to reject title or receive a credit against, or abatement of, the Purchase Price. In such event, Seller shall be entitled to a reasonable period of time within to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Board and the other Unit Owners, belong entirely to Seller and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Seller. The provisions of the preceding sentence shall survive the closing of title hereunder.

20.2 In the event of damage to or destruction of the Unit by fire or other casualty prior to the closing of title, and if Seller 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 Agreement shall be deemed canceled and of no further force and effect and Seller shall return to Purchaser the Downpayment, with interest earned thereon, in 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), Seller shall retain the Downpayment with interest earned thereon, if any, as and for liquidated damages.

21. No Other Representations. Purchaser acknowledges that he or she 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 Seller, Selling Agent, Managing Agent, or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any exemption from real estate taxes or any income tax deduction for real estate taxes or mortgage interest paid by Purchaser, except as herein or in the Plan specifically represented; Purchaser having relied on his or her own examination and investigation thereof. No person has been authorized to make any representations on behalf of Seller except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Seller shall not be liable to the Condominium Board or to 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. Seller does not represent that any assignable warranties, guarantees or bonds will exist or be in effect on the Closing Date. See "rights and Obligations of Sponsor". Seller shall not, under any circumstances, be liable with respect to equipment as to which assignable warranties or guarantees are transferred to Purchaser. Purchaser agrees (i) to purchase the Unit, without offset of any claim against, or liability of, Seller, whether or not any layout or dimension of the Unit or any part thereof, or the Common Elements, as shown on the Floor Plans on file in the Seller's office and filed with the County Clerk'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 his or her obligations hereunder by reason of any minor inaccuracy or error in such Floor Plans. The provisions of this Article 22 shall survive the closing of title hereunder.

22. Broker. Purchaser warrants and represents to the Seller that _____ is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction, and Seller agrees to pay the commission earned by said broker, if any, pursuant to separate written agreement. Purchaser agrees that should any claims be made against Seller for commissions by any broker, sales agent or other person or entity other than the forenamed broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Seller free and harmless from and against any and all liabilities, losses, costs damages and expenses in connection therewith, including reasonable legal fees and disbursements. Notwithstanding anything to the contrary contained in this Agreement, the provisions of this Article 23 shall survive the closing of title hereunder or any sooner expiration or termination of this Agreement.

23. Assignment by Purchaser. This Agreement may not be assigned and shall not inure to the benefit of any successors or assigns of Purchaser, without Seller's prior written consent, which consent may be granted or denied in the sole discretion of Seller.

24. Purchaser's Representations. Purchaser acknowledges that he/she is purchasing the apartment in good faith pursuant to the terms of the Plan without fraud or duress, and with no discriminatory inducement. Purchaser represents that he/she is not purchasing the apartment for resale, subletting, assigning or as an accommodation to, or for the account or benefit of the Sponsor or principals of Sponsor.

25. Binding Effect. This Agreement shall not be binding on Purchaser or Seller until a fully executed copy hereof has been furnished to Purchaser. If this Agreement is not accepted by Seller within thirty (30) days from the date submitted by Purchaser by the furnishing to Purchaser of a fully executed copy, this Agreement shall be deemed to have been rejected and canceled by Seller and the Downpayment paid on the execution hereof shall be promptly returned to Purchaser.

26. Notices. Any notice, request other communication hereunder or under the Plan shall be in writing and sent, postage prepaid, by registered or certified mail, return receipt requested, to Purchaser at the address given at the beginning of this Agreement, and to Seller at the address given at the beginning of this Agreement with a copy to David S. Frankel, P.C., 870 Franklin Avenue, Valley Stream, NY 11580, or to such other address as either party may hereinafter designate to the other in writing. Except as otherwise expressly provided herein, the date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

27. Joint Purchasers. The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be joint and several.

28. Liability of Seller. Seller shall not have any liability to any Purchaser or subsequent Purchaser or to the Board with respect to any of Seller's obligations under this Agreement or the Plan or otherwise in excess of the liability that Seller would have had if the only asset of Seller was the Property. Seller is not liable for consequential damages. Seller's liability for failure to deliver title, for any reason, is limited to the return of the downpayment.

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

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

31. Strict Compliance. Any failure by Seller to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the other provisions hereof, the Seller, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

32. Governing Law. The provisions of this Agreement shall be governed by the laws of the State of New York.

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

34. Entire Agreement. This Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof.

35. Plan Controls. If there exists or occurs any conflict between the Plan and this Agreement, the provisions of the Plan shall control.

36. Certain References. A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two and the singular includes the plural, and vice versa, unless the context otherwise requires. The term "herein," "hereof," or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is

used. Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Agreement.

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

38. Successors and Assigns of Seller. The provisions of this Agreement shall bind and enure to the benefit of Seller and its successors and assigns.

39. No Oral Changes. This Agreement cannot be changed or terminated orally. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.

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

Seller:

941 Washington Associates LLC

BY:

Purchasers:

1.

Social Security Number

2.

Social Security Number

David S. Frankel, Escrow Agent

SCHEDULE A

Encumbrances

1. Standard exceptions and conditions contained in the form of title insurance policy then issued by the title insurance company insuring the Purchaser's title to the Unit.
2. Terms, covenants, restrictions, conditions and easements set forth in the Declaration of Condominium and By-Laws (and the Rules and Regulations thereunder), the Power of Attorney from the Purchaser, and the Floor Plans, all as may be amended from time to time.
3. Power of Attorney from the Insured (the Purchaser) to the Members of the Board of Managers of the Condominium and their successors in office, and to the Sponsor.
4. Any state of facts which an accurate survey and inspection of the unit would show.
5. State of Fact as to the Land and Building of which the Unit is a part, which an accurate survey of such Land and Building would show.
6. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, however said exceptions shall be omitted by the title insurance company insuring the Purchaser's title to the Unit provided the same are adjusted at the closing of title.
7. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date and the Purchaser shall pay all assessments due from and after such date.
8. Any other declaration or other instrument affecting the Land or Building which Sponsor deems necessary or appropriate to comply with any law, ordinance, rule, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.
9. Any encumbrance as to which the title insurance company which insures the Purchaser's title to the Unit would be willing, in a fee policy issued by it to the Purchaser, to insure the Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien.
10. Any other encumbrance against the Land or Building other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.
11. Any lease covering the Unit made from Sponsor to the Purchaser or other occupant.

12. — Zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.

13. Consents by Seller or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Land may abut.

14. Any easement or right of use in favor of any gas, telephone or utility company for construction, use, maintenance or repair of lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Land and Building.

15. Revocability of licenses for vault space, if any, under the sidewalks and streets.

16. Encroachments of stoops, areas, cellar steps or door, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Land or the streets or sidewalks abutting the Land 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.

17. Leases and service, maintenance and license agreements, if any, of other Units or portions of the Common Elements.

18. Any violation against the Property (other than the Unit) that it is the obligation of the Board or another Unit Owner to correct.

19. The Plan.

20. Easements, reservations, covenants and restrictions and agreements of record.

UNIT POWER OF ATTORNEY

Terms used in this Unit Power of Attorney which are used (a) in the Declaration (the "Declaration") establishing a plan for condominium ownership of the premises known as The Absolute Condominium located at 111 Steuben Street, Brooklyn, New York (the "Condominium") under Article 9-B of the Real Property Law of the State of New York, said Declaration recorded on _____, 200_, at CRFN _____, or (b) in the By-Laws of the Condominium (the "By-Laws") attached to, and recorded together with the Declaration, shall have the same meanings in this Power of Attorney as in the Declarations or the By-Laws.

The undersigned _____, the owner(s) of the Unit (the "Unit") known as Unit No. ____ at 111 Steuben Street, Brooklyn, New York, in The Absolute Condominium, said Unit being designated and described as Unit No. ____ at 111 Steuben Street, Street, Brooklyn, New York in the Declaration and also designated as Tax Lot ____ in Block 1894 of Section ____ of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect:

(1) to acquire, in their names, as Members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Unit Owner in the Condominium, in accordance with their respective percentage of Common Interest, (a) any Residential Unit whose Owner desires to sell the same, together with the undivided interest in the Common Elements appurtenant thereto, (b) the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all the Unit Owners, or the proceeds of the sale or lease thereof, if any, and the rights and privileges appurtenant thereto, ©) the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or (d) any Residential Unit which shall be subject to foreclosure or other judicial sale or whose owner desires to surrender or abandon same in accordance with the By-Laws; or (2) to acquire, in their names, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in the Condominium, in accordance with their respective Common Interests (a) any Parking Unit whose Owner desires to sell same, together with the undivided interest in the Common Elements appurtenant thereto, (b) the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of sale or lease thereof, if any, and the rights and privileges appurtenant thereto, ©) the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or (d) any Unit, which shall be subject to foreclosure or other judicial sale or whose owner desires to surrender or abandon same in accordance with the By-Laws; or (3) to lease any Unit whose owner desires to rent the same, at such price or on such rental, as the case maybe, and on such

terms as said attorneys-in-fact shall deem proper, and (4) thereafter to convey, sell, lease, mortgage, or vote the votes appurtenant thereto, and to otherwise deal with any such Units so acquired by them, or to sublease any Unit leased by them on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all the things in the said premises which the undersigned could do if the undersigned were personally present; and (5) to execute, acknowledge, deliver, file and record (a) any declaration, application, document or other instrument affecting the Condominium, or portion thereof, which the Board of Managers deems necessary and appropriate to comply with the Declaration, 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 City Council, or any other public authority, applicable to maintenance, demolition, construction, alteration, repair or restoration of the Condominium or a portion thereof, or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto affecting the Condominium or portion thereof or any Common Elements, that the Board of Managers deems necessary or appropriate; provides such change is consistent with the Condominium Act, or (c) any amendment to the Declaration or any application, document or instrument which the Board of Managers is obligated to execute, acknowledge, deliver, file or record pursuant to the By-Laws of the Condominium or the Declaration, or (d) any declaration, application, document or other instrument necessary to enlarge or subdivide the zoning lot of which the Property is part and otherwise amend any declaration of zoning lot restrictions, zoning lot development agreement or related instruments, and (6) to execute, acknowledge, deliver, file and record any instrument affecting the Residential Units in connection with a petition seeking administrative or judicial review of an assessment made in accordance with Real Property Law 339-y(1), which the undersigned hereby authorizes the Board of Managers to undertake, pursuant to Real Property Law Section 339-y(4), subject to the right of any Unit Owner to revoke such authorization by written notice to the Board of Managers, delivered in person or by certified mail, provided such notice is received before the Board of Managers has commenced the applicable action and further provided that such revocation shall apply only to the year in question.

The undersigned does hereby further nominate, constitute and appoint the Board, and does nominate, constitute and appoint 941 Washington Associates LLC, ("Sponsor") and any Sponsor-designee as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to severally execute, acknowledge, deliver, file and/or record any amendment to the Declaration (1) necessary to file Floor Plans required by New York Real Property Law Section 339-p for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and to file along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p or (2) necessary to create any easement or carry out any of the provisions of the Offering Plan for the Condominium.

The undersigned does hereby further nominate, constitute and appoint Sponsor and any Sponsor-designee as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to severally execute, acknowledge, deliver, file and/or record, provided the Declaration

or By-Laws so permits, (1) any amendment to the Declaration necessary to effectuate the provisions of Articles 9 and 10 of the Declaration titled "Changes in Units" or the provisions of Article 6 of the By-Laws, and/or (2) any application, document or instrument required in connection with any (a) change, alteration, addition, improvement, or repair, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to or upon any Unit owned by Sponsor, any Sponsor-designee, or any appurtenant Common Elements, (b) change in the interior or exterior layout of or number or rooms in such Unit, (c) change in the size, location, and/or number of Units due to subdivision of a Unit, combination of separate Units (including adding portions of Common Elements to such Units), (d) reapportionment among such Units affected by such changes of their Common Interests, and (e) governmental or quasi-governmental agency having or asserting jurisdiction over any of the foregoing, and (3) any application, document or instrument required in connection with the use or operation of any Unit owned by Sponsor or a Sponsor-designee.

This power of attorney shall be irrevocable except in regard to matters relating to real estate tax challenge (or "certiorari") proceedings, with regard to which the procedure for revocation is set forth herein.

All capitalized terms in the Power of Attorney shall have the same meaning as in the Declaration or the By-Laws of the Condominium.

Notwithstanding any other provisions of this Power of Attorney, the Board may not act so as to adversely affect the rights of Sponsor or any Sponsor-designee.

The acts of a majority of the Board shall constitute the acts of said attorney-in-fact and shall not be affected by the subsequent disability or incompetence of the Undersigned.

IN WITNESS WHEREOF, the undersigned has/have executed the Power of Attorney
as of the day of , 200 .

STATE OF NEW YORK)

ss.:

COUNTY OF)

On this day of , 200 , before me, the undersigned, a Notary Public in and for said State, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies),

and that by his/her/their signature(s) on the instrument, the individual(s) or the entity upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

UNIT DEED

THIS INDENTURE, made the day of _____, 200 , between 941 Washington Associates LLC, having an office at 636 Eastern Parkway, Brooklyn, New York 11213, (the "Grantor"), and _____, having an address at _____, (the "Grantee").

WITNESSETH:

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

The Unit (the "Unit") known as Unit No. _____ in The Absolute Condominium located at 111 Steuben Street, Borough of Brooklyn, County of Kings, City, and State of New York, said Unit being designated and described as Unit No. _____ in the Declaration establishing a plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"), said Declaration dated _____, and recorded in the Kings County office of the Register of the City of New York (the "City Register's Office") on _____, at CRFN _____, and also designated as Tax Lot _____ in Block 1894 of Section _____ of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of said Building, certified by _____, AIA on _____, 200 , and filed in the City Register's Office on _____, 200 , as Condominium Plan No. _____. The premises upon which the Condominium and the Unit therein are located (the "Property") are more particularly described in Schedule A attached hereto and made a part hereof. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the By-Laws of the Condominium. (Said Declaration and By-Laws, as the same may be amended from time to time, are hereinafter referred to as the "Declaration and the "By-Laws", respectively.)

Together with an undivided _____ % interest in the Common Elements;

Together with the appurtenances and all the estate rights of the Grantor in and to the Unit.

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and By-Laws, 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;

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters as pertain to the Unit and/or the Property, as more particularly described in Schedule B attached hereto and made a part hereof;

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

Except as otherwise specifically permitted by the Condominium Board or provided in the Declaration or the By-Laws, the Unit is intended for residential/passenger vehicle parking (cross out one) use only.

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

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the New York Condominium Act, or if any provisions which is necessary to cause the Declaration and By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act is missing from the Declaration and By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the New York Condominium Act, the applicable provisions of Article 18 of the Declaration shall control.

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

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rule and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The term "Grantee" shall read as "Grantees" whenever the sense of the indenture so requires.

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

941 Washington Associates

By: _____
Grantor

Grantee

Grantee

STATE OF NEW YORK)

ss.:

COUNTY OF)

On this day of , 200 , before me, the undersigned, a Notary Public in and for said State, personally appeared , personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s) or the entity upon behalf of which the individual(s) acted, executed the instrument.

NOTARY PUBLIC

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July 25, 2006

Property Report For 111 Steuben Street, Brooklyn, NY 11205

Introduction: The purpose of this report is to provide the information required for an offering plan for a condominium project in a new building. The following is a narrative description of the building and property.

Exclusions and Limitations: The contents of this report reflect the Architect and the Consulting Engineer's professional opinions based on experience and training. Building Codes are subject to interpretation by the person, firm, or agency using the Code and therefore, there may be a difference of opinion. The Architect and Consulting Engineers do not represent or guarantee that their interpretation will be the same as the relevant agency interpretation. This report is not intended as an instrument to determine the value of the property nor is it intended to make any representation with regard to the advisability of a purchase. The report is not intended as a guarantee or warranty of the property and or contained equipment or its fitness for use. The report is based on the conditions at the time of inspection – which is the initial stages of construction, and is subject to change with time. The documents which were made available for this report are the following: The New York City Zoning Resolution, The New York City Building Code, and The New York State Multiple Dwelling Law.

Section 20.7 Description of Property, Specifications and Building Condition

20.7(a) Location and Use of Property: This property and its proposed use will comply with all zoning and use requirements.

(1) 111 Steuben Street, Brooklyn, NY 11205

(2) Block: 1894 Lot: 58

(3) Zone: C2-3 in R6 / Map: 12d

(4) Use Groups: Use Groups 2 Maximum Floor Area Ratio for Mixed Buildings: In all districts, except as set forth in Section 35-311, the provisions of this Section shall apply to any zoning lot containing a mixed building. The maximum floor area ratio permitted for a commercial or community facility use shall be as set forth in Article III, Chapter 3, and the maximum floor area ratio permitted for a residential use shall be as set forth in Article II, Chapter 3, provided the total of all such floor area ratios does not exceed the greatest floor area ratio permitted for any such use on the zoning lot.

33-121 Community Facility = 4.8

33-121 Commercial = 2.0

23-145 Residential = 3.0

Work under:

New Code

Use:

Mixed (residential / Commercial)

Proposed Occupancy:

J-2

Height:

70'-0" Maximum

Allowable floor area for this Development / Building is the following:

4.8 x 12,500=60,000

20.7(b) Status of Construction

(1) Year Built: 2007 estimated

(2) Class of Construction: 1-C fireproof structure

(3) Certificate of Occupancy: The sponsor will obtain a certificate of occupancy after the completion of this development in accordance with the New York State Multiple Dwelling Law.

(4) This development is a new six-story structure, which comprises approximately 58,600 net square feet. The residential component of the project has 35 condominium units with roughly 37,487 net square feet while the commercial / community facility component comprises nearly 8,020 net square feet. . The ground level includes the residential lobby/ handicapped entrance, a tenant recreation amenity, a retail component and a community facility such as an ambulatory diagnostic or health care facility. The commercial space is about 6,000 square feet and the community facility comprises approximately 790 square feet.

20.7(c) Site

General Site Description: The site (100' x 125'), block 1894, lot 58, is a rectangular shaped lot bounded and described as follows: Beginning at the corner formed by the intersection of the northerly side of Myrtle Street with the easterly side of Steuben Street: running thence northerly along the easterly along Steuben Street 100 feet: thence easterly parallel with Myrtle Avenue 125 feet: thence southerly parallel with Steuben Street 100 feet to the northerly side of Myrtle Avenue: thence westerly along the northerly side of Myrtle Avenue 125 feet to the corner, the point or place of beginning

(1) Lot Area: 100' x 125' = 12,500 S.F.

(1) Lot Area: 100' x 125' = 12,500 S.F.

(2) The project consists of one building and will be a mixed-use building.

(3) There are no streets owned or maintained by the project.

(4) There is one new ramp maintained by the project that provides entry for the underground parking facility. There are new concrete sidewalks on both the Myrtle Avenue and Steuben Street sides incorporated into the project.

20.7(d) Utilities

The following are providers for each of the utilities for this project:

Plumbing: The building will be provided with one (1) new incoming Keyspan

Energy Services from Steuben Street.

Electrical: Con Edison is the electrical utility company servicing the building.

20.7(e) Sub-soil Conditions:

There was a geotechnical report prepared for this project and is included in this report.

20.7(f) Landscaping and Enclosures:

(3) Trees: This project is a Quality Housing Development and street tree planting will be required. Nine new trees with a 3" caliper at the time of planting placed at approximately equal intervals except where the Commissioner of Buildings determines that such tree planting would be unfeasible are required planting for this development.

20.7(g) Building Size:

This development is a new six-story structure, which comprises approximately 58,600 square feet. The residential component of the project has 35 luxury condominium units with roughly 37,487 net square feet while the commercial / community facility component comprises nearly 8,020 net square feet. The ground level includes the residential lobby, a tenant recreation amenity, a retail component and a community facility such as an ambulatory diagnostic or health care facility. The commercial space is about 6,000 square feet and the community facility comprises approximately 790 square feet. Both of these spaces will be provided as white box finishes with the buyers of each of these spaces responsible for their interior fit out. The tenant recreation space totals approximately 1,230 square feet.

(1) Total Height: The height of the roof of the 6th floor is approximately 70 feet above the ground. The glass parapets are approximately 3'-6" above the finished paving of the roof.

(3) Number of sub-cellars and cellars: The balance of this new development's area is in a single below grade cellar, which has approximately 12,480 square feet.

(4) Number of Floors: The total number of floors above grade for this new mixed-use development is 6. The ground floor to 2nd floor height is approximately 14'-0" while the floor to floor height of floors 2-5 is approximately 11'-0". The 5th floor to 6th floor height is approximately 12'-0". The floor-to-floor heights include the soffits that contain the project's electrical, mechanical and plumbing components. The floor height from the ground level to the cellar floor is approximately 10'-0". At the fifth floor, at a height of approximately 58 feet above the ground, the building sets back 10 feet on the Myrtle Avenue frontage and 15 feet on the Steuben Street side, creating a private paved terrace for each of the 3 street facing units at that level.

(5) The cellar houses the project's fire service room, the electrical room, domestic water and booster pump room, a janitor's closet and a telephone / TV room for incoming service.

20.7(h) Structural System Description: This a new six (6) story residential building with a single cellar level for parking. The total area including the cellar is approximately 70,000 s.f.

Foundation and Superstructure: The foundation consists of 25 ton driven timber piles to an average depth of 30 feet below cellar slab. A licensed geotechnical engineer inspected the pile-driving portion of the project. The cellar slab is a ten-inch thick reinforced concrete slab that spans between pile caps. The pile caps are varying thickness concrete reinforced members located at each column around the exterior and on the interior. The perimeter walls are 1'-0" thick reinforced concrete foundation walls that extend from the cellar slab to the ground floor slab. All foundation concrete has a compressive strength of 4000 p.s.i.

The superstructure typically consists of ASTM Grade 50 structural steel beams, girders, and columns. The floor system is a 3" deep, 18 gage, metal deck with an additional 2 ½ " thick normal weight concrete topping. All structural steel and the underside of the metal deck shall receive a spray on fireproofing for a rated assembly. The lateral support system is a combination of steel braced frames and moment-connected frames.

20.7(h) 1 Exterior of Building:

(i) Walls: The exterior walls of the stair towers, elevator machine room and override and the walls at the property line will be clad with an aluminum panel system. The ground floor retail will have a storefront with a matching frame and glass type of the buildings residential portion. The columns at the exterior at the ground level will be clad with the same aluminum panel system.

(ii) Windows: The building exterior is a pre-engineered aluminum and glass curtain wall system. The aluminum has a clear anodized finish, while the glass is light green 1" double-glazed "low e" energy -saving performance product. The building's exterior envelope has passed REScheck and is in compliance with the NY State's energy code.

(iii) Landmark Status: The district in which this new project is located does not have landmark status. The Landmarks Preservation Commission has no jurisdiction over this project.

20.7(h) 2 Parapets and copings: The aluminum / glass curtain wall will extend up a minimum of 3'-6" above the terraces levels to form the parapet railing.

20.7(h) 3 Chimneys and Caps: Unit has a gas fired fireplace which is approved for use in New York City and has MEA number which is identified in section 20.7(w) Unit Information of this report. The fireplace has a stainless steel flue that shall have a height that complies with the NYC Building Code requirements.

20.7(h) 4 Balconies and Terraces: The private terraces, which are listed in section 20.7(w) of this report, consist of an open joint architectural paver system. It is comprised of a fluid applied waterproofing membrane, 4" thick extruded Styrofoam insulation boards, and a 2" thick architectural paver set on spacer tabs. This roof carries a 20-year total system warranty. The private exterior balconies facing the rear courtyard have tile pavers over a full mud setting bed.

(ii) **Balustrade:** The aluminum / glass curtain wall will extend up a minimum of 3'-6" above the private balcony levels to form the guard railing and will be designed to with stand the code requirements for height and horizontal thrust.

(vi) **Doors to Balconies and Terraces:** The exterior terrace doors for all of the residential units shall be sliding glass aluminum doors with a clear anodized finish to match the exterior aluminum curtain wall. The exterior terrace doors from the sixth floor spiral stair bulkheads shall aluminum and glass swinging doors.

20.7(h) 5 Exterior Entrances: The main residential and handicapped entrance is located on Steuben Street while the main retail entrance(s) will be located on Myrtle Avenue. The residential entrance is a double glass door vestibule that leads to the elevator and stair core and services floors one through six and the cellar level. Both stairs also provide access to the roof. The tenant recreation amenity is also accessed through the residential lobby.

(v) **Mail Boxes:** Horizontal-style mailboxes complying with USPS Publication 17 will be provided in the ground floor lobby. Doors will be constructed with concealed, full-length, stainless steel hinges and with slots to receive tenants' names and numbers.

20.7(h) 7 Roof and Roof Structures:

(i) Types of Roofs :

(a) There are no common roof top facilities / amenities in this development. The roof of the 6th floor is an open joint architectural paver system. It is comprised of a fluid applied rubberized asphalt waterproofing membrane. The roof of the elevator machine room and override and the roofs of the two exit stairs are comprised of a fluid applied rubberized asphalt waterproofing membrane.

(b) The insulation for the roof of the 6th floor is comprised of 4" thick extruded Styrofoam insulation boards, and a 2" thick architectural paver set on spacer tabs.

(c) The 2" thick paver is textured giving it slip resistant properties.

(d) This roof carries a 20-year total system warranty.

(ii) **Drains:** There are a total of 8 roof drains. The roof of the sixth floor has 3 roof drains while 5 roof drains serve the fifth floor terrace area.

(iii) **Skylights:** Both new exit stairs will have an extruded aluminum framed skylight manufactured by Fisher Skylight Inc. or approved equal. The glass will be laminated glass meeting the criteria of ANSI Z97.1.

(iv) **Bulkheads:** The building will have three bulkheads, two for the exit stair and one for the elevator overrun / machine room in addition to 4 glass spiral stair bulkheads from each penthouse unit to their private roof terraces. The two exit stair bulkheads have ventilating glass skylights as per the MDL requirements. There is a new cooling tower and roof top mechanical units that are supported on steel dunnage on the roof of the penthouse.

20.7(h) 9 Yards and Courts: The building has rear yard that is approximately a 30 feet deep by 91 feet wide which provides legal light and air for the rear north facing apartment units. The rear facing residential units have private balconies overlooking the courtyard. The rear facing units at the second level have private terraces that constitute the lowest level of the rear courtyard.

(i) **Paving:** The rear courtyard is an open joint architectural paver system. It is comprised of a fluid applied waterproofing membrane, extruded Styrofoam insulation boards, and a 2" thick architectural paver set on spacer tabs. This carries a 20-year total system warranty.

(ii) **Drainage:** The courtyard level has been provided with 2 drains.

(iii) **Railings:** The courtyard will have a continuous 3'-10" high c.m.u. parapet wall at the north property line.

20.7(h) 10 Interior Stairs

(i-vii) The project has two interior stairs that serve all floors, cellar through sixth floor and the roof level, and both are fire exits. The stairwell doors and frames are fire rated hollow metal construction assemblies. The interior stairs are concrete filled metal pan construction with steel stringers. The handrails and railings are painted metal.

20.7(h) 11 Interior Doors and Frames

(i-iii) All doors and frames throughout the residential units shall be painted hollow metal frame and solid core wood doors with a wood veneer finish. All hardware shall be satin finished aluminum or satin finished stainless steel. The entry doors to each residential unit and to the stairways shall be self-closing 90-minute fire rated painted hollow metal doors and frames.

20.7 (h) 12 Elevators: There are two geared traction 2500 lbs handicapped elevators with 7 stops serving floors 1-6 and the cellar. The speed of each elevator is 350 fpm. Each cab by code can carry 17 passengers. The controls are micro processor duplex collective. The doors for the car and the hoist way are automatic. The machine room is located at the roof of the 6th floor. The motor - generator set is a variable frequency AC motor.

20.7(h) 13 Elevator Cabs

(i-iv) The cab finishes are brushed stainless steel with a honed finish stone floor. The ceiling will be a back illuminated dropped ceiling.

20.7(i) Auxiliary Facilities

(2) Refuse Disposal: There is a refuse disposal chute serving all of the residential floors (2 -6) with the main discharge door and the trash compactor in the cellar.

Chute Intake Door/Frame Units will be provided with self-closing units at each landing, at manufacturer's recommended ADA heights above floor. Door/Frame Units will be provided with hopper type Chute Metal: Aluminum -coated cold-rolled commercial quality, steel sheet. Doors for refuse chutes, door sizes will be provided with manufacturer's standard stainless steel door units with standard satin finish. Provide UL "B" labeled, self-closing door units (1-1/2 hour with 30 minute temp. rise of 250 deg. F.).

20.7(j) Plumbing and Drainage:

(1) Water Supply: A central domestic hot water heating system, gas fired will be provided to serve each residential unit. This system will supply hot water (110 degrees F maximum) to each residential unit to serve the Bathroom groups, Dishwasher and Washing Machine. The tenant hot water will be billed as part of the common charges. Domestic cold water to each unit will be provided and all water use will be billed as part of the common charges. Gas fired stoves will be provided for each unit and all gas usage will be billed as part of the common charges.

(2) Fire Protection System: The fire alarm system is a 120 volt, local annunciation smoke/carbon dioxide detectors will be provided outside of each bedroom group in the common corridor or areas of each residential unit. The building will be completely sprinklered and standpipe systems installed at each stairwell. An automatic fire pump will be provided to serve this system. Each unit will be provided with automatic sprinkler heads throughout per the requirements of the New York City Building Code. One (1) 3"x3"x6" New York City approved flush mounted Fire Department Siamese connection located at Myrtle Avenue will be provided.

(4) Water Pressure: Domestic water system's pressure will be maintained by constant pressure duplex booster pump fitted with hydro-pneumatic tank located at ground floor with capacity of 124 GPM, 90 feet head, 1800 RPM, 5HP each.

(5) Sanitary Sewage System: All plumbing fixtures from first floor and above will be collected at ceiling of basement and discharge by gravity system to municipal sewer. All plumbing fixtures located below the first floor will be collected via ejector pit with duplex submersible pump and connected to house sewer by force man.

(i) All sanitary piping materials above floor will be no-hub cast iron fitted with rubber coupling fittings and all buried sanitary piping will be extra heavy hub and spigot.

20.7(k) Heating: Each residential unit will be provided with a two (2)-pipe heat pump unit, with forced air, driven to provide winter heating and summer cooling. Remote wall mounted thermostats (7 day Programmable) will be provided for individual control of each fan coil unit zone.

