

CONDOMINIUM OFFERING PLAN

FOR

THE ANNEX CONDOMINIUM

Total Purchase Price of the 17 Condominium Units
Being Offered for Sale by this Plan: \$10,270,000

The Condominium will Consist of
16 Residential Units and 1 Community Facility Unit located at
91 Grand Avenue, Brooklyn, New York 11205

SPONSOR: 91 Grand Avenue, LLC
299 Broadway, Suite 716
New York, New York 10007

SELLING AGENT: Prudential Douglas Elliman Real Estate
3 East 54th Street
New York, NY 10022

Date of Acceptance for Filing: *JUNE 27, 2007*
This plan may not be used after *JUNE 26, 2008*
unless extended by amendment to the offering plan.

See page 5 for special risks to purchasers.

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

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

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

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PART I
CONDOMINIUM OFFERING PLAN
FOR
THE ANNEX CONDOMINIUM

SPECIAL RISKS

This Offering Plan is subject to a number of special risk factors which should be carefully considered by every prospective purchaser. Prospective purchasers are further urged to visit the premises of The Annex Condominium and to consult with their attorneys and financial advisors before executing a Purchase Agreement. The special risk factors are as follows:

1. All Units which will be sold pursuant to this Plan will be sold subject to a right of first refusal in favor of the Board of Managers of the Condominium, which is discussed in Part I of this Plan under the heading "Rights and Obligations of Unit Owners and the Board of Managers".
2. Purchasers are required to pay New York City Real Property Transfer Tax (currently 1% of the consideration paid for residential unit sales up to \$500,000, 1.425% for commercial unit sales up to \$500,000 and residential unit sales above \$500,000, and 2.625% for commercial unit sales above \$500,000; plus \$50), and New York State Real Property Transfer Tax (currently Two Dollars per every Five Hundred Dollar increment of the consideration paid); which taxes are statutorily the primary obligation of a Seller of real property. (See the Purchase Agreement reproduced in Part II of the Plan, and the Section entitled "Unit Closing Costs and Adjustments" in Part I of this Plan.)
3. Sponsor has not obtained a bond or any other security to secure performance of its obligations under this Plan. (See Section entitled "Rights and Obligation of the Sponsor," in Part I of this Plan.)
4. The New York State Housing Merchant Implied Warranty Law is reproduced in Part II of this Plan. The Sponsor's warranty obligations under this Law are limited as set forth in the Purchase Agreement (See Part II of this Plan). The warranty is available only to the first owner of the Unit; suits must be brought within thirty (30) days after the expiration of the warranty coverage; all warranty claims must be submitted by certified mail; consequential or incidental expenses are not included; and there are no warranties made other than those provided in such Law. (See Section entitled "Rights and Obligations of the Sponsor", in Part I of this Plan).

5. Pursuant to existing law and regulations, along with Sponsor's financing, the Sponsor may declare the Plan effective upon execution of Purchase Agreements for at least four of the sixteen Residential Units, or twenty five (25%) percent of the Units in the Condominium. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to close title to Units with fewer than the minimum number of sales, if purchasers counted towards effectiveness do not ultimately purchase a Unit. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions may include requiring that a certain percentage (such as 50%) of the units in a condominium 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 condominium where the percentage of units purchased is lower than a lender's particular sales minimum. Even once Unit closings have commenced, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a purchaser to resell a Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements. (See Section entitled "Effective Date", in Part I of this Plan).

6. The Purchaser's obligation under the Contract of Sale is not contingent on the Purchaser's ability to obtain financing. See section entitled "Procedure to Purchase", in Part I of this Plan.

7. Any funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. However, Purchasers should note as a special risk that such funds may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to a rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras. (See Section entitled "Procedure to Purchase", in Part I of this Plan.)

8. Certain of the Purchaser's obligations under the Purchase Agreement are "time of the essence", so that in the event of Purchaser's failure to strictly comply with the deadlines of such provisions, the Sponsor may cancel the Purchase Agreement and the Purchaser will forfeit his deposit, as well as the cost of any special work in the Unit ordered by the Purchaser. (See Section entitled "Procedure to Purchase", in Part I of this Plan.)

9. The Sponsor has applied for a partial real estate tax exemption for the Condominium under Section 11-243 of the Administrative Code of the City of New York (Sec. J51). The Sponsor has obtained an opinion (a copy of which is reproduced in Part I of this Plan) from Empire Consulting Service, Inc., a real estate tax consulting firm that (based on the representations of Sponsor and certain assumptions set forth therein), the building would appear to be eligible for partial real estate tax exemption under Section 11-243. However, there can be no assurance, and the Sponsor gives no warranty, that such tax benefits will be in fact obtained or available to the Unit Owners. Moreover, future increases in assessed valuation and/or rates of taxation of real property could also result in increases in real property taxes. Accordingly, the real estate taxes assessed against the

Units may be higher than those projected in this Plan. (See Section entitled "Real Estate Taxes", in Part I of this Plan.)

10. The Sponsor reserves the right to rent, rather than sell Units. The 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 a decline in market values of at least 10% from the offering prices set forth in the Purchase Agreements counted toward effectiveness, the Sponsor reserves the right to rent, rather than sell, Units until the Sponsor receives offers equal to or greater than 10% below the prices in purchase agreements used to declare the plan effective. 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 updated amendments to the Plan and otherwise engaging in customary sale activities.

11. Because Sponsor is reserving the right to rent rather than sell Units unless certain sales prices can be attained, there is no commitment to sell more Units than the 25% necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium.

12. 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.

13. The Sponsor has the right to appoint a majority of the Board for a period ending on the date which is five (5) years from the First Closing or if the Sponsor or its designee no longer controls any Unsold Units, unless the Sponsor voluntarily relinquishes such right prior to the expiration of such five-year period. After the date which is five (5) years from the First Closing, Sponsor may continue to control the Board of Managers if it has sufficient votes to elect a majority of the members.

14. The By-Laws of the Condominium do not require that after the Initial Control Period a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor. Accordingly, Purchasers for their own occupancy may never gain control of the Board of Managers under this Plan.

15. The areas listed in Footnote B to Schedule A and in Exhibit B to the Declaration of Condominium are measured from the inside face of the exterior walls of the Building or from the centerline of the walls separating one Unit from another Unit. The actual usable floor space of the Units is less than the areas listed.

16. Each Residential Unit Owner of a Unit in which a child or children under the age of ten (10) years resides (even temporarily) in the Unit must install, at such Residential Unit Owner's expense, the required window guards in all windows of the Unit. The Residential Unit Owner must maintain all window guards installed in the Residential Unit

and shall not remove same until permitted by applicable law and, in any event, without full knowledge of the Managing Agent.

INTRODUCTION

This is an offering plan for the sale of condominium units in The Annex Condominium, located at 91 Grand Avenue, Brooklyn, New York. The purpose of the offering plan is to set forth all the material terms of the offer. 91 Grand Avenue, LLC (the "Sponsor" of this offering) is a New York State limited liability company with its principal offices located at 299 Broadway, Suite 716, New York, New York 10007. The Sponsor is the contract vendee pursuant to a contract of sale dated June 1, 2006, a copy of which is annexed to Part II of this Plan. The current owner acquired the property by way of a deed dated January 25, 2005, a copy of which is annexed to Part II of this Plan.

The Condominium will be created pursuant to and will be subject to the provisions of Article 9-B of the Real Property Law (New York Condominium Act). The property will become a Condominium upon the recording of the Condominium Declaration and Floor Plans in the Kings County City Register's office.

The Sponsor reserves the right to rent, rather than sell Units. The 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 a decline in market values of at least 10% from the prices set forth in the Purchase Agreements used to declare the Plan effective, the Sponsor reserves the right to rent, rather than sell, Units until the Sponsor receives offers equal to or greater than 10% below the prices in said Purchase Agreements. 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 customary sales activities. If Sponsor makes a bulk sale of all or some of its Unsold Units, the transferee successor sponsor will be bound by Sponsor's representations regarding its commitment to sell Units.

The Condominium

The Annex Condominium will consist of a single building containing sixteen Residential Units and one Community Facility Unit. The Condominium will not include any recreational facilities. The Condominium will not include any parking facilities. Each Unit will have its own heating and hot water systems.

Features of Condominium Ownership

The ownership of a Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns fee title to the Unit and is entitled to the exclusive possession thereof. The Unit Owner also owns, in common with the owners of all other Units, an undivided fee interest in the Common Elements which, as more particularly set forth herein and in the Declaration, include all parts of the Property other than the Units themselves. The Common Elements are divided into the General Common Elements and the Limited Common Elements. The Limited Common Elements appurtenant to a Unit consist of patios, balconies or terraces as depicted on the Floor Plans, and are reserved

for the exclusive use and benefit of the owner of such Unit. The General Common Elements consist of all the Common Elements other than the Limited Common Elements.

Subject to certain conditions contained in the Declaration and By-Laws, each Unit Owner has the right, in his own discretion, to finance and mortgage his Unit and perform interior renovations therein, on such terms and conditions as he desires. Each Unit Owner may sell or lease his Unit, subject to certain conditions contained in the Declaration and By-Laws. Moreover, the Board of Managers of the Condominium has certain rights of first refusal as set forth in Article 7 of the By-Laws reproduced in Part II of this Plan. (See "Rights and Obligations of the Unit Owners and the Board of Managers - Sale and Leasing of Units," in Part I of this Plan.)

Primary responsibility for operating the Condominium rests with the Board of Managers of the Condominium (the "Board of Managers" or the "Condominium Board," as more particularly described below), which is elected by the Unit Owners. Each Unit Owner is obligated to comply with the Declaration, the By-Laws, the Rules and Regulations, and any other requirements of the Board of Managers.

The Board of Managers will assess against each Unit Owner, in proportion to his respective interest in the Common Elements, charges (hereinafter called Common Charges) for the maintenance of the Common Elements, for the operating costs of the Condominium (hereinafter called Common Expenses), and, if necessary, special assessments. These must be paid in accordance with the New York Condominium Act, Section 339-i(1)(iv). The interest of each Unit in the Common Elements has been allocated based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit. (See "Compliance with Real Property Law Section 339(i)" in Part I of this Plan.)

In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes which will be separately assessed against his Unit, and charges for electricity consumed in his Unit. See "Schedule B - Projected Budget for First Year of Condominium Operation" in Part I of this Plan, for a more detailed discussion of Common Charges. See also "Rights and Obligations of Unit Owners" in Part I of this Plan. Each Unit Owner, upon obtaining title, will automatically have a right to vote at the first annual meeting of Unit Owners, and at all meetings thereafter, for the election of the Board of Managers.

Each Unit Owner will be solely responsible for the cost of maintenance and repairs of the Unit (which includes all windows located within or opening from the Unit) and its appurtenant Limited Common Elements after closing. Although the Board of Managers will maintain hazard and liability insurance coverage for the Condominium, Unit Owners are advised to obtain, at their own cost and expense, hazard insurance for the contents of their Units, and liability insurance for occurrences within their Units. Each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit owner will be responsible for

the payments of, nor will a Unit be subject to any lien arising from the nonpayment of, taxes on other Units. In the opinion of Berger & Sklaw LLP, counsel to Sponsor, under present income tax laws, a Residential Unit Owner, similarly to a homeowner, may deduct from his income, for Federal and New York State and City income tax purposes, the real estate taxes and the interest paid on the mortgage of his Unit, if any, subject to the limitations set forth in their opinion letter and contained in the applicable statutes. See "Real Estates Taxes" and "Opinion of Counsel", in Part I of this Plan.

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 that there may always be a substantial percentage of owners who are non-residents of the Condominium.

The prices for the Units offered for sale under this Plan are listed in Schedule A entitled "Offering Prices and Related Information" in Part I of this Plan. Such prices have been set by the Sponsor alone, and are not subject to review or approval by any governmental agency.

The Sponsor reserves the right to rent, rather than sell Units. The 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 a significant decline in market values of at least 10% from the offering prices set forth in the contracts counted toward effectiveness, the 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 customary sales activities.

The estimated Common Charges for each Unit for the first year of operation of the Property as a condominium are also set forth in Schedule A. THESE PRICES HAVE BEEN SET BY THE SPONSOR BUT ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK OR ANY OTHER GOVERNMENTAL AGENCY EXCEPT AS PREVIOUSLY SET FORTH.

The Plan, including all Schedules and Exhibits, constitutes the entire offer by the Sponsor and contains all of the material terms of the transaction. Copies of this Plan, all documents referred to in the Plan, and all Exhibits submitted to the Department of Law in connection with the filing of this Plan will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the site whenever the on-site sales office is open and at the office of the Sponsor. The Plan may be amended from time to time upon filing an amendment with the New York State Department of Law and service of such an amendment upon Purchasers and Unit Owners.

The Sponsor has not knowingly omitted any material facts and this Plan does not contain any untrue statement of any material fact. The documents reprinted in Part II are exact copies of the originals.

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

DEFINITIONS

"Appurtenant Interest." With respect to any Unit, the undivided interest of the owner thereof, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other asset of the Condominium.

"Building." The building located at 91 Grand Avenue, Brooklyn, New York.

"By-Laws." The By-Laws of the Condominium, which are annexed as an Exhibit to the Plan, as the same may be amended from time to time pursuant to the terms thereof.

"Common Elements." All of the Property except the Units, including the Land and improvements thereon (other than the Units), as well as those facilities thereon, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property as more particularly described in of Article 6 of the Declaration. The Common Elements are divided into the General Common Elements and the Limited Common Elements. The Limited Common Elements appurtenant to a Unit are reserved for the exclusive use and benefit of the owner of such Unit. The General Common Elements consist of all the Common Elements other than the Limited Common Elements.

"Common Charges". The charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws), to meet the Common Expenses.

"Common Expenses". All costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the General Common Elements; (ii) the establishment and/or maintenance of a general operating reserve or a reserve fund for working capital, for replacement with respect to the Common Elements, or to make up any deficit in the General Common Charges for any prior year(s); (iii) the purchase, lease, or sublease by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell, lease, transfer, or convey the same or that is to be sold at a foreclosure or other sale; and (iv) generally, the conduct of the affairs of the Condominium.

"Common Interest". The undivided percentage interest of each Unit in the Common Elements.

"Community Facility Unit." The Unit in the Building reserved for the use of an approved Community Facility pursuant to New York City Community Facility zoning regulations.

"Condominium". The Annex Condominium, established pursuant to the terms of the Declaration and which is to be governed pursuant to the terms of the By-Laws.

"Condominium Act." Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.

"Condominium Board" or "Board of Managers." The governing body of the Condominium, whose members shall be selected pursuant to the terms of Article 2 and 4 of the By-Laws.

"Condominium Documents." The Declaration, the By-Laws and the Rules and Regulations.

"Declaration." The instrument to be executed by the Sponsor and recorded in the Kings County City Register's Office for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for the condominium ownership thereof. A copy of the Declaration is set forth as an Exhibit to the Plan.

"Designee." A person or entity designated by Sponsor or by a designee of Sponsor to succeed to the rights of Sponsor.

"Facilities." The improvements and other facilities being part of the Common Elements.

"Family Members." The spouse, children (natural and adopted), grandchildren, great grandchildren, siblings, parents, parents-in-law, grandparents, great grandparents and aunts and uncles of a Unit Owner who reside in such Unit Owner's Unit.

"First Closing." The first date upon which title to a Unit is conveyed to a purchaser who is not a principal of the Sponsor.

"Floor Plans." The floor plans of the Unit filed in the City Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

"General Common Elements." The Common Elements of the Condominium, other than those portions thereof constituting Limited Common Elements.

"Initial Control Period." The period ending thirty calendar days after the earlier to occur of: (i) five (5) years after the First Unit Closing, or (ii) the transfer of title to all Residential Units such that Sponsor no longer retains an Interest in any Residential Units.

"Institutional Lender." (i) A savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, N.Y.S.-licensed mortgage banker, or mortgage trust, or (ii) a federal, state, municipal, teachers' or union employee, welfare, pension or retirement fund or system.

"Institutional Mortgage." Any first mortgage covering one or more Units that is a permitted mortgage and the initial holder of which is either Sponsor or its designee or an Institutional Lender.

"Land." The land upon which the Project is situated, as more particularly described in Exhibit A to the Declaration.

"Limited Common Element." The designated portion of the General Common Elements appurtenant to a particular Unit, which is reserved for the exclusive use and benefit of the owner of such Unit.

"Managing Agent." A Person employed by the Condominium Board pursuant to Section 2.4 of the By-Laws.

"Majority of Unit Owners." Those Unit Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the terms of Section 4.7 of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.

"Mortgage Representatives." The representatives of the holders of all Permitted Mortgages encumbering Units.

"Permitted First Mortgage." A Permitted Mortgage that is a first mortgage lien against a Unit.

"Permitted Mortgagee." Any holder of a Permitted Mortgage at the time in question.

"Person." Any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

"Plan." The offering plan to convert the Property to condominium ownership filed with the Department of Law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York.

"Property" or "Project." The Land and all improvements erected or to be erected on the Land, including the Units, all easements, rights and appurtenances pertaining

thereto and all other property, real, personal, or mixed, used or intended to be used in connection therewith.

"Purchase Agreement." The agreement pursuant to which a Purchaser contracts to purchase a Unit from the Sponsor. The form of Purchase Agreement is annexed as an Exhibit to the Plan.

"Purchaser." A Person or Persons who have executed a Purchase Agreement with respect to a Unit.

"Residential Unit." One of the sixteen (16) residential units in the Condominium being offered for sale under this Plan.

"Rules and Regulations." The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.

"Selling Agent." Prudential Douglas Elliman Realty.

"Special Assessments." The charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with the By-Laws.

"Sponsor." 91 Grand Avenue, LLC.

"Unit." One of the seventeen (17) Units (16 Residential Units and 1 Community Facility Unit) comprising the Condominium formed pursuant to the Declaration, as depicted on the Floor Plans, and as more particularly defined in Article 5 of the Declaration.

"Unit Facilities." All personal property and fixtures now or hereafter existing in, on, or under the Land, any buildings or improvements thereon or on the Units, and either existing for the common use of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property.

"Unit Owner." Any Person who holds fee title of record to a Unit at the time in question.

"Units." More than one Unit.

"Unsold Unit." Any Unit owned by Sponsor or its designee at the time in question.

"Unsold Units." More than one Unsold Unit.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

This description is intended to outline generally the nature of the work, materials and equipment and to indicate the contemplated character of the Project, but shall not be interpreted as enlarging in any manner, directly or by reference, the obligations or liability of the Sponsor as set forth in this Plan. A more detailed description and floor plans are set forth in the "Description of Property and Specifications," Exhibit D to Part II of the Plan.

The Annex Condominium Is Located at 91 Grand Avenue, Brooklyn, New York. The current Kings County tax map lot and block designations are Block 1893, Lot 7. The current zoning classification of the site is R-6 as designated on Map 12D of the 1961 Zoning Resolution (ZR). This class of Residential zoning permits the proposed occupancy of the Building and the Units. The Condominium will consist of a three-story building containing sixteen Residential Units and one Community Facility, and related Common Elements. The Condominium will not include recreational facilities. Parking facilities will be available to Unit Owners at an additional cost.

The Sponsor will improve the Property and construct the Units in accordance with all applicable requirements of the New York City Administrative Code and is being constructed in compliance with Local Law 58, Handicapped Access Law. The building plans have been approved by the Brooklyn office of the New York City Department of Buildings. The Building is located on Grand Avenue, a public street maintained by the City of New York. The specifications for the construction of the Units are set forth in detail in the Description of Property and Specifications, Exhibit "D" in Part II of the Plan. The floor plans for each Unit are reproduced in Exhibit "E" in Part II of the Plan.

Under the present construction schedule, it is anticipated that the Condominium is expected to be substantially completed by March 1, 2007, unless 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 has no control.

The Sponsor reserves the right to amend or modify in any way the plans and specifications (including changing materials, appliances, equipment, fixtures and other construction details) and substitute in place of any materials, appliances, equipment and fixtures set forth herein or in Exhibit D to Part II of this Plan, materials, appliances, equipment and fixtures of equal or better quality; provided only that any necessary approval of any governmental authority having jurisdiction thereover is first obtained. Any of the foregoing amendments or changes may be made without prior notice or amendment to the Plan. All references in this Plan to "Plans and Specifications" shall mean the aforesaid plans and specifications for the Project prepared by the Sponsor's Architect and Engineers as the same may have, from time to time, been amended or changed, or may, from time

to time, hereafter be amended or changed in accordance with the provisions of this paragraph.

The Sponsor will install an Amana range Model ACS3350A or equivalent; Jenn-air Refrigerator Model PLHT217TPK or equivalent; and GE Microwave Model PLMV168KC or equivalent. Sponsor will not install any stackable and/or single washer and dryer. Any other appliances the Purchaser installs in their Unit will represent an additional cost of purchasing the Unit.

An affiliate of the Sponsor owns the property located at 97-101 Grand Avenue, which is adjacent to 91 Grand Avenue. It is the intention of sponsor to develop this property into a Condominium. It is expected that the adjacent condominium that will include an indoor parking facility, whose parking spaces may be available for sale to Unit owners of The Annex Condominium. Sponsor does not represent or warrant that all or any portion of the adjacent condominium or parking facility will be built, or if built, when construction will commence or be completed.

The Sponsor reserves the right to amend or modify in any way the plans and specifications (including changing materials, appliances, equipment, fixtures and other construction details) and substitute in place of any materials, appliances, equipment and fixtures set forth herein or in Exhibit D to Part II of this Plan, materials, appliances, equipment and fixtures of equal or better quality; provided only that any necessary approval of any governmental authority having jurisdiction thereover is first obtained. Any of the foregoing amendments or changes may be made without prior notice or amendment to the Plan. All references in this Plan to "Plans and Specifications" shall mean the aforesaid plans and specifications for the Project prepared by the Sponsor's Architect and Engineers as the same may have, from time to time, been amended or changed, or may, from time to time, hereafter be amended or changed in accordance with the provisions of this paragraph.

LOCATION AND AREA INFORMATION

The Condominium is being constructed at 91 Grand Avenue, in the Clinton Hill section of Brooklyn, New York, a highly urban area. The City of New York provides police, fire, water, sanitation, snow removal and road maintenance services. The site is located in an R-6 zone, as designated on Map 12-D of the 1961 Zoning Resolution. The uses contemplated by this Plan are permitted of right, and the site is not designated as a landmark.

The Condominium is located on the east side of Grand Avenue, between Park and Myrtle Avenues. The area immediately surrounding the Condominium is a mixed residential-industrial neighborhood made up of low-rise buildings and warehouses, many of which are being converted to residential use. The front of the Condominium faces west onto Grand Avenue. The lot immediately to the north of the Condominium is vacant. An affiliate of the Sponsor owns the property adjoining the Property on the south and east.

It is anticipated that an additional Condominium will be constructed on that adjacent property, and that such condominium will include a parking facility, the use of which may be available to the Unit Owners of the Annex Condominium at an additional charge. Sponsor does not represent or warrant that all or any portion of the adjacent condominium will be built, or if built, when construction will commence or be completed, or whether such condominium will include a parking facility.

The Clinton Hill neighborhood is a historic, vibrant and diverse community, with a great variety of architecture ranging from pre-Civil War frame houses to Romanesque mansions to modern lofts like The Annex. The neighborhood is a mix of mostly low-rise apartment buildings and single and multi-family homes. The area is home to many artists, some of whom are associated with Pratt Institute and St. Joseph's College, neighborhood institutions that add to the strong artistic and intellectual flavor of the area.

New York City subway and bus service is within close proximity to the Condominium. Nearby subway service includes the A, C and G lines, providing easy service to Manhattan and downtown Brooklyn. There are several nearby bus lines providing service between downtown Brooklyn and Queens.

The Building is convenient to major arteries providing access to all boroughs of New York City, Long Island and the tri-state area. There is easy vehicular access to the Manhattan, Brooklyn and Williamsburg Bridges, as well as to the Brooklyn/Queens Brooklyn/Queens Expressway. La Guardia Airport and John F Kennedy Airport are both convenient to the Building.

There is ample shopping nearby reflecting the great diversity of the community.

Nearby medical centers include Brooklyn Hospital Center, Downtown Campus, Gouverneur Hospital, Long Island College Hospital and Methodist Hospital, all of which are within three miles of the Condominium.

The NYPD 88th Precinct House is located at 298 Classon Avenue, approximately one-half mile from the Condominium. The local fire station, the home of FDNY Engine 209/Ladder 102, is located approximately at 750 Bedford Avenue, approximately three-quarters of a mile from the Condominium.

There are several public schools in the neighborhood, including the Clinton Hill School - PS 20, 225 Adelphi Street, a selective, high performing elementary school; Johann DeKalb School - PS 270, 241 Emerson Place; Francis Scott Key Middle School - JHS 117, 300 Willoughby Avenue; Benjamin Banneker Academy High School, 71-77 Clinton Avenue; and Bedford Avenue High School. There are also private and parochial schools and houses of worship serving most denominations within a short distance of the Condominium.

Sponsor is not aware of any uses presently in existence or proposed in adjacent or nearby buildings or land which a reasonable purchaser would find obnoxious.

OFFERING PRICES AND RELATED INFORMATION

SCHEDULE A
TO BE INSERTED

FOOTNOTES TO SCHEDULE A

(A) The number of bedrooms and number of baths were calculated by counting each bedroom as one bedroom and each full bathroom as one bath. A bathroom without bathing facilities is counted as a half-bath. Room counts are in accordance with the standards established by the Real Estate Board of New York. The Floor Plans are reproduced as Exhibit "E" in Part II of this Plan.

(B) The interior square footage of the Units is measured horizontally from the exterior of the Unit side of the centerline of the exterior wall to the centerline of the wall separating one Unit from another Unit, corridors, stairs and other mechanical equipment spaces or any Common Elements; or to the centerline of the opposite exterior walls or the centerline of the exterior walls.

(C) The prices and terms of sale for these Condominium Units are negotiable and may be changed. See "See Changes In Prices and Units" in Part I of this Plan. The Purchaser will also have to pay certain closing costs and adjustments, as set forth in "Unit Closing Costs and Adjustments", in Part I of this Plan.

(D) The percentage of interest in the Common Elements applicable to each Unit was determined by Sponsor based on upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Unit, pursuant to Real Property Law Section 339-i (1) (iv).

(E) Based upon Budget for First Year of Condominium Operation prepared by Sponsor and included in this Plan as Schedule B. If the Purchaser obtains financing in order to purchase a Unit, debt service on such financing will be an additional monthly expense. The projected Common Charges include charges for a Managing Agent and a part-time superintendent, the details of which are set forth in Note 8 to Schedule B, below.

The projected Common Charges do not include housing costs for which the Unit Owner is generally responsible such as repairs to the interior of the Unit and separately metered electricity. See Schedule B-1 for the estimated consumption and costs of such items.

(F) After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. The projections in this Schedule are based on a pre-renovation assessed valuation of the property of \$304,290 and a projected assessed valuation following completion of construction of \$800,000.00, and a current tax rate of \$12.396 per \$100 of assessed valuation.

The Sponsor is applying for tax benefits for the Condominium under the partial real estate tax exemptions provisions of Section 11-243 of the Administrative Code of the City of New York (Section J-51). If available, Section 11-243 would exempt the Units from real estate tax to the extent of the increase in assessed valuation resulting from the construction of the improvement thereon (i.e., the assessed valuation above the pre-construction assessed valuation) for a period of ten (10) years. The exemption is thereafter phased out over the following four (4) year period. Following the fourteen (14) year exemption period, each Unit Owner will pay real estate taxes based on the full assessed valuation of his Unit and the tax rate then in effect, without the benefit of any exemption. The Sponsor has obtained an opinion from Empire Consulting Service, Inc., 17B Jackson Avenue, Spring Valley, NY 10977 regarding the eligibility of the Condominium for the partial real estate tax exemption under Section 11-243 and the value of the exemption and abatement to the Condominium and the individual units in the event same are obtained, a copy of which opinion is reproduced in Part I of this Plan.

(G) In the event that, notwithstanding Sponsor's application for a Section 11-243 tax exemption and the opinion of Empire Consulting Service, 17B Jackson Avenue, Spring Valley, NY 10977, the real estate tax benefits are ultimately not obtained, each Unit Owner would be assessed real estate taxes based on the then current tax rate applied to the post-construction assessed valuation. See Sections entitled "Real Estate Taxes", "Income Tax Deductions to Unit Owners and Tax Status of the Condominium", and "Opinion of Counsel" in Part I of this Plan.

Under the present income tax laws, the amount shown for Residential Units as projected monthly real estate taxes in columns (G) and (H) should be deductible for income tax purposes. (See Sections entitled "Real Estate Taxes", "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" and "Opinion of Counsel" in Part I of this Plan, and the limitations discussed therein.) Deductions may vary in future years resulting from the expiration of real estate tax benefits, or from changes in the assessed valuation, the tax rate, or the method of assessing real property or condominium units.

OFFERING PRICES AND RELATED INFORMATION

SCHEDULE A

FOR THE PERIOD BEGINNING MAY 1, 2007

Unit	Number of Bedrooms/ Bathrooms	Interior Square Footage	Exterior Square Footage	Offering Price	Percentage of Common Interest	Projected Monthly Common Charges	Projected Monthly Real Estate Taxes Assuming Real Estate Tax Benefits	Projected Annual Real Estate Taxes Assuming Real Estate Tax Benefits	Projected Monthly Real Estate Taxes Assuming No Real Estate Tax Benefits	Projected Annual Real Estate Taxes Assuming No Real Estate Tax Benefits	Projected Monthly Carrying Charges Assuming Real Estate Tax Benefits	Projected Monthly Carrying Charges Assuming No Real Estate Tax Benefits
	A	B	B	C	D	E	F	F	G	G		
1A	1/1	917	0	\$520,000	5.063%	\$689.62	\$151.04	\$1,812.46	\$418.43	\$5,021.16	\$840.66	\$1,108.05
1B	1/1	1,035	0	\$590,000	5.745%	\$782.45	\$171.37	\$2,056.44	\$474.76	\$5,697.09	\$953.82	\$1,257.21
2A	1/1	820	0	\$480,000	4.674%	\$636.57	\$139.42	\$1,673.04	\$386.24	\$4,634.92	\$775.99	\$1,022.82
2B	0/1	760	0	\$410,000	3.992%	\$543.74	\$119.09	\$1,429.05	\$329.92	\$3,959.00	\$662.83	\$873.66
2C	1/1	880	0	\$480,000	4.674%	\$636.57	\$139.42	\$1,673.04	\$386.24	\$4,634.92	\$775.99	\$1,022.82
2D	2/2	1,550	0	\$870,000	8.471%	\$1,153.79	\$252.70	\$3,032.38	\$700.07	\$8,400.79	\$1,406.49	\$1,853.85
2E	0/1	800	0	\$440,000	4.284%	\$583.52	\$127.80	\$1,533.62	\$354.06	\$4,248.68	\$711.33	\$937.58
2F	0/1	815	0	\$440,000	4.284%	\$583.52	\$127.80	\$1,533.62	\$354.06	\$4,248.68	\$711.33	\$937.58
2G	0/1	790	0	\$460,000	4.479%	\$610.05	\$133.61	\$1,603.33	\$370.15	\$4,441.80	\$743.66	\$980.20
3A	2/1	910	660	\$590,000	5.745%	\$782.45	\$171.37	\$2,056.44	\$474.76	\$5,697.09	\$953.82	\$1,257.21
3B	1/1	750	600	\$490,000	4.771%	\$649.83	\$142.32	\$1,707.89	\$394.29	\$4,731.48	\$792.16	\$1,044.12
3C	1/1	920	800	\$600,000	5.842%	\$795.72	\$174.27	\$2,091.30	\$482.80	\$5,793.65	\$969.99	\$1,278.52
3D	2/2	1,550	800	\$950,000	9.250%	\$1,259.88	\$275.93	\$3,311.22	\$764.44	\$9,173.28	\$1,535.82	\$2,024.32
3E	1/1	800	0	\$480,000	4.674%	\$636.57	\$139.42	\$1,673.04	\$386.24	\$4,634.92	\$775.99	\$1,022.82
3F	1/1	815	0	\$490,000	4.771%	\$649.83	\$142.32	\$1,707.89	\$394.29	\$4,731.48	\$792.16	\$1,044.12
3G	1/1	790	0	\$480,000	4.674%	\$636.57	\$139.42	\$1,673.04	\$386.24	\$4,634.92	\$775.99	\$1,022.82
CF		5000	0	\$1,500,000	14.606%	\$1,989.29	\$1,841.60	\$22,099.20	\$1,207.01	\$14,484.13	\$3,830.89	\$3,196.30
TOTALS	14/18	19,902	2860	\$10,270,000	100.000%	\$13,620.00	\$4,388.91	\$52,666.96	\$8,264.00	\$99,168.00	\$18,008.91	\$21,884.00

SCHEDULE B

PROJECTED BUDGET

**91 Grand Avenue
BROOKLYN, NEW YORK**

**ESTIMATED SCHEDULE OF RECEIPTS AND EXPENSES
FOR FIRST FULL YEAR OF OPERATION**

(BEGINNING MAY 1, 2007)

RECEIPTS		Receipts
COMMON CHARGES	(Note 1)	\$ 163,449
TOTAL RECEIPTS		\$ 163,449
EXPENSES		Total
WAGES & BENEFITS	(Note 2)	\$ 37,122
GAS	(Note 3)	\$ 32,390 *
ELECTRICITY	(Note 4)	\$ 26,435 *
WATER & SEWER	(Note 5)	\$ 7,109 *
SERVICE CONTRACTS	(Note 6)	\$ 3,686
REPAIRS, MAINTENANCE & SUPPLIES	(Note 7)	\$ 10,000
INSURANCE	(Note 8)	\$ 14,224 *
MANAGEMENT FEE	(Note 10)	\$ 15,000
LEGAL & ACCOUNTING	(Note 11)	\$ 4,700
ADMINISTRATIVE	(Note 12)	\$ 5,000
CONTINGENCY	(Note 13)	\$ 7,783
TOTAL OPERATING EXPENSES		\$ 163,449

* *An additional 10% has been added to the Gas, Electricity, Water/Sewer, and Insurance figures to represent reasonably anticipated increases.*

FOOTNOTES FOR SCHEDULE B

(1) **Common Charges**

\$163,449

(2) **Wages & Benefits**

\$37,122

The figure shown includes wages, workers' compensation and disability insurance, payroll taxes and payroll processing. It does not include any pay for sick days, holidays or vacation time. The building staff shall consist of one part-time superintendent, earning \$20,000 per year, and one part-time porter, earning \$12,000 per year.