(2) Number Boilers and description: Central Building Heating System with (3) A.O. Smith GB-100 new, copper fin hot-water gas fired boilers to serve the entire building. One boiler will be a stand-by. Location of boilers is in the Ground Floor Mechanical Equipment Room (MER).

(5) Controls: A Dia-Scan microprocessor-based control is provided for the heating controls.

(6) Radiators, Piping, Insulation, Valves, Pumps: Boilers (HWP-1, 2)-two (2) end suction pump, manufacturer "Bell Gosset", model# 1510-3AC, MEA3-22-01-E. Alternatively: one (1) -on, one (1) - stand-by.

(INJP-1, 2)Two (2) injection in-line pump, manufacturer "Bell & Gosset", model# 1510-1 1/2AC. Alternatively: one (1) -on, one (1) - stand-by.

Domestic hot water (DHWP-1, 2) - two (2) end suction pump, Manufacturer "Bell & Gosset", model#1510-3AC. Alternatively: one (1) -on, one (1) - stand-by.

Cooling tower (CWP-1, 2) - two (2) end suction pump; Manufacturer "Bell & Gosset", model#1510-4BC. Alternatively: one (1) -on, one (1) - stand-by.

Apartment's air conditioning units- (SCWP-1, 2) - two (2) end suction pump, Manufacturer "Bell & Gosset", model#1510-4E. Alternatively: one (1) -on, one (1) - stand-by.

(7) Fuel: Natural gas, 6" domestic line (5300CFH). Gas meters: RIG#1-Boilers gas, RIG#2- Cooking gas, Location: Ground Floor-Gas meter room.

20.7(m) Air Conditioning: Apartments: Dedicated packaged DX self-contained water-cooled heat pumps, Manufacturer-"Florida heat pump", model# EM018-48, MEA#56-90-E.

Elevator Lobby: Dedicated packaged DX self-contained water-cooled heat pump, Manufacturer-"Florida heat pump", model# EM096, MEA#56-90-E.
Cooling tower: Closed-circuit, induced-draft, counterflow cooling tower. Manufacturer-"Alfa-Laval", load-3,000 MBH
Garage(RTU-2): 100% outside air rooftop unit, manufacturer- "AAON", model# RL04580HO, MEA# 449-88-E.
Corridor(RTU-1): 100% outside air rooftop unit, manufacturer- "AAON", model#RN04080AB MEA# 449-88-E.

20.7(n) Ventilation: Each apartment Bathroom will be provided with a toilet supply to provide 50 CFM, and a toilet exhaust grille connected to a central roof mounted toilet exhaust fan to provide 50 CFM of continuous exhaust.

Each residential unit's kitchen will be provided with an exhaust grille connected to a central roof mounted kitchen exhaust fan to provide 100 CFM of continuous exhaust.

The Corridor ventilation will be provided by a roof mounted air-cooled, natural gas fired, Air Handling unit ducted to common corridors at each floor.

The common residential entrance lobby will be provided with a dedicated Heat Pump unit. Cabinet unit heaters will be provided at the entrance and door areas.

The cellar level parking garage make up air will be provided by a roof mounted, natural gas fired, air handling unit ducted to garage level. Garage exhaust will be provided with a 17000 CFM roof mounted exhaust fan.

Each Floor Trash Chute entrance area will be provided with an exhaust grille connected to a central roof mounted Trash Exhaust fan to provide 50 CFM of continuous exhaust. Trash Chute Compactor Room will be provided with an exhaust grille ducted to the common roof mounted Trash Exhaust fan to provide 150 CFM of continuous exhaust.

20.7(r) Garages and Parking Areas: The cellar has the provision for 31 private parking spaces dedicated solely for the residential condominium units and will be separate condominium units. The garage finishes are described in section 20.7(x) of this report.

(5) Garage Ventilation: The Garage is ventilated by a mechanical exhaust system, 1.5 CFM/SF, with an exhaust fan (GX-1) and makeup air unit located on the roof.

Exhaust Fan: GX-1, Manufacturer: Greenheck Model #: SFB-27-100
Makeup Air Unit: RTU-1 Manufacturer: AAON Model#: RL04580HO

20.7(o) Electrical System Description: All apartments will be metered with individual Con-Ed utility meters and billed directly to the tenant from Con-Ed. A dedicated 110/220 Volt, 60 Hz, 60 amp, 24 Pole or 200Amp, 30 pole electrical distribution panel will be provided for each individual apartment to serve, lights, receptacles, heat pumps and washer/dryer. Receptacles at the apartments will be provided per minimum code requirements.

20.7(w) Unit Information

The following is a description of the residential condominium unit types and sizes for each floor.

2nd Floor – 8 residential units comprised of the following:

No. Units	Unit Type	Description	Unit S.F.	Terrace S.F.
1	A.1	1 Bedroom / 1Bath Open Living / Dining	810	
1	A.2	1 Bedroom / 1Bath Open Living / Dining	806	
1	A2.2	1 Bedroom / 1Bath Open Living / Dining	806	
1	A.3	1 Bedroom / 1Bath Open Living / Dining	904	820
1	A.4	1 Bedroom / 1Bath Open Living / Dining	684	1020
1	B.1	2 Bedroom / 2 Bath Open Living / Dining	1187	1010
1	B.2	2 Bedroom / 2 Bath Open Living / Dining	1196	
1	B.3	2 Bedroom / 2 Bath Open Living / Dining	1141	

3rd / 4th Floor – 8 residential units / floor x 2 floors = 16 units comprised of the following;

No. Units	Unit Type	Description	Unit S.F.	Terrace S.F.
2	A.1	1 Bedroom / 1Bath Open Living / Dining	810	
2	A.2	1 Bedroom / 1Bath Open Living / Dining	806	
2	A.2	1 Bedroom / 1Bath Open Living / Dining	806	

2	A.4	1 Bedroom / 1Bath Open Living / Dining	684	170
2	A.4.2	1 Bedroom / 1Bath Open Living / Dining	684	170
2	B.1	2 Bedroom / 2 Bath Open Living / Dining	1187	
2	B.2	2 Bedroom / 2 Bath Open Living / Dining	1196	
2	B.3	2 Bedroom / 2 Bath Open Living / Dining	1141	

5th Floor – 7 residential units comprised of the following:

No. Units	Unit Type	Description	Unit S. F.	Terrace S.F.
1	A.1	1 Bedroom / 1Bath Open Living / Dining	810	
1	A.2	1 Bedroom / 1Bath Open Living / Dining	806	
1	A.2.2	1 Bedroom / 1Bath Open Living / Dining	806	
1	B.1	2 Bedroom / 2 Bath Open Living / Dining	1187	
1	B.2	2 Bedroom / 2 Bath Open Living / Dining	1196	
1	B.3	2 Bedroom / 2 Bath Open Living / Dining	1141	
1	B.4	2 Bedroom / 2.5 Bath	1380	340

6th Floor – 4 residential units comprised of the following:

No. Units	Unit Type	Description	Unit S. F.	Terrace S.F.
1	A.5	1 Bedroom / 1Bath Open Living / Dining w/ Spiral Stair Access To Roof	716	295 Lower 560 Roof

1	B.5	2 Bedroom / 2 Bath Open Living / Dining w/ Spiral Stair Access To Roof	1066	417 Lower 790 Roof
1	B.6	2 Bedroom / 2.5 Bath Open Living / Dining w/ Spiral Stair Access To Roof	1318	424 Lower 710 Roof
1	C.1	3 Bedroom / 3.5 Bath Open Living / Dining w/ Gas Burning Fireplace Direct Vent by Heatilator MEA No. 298-03-E or equal. w/ Spiral Stair Access To Roof	1877	1667 Lower 1360 Roof

Each Unit consists of the area measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaft ways, chases, chase ways and conduits are not deducted from measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls. Each Unit consists of the area measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling.

20.7(w) Type / grade finish materials (or equal)

Open Living / Dining

Wenge Wood Flooring with a Tung Oil Finish
Hardware with a brushed chrome finish
Meile Stackable Washer Dryer

Bedrooms

Wenge Wood Flooring with a Tung Oil Finish
Hardware with a brushed chrome finish

Kitchen (Floors 2-5)

Wenge Wood Flooring with a Tung Oil Finish
Pedini Custom Flush Panel Cabinets In Natural Wood Finish
Caesar Stone Quartz Countertop and Backsplash
Elkay Stainless Steel Undermount Sink
Hans Grohe Faucet
Bosch Range, Oven and Dishwasher
Jenn-Air Refrigerator and Wall Mounted Range Hood

Kitchen (6th Floor)

Wolf Double Oven
Sub-Zero Refrigerator

Bathrooms

Stone Flooring, Tub Surround and Shower

Lacava Lavatory

Lacava Lavatory Fittings

Custom Built -In Medicine Cabinets

Cove Lighting

Zuma Soaking Tubs

Hans Grohe Tub and Shower Fittings

Toto Toilet

Clear Glass Doors in Satin Chrome Frames for Shower Enclosures

The sponsor reserves the right to provide appliances with the stated manufacturer and model number or may provide an approved equal appliance.

20.7(w) Unit Information**(1) Apartment Material Finish Schedule:**

The following schedule shows the typical interior finishes for a residential condominium unit in this development.

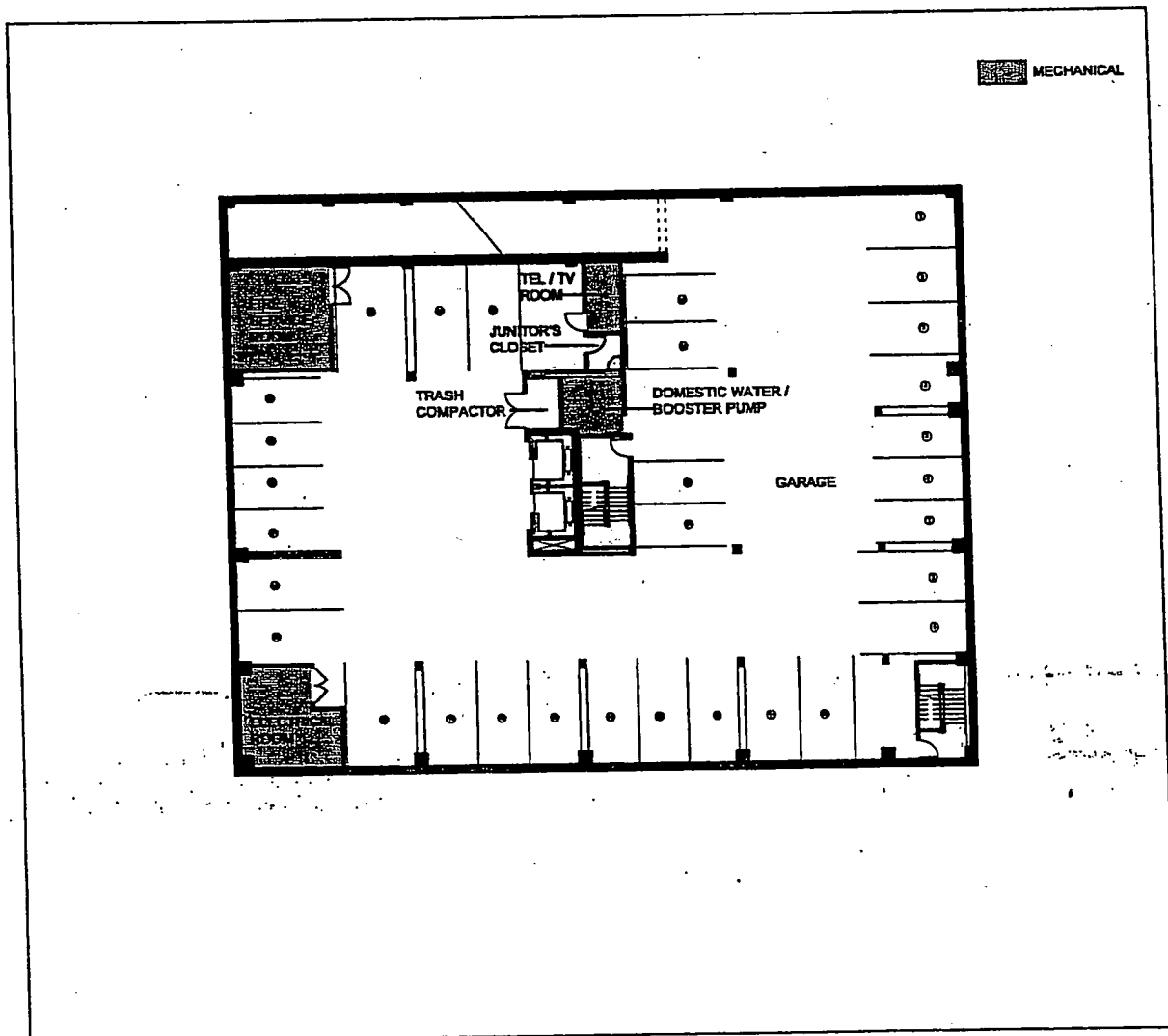
Room	Floor	Base	Walls	Ceiling
Entry	Wood	Ptd. Wood	Ptd. Gyp. Bd.	Ptd. Gyp. Bd.
Closet	Wood	Ptd. Wood	Ptd. Gyp. Bd.	Ptd. Gyp. Bd.
Mech. Closet	Wood	Ptd. Wood	Ptd. Gyp. Bd.	Ptd. Gyp. Bd.
Washer/Dryer Cl.	Wood	Ptd. Wood	Ptd. Gyp. Bd.	Ptd. Gyp. Bd.
Kitchen	Wood	Millwork	Millwork/ Ptd. Gyp. Bd.	Ptd. Gyp. Bd.
Living / Dining	Wood	Ptd. Wood	Ptd. Gyp. Bd.	Ptd. Gyp. Bd.
M. Bedroom	Wood	Ptd. Wood	Ptd. Gyp. Bd.	Ptd. Gyp. Bd.
Walk in Closet	Wood	Ptd. Wood	Ptd. Gyp. Bd.	Ptd. Gyp. Bd.
M. Bath	Tile	Tile	Tile / Ptd. Gyp. Bd.	Ptd. Gyp. Bd.
Bedroom	Wood	Ptd. Wood	Ptd. Gyp. Bd.	Ptd. Gyp. Bd.
Bath	Tile	Tile	Tile / Ptd. Gyp. Bd.	Ptd. Gyp. Bd.
Closet	Wood	Ptd. Wood	Ptd. Gyp. Bd.	Ptd. Gyp. Bd.

20.7(x) Interior Finishes for Spaces Other Than Residential Units

Room	Floor	Base	Walls	Ceiling
Corridor	Carpet / Wood	Ptd. Wood	Ptd. Gyp. Bd.	Ptd. Gyp. Bd.
Elevator Lobby	Carpet / Wood	Ptd. Wood	Ptd. Gyp. Bd.	Ptd. Gyp. Bd.
Stairs	Exposed Concrete	None	Ptd. Gyp. Bd.	Ptd. Gyp. Bd.
Electrical Closet	Exposed	None	Ptd. Gyp. Bd.	Ptd. Gyp. Bd.
Cellar	Exposed Concrete	None	Painted Concrete/ Painted CMU	Exp. FP Steel
Residential Lobby	Stone	Ptd. Wood	Tinted Plaster / Frosted Glass	Ptd. Gyp. Bd.
Retail	Exposed Concrete	None	Ptd. Gyp. Bd.	Exp. FP Steel
Community Facility	Exposed	None	Ptd. Gyp. Bd.	Exp. FP Steel
Mechanical Room	Exposed Concrete	None	Ptd. Gyp. Bd.	Exp. FP Steel



Each Unit consists of the area measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls. Each Unit consists of the area measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling.



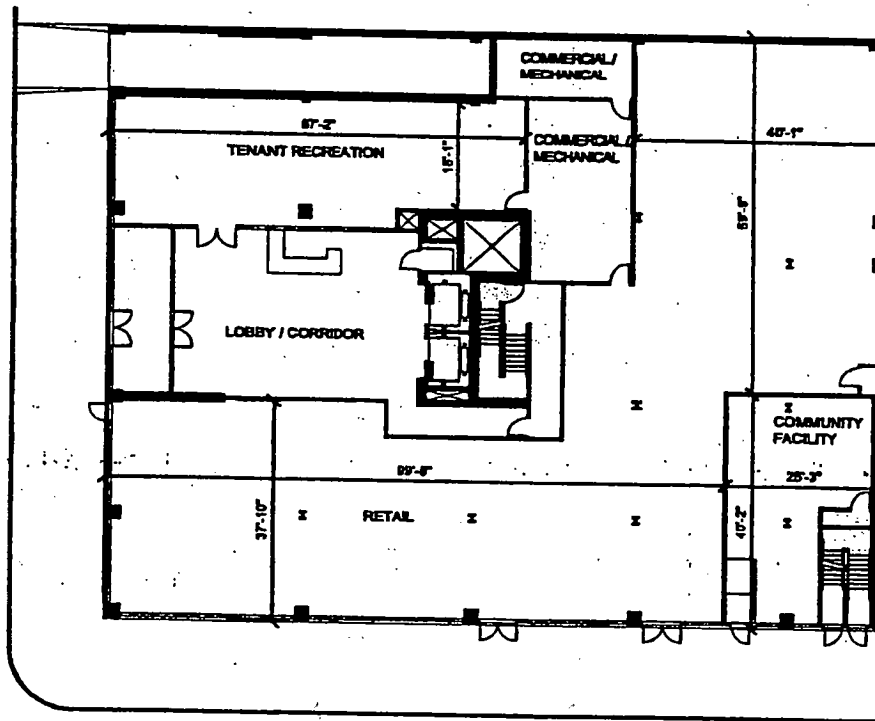
CELLAR LEVEL

12,482 SQ FT

SCALE 1/32" = 1'-0" ALL DIMENSION ARE APPROXIMATE.

111 STEUBEN STREET, BROOKLYN, NY 11205

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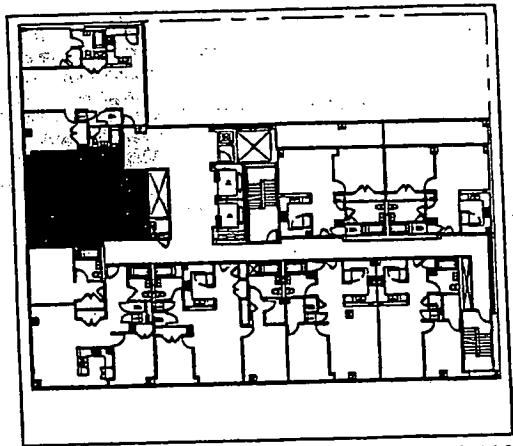
DETAILS @ GROUND FLOOR

RETAIL 6,000 SQ FT / TENANT RECREATION 1237.5 SQ FT
/ COMMUNITY FACILITY 798 SQ FT

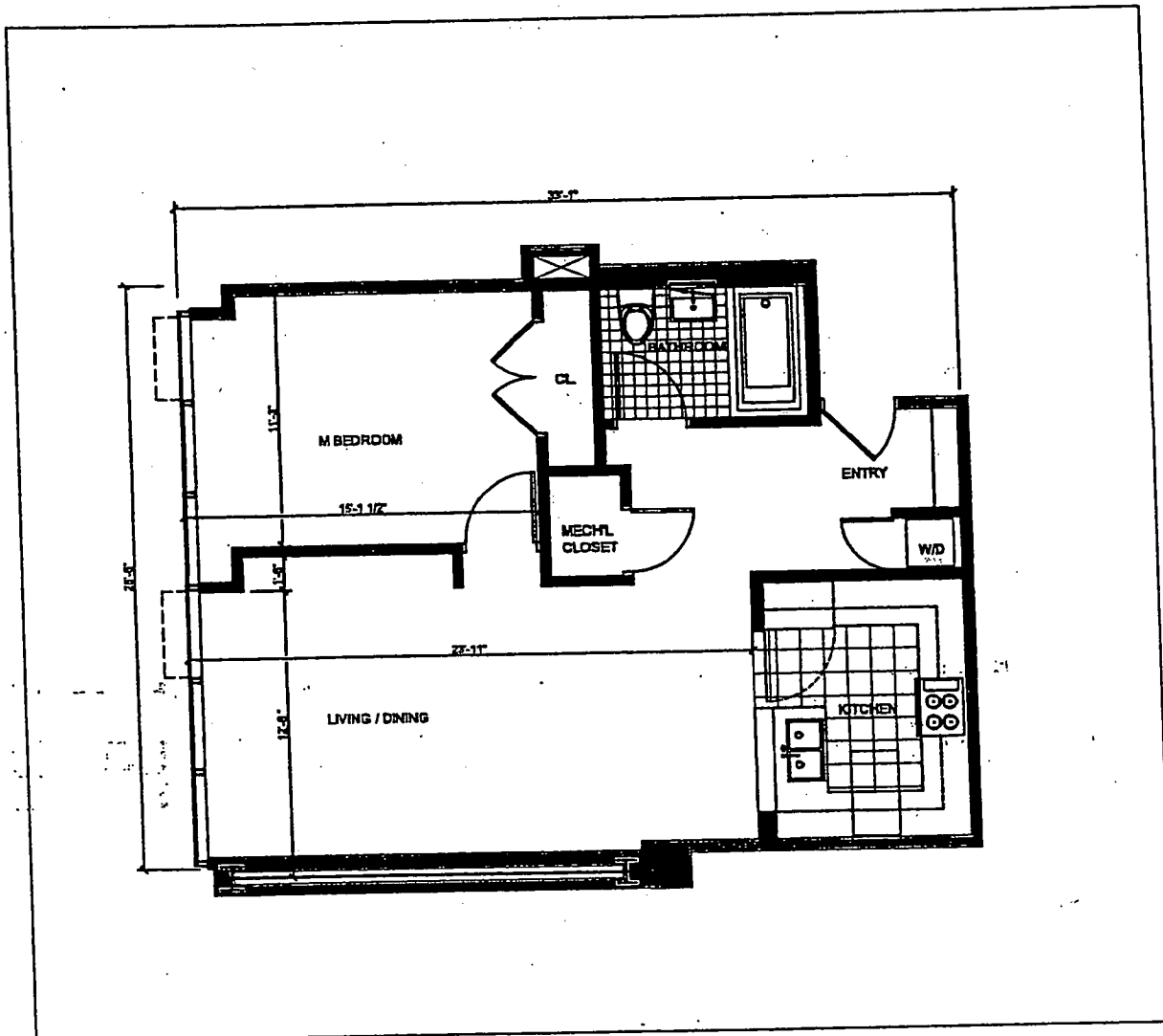
SCALE 1/32" = 1'-0" ALL DIMENSION ARE APPROXIMATE.

111 STEUBEN STREET, BROOKLYN, NY 11205

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3RD - 4TH FLOOR PLAN



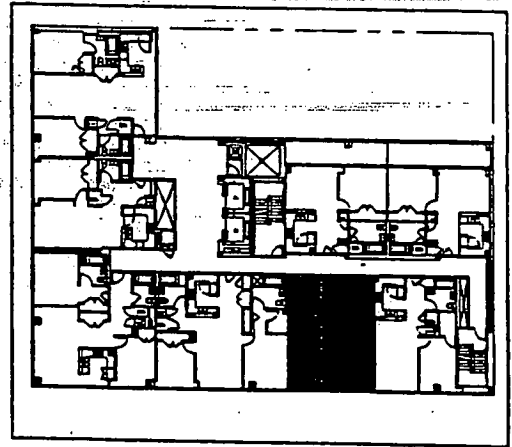
UNIT TYPE A.1 @ 2ND-5TH FL

1 BED RM / 1 BATH RM 810 SQ FT

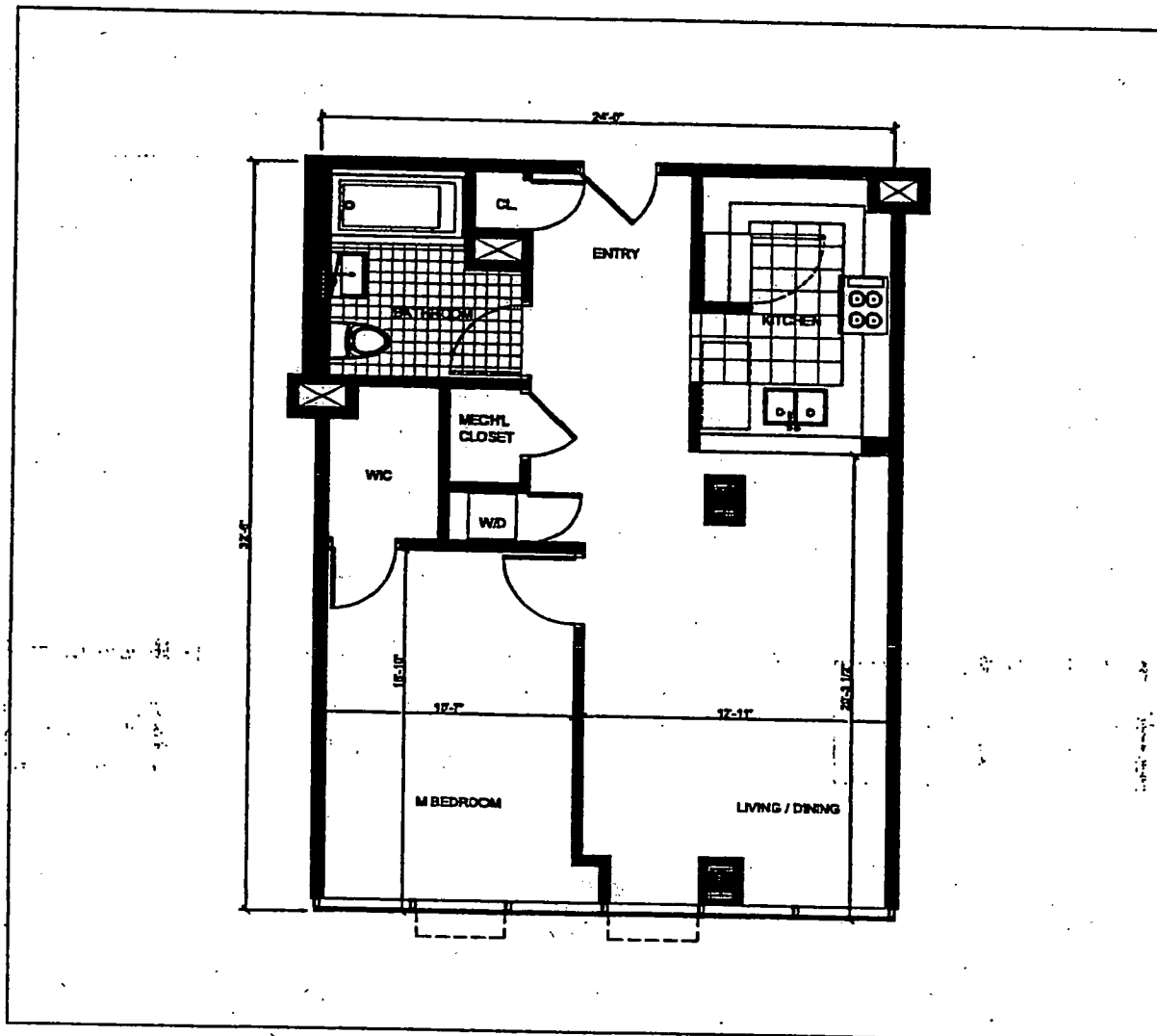
SCALE 1/8" = 1'-0" ALL DIMENSION ARE APPROXIMATE.

111 STEUBEN STREET, BROOKLYN, NY 11205

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3RD - 4TH FLOOR PLAN



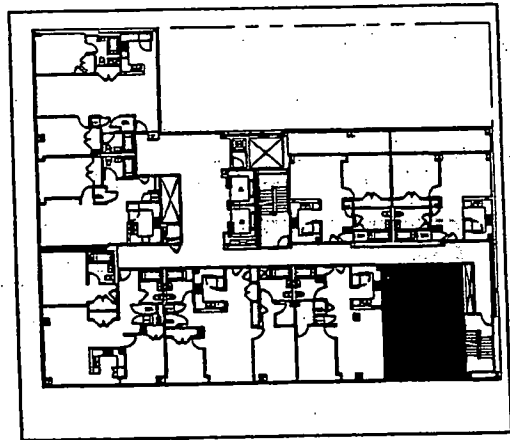
UNIT TYPE A.2 @ 2ND-5TH FL

SCALE 1/8" = 1'-0" ALL DIMENSION ARE APPROXIMATE.

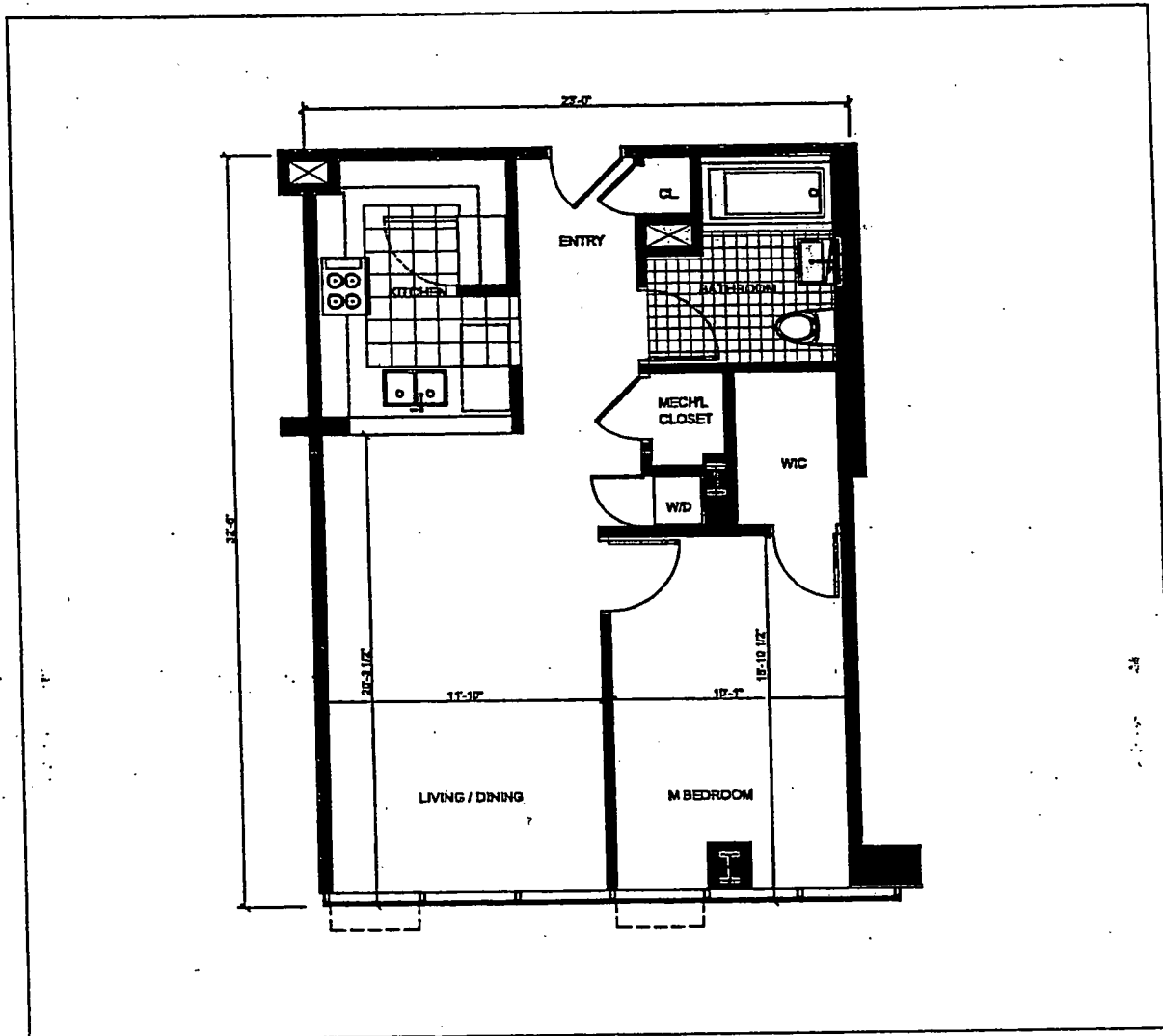
1 BED RM / 1 BATH RM 806 SQ FT

111 STEUBEN STREET, BROOKLYN, NY 11205

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3RD - 4TH FLOOR PLAN

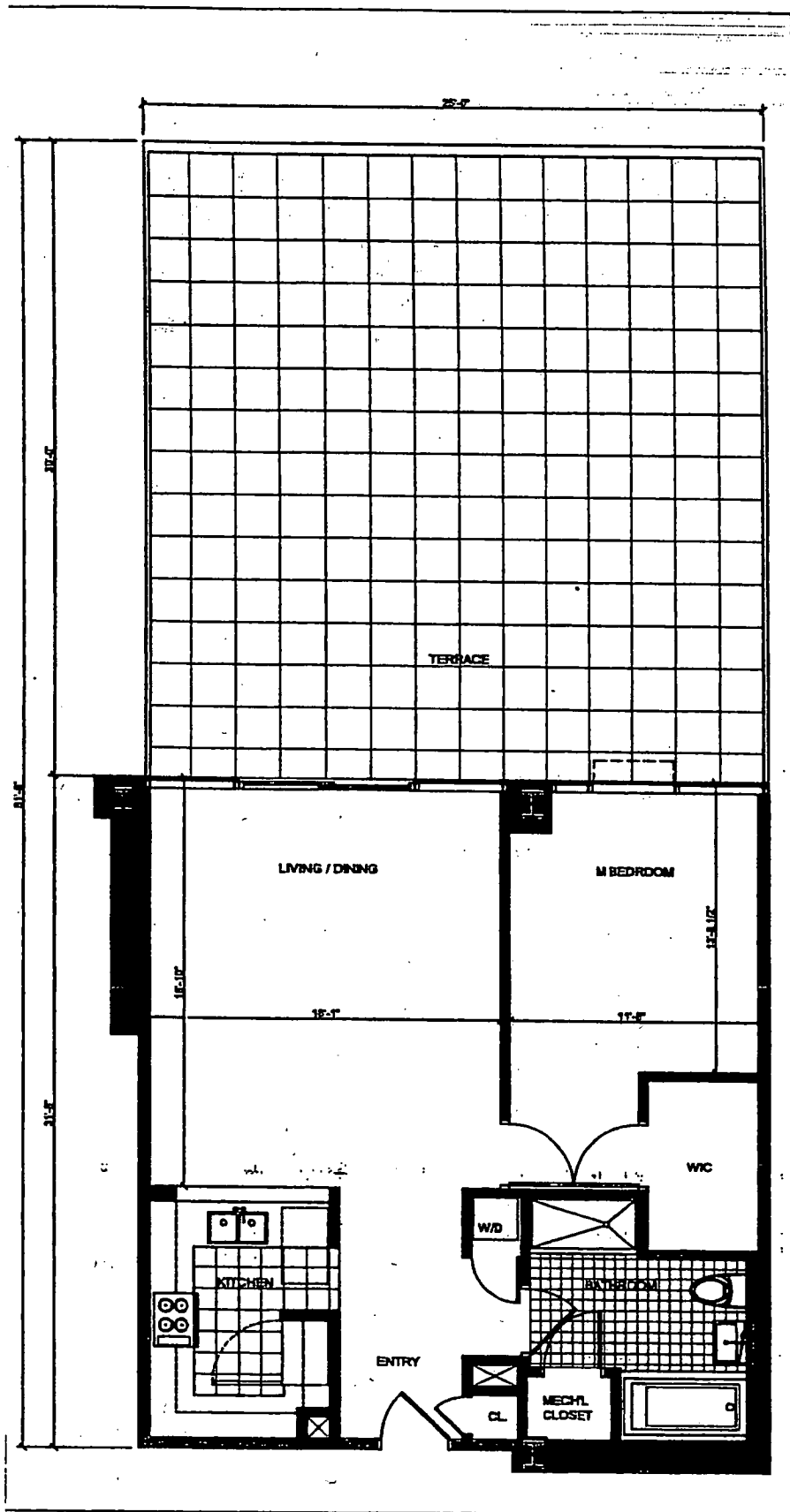


UNIT TYPE A.2.2 @ 2ND-5TH FL

1 BED RM / 1 BATH RM 806 SQ FT

SCALE 1/8" = 1'-0" ALL DIMENSION ARE APPROXIMATE.

111 STEUBEN STREET, BROOKLYN, NY 11205



2ND FLOOR PLAN

IN BEDROOM

1412

15-5

11-5

WTC

W/D

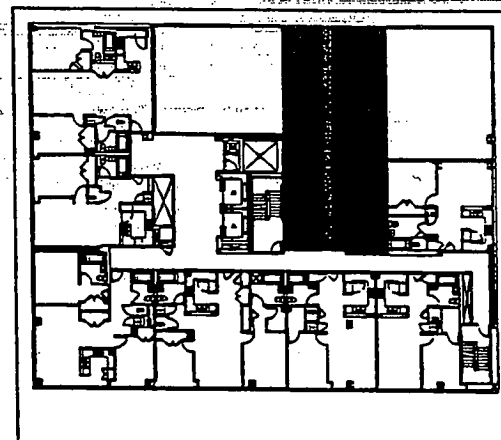
KITCHEN

ENTRY

3

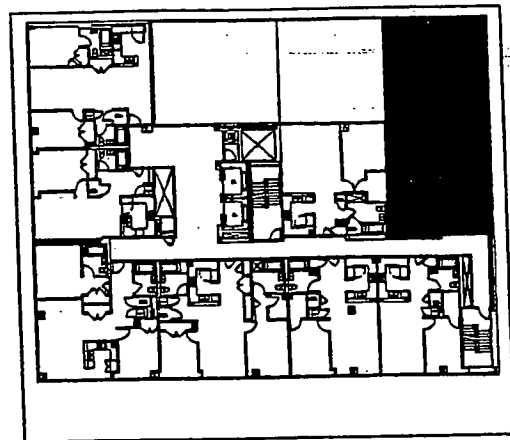
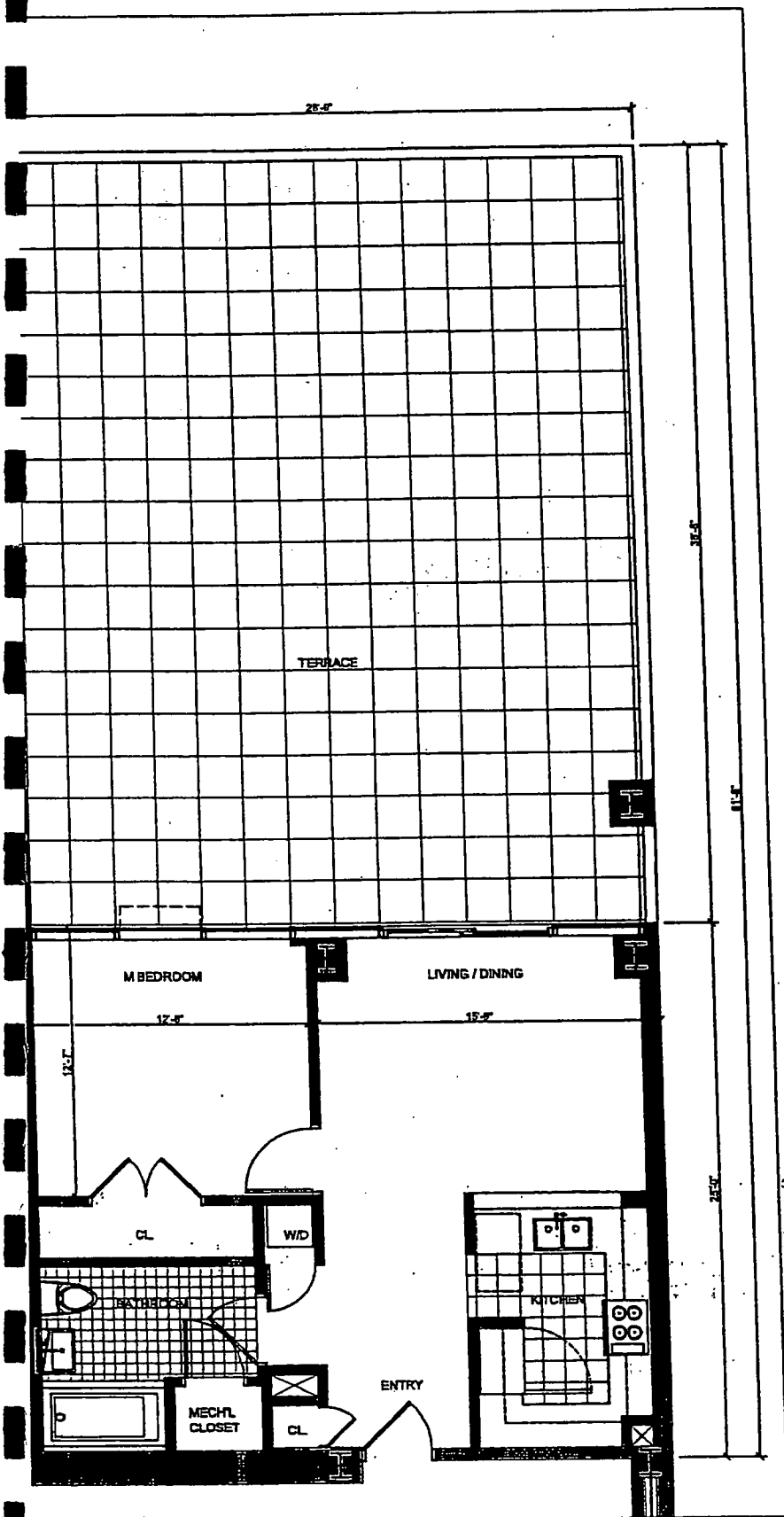
MECH.
CLOSET

1876



2ND FLOOR PLAN

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2ND FLOOR PLAN

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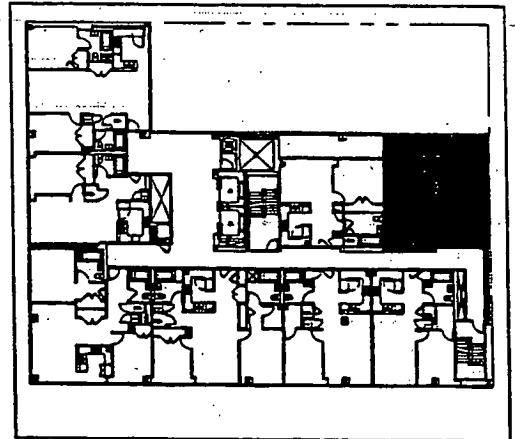
UNIT TYPE A.4 @ 2ND FL

1 BED RM / 1 BATH RM 684 SQ FT TERRACE 1,020 SQ FT

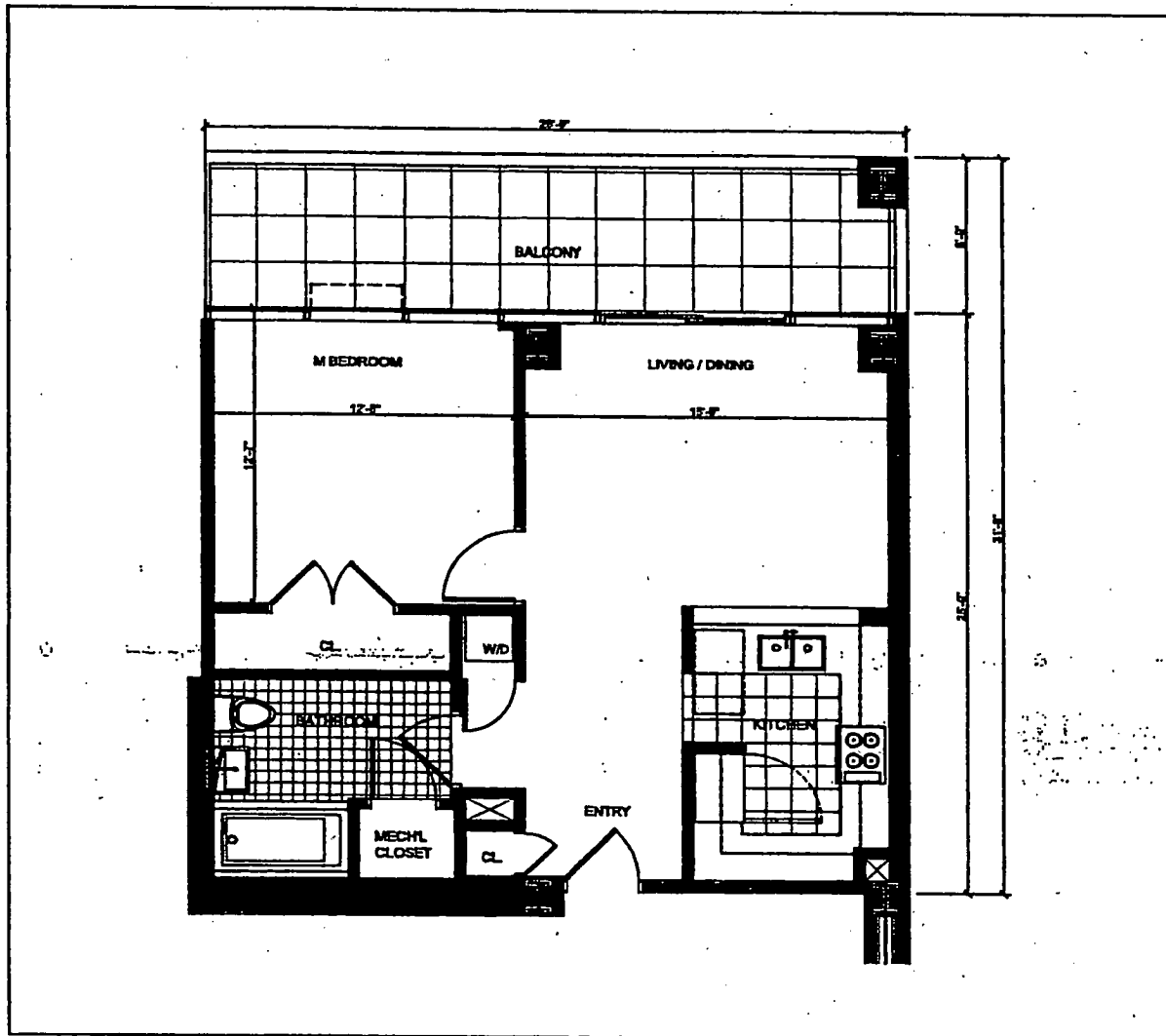
SCALE 1/8" = 1'-0" ALL DIMENSION ARE APPROXIMATE.

111 STEUBEN STREET, BROOKLYN, NY 11205

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3RD - 4TH FLOOR PLAN



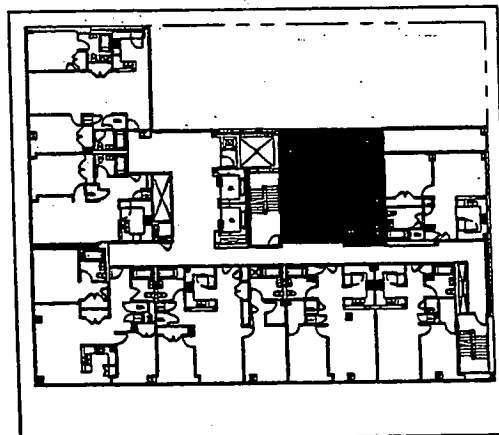
UNIT TYPE A.4 @ 3RD-4TH FL

1 BED RM / 1 BATH RM 684 SQ FT BALCONY 170 SQ FT

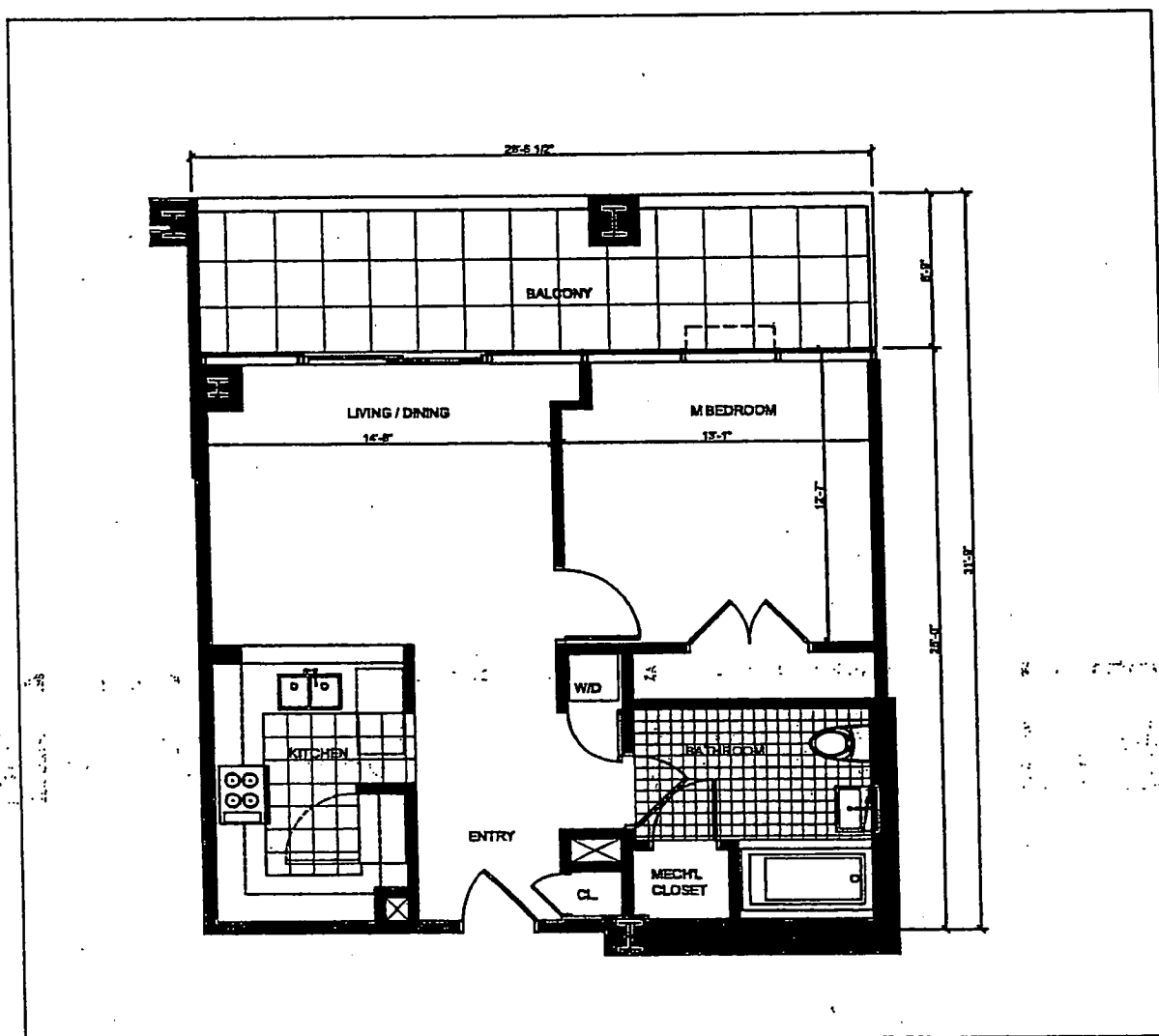
SCALE 1/8" = 1'-0" ALL DIMENSION ARE APPROXIMATE.

111 STEUBEN STREET, BROOKLYN, NY 11205

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3RD - 4TH FLOOR PLAN



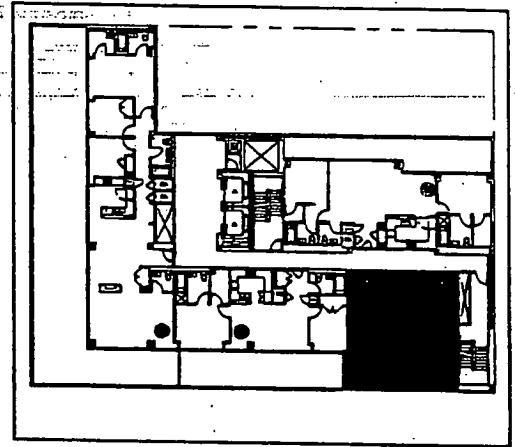
NIT TYPE A.4.2 @ 3RD-4TH FL

1 BED RM / 1 BATH RM 684 SQ FT BALCONY 170 SQ FT

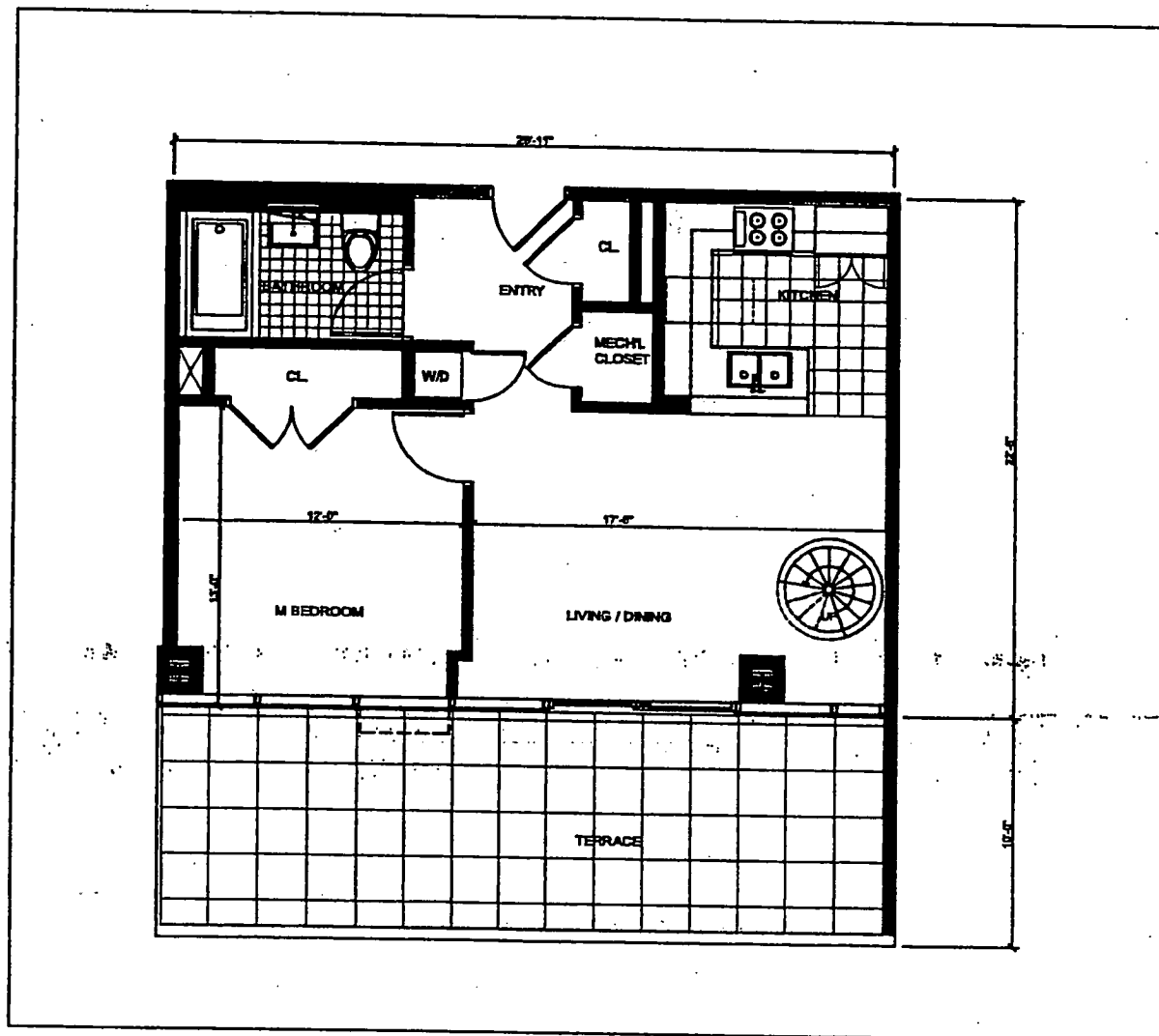
SCALE 1/8" = 1'-0" ALL DIMENSION ARE APPROXIMATE.

111 STEUBEN STREET, BROOKLYN, NY 11205

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6TH FLOOR PLAN



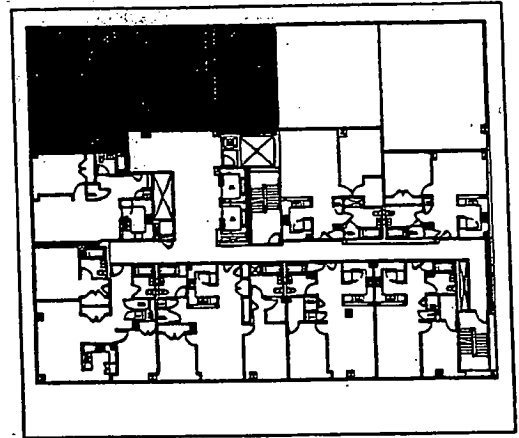
NITS TYPE A.5 @ 6TH FL

1 BED RM / 1 BATH RM 716 SQ FT LOWER TERRACE 295 SQ FT
ROOF TERRACE 560 SQ FT

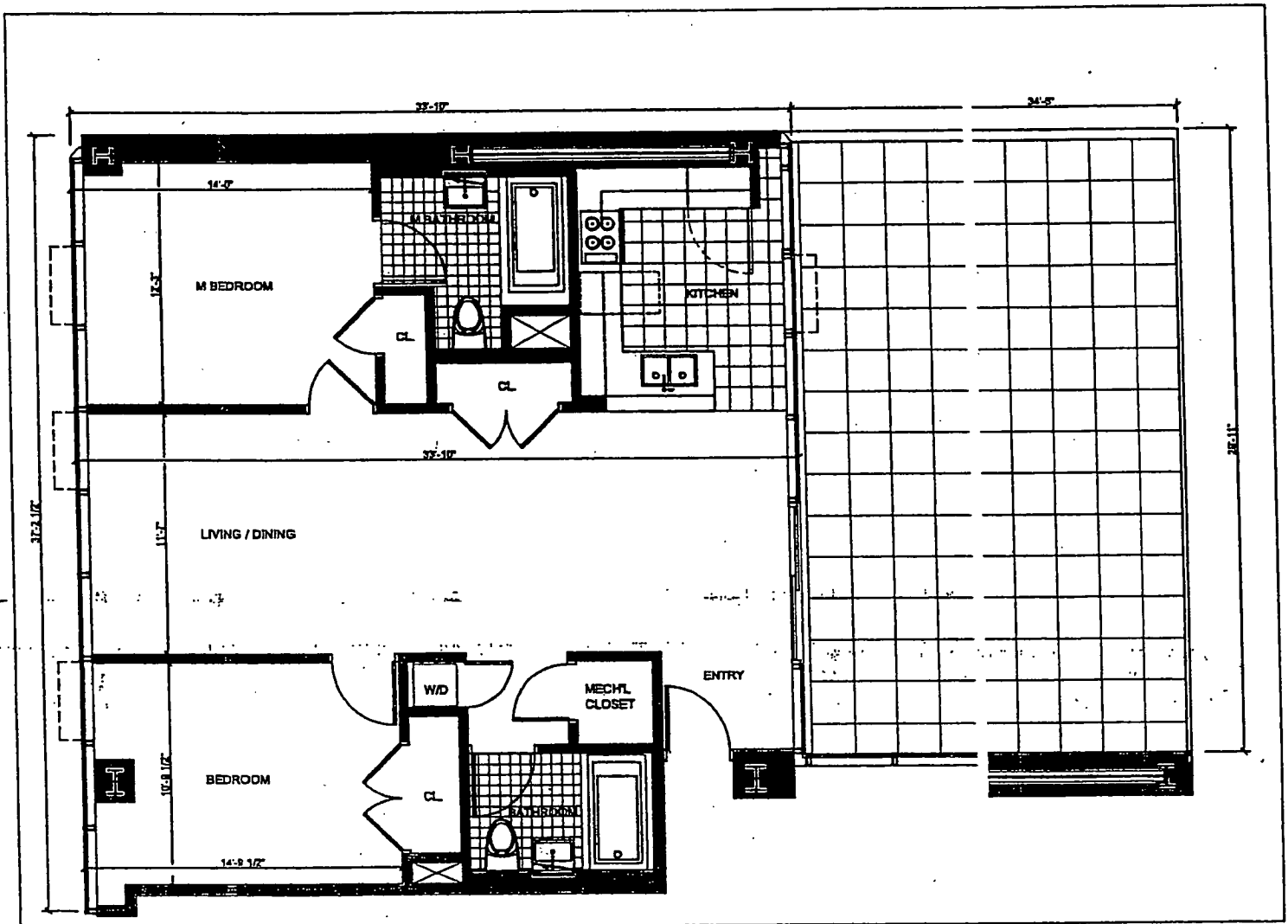
SCALE 1/8" = 1'-0" ALL DIMENSION ARE APPROXIMATE.