Wage and Payroll Tax Details:

Part Time SUPERINTENDENT	\$ 20,000
Part Time PORTER	\$ 12,000
GROSS ANNUAL WAGES	\$ 32,000
FICA	\$ 2,448
FUTA	\$ 112
SUI	\$ 697
Disability	\$ 120
Worker's Compensation	\$ 1,745
TOTAL WAGES & BENEFITS	\$ 37,122

(3) Gas for Domestic Water Heating, Space Heating, Cooking and Laundry \$32,390*

The total projected annual cost for gas heating, hot water, and cooking is approximately \$29,445 during the first year of operation. The estimated cost for fuel heating, hot water and cooking was provided by engineer, MGJ (Marino Gerazounis & Jaffe) Associates, at 116 West 32nd Street, New York, NY 10001.

Common gas meter assemblies are provided for cooking and central heating. Each apartment has a gas range for cooking. Usage is based on 16 apartments and 600 cfh/apartment/month.

The building will have a central heating hot water boiler and domestic water heaters. These will utilize a common gas service to the building. Estimates based on the following:

Heating Boiler: peak load of 612,000 btus and annual usage of 15,064 therms.

Corridor Rooftop Unit and Home Office Rooftop Unit: peak load of 97,200 btus and annual usage of 2,632 therms each.

Domestic Hot Water: based on population of 32 people and annual usage of 3,057 therms.

TOTAL ESTIMATED ANNUAL GAS USAGE

Heating Boiler	=	21,090
Corridor Heating/Cooling Units	=	3,685
Domestic Hot Water	=	3,057
Cooking	=	1,613
Total Estimated Annual Fuel Usage for Common Areas:	=	\$ 29,445/yr
Plus 10%	=	\$32,390/yr

* Estimate includes an additional 10% to represent reasonably anticipated increases.

(4) Electricity

\$ 26,435*

Includes common area electric but does not include the cost of electric to individual Residential Units. Individual tenant electrical meters and a house meter are provided. All directly metered Unit owners will be responsible to pay the electric bills for their individual units.

Estimated Electrical Cost for Common Areas based on the following:

Plumbing Equipment (domestic water pump and sewage ejector pump) 11,763 KW-Hrs.

HVAC Equipment (H&V Unit, Toilet Exhaust, Kitchen Exhaust, Boiler/Burner, Apartment Corridor AC, Home Office A/C, Hot Water Pumps, Lobby AC, Compactor Room Exhaust, EF-1) 94,379 KW-Hrs.

Lighting Loads (Interior and Exterior) 14,016 KW-Hrs.

Cost based on \$0.20 per KW-Hrs.

TOTAL ESTIMATED ANNUAL ELECTRIC USAGE

Plumbing Equipment	=	2,353
HVAC Equipment	=	18,876
Lighting Equipment	=	2,803
Total Estimated Annual Electric Usage for Common Areas:	=	\$ 24,032/yr
Plus 10%	=	\$26,435/yr

The estimated cost for electricity was provided by the engineer, MGJ (Marino Gerazounis & Jaffe) Associates, at 116 West 32nd Street, New York, NY 10001

* Estimate includes an additional 10% to represent reasonably anticipated increases.

(5) Water & Sewer

\$7,109 *

The building population is estimated at 32 people and their water usage is estimated at 100 gallons per person per day. Water costs are computed at \$1.60 per 100 cubic feet; sewer costs are computed at \$2.54 per 100 cubic feet. (Conversion factor of 7.48 gallons per cubic foot.) Estimates may vary from actual usage due to variables involved, such as user's habits, etc. The cost could also change due to rate changes.

Building Water Consumption

Estimated annual water consumption	=	\$2,498
Estimated annual sewer charges	=	3,965

Total Estimated Annual Water & Sewer for Common Areas:	=	\$6,463/yr
Plus 10%	=	\$7,109/yr

The estimated costs for water and sewer usage were provided by the engineer, MGJ (Marino Gerazounis & Jaffe) Associates, at 116 West 32nd Street, New York, NY 10001

* Estimate includes an additional 10% to represent reasonably anticipated increases.

(6) Service Contracts

\$3,686

- No service contracts currently exist between the Condominium and any service provider.
- This figure is intended to cover annual service contracts for monitoring, services, repair and maintenance of the following systems in the Condominium:
 - Exterminating \$ 1,106
 - Fire Alarm Monitoring \$ 2,580
- Estimate on the service contract above were provided by the following sources:
 - Exterminating estimate provided by Assured Environments, 360 Lexington Avenue, New York, NY 10017.
 - Fire alarm monitoring estimate provided by AFA Protective Systems Inc., 155 Michael Drive, Syosset, NY 11791.
- As part of the installation of the HVAC, boiler, elevator and compactor, the sponsor will be responsible for obtaining and paying for the service contracts for the first year of operation. After the first year, the condominium will be paying for the service contracts for the above.
- As part of the installation of the intercom, sprinklers, and fire alarm, the sponsor will be responsible for obtaining and paying for the maintenance service contracts for the first year of operation. After the first year, the condominium will be paying for the service contracts for the above.

(7) Repairs, Maintenance & Supplies

\$10,000

- Includes normal repairs, maintenance and supplies with respect to Common Areas of the Building including lighting, public walkways and stairways, maintenance and painting of entrances, roof and building structure, and all building supplies. No amount is included for items covered by construction warranties or for the cost of any major capital expenditure in the Building. The budgeted number does not include repairs, painting, maintenance or supplies (including appliances) for individual Units, which are the responsibility of the individual Residential Unit owner.
- During the first year of operation, major repairs are not expected to be necessary, as the Condominium will have been substantially reconstructed.

(8) Insurance**\$14,224***

The budget number is projected on the basis of a preliminary quotation of insurance costs provided by Fillmore Agency Inc., 3128 Avenue U., Brooklyn, NY. 11229.

Coverages

Building	\$3,960,000
Replacement Cost/Agreed Amount	Included
Co-Insurance	Waived
Deductible	\$5,000
Business Income/Extra Expense)	Actual Loss Sustained
Flood & Quake	\$500,000 - \$25,000 deductible
Demolition & Increase	
Cost of Renovation	\$500,000

Building limit based on 3 story, brick joist, sprinklered building with 16 residential condo units and 1 commercial unit.

LIABILITY:

General Aggregate	\$2,000,000
Each Occurrence	\$1,000,000
Personal & Adversing Injury	\$1,000,000
Hired & Non-Owned Autos	\$1,000,000
Medical Payments	\$5,000
Fire Damage Legal Liability	\$50,000
Directors and Officers	\$1,000,000
Deductible	\$2,500
Employee Dishonesty (Fidelity)	\$100,000
Deductible	\$1,000

Umbrella	\$50,000,000
Boiler & Machinery	Building Limit
Business Income	Included
NY State Disability	Not Included
Workers Compensation	Based on payroll & Number of Employees

The Annual Estimated Premiums Would Be:	\$ 12,931.00
Plus 10%	\$ 14,224.00

There is NO COVERGE BOUND AT THIS TIME. Coverages are subject to the terms and Conditions set forth by the Insurance Company. The above quotations are based upon premiums charged in February 2006. The insurance market is extremely volatile and rates can change substantially. The above preliminary quote can be significantly higher or lower depending on market conditions at the time of the first closing.

By carrying \$3,960,000 (this would be at a replacement cost of \$180 per square foot), the hazard insurance company will include a provision known as an "Agreed Amount & Replacement Cost" endorsement, whereby the carrier agrees to reimburse the insured for property losses up to the full amount of the policy regardless of the actual replacement value of the Building. This clause has the effect of "waiving" any co-insurance penalty that the insurer might otherwise invoke. This clause does not mean that the Condo Association would receive sufficient proceeds to actually rebuild the entire building in the event of a substantial loss or total destruction of the Building. The Condo Association should periodically review the amount of insurance for the building to insure that the amount of coverage is sufficient.

Each individual Unit Owner should consider the desirability of obtaining additional insurance at his own cost for the following coverage, which is not included in the above Letter of Adequacy:

1. Fire or casualty losses to the contents of his Unit including replacements, additions, upgraded fixtures and improvements therein; and

2. Liability for personal injury or property damage as a result of occurrences in his Unit, including water damage legal liability to cover damage arising from leaks or other conditions within the Unit.

* Estimate includes an additional 10% to represent reasonably anticipated increases.

(9) Management Fee

\$15,000

The Condominium will be managed by Taube Management Corp. who is independent of the Sponsor, having principal offices at 204 East 83rd Street, New York, NY 10028. The period of the initial management agreement shall be \$15,000 per annum. This management fee reflects the prevailing cost for similar services. It is based on the size of the building, number of Residential Units, and the level of service to be provided.

(10) Legal & Accounting

\$4,700

All Condominium Unit Owners are entitled to receive annually from the Condominium at the Condominium's expense an annual audited statement prepared by an independent certified public accountant. Estimates have been obtained with respect to professional fees as follows:

- The amount set aside for Accounting services is \$2,200 based on a proposal received from Mel Savitz, CPA, having his offices at 280 North Central Avenue, Hartsdale, NY 10530.
- An amount of \$2,500 will also be set aside, both to engage counsel on retainer and to cover miscellaneous legal matters which may arise during the first year of operation.

(11) Administrative Expenses

\$ 5,000

Administrative costs cover photocopying, faxing and postage, fees, permits and filings as well as messenger services as required. Bank fees and charges are also included.

(12) Contingency

\$7,783

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

IF THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT OF THE FIRST YEAR OF CONDOMINIUM OPERATION IS TO BE DELAYED MORE THAN 6 MONTHS FROM MAY 1, 2007, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET DISCLOSING CURRENT PROJECTIONS. IF SUCH AMENDED PROJECTIONS EXCEED THE ORIGINAL PROJECTIONS BY 25% OR MORE, THE SPONSOR WILL OFFER ALL PURCHASERS THE RIGHT TO RESCIND AND A REASONABLE PERIOD OF TIME THAT IS NOT LESS THAN 15 DAYS AFTER THE DATE OF PRESENTATIO TO EXERCISE THE RIGHT. WHETHER OR NOT SPONSOR OFFERS TO GUARANTEE THE PREVIOUS BUDGET PROJECTION, SPONSOR WILL RETURN ANY DOWN PAYMENT OR DEPOSIT PROMPTLY TO SUBSCRIBERS WHO RESCIND.

SCHEDULE B-1

**91 Grand Avenue
Brooklyn, New York
PROJECTED ELECTRICAL COSTS
FOR Residential Units**

Estimated Electrical Consumption per Residential Unit
(Individually Sub-Metered)

The following is an estimate of annual energy costs for the typical appliances located in each Residential Unit provided by engineer, MGJ (Marino Gerazounis & Jaffe) Associates, at 116 West 32nd Street, New York, NY 10001.

The projected rates are not guaranteed and it must be expected that these rates will increase with the passage of time and may be affected by many factors which are beyond the control of the Sponsor. Purchasers are advised that the projections are only estimates and actual consumption will be metered and will vary based on the personal needs of Residential Unit Owners and weather conditions.

Apt.	S.F.	Annual Ltg/Pwr (KWHrs)	Annual Oven Usage (KWHrs)	Annual Cooking Power (KWHrs)	Total Annual Usage (KWHrs)	Est. Annual Elec. Cost (based on \$.20/KWHr)
1A	790	3,562	1,460	3,099	8,589	\$1,718
1B	690	3,485	1,825	3,099	9,033	\$1,807
2A	865	3,620	1,825	3,099	9,168	\$1,834
2B	1035	3,750	1,825	3,099	9,298	\$1,860
2C	675	3,474	1,825	3,099	9,022	\$1,804
2D	865	3,620	1,825	3,099	9,168	\$1,834
2E	1035	3,750	1,825	3,099	9,298	\$1,860
2F	675	3,474	1,825	3,099	9,022	\$1,804
2G	865	3,620	1,825	3,099	9,168	\$1,834
3A	1035	3,750	1,825	3,099	9,298	\$1,860
3B	675	3,474	1,825	3,099	9,022	\$1,804
3C	865	3,620	2,190	3,099	9,689	\$1,938
3D	1035	3,750	2,555	3,099	10,340	\$2,068
3E	675	3,474	2,920	3,099	10,585	\$2,117
3F	865	3,620	3,285	3,099	11,252	\$2,250
3G	865	3,620	3,650	3,099	11,773	\$2,355

Annual lighting/power usage based on occupancy of 8 hours per day and 25% demand factor
Annual dryer usage based on 2 times a week at 1.5 hour per usage
Electric cost based on \$.20 per KWHr.

January 16, 2007

New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

Attention: Real Estate Financing Bureau

Re: Condominium Offering Plan
91 Grand Avenue Brooklyn, New York ("Property")

Dear Sir/Madam:

91 Grand Avenue, LLC ("Sponsor") of the Condominium Offering Plan ("Offering Plan") for the Property retained Douglas Elliman ("Firm") to review the percentage of Common Interest in the Common Elements allocated to each Unit in the Property set forth in the Schedule A of the Offering Plan.

The Firm is licensed as a real estate brokerage firm in the State of New York. The principals of the Firm have been engaged in the real estate and brokerage business for over twenty (20) years and have been actively associated with sale and management of condominium and cooperative buildings.

The Firm has been advised by Sponsor that the Common Interest of each Unit has been determined in accordance with Real Property Law Section 339-i(1)(iv) based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit in accordance with subsection (iv).

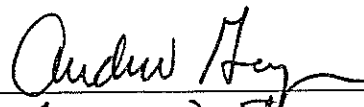
In the Firm's opinion, within the framework of Real Property Law Section 339-i(1)(iv), this method of determining Common Interest is reasonable and equitable.

The Firm certifies that it is not owned or controlled by Sponsor and that it has no financial interest in the offering other than its fee for services rendered in connection with the preparation of this letter (and acting as Selling Agent under the Offering Plan). The Firm understands that a copy of this letter is intended to be incorporated into the Offering Plan.