111 STEUBEN STREET, BROOKLYN, NY 11205

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2ND FLOOR PLAN



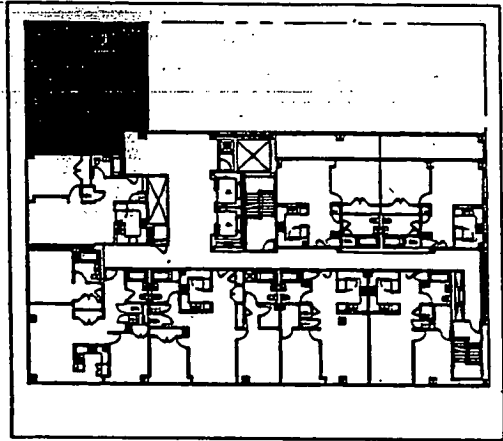
UNIT TYPE B.1 @ 2ND FL

2 BED RM / 2 BATH RM 1,187 SQ FT TERRACE 1,010 SQ FT

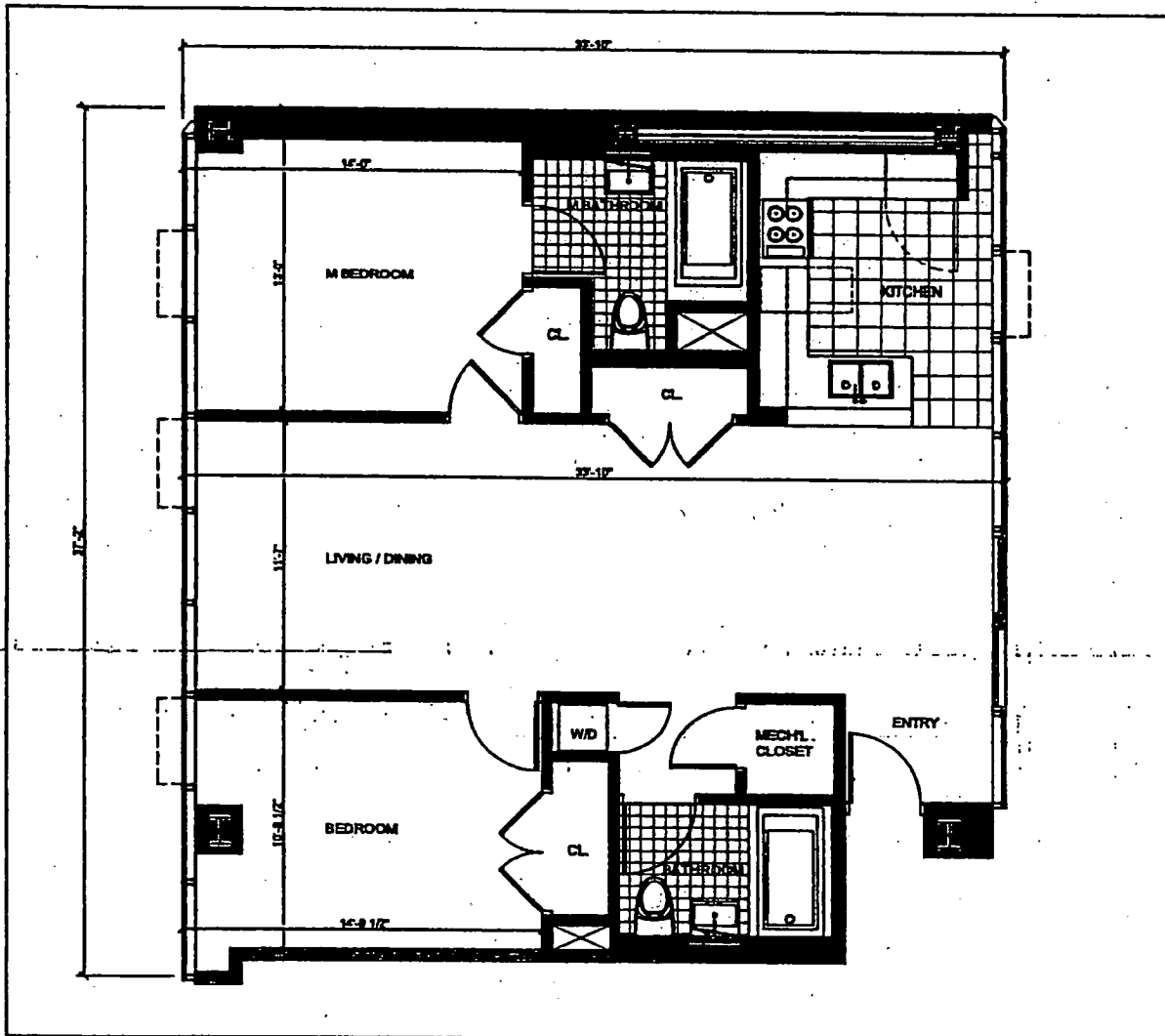
SCALE 1/8" = 1'-0" ALL DIMENSION ARE APPROXIMATE.

111 STEUBEN STREET, BROOKLYN, NY 11205

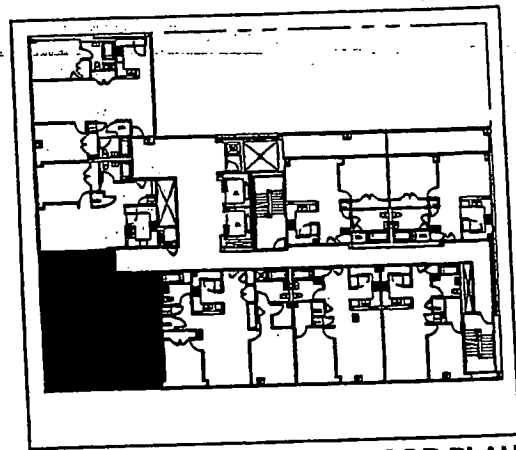
Each Unit consists of the area measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls. Each Unit consists of the area measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling.



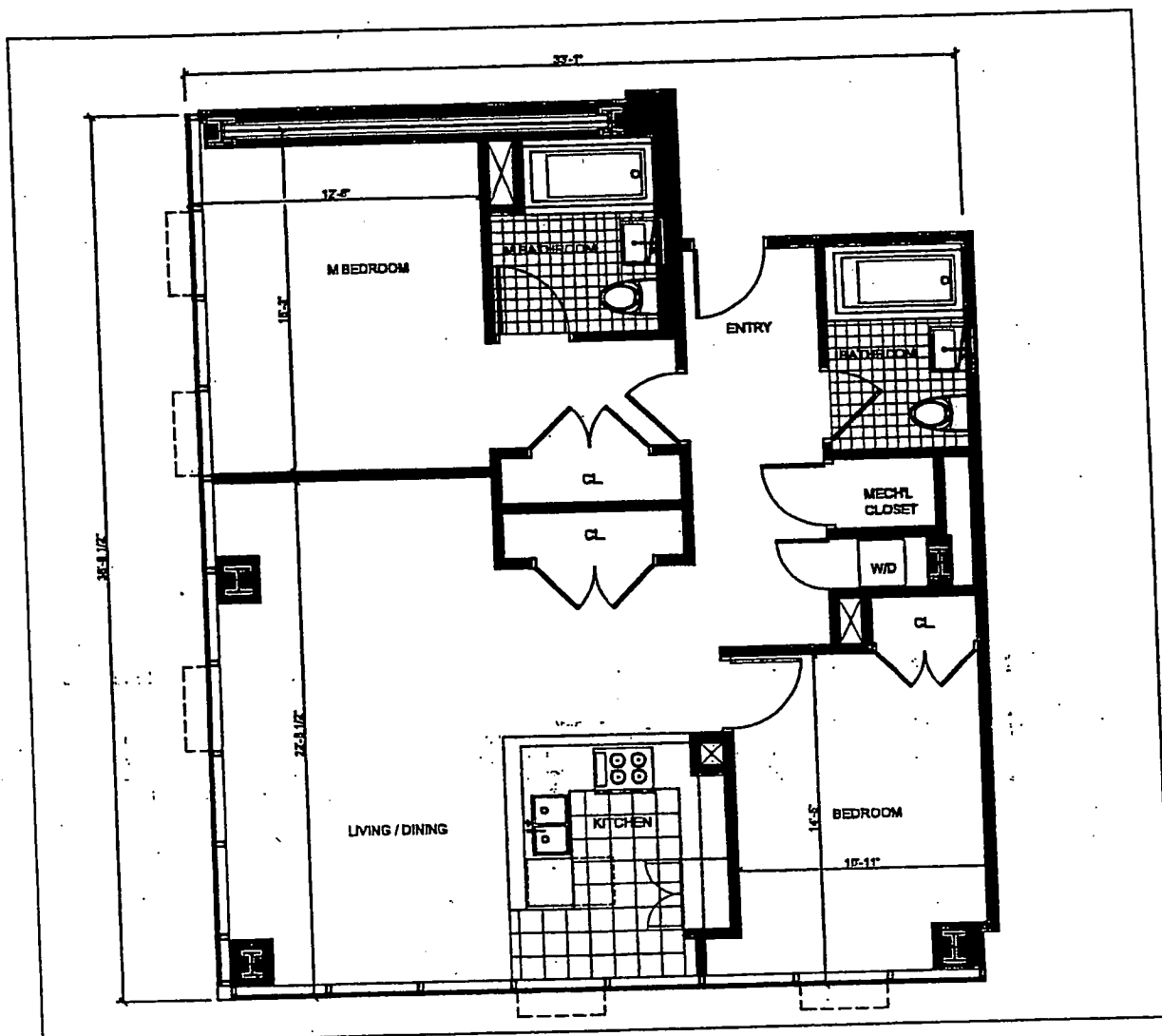
3RD - 4TH FLOOR PLAN



Each Unit consists of the area measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from measurement of each Unit) to the centerline of the partitions separating one Unit from another Unit, or separating one Unit from corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit or to the exterior side of the opposite exterior walls. Each Unit consists of the area measured vertically from the top of the floor (located under the finished flooring and sub-flooring materials) to the underside of the ceiling.



3RD - 4TH FLOOR PLAN



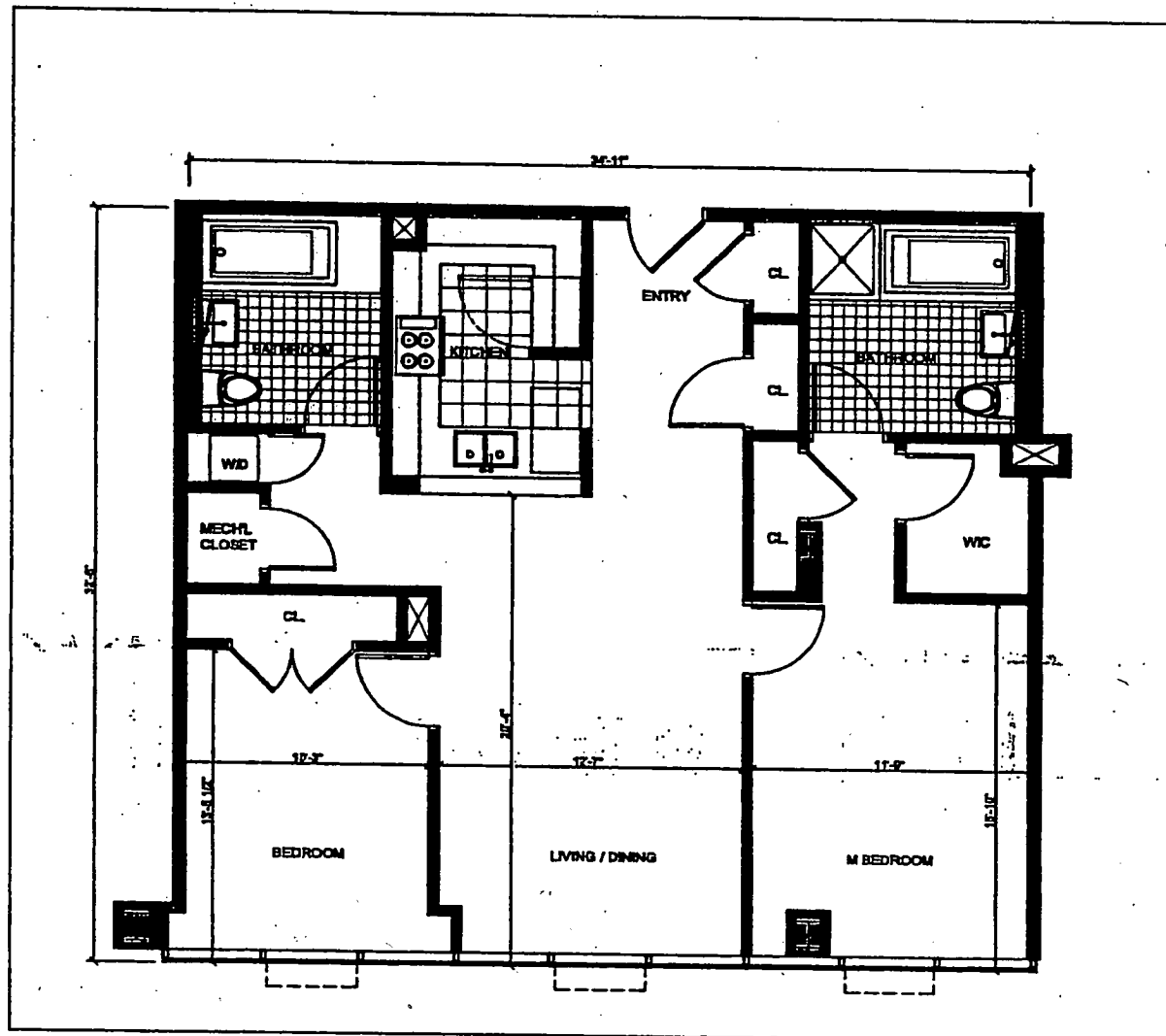
UNIT TYPE B.2 @ 2ND-5TH FL

2 BED RM / 2 BATH RM 1,196 SQ FT

SCALE 1/8" = 1'-0" ALL DIMENSION ARE APPROXIMATE.

111 STEUBEN STREET, BROOKLYN, NY 11205

3RD - 4TH FLOOR PLAN



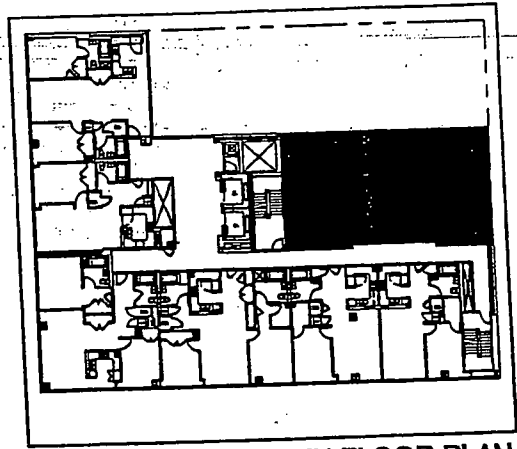
UNIT TYPE B.3 @ 2ND-5TH FL

2 BED RM / 2 BATH RM 1,141 SQ FT

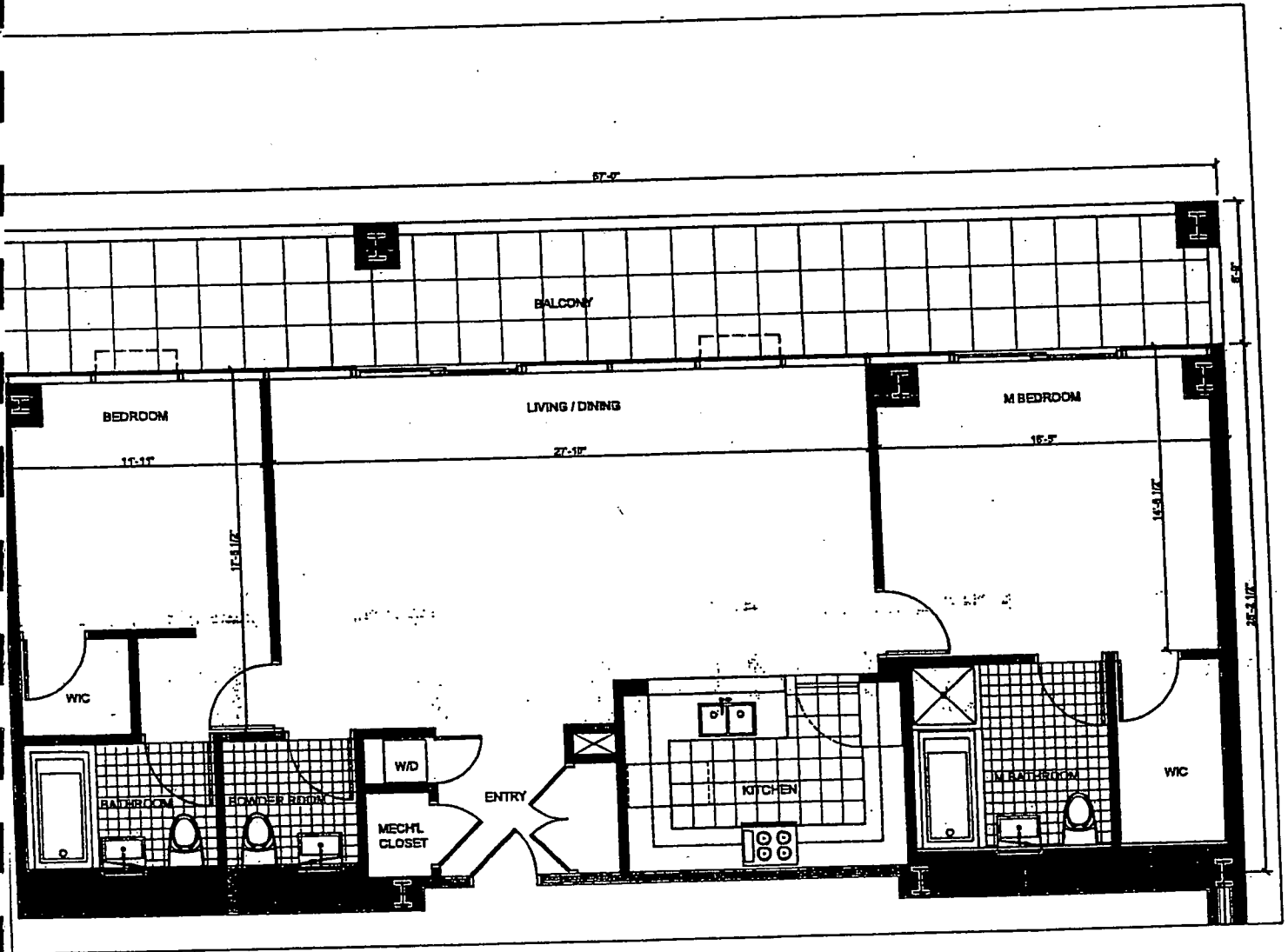
SCALE 1/8" = 1'-0" ALL DIMENSION ARE APPROXIMATE.

111 STEUBEN STREET, BROOKLYN, NY 11205

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5TH FLOOR PLAN



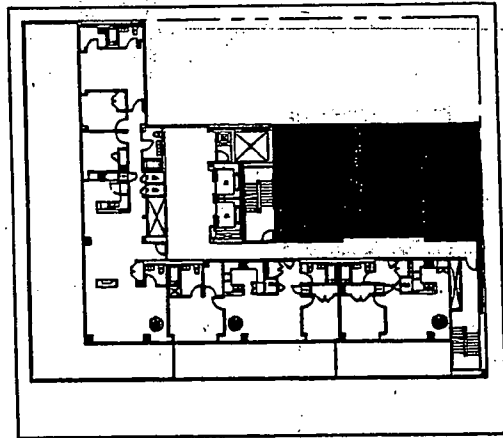
UNIT TYPE B.4 @ 5TH FL

2 BED RM / 2.5 BATH RM 1,380 SQ FT TERRACE 340 SQ FT

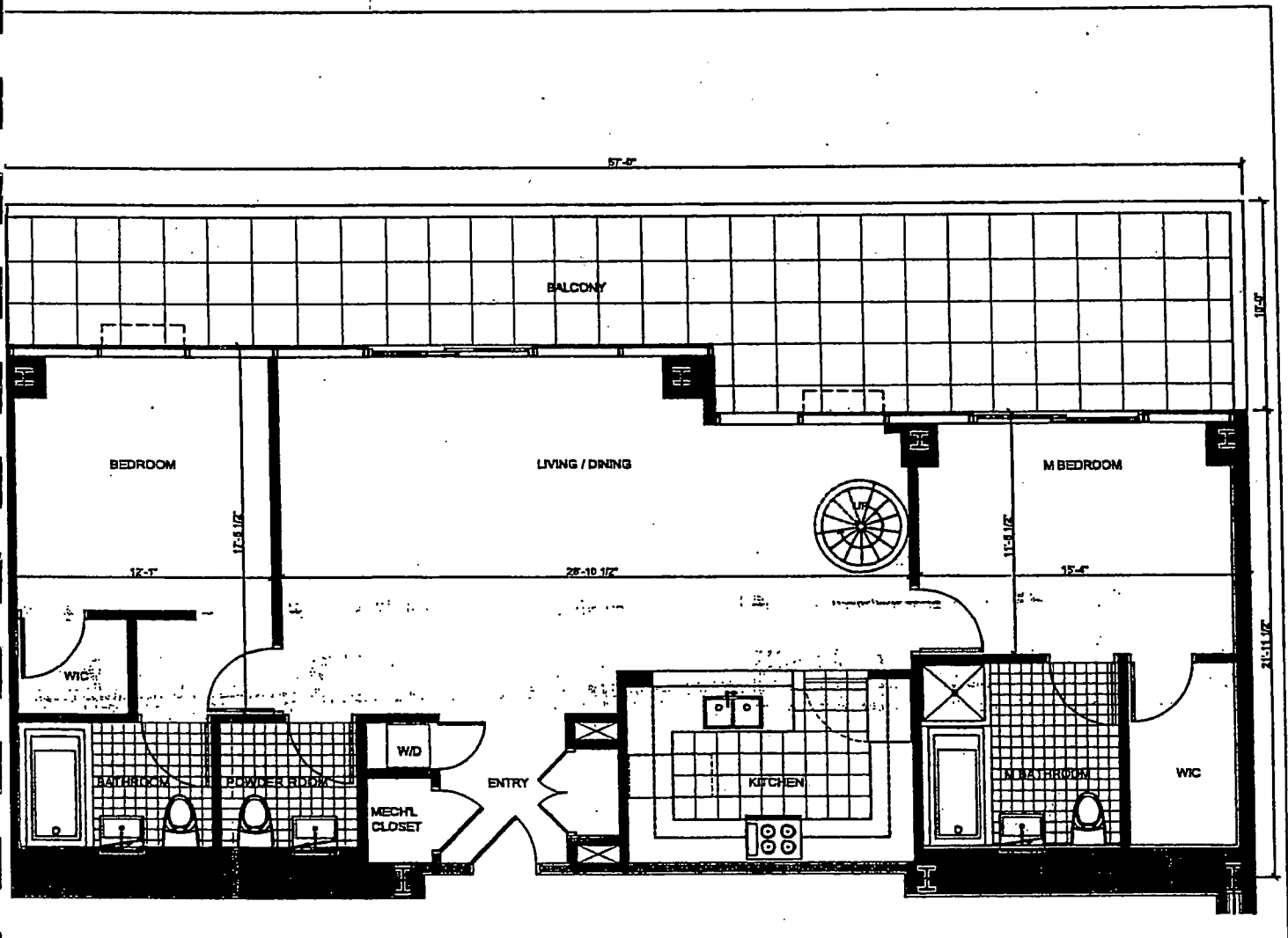
SCALE 1/8" = 1'-0" ALL DIMENSION ARE APPROXIMATE.

111 STEUBEN STREET, BROOKLYN, NY 11205

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6TH FLOOR PLAN



UNIT TYPE B.6 @ 6TH FL

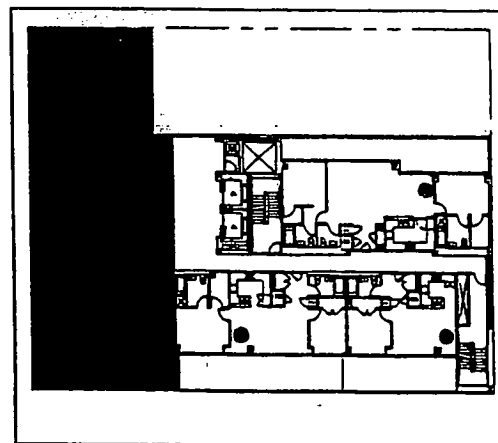
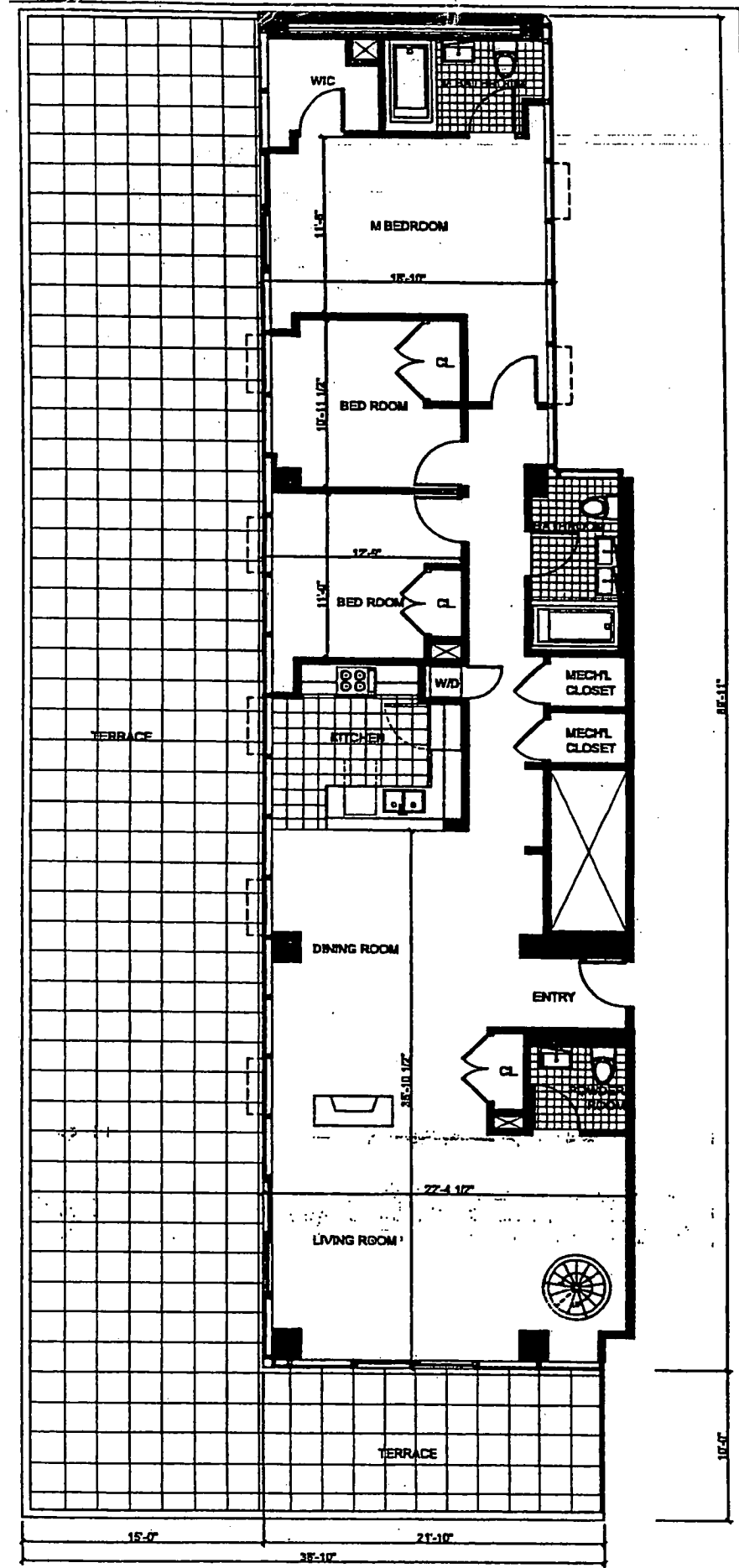
2 BED RM / 2.5 BATH RM 1,318 SQ FT

ROOF TERRACE 710 SQ FT

LOWER TERRACE 424 SQ FT

SCALE 1/8" = 1'-0" ALL DIMENSION ARE APPROXIMATE.