All capitalized terms not defined in this letter shall have the meaning ascribed to them in the Offering Plan.

Very truly yours,

DOUGLAS ELLIMAN

By: 
Managing Director

CHANGES IN PRICES AND UNITS

The prices set forth in Schedule A of this Plan may only be changed by a duly filed amendment to the Plan when a change in prices is an across-the-board increase or decrease affecting one or more Unit models, is to be advertised or is a price increase for an individual purchaser. However, prices and specified terms of sale are negotiable and Sponsor may enter into any agreements with any prospective purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment. Moreover, special work or extras ordered by an individual purchaser may increase the price of a Unit without the filing of an amendment.

No changes will be made in the size or number of Units, and/or their respective percentages of Common Interest, or material change in the size or quality of the Common Elements, except by duly filed amendment to the Plan and, when applicable, to the Declaration of Condominium.

Unless an affected purchaser consents, no material change will be made in the Unit size, layout, or percentage of Common Interest, if a Purchase Agreement has been executed and delivered for the Unit and the Purchaser is not in default under such agreement.

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

INTERIM LEASES

The Sponsor will not rent Units to prospective purchasers prior to closing.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit will be required to execute a Purchase Agreement. A Sample Purchase Agreement is contained in Exhibit A to Part II of this Plan. Purchase Agreements will not be binding upon the Sponsor until approved and accepted by the Sponsor. The Purchaser is required to make a down payment in the amount of ten (10%) percent of the purchase price (or, at the option of Sponsor, a lesser sum but not less than \$1,000.00), at the time he executes the Purchase Agreement, by check drawn to the order of "The Annex Condominium – Attorney Trust Account". The Sponsor shall not be bound to make any modifications or changes, perform any special work, provide any different or additional appliances, equipment, furnishings or decoration, unless agreed to by the Sponsor in a written instrument which is incorporated as an addendum to the Purchase Agreement.

Escrow Trust Fund

Sponsor will comply with the escrow and trust fund requirement of Lien Law Section 71-a(3) and General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto. These provisions cannot be waived or modified. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance and defense of obligations arising from the handling or disposition of trust funds.

(A) 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, must be placed within five (5) business days after the agreement is signed by all necessary parties, in a segregated special escrow account of Berger & Sklaw, the Escrow Agent, with offices at 295 Madison Avenue, Suite 700, New York, New York 10017. The funds will be deposited in Citibank N.A., 330 Madison Avenue, New York, New York 10017. The signatory on this account authorized to release funds is: Ephraim D. Berger, 295 Madison Avenue, Suite 700, New York, New York 10017 (212-685-6100). The title of the account is "The Annex Condominium - Attorney Trust Account". The bank is covered by the federal bank deposit insurance to a maximum of \$100,000.00 per individual deposit. The account will be an Interest On Lawyer's Account ("IOLA") pursuant to Judiciary Law Section 497, upon which no interest will accrue for the benefit of the Sponsor or the purchaser. All instruments shall be made payable or endorsed to the order of "The Annex Condominium - Attorney Trust Account".

(B) Within ten (10) business days after tender of the deposit submitted with the Purchase Agreement, the Escrow Agent will notify the Purchaser that such funds have been deposited into the escrow account and will provide the account number. In the event Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the deposit, the Purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within (90) days after tender of the deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing

that the escrowed funds were timely deposited and requisite notice was timely mailed to the Purchaser in conformity with the Attorney General's regulations.

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

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

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

(E) 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; and
- (ii) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

(F) In the event of a dispute, Purchasers and the Escrow Agent shall apply to the Attorney General for a determination regarding 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 set forth in Part II of this plan. The party applying for determination must send all other parties a copy of the application. The Escrow Agent will have the right to represent the Sponsor in any lawsuit.

(G) Pending the determination 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 the funds is granted, the deposit and any interest earned shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted.

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

(I) Any compensation to Escrow Agent for its services as such shall be paid by Sponsor and shall not be paid from escrowed principal or interest accruing thereon.

(J) A copy of the escrow agreement which incorporates the terms of the Attorney General's regulations may be found in Part II of the Offering Plan.

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

(L) Sponsor may apply to the Attorney General to use security in the form of a surety bond or a letter of credit in lieu of escrow of such funds upon showing of adequate insurance of such funds to the satisfaction of the Attorney General, in accordance with the Attorney General's regulations.

(M) Sponsor must submit an affidavit which contains full information as to the proposed usage of such funds, the Sponsor's financing of construction work, expected completion date, the terms and conditions of the proposed surety bond or letter of credit, and required undertakings and covenants.

General

If Purchaser fails to perform any of Purchaser's obligations under the Purchase Agreement, Sponsor may give written notice by certified mail, return receipt requested, to Purchaser of Sponsor's intention to cancel the Purchase Agreement if such default is not cured within thirty (30) days thereafter. If Purchaser fails to cure such default within such thirty (30) day period, Sponsor may, at its option, cancel the Purchase Agreement. If Sponsor so elects to cancel the Purchase Agreement, all amounts paid pursuant to the contract, together with any interest thereon, shall all belong to Sponsor and the rights, obligations and liabilities of both parties under the agreement and the Plan shall cease and terminate, provided that liquidated damages shall in no event exceed 10% of the offering price, plus the actual cost of work specially performed by Sponsor for the Purchaser.

Certain of the Purchaser's obligations under the Purchase Agreement are "time of the essence", so that Purchaser's failure to strictly comply with the deadlines of such provisions, the Sponsor may cancel the Purchase Agreement and the Purchaser will forfeit his deposit, as well as the cost of any special work in the Unit ordered by the Purchaser.

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 all Purchasers stating the date of the first closing and setting the date for such closing. Such notice will be served in compliance with applicable regulations no less than thirty (30) days before the date set for the closing of the units. Sponsor shall permit any Purchaser to waive this thirty (30) day provision.

Sponsor expects the first closing of a unit to occur on or before March 1, 2007. If such date is delayed twelve (12) months or more, Purchasers will be offered a right of rescission.

Each Purchaser is required to sign a power of attorney to the Board of Managers of the Condominium, which power of attorney must be signed, acknowledged and returned to the Sponsor within fifteen (15) days. Failure to so return the power of attorney may result in a default under the Purchase Agreement. The power of attorney (the form of which is reproduced in Part II of this Plan) empowers: (A) the Condominium Board, on behalf of all Unit Owners, (1)(a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign, or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, whose owner elects to surrender the same pursuant to the terms of the By-Laws, (c) to subject to a foreclosure or other similar sale, on such terms and (with respect to any transfer pursuant to the terms of subdivision (a) or (c) of this paragraph) at such price or at such rental as the case may be, as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, and (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of any governmental unit or agency or any other public authority having jurisdiction over the property and affairs of the Condominium, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Condominium Board deems necessary or appropriate; and (B) the Sponsor, to amend from time to time said Declaration, By-Laws and the Rules and Regulations of the said Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionments of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with the Declaration or (2) shall be required by (a) an Institutional Lender, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph (B) shall not (i) change the Common Interests of a Unit Owner's Unit, (ii) require a material, physical modification to the Unit Owner's Unit or to the Common Elements or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Unit Owner's Unit unless the Unit Owner (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment.

At Sponsor's option, Purchaser will be afforded either: (a) three (3) business days to review the Offering Plan and all filed amendments prior to executing a Purchase Agreement; or (b) seven (7) days after delivery of 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 postmarked within the seven (7) day period.

All risks of loss to the Unit by fire or other casualty remains with the sponsor unless and until legal title to the unit has been conveyed to the purchaser. In such event, such Purchaser is advised to obtain insurance covering any such casualty.

The agreement of a Purchaser to purchase a Unit will not be contingent upon the obtaining of a mortgage loan commitment. NO FINANCING IS BEING OFFERED BY THE SPONSOR.

The Purchase Agreement set forth in Exhibit A to Part II of the plan sets forth in detail the terms of sale with respect to each Unit and should be reviewed carefully by each prospective Purchaser and his counsel. Any conflict between the plan and the Purchase Agreement will be resolved according to the terms of the plan.

Sponsor will, within twenty days after receipt of a fully executed copy of the Purchase Agreement and the required deposit, either accept such Purchase Agreement and return a fully executed counterpart to the Purchaser, or reject the Purchase Agreement and refund the full deposit previously tendered. If the Sponsor fails to act within such twenty-day period, the Purchaser will have the option, by written notice within ten days thereafter, to withdraw his offer and receive a refund of the full deposit tendered.

The Purchase Agreement and Offering Plan shall not be amended to waive any of Purchaser's rights or abrogate any of Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law.

Sponsor will not permit the assignment or transfer of Purchase Agreements without Sponsor's written consent in each instance, in Sponsor's sole discretion.

EFFECTIVE DATE

The offer to sell is contingent upon this Plan being declared effective and upon compliance with the relevant conditions and time periods described in this Plan. This Plan will be declared effective upon the date upon which there are valid and binding Purchase Agreements for 80% of the Units being offered for sale under the Plan (i.e., 13 Units), or, at the option of Sponsor, upon execution of Purchase Agreements for at least 25% of the Units offered for sale under the Plan (i.e., 4 Units). For the purpose of this Plan, a Purchase Agreement shall be valid and binding if executed by both Purchaser and Sponsor. This Plan shall be declared effective by written notice to the Purchasers, served in accordance with the regulations, stating that the Plan was declared effective on a particular date, the percentage used to declare the Plan effective and a list of the Units

being counted to meet the minimum percentage for effectiveness. The closing of title to the first Unit shall not occur until the Plan is declared effective.

This Plan will not be declared effective based on Purchase Agreements: (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) if the Purchaser was not afforded a 7-day right of rescission after delivering an executed purchase agreement together with the required deposit or three (3) business days to review the Plan and all filed amendments; or (iii) with any Purchaser who is the Sponsor, the selling agent, or the managing agent or is a principal of the Sponsor, the selling agent or the managing agent or is related to the Sponsor, the selling agent or the managing agent or to any principal of the Sponsor, the selling agent or the managing agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide. This Plan may be abandoned by the Sponsor at any time prior to being declared effective. If this Plan is abandoned, all purchasers will be promptly notified and all monies paid under the respective Purchase Agreements will be returned to them within thirty (30) days after abandonment with interest, if any. In addition, Sponsor will promptly submit an amendment to the Department of Law confirming such abandonment or will file a notice of abandonment on form RS-3 or such other form as the Department may require and explain the reason for such abandonment and the disposition of all funds received.

Once the Plan has been declared effective, it may not thereafter be withdrawn or abandoned, except that prior to conveying title to the first Unit, the Plan may, at the option of the Sponsor, be withdrawn in the event of: (i) the existence of one or more defects in title affecting any one or more Units that cannot be without cured litigation or cannot be cured for less than $\frac{1}{2}$ of 1% of the total offering amount; or (ii) substantial damage to or destruction of the Project or any portion thereof by fire or other casualty which cannot be cured for less than $\frac{1}{2}$ of 1% of the total offering amount; or (iii) the taking of any material portion of the Property in condemnation proceedings or by eminent domain. The foregoing dollar amounts shall exclude attorneys fees, or any such title defects or determination of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to the Sponsor or are a matter of public record.

TERMS OF SALE

Title to each Unit and its interest in the Common Elements will be conveyed by the Sponsor at the closing thereof by bargain and sale deed with covenants against grantor's acts, free and clear of all liens, encumbrances and other title exceptions other than the exceptions set forth in the Plan, or the Purchase Agreement. The deed will be substantially in the form set forth in Exhibit C to Part II of the Plan.

All risks of loss to the Unit by fire or other casualty remains with the sponsor unless and until legal title to the unit has been conveyed to the purchaser. In such event, such Purchaser is advised to obtain insurance covering any such casualty.

A closing will only take place concurrently with the issuance of a temporary or permanent certificate of occupancy for the Unit closed. All personal property located within the Unit on the date the Purchase Agreement is signed or located within the Common Elements on the date the Declaration is filed, that is owned by the Sponsor or the owner of the property, is included in the conveyance unless specifically excepted in the Plan. Any materials and equipment used by Sponsor or its agents or contractors in the process of developing, selling and marketing the Project and the Units is so specifically excepted.

The Declaration, By-Laws and Floor Plans for the Condominium and such other documents, as required by law, will be recorded prior to or contemporaneously with the first conveyance of title to a Unit in accordance with the New York Condominium Act in the Office of the Kings County City Register.

The Sponsor and each Purchaser will comply with the filing requirements of the New York State Department of Taxation and Finance and the New York City Finance Department regarding the New York State and New York City Real Property Transfer Taxes, which Transfer Taxes shall be paid at closing by the Purchaser of the Unit. Each Purchaser must cooperate in the execution, acknowledgment and filing of any forms, questionnaires or returns in connection therewith.

If existing mortgages or construction loans are not satisfied at or prior to the closing of the first Unit, at the time of conveyance of the first Unit, any mortgagee will either: (a) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium Units; (b) subordinate the lien of its mortgage to the declaration of condominium; or (c) release its lien on the condominium Unit being conveyed and its interest in the Common Elements.

UNIT CLOSING COSTS AND ADJUSTMENTS

The estimated closing costs, expenses and adjustments to be borne by each Purchaser of a Unit and to be paid at closing are as follows: (a) fees and expenses of Purchaser's attorney; (b) mortgage recording taxes of 2.05% (2.175% for a mortgage of \$500,000 or greater) of purchaser's mortgage, if any (.25% of which is paid by the lending institution in most cases); (c) premiums for mortgage and/or fee title insurance if desired and/or required by Purchaser or his mortgage lender, if any: title insurance premiums per Zone 2 table, effective 2/11/02 including, e.g., fee title insurance premium of \$2,212 on purchase price of \$430,000, and \$2,637 on \$530,000; mortgage title insurance premium (subject to 30% discount where fee policy is purchased simultaneously) of \$463 on a mortgage of \$344,000, and \$550 on \$424,000, plus any required additional endorsements (estimated at \$150); (d) if desired by Purchaser and/or required by his Lender, if any, title abstract and search fees (estimated at \$250 - \$500); (e) all charges of Purchaser's Lender, if any, including, without limitation, origination and appraisal fees, and charges for a credit report; (f) attorney fees of Lender, if any (estimated at \$500-\$750); (g) fees for recording the Deed, Mortgage (if any), Unit Power of Attorney, Form NYS-TP-584, NYC Real Property Transfer Tax Return, and other documents (estimated at \$200-\$400); (h) Real Property Taxes, if any, apportioned as of date of closing; (i) Common Charges for the balance of the month in which title closes; (j) an initial capital contribution of \$1,000 to the Condominium; (k) usual and ordinary adjustments for utilities, if any; (l) New York State Real Property Transfer Tax (currently imposed at the rate of two dollars per \$500 of purchase price) and New York City Real Property Transfer Tax (currently imposed at the rate of 1% of the consideration paid for residential unit sales up to \$500,000, and 1.425% for residential unit sales above \$500,000; plus \$50), notwithstanding that such transfer taxes are statutorily the primary obligation of a seller, and as "grossed-up" by reason of Purchaser's payment thereof; (m) any extra closing fees of Sponsor's attorney by reason of: (i) purchaser having obtained mortgage financing for the Unit (estimated at \$250); (ii) the occurrence of closing in a location other than the office of Sponsor's attorney (estimated at \$250-\$500, depending upon location); and (iii) any scheduling or adjournment by Purchaser or his Lender of a closing date on less than five days' notice (\$150); (q) reimbursement to Sponsor of any mortgage tax credit available to the Purchaser; and (r) Sponsor's attorneys' fee in the amount of \$1,000. The above amounts are good faith estimates based on information currently available to the Sponsor. At the closing, Purchasers will ordinarily be required to advance to the Lender, if any, escrow for the reserves for taxes, assessments, water and sewer charges and insurance premiums.