111 STEUBEN STREET, BROOKLYN, NY 11205



6TH FLOOR PLAN

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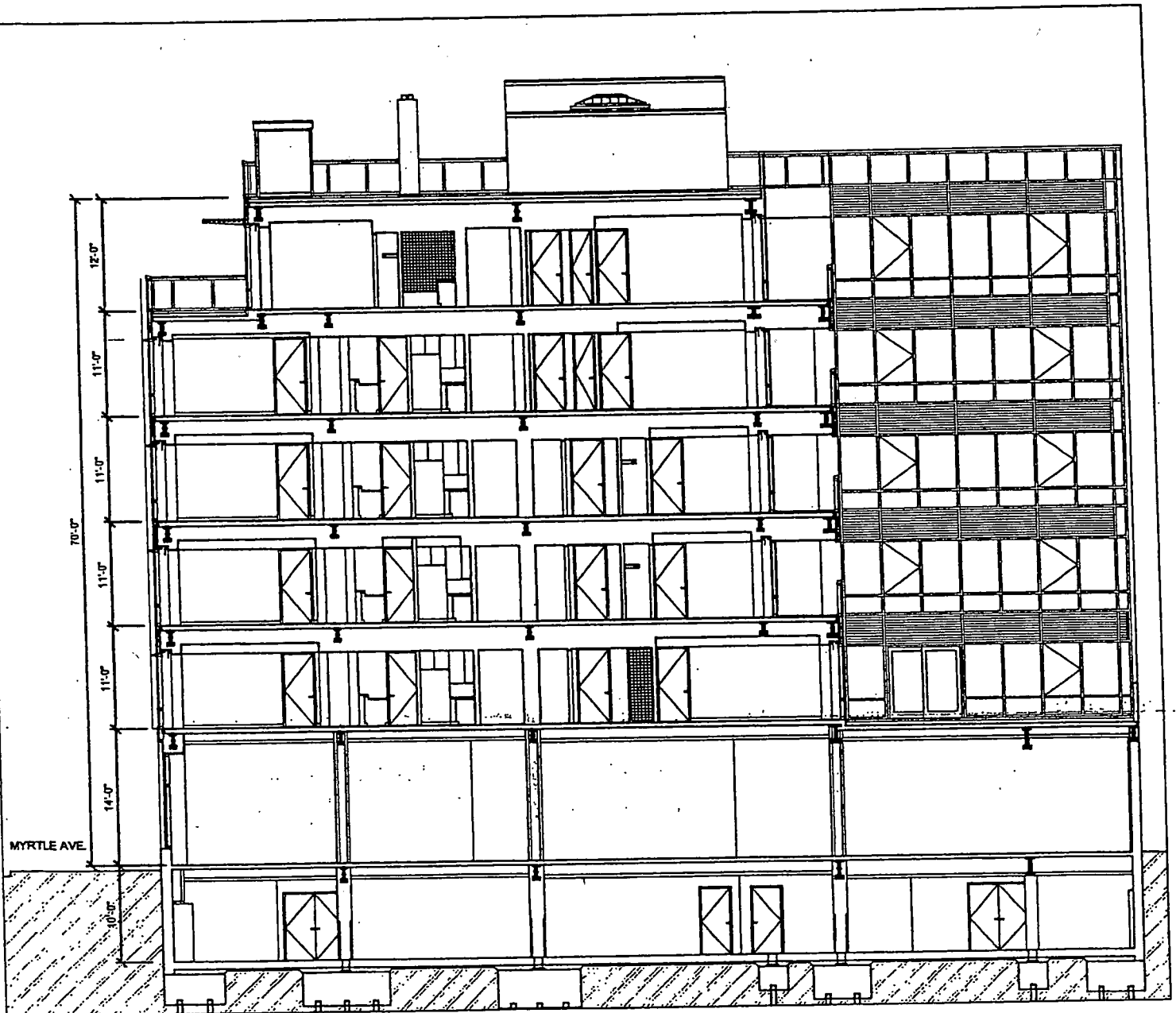
JNIT TYPE C.1

3 BED RM / 3.5 BATH RM 1,877 SQ FT LOWER TERRACE 1,667 SQ FT
ROOF TERRACE 1,360 SQ FT

SCALE 3/32" = 1'-0" ALL DIMENSION ARE APPROXIMATE.

111 STEUBEN STREET, BROOKLYN, NY 11205

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BUILDING SECTION

SCALE 1/16" = 1'-0" ALL DIMENSION ARE APPROXIMATE.

111 STEUBEN STREET, BROOKLYN, NY 11205

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RIDER TO PURCHASE AGREEMENT DATED 200 , BY
AND BETWEEN , as Seller and
, as Purchaser(s).

LIMITED WARRANTY

NAME OF PURCHASER(S): _____

ADDRESS OF PURCHASER(S): _____

DESIGNATION OF HOME
WARRANTED: _____

NAME OF SELLER: _____

ADDRESS OF SELLER: _____

EFFECTIVE DATE OF THIS LIMITED WARRANTY: The date that purchaser or its family shall first occupy the home warranted or the date of delivery of the deed to such home to purchaser, whichever occurs first.

SELLER'S LIMIT OF TOTAL LIABILITY: Seventy-five percent (75%) of the purchase price of the home set forth in the Purchase Agreement to which this warranty is annexed as a rider.

THIS LIMITED WARRANTY EXCLUDES AND PRECLUDES ALL
CONSEQUENTIAL, INCIDENTAL, SPECIAL AND DIRECT DAMAGES.

THIS LIMITED WARRANTY IS IN LIEU OF AND REPLACES ALL OTHER
WARRANTIES ON THE CONSTRUCTION AND SALE OF THE HOME AND ITS
COMPONENTS, BOTH EXPRESS AND IMPLIED (INCLUDING ANY WARRANTIES OF
MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE). THE PURPOSE
OF THIS LIMITED WARRANTY IS TO INDEMNIFY THE SELLER'S
RESPONSIBILITIES FOR CONSTRUCTION DEFECTS OF A PATENT OR HIDDEN

NATURE THAT COULD NOT HAVE FOUND OR DISCLOSED ON FINAL INSPECTION OF THE HOME.

1. To Whom Given. This limited warranty is given to the Purchaser named on page 1 while the Purchaser owns the Home. IT DOES NOT EXTEND TO THE SUBSEQUENT OWNERS, TENANTS OR MORTGAGEES IN POSSESSION OF THE HOME, ANY ONE WHO MAY SUCCEED TO THE RIGHTS OF PURCHASER (EXCEPT BY INHERITANCE) OR ANY OTHER PERSON.

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

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

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

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

FIRST YEAR BASIC COVERAGE: For one year from the Effective Date of this warranty, the Home will be free from patent defects that constitute:

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

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

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

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

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

TWO YEAR MAJOR SYSTEM COVERAGE: For two years from the Effective Date of this Warranty, the plumbing, electricity, heating, cooling and ventilation systems of the Home which have been installed by the Seller are warranted to be free from latent defects resulting from defective installation by Seller.

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

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

The heating, cooling and ventilation system refers to all duct work, steam, water and refrigerant lines, registers, connectors, radiation elements and dampers.

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

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

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

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

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

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

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

Damage to the following non-load bearing portions of the

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

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

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

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

5. Exclusion from all coverages. The following are not covered by this warranty:

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

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

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

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

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

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

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

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

(i) damage caused by change, alterations or additions made to the Home by any one other than the Seller or its employees, agents or subcontractors after the Effective Date of this warranty;

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

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

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

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

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

(o) normal wear or tear and normal deterioration;

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

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

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

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

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

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

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

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

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

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

7. Step by Step Claims Procedures. (a) Written notice of any warranty claim must be made by the attached "Notice of Warranty Claim Form" and must be received by the Seller no later than the tenth (10th) day after the expiration of the applicable warranty period. Such notice must be sent by Purchaser to the Seller by certified of express mail, return receipt requested. If this form shall not properly be completed and received by the Seller by the deadline, the Seller will have no duty to respond to any complaint or demand contained in such form, and any or all claims may be

rejected. COMPLETION AND DELIVERY OF SUCH NOTICE OF WARRANTY CLAIM IN A TIMELY MANNER IS NECESSARY TO PROTECT THE RIGHTS OF THE PURCHASER UNDER THIS LIMITED WARRANTY.

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

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

(d) The Seller will complete inspection and testing within a reasonable time under the circumstances and after receipt of a timely and properly completed Notice of Warranty Claim. Upon completion of inspection and testing, the Seller will determine whether to accept or reject the claim. If the Seller rejects the claim, the Seller will give written notice of that decision to the Purchaser at the address shown on the Notice of Claim Form. If the Seller accepts the claim, the Seller will take corrective action within a reasonable time under the circumstances. The Seller will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects necessary are subjects to weather conditions, availability of materials, and other events beyond the Seller's control.

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

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

9. Miscellaneous Provisions. (a) To the extent any coverage under this warranty applies to common elements of a

condominium, such coverage shall be deemed given to the Board of Managers of the Condominium.

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

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

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

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

Dear Purchaser

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

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

Your Name: _____

Mailing Address: _____

Telephone: _____

Limited Warranty #: _____

Effective Date of
the Warranty: _____

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

Signature

Date

Signature

Date

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

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DECLARATION

**Establishing a Plan for Condominium Ownership
of the Premises located at
111 Steuben Street
Brooklyn, New York
Pursuant to Article 9-B of the Real Property
Law or the State of New York**

Name

**The Absolute Condominium
located at
111 Steuben Street
Brooklyn, New York**

Sponsor/Declarant

**941 Washington Associates LLC
636 Eastern Parkway
Brooklyn, NY 11213**

Date of Declaration

, 200

**The land affected by the within instrument
lies in Block 1894, Lot No. 58
know known as Lot. Nos.
on the Tax Map of the Borough of
Brooklyn, City of New York**

**David S. Frankel, P.C.
Attorney for Sponsor
870 Franklin Avenue
Valley Stream, New York 11580
(516) 596-9800**

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DECLARATION
OF
CONDOMINIUM

941 Washington Associates LLC, a corporation organized and existing under the laws of the State of New York, having an office at 636 Eastern Parkway, Brooklyn, New York 11213, does hereby declare as follows:

ARTICLE 1

SUBMISSION OF THE PROPERTY

1.1 Sponsor hereby submits the Land and Building (as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act") and pursuant thereto does hereby establish a condominium to be known as The Absolute Condominium located at 111 Steuben Street, Brooklyn, New York (the "Condominium").

1.2 Attached to this Declaration 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 amended from time to time, are hereinafter referred to as the "By-Laws"). All capitalized terms which are not separately defined herein shall have the meanings given to those terms in the By-Laws.

ARTICLE 2

THE LAND

Included in the Property described in Article 1 are all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the City and State of New York, County of Kings, and more particularly described in Schedule A annexed hereto and made a part hereof. The Land is owned by Sponsor in fee simple absolute.

ARTICLE 3

THE PROPERTY

Included in the Property described in Article 1 is one Building which consists of five stories buildings plus cellar. The Building will consist of two (2) Commercial Units, thirty one (31) Parking Units and thirty five (35) Residential Units (collectively, the "Units" and individually, a "Unit"). The owner of a Unit is herein referred to as a "Unit Owner", and the owners of all Units are herein collectively referred to as the "Unit Owners". The Building has the street address 111 Steuben Street, Brooklyn, New York.

ARTICLE 4

THE BUILDING

The Buildings comprises 68 Units. The building is expected to be completed in 2007.

ARTICLE 5

THE UNITS

Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: Unit designation; tax lot number; approximate square foot area; number of bedrooms; the portions of the Common Elements (as hereinafter defined) to which the Unit has the right to exclusive use; and the percentage interest in the common Elements appurtenant to such Unit.

ARTICLE 6

DIMENSIONS OF UNITS

6.1 Each Residential Unit consists of the area measured horizontally from the Unit side of the glass windows or stone and brickwork of each exterior wall of the Building defining the Unit to (a) the Unit side of the glass windows or the brick work of the opposite exterior wall of the Building, or (b) the inner surfaces of the studs and framing of the interior walls of the Building separating the Unit from another unit, or (c) the unfinished inner surfaces of poured concrete walls, or (d) the Unit side of the concealed structural members of the interior walls of the Building separating the Unit from any corridors, stairs, elevators, and/or other mechanical equipment spaces. Each Unit will consist of the volume measured vertically from the upper face of the sub-floor or other flooring material of the Unit to and including the ceiling material of the Unit, except

that any Common Elements located within any Unit shall not be considered as part of that Unit. Certain Units may include special portions, pieces or equipment, such as air conditioning compressors, meter boxes, utility connection structures or storage areas situated in the building or structures that are detached or semi-detached from the building containing the principal occupied portion of the Units. Such special equipment and storage areas are a part of the Unit notwithstanding their non-contiguity with the principal portion.

ARTICLE 7

COMMON ELEMENTS

7.1 The Common Elements of the Condominium consist of the entire Property, including all parts of the Building and improvements thereon, other than the Units.

7.2 The Common Elements include, without limitation the following:

(A) The Land on which the Building is physically erected;

(B) Foundation walls;

(C) All exterior walls of the Building, not including the portions thereof on the Unit side of the brickwork of such walls; all columns, girders, beams and slabs; all walls and partitions separating Units from corridors, shafts, stairs (except stairs located exclusively within a Unit), mechanical equipment spaces (other than the portions thereof between the Unit side of such walls and the partitions and the

*Each residential Unit includes, and each Unit Owner shall be responsible for, all plumbing, gas and heating fixtures and equipment such as refrigerators, dishwashers, ranges, radiators and other appliances, as may be affixed, attached or appurtenant to such Unit. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water and other pipes, conduits, wiring or duct-work within the walls, ceiling or floors. Each Unit also includes all lighting and electrical fixtures and appliances within the Unit and serving or benefitting only that Unit. Each Residential Unit also includes the balcony appurtenant to such Unit, which balconies shall not be common elements but instead shall be the responsibility of the Residential Unit Owners.

brick work or gypsum board or plaster work of such walls and partitions); the gypsum board or plaster work of all walls and partitions separating Units; the portion of the plaster or equivalent partition separating Units between the Unit side of the plaster or its equivalent on each side of such partition;

(D) The Rear yard;

(E) The recreation room on the ground floor;

(F) The boiler room and janitors closet(s), if any as shown and delineated on the Floor Plans;

(G) All sewer pipes;

(H) Any utility or meter closet located at the property;

(I) All central and appurtenant installations and facilities for services to the Units, such as power, light, telephone, television, cable, gas, sanitary and storm drainage, hot and cold water, heat, and air conditioning and meters for such installations or facilities (including all pipes, ducts, chutes, wires, vents, shafts, lines, cables and conduits used in connection therewith) whether located in common areas or in Units, and all other mechanical equipment spaces, including, but not limited to, the mechanical equipment rooms, the gas meter area, and the floor slabs and surrounding walls of such rooms;

(J) Any doorsteps and each exterior window and window frame and door and door frame;

(K) All hallways, passages, corridors, landings, lobbies, stairways (including, but not limited to, fire stairways) and entrances to and exists from the Building;

(L) All tanks, pumps, motors, fans, compressors and other such equipment;

(M) Any intercom(s) in the lobby and all other security equipment and facilities located in the entrance to the premises;

(N) The sprinkler, ventilation and exhaust systems, if any;

(O) Mailboxes, name plates, decorations and decorative fixtures affixed to the common areas.

(P) All other parts of the Property and all apparatus, installations, systems,

equipment and facilities** existing in the Building or on the Property (including shafts, pipes, wires, ducts, chimneys, flues, vents, cables, tanks, pumps, meters, conduits and lines) for common use or necessary or convenient to the existence, operation, maintenance or safety of the Property.

ARTICLE 8

USE OF UNITS

8.1 As more particularly set forth in the By-Laws, Residential Units may be used only as residences. A Unit may be owned or leased by an individual, corporation, partnership, fiduciary or any other entity (including, but not limited to, embassies and consulates of foreign governments), and may be occupied by said Unit Owner. A Unit Owner shall be (a) an individual, (b) a designated officer, director, stockholder or employee of a corporation, (c) a designated partner or employee of a partnership, (d) a designated fiduciary or beneficiary of a fiduciary or (e) a designated principal or employee of any other entity. Nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by members of the family of such designated Unit Owner. "Members of his or her family" or words of similar import whenever used herein shall be deemed to mean the parents, spouse and children of the Unit Owner, as well as a second adult, and the children of the second adult.

8.2 The use of the Unit shall be consistent with the terms of Section 12-10 of the Zoning Resolution of The City of New York, effective on the date of the recording of this Declaration, which provision permits a person who resides in a Unit to use up to twenty-five (25%) percent of the floor area of his or her Unit (but in no event to exceed 500 square feet) for certain home occupations. Units may only be leased in accordance with the By-Laws and the Rules and Regulations. No portion of a Unit, other than the entire Unit, may be leased and no transient tenants may be accommodated therein.

8.3 Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Sponsor may, without the permission of the Condominium Board, use any Unsold Units (as hereinafter defined) as models and sales and/or promotional offices in connection with the sale or rental of the Units or for any other purpose, subject only to compliance with applicable governmental laws and regulations.

ARTICLE 9

CHANGES IN THE CONDOMINIUM

**Defined in Article 14 herein.

Except to the extent prohibited by law, Sponsor or its designee shall have the right, without the vote or consent of the Board, any other Unit Owners or the Mortgage Representatives (as defined in the By-Laws of the Condominium), if any, to (a) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon Unit owned by Sponsor, its designee or a principal of the Sponsor, ("Unsold Units"); (b) change the layout of, or number of rooms in, any Unsold Units from time to time; (c) change the size and/or number of unsold Units by subdividing one or more Unsold Units into two or more separate Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between any Unsold Units, or otherwise; and (d) if appropriate, reapportion among the Unsold Units affected by such change in size or number pursuant to the preceding clause (c) their percentage interest in the Common Elements; provided, however, that the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the owners of such Units shall consent thereto and, provided further, that Sponsor or its designee shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board and all other Unit Owners harmless from any liability arising therefrom. The provisions of this Article 9 may not be added to, amended, modified or deleted without the prior written consent of Sponsor or its designee.***

Except as otherwise provided, if any change is made pursuant to clauses (b), (c) or (d) above, or any material change is made in the amount or quality of the Common Elements, in each such event, (i) this Declaration and the Floor Plans shall be amended, (ii) such amendments shall be duly recorded in the City Register's Office and (iii) all Unit Owners affected by any such changes shall have consented to such amendments. Notwithstanding the above sentence, if the size of any Unit or units is changed, with a resulting aggregate change of less than .001% of the Common Interest appurtenant thereto since the recording of this Declaration or any amendment hereto, this Declaration and the Floor Plans need not be amended.

In connection with the foregoing, Sponsor or Sponsor-designee(s) shall cause the Declaration to be amended, if necessary. Sponsor or Sponsor-designee(s) shall have the right, pursuant to the Power of Attorney, to amend and record the Declaration as required to reflect the foregoing without any further consent of the Board, Unit Owners or Permitted Mortgagees. Sponsor and Sponsor-designee(s) shall each have the right, upon written request, to require any Unit Owner or the Board to execute, file and/or record any amendment to the Declaration or any application, document or instrument required to effectuate the above provisions of Article 9, or any application, document or instrument required by any governmental or quasi-governmental agency having or asserting jurisdiction in connection with the foregoing, or any application, document or instrument

***Wherever the consent, approval or satisfaction of Sponsor or its designee is required under this declaration or the by-Laws, such consent, approval or satisfaction shall be required only so long as there is at least one Unsold Unit.

necessary in connection with any change, addition, alteration, improvement, repair or subdivision of any Units owned by the parties or any application, document or instrument in connection with the use or operation of any Unit owned by said parties, at which time, the requesting party shall indemnify and hold the Board and the other Unit Owners harmless from any expense or liability by virtue of the execution of the application, documents or instruments. As an alternative, Sponsor and Sponsor-designee(s) have the right to execute, file and/or record any such application, documents or instruments on behalf of the Board, pursuant to the Unit Powers of Attorney.

With the written permission of the Board (and subject to all applicable laws), which shall not be unreasonably withheld, any other Unit Owner may be given, with respect to such Unit Owner's Unit, the same rights as are set forth in this Article 9 with respect to Unsold Units.

[ARTICLE 10 DELETED]

ARTICLE 11

PERSON TO RECEIVE SERVICE

The President of the Board of the Condominium is hereby designated to receive service of process in any action which may be brought against the Condominium.

ARTICLE 12

DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

The respective percentage interests of each Unit in the Common Elements has been allocated in the approximate proportion that the floor area of the Unit at the date of the Declaration bears to the then aggregate floor area of all the units.

ARTICLE 13

ENCROACHMENTS

If (a) any portion of the Common Elements encroaches upon any Unit or upon any other Common Element, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any encroachment shall hereafter occur, as a result of (i) settling or shifting of the Buildings, (ii) alteration or repair to the Common Elements made by or with the consent (when required by the By-Laws) of the Board or made by Sponsor or its designee in accordance with this Declaration or the By-Laws or (iii) any repair or restoration of the Building (or

any portion thereof) or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

ARTICLE 14

FACILITIES AND ALL OTHER COMMON ELEMENTS

As used in the Declaration, the word "facility" or "facilities" includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for the purpose of illustrating the broad scope of that term: system, equipment, apparatus, convertor, radiator, heater, converter, heat exchanger, mechanism, device, machinery, induction unit, fan coil unit, motor, pump, control, tank or tank assembly, installation, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing breaker, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding piping, line, duct, conduit, cable, riser, main, shaft, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, incinerator, canopy, closet, cabinet, door, railing, coping, step, furniture, mirror, furnishing, appurtenance, urn, basket, mail box, carpeting, tile or other floor covering, window or wall covering, tree shrubbery, flower or other planting and horticulture or planting tub or box.

Each Unit Owner shall have an easement in common with all other Unit Owners to use, maintain, repair, install, alter and replace all facilities and other Common Elements located in any of the other Units or elsewhere in the Property which serve his Unit. Each Unit shall be subject to an easement in favor of and rights of access of all Unit Owners to use, maintain, repair, alter and replace the facilities and all other Common Elements located in such Unit or elsewhere in the Property which serve other Units. The Sponsor and the Board shall have a right of access to each Unit and to all Common Elements to inspect the same, to remove violations therefrom to correct any condition which violates the provisions of any Permitted Mortgage, and to maintain, repair, or replace the Common Elements contained therein or elsewhere in the Property, provided such right of access shall be exercised in such a manner as will not interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that on notice will be necessary in the case of an "emergency" (a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building).

ARTICLE 15

EASEMENTS

15.1 Each Unit Owner shall have an easement, in common with all other Unit Owners, for the exclusive use of the Common Elements.

15.2 Each Unit Owner shall have, in common with all other Unit Owners, and each Unit shall be subject to, an easement to install operate, maintain, repair, alter, rebuild, restore and replace the Common Elements located in, over, under through or upon a Unit, or any other Common Elements or elsewhere on the Property, provided that access to any Unit or the Common Elements in furtherance of such easements shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. 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.

15.3 Each Unit shall have an easement of support and necessity and shall be subject to an easement of support and necessity in favor of all other Units and Common Elements.

15.4 Sponsor or its designee and their respective successors and assigns shall, to the extent permitted by law, have an easement to erect, maintain, repair and replace, from time to time one or more signs on the Property for the purpose of advertising the sale or lease of any Unsold Unit and shall have any and all easements and rights of access in, on, over, under through and across the Property, all Units and Common Elements consistent with the purposes of the Plan.

15.5 Sponsor or its designee and the Board shall have the right to establish, grant and create such additional electric, gas, or other utility easements or relocate any existing utility easements in any portion of the Property as Sponsor, its designee or the Board, as the case may be, shall deem necessary or desirable for the proper operation or maintenance of the Building or any portion thereof, or the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for their permitted purposes. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of the Units for their permitted purposes.

15.6 The Condominium and all the Unit Owners shall have, and each Unit Owner shall be subject to, an easement of access to any and all utility meters which may be located in a Unit but which serve one or more other Units.

[ARTICLE 16 DELETED]

ARTICLE 17

POWER OF ATTORNEY OF THE BOARD

17.1 Each Unit Owner shall grant to the persons who shall from time to time constitute the Board, an irrevocable power of attorney, coupled with an interest, (in such form and content as the Board shall determine): (1) (a) to acquire or lease on behalf of all of the Unit Owners any Unit, together with the interests appurtenant thereto, from any Unit Owner desiring to sell, convey, transfer, assign, lease or sublease the same, pursuant to Section 8.1 of the By-Laws or otherwise, (b) to acquire on behalf of all Unit Owners any Unit, together with the interests appurtenant thereto, from any Unit Owner who elects to surrender the same pursuant to subsection 6.4-2 of the By-Laws, and (c) to acquire on behalf of the Unit Owners any Unit, together with the interests appurtenant thereto, which becomes the subject of a foreclosure or other similar sale, on such terms and (with respect to any transfer under (a) or (c) above) at such price or at such rental, as the case may be, as said attorneys-in-fact shall deem proper, and thereafter on behalf of all of the Unit Owners to convey, sell, lease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine; (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, the City Council, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Property or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Property which the Condominium Board deems necessary and appropriate; and (3) to execute, acknowledge, deliver, file and record any instrument affecting the Units in connection with an application or petition seeking administrative or judicial review of an assessment made in accordance with Real Property Law Section 339-y(1), which the Board of Managers desires to undertake, pursuant to Real Property Law Section 339-y(4), subject to the right of any Unit Owner to revoke such authorization by written notice to the Board of Managers, by personal delivery or by certified mail, provided such notice is received before the Board of Managers has commenced the applicable action and further provided that such revocation shall apply only in the year in question.

17.2 Each Unit Owner shall further nominate, constitute and appoint the Board, and shall nominate, constitute and appoint 636-640 Eastern Parkway LLC ("Sponsor") and any Sponsor-designee as attorney-in-fact, coupled with an interest, with power of substitution, to severally execute, acknowledge, deliver, file and/or record any amendment to the Declaration (1) necessary to file floor Plans required by the New York Real Property Law Section 339-p for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and to file along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p or (2) necessary to create any easements or carry out any of the provisions of the Offering Plan for the Condominium.

17.3 Each Unit Owner shall further nominate, constitute and appoint

Sponsor and any Sponsor-designee as attorney-in-fact, coupled with an interest, with power of substitution, to severally execute, acknowledge, deliver, file and/or record (1) any amendment to the Declaration necessary to effectuate the provisions of Article 9 of the Declaration titled "Changes in Units" or the provisions of Article 6 of the By-Laws, and/or (2) any application, document or instrument required in connection with any (a) change, alteration, addition, improvement, or repair, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to or upon any Unit owned by Sponsor or any Sponsor-designee or any appurtenant Common Elements, (b) change in the interior or exterior layout of or number of rooms in such Unit, (c) change in size, location and/or number of Units due to subdivision of a Unit, combination of separate Units (including those resulting from such subdivision or otherwise) into one or more Units (including adding portions of Common Elements to such Units, (d) reapportionment among such Units affected by such changes of their Common Interests, and (e) governmental or Quasi-governmental agency having or asserting jurisdiction over any of the foregoing, and (3) any application, document or instrument required in connection with the use or operation of any Unit owned by Sponsor or a Sponsor designee.

ARTICLE 18

ACQUISITIONS OF UNITS BY THE BOARD

If (a) any Unit Owner surrenders his or her Unit, together with (i) the undivided interest in the Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Board or its designee, corporate or otherwise, 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 the Common Elements and any other assets of the Condominium (such interests in (i), (ii) and (iii) being herein collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the New York Condominium Act; or (b) the Board acquires or leases a Unit (together with its Appurtenant Interests) or purchases, at a foreclosure or other similar sale, a Unit (together with its Appurtenant Interests) then, in any such event, title to any such Unit (together with its Appurtenant Interests) shall be held by all of the Unit Owners or their designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering any Unit leased or subleased by the Board or its designee shall be held by the Unit Owners or their designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements.

ARTICLE 19

COVENANTS RUNNING WITH THE LAND

19.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations (true copies of the By-Laws and Rules and Regulations being annexed hereto and made a part hereof), including, but not limited to, the provisions of this Article 19 shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and

be construed to be covenants running with the Land and with every part thereof and interest therein, and 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, legal representatives, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future 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 or conveyance or the entering into 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 and interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

19.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provision of, the New York Condominium Act, such provision shall be deemed deleted from the Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the New York Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the New York Condominium Act.

19.3 Subject to the provisions of Section 19.2, if this Declaration and By-Laws are insufficient to submit the Property to the provisions of the New York Condominium Act, the provisions of this Declaration and By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 20

AMENDMENTS TO DECLARATION

20.1 Subject to the provisions contained herein or in the By-Laws, any provision of this Declaration may be amended by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners, cast in person or by Proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved in writing by 66-2/3% in number and in Common Interest of all Unit Owners, provided, however:

20.1-1 No amendment which shall adversely affect the lien of any mortgage may be made without the written consent of the mortgage;

20.1-2 No amendment which shall change the percentage of Common Interest allocated to any Unit or Units (other than Unsold Units) may be made without the written consent of the Owner(s) of such Unit(s);

20.1-3 No amendment will be effective in any respect against Sponsor, any Sponsor-designee or any Unsold Unit without the prior written consent of Sponsor or Sponsor-designee(s) or both, as the case may be; and

20.1-4 The rights, benefits and exemptions of Sponsor or Sponsor-designees shall not be amended without the prior written consent of Sponsor or Sponsor-designees, or both, as the case may be.

20.2 Sponsor hereby reserves to itself and Sponsor-designee(s) the right to amend this Declaration at any time without the requirement of a vote and without the further approval or consent of the Board, any Unit Owners or mortgagees pursuant to the Powers of Attorney and for the purposes set forth in the Power of Attorney, this Declaration or in the By-Laws.

20.3 Sponsor and Sponsor-designees shall each have the right, upon written request, to require any Unit Owner or the Board to execute, file and record any application, document or instrument necessary to amend the Declaration, and the approval of the requisite percentage in number and Common Interest of all Unit Owners shall be deemed granted (if required) in accordance with the procedure for amending the Declaration by virtue of the Power of Attorney.

20.4 No amendment to this Declaration shall be effective until recorded in the Kings County Office of the Register of the City of New York.

ARTICLE 21

TERMINATION OF CONDOMINIUM

The Condominium shall continue until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws or (b) such time as withdrawal of

the Property from the provisions of the New York Condominium Act is authorized by a vote of at least 80% in number and in Common Interest of all Unit Owners. No such vote under clause (b) in the preceding sentence shall be effective without the written consent (which shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any. Sponsor will not vote its Appurtenant Interests to any Unsold Units for such withdrawal unless at least 80% in number and in Common Interest of all Unit Owners so elect for such withdrawal, at which time Sponsor may choose to vote in either in favor of or against withdrawal from Condominium ownership, as it sees fit. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of his share of such net proceeds all liens on his Unit, in order of priority of such liens.

ARTICLE 22

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 23

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 hereof.

ARTICLE 24

CERTAIN REFERENCES

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

24.2 The terms "herein", "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used.

24.3 Unless otherwise stated, all references herein to Articles, Sections or

other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 25

SEVERABILITY

Subject to the provisions of Sections 19.2 and 19.3, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law.

ARTICLE 26

COVENANT OF FURTHER ASSURANCES

26.1 Any party which is subject to the terms of this declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board, 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.

26.2 If any Unit Owner or any other party which is subject to 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 such Unit Owner or party is required to execute, acknowledge and deliver or take pursuant to this Declaration, then the Board is hereby authorized as attorneys-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.

26.3 If any Unit Owner, the Board or any other party which is 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 such Unit Owner, the Board, or such other party is required to execute, acknowledge and deliver or to take pursuant to this Declaration at the request of Sponsor, then Sponsor is hereby authorized as attorney-in-fact for such Unit Owner, Board 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, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

SUCCESSORS AND ASSIGNS

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the day of , 200 .

By: _____

SS.:
COUNTY OF)

Notary Public

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BY-LAWS OF

THE ABSOLUTE CONDOMINIUM

LOCATED AT 111 STEUBEN STREET
BROOKLYN, NEW YORK

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BY-LAWS
OF
THE ABSOLUTE CONDOMINIUM
LOCATED AT 111 STEUBEN STREET
BROOKLYN, NEW YORK

ARTICLE 1

GENERAL

1.1 Purpose. The purpose of these By-Laws is to set the rules and procedures concerning the conduct of the affairs of The Absolute Condominium (the "Condominium"). The Condominium covers property (the "Property") which occupies Lot 58 within Block 1894 on the Tax Map of the County of Kings, City and State of New York, the buildings and other improvements now or hereafter to be constructed thereon (hereinafter collectively referred to as the "Buildings"), including, without limitation, the Units and the Common Elements, all easements, rights and appurtenances belonging thereto, and all other property, real personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the recording of the Declaration (which, as the same may be amended from time to time, is herein referred to as the "Declaration") in the office of the Register of the City of New York, together with these By-Laws. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration.

1.2 Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessee and occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations (as hereinafter defined). The acceptance of a deed or conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute and agreement that the provisions of these By-Laws, the Rules and Regulations and the Declaration are accepted, ratified, and will be complied with.

1.3 Principal Office of Condominium. The principal office of the Condominium shall be located within the Building or at such other place within the Borough of Brooklyn reasonably convenient thereto, as may be designated from time to time by the Board (as hereinafter defined).

ARTICLE 2

BOARD OF DIRECTORS

2.1 Number, Term and Qualification. 2.1-1 As more particularly set forth in 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Board") which shall be comprised of representatives of the Unit Owners, except as set forth in 2.4. From and after the holding of the first annual meeting of Unit Owners as provided in 3.1, the Board shall consist of five (5) persons elected by Unit Owners.

2.1-2 Each member of the Board, except for the first Board as provided in 2.4 and except as otherwise provided herein, shall be elected at the annual meeting of Unit Owners and shall serve until the next annual meeting thereof and until his or her successor has been elected and qualified. There shall be no limit on the number of successive terms a Board member may serve.

2.1-3 Except for Board members elected or designated by Sponsor or its designees, successors or assigns, all members of the Board shall be either Units Owners or officers, directors, shareholders, partners, principals, employees or beneficiaries of corporations, partnerships, fiduciaries or any other entities which own Units, Permitted Mortgagees (as hereinafter defined) or family members of any of the foregoing. Other than Board members elected or designated by Sponsor or its designees, successors or assigns, no Board member shall continue to serve after he or she ceases to be qualified as set forth above. As used herein, the term "Permitted Mortgagee" means the holder of any mortgage ("Permitted Mortgage") of a Unit or Units which is permitted to be placed thereon pursuant to these By-Laws and whose name and address have been registered with the Board pursuant to Section 7.1 hereof.

2.2 Power and Duties. 2.2-1 The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which by law, the Declaration or these By-Laws, may not be delegated to the Board by the Unit Owners or which are reserved by Unit Owners). All determinations with respect to the administration of the affairs of the Condominium shall be made by the Board.

2.2-2 Subject to the provisions of 2.2-1 and without limiting the generality thereof, the Board shall be entitled to make determinations with respect to the following matters and/or take the following actions:

2.2-2.1 Operation, care, upkeep, maintenance, repair and replacement of the Common Elements.

2.2-2.2 Determination of Common Charges (as hereinafter defined).

2.2-2.3 Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.

2.2-2.4 Adoption of, and amendments and additions to, the Rules and Regulations (as hereinafter defined).

2.2-2.5 Maintenance of bank accounts on behalf of the Condominium (with respect to

matters within its jurisdiction as provided in these By-Laws) and designation of the signatories required therefor.

2.2-2.6 Obtaining and reviewing of insurance for the Property, including the Units, pursuant to the provisions of 6.2.

2.2-2.7 Making of repairs, restorations, additions and improvements to, or alterations of, the Common Elements.

2.2-2.8 Levying of fines against Unit Owners for violations of Rules and Regulations or for late payment of monthly Common Charges (any such fines shall constitute Common Charges payable by the Unit Owner against which they are levied).

2.2-2.9 Adjustments and settlement of insurance claims and execution and delivery of releases in connection therewith, as set forth in 6.2.

2.2-2.10 Borrowing of money on behalf of the condominium when required in connection with the operation, care, upkeep, and or maintenance of, or the making of repairs, replacements, restorations, or additions to or alterations of, the Common Elements, provided, however, that (i) the consent of Unit Owners representing at least 66-2/3% of the Common Interest of all Units of the Condominium shall be required for any borrowings in excess of the aggregate amount of \$10,000.00 in any one calendar year (regardless of the balance of any loans outstanding from previous years) and (ii) an 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 owner of such Unit. If any sum borrowed by the Board pursuant to the authority contained in this subparagraph 2.2-2.10 is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit.

2.2-2.11 Collection of Common Charges from Unit Owners.

2.2-2.12 Enforcement of obligations of Unit Owners.

2.2-2.13 Execution, acknowledgement and delivery of (i) any declaration or other instrument affecting the Property which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the department of Buildings, the City Planning Commission, the Board of Standards and Appeals or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Building or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Board deems necessary or appropriate.

2.2-2.14 Preparation, execution and recording, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, of a restatement of the declaration and/or these By-Laws whenever, in the Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the Declaration and/or there By-Laws.

2.2-2.15 Acceptance of the surrender of any Unit in the name of the Board, or its designee, on behalf of all Unit Owners.

2.2-2.16 Purchase, lease or other acquisition in the name of the Board, or its designee, on behalf of all Unit Owners, of Units offered for sale or lease by their owners pursuant to 8.1 or otherwise.

2.2-2.17 Purchase of any Unit at foreclosure or other similar sale, in the name of the Board, or its designee, on behalf of all Unit Owners.

2.2-2.18 Organization of cooperations to act as designees of the Board with respect to such matters as the Board may determine, including, without limitation, in connection with the acquisition of title to any Unit by the Board on behalf of all Unit Owners.

2.2-2.19 Sale, lease or mortgage of or other dealing with (but not voting the interest appurtenant to) any Unit, if acquired by the Board or its designee pursuant to 8.1 or otherwise, on behalf of all Unit Owners.

2.2-2.20 Making of repairs and restorations of the Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2-2.21 Suing, or being sued, complaining, defending, compromising and settling of lawsuits in the name of or on behalf of the Board and/or a Unit Owner or Unit Owners, as the case may be including, without limitation, the enforcement of obligations of Sponsor pursuant to the offering Plan for the Condominium as the same has been from time to time amended ("Offering Plan").

2.2-2.22 Acting as agent for Residential Unit Owners (subject to the right of any Residential Unit Owner to revoke such agency by written notice to the Board of Managers, provided such notice is received before the Board of Managers has commenced the applicable action and further provided that such revocation shall apply only to the year in question) to:

(I) protest, complain or apply to the appropriate taxing authority to correct the tax assessments of the units for any year by filing a single complaint on behalf of all such Unit Owners;

- (ii) commence and prosecute a special proceeding for the review of assessments of real property as an aggrieved person under the Real Property Tax Law;
- (iii) seek administrative and judicial review of the tax assessments for any year;
- (iv) negotiate and settle with the taxing authority the tax assessments and any resulting proceedings and litigation;
- (v) execute and acknowledge in the name of each unit owner for which it is acting as agent, as such unit owner's attorney-in-fact, all applications, certifications, petitions, complaints, settlements and other documents in furtherance of the foregoing;
- (vi) retain legal counsel on behalf of the Unit Owners for which it is acting as agent to represent such Unit Owners in connection with the foregoing.

2.2-3 Any act with respect to a matter determinable by the Board and deemed necessary or desirable by the Board in connection therewith shall be done or performed by the Board or shall be done on its behalf and at its direction by the agents, employees or designees of the Board.

2.2-4 Notwithstanding anything to the contrary contained in there By-Laws, until the earlier to occur of (a) the fifth anniversary of the date of the first closing of title ("First Unit Closing") to a Unit under a Purchase Agreement (as such term is defined in the Offering Plan) or (b) such time as Unsold Units shall represent less than twenty-five (25%) percent in number and also less than twenty-five (25%) percent in Common Interest of all Units, The Board may not, without Sponsor's prior written consent, (i) make any addition, alteration or improvement to the Common Elements (unless required by law); (ii) assess any Common Charges for the creation of, addition to or replacement of, all or part of any reserve; contingency or surplus funds in excess of the balance thereof at the time of the First Closing; (iii) hire any employee in addition to the number of employees provided for in Schedule B - "Projected Budget for First Year of Condominium Operation" set forth in the Offering Plan; (iv) enter into any service or maintenance contract for work not covered in said schedule or otherwise provide services in excess of those contemplated by such schedule of the Offering Plan; or (v) borrow money on behalf of the Condominium.

2.3 Managing Agent and Managers. The Board may, subject to the provisions contained in subsection 2.2-4, with respect to matters about which the Board is entitled to make determinations or take actions pursuant to Section 2.2 hereof, employ a managing agent and/or a manager, to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in subsections 2.2-(2.1); (2.3); (2.6); (2.7); and (2.11) and (2.20). The Board may also delegate to such managing agent or manager other powers granted to it by these By-Laws, except the powers set forth in subsections 2.2-(2.2), (2.4), (2.5), (2.8), (2.9), (2.10), (2.16), (2.17),

(2.19) and (2.21).

2.4 First Board. Until the first annual meeting of the Unit Owners, the Board shall consist of there (3) persons designated, from time to time, by Sponsor. Within ten (10) days after the earlier to occur of (a) the date on which Units held by Sponsor or its designee represent less than fifty (50%) percent in number and less than fifty (50%) percent in Common Interest of all Units or (b) the second anniversary of the date of the First Unit Closing, such first Board shall call the first annual meeting of unit Owners in accordance with the provisions of Section 3.1, and shall be held within 35 days of the calling thereof.

2.5 Removal. Subject to the provisions of 2.4 and 3.9-3, any Board member may be removed, with or without cause, by a vote of Unit Owners present in person or by proxy at a regular or special meeting of Unit Owners at which a quorum is present, and any Board member designated as such by Sponsor may be removed, only for cause, by a vote of Unit Owners present in person or by proxy at a meeting of Unit Owners at which a quorum is present. Any Board member whose removal has been proposed shall be given the opportunity to be heard at the meeting.

2.6 Vacancies. Subject to the provisions of Sections 2.4 and 3.9-3, any vacancy on the Board for whatever reason shall be filled by the members of the Board then in office, at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the Board for the remainder of the term of the member creating such vacancy and until a successor shall be elected at the next annual meeting of Unit Owners.

2.7 Organization Meeting of the Board. The first meeting of the Board following each annual meeting of Unit Owners shall be held within ten (10) days after such annual meeting at such time and place in the City of New York as shall be fixed by a majority of the members thereof, and no notice shall be necessary to the newly elected Board members in order to legally constitute such meeting, provided that a majority of the members of the Board shall be present thereat.

2.8 Regular Meetings of the Board. Regular meetings of the Board may be held at such time and place in the City of New York as shall be determined from time to time by a majority of the members thereof, provided that at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each member thereof, by personal delivery, telephone call to the Board member personally (not a machine or another person), mail or telegram, at least five (5) business days prior to the day selected for such meeting.

2.9 Special Meetings of the Board. Special meetings of the Board may be called by the President or Vice President of the Condominium Board by giving five (5) business days' prior notice to each member of the Board, by personal delivery, mail or telegram, which notice shall state the time, place (in the City of New York) and purpose of the meeting. Special meetings of the Board shall be called by members of the Board of the Condominium in like manner and on like

notice, on the written request of at least two members of the Board.

2.10 Waiver of Notice. Any Board member may at any time waive notice of any Board meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

2.11 Determinations by the Board: Quorum. 2.11-1 Except as otherwise set forth in subsection 2.11-3, all determinations of the Board shall be made at a meeting of the Board at which a quorum thereof is present. At any such Board meeting, a majority of the members thereof shall constitute a quorum and the votes of a majority of such members present shall constitute the decision of the Board.

2.11-2 If at any Board meeting there is less than a quorum present, a majority of those present may adjourn the meeting. 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.

2.11-3 Members of the Board may participate in a meeting thereof by means of a conference telephone or similar communications equipment provided that all persons participating in such meeting can hear each other, and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of the Board may be taken without a meeting if all members of the Board consent thereto in writing.

2.12 Compensation. No member of the Board shall receive any compensation for acting as such.

2.13 Liability of the Board and Unit Owners. To the extent permitted by applicable law, no member of the Board shall have any personal liability with respect to any contract, act or omission of the Board or of any managing agent or manager in connection with the affairs or operation of the Condominium (except in his capacity as a Unit Owner) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by the Board or by any managing agent or manager thereof shall state that it is made by the Board, managing agent or manager only as agent for all Unit Owners, that such Board members, or managing agent or manager shall have no personal liability thereon (except in his capacity as a Unit Owner) and shall also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium shall be limited to (i) such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners and (ii) to the extent permitted by applicable law, such Unit Owner's interest in his Unit and his appurtenant Common Interest. Nothing in the preceding sentence shall limit a Unit Owner's liability for the Payment of Common Charges. Any such contract or agreement may also provide that it

covers the assets, if any, of the Board. Board members shall have no liability to Unit Owners for errors of judgment, negligence or otherwise, except that a Board member shall be liable for his own bad faith or willful misconduct. The Board may contract or effect any other transaction with any Board member, any Unit Owner, Sponsor or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

2.14 Fidelity Bonds. The Board may obtain fidelity bonds, in amounts deemed appropriate by it, for all of its members, officers and employees and of the managing agent or manager, if any, employed by it and the premiums on such bonds shall constitute Common Expenses (as hereinafter defined).

2.15 Committees. The Board may, subject to such limitations and exceptions as the Board may prescribe, appoint an executive committee and such other committees as the Board may deem appropriate, each to consist of three (3) or more members of the Board. Each such committee shall, to the extent provided in the resolution which creates it, have and may exercise all the powers of the Board during the intervals between the meetings of the Board insofar as may be permitted by law.

2.16 Principal Office of the Board. The principal office of the Board shall be located within the Property or at such other place in the City of New York reasonably convenient thereto, as may be designated from time to time by the Board.

2.17 Status of the Board. In addition to the status conferred upon the Board under or pursuant to the provisions of the New York Condominium Act, the Board shall, to the extent permitted by applicable law, be deemed to constitute a separate unincorporated association for all purposes under and pursuant to the provisions of the General Associations law of the State of New York. In the event of the incorporation of the Board pursuant to the provisions of Section 2.18, the provisions of this Section 2.17 shall no longer be applicable.

2.18 Incorporation of the Board. To the extent and in the manner provided in the New York Condominium Act, the Board may, as provided in this Article 2, be incorporated under the applicable statutes of the State of New York. In the event that the Board so incorporates it shall have, to the extent permitted by applicable law, the status conferred upon it under such statutes in addition to the status conferred upon the Board under and pursuant to the provisions of the New York Condominium Act. The certificate of incorporation and By-laws of any such resulting corporation shall conform as closely as practicable to the provisions of the Declaration and these By-Laws and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict between the provisions thereof and the provisions of such certificate and By-laws.

2.19 The Board as Agent of the Unit Owners. In exercising its powers and performing its duties under the declaration and these By-Laws, the Board shall act as, and shall be, the agent of the Unit Owners, subject to and in accordance with the provisions of the Declarations and these By-Laws.

ARTICLE 3

UNIT OWNERS

3.1 Annual Meetings. On a date not later than forty-five (45) days after the earlier to occur of (i) the date on which Units held by Sponsor or its designee represent less than fifty (50%) percent in number and less than fifty (50%) in Common Interest of all Units or (ii) the second anniversary of the date of the First Unit Closing, the first annual meeting of Unit Owners shall be held. At such meeting, the incumbent Board shall resign and a new Board shall be elected (as provided herein) consisting of five (5) members. Thereafter, annual meetings of Unit Owners shall be held on the last Thursday in May each succeeding year unless such day shall be a holiday in which event the meeting shall be held on the next succeeding business day. At such meetings, the Unit Owners shall elect and/or designate, as applicable, the three (3) member Board utilizing the procedures set forth in Section 3.9, and there shall also be transacted such other business as may properly come before such meeting.

3.2 Place of Meetings. Meetings of Unit Owners shall be held at the principal office of the condominium or at such other suitable and convenient place in the City of New York, as may be designated by the Board.

3.3 Special Meetings. The President of the Condominium shall call a special meeting of Unit Owners if so directed by resolution of the Board or upon a petition signed and presented to the Secretary of the Condominium by not less than twenty-five (25%) percent in Common Interest of Unit Owners.

3.4 Notice of Meetings. Notice of each annual or special meeting shall be given by the Secretary of the Condominium to all Unit Owners of record entitled to vote thereat. Each such notice shall state the purposes of the meeting and the time and place where it is to be held and no business shall be transacted thereat except as stated in the notice. All notices hereunder shall be given by personal delivery, mail or telegram, at least five (5) business days prior to the day named for the meeting and shall be given or sent to the Unit Owner entitled to receive same at their address at the Property or at such other address as any Unit Owner had designated by notice in writing to the Secretary at least ten (10) days prior to giving of notice of the applicable meeting.

3.5 Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, a majority of 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 fixed for the original meeting.

3.6 Order of Business. The order of business at all meetings of Unit Owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of members of the Board.
- (f) Reports of committees.
- (g) Election of inspectors of election (when so required).
- (h) Election of members of the Board (when so required).
- (i) Unfinished Business.
- (j) New Business.

3.7 Title to Units. Title to Units may be taken by any individual, corporation, partnership, association, fiduciary or any other entity (including, without limitation, embassies and consulates of foreign governments), or any two (2) or more of such owners as joint tenants, tenants in common or tenants by the entirety, as may be appropriate.

3.8 Voting. 3.8-1 Each Unit Owner or a person designated by such Unit Owner to act as proxy on his or her behalf (an who need not be a Unit Owner), shall be entitled to cast the votes appurtenant to such Unit, expressed as the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements, appertaining to each Unit as determined in accordance with the Declaration ("Common Interests"), at all meetings of Unit Owners. The designation of such proxy shall be made in writing to the Secretary of the Condominium and shall be revocable at any time by written notice to the Secretary by the Unit Owner so designating. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Neither the Board nor its designee shall be entitle to vote the interest appurtenant to any Unit Owned by the Board and the Common Interest of such Unit shall be excluded from the total of interests in the Common Elements when computing the interest of Unit Owners for voting purposes.

3.8-2 Except as set forth in Section 3.9, at all meetings of Unit Owners each Unit Owner (or his or her proxy) entitled to vote thereat (including Sponsor with respect to Units owned by Sponsor or its designees, successors or assigns) shall be entitled to cast one (1) vote for each .001% of Common Interest attributable to his, her or its Unit.

3.9 Election of the Board; Rights of Sponsor. 3.9-1 All elections of Board members by Residential Unit Owners shall be determined by plurality vote, and each such Owner shall be entitled to cast one vote for each .001% of Common Interest attributable to his, her or its Unit.

3.9-2 When voting for members of the Board, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting and the percentage of Common Interests owned by such Unit Owner, and in addition, the name of the proxy if such ballot is cast by a proxy. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

3.9-3 Notwithstanding any other provision of this Section 3.9 or of any other provision of these By-Laws to the contrary, Sponsor and its designees, successors or assigns shall have the right to designate (a) two (2) members of the Board if the Common Interests attributable to Unsold Units (as defined in the Offering Plan) exceed twenty-five (25%) percent of the Common Interests attributable to all Units; (b) one (1) member of the Board if there is at least one (1) Unsold Unit, except that the right of Sponsor and its designees to so designate members of the Board shall in any event terminate on the second anniversary of the First Unit Closing. As long as Sponsor has such right to designate members of the Board, the number of members of the Board may not be increased without the consent of Sponsor. Any vacancy created by removal of a Board member designated by Sponsor, its designees, successors or assigns, or by any other cause which results in a Board member so designated ceasing to be a member of the Board, shall be filled by a person designated by Sponsor, its designees, successors or assigns.

3.10 Majority of Unit Owners. Except as may otherwise be provided by law, as used in these By-Laws, the term "Majority of Unit Owners" means those Unit Owners having more than fifty (50%) percent of the total authorized votes of all Unit Owners (determined in accordance with the provisions of 3.8), who are present in person or by proxy and voting at any meeting at which a quorum is present.

3.11 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners owning more than fifty (50%) percent of the Common Interests attributable to all Units shall constitute a quorum at all meetings of Unit Owners.

3.12 Majority Vote. Except where otherwise provided by law, the Declaration or these By Laws, at all meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

ARTICLE 4

OFFICERS

4.1 Designation. The principal officers of the Condominium shall be a President, Secretary and Treasurer thereof, all of whom shall be elected by the Board. The Board may appoint a Vice-President, an Assistant Treasurer, Assistant Secretary and such other officers as in its judgment may be desirable. None of the officers of the Condominium need be Unit Owners nor have any interest therein nor be Board members until the first meeting of the Board held after the first annual meeting of Unit Owners. Thereafter, the President and Treasurer of the Condominium must be members of the Board.

4.2 Election of Officers. The officers of the Condominium shall be elected annually by the Board at the first organization meeting thereof held after the annual election of board members, except that the initial officers of the Condominium shall be elected by the initial Board and

shall hold office at the pleasure of such Board and until their successors are elected.

4.3 Removal of Officers. Upon the affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his successor may be elected, at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

4.4 President. The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all meetings of Units Owners and at all meetings of the Board. The President 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 Unit Owners from time to time as he or she may in his or her discretion decide are appropriate to assist in the conduct of the affairs of the Condominium.

4.5 Vice President. The Vice President of the Condominium, if there be any, shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Board shall appoint some other member of the Board to act in 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 the Vice President by the Board or by the President.

4.6 Secretary. The Secretary of the Condominium shall keep the minutes of all meetings of Unit Owners and of the Board. The Secretary shall have charge of such books and papers as the Board shall direct and 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.

4.7 Treasurer. The Treasurer of the Condominium shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Board (or in the name of the managing agent appointed by the Board) in such depositories as may from time to time be designated by the Board and shall in general perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.8 Assistant Secretary. The Assistant Secretary of the Condominium, if there be any, shall perform such duties and have such powers as from time to time may be assigned to him or her by the Board, the President, the Vice-President or the Secretary, and in the absence of the Secretary or in the event of his or her disability or refusal to act, shall perform the duties of the Secretary, and when so acting, shall have all the powers and be subject to all the restrictions applicable to the Secretary.

4.9 Other Officers. Such other officers as the Board may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board. The Board may delegate to any other officer the power to choose such other officers and to prescribe their respective duties and powers.

4.10 Execution of Documents. All Agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two officers thereof or by such other person or persons as may be designated by the Board.

4.11 Compensation of Officers. Except as otherwise provided by the Board, no officer shall receive any compensation for acting as such.

ARTICLE 5

NOTICES

5.1 Notices. All notices required or desired to be given hereunder to the Board shall be sent by certified mail, return receipt requested, to the office of the Board or to such other address as the Board may designate from time to time by notice in writing to all Unit Owners and Permitted Mortgagees, and a duplicate of such notice shall be sent in a like manner to the managing agent employed by the Board, if any. All notices to any Unit Owner shall, except as otherwise provided herein, be sent by registered or certified mail, return receipt requested to the Property address of such Unit Owner at the Property or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Board. All notices to Permitted Mortgagees 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, in the Board. All notices shall be deemed to have been given when mailed in a postage prepaid sealed wrapper, except notices of changes of address which shall be deemed to have been given when received.

5.2 Waiver of Service of Notice. Whenever any notice is required to be given by law, the Declaration or 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 6

OPERATION OF THE PROPERTY

6.1 Determination of Common Expenses and Fixing of Common Charges.

6.1-1 Except as otherwise provided herein, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements, (collectively, the "Common Expenses") shall be determined

by the Board and, as set forth below, shall be borne by all of the Unit Owners. Common Expenses shall also include all such other items provided for in the Declaration or these By-Laws to be Common Expenses. Common Expenses shall include the cost of maintaining the parking spaces for the Parking Unit Owners, which shall include but not be limited to, cleaning, repairing, illuminating and resurfacing the parking lot. Common Expenses may also include amounts as the Board may deem proper for the general operating reserve or for a reserve for working capital or for replacements with respect to the Common Elements or for legal and ancillary costs and expenses related to real estate tax challenges and proceedings, and such amounts, determined by the Board, as may be required for the purchase, lease or sublease by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit which the owner has elected to sell, lease, transfer or convey or which is to be sold at a foreclosure or other sale. The Board shall from time to time and at least annually prepare a budget to meet Common Expenses and shall allocate and assess to the Unit Owners, pro rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or the By-Laws), charges ("Common Charges") to meet Common Expenses. The Board shall advise all Unit Owners promptly in writing of the amount of Common Charges payable by each of them and shall furnish copies of the budget on which Common Charges are based to all Unit Owners (and Permitted Mortgagees if requested). In addition, until the Units are separately assessed for real estate tax purposes, the Board will pay all real estate taxes with respect to the property and allocate the cost thereof among all Units as the taxes are allocated in Schedule A of the Offering Plan. Each Unit Owner will reimburse the Board for his or her proportionate share thereof. Such reimbursement shall be allocated as if it were a Common Charge. In the event that once the actual assessments are known, it is determined that a Unit Owner has overpaid or underpaid, the Unit Owners will be obligated to either pay the difference or be entitled to receive a refund, which adjustments shall be coordinated by the managing agent.

6.1-2 The excess of all rents, profits and revenues derived from the rental or use of any space forming part of or included in any Common Elements remaining after the deduction of the expenses in connection therewith shall constitute income of the Unit Owners, and be collected on behalf of the Unit Owners by the Board. Notwithstanding any provisions contained in these By-Laws or in the Declaration to the contrary, in no event shall any rent, profit or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings or walls delineating or enclosing such space or in the incidental use of any portion of any Common Elements appurtenant to such space.

6.2 Insurance. 6.2-1 The Board shall be required to obtain and maintain, to the extent obtainable, and to the extent determined by the Board to be appropriate, the following insurance: (a) fire insurance insuring the Building (including each Unit, and the fixture, furniture and furnishings in the lobby and other common areas, but excluding fixtures, furniture, furnishing and other personal property not constituting a part of each Unit), together with all service machinery contained therein and covering the interests of the Condominium, the Condominium Board, the Board members, and naming as insureds all Unit Owners and their Permitted Mortgagees, and the Sponsor and the Managing Agent, as their respective interests may appear, in an amount equal to the full replacement value of the Building (excluding the cost of foundations and footings), without deduction for depreciation; (b) comprehensive general liability insurance against claims for personal

injury, death or property damage occurring upon, in or about the Property, and on, in or about the passageways in such amounts as from time to time are carried by prudent owners of comparable buildings in the City of New York, provided, however, the amount of comprehensive general liability insurance shall be at least the sum of \$1,000,000.00, covering all claims with respect to personal injury, death, and property damage in respect to any one occurrence; and ©) if the Condominium has employees, workers' compensation and New York State disability benefits insurance (unless provided by the managing agent as part of its provision of employees and/or services). In addition, the Board may, at its sole option, obtain and maintain, to the extent obtainable, the following additional insurance: (a) fidelity insurance covering all officers, Board members and employees of the Condominium, and of the managing agent, if any, who handles funds of the Condominium; (b) boiler and machinery insurance; ©) such other insurance as the Board may determine. The premiums for all insurance referred to above shall be a Common Expense and shall be borne by the Unit Owners in proportion to their respective Common Interests.

6.2-2 The fire insurance policy shall provide that all losses payable thereunder be paid to the Board if under \$50,000.00, and if more, to a depository which shall be a bank or trust company authorized to do business in the State of New York and having a principal office in the City of New York as may be designated by the Board (the "Insurance Trustee"). All other insurance policies shall provide that adjustment of loss shall be made by the Board. Insurance proceeds with respect to any loss shall be payable to the Board, except that the proceeds of all policies of physical damage insurance, if in excess of \$50,000.00, shall be payable to the Insurance Trustee pursuant to the provisions of Section 12.5

6.2-3 The amount of fire insurance to be maintained until the first Board meeting following the first annual meeting of Unit Owners shall be in at least the sum of \$2,500,000.00

6.2-4 All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance or (ii) other insurance, or (iii) invalidity arising from any acts of the insured, or (iv) pro-rata reduction of liability in additional Unit Owners obtain coverage, and shall provide that such policies may not be canceled or substantially modified without at least thirty (30) days prior written notice to all of the insured, including all Permitted Mortgagees. Duplicate originals or certificates of insurances of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all Unit Owners, if requested, and Permitted Mortgagees at least thirty (30) days prior to expiration of the then current policies.

6.2-5 The Board shall be requested to obtain and maintain comprehensive general liability insurance in accordance with the provisions of Subsection 6.2-1 hereof as such limits may be increased by the Board from time to time, covering each Unit Owner, and covering all claims for personal injury or property damage arising out of any occurrence on the Property, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit. Until the first meeting of the Board Following the first annual meeting of Unit Owners, such liability insurance shall be in a single limit of at least \$1,000,000.00 covering all claims for personal injury or property damage arising out of one occurrence. The Board may, at its option, obtain and maintain

fidelity insurance covering the Board, the managing agent thereof, if any, each Board member, and each officer and employee of the Condominium. The insurance required in accordance with this Subsection 6.2-5 shall also cover cross-liability claims of one insured against another. The Board shall review such limits once each year.

6.2-6 Any insurance maintained by the Board may provide for such deductible amounts as the Board determines.

6.2-7 Unit Owners shall not be prohibited from carrying other insurance for their own benefit, and the Board shall not be prohibited from carrying insurance for the benefit of the Unit Owners, provided that all such policies shall contain waivers of subrogation, if available, and further provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

6.3 Repair or reconstruction after Fire or Other Casualty. 6.3-1 In the event that the Building, or any part thereof is damaged or destroyed by fire or other casualty, the Board will, except as set forth in 6.3-2, arrange for the prompt repair and restoration thereof (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit) and the Board or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. If the insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, the deficit or surplus, as the case may be, will be shared entirely by all Unit Owners in proportion to their respective Common Interests. Any surplus payable to any Unit Owner pursuant to this subsection 6.3-1 shall be reduced by such amounts as may be required to reduce unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order of priority of such liens.