The following is an example of the closing costs for a typical Unit:

\$ 530,000.00 Purchase Price

\$ 424,000.00 Mortgage

A.	Mortgage Recording Tax	\$ 7,602.00
B.	Title Insurance Premium (Fee: \$2,277; Mortgage: \$550)	\$ 2,827.00
C.	Abstract and Search Fees and Endorsements	\$ 500.00
D.	Lender's Attorney Fees	\$ 750.00
E.	Recording Fees:	
	Deed, Mortgage, Unit Power of Attorney	\$ 400.00
F.	Initial Capital Contribution	\$ 1,000.00
G.	New York State Real Estate Transfer Taxes	\$ 2,159.00
H.	New York City Real Estate Transfer Taxes	\$ 7,690.00
I.	Sponsor's Attorney Fee	<u>\$ 1,000.00</u>

TOTAL	\$23,928.00
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In addition to the foregoing, the purchaser will be responsible for a real estate tax adjustment (depending on date of closing), any fees charged by his own bank or his own Attorney, and additional fees incurred because of untimely scheduling or adjournment.

From and after the closing of title to each Unit, the Purchaser will be obligated for the payment of Common Charges, real estate taxes and assessments, and all other expenses with respect to his Unit whether or not he has taken possession of the Unit, and whether or not all work required to be performed by the Sponsor or anyone else in or to his Unit or to the Common Elements has been completed. If Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Sponsor will place in escrow, in the name of the Board of Managers, an amount equal to the real estate taxes attributable to unsold Units for the six-month period following the first closing. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the Sponsor will be entitled to reimbursement from Unit Owners, at each subsequent Unit closing, to the extent of the actual assessment.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

Subject to the terms and conditions of this Plan, the Sponsor has the following obligations the performance for which no bond or other security will be furnished:

1. The Sponsor will, at its sole cost and expense and with reasonable diligence, 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. The Sponsor reserves the right to substitute equipment or materials, and to make modifications of layout or design, provided, however, that Sponsor shall not: (1) substitute equipment or materials of lesser quality or design; or (2) change the size or location of Units, other improvements or Common Elements if such changes affect the percentage of Common Interests or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners consent in writing to such change and all affected contract vendees are given the right to rescind and receive the return of any deposit or down payment. The Sponsor is obligated to obtain a permanent Certificate of Occupancy for the Building, and anticipates obtaining same within 2 years after the closing of the first Unit.

2. The Sponsor reserves the right to rent, rather than sell Units. However, the Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all Residential Units to qualified Purchasers. However, in the event that there is a significant decline in market values of at least 10% from the offering prices set forth in the contracts counted toward effectiveness, the Sponsor reserves the right to rent, rather than sell, Units until the Sponsor receives offers equal to or greater than 10% below the prices in purchase agreements used to declare the Plan effective. 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 customary sales activities.

3. If a final Certificate of Occupancy and/or any other certificate or authorization required to permit the occupancy of a Unit shall not have been issued at the date of closing of title to such Unit, the Sponsor will obtain prior to the closing of the Unit a temporary or partial Certificate of Occupancy for the Unit to be closed and will secure a permanent Certificate of Occupancy for the Unit as expeditiously as possible after the closing of title (within an estimated 120 days but before expiration of any temporary Certificate of Occupancy, unless extended), 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, except that if the Sponsor is unable to obtain such Certificate or authorization, or is required to incur additional costs or expense to obtain same, as a result of acts of or changes or special work requested by the Purchaser of such Unit or by the Board of Managers (unless such Board was under the control of the Sponsor at the time such act, change or special work was authorized), then the Sponsor will be excused

from obtaining the certificate or authorization and the party causing or requesting such acts or changes or special work will be responsible for obtaining the same at his, their or its own cost and expense.

4. If the closing on a Unit takes place prior to the issuance of a permanent Certificate of Occupancy for the Unit, Sponsor shall (1) maintain all deposits and funds in a specially segregated escrow account pursuant to Section 352-e(2)(b) of the General Business Law of the State of New York, unless the Sponsor's architect or engineer certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent Certificate of Occupancy, in which case the balance over the sum so certified may be released from the special escrow account; or (2) provide a certification that available construction loan proceeds will equal or exceed the amount so certified by Sponsor's architect or engineer; or (3) deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified, or provide other collateral acceptable to the Department of Law.

5. Housing Merchant Implied Warranty: Article 36-B of the General Business Law grants to buyers of most newly constructed units a Housing Merchant Implied Warranty. Any contract of sale signed on or after March 1, 1989 is affected by the Warranty. The provision imposes a general warranty against building defects affecting the sale of new dwelling units that are single-family homes or cooperative or condominium units in buildings five stories or less. The following is a brief summary of that law. The full text of the law appears in the Exhibits to the Offering Plan.

A. Housing affected:

Newly constructed single-family homes and cooperative and condominium units in buildings of five stories or less.

B. Coverage:

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

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

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

C. Not Covered:

(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 home, such as stoves, refrigerators, air conditioners, etc. There are implied warranties from the manufacturers of such goods which are described in other laws.

D. Notice:

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

E. Limitation of the Warranty:

The Housing Merchant Implied Warranty can be limited. However, the limited warranty cannot permit construction which is below code or below locally accepted building practice, and the limited warranty time periods cannot be shorter than those described above. In this Offering Plan, the Housing Merchant Implied Warranty **is limited** as follows: (a) The warranty is only extended to the first owner of the new home, and subsequent owners are excluded; (b) Any lawsuit for claims for breach of warranty must be commenced within thirty (30) days after the expiration of the warranty coverage period; (c) All warranty claims must be submitted by certified mail to the Sponsor at the address shown in the deed of conveyance; (d) NO CONSEQUENTIAL OR INCIDENTAL EXPENSES OR DAMAGES ARE INCLUDED IN THE WARRANTY, such as moving costs, housing costs, property damages to the Unit Owner's property; and (e) Sponsor makes no housing, merchant implied warranty or other warranties, express or implied, in connection with the Unit, and all such warranties are excluded, except those expressly set forth in the New York Housing Merchants Implied Warranty, Section 777 (a) of the General Business Law.

F. Exclusions from the warranty:

Except for gross negligence in construction or in the selection of materials, the following are excluded from the above warranty: (a) any item covered by manufacturer's warranty assigned to the Purchaser, e.g. warranties on appliances; (b) damage due to ordinary wear and tear, abusive use, or lack of proper maintenance; (c) defects which are the result of characteristics common to the materials used such as (but not limited to), warping and deflection of wood; fading, chalking and cracking of paint due to sunlight, cracks due to drying and curing of concrete, stucco, plaster, bricks, and masonry, drying, shrinking and cracking of caulking and weatherstripping; (d) defects in

items installed or work done by the Purchaser or by any one other than the Seller or Seller's employees and subcontractors; (e) loss or injury due to the elements; (f) conditions resulting from condensation on, or expansion or contraction of, materials; (g) paints applied over newly plastered interior walls; and (h) consequential or incidental damages.

6. The Sponsor will deliver to the Board of Managers on behalf of Unit Owners an assignment of all assignable warranties and other undertakings received by the Sponsor from contractors, materialmen or others in connection with the construction and equipping of the Project except that warranties and undertakings which relate to equipment in individual Units will be delivered or assigned to each applicable Purchaser at or prior to the closing. All such warranties and undertakings will be delivered or assigned by the Sponsor promptly upon receipt by the Sponsor, if received after closing.

7. The Sponsor will pay or cause to be paid all contractors and materialmen and all others involved in the construction and equipping of the Project, 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 to be discharged by bonding or otherwise promptly after the filing of any such liens.

8. After the issuance of a final Certificate of Occupancy, the Sponsor will deliver to the Board of Managers a set of "as built" plans.

9. Except as set forth in "Unit Closing Costs and Adjustments" in Part I of this Plan, the Sponsor will bear all costs and expenses incurred by the Sponsor in connection with the creation of the Condominium and the preparation of this Plan and all selling expenses and compensation payable for sales or other personnel of the Sponsor. Each Purchaser will be responsible for the commission of any broker with whom such Purchaser may have dealt unless the Sponsor otherwise agrees in writing.

10. The Sponsor will pay all common charges, special assessments and real estate taxes with respect to Unsold Units. Sponsor states that it has the financial resources to meet its obligations with respect to any Unsold Units. The source of such funding is projected sales of Units, and existing assets of Sponsor. No bond or other security has been or will be posted to secure Sponsor's obligations.

11. Sponsor will initially procure, as reflected in the budget for the first year of Condominium operation, fire and casualty insurance pursuant to a replacement cost policy, and \$1,000,000 liability coverage. The cost of such policies are to be reimbursed by the Board of Managers. See Schedule B to this Plan.

12. Sponsor will keep copies of the Plan, Exhibits and documents referred to in the Plan on file at Sponsor's office or at another designated place for six years from the date the Declaration is recorded.

13. The Sponsor and its contractors, subcontractors, agents and employees will have the right of access to each Unit and to all of the Common Elements for purposes of completing construction, marketing and sale of the Units and fulfilling the Sponsor's obligations hereunder, provided that requests for entry to a Unit, except in emergencies, shall be made in advance and that any such entry will be at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether or not the Unit Owner is present at the time. The Sponsor may require that each Unit Owner shall deliver to the Sponsor or the Managing Agent (if any) a duplicate key to each exterior lock on such Owner's Unit and provide penalties for each Unit Owner's failure to do so. The Sponsor will be responsible for all damages to any Unit or to the Common Elements resulting from the exercise of such right of access, unless resulting from emergency entry and the Unit Owner has failed to provide a duplicate key. All repairs and replacements performed by the Sponsor as a result of any such damages will be substantially similar to the original construction and installation.

14. The Sponsor has reserved the unrestricted right to sell, assign, mortgage, lease or sublet any Unsold Unit for any legal purpose (subject to any use restrictions set forth in the By-Laws of the Condominium), and to mortgage, pledge or hypothecate said Unsold Units, at any time after the recording of the Condominium Declaration without first offering such Units for sale or lease to the Condominium, and to post signs on the Property for this purpose.

15. In the event of the dissolution or liquidation of the Sponsor or the transfer of ten (10) or more units or twenty percent (20%) or more 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.

16. Sponsor's contract vendor has obtained construction financing for this project from ChinaTrust Bank, which is expected to be assigned to Sponsor upon the closing of title under the purchase agreement between Sponsor and its contract vendor. If existing mortgages or construction loans are not satisfied at or prior to the closing of the first Unit, at the time of conveyance of the first Unit, the mortgagee will either: (a) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium Units; (b) subordinate the lien of its mortgage to the declaration of condominium; or (c) release its lien on the condominium Unit being conveyed and its interest in the Common Elements.

The foregoing undertakings set forth the entire obligations of the Sponsor hereunder and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of Unit Owners under their Purchase Agreements. All representations under the offering Plan, all obligations pursuant to the General Business Law, and any additional obligations under the offering Plan which are to be performed subsequent to the closing date shall survive delivery of the deed for a period of one year, unless otherwise provided by law or this Plan. The Sponsor shall not be liable for or obligated to defend any suits or

claims or to indemnify the Board of Managers or the Unit Owners with respect to any Unit arising out of any occurrence taking place on or after the date of the closing of title to such Unit 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 or omissions of the Sponsor or representations made by the Sponsor in this Plan, and, in such event, only for a period of one year, unless otherwise provided by law or this Plan.

Obligations of the Sponsor hereunder with respect to the Units shall be enforceable only by the Board of Managers on behalf of the Unit Owners affected, and with respect to the Common Elements, only by the Board of Managers on behalf of all Unit Owners. In no event shall any obligations of the Sponsor be enforceable by individual Unit Owners.

For all purposes under this Plan, the issuance of (a) a final or permanent Certificate of Occupancy, and (b) a statement by the Sponsor's architect or engineer to the Sponsor that the Units and Common Elements have been completed substantially in accordance with the Plans and Specifications except for (i) such work in the public portions of the project as is customarily or necessarily left incomplete until after occupancy (which work will be completed with reasonable expedition) and (ii) special work in any Units to be done by or for the account of Purchasers or tenants thereof, shall be deemed and considered presumptive evidence that the Project has been fully completed in accordance with the Plans and Specifications. Such presumption, however, shall be without prejudice to any rights which the Board of Managers may have with respect to the Sponsor's obligation to cause defects in construction or materials to be corrected, as set forth above. Such statement by the Sponsor's architect or engineer shall neither constitute a representation by him to the Unit Owners or to the Board of Managers nor give rise to any claim by any Unit Owner or by the Board of Managers against the Sponsor's architect or engineer with respect to completion of construction or defects therein.

Sponsor or its agents will not discriminate against any person because of race, creed, color, sex, disability, marital status, national origin or sexual orientation.

CONTROL BY THE SPONSOR

The affairs of the Condominium shall be governed by the Condominium Board of Managers. Subject to the provisions for control by Sponsor set forth herein, from and after the holding of the first annual meeting of Unit Owners, the Board of Managers shall consist of five persons elected by Unit Owners. Until such time, the Board of Managers shall consist of three persons designated by the Sponsor. Within thirty calendar days after the earlier to occur of: (i) five (5) years after the First Unit Closing, or (ii) the transfer of title to all Residential Units such that Sponsor no longer retains an interest in any Residential Unit in the Condominium, the Sponsor shall call the first annual meeting of the Unit Owners for the purpose of electing the five-member Board of Managers. After the Initial Control Period, Sponsor or its designee shall have the right to designate and elect two (2) members of the Condominium Board so long as Sponsor or its designee shall own any Unsold Units. The Sponsor and/or its designee(s) will be entitled, at such first annual meeting and thereafter, to cast votes attributable to any Units owned by the Sponsor or such designee(s).

Accordingly, after the date which is five (5) years from the First Closing, Sponsor and/or its designee may continue to control the Board of Managers if it has sufficient votes to elect a majority of the Board. Sponsor reserves the right to relinquish and regain voting control of the Board of Managers at any time. During the period that Sponsor controls the Board of Managers, Sponsor will have control of maintenance, facilities and services to be provided to Unit Owners and will determine the Common Charges to be paid by all Unit Owners.

Until Sponsor or its designee has conveyed title to all Residential Units, but in no event later than five (5) years after the First Closing, whichever shall first occur, the Board of Managers may not take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make any addition, alteration or improvement to the Common Elements or to any Residential Unit, (b) assess any General Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Residential Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Board of Managers to comply with the Laws of any governmental authority having jurisdiction over the Condominium, to remedy any notice of violation or to remedy any work order by an insurer.

During the Sponsor Control Period, Sponsor may not exercise veto power over expenses described in the Section entitled "Schedule B-Projected Budget for First Year of Condominium Operation: (the "Budget") or over expenses described in Schedule B of this Plan, or over expenses required: (i) to comply with applicable laws or regulations; (ii) to remedy any notice of municipal violation; or (iii) to remedy any work order by an insurer.

In such election, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast one vote for each .01% of Common Interest attributable to his Unit(s) per member to be elected. However, cumulative voting shall not be permitted, and nothing contained herein shall be deemed to permit any Unit Owner to cumulate the votes attributable to the ownership of any one Unit in favor of any one or more members to be elected.

BOARD OF MANAGERS

General

The affairs of the Condominium shall be governed by the Condominium Board of Managers. Subject to the provisions for control by Sponsor set forth herein, from and after the holding of the first annual meeting of Unit Owners, the Board of Managers shall consist of five persons elected pursuant to the By-Laws. Within thirty calendar days after the earlier to occur of: (i) five (5) years after the First Unit Closing, or (ii) the transfer of title to all Residential Units such that Sponsor no longer retains an interest in any Residential Unit in the Condominium, the Sponsor shall call the first annual meeting of the Unit Owners for the purpose of electing the five-member Board of Managers. All members of the Board of Managers (other than those appointed by Sponsor or its designee) shall be: (i) individual Unit Owners; (ii) individual Permitted Mortgagees; (iii) officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees; or (iv) adult Family Members of any of the foregoing. All Board members shall serve without compensation. No officer who is also a member of the Board of Managers shall receive any compensation for acting as an officer. Any one or more of the members of the Board of Managers (other than those appointed by Sponsor or its designee) may be removed with or without cause by a Majority of the Unit Owners.

The By-Laws of the Condominium do not require that after the Initial Control Period a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor. Accordingly, Purchasers for their own occupancy may never gain control of the Board of Managers under this Plan. Upon the affirmative vote of a majority of all the members of the Board of Managers, any officer may be removed, either with or without cause, and a successor may be elected or appointed, as the case may be, at any regular meeting of the Board of Managers or at any special meeting of the Board of Managers called for such purpose.

Powers and Duties of Board of Managers

The Board of Managers has the powers and duties necessary for and incidental to the administration of the affairs of the Condominium. Such powers and duties include the operation, care and maintenance of the Common Elements, the preparation of an annual budget for the Condominium and the assessment of Common Charges. The powers and duties of the Board of Managers are more fully discussed in Article 2 of the By-Laws.

Meetings and Votes of Unit Owners

Within thirty calendar days after the earlier to occur of: (i) five (5) years after the First Unit Closing, or (ii) the transfer of title to all Residential Units such that Sponsor no longer retains an interest in any Residential Unit in the Condominium, the Sponsor shall

call the first annual meeting of the Unit Owners for the purpose of electing the five-member Board of Managers. Thereafter, annual meetings of the Unit Owners shall be held on such date as the Board of Managers shall designate. At such meetings, the Unit Owners shall elect the Board of Managers. In addition, special meetings may be held from time to time pursuant to the By-Laws. At all meetings of the Unit Owners, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum and, except as noted below or 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.

At all meetings each Unit owner (or his proxy) entitled to vote thereat (including the Sponsor with respect to Units owned by the Sponsor) shall be entitled to cast one vote for each .01% of the Common Interest attributable to his Unit(s). Cumulative voting shall not be permitted.

Officers. The principal officers of the Condominium shall be a President, Secretary and Treasurer, all of whom shall be elected by the Board of Managers. All of the officers shall be Unit Owners. No officer who is also a member of the Board of Managers shall receive any compensation for acting as an officer. The anticipated initial officers and members of the Condominium Board shall be Michael Maidan, President; Faina Kouperman, Secretary; and an as yet unnamed Treasurer; all of whom are principals or affiliates of the Sponsor.

The duties of the principal officers are as follows:

President. The President shall be the chief executive officer of the Condominium, preside at all meetings of the Unit Owners and of the Board of Managers.

Secretary. The Secretary shall keep the minutes of all meetings of the Unit owners and of the Board of Managers, shall have charge of such books and papers as the Board of Managers may direct, and shall act as President in the absence of the President.

Treasurer. The Treasurer shall be responsible for Condominium funds and securities, for keeping full and accurate financial records and books of account showing all receipts and disbursements.

Liability of Board of Managers and Unit Owners

Every contract made by the Board of Managers or by any Managing Agent shall state that (a) it is made only as agent for all Unit Owners, and such Board members or Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners), and (b) the liability of any Unit Owner 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) such Unit Owner's interest in his Unit and Appurtenant Interests. Board members and officers shall have no liability to Unit Owners for errors of judgment, negligence or otherwise except that

a Board member or officer shall be liable for his own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units, indemnify each Condominium Board member or officer against any liability or claim except those arising out of his own bad faith or willful misconduct. The Board of Managers may contract or effect any other transactions with any Board member, any officer, any Unit Owner or the Sponsor or any affiliate of any of them without, incurring any liability for self-dealing, except in case of bad faith or willful misconduct.

Reports to Unit Owners

An annual itemized accounting of the receipts and expenditures of the Condominium Board shall be submitted by the Board of Managers to all Unit Owners within four months after the end of each fiscal year. The financial statements, including a balance sheet and profit and loss statement, shall be certified while the Sponsor is in control of the Board of Managers. Detailed books and records of receipts and expenditures affecting the Property and administration of the Condominium shall be available for examination by the Unit Owners and by their respective duly authorized agents or attorneys in the office of the Managing Agent or of the Condominium during general business hours on working days at the times and in the manner set and announced by the Board of Managers for the general knowledge of the Unit Owners.

Amendments to Condominium Documents

The Declaration may be amended by the vote of at least 80% 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, except that any attempt to alter the use of the Units and/or facilities for any use other than residential use shall require the approval in writing of the Unit Owner of every Unit and their respective Mortgagees.

The By-Laws may be amended by the vote of 80% 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 for such purpose, except that certain provisions of the By-Laws pertaining to rights of Mortgagees and rights of the Sponsor, may not be amended without the written consent of each Mortgagee, or the Sponsor, as the case may be.

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 all Unit Owners. In addition, the written consent of each Mortgagee shall be required before such vote is effective. 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 Interests 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 Unit in the order of priority of such liens.

Partition of Common Elements

The Common Elements cannot be divided or partitioned except as provided in the Condominium Act.

PROSPECTIVE PURCHASERS AND THEIR COUNSEL ARE ADVISED TO REVIEW CAREFULLY COPIES OF THE DECLARATION (EXHIBIT F, Part II of the Plan) AND THE BY-LAWS (Exhibit G, Part II of the Plan).

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

Sale and Leasing of Units

A Unit Owner may sell, lease or mortgage his Unit without restriction (except as set forth in the By-Laws), subject, however, to a Right of First Refusal in favor of the Board of Managers on behalf of the Unit Owners. Such Right of First Refusal generally allows the Board of Managers the first option to purchase or lease a Unit upon the same terms and conditions as may have been offered by a third party. The Right of First Refusal is set forth at length at Article 7.2 through 7.5 of the By-Laws.

Pursuant to Section 7.2 of the By-Laws, the Board of Managers will notify a Unit Owner within 20 business days of the date the Unit Owner gave complete notice to the Board of Managers of the proposed sale or lease. The Board of Managers must exercise its right of first refusal within said 20 business days, otherwise the Unit Owner may proceed with the proposed sale or lease within 120 days of the earlier to occur of (i) the Board's notice of refusal, or (ii) the expiration of the 20 business days without response from the Board. The funds for the acquisition and maintenance of such Unit would be a Common Expense paid by Common Charges or a special assessment. The Board would be permitted to sell, lease or sublease the Unit for the benefit of all Unit Owners. In exercising its right, the Board may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or any other grounds prohibited by law. The Right of First Refusal does not apply to the Sponsor or its designees.

Mortgaging of Units

Each Unit Owner shall be permitted to mortgage his Unit together with its Appurtenant Interests, in substantially the form of New York Statutory Mortgage, provided there are no outstanding Common Charges, special assessments or unpaid liens.

Common Charges and Assessments

Common Expenses will be determined by the Board of Managers and will be borne solely by Unit Owners in accordance with their percentage of interest in common elements. Common Expenses include, among other things, all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to General Common Elements, and may include amounts for certain other items as the Board of Managers may deem proper, such as management, legal and audit fees and amounts for reserves (not to exceed a 12-month reserve for contingencies of up to five percent of the annual budgeted operating expenses). Common Expenses are allocated to Unit Owners in accordance with their respective Common Interests.

At least annually the Condominium Board will prepare a budget for Common Expenses and allocate, as aforesaid, and assess Common Charges to the Unit Owners to meet such expenses. The Board of Managers shall have the right to accumulate reserves for capital expenditures and include such items in the budget. The Board of Managers will furnish copies of each budget on which common charges are based to all Unit Owners and advise such Owners of the amount of Common Charges payable by them. Unless otherwise determined by the Board of Managers, monthly Common Charges will be payable in full in advance on the first day of each month.

No Unit Owner may exempt himself from liability for Common Charges by waiving use of any of the Common Elements or by abandonment of his Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a permissible sale, transfer or other conveyance of such Unit.

Under the provisions of Sections 339-z and 339-aa of the New York Condominium Act and Article 6.4 of the By-Laws, the Board of Managers on behalf of all Unit Owners will have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit. The Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on Units in which Sponsor is more than 30 days in arrears of common charges while it is in control of the Board of Managers. All such liens, however, to the extent permitted by applicable law, will be subordinate to liens for real estate taxes on the Unit and any sums unpaid on Mortgages of record on such Unit. Any lien for unpaid Common Charges against a Unit will be effective from and after filing of a verified notice thereof in the Office of the Kings County City Registers, and until all sums secured thereby with the interest accrued thereon shall have been fully paid or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever shall be sooner. Such liens may be foreclosed by a suit brought in the name of the Board of Managers (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 on the Board of Managers to recover the unpaid Common Charges without foreclosing the lien.

Repairs to and Maintenance of Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements, whether ordinary or extraordinary: (a) in or to any Unit or its appurtenant Limited Common Elements will be made by the Owner of such Unit at such Unit Owner's sole cost and expense, and (b) in or to the General Common Elements will be made by the Condominium Board of Managers and the cost and expense thereof will be charged to the Unit Owners as a Common Expense. Any structural repairs to or replacement of the Limited Common Elements (unless caused by a Residential Unit Owner) will be charged to all Unit Owners as a Common Expense.

The By-Laws provide that each Unit and the Common Elements shall be kept in first class condition by the Unit Owner or Board of Managers, whichever is responsible for the maintenance thereof. In the event that any Unit Owner fails to keep his Unit or its Limited Common Elements in such condition the Board of Managers may, at the expense of the Unit Owner, enter his Unit and perform such acts as are necessary to cure such default (see "Right of Access" at Section 5.9 of the By-Laws). In addition, such Unit Owner shall be responsible for all damage to any other Units or to the Common Elements resulting from such Owner's failure to make any required repairs, or from such Owner's negligence or abuse.

Alterations and Improvements of Units and Common Elements

Generally, each Unit Owner (a) may decorate, paint, maintain and make non-structural improvements to his Unit without consent of the Condominium Board; and (b) may not make any structural alteration, addition or improvement without the prior written approval of the Condominium Board, contingent upon certain conditions including: maintenance of insurance, compliance with applicable law, and executing an Agreement setting forth the terms of the work and indemnifying the Board of Managers and the other Unit Owners.

Generally, all alterations, additions or improvements in or to any General Common Element will be made by the Board of Managers and the cost and expense thereof will be charged to all Unit Owners as a Common Expense.

Rights of Access

As more fully set forth in Article 5.9 of the By-Laws, the Board of Managers, any Managing Agent and other persons authorized by the Board of Managers will have a right of access to any Unit for the purposes, among other things, of making inspections of, or removing, violations of governmental laws or regulations and of curing defaults by the Owner of such Unit under the Declaration, By-Laws or Rules and Regulations enacted in accordance therewith or of correcting any conditions originating in any Unit and threatening another Unit or any Common Element.

The 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 purposes of completing construction of the Building and fulfilling the Sponsor's obligations hereunder.

Insurance Coverage

Details of the insurance coverage of the Condominium are set forth in Section 5.4 of the Condominium By-Laws, which are reproduced in Part II of this Plan.

Insurance Obtained by Board of Managers. (A) To the extent the same shall be obtainable (at cost that is not unreasonably prohibitive), the Condominium Board shall

obtain, and shall maintain in full force and effect, fire insurance policies with all risk extended coverage, vandalism and malicious mischief endorsements, insuring all improvements constituting General Common Elements and covering the interests of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interests may appear. To the extent obtainable each of the said policies shall contain:

(i) waivers of (a) subrogation, (b) any defense based upon co-insurance, or other insurance, (c) invalidity arising out of any acts of the insured and (d) pro-rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds thereof shall be paid to the Condominium Board;

(iii) a New York standard mortgage clause in favor of each Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interests may appear, subject, however, to the loss payment provisions in favor of the Condominium Board; and

(iv) a provision that such policy may not be either canceled or substantially modified except upon at least 30 days prior written notice to all of the insured, including all Permitted Mortgagees.

Duplicate originals or certificates of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be sent to all Unit Owners and Permitted Mortgagees at least 30 days prior to the expiration of the then current policies.

(B) The Condominium Board shall also obtain and maintain, to the extent practicable (at cost that is not unreasonably prohibitive):

(i) comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as co-insured (a) the Condominium Board and each member thereof, (b) the Managing Agent, if any, (c) each officer of the Condominium, and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his own Unit or the Limited Common Elements appurtenant to his Unit);

(ii) water damage legal liability insurance; and

(iii) such other insurance as the Condominium Board shall from time to time determine.

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine. Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once a year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to the By-Laws shall be borne by the Condominium Board as a Common Expense.

(E) The Board of Managers shall not secure or provide insurance coverage for any of the individual Units or their appurtenant Limited Common Elements, which insurance coverage shall be provided by the Unit Owner of such Unit.

(F) Casualty insurance or condemnation proceeds will be payable to the Condominium Board and held in trust for the benefit of all Unit Owners, as more fully set forth in Section 5.5 of the By-Laws.

Restrictions on Use of Units and Common Elements

No nuisance shall be allowed on the Property. No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all valid laws relating to any portion of the Property shall be complied with at the full cost and expense of the respective Unit Owners or the Condominium Board, whoever shall have the obligation to maintain or repair such part of the Property.

Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common elements be altered or removed.

Each Residential Unit shall be used only as a residence. Notwithstanding the foregoing, however, during the Initial Control Period upon the written consent of Sponsor

(or after the Initial Control Period upon the prior written consent of the Condominium Board) a Unit may be used as a professional or business office or for any other purpose other than that set forth in this paragraph provided that the nature and manner of such use complies with law and does not violate the then existing Certificate of Occupancy covering such Unit. Without the unanimous consent of Unit Owners, no Residential Unit or Common Element or Limited Common Element shall contain a commercial kitchen, nor shall any Residential Unit be used for the purposes of a school, place of religious worship, play group, nursery or banquet hall. The Community Facility Unit may be used for any purpose permitted by law and the Certificate of Occupancy.

A Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing. Additionally, in no event shall a portion of a Unit (as opposed to the entire Unit) be sold, conveyed, leased, or subleased, and no transient occupant (other than a guest permitted under this paragraph) may be accommodated therein.

Section 339-kk of the Real Property Law

If a Unit Owner who does not occupy his Unit rents it to a rental tenant (subject to compliance with the requirements of the By-Laws) and fails to make payments due for common charges, assessments or late fees for such Unit within sixty (60) days of the expiration of any grace period after they are due, upon written notice from the Board of Manager to such Unit Owner in accordance with section 339-kk of the New York Real Property Law, all rental payments from such tenant shall be payable directly to the Condominium.

Compliance with Terms of Declaration, By-Laws and Rules and Regulations Made in Accordance Therewith

Each Unit Owner must strictly comply with the provisions of the Declaration, By-Laws and the Rules and Regulations promulgated in accordance therewith. Failure to comply is grounds for an action for damages or injunctive relief, or both. The By-Laws will be recorded with the Declaration in the Office of the Kings County City Register.

REAL ESTATE TAXES

After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes. No Unit Owner will be responsible for the payment of, nor will any Unit be subjected to any lien arising out of the non-payment of, taxes on other Units.

Unit Owners will be assessed and taxed on their Units and their share of the Common Elements, because, pursuant to Section 339-y of the Real Property Law, each Unit and its Common Interest is deemed to be a parcel for purposes of assessment and taxation. Therefore, each Unit Owner will be responsible for initiating any review of his Unit's real estate tax assessment. Section 5.11 of the By-Laws sets forth an optional procedure for real estate tax complaints by the Board of Managers on behalf of Unit Owners who so desire.

As set forth in "Opinion of Counsel" in Part I of this Plan, based on the information contained in the Plan and current Federal, New York State and New York City laws, each Residential Unit Owner who itemizes deductions should be entitled to deduct for purposes of Federal, New York State and New York City income taxation, real estate taxes paid with respect to his Unit, provided it is a "qualified residence", and subject to the other limitations and conditions described in said Opinion. However, prospective Purchasers should be aware that Sponsor's Counsel is acting as counsel to the Sponsor and not to the Unit Owners. Thus, prospective Purchasers may wish to consult their own tax advisors as to the matters described herein.

If Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Sponsor will place in escrow, in the name of the Board of Managers, an amount equal to the real estate taxes attributable to unsold Units for the six-month period following the first closing. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the Sponsor will be entitled to reimbursement from Unit Owners, at each subsequent Unit closing, to the extent of the actual assessment.

The taxing authority is the City of New York, administered by the Department of Finance. The assessed valuation of the Property prior to construction was \$304,290, and the tax rate imposed for the 2005/06 tax year is 12.396%. The estimate of real estate taxes payable by Unit Owners in the first year of condominium operation as set forth in Schedule A was computed by applying the current tax rate to the current assessed valuation, allocated among the Units in accordance with their respective common interests. The actual tax assessment for each Unit may be allocated on a basis that differs from the allocation of Common Interests. The projected assessed valuation after completion of construction is \$800,000.00. No tax certiorari proceedings are currently pending with respect to the Property.

The Sponsor has applied for a partial real estate tax exemption for the Property under Section J-51 of the New York Real Property Tax Law, and the Sponsor will use its best efforts to obtain those benefits. The Sponsor has retained Ben Rottenstein Associates Inc., a real estate tax consulting firm, to represent it in connection with its J-51 application. The annexed letter from Equity Valuation Associates, a Real Estate Appraiser and Tax Consulting Firm, describes in detail the calculation of the J-51 exemption, and its projected availability to the Unit Owners. Sponsor has obtained a certificate of eligibility for the J-51 exemption from HPD. Schedule A to this Offering Plan sets forth projected monthly real estate taxes, and projected monthly carrying charges, both assuming alternatively the availability and non-availability of the J-51 partial exemption.

Sponsor will keep all records required by HPD and will make them available to HPD whenever requested to do so. Sponsor understands that 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 Condominium Board for inspection and copying for the life of the benefits, and will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

The following table sets forth the projected real estate tax assessed valuations for the Property, assuming the availability of the real estate tax exemption, based upon the opinion of Equity Valuation Associates, for the fifteen-year period of the exemption:

<u>Year</u>	<u>Projected Assessed Valuation</u>
1	\$337,337
2	\$370,384
3	\$403,432
4	\$436,479
5	\$469,526
6	\$502,574
7	\$535,621
8	\$568,668
9	\$601,716
10	\$634,763
11	\$667,810
12	\$700,858
13	\$733,905
14	\$766,952
15	\$800,000

There can be no assurance, and the Sponsor gives no warranty, that such tax benefits will be in fact obtained or available to the Unit Owners. Moreover, future increases in assessed valuation and/or rates of taxation of real property could also result in increases in real property taxes. Accordingly, the real estate taxes assessed against the Units may be higher than those set forth in this Plan.

Tax Status of the Condominium

Section 528 of the Internal Revenue Code affords certain condominiums, substantially all of whose Units (defined in Treasury Regulation §1528-4(b) as 85% of Unit square footage) are used by individuals for residences, the opportunity to elect to exclude from taxable income amounts received from Unit owners as membership dues, fees or assessments. In order to qualify for the Section 528 election, (i) the condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance and care of association property; (ii) sixty percent or more of the gross income of the condominium for the taxable year in question must consist of amounts received as membership dues, fees or assessments from the Unit Owners; (iii) ninety percent or more of the expenditures of the condominium for the taxable year in question must be for the acquisition, construction, management, maintenance and care of the Condominium's property, as defined in Section 528 of the Code; (iv) no part of the Condominium's net earnings can inure to the benefit of any private shareholder or individual other than by the acquisition, construction, management or maintenance of the condominium management association's property or by rebates of excess assessments; and (v) the Condominium properly makes the requisite election.

Because the residential square footage does not appear to constitute 85% of the total square footage of the Condominium, it appears that the Condominium will not satisfy all of the criteria set forth above and will not be eligible to be treated as such an exempt organization under Section 528 of the Code.

In the event that the Condominium does not qualify for and/or fails to elect to be taxed under Section 528, the Federal income tax consequences to the Condominium Board with respect to the receipt of the Common Charges and of expenditure of Condominium funds will depend on whether the Condominium Board:

- (i) is treated as a conduit; or
- (ii) is treated as a corporation.

If the Condominium Board is treated as a conduit, it will not be subject to tax. Rather, items of income, expenses, credits and deductions will be attributed to each Unit Owner in proportion to his percentage of common interest, in which case each Unit Owner would be required to report, for Federal, New York State and New York City income tax purposes, such Unit Owner's proportionate share of the Condominium's income in excess of any offsetting deductions and credits.

Alternatively, if the Condominium Board elects, or is otherwise determined, to be treated as if it were a corporation for income tax purposes, it would be subject to tax on its taxable income. In determining its taxable income, it is not clear whether assessments paid by Unit Owners would be taxable income or non-taxable contributions to capital, or whether the Condominium Board's deductions attributable to furnishing services to Unit Owners may be limited to amounts received from such Unit Owners. Thus, for example, interest earned on the funds reported by the Condominium Board would be taxed to the Unit Owners. There appear to be no judicial precedents directly supporting such treatment, and the position of the Internal Revenue Service appears to be that a condominium management association is an association taxable as a corporation.

BERGER & SKLAW LLP
295 MADISON AVENUE • SUITE 700
NEW YORK, NEW YORK 10017

EPHRAIM D. BERGER
LAURENCE M. SKLAW*
*Admitted in NY and NJ

TELEPHONE
(212) 685-6100
FACSIMILE
(212) 685-6862

DONALDA LEE
LEGAL ASSISTANT

OPINION OF COUNSEL

January 17, 2007

91 Grand Avenue, LLC
299 Broadway, Suite 716
New York, New York 10007

Re: Offering Plan for Condominium Ownership
The Annex Condominium

To whom it may concern:

You have requested our opinion with respect to the deductibility for Federal, New York State and New York City income tax purposes of mortgage interest and real estate taxes paid by a taxpayer who purchases a residential condominium unit (a "Unit") under the above referenced Offering Plan (the "Plan"). You have also asked us to discuss the tax status of the condominium. We note that the Offering Plan states that it is believed that the monthly payments of interest on any mortgage which becomes a lien on a Condominium Unit which is the Owner's primary residence (or one other residence the Owner selects pursuant to Section 163(h)(5)(A)(i)(II) of the Internal Revenue Code of 1986, as amended (the "Code")) and the real estate taxes payable by a Unit Owner which are assessed against such Unit by any governmental taxing authority, are a proper deduction in connection with Federal, New York State and New York City Income Taxes payable by the owner of such Condominium Unit.

Pursuant to Sections 163 and 164 of the Code, Section 615 of the New York State Tax Law, and Section 11-1715 of the New York City Administrative Code, each owner of a Residential Unit will be entitled to deduct from his or her gross income for Federal, New York State and New York City income tax purposes (subject to certain limitations discussed below) the real estate taxes assessed against his Unit, and paid, and the amount of "qualified residence interest" (within the meaning of Section 163(h)(3) of the Code) paid with respect to a mortgage on such Unit. (See Revenue Ruling 64-31, 1964-1 (Part I) CB 300. A "qualified residence" is defined as a principal residence and a second residence. The Unit may be selected as such second residence if the Unit Owner uses it as a residence within the meaning of Code Section 280A(d)(1) (i.e., he uses it for personal purposes for a number of days which exceeds the greater of (i) 14 days, or (ii) 10% of the number of days during the year for which the Unit is rented at a fair rental). A Unit Owner

who uses his Unit for less than 15 days in a tax year and/or rents out his Unit may not be eligible for such deductions, and should consult with his own tax counsel regarding these limitations.

The deductibility of interest and real estate taxes, as set forth above, may be subject to certain limitations for Federal, New York State and New York City Income Tax purposes under certain tax preference and/or alternative minimum tax rules and/or limitations on itemized deductions. In particular, New York State and City income tax laws include limitations on itemized deductions (including interest and real estate tax deductions) in the case of individuals having income in excess of certain prescribed levels. A Unit Owner who is subject to any such rules should discuss these potential limitations with his own tax counsel.

Unit owners who are senior citizens or veterans of the United States Armed Forces may be entitled to exemption(s) covering a portion of the real estate taxes assessed against their respective Units. In addition, the partial School Tax exemption known as "STAR" may be available. Unit owners should make inquiry from the New York City Finance Department to determine their eligibility for such exemption(s).

Section 528 of the Code affords certain condominiums, substantially all of whose Units (defined in Treasury Regulation §1528-4(b) as 85% of Unit square footage) are used by individuals for residences, the opportunity to elect to exclude from taxable income amounts received from Unit owners as membership dues, fees or assessments. In order to qualify for the Section 528 election, (i) the condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance and care of association property; (ii) sixty percent or more of the gross income of the condominium for the taxable year in question must consist of amounts received as membership dues, fees or assessments from the Unit Owners; (iii) ninety percent or more of the expenditures of the condominium for the taxable year in question must be for the acquisition, construction, management, maintenance and care of the Condominium's property, as defined in Section 528 of the Code; (iv) no part of the Condominium's net earnings can inure to the benefit of any private shareholder or individual other than by the acquisition, construction, management or maintenance of the condominium management association's property or by rebates of excess assessments; and (v) the Condominium properly makes the requisite election. Based upon our examination of the Offering Plan and your advice to us, it does not appear that the Condominium will satisfy the 85% residential requirement, and it is our opinion that the Condominium will not be eligible to be treated as such an exempt organization under Section 528 of the Code.

If the Condominium fails to qualify under Section 528 of the Code, or if it so qualifies but fails to properly elect to receive the benefits of such status, it is impossible to predict its income tax reporting status. It is possible that the Condominium Board could be viewed as an agent or conduit for the Unit Owners, in which case each Unit Owner would be required to report, for Federal, New York State and New York City income tax purposes, such Unit Owner's proportionate share of the Condominium's income in excess of any offsetting deductions and credits. Alternatively, the Condominium Board may be viewed

as an independent entity, rather than a mere conduit. If the Condominium Board elects, or is otherwise determined, to be treated as if it were a corporation for income tax purposes, it would be subject to tax on its taxable income. In determining its taxable income, it is not clear whether assessments paid by Unit Owners would be taxable income or non-taxable contributions to capital, or whether the Condominium Board's deductions attributable to furnishing services to Unit Owners may be limited to amounts received from such Unit Owners. Certain earnings and profits expended for the benefit of Unit Owners (perhaps including any rebates to Unit Owners of excess membership dues, fees or assessments) may be treated as dividends to such Unit Owners. In addition, the Condominium Board would be subject to New York State and New York City income taxes. If the Condominium Board were to be treated as a partnership for income tax purposes, each Unit Owner would be required to report the Unit Owner's proportionate share of the Condominium Board's income (and of any offsetting deductions and credits) on such Unit Owner's tax returns.

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

The Condominium will be taxed, however (regardless of such Section 528 election), on any excess of income over expenses from unrelated sources. Examples of unrelated sources of income include interest earned on reserve funds, income from concessions and income from dues or fees received from persons other than the Unit Owners. Moreover, the relevant taxing authorities might take the position that the Condominium Board constitutes an association separately taxable as a corporation, subject to the discussions set forth in Rev. Rul. 75-370, 1975-2 C.B. 25, and Rev. Rul. 75-371, 1975-2 C.B. 52.

It has come to our attention the New York State Department of Taxation and Finance has asserted that certain homeowner association and/or condominium assessments may be subject to sales tax under the applicable sections of the New York State Tax Law. Until such time as further cases or rulings are reported on this issue, we are unable to render an opinion thereon.

We have been advised by Empire Consulting Service, Inc., Sponsor's real estate tax consultant, that an application has been submitted for partial real estate tax exemption of the Units under Section 11-243 (formerly Section J-51) of the Administrative Code of the City of New York. We have reviewed the opinion letter of Empire Consulting Service, Inc., reproduced in this Plan, regarding the qualification of the Condominium for such partial real estate tax exemption. Based upon the facts and representations provided by the Sponsor and its architect and set forth in such opinion letter, and based upon the assumptions of

fact set forth in such opinion letter, we believed that partial real estate tax exemption should be available to Unit Owners as described in such opinion letter. The foregoing is subject to the continued accuracy of the facts and representations set forth in the letter, and is subject to the amendment of any existing statutes or regulations governing the availability of the partial real estate tax exemption.

Real Property Law Section 339-i provides various methods of assigning common interests to each unit in a condominium. In this Plan, the interests of each of the Units is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Unit, as set forth in the broker's opinion letter reproduced in Part I of the Plan. In our opinion, this allocation complies with Section 339-i-1(iv) of the Real Property Law.

In our opinion, the Condominium will be eligible for tax-exempt status, if it elects such status, and Unit owners will be entitled to income tax deductions and will be eligible for the real estate tax benefits, described above. However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the sponsor, the sponsor's counsel, or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause the condominium to fail to or cease to meet the requirements of Section 528 of the Code or the New York State or City tax law, as amended, or which cause the Unit owners not to be entitled to income tax deductions, or which cause Unit owners not to be or to cease to be entitled to the benefits or the level or duration of real estate tax benefits described above.

It is our understanding that this letter will be made a part of the Offering Plan of The Annex Condominium.

Very truly yours,

BERGER & SKLAW LLP



EMPIRE CONSULTING SERVICE, INC.

17B Jackson Avenue • Spring Valley, New York 10977 • 845-354-6298 • 888-354-6298 • FAX: 845-354-7152

December 12, 2006

Grand Avenue Builders Corp.
299 Broadway
Suite 716
New York, NY 10007

RE: 91 Grand Ave.

Dear Sir;

You have requested our opinion as to the eligibility of the above referenced property for real estate tax abatement and tax exemption benefits under Section 11-243 of the administrative code of the City of New York (formerly Sec. J-51) and an estimate of what those benefits would be.

The real estate tax benefits under Section J-51 are as follows:

TAX EXEMPTION

The increase in the building's assessed valuation, resulting from the conversion, alteration, or improvement will be exempt from tax. The exemption period is fourteen years, with 100% exemption for ten years followed by a 20% phase-out in each of the succeeding four years. The commercial area and the land are not exempt.

TAX ABATEMENT

The current taxes, which are attributable to the residential-nonexempt portion of the assessed valuation, will be abated by 8.333 % of the Certified Reasonable Cost (CRC) of such conversion, alteration or improvement, for a period of twelve years. We estimate the CRC to be approximately 300,000. However, Section 5-06(d) of the regulations set the maximum abatement at 12,600, 15,000, 17,400 for a studio, one bedroom and two- bedroom apartment respectively.

We were advised that the sponsor intends to renovate the above referenced building and create sixteen residential units plus Community Facility area and convert it to a condominium.

Each condominium unit will receive a tax lot number and the owner of each unit will be responsible for paying its real estate taxes. You have further advised us that the renovation is done pursuant to an Alteration Type I permit, in accordance to the NYC Dept of Buildings Codes, the Dept will issue a C O upon completion and that the cubic content of the building will not be increased.

Based on the foregoing, it is our opinion that the Department of Housing Preservation and Development ("HPD") will consider the property eligible for real estate tax abatement benefits under Section 11-243.

REAL ESTATE TAX ESTIMATE

We estimate, based on a Comparative Market Analysis, the post construction gross assessed value, for the residential area, would be approximately 800,000. The annual taxes, before the abatement and exemption, at the current rate of 12.396%, would be \$100,000, or \$4,500, 6,300 and 8,100 for a studio, one bedroom and two- bedroom apartment respectively. The annual abatement and exemption amounts, each, would be \$1,050, 1,250 and 1,450 each, respectively. The tax after the abatement and exemption would be \$2,400, 3,800 and 5,200 respectively. No assurance is made that the real estate taxes will not increase.

In general, to qualify for the exemption and abatement, the work must be completed within three years of the Permit. Pursuant to Section 5-07(e) of the regulations, the Commissioner of HPD may reduce or revoke past or future tax exemptions or abatements if he finds that the J-51 application contained a false statement or omits material facts.

All interested parties should be aware that HPD routinely conducts audits, pursuant to Section 5-07(b) of the regulations. All books, records and documents must be made available to HPD for a period of three years after the certificate is issued. Failure to comply with audit requirements can result in the reduction or revocation of J-51 benefits.

J-51 real estate tax abatement and exemption benefits are not retroactive. All real estate taxes due up to the commencement of the benefits must be paid in full. Benefits will not actually commence so long as previous real estate taxes, water and sewer charges remain unpaid. In addition, once begun, J-51 benefits can be revoked in the event that real estate taxes or water charges remain unpaid for one year after they become due and payable. Failure by one condominium owner to pay the taxes and/or charges applicable to its unit will not jeopardize the benefits of the other unit owners.

This letter was prepared at the Sponsor's request. The figures set forth herein are approximations derived from material submitted by the Sponsor and a market analysis and are subject to variation. However, no representation is made by this firm that the provisions of the law will apply at the time the alterations to the building are completed, and if they do apply, that HPD will hold that the property is entitled to the benefits conferred by section 11-243.