6.3-2 If three-fourths or more of the Building or three fourths or more of the total number of Units are destroyed or substantially damaged and if seventy-five (75%) percent or more in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with the repair and restoration thereof, the Building will not be repaired, and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common by all Unit Owners residing in the Building, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners residing in the Building, in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of his share of such funds such amounts as may be necessary to reduce all unpaid liens on his Unit (other than mortgages which are not Permitted Mortgages) in the order of priority of such liens. As used in this Section 6.3, the words "promptly resolve" means not more than sixty (60) days from the date of such damage or destruction.

6.3-3 Any dispute between Unit Owners or any Unit Owner and the Board arising under Section 6.3 shall be determined by arbitration as set forth in Article 11 hereof.

6.4 Payment of Common Charges.

6.4-1 All Unit Owners shall be

obligated to pay Common Charges assessed by the Board pursuant to the provisions of Section 6.1 at such time or times (but not less than annually) as the Board determines. Unless otherwise determined by the Board, Common Charges shall be payable monthly, in advance, on the first day of each month.

6.4-2 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a sale or conveyance by such Unit Owner (made in accordance with these By-Laws) of such Unit together with its appurtenant interests in the Common Elements. Any Unit Owner may, subject to the terms and conditions of these By-Laws convey such Unit, together with its appurtenant interests in the Common Elements, to the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and in such event be exempt from Common Charges thereafter accruing, provided that at the time of such conveyance (a) such Unit is free and clear of liens and encumbrances other than the statutory lien for unpaid Common Charges and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then exists with respect to such Unit. However, in no event shall Sponsor or its designee be permitted to convey any Unsold Residential Unit to the Board and thereby exempt itself from Common Charges attributable to such Unit thereafter accruing. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by him of such Unit, except that, to the extent permitted by law, a Purchaser of a Unit at a foreclosure sale of a Permitted Mortgagee shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, in the event of a foreclosure sale of a Unit by a Permitted Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale. Except to the extent prohibited by law, the Board, on behalf of all Unit Owners, shall have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit.

6.4-3 The lien provided for in this subsection 6.4-2, to the extent permitted by applicable law, shall be subordinate to liens for real estate taxes on the Unit.

6.5 Collection of Common Charges. The Board shall take prompt action to collect Common Charges due to the Board which remains unpaid for more than thirty (30) days after the due date for payment thereof, including without limitation, the institution of such actions for the recovery of such Common Charges, late fees and/or penalties, interest and expenses as provided in this Article 6.

6.6 Default in Payment of Common Charges. In the event any Unit Owner fails to make payment of Common Charges when due, such Unit Owner shall be obligated to pay such late charges (penalties) and/or interest as may be imposed by the Board of Managers. Unless changed by the Board of Managers, in the event a Unit Owner fail to make payment of Common Charges when due, such Unit Owner shall be obligated to pay (a) a "late charge" of \$.04 for each dollar of such amounts which remain unpaid for more than ten (10) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) interest at the rate of eighteen (18%) per annum (but in no event in excess of the

maximum rate permitted by law) on such unpaid amounts (less any "late charges" theretofore imposed or collected on such amounts) computed from the date thereof, together with all expenses, including, without limitation, attorneys' fees and disbursements paid or incurred by the Board or by its managing agent in filing a lien against the Unit, in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in a manner provided in Section 339-aa thereof or in any other manner permitted by law. All such "late charges" interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner. Notwithstanding the foregoing, Sponsor and/or its designees shall not be subject to any late charge or interest or expenses to which the Board would otherwise be entitled to.

6.7 Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board 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 and occupancy of his or her Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Board, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the Common Interest appurtenant to such Unit). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit.

6.8 Statement of Common Charges. The Board shall promptly provide any Unit Owner who so requests with a written statement of all unpaid Common Charges due to it from such Unit Owner.

6.9 Maintenance and Repairs. 6.9-1 Except as otherwise provided in the Declaration or these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, interior or exterior, ordinary or extraordinary; (a) in or to any Unit (excluding Common Elements located therein) and the interior side of entrance doors thereto shall be made by the owner of such Unit at such Unit Owner's sole cost and expense and (b) in or to the Common Elements, except as otherwise set forth in 6.9-1 (a) hereof, will be made by the Board on behalf of all Unit Owners and the cost and expense thereof shall be charged to the applicable Unit Owners as a Common Expense.

6.9-2 Notwithstanding the provisions of 6.9-1:

6.9-2.1 In the event that any painting, decorating, maintenance, repairs or replacements to the Property or any part thereof is necessitated by the negligence, misuse or neglect of (a) any Unit Owner, the entire thereof shall be borne by such Unit Owners as a Common Expense, except in all such cases to the extent such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

6.9-2.2 In the event that any maintenance, repairs or replacement to the roof of any part thereof are necessitated by the negligence, misuse or extraordinary wear and tear on the part of a Unit Owner, such causation to be determined by the Board of Managers, such Unit Owner shall bear the entire cost thereof which shall be assessed to the Unit Owner and deemed a lien for Common Charges. The Board of Managers may, in its discretion, apportion the cost of such maintenance, repairs or replacements between the Condominium and the responsible Unit Owner, as it deems appropriate.

6.9-2.3 The interior and exterior glass surfaces of all windows located in any Unit shall not be colored or painted. The interior and exterior glass surfaces of all windows located in any Unit shall be washed and cleaned by the Unit Owner thereof at such Unit Owner's sole cost and expense.

6.9-2.4 The parking lot, and the Parking Unit shall be maintained by the Board as a Common Expense, including but not limited to, cleaning the surface, illuminating the parking areas, resurfacing and painting lines as needed.

6.9-3 Each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to the roof, balconies, stoop, or other parts of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacements necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to the public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (a) the Board with respect to such parts of the Building required to be maintained by it and (b) each Unit Owner with respect to the exterior door to the Unit and the interior and exterior surfaces of windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his or her Unit.

6.10 Violations of Maintenance Obligations. In the event that any Unit Owner, after receipt of written notice from the Board, fails or neglects in any way to perform any of his or her obligations with respect to painting, decorating, maintenance, repair or replacement of his or her Unit as provided in this Article 6 or of any Common Element for which such Unit Owner is responsible under the Declaration or these By-Laws, the Board may perform or cause to be performed such painting, decorating, maintenance, repairs or replacements unless such Unit Owner, within five (5) days after receiving notice of such default by the Board, cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes the completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repairs or replacements in such Unit Owner's Unit, together with interest thereon at the rate of eighteen (18%) percent per annum (but in no event in excess of the maximum rate permitted by law), shall be immediately payable by such Unit Owner to the Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner. Notwithstanding the

foregoing, Sponsor and/or its designees shall not be subject to the imposition of such interest.

6.11 Structural Alterations, Additions, Improvements and Repairs of Units.

6.11-1 Except as otherwise provided in the Declaration, no Unit Owner shall make any structural alteration, addition, improvement or repair in or to his or her Unit without the prior written approval of the Board. Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Unit, the Board shall require the Unit Owner to execute an agreement in such form and substance satisfactory to the Board, such as that form annexed as Schedule B hereto, setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done. The Board shall have the obligation to answer any written request by a Unit Owner for approval of a proposed structural alteration, addition, improvement or repair in or to such Unit Owner's Unit within thirty (30) days after such request is received, and the failure to do so within the stipulated time shall constitute the Board's consent to the proposed alteration, addition, improvement or repair.

6.11-2 All structural alterations, additions, improvements and repairs by a Unit Owner shall be in compliance with all laws, rules, ordinances and regulations of all governmental authorities having jurisdiction thereof. A Unit Owner making or causing to be made any structural alteration, addition, improvement or repair shall agree, and shall be deemed to have agreed, to hold the Board and all other Unit Owners harmless from any liability arising therefrom.

6.11-3 Any applications to any department of the City of New York or any other governmental authority having jurisdiction thereof for a permit to make a structural alteration, addition, improvement or repair in or to any Unit, as approved by the Board or not required to be so approved pursuant to these By-Laws, shall be executed by the Board, provided that the Board shall not incur any liability, cost or expense in connection with such application or to any contractor, subcontractor, material person, architect or engineer on account of such alteration, addition, improvement or repair or to any person having any claim for injury to person or damage to property arising therefrom.

6.11-4 Sponsor, Sponsor-designee(s), and/or their tenants or subtenants, if permitted pursuant to any lease pertaining thereto, shall have the absolute right, without consent of the Board, any Permitted Mortgagee, or any other Unit Owner, and without charge or limitation, to erect, install, maintain and replace one or more signs, flagpoles, banners, canopies, lettering, advertising fixtures or decoration of any size material or content, on or about the Property as provided by law, including, without limitation, any portion of the Common Elements, any party wall, the cellar, the ground floor level, and the exterior of the Building as permitted by law, for any uses incident to the business conducted within such Units or any portion thereof or for purposes of advertising the sale or lease of such Units. 6.11-5 Notwithstanding anything to the contrary in these By-Laws or in the Declaration, the Sponsor and/or its designees shall have the right, without the consent of the Board, Unit Owners or Permitted Mortgagees and without paying any cost or charge, to make alterations, additions, repairs, replacements or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in and to any Unsold Unit, and any appurtenant Common Elements which

does not materially affect the structural integrity of the Building. In each instance the party performing such work shall comply with all applicable laws, ordinances and regulations.

6.11-5 Notwithstanding anything to the contrary in there By-Laws or in the Declaration, in the event a Unit Owner elects to make alterations, improvements or additions to his or her Unit, such Unit Owner must obtain appropriate insurance, or obtain a certificate of insurance from the contractor hired to do the work, which insurance must, regardless of which party provides same, name the condominium association as an additional insured and must indemnify the condominium association and all other Unit Owners and the Board of Managers from any and all liability that may result from the alteration or other work performed, including, but not limited to, injuries to the contractor, other workers on the job, Unit Owners, passerby, or anyone else.

6.12 Alterations, Additions or Improvements to Common Elements.

Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions or improvements in or to any Common Element shall be made either by the Board or the Unit Owner required to maintain such Common Element and the cost and expense thereof shall be charged either to all Unit Owners as a Common Expense or to the Unit Owner(s) responsible therefor, as the case may be. Wherever in the judgment of the Board the cost of any such alteration, addition or improvement would exceed \$5,000.00 in the aggregate in any calendar year, then such proposed alteration, addition or improvement shall not be made unless first approved by a Majority in Interest of the Unit Owners who shall be required to bear the cost and expense thereof as aforesaid and by the Mortgage Representatives (as hereinafter defined), if any. Except as otherwise provided in the Declaration or these By-Laws, all such alterations, additions or improvements costing in the aggregate \$5,000.00 or less in any calendar year may be made as aforesaid without the approval of the Unit Owners or said Mortgage Representatives.

6.13 Modification of Certain Common Elements. 6.13-1

In the event that pursuant to any of the express provisions of these By-Laws, any consent by the Board or any Unit Owner is required as a condition precedent to any alteration, addition or improvement to any Common Element (collectively sometimes referred to in this Section 6.13 as a "Modification"), proposed to be made by Sponsor or its designees, or the Board (collectively sometimes referred to in this Section 6.13 as the "Proponent"), such consent shall not be unreasonably withheld or delayed by the Board or such Unit Owner (referred to in this Section 6.13 as the "Opposing Party") whose consent is so required. The Proponent shall give to the Opposing Party notice setting forth in reasonable detail the material aspects of such proposed Modification. If the Opposing Party does not give notice of any objection to the Proponent within thirty (30) days after the Proponent gives its notice, then the Opposing Party shall be deemed to have consented to the making of the proposed Modification. If the Opposing Party does give notice of objection (which notice of objection shall set forth in reasonable detail the specific objection of the Opposing Party) within such thirty (30) day period and the Proponent considers such objection unreasonable, then the Proponent may submit to Arbitration (as hereinafter defined) the question of whether or not the Opposing Party unreasonably withheld its consent. If in such Arbitration it is determined that the Opposing Party unreasonably withheld its consent, the Proponent may make the proposed Modification. In no event shall any arbitrator in such Arbitration determine that the Opposing Party

reasonably withheld its consent to such proposal if (a) the Proponent makes or causes to be made reasonable provisions providing (i) for the costs and expenses of the Modification to be paid by it and (ii) that all costs and expenses for maintaining and repairing such Modification after its completion will not be charged to the Opposing Party, (b) the proposed Modification would not unreasonably or unnecessarily interfere with the use and enjoyment of the owners, tenants and occupants of those Units affected by the Modification and (iii) the proposed Modification would not materially weaken the structure of the Building.

6.13-2 Nothing in 6.13-1 shall in any way be deemed to limit (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as the Proponent believes will meet the objections of the Opposing Party or of any arbitrator or (b) any party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, to make any Modification to a Common Element without the Opposing Party's approval.

6.14 Restrictions of Use of Units. 6.14-1 In order to provide for congenial occupancy of the Building(s) and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be used in accordance with the following provisions and the other provisions of the Declaration and By-Laws pertaining to use:

6.14-1.1 Each Residential Unit shall be used as a residence only, except as otherwise herein expressly provided, and not more than one family (as defined herein) may reside in a Unit at one time. A Unit may be owned by an individual, corporation, partnership, association, fiduciary or any other entity (including, without limitation, embassies and consulates of foreign governments) and may only be occupied by the Unit Owner or members of his or family, plus a maximum of one unrelated adult and the children of the Unit Owner and/or of the other adult. For purposes of this Section 6.14, a Unit Owner shall be either (a) the individual Unit Owner, (b) a designated officer, director, stockholder or employee of such corporation, (c) a designated partner or employee of such partnership, (d) a designated fiduciary or beneficiary of such fiduciary or (e) a designated principal or employee of such other entity, as the case may be. Unless otherwise consented to by the Board, occupants of a leased Unit may be (i) an individual lessee (and/or members of his or her family), (ii) a designated officer, director, stockholder or employee of a corporate lessee (or members of his or her family), (iii) a designated partner or employee of a partnership lessee (or members of his or her family), (iv) a designated fiduciary or beneficiary of a fiduciary lessee (or members of his or her family) or (v) a principal or employee of such other entity which is a lessee (or members of his or her family). "Members of his or her family" or words of similar import whenever used herein shall be deemed to mean parents, spouse and children of the Unit Owner, or occupant, as is applicable, as well as a second adult and the children of the second adult, and nothing contained herein shall be deemed to prohibit the exclusive occupancy of any Unit by such persons.

6.14-1.2 If a Unit Owner desires to have his or her Unit used by a person ("Authorized Guest") other than said Unit Owner (or members of his or her family or persons as otherwise permitted in accordance with subsection 6.14-1.1), the Unit Owner shall file

with managing agent a written authorization, in such form as may be designated by the Board or the managing agent, for the use of his or her Unit by the Authorized Guest. The managing agent shall keep a list ("Guest List") of each Authorized Guest for each Unit. A copy of the Guest List for each Unit will be available at the office of the Board of Managers. The names of Authorized Guests on the Guest List of a Unit Owner may be deleted in writing at any time or from time to time.

6.14-1.3 The use of the Parking Units is restricted to parking of non-commercial passenger vehicles, unless prior written approval has been obtained from the Board of Managers for other types of vehicles. No materials of a combustible or flammable nature may be stored in the Parking Units or in any vehicle parked in a Parking Unit. No construction of any kind shall be permitted on or in the Parking Units. They may not be enclosed. The Parking Units may not be used for anything other than the parking of vehicles as described herein. In no event may a parking space be used as a work area, either for an automobile or for personal endeavors.

6.14-1.4 The use of a Unit shall be consistent with the terms of all applicable zoning laws and regulations.

6.14-1.5 No portion of a Unit (other than an entire Unit) may be sold, conveyed, leased or subleased.

6.14-2 Sponsor may, (a) grant permission for the use of any Unsold Unit for any lawful purpose, and (b) use any Unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units.

6.15 Use of Common Elements. 6.15-1 Subject to the provisions of subsection 6.15-4, Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.15-2 No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, or any other part of the Common Elements other than the areas designated as storage areas without the prior consent of the Board. The lobbies, vestibules, public hallways and stairways shall be used only for normal passage through them.

6.15-3 The owner or owners of any two (2) Units, which Units are the only Units serviced or benefitted by any Common Element adjacent or appurtenant to such Units (for example, the portion at the end of any residential hallways which are directly adjacent to any such Units located on opposite sides of such hallway) shall, with the consent of the Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right to use such Common Element as if it were part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of Common Interests shall be made, provided such owner or owners agree, at his, her or their sole cost and expense, to (a) be responsible to the operation, maintenance and repair of such Common Element for so long as such

owner or owners exercise such exclusive right of use, (b) pay any reasonable fee, if required, as may be determined by the Board and ©) restore such Common Element to its original condition, reasonable wear and tear excepted, after such owner or owners cease to exercise such exclusive right of use. The owner of any such Units which are Unsold Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board.

6.15-4 The provisions of subsection 6.15-1, -2 and -3 shall not apply to Sponsor or its designee so long as there any Unsold Units, provided, however, that no such party shall use such Common Elements in such a manner as will unreasonably interfere with the use of the other Units for their permitted purposes.

6.16 Other Provisions as to Use. No nuisance shall be allowed in the Units nor shall any use or practice be allowed in the Units which is a source of annoyance to residents or occupants of the Property or which interferes with the peaceful possession or proper use of the Property by its residents or occupants. No unlawful use shall be made of the Property or any portion thereof and all valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the full expense of the respective Unit Owners or the Board, whoever shall have the obligation to maintain or repair such part of the Property.

6.17 Right of Access. 6.17-1 Each Unit Owner shall grant a right of access to his or her Unit to the Board, the managing agent, manager, superintendent and/or any other person authorize by any of the foregoing for the purpose of making inspections of, or for the purpose of removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property, or for the purpose of curing defaults hereunder or under the Declaration or Rules and Regulations by such Unit Owner or correcting any conditions originating in his or her Unit and threatening another Unit or all or any part of the Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other portions of the Common Elements within his or her Unit or elsewhere in the Building, or for the purpose of reading, maintaining or replacing utility meters relating to the Common Elements, his or her Unit or any other Unit in the Building or to correct any condition which violates the provisions of any Permitted Mortgage covering another Unit, provided that requests for such entry are made not less than one (1) day in advance ant that any such right shall be exercised in such a manner as will not interfere with the uses of the Unit for its permitted purposes. In cases of an emergency (i.e., a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building, or other persons, or required to avoid the suspension of any necessary service in the Building), such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present.

6.17-2 A Unit Owner shall grant a right of access to his or her Unit, and the Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees, for all of the purposes set forth in section 6.17-1 and for the purposes of fulfilling Sponsor's obligations as set forth in the Offering Plan, provided that access thereto shall be exercised in such a manner as will not unreasonably interfere with the use of the Unit for its permitted

purposes.

6.18 Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are rules and regulations ("Rules and Regulations") concerning the use of the Units and Common Elements. The Board may from time to time modify, amend or add to such Rules and Regulations except that a Majority of Unit Owners may overrule the Board with respect to any such modification, amendment or addition. Copies of any newly adopted Rules and Regulations, or any modifications, amendments or additions to the Rules and Regulations shall be furnished by the Board to each Unit Owner not less than thirty (30) days prior to the effective date hereof.

Notwithstanding the foregoing, as long as the Sponsor and/or Sponsor's designee(s) owns any Unsold Unit, the Rules and Regulations shall not be amended without the prior written consent of Sponsor and/or Sponsor's designee(s).

6.19 Water Charges and Sewer Rents. Water for the Building shall be supplied by the City of New York. Unless and until water charges and sewer rents are billed directly to individual Unit Owners, the Board shall promptly pay any water charges and sewer rents as a Common Expense, and all Unit Owners shall be required to reimburse the Board as a Common Charge, such charges. In the event of a proposed sale of any Unit, the Board (so long as the Board is still paying such water charges and sewer rents), on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchasers title company, a letter agreeing to promptly pay all charges and rents affecting such owner's Unit to the date of closing of title to such Unit.

6.20 Gas and Heating. The charges for natural gas for heat and hot water in the Units as well as the charges for gas (for cooking) used in the Units shall not be paid by the Board as Common Expense, as each Unit has its own meter and equipment for heat and hot water. There is no heat supplied to the Common Areas.

6.21 Electricity. With the exception of the Common Elements (i.e. the hallways and the laundry room), electricity for each Unit shall be supplied through a separate electric meter for each Unit. Each Unit Owner shall be required to pay the bills for electricity consumed or used in his Unit directly to the utility company. The charges for electricity use in the common areas shall be paid by the Board as a Common Expense.

6.22 Utilities Serving the Common Elements. The cost and expense of water, electricity and gas serving or benefitting any Common Element shall (a) be considered part of the expense of maintaining such Common Element, (b) be determined by the Board and (c) be charged to the Unit Owners as a Common Expense.

6.23 Abatement and Enjoinment of Violations by Unit Owners.

6.23-1 The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board

the right, in addition to such other rights set forth in these By-Laws, to (a) enter any Unit or Common Element 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 resulting in such violation or breach and the Board shall not thereby be deemed guilty or liable in any manner of trespass or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

6.23-2 The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Sponsor or its designee shall give to Sponsor and its designee 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 at law or in equity, the continuance of any such violation or breach.

6.24 Removal of Snow and Ice. The Condominium shall be responsible for the removal of snow and ice from the sidewalks in front of the Property, and the expense in connection therewith shall be borne by all Unit Owners as a Common Expense.

ARTICLE 7

MORTGAGES

7.1 General. A Unit Owner shall have the right to mortgage his or her unit subject to this Article 7. A unit Owner who mortgage his or her Unit, or the holder of such mortgage, shall notify the Board of the name and address of his or her mortgagee. A Unit Owner who satisfies a mortgage covering his or her Unit shall so notify the Board. The Board shall maintain such information in a book entitled "Mortgages of Units".

7.2 Restrictions on Mortgaging. No Unit Owner shall be permitted to mortgage, pledge, or hypothecate his or her Unit unless and until all unpaid Common Charges theretofore assessed against the Unit have been paid in full to the Board and all unpaid liens, except the liens of Permitted Mortgages levied against the Unit have been satisfied. No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to his or her Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any mortgage or other instrument purporting to affect one or more of such interests without including as 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.

7.3 Notice of Default and Unpaid Common Charges. Whenever so requested in writing by a Permitted Mortgagee, the Board shall promptly report to such Permitted Mortgagee any default by the Unit Owner of the Unit subject to the mortgage held by such Permitted Mortgagee in the payment of Common Charges or any other default by such Unit Owner under the provisions of the Declaration or these By-Laws which may to the Board's knowledge then exist. The

Board, when giving notice to a Unit Owner of any such default, shall, if requested, also send a copy of such notice to such Unit Owner's Permitted Mortgagee.

7.4 Performance by Permitted Mortgagees. The Board shall accept payment of any sum or performance of any act by any Permitted Mortgagee of a Unit Owner required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner.

7.5 Examination of Books. Each Unit Owner and Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more often than once a month.

7.6 Representatives of Mortgagees.

7.6-1 In the manner more particularly set forth in subsection 7.6-2, the holders of Institutional Mortgages (as hereinafter defined) may, at their election, designate one or more (but not more than three (3) representatives ("Mortgage Representatives") who shall be empowered to act on behalf of all holders of Institutional Mortgages with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Mortgage Representatives are so designated and notice thereof is given to the Board, the act of any such representative (or a majority of such representatives if more than one is so designated) shall be deemed binding upon the holders of all Institutional Mortgages. As used herein, the term "Institutional Mortgage" means any first mortgage covering a Unit or Units (a) which is a Permitted Mortgage and (b) the initial holder of which is (i) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

7.6-2 Any designation of a mortgage Representative made by the holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages shall be binding upon the holders of all Institutional Mortgages. Any such designation of any Mortgage Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof and (b) notice of such subsequent designation is given to the Board. Unless otherwise permitted by law, no Permitted Mortgagees other than holders of an Institutional Mortgage shall have the right to participate in the selection of Mortgage Representatives, but all Permitted Mortgagees shall be subject to all determinations made by such Mortgage Representatives pursuant to the Declaration or these By-Laws.

7.7 Consent of Mortgagees. Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to the determination or act of the Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against his or her mortgagor.

ARTICLE 8

SELLING AND LEASING OF UNITS

8.1 Selling and Leasing of Units. No Unit Owner other than Sponsor or its designee may sell or lease his or her Unit except by complying with the following provisions:

8.1-1 Any lease by a Unit Owner shall be for a term of not less than six (6) months.

8.1-2 Any Residential or Parking Unit Owner who receives a bona fide offer to (a) purchase his or her Unit together with its appurtenant interests in the Common Elements or (b) lease his or her Unit (such offer to purchase or lease a Unit, as the case may be, is called an "Outside Offer" the party making any such Outside Offer is called an "Outside Offeror" and the Unit Owner to whom the Outside Offer is made is called an "Offeree Unit Owner"), which he or she intends to accept shall give notice by certified or registered mail to the Board of the receipt of such Outside Offer. Said notice shall also be accompanied by written references and shall state the name and address of the Outside Offeror, the terms of the proposed transaction (including, but not limited to, the intended closing date in the event of a purchase or the intended occupancy date in the event of a lease) and such other information as the Board may reasonably require. The giving of such notice to the Board shall constitute an offer by such Unit Owner to sell his or her Unit together with its appurtenant interest in the Common Elements or to lease his or her Unit to the Board, or its designee, corporate or otherwise, on behalf of all other Unit Owners, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation and warranty by the Unit Owner who has received such Outside Offer, to the Board on behalf of all Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect to the Outside Offer as the Board may reasonably request. Not later than ten (10) days after receipt of such notice together with such further information as may have been requested, the Board may elect, by sending written notice to such Offeree Unit Owner before the expiration of said ten (10) day period, by certified or registered mail, to purchase or lease such Unit together with its appurtenant interest in the Common Elements (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all Unit Owners, upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Unit Owner.

8.1-3 In the event the Board shall timely elect to purchase such Unit together with its appurtenant interests in the Common Elements or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Board, in accordance with the terms of the Outside Offer, within forty-five (45) days after the giving of notice by the Board of its election to accept such offer. If, pursuant to such Outside Offer, the Outside Offeror was to assume or take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Board may purchase the Unit and assume or take title to the Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Unit together with its appurtenant interest in

the Common Elements is to be sold, shall convey the same to the Board, or to its designee, corporate or otherwise, 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 tax and/or documentary stamps affixed at the expense of such Unit Owner, who shall also pay all other taxes arising out of such sale. Real estate taxes, if any, water charges and sewer rents, if any, and Common Charges shall be apportioned between the Offeree Unit Owner and the Board, or its designee, corporate or otherwise, as of the closing date. In the event such Unit Owner is to be leased, the Offeree Unit Owner shall execute and deliver to the Board, or to its designee, corporate or otherwise, a lease between the Offeree Unit Owner, as landlord, and the Board, or its designee, corporate or otherwise, as tenant, covering such Unit, for the rental term contained in such Outside Offer.

8.1-4 In the event the Board or its designee shall fail to accept such offer within ten (10) days after receipt of notice, as aforesaid, the Offeree Unit Owner shall have a period of sixty (60) days within which to enter into a written agreement with the Outside Offeror, embodying the terms set forth in said notice. In the event the Offeree Unit Owner and the Outside Offeror shall not, within such sixty (60) day period, enter into such written agreement concerning the Outside Offer or if the Offeree Unit Owner and the Outside Offeror shall enter into such written agreement concerning the Outside Offer within such sixty (60) day period but such sale or lease, as the case may be, shall not be consummated within thirty (30) days following the expiration of such sixty (60) day period, then, should such Offeree Unit Owner thereafter elect to sell such Unit together with its appurtenant interests in the Common Elements or to lease such Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1.

8.1-5 Any deed to an Outside Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, these By-Laws and the Rules and Regulations, as the same may be amended from time to time.

8.1-6 Any lease executed in connection with the acceptance of any Outside Offer to lease a Unit shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned without the prior consent in writing of the Board, that the tenant shall abide by these By-Laws, that the tenant shall not assign his or her interest in such lease or sublet the demised premises or any part thereof without the prior consent in writing of the Board and the Board shall have the 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 (i) a default by the tenant in the performance of its obligations under these By-Laws or Rules and Regulations of the Condominium or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

8.1-7 Except as hereinbefore set forth, the form of any such lease executed by the Board or Outside Offeror shall be the then current form of apartment lease recommended by The Real Estate Board of New York, Inc., and shall contain such other modifications as shall be approved in writing by the Board.

8.1-8 Notwithstanding the foregoing, the Board of Managers shall not have a right of first refusal with respect to the lease by a Residential Unit Owner of his or her Residential Unit (and the

simultaneous lease of a Parking Unit, if applicable) to the following persons: his or her parents, spouse, adult siblings, adult children, grandchildren, grandparents or spouse's parents, adult siblings or grandparents. However, the Board shall be Any lease executed by the Board as tenant shall provide that the Board may enter into a sublease of the premises without the consent of the landlord, entitled to fifteen days' prior written notice of any such lease, which must state the name of the proposed tenant and his or her relationship to the Unit Owner.

8.1-9 Any purported sale or lease of a Unit in violation of this Section 8.1 shall be voidable at the election of the Board and if the Board shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board to institute legal proceedings to evict the purported tenant (in case of an unauthorized leasing) in the name of the said Unit Owner as the purported landlord. Said Unit Owner shall reimburse the Board for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

8.1-10 The foregoing restrictions of this Sections 8.1 shall not apply to Unsold Units. Sponsor or its designees, successors and assigns shall have the right to sell their respective Units of to lease all or any part thereof without having to first offer the same for sale or lease to the Board.

8.2 Consent of Unit Owners to Purchase or Lease of Units by the Board.

The Board shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a Majority of Unit Owners.

8.3 Selling or Leasing of Unsold Units. The restrictions of Sections 8.1 and 8.2 shall not apply to Untold Units. Sponsor or its designees, successors and assigns shall have the right to sell any such Unsold Units or to lease all or any part thereof without having to first offer the same for sale or lease to the Board.

8.4 No Severance of Ownership. No Unit Owner shall execute any deed or other instrument conveying title to his or her Unit without including therein its appurtenant interest in the Common Elements, it being the intention to prevent any severance of such combined ownership. Any such deed 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 in the Common Elements of any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant interests in the Common Elements of all Units. Nothing in this Section 8.4 shall permit the lease of any Unit without the simultaneous lease of its appurtenant interests.