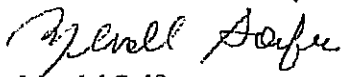
No warranty is or can be made by this firm that HPD or the New York City Real Property Assessment Bureau, or any other agency with jurisdiction will approve sponsor's application for J-51 tax benefits, or that the per unit assessed valuation will fall within the parameter set forth above. The writer of this letter shall not be liable if, the assessment will be greater than estimated, or because of changes in laws and/or regulations or the interpretations of laws and /or regulations or if the facts

represented by sponsor prove incorrect, the property fails to obtain in whole or part J-51 benefits. If the tax abatement and/or exemptions are denied, in whole or in part, then the unit owners may be responsible for all of the taxes due and owing from the closing date.

We consent to the use of the letter in the offering plan.

Please note: J-51 and 11-243 are used interchangeably.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Mendel Soifer".

Mendel Soifer
Empire Consulting Service, Inc.

RESERVE FUND

Inasmuch as the Project is new construction, there will be no reserve fund established by the Sponsor in the Budget for First Year of Condominium Operation, Schedule B to this Plan. However, the Budget includes a \$7,800 contingency item, comprising approximately 5% of the total estimated expenses, as a contingency reserve for unanticipated expenditures. Inasmuch as the Building and its systems are being newly constructed, it is anticipated that such level of contingency reserve will be sufficient to pay for the replacement of any capital items likely to be needed within the first five years of condominium operation.

WORKING CAPITAL FUND

The Sponsor, as agent of the Board of Managers, will collect from each Purchaser at the time of closing, an "Initial Capital Payment" in the amount of \$1,000 per Unit. The Sponsor will deliver the funds so collected to the Board of Managers to provide the necessary working capital for the Condominium. Such funds may be used for certain prepaid items, including real estate taxes, organizational, equipment and supply costs, and for such other purposes as the Board of Managers may determine. NO REPRESENTATION IS MADE THAT THE INITIAL WORKING CAPITAL FUND WILL BE ADEQUATE TO COVER CURRENT OR FUTURE EXPENSES, INCLUDING REPAIRS OR REPLACEMENTS, AND IF ADDITIONAL FUNDS ARE REQUIRED OVER AND ABOVE THE INITIAL CAPITAL FUND, IT MAY BE NECESSARY FOR THE BOARD OF MANAGERS TO INCREASE THE COMMON CHARGES.

NEITHER THE ATTORNEY GENERAL NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE INITIAL WORKING CAPITAL FUND.

IDENTITY OF PARTIES

Sponsor: 91 Grand Avenue, LLC, a New York limited liability company having an office at 299 Broadway, Suite 716, New York, New York, was organized on December 27, 2005, and is the Sponsor under this Offering Plan. Michael Maidan is the sole member of the Sponsor. Mr. Maidan has extensive experience in the real estate industry in New York City. Mr. Maidan has not been the Sponsor or a Principal of the Sponsor of any properties offered for sale under a previous Offering Plan.

Sponsor's Contract Vendor: Grand Avenue Building Corp., a New York corporation having an office at 110 Duane Street, New York, New York 10007. Michael Maidan, principal of Sponsor, is also the principal of Grand Avenue Building Corp.

Selling Agent: The Selling Agent is Prudential Douglas Elliman Realty, 3 East 54th Street, New York, NY 10022. Prudential Douglas Elliman Realty is among the largest Real Estate Agencies in New York, and has extensive experience in sales of real estate, including condominium units, in the area.

Sponsor's Attorney: The Sponsor is represented by the law firm of Berger & Sklaw LLP, 295 Madison Avenue, New York, New York in the preparation of this Plan (which was prepared by Ephraim D. Berger, Esq.) and the closings of title to Units hereunder.

Architect: The Sponsor's architect is Garth Hayden, 250 West 57th Street, New York, New York 10107. The Architect has rendered the Description of Property reproduced in this Plan, has provided architectural services in the construction industry in New York City for over 20 years.

REPORTS TO UNIT OWNERS

It is the obligation of the Board of Managers of the Condominium to give to all Unit Owners annually: a financial statement of the Condominium prepared by a certified public accountant or public accountant within four months after the end of the fiscal year, such statement to be certified while the Sponsor is in control of the Board of Managers; prior notice of the annual Unit Owners' meeting; and a copy of the proposed annual budget of the Condominium by a specified number of days prior to the date set for adoption thereof by the Board of Managers; while the Sponsor is in control of the Board of Managers, such budget shall be certified in compliance with the applicable regulations.

DOCUMENTS ON FILE

The Sponsor shall keep copies of the plan, all documents referred to in the plan and all Exhibits submitted to the Department of Law in connection with the filing of the plan, on file and available for inspection without charge, and copying at a reasonable charge, at a specified location for six years from the date of first closing. The Offering Plan is available for inspection in the office of the Attorney General. The Sponsor shall deliver to the Board of Managers a copy of all documents filed with the appropriate recording office at the time of the closing of the first Unit.

GENERAL

The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. The 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 Declaration, By-Laws, form of Purchase Agreement, form of Unit Deed, 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 the Sponsor, are necessarily not 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 the written consent of a Purchaser pursuant to this Plan, any rider or separate agreement changing or adding provisions to such document.

There are no lawsuits, administrative proceedings or other legal proceedings now pending, or any judgments outstanding, which would materially affect this offering, the Purchasers of any Unit, the Property, the Condominium or the operation thereof.

In accordance with the provisions of the law of the State of New York, neither the Sponsor nor any selling agent engaged by the Sponsor will discriminate against any person because of his race, creed, color, national origin, sex, age, marital status, disability, ancestry or sexual orientation in the sale of Units offered by the Plan or in the leasing of any such Unit.

The Property has not been the subject of any prior cooperative or condominium offerings. No preliminary binding offerings have been entered into or money collected from prospective purchasers. 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. This Plan may not be changed or modified orally.

The Sponsor reserves the right to amend the Plan at any time (a) before the Plan is declared effective provided that, if the amendment effects any material adverse change in the Plan and is not made solely for the purpose of declaring it effective, anyone who has theretofore executed a Purchase Agreement shall be given not less than 15 calendar days in which to elect to cancel the Purchase Agreement and to obtain a refund, in full, of the

down payment made therewith, or (b) after the Plan is declared effective, subject to the rights of persons who have theretofore executed Purchase Agreements unless, at the election of the Sponsor, anyone who has theretofore executed a Purchase Agreement is given an election to cancel his Purchase Agreement and obtain a refund, all as and in the manner provided in clause (a) of this sentence.

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

SPONSOR'S STATEMENT OF SPECIFICATIONS

The Sponsor hereby adopts the Description of Property and Specifications set forth as Exhibit "D" to Part II of this Plan. Sponsor represents that Sponsor has no knowledge of material defects or need of major repairs to the property as set forth in such description.

CONDOMINIUM OFFERING PLAN

FOR

THE ANNEX CONDOMINIUM

91 Grand Avenue

Brooklyn, New York

PART II

EXHIBITS

EXHIBIT "A" TO THE OFFERING PLAN

THE ANNEX CONDOMINIUM

PURCHASE AGREEMENT

AGREEMENT made as of the _____ day of _____, 200____, between 91 Grand Avenue LLC, a New York limited liability company having an office at _____, New York, New York _____ ("Sponsor" or "Seller") and _____ and _____ residing at _____, New York _____ ("Purchaser").

WHEREAS, Seller has agreed to sell and convey and Purchaser has agreed to purchase the Unit in The Annex Condominium designated as **Unit No. _____** in the Declaration of Condominium, together with the undivided interest in the Common Elements appurtenant thereto (collectively, the "Unit"), on certain terms and conditions.

NOW, THEREFORE, the Seller and Purchaser agree, for good and valuable consideration, the receipt and adequacy of which is acknowledged, as follows:

1. Purchase Price; Payment for the Unit. Seller shall sell and Purchaser shall purchase the Unit, a purchase price of:

\$ _____	Base Price of the Unit
\$ _____	Options listed in Rider annexed hereto
\$ _____	Total Purchase Price (exclusive of closing costs and prepaid items) payable as follows:

1.1 \$ _____ on the signing of this Agreement by check (subject to collection), the receipt of which is hereby acknowledged, to the order of "The Annex Condominium - - Attorney Trust Account"; and

1.2 \$ _____ at closing of title by unendorsed bank or certified check of Purchaser to the order of Seller, or as may otherwise be directed by Seller.

2. Closing of Title.

2.1 Closing of title is expected to take place on or about _____, 200____. The title closing shall be held at such place in the State of New York and on such date and hour as Seller designates to Purchaser on not less than fourteen days' prior notice. Seller, from time to time, may adjourn such date and hour on notice to Purchaser, and set a new place, date and hour for the title closing. Seller shall not be obligated to provide extensions of the closing date by reason of delays in the processing or approval

of Purchaser's mortgage, if any. Should Purchaser delay closing of title to the Unit for more than 30 days after receiving notice from Seller setting the date of the closing, Seller shall have the right to add to the purchase price of the unit an amount equal to 1.5% of the sale price of the Unit, per month, or part thereof.

2.2 The title closing shall occur only after or concurrently with (a) the recording of the Declaration and By-Laws and the filing of the Floor Plans with the Office of the Queens County City Register (the "City Register's Office"), as required by law, (b) compliance with Article 9-B of the Real Property Law and with the other prerequisites set forth in the Offering Plan for The Annex Condominium (the "Plan"); and (c) the issuance of a Temporary or Permanent Certificate of Occupancy.

2.3 Purchaser shall not enter into occupancy of the Unit or move personalty into same prior to the closing of title. Purchaser will not contest, in any forum, any measure taken by Seller in response to any unauthorized occupancy of the Unit, including without limitation, disconnecting all power and services to the Unit, or any other method of eviction available to Seller. In the event Purchaser takes possession of the Unit, Purchaser assumes any risk of loss not covered by insurance.

3. No Mortgage Contingency. It is expressly understood and agreed that the obligations of Purchaser under this Contract are not contingent on Purchaser's ability to obtain financing for this transaction from any source. Purchaser represents and warrants, as a material inducement to Seller to enter into this Contract, that Purchaser has sufficient available liquid assets to complete this transaction.

4. Delivery of the Deed. At the title closing, 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 and be substantially in the form set forth in Exhibit C to Part II of the Plan and shall be executed and acknowledged by Seller and Purchaser, in form for recording.

5. Marketable Title. At the title closing, Seller shall convey to Purchaser good and marketable title in fee simple to the Unit, free and clear of all encumbrances other than those set forth in Schedule A annexed hereto, or set forth in the Plan. Any encumbrance to which title is not to be subject, shall not be an objection to title if (a) the instrument required to remove it of record is delivered to the proper party together with the recording or filing fees, or (b) a title insurance company will insure Purchaser that it will not be collected out of the Unit. The existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided that the Seller shall deposit a sufficient amount with a title company so that said company shall be willing to insure against collection of same from the property herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the property not provided for in this agreement out of the monies to be paid by the Purchaser at the time of closing title.

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

6.1 Real estate taxes and assessments, if any, on the basis of the period for which assessed. If the Unit has been separately assessed but the closing occurs before the tax rate is fixed, adjustment of taxes shall be upon the basis of the latest tax rate applied to the most recent assessed valuation. Installments for tax assessments (if any) due after the delivery of the deed 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 shall be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit.

6.2 Common Charges pro rata for the Condominium's entire fiscal year in which title closes.

6.3 Purchaser will deposit at closing the sum of \$1,000.00, to be used by the Board of Managers as working capital in addition to, and not in lieu of, the annual assessments of Common Charges.

7. Title Insurance. Purchaser may obtain at the title closing, at Purchaser's expense, a certificate or policy issued by a title insurance company authorized to do business as such in New York, insuring Purchaser's title to the Unit, subject only to the encumbrances set forth in the Plan or in Schedule A annexed hereto. To avoid delays in closing, Purchaser authorizes Seller to order a title report at Purchaser's expense, from a reputable title abstract company of Seller's choice.

8. Closing Costs. Purchaser shall pay: all Real Property Transfer Taxes and execute all necessary returns; all appraisal or inspection fees and other charges made by Purchaser's lender; all mortgage recording taxes, if any; all attorney's fees for Purchaser's attorney, and for lender's attorney, if any; the legal fee of Sponsor's attorneys (\$1,000.00), plus, if applicable, extra closing fees of Sponsor's attorney by reason of (i) Purchaser having obtained mortgage financing for the Unit (\$300), (ii) the occurrence of closing in a location other than the office of Sponsor's attorney (\$250-\$500, depending upon location), (iii) the adjournment by Purchaser or his Lender of a scheduled closing date on less than five days' notice (\$250); all recording and filing fees for the deed and the other documents delivered in connection with closing; any premiums for mortgagee or owner's title insurance; reimbursement to Sponsor of any mortgage tax credit available to the Purchaser; and all other fees and costs disclosed and set forth in the Plan.

9. Agreement Not an Encumbrance. No lien or encumbrance shall arise against the Unit as a result of this Agreement or any monies deposited hereunder, and accordingly, Purchaser agrees that this Agreement is subject and subordinate to the lien of (and to any advances made under) any mortgage, whenever made, without execution of any further legal documents by Purchaser. Seller shall, at its option, either satisfy such mortgage or obtain a release of the Unit from the lien of such mortgage on or prior to the Closing Date. Notwithstanding the foregoing, the existence of any mortgages encumbering the Property shall not constitute an objection to title or excuse Purchaser from performing all his obligations hereunder, provided that any such mortgage is subordinated to the Declaration or the Unit is released from the lien of such mortgage.

10. Default by Purchaser. If Purchaser fails to perform any of Purchaser's obligations hereunder, Seller may give notice to Purchaser of Seller's intention to cancel this Agreement if such default is not cured within 30 days thereafter. Time is of the essence as to Purchaser's obligation to cure within said period. If Purchaser fails to cure such default within such 30-day period, Seller may, at its option, cancel this Agreement. If Seller elects to cancel this Agreement: (a) Seller may withdraw from "The Annex Condominium – Attorney Trust Account" (subject to the applicable provisions of the N.Y.S. Department of Law regulations governing release of escrow funds, and to the provisions of the Escrow Agreement between the Seller and the escrow agent) and Seller shall retain all sums deposited by Purchaser hereunder together with any interest earned thereon. In the event that all sums deposited by Purchaser are less than ten (10%) percent of the Total Purchase Price, Seller shall further be entitled to recover from Purchaser an additional amount so that the aggregate of the sums deposited and the additional amount equals ten (10%) percent of the Total Purchase Price; and (b) Purchaser shall be liable to Seller for an additional amount equal to the actual cost incurred for any special work ordered by Purchaser; it being agreed that such amounts shall constitute liquidated damages, actual damages being difficult or impossible to ascertain, and upon payment thereof, all rights, obligations and liabilities of both parties under this Agreement and the Plan shall wholly cease and terminate.

11. Agreement Subject to Plan Becoming Effective. The performance by Seller of its obligations under this Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior or, under certain conditions, subsequent to its being declared effective and shall be abandoned if it has not been declared effective within the time limits prescribed in the Plan. Provided that Purchaser is not then in default under this Agreement beyond any applicable grace period, if the Plan is abandoned or, if after the Plan is declared effective, title to the Unit does not close within the time set forth in the Plan for any reason other than Seller's or Purchaser's default, this Agreement shall be deemed canceled and, not later than 30 days thereafter, Seller shall return to Purchaser all sums deposited hereunder, and upon making such payment, neither party shall have any further rights, obligations or, liability with respect to the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

12. Seller's Inability to Convey the Unit. If Seller notifies Purchaser that 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 take any action or incur any expense in excess of \$1,000.00 to cure such inability, or to remove any monetary liens, if any. If Purchaser is not in default hereunder, Purchaser shall have the option to: (a) take title to the Unit subject to such inability (without any abatement of the purchase price, or any claim or right of action against Seller for damages or otherwise); or (b) terminate this Agreement by written notice to Seller within 10 days after Seller's notice of such inability. Within 30 days after receipt of Purchaser's termination notice Seller shall, return to Purchaser all sums deposited hereunder, together with any income earned thereon, and upon making such payment, this Agreement shall be null and void and neither party shall have any further rights, obligations or liability with respect to the other and the parties shall

be released and discharged from all obligations and liability under this Agreement and the Plan.

13. Construction.

13.1 The construction of the Unit and the materials, equipment and fixtures installed therein shall be substantially in accordance with the Plan and the architectural plans and specifications, as said plan and specifications are modified or amended as provided in the Plan. The issuance of a final Certificate of