8.5 Release by the Board of Right of First Refusal. The right of first refusal contained in 8.1 may be release or waived by the Board only in the manner provided in 8.6. In the event the Board shall release or waive its right of first refusal as to any Unit, such Unit, together with its appurtenant interests in the Common Elements, may be sold, conveyed or leased, free and clear of the provisions of 8.1

8.6

Certificates of Termination of Right of First Refusal.

A

certificate executed and acknowledged by the Secretary of the Condominium stating that the provisions of Section 8.1 have been met by the Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Board, and that as a result thereof the rights of the Board thereunder have terminated with respect to the outstanding Outside Offer, shall be conclusive upon the Board and the Unit Owners in favor of all persons who rely on such certificate in good faith. The Board shall furnish, without charge, such certificate upon request to any Unit Owner in respect to whom the provisions of Section 8.1 have, in fact, terminated.

8.7

Financing of Purchase of Units by the Board.

The purchase of

any Unit by the Board or its designee, on behalf of all Unit Owners, may be made from the funds deposited in the capital and or expense accounts of the Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Board may levy an assessment against each Unit Owner, in proportion to his or her respective Common Interest, as a Common Charge, and/or the Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its appurtenant interests in the Common Elements.

8.8

Exceptions.

The provisions of Section 8.1 shall not apply with respect to any lease, sale or conveyance of any Unit together with its appurtenant interests in the Common Elements by (a) the Unit Owner thereof to his or her spouse, a co-occupant (with the Unit Owner) of the premises for a period of one year or more, adult children, parents, parents in law, adult siblings or to any one or more of them or to any related or controlled entity of the Unit Owner thereof,¹ (b) Sponsor or its designee with respect to Unsold Units, (c) the Board, (d) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure or (e) a Permitted Mortgagee or his nominee, who has acquired title to any Unit at any foreclosure sale of his or her Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit subject to, the provisions of this Article 8.

8.9

Gifts and Devises, etc.

Any Unit Owner shall be free to convey

or transfer his or her Unit by gift, or may devise his or her Unit by Will or have it pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit subject to, the provisions of this Article 8.

¹The term "related or controlled entity" shall mean an entity which owns more than fifty (50%) percent of the legal and beneficial interest of such Unit Owner, or an entity with respect to which such Unit Owner owns more than fifty (50%) percent of the legal and beneficial interest thereof.

8.10 Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common. In the event that any Unit shall be acquired by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, as tenants-in-common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit.

8.11 Payment of Assessments. No Unit Owner shall be permitted to convey or lease his or her Unit unless and until he or she shall have paid in full to the Board all unpaid Common Charges theretofore assessed against such Unit and until such Unit Owner shall have satisfied all unpaid liens against his or her Unit, other than Permitted Mortgages.

8.12 Working Capital Contributions Upon Transfer. Upon each and every conveyance of a Condominium Unit, other than a conveyance pursuant to a foreclosure, a "deed in lieu," bankruptcy or in connection with a devise by Will, a transfer by intestacy or a transfer from one co-owner to the remaining co-owner(s), the transferor shall pay to the Condominium two month's Common Charges (based upon the monthly amount of the Common Charges at the time of the conveyance). This obligation shall be deemed a lien upon the Unit of equal priority to a lien for Common Charges and must be satisfied at or prior to any applicable conveyance.

ARTICLE 9

CONDEMNATION

In the event of the taking in condemnation or by eminent domain of all or any part of the Common Elements, the Board, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the Common Elements so taken which, pursuant to the provisions of these By-Laws, are required to be maintained by the Board. The award made for any such taking shall be payable to the Board, provided, however, that if any such award exceeds \$50,000.00, such award shall be payable to the Insurance Trustee and shall be disbursed to the contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of such award are insufficient to cover, or if such net proceeds exceed, the cost of any repairs and restoration, the deficit or surplus, as the case may be, will be borne and shared by all Unit Owners with respect to any taking of the Common Elements pro-rata in accordance with their Common Interests. Notwithstanding any provisions contained herein to the contrary, in the event that seventy-five (75%) percent or more in Common Interest of all Unit Owners do not duly and promptly resolve to proceed with such repairs or restorations of the Common Elements, such repairs or restorations shall not be made and the net proceeds of any such award with respect thereto shall be divided 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 such Units others than mortgages which are not Permitted Mortgages. As used in this Article 9, the words "promptly resolve" shall mean not more than sixty (60) days from the date of such taking.

ARTICLE 10

RECORDS AND AUDITS

10.1 Records. The Board or the managing agent thereof, if any, shall keep detailed records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the units Owners and financial records and books of account with respect to the activities of the Board, including a listing of all receipts and expenditures. In addition, the Board shall keep a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

10.2 Audits. Within four (4) months after the end of each fiscal year, an annual report of receipts and expenditures, prepared and certified by an independent certified public account, shall be submitted by the Board to all Unit Owners and if so requested, to any Permitted Mortgagee. The cost of such report submitted by the Board shall be paid by the Unit Owners as a Common Expense.

10.3 Availability of Documents. Copies of the Declaration, these By-Laws, the Rules and Regulations and the floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE 11

ARBITRATION

11.1 General Procedure. Any arbitration ("Arbitration") provided for in these By-Laws shall be conducted before one arbitrator in the City of New York by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such Arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. Notwithstanding the foregoing, any Arbitration held pursuant to the Declaration or these By-Laws with respect to a dispute which arose prior to the first annual meeting of Unit Owners shall be non-binding. In the event that the American Arbitration Association shall not be in existence and has no successor, any Arbitration hereunder shall be conducted in the City of New York, before one arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of New York. The decision of the arbitrator so chosen shall be given within ten (10) days after his or her appointment. All expenses of Arbitration hereunder, including the fees and expenses of counsel and experts, shall be Common Expenses. Any arbitrator appointed or selected in connection with any Arbitration hereunder shall be a member of a law firm whose principal office is in the Borough of Manhattan and which has at least five (5) members.

ARTICLE 12

MISCELLANEOUS

12.1 Waiver. No provision in these By-Laws or the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations which may occur.

12.2 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 nor the intent of any provisions thereof.

12.3 Certain References.

12.3-1 A reference in these By-Laws to any one gender, masculine, feminine, or neuter, include the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

12.3-2 The terms "herein", "hereof" or "hereunder" or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used.

12.3-3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

12.4 Severability. Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law. In the event any provision of these By-Laws or the Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

12.5 Insurance Trustee. The Insurance Trustee shall be a bank or trust company designated by the Board and having a capital surplus and undivided profits of \$500,000,000.00 or more. In the event the Insurance Trustee resigns or is replaced by the Board, the Board shall appoint a new Insurance Trustee which shall be a bank or trust company in New York State having a capital surplus and undivided profits of \$500,000,000.00 or more. The Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense.

12.6 Successors and Assigns. The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Sponsor or, with the consent of Sponsor, upon any transferee of all then Unsold Units.

12.7 Covenant of Further Assurances.

12.7-1 Any party which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board, 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 these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

12.7-2 If any Unit Owner or other party which is subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Board 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.

12.7-3 If the Board, any Unit Owner or other party which is subject to the terms of these By-Laws 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 Board, such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Sponsor or its designee, then Sponsor or its designee is hereby authorized, as attorney-in-fact for the Board, 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 the Board, such Unit Owner or other party and such document or action shall be binding on such Unit Owner, Board or other party.

ARTICLE 13

AMENDMENTS TO BY-LAWS

13.1 Amendments by Unit Owners. Subject to the conditions contained herein or in the Declaration with respect to amendments affecting Sponsor, and/or its designee(s), or any Unsold Units, any provision of these By-Laws affecting the Common Elements, the Condominium or all Unit Owners, may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in number and in Common Interest of all Unit Owners, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without written consent of all Unit Owners affected thereby. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee(s), any Unsold Units, any such amendment, modification, addition or deletion shall be executed by the Board, as attorney-in-fact for the Unit Owners, coupled with an interest, for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with respect to amendments affecting Sponsor and/or its designee(s), or any Unsold Unit, (I) no amendment, modification, addition or deletion

pursuant to the provisions set forth above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any, and (ii) the provisions of Section 6.14 may not be amended, modified added or deleted unless (in addition to the consent, if required, or the Mortgage Representatives, as set forth above) eighty (80%) percent in number and in Common Interest of all Unit Owners affected by thereby approve such amendment, modification deletion or addition in the manner set forth above.

13.2 Amendments Affecting Sponsor or its Designee(s). Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Rules and Regulations shall be effective in any way against (a) Sponsor or its designee(s) or any Unsold Unit unless Sponsor has given its prior written consent thereto, or (b) the holder of any present or future mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto.

13.3 Amendments Affecting Permitted Mortgagees. Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to Article 7 or Sections 6.2 or 6.4-1 shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto

13.4 Special Amendments. Any amendment to any of the provisions of these By-Laws that, pursuant to the terms of the Declaration or these By-Laws, may be effected by Sponsor or any Sponsor-designee pursuant to the Powers of Attorney and without the further consent of the Board or the Unit Owners or Permitted Mortgagees shall be embodied in an instrument executed and recorded in the Register's Office by Sponsor or such Sponsor-designee as attorney-in-fact of both the Board and all Unit Owners, which Powers of Attorney shall be deemed to be irrevocable and coupled with an interest.

SCHEDULE A

RULES AND REGULATIONS OF
THE ABSOLUTE CONDOMINIUM LOCATED AT
111 STEUBEN STREET, BROOKLYN, NEW YORK

1. The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any other purpose than ingress to and egress from the Units.
2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows, roofs or open terraces or placed upon the window sills of the Units or the fire escapes.
3. Neither occupants nor their children, nor their guests shall play in the entrances, passages, public halls, elevators, vestibules, corridors, stairways or fire towers of the Building.
4. Except upon written permission of the Board or as otherwise provided in the By-Laws, no public hall or public elevator for use by the Units shall be decorated or furnished by any Unit Owner in any manner.
5. Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.
6. No window guards or other window security barriers, gates or decorations shall be used in or about any Unit except those which are legally permissible and shall have been approved in writing by the Board or the managing agent thereof, which approval may be granted or refused in the sole discretion of the Board or the managing agent.
7. Except as otherwise provided in the Declaration and/or By-Laws, except for a master antenna, if any, which may be located on the roof of the Building, no radio or television aerial shall be attached to or hung from the exterior of the Building and no illumination shall be inscribed or exposed on or at any window or other part of the Building except as have been approved in writing by the Board; nor shall anything be projected from any window of a Unit without similar approval; which approval may be granted or refused in the sole discretion of the Board or the managing agent; and no signs shall be inscribed or exposed on or at any window or other part of the Units.
8. No ventilator or air conditioning device other than a window unit shall be installed in any Unit without prior written approval of the Board, which approval may be granted or refused in the sole discretion of the Board.

9. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit Owner's Unit.
10. No baby carriages, bicycles, scooters or similar vehicles shall be allowed to stand in the public halls, passages or other public areas of the Building.
11. No Unit Owner shall make or permit any disturbing noises or activity in the Building, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a phonograph or radio or television set or other loudspeaker in such Unit Owner's Unit between midnight and the following 7:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction or repair work or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.
12. No bird, reptile or animal shall be permitted in any of the public portions of the Building unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, terraces, balconies or other public portions of the Building or on the sidewalk or street adjacent to the Building.
13. No refuse from the Units shall be placed outside the Building or in any other area of the Building except at such times and in such manner as the Board or the managing agent thereof may direct.
14. No occupant of the Building shall send any employee of the Condominium or of the managing agent thereof out of the Building on any private business.
15. The agents of the Board or the managing agent thereof, and any contractor or workman authorized by the Board or the managing agent thereof, may enter any room or Unit at any reasonable hour of the day, on at least one (1) day's prior notice to the Unit Owner for the purpose of inspecting such Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.
16. The Board or the managing agent thereof may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Board or the managing agent thereof shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry therein is

necessary or permissible under these Rules and Regulations or under the By-Laws and has not furnished a key to the Board or the managing agent thereof, then the Board or such managing agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the managing agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if during such entry reasonable care is given to such Unit Owner's property).

17. The Board or the managing agent thereof may from time to time curtail or relocate any portion of the Common Elements devoted to storage or service purposes in the Building.

18. Complaints regarding the service of the Condominium shall be made in writing to the Board or the managing agent thereof.

19. 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.

20. Cloths and other articles shall not be dried or aired on the roof or any open terrace or balcony.

21. Except as permitted under the Declaration and By-Laws, Unit Owners, their families, guests, servants, employees, agents, visitors or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon any of the portions of the roof of the Building except for the roof areas designated for the Use by the Penthouse Unit Owner.

22. Unit Owners shall not cause or permit any unusual or objectionable noises or odors to be produced upon or to emanate from their Units.

23. No Unit Owner or any of his or her agents, servants, employees, licensees or visitors shall at any time bring into or keep in his or her Unit any inflammable, combustible or explosive fluid, material, chemical or substance.

24. If any key or keys are entrusted by a Unit Owner or by any member of his or her family or by his or her agent, servant, employee, licensee or visitor to an employee of the Condominium or of the managing agent thereof, whether for such Unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board nor the managing agent thereof shall (except as provided in Rule 16 above) be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

25. Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Board. Any increase in the rate of insurance shall be paid for by the party responsible for it. 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 which would be in violation of

any law. No waste shall be committed in the Common Elements.

26. If a storage room is designated for common use by the Unit Owners (the "Storage Room"), it shall be used by all Unit Owners, in common (referred to as the "Storage Space"). The Storage Room shall not be used for the storage of any hazardous or flammable materials, or anything which the Board in its sole discretion, prohibits. Supervision, management and control of the storing and removal of a Unit Owner's property from the Storage Space is vested in the Board. The use of the Storage Space shall be at the sole risk of the Unit Owner or other person using the same and the Board, its agents or the managing agent thereof, shall not be liable for any injury to person or loss by theft or otherwise or damage to property whether due to the negligence of the Board, its agent, the managing agent thereof or otherwise. The Board shall have the right from time to time to relocate any space devoted to storage purpose.

27. No group tour or exhibition of any Unit or its contents shall be conducted, nor shall an auction sale be held in any Unit without the consent of the Board or its managing agent.

28. No Unit Owner shall install any plantings or flower boxes on any part of the roof, including on such Unit Owner's roof deck, without the prior written approval of the Board nor shall any Unit Owner place any flower pots or boxes on any of the fire escapes, if any.

29. In the event that any Unit is used for home occupation purposes which are permitted by law, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

SCHEDULE B
Form of Alteration Request

CONSENT AGREEMENT

AGREEMENT made this day of 20 between the Board of Managers of The Absolute Condominium ("Board"), having as an address 111 Steuben Street, Brooklyn, New York and ("Unit Owner") having an address at

WITNESSETH:

WHEREAS Section 6.11 of the By-Laws of The Absolute Condominium requires that prior to approval of the board with respect to structural alteration, addition, improvement or repair in or to a unit located in the building, ("Building") known as The Absolute Condominium, 111 Steuben Street, Brooklyn, New York; and

WHEREAS the Unit Owner has requested that the Board approve the alterations, additions, improvements and/or repairs to the Unit (collectively, the "Alterations") as shown in the architectural plans and specifications ("Plans") annexed hereto as Exhibit A and made a part hereof, which Plans have been initialed by the Board and the Unit Owner;

NOW, THEREFORE, in consideration of the mutual agreements of the parties contained herein, the parties hereby agree as follows:

1. The Board hereby grants its consent to the Unit Owner to perform the Alterations to the Unit strictly in accordance with the Plans and upon those terms and conditions set forth herein.

2. Prior to the commencing of any work in connection with any of the Alterations to the Unit, the Unit Owner agrees as follows:

A. To obtain the Board's written approval of all contractors to be hired by the Unit Owner in connection with the Alterations;

B. To obtain from each such contractor an agreement, in form and substance reasonably satisfactory to the Board, relating to the work to be performed by such contractors, and to deliver copies of all such contracts to the Board;

C. To obtain, at the Unit Owner's sole cost and expense, all necessary approvals and permits from any governmental authorities having jurisdiction with respect to the Alterations, and promptly deliver to the Board copies of all such approvals and permits, together with a copy of the Plans covering the Alterations which have been duly approved by the New York City Building Department;

D. To obtain from each contractor hired by the Unit Owner in connection with the Alterations to the Unit and deliver to the Board either policies or certificates evidencing that the following insurance coverage is in full force and effect:

(i) A comprehensive policy of public liability insurance naming the Board and 84 16th Street LLC ("Sponsor") as insured against any liability whatsoever occasioned by accident on or about the Building or any appurtenances thereto. Such policy is to be written by a solvent insurance company authorized to do business in the State of New York and the limits of liability thereunder shall not be less than the amount of One Million Dollars (\$1,000,000.00) in respect of any one person, in the amount of One Million Dollars (\$1,000,000.00) in respect of one accident, and in the amount of One Million Dollars (\$1,000,000.00) in respect of property damage; and

(ii) Worker's compensation and employees' liability insurance policies covering all employees of the contractors employed in connection with the Alterations.

3. All work performed in connection with the Alterations shall be done only between the hours of 8:00 A.M. and 5:00 P.M. on Monday through Friday, inclusive. Notwithstanding the preceding sentence, any work which can produce unusual noises or which might be disturbing to occupants of the Building shall not be done before 10:00 A.M.

4. All work in connection with the Alterations will be performed strictly in accordance with the Plans, using material equal or superior to the building standard materials.

5. The Unit Owner acknowledges that the work in connection with the Alterations may occur at the same time that Sponsor's contractors are completing the construction of the Buildings and/or other Units located therein. Accordingly, the Unit Owner hereby agrees that the Unit Owner and its contractors shall work in harmony and shall not interfere with Sponsor, Sponsor's contractors or any other owners or occupants of the units in the Building. Sponsor or the Board may, at any time, deny access to the Building and/or the Unit to any of the Unit Owner's contractors in the event that Sponsor or the Board, in their sole discretion, determine that the performance or manner of performance of the work in connection with the Alterations interferes with, delays, hampers or prevents Sponsor from proceeding with the completion of the Building or any of the Units located therein at the earliest possible time. Within twenty-four (24) hours after Sponsor's or the Board's direction (which need not be given in writing and which may be given by Sponsor or the Board or its agent or contractors to the Unit Owner or its agent or contractors), the Unit Owner shall, and shall cause its contractors to, withdraw from the Unit and the Buildings, and cease all work being performed by the Unit Owner or on the Unit Owner's behalf by any person, firm or corporation.

6. The Unit Owner will not permit any lien for labor or materials to be filed or recorded against the Unit, the Buildings or the land on which the Building is situated in connection with the Alterations

7. The entire cost of the Alterations shall be borne by the Unit Owner.

8. If the Alterations require that an amendment to the Offering Plan for The 84 16th Street Condominium, dated , as amended ("Plan") and/or the Declaration (as defined in the Plan) be filed, the Unit Owner shall pay the entire cost of the processing and filing such amendment(s) including, without limitation (i) a fee to be paid to Seller's attorneys to cover the cost of preparing any such amendment(s) to the Plan and/or the Declaration, (ii) a fee to be paid to Sponsor's architect for preparing revised floor plans required to be filed in connection with such amendment(s) to the Plan and/or the Declaration and (iii) any recording fee and/or filing fees required to be paid in connection with any such amendment(s). In the event that any costs incurred by the Board in connection with processing an amendment to the Plan and/or the Declaration, the Unit Owner shall promptly reimburse the amount thereof to the Board on demand.

9. It is understood that the Unit Owner assumes (a) all risks of damage to the Building and any of their equipment or systems (collectively, the "Systems"), and to persons and property in the Building which may result from or be attributable to the work being performed in connection with the Alterations to the Unit and (b) all responsibility for the maintenance and repair of any Alterations after completion. The Unit Owner's responsibility covers all work, whether or not structural, weather tightness of windows, exterior walls and roofs, waterproofing of every part of the Building directly or indirectly affected by the Alterations, and maintenance of all heating, plumbing, air-conditioning, electrical, ventilation, mechanical and other equipment installed or altered in connection with the Alterations. If the operation of the Building, or any of its systems, is adversely affected by the Alterations, the Unit Owner will, when so advised, at his or her sole cost and expense, promptly correct the problem. In the alternative, the Board shall have the right, in its sole discretion, to correct any such problem and the Unit Owner shall promptly reimburse the entire cost of such work to the Board upon demand.

10. The Unit Owner recognizes and agrees that there shall be no change in the operation of any of the Building's Systems to facilitate the functioning of any heating, air-conditioning or other equipment to be installed by the Unit Owner.

11. The Unit Owner shall take all precautions to prevent dirt and dust from permeating other parts of the Building during the progress of the Alterations to the Unit. Materials and rubbish will be placed in barrels or bags, before being taken out of the Unit. All such barrels or bags, rubbish, rubble, discarded equipment, empty packing cartons and other materials will be taken out of the Building and removed from the Building at the Unit Owner's expense.

12. Upon completion of the Alterations, the Unit Owner shall deliver to the Board an amended Certificate of Occupancy and a certificate of the Board of Fire Underwriters covering the Unit, if either shall be required, and such other proof as may be necessary to indicate all work in connection with the Alterations was done in accordance with all applicable laws, ordinances and governmental regulations.

13. Notwithstanding anything to the contrary contained herein, including the Board's consent to the Plans, the Unit Owner acknowledges and agrees that the Alterations shall not adversely affect the structural integrity of the Building, any units contained therein or any of the Systems. The Unit Owner recognizes that by granting consent to the making of the Alterations, the Board does not profess to express any opinion as to their design, feasibility or efficiency nor shall such consent be deemed to exonerate the Unit Owner from any liability in connection with the Alterations.

14. The Unit Owner hereby agrees to indemnify and hold the Board, the Sponsor and all other owners of units in the Building harmless from and against any and all claims, damages, expenses (including attorney's fees and expenses) or liabilities arising out of or in any way relating to (i) the Alterations of the Unit or (ii) the Unit Owner's failure to perform the work in connection with the Alterations in accordance with the Plans and the terms and conditions contained herein. This indemnification shall survive the completion of the Alterations.

15. Notwithstanding anything to the contrary contained herein, this Agreement shall in no way be construed so as to give the Unit Owner any right to either (i) perform any work or enter into any agreement for the performance of any work in, or obtain the right of access to any other unit in the Building, or (ii) alter, modify, change, obstruct or interfere with the use or maintenance of the Common Elements in the Building, in connection with the performance of the Alterations contemplated hereby.

16. The Unit Owner agrees to use best efforts to ensure that the Alterations shall be completed expeditiously.

17. This Agreement may not be changed orally, and shall be binding on the Unit Owner, the Board, and their respective heirs, legal representatives and authorized assigns.

Except as otherwise defined in this letter, all capitalized terms used herein shall have the same meaning ascribed to the terms in the Plan.

OWNER OF UNIT

THE BOARD OF MANAGERS OF
THE ABSOLUTE CONDOMINIUM

By: _____

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ESCROW AGREEMENT

AGREEMENT made this _____ day of _____, 2006, between 941 Associates LLC ("SPONSOR") as a sponsor of the offering plan and David S. Frankel ("ESCROW AGENT") as escrow agent.

WHEREAS, 941 Associates LLC is the sponsor of an offering plan to convert to condominium ownership the premises located at 111 Steuben Street, Brooklyn, New York which premises are known as The Absolute Condominium;

WHEREAS, David S. Frankel, is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

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

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

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

- 1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow

account has been opened with Northfork Bank at its branch
— located Central Avenue, Valley Stream, New York. The account
number is _____.

- 1.2 The name of the account is 111 Steuben Street Special Account,
David S. Frankel, Escrow Agent.
- 1.3 ESCROW AGENT is the sole signatory of the account.
- 1.4 The escrow account shall be an non-interest bearing account as
disclosed in the offering plan.
- 1.5 The escrow account is an IOLA established pursuant to
Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

- 2.1 All funds received from perspective purchaser or subscribers
prior to closing, whether in the form of checks, drafts, money
orders, wire transfers, or other instruments which identify
the payor, shall be deposited into the escrow account. All
instruments to be deposited into the escrow account shall be
made payable to, or endorsed by the purchaser or subscriber to
the order of: 111 Steuben Street Special Account, David S.
Frankel, P.C as escrow agent for The Absolute Condominium
offering plan. Any instrument payable or endorsed other than
as required hereby, and which cannot be deposited into such
escrow account, shall be returned to the prospective purchaser
or subscriber promptly, but in no event more than five

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

3. RELEASE OF FUNDS.

- 3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

3.4 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to SPONSOR unless the purchaser has made an application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified ESCROW AGENT in accordance with such provisions.

4. RECORDKEEPING.

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

- 4.2 Upon the dissolution of a law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the 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 OF AGREEMENT.

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

- (a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or
- (b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or
- (c) All shares or units offered pursuant to the plan have been sold and all sales transaction have been consummated.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts 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, if any, shall not be deducted from escrowed funds by any financial institution under any circumstances.

11. SEVERABILITY.

11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. ENTIRE AGREEMENT.

12.1 This Agreement, read together with GBL Section 352-3(2-b) and

**APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWNPAYMENTS**

Send this application to the reviewing attorney assigned to the subject plan.]

Re: _____
Address of Building or Name of Project

File Number: _____

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

1. Name of Applicant _____

2. Address of Applicant _____

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

4. This is an application for
☐ return of downpayment.
☐ forfeiture of downpayment.
☐ other: _____

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

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

2/6/92

7. **Name and Address of Sponsor:** _____

8. **Name and Address of Escrow Agent:** _____

9. **If downpayments are maintained in an escrow account:**
- (a) **Name of account** _____
 - (b) **Name and address of bank** _____
 - (c) **Account number (if known)** _____
 - (d) **Initial interest rate (if known)** _____
10. **If downpayments have been secured by bonds:**
- (a) **Name and address of bond issuer or surety:** _____

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

11. **If downpayments have been secured by a letter of credit:**
- (a) **Name and address of bank which issued the letter of credit:** _____

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

12. **Plan information:**
- (a) **Date of filing of plan:** _____

(b) Plan

- ☐ has been declared effective. Approximate date: _____
☐ has not been declared effective.

(c) If effective, the plan

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

(d) Downpayments are secured by

- ☐ escrow account.
☐ bonds.
☐ letter of credit.

13. Contract information:

- (a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)
(b) Date on which subscription or purchase agreement was signed: _____
(c) Date(s) of downpayment(s): _____
(d) Total amount of downpayment(s): _____
(e) Names and addresses of subscribers or purchasers affected by this application:

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

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

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

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

Signature: _____

Date: _____

Name (Printed): _____

Telephone: (Home) _____

(Business) _____

Mailing Address: _____

2/6/92

CERTIFICATION OF SPONSOR AND SPONSOR'S
PRINCIPALS PURSUANT TO SECTION 20.4(b)
OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW, ARTICLE 23-A,
AS AMENDED

New York State Department of Law
120 Broadway
New York, New York

Attn: Real Estate Financing Bureau

Re: THE ABSOLUTE CONDOMINIUM
111 STEUBEN STREET
Brooklyn, New York

We are the sponsor and the principal* of the sponsor of the condominium offering plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and the 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;

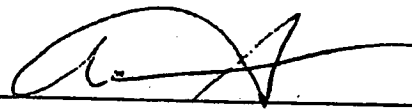
*"Principals" means all individuals sponsors; all general partners of sponsors that are partnerships; all officers, directors and shareholders of a corporate sponsor that are actively involved in the planning and consummation of the offering; and all other individuals who both own an interest in or control sponsor and actively participate in the planning and consummation of the offering, regardless of the form of organization of sponsor.

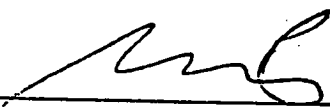
- (2) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (3) not omit any material fact;
- (4) not contain any untrue statement of a material fact;
- (5) not contain any fraud, deception, concealment, suppression, false pretense or fictitious 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 I/we (i) knew the truth; (ii) with reasonable effort could have known the truth; (iii) made no reasonable effort to ascertain the truth, or (iv) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

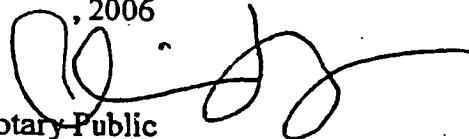
We understand that violations are subject to the civil and criminal penalties of the General Business Law and the Penal Law.

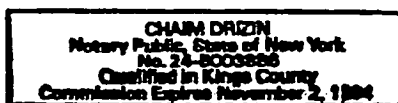
941 WASHINGTON ASSOCIATES LLC

BY: 

BY: 

Sworn to before me this
day of , 2006


Notary Public



2206

GARY SHOEMAKER
ARCHITECTS PC
80 MAIDEN LANE 15TH FLR
NEW YORK NY 10038
T 212.766.9915
F 212.766.1594
www.gsarchitects.com

PART 20: CERTIFICATION OF ENGINEER OR ARCHITECT
RE: NEWLY CONSTRUCTED OR VACANT UNITS

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

Re: Condominium Offering Plan
111 Steuben Street
Brooklyn, NY 11205

The sponsor of the condominium offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property (the "Report"). We examined the building plans and specifications that were prepared by Gary Shoemaker Architects PC _____ dated 25 July 2006 and prepared the Report dated July 25, 2006, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

We are a registered architect in the State of New York.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

We have read the entire Report and investigated 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.

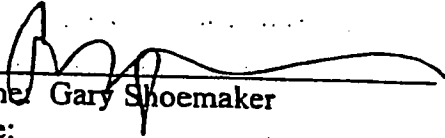
We certify that the Report:

- (i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we examined;

- (ii) in our 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 as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we 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; and
- (vii) does not contain any representation or statement which is false, where we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

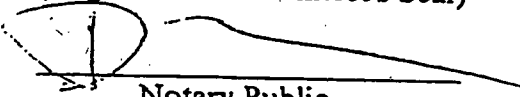
We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that my/our compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

GARY SHOEMAKER ARCHITECTS PC

By: 
Name: Gary Shoemaker
Title:

Sworn to before me this
22nd day of July, 1995

(Engineer's or Architect's Seal)


Notary Public

DOUGLAS WASSER
Notary Public, State of New York
No. 4736990
Qualified in Nassau County
Commission Expires Feb. 28, 1996



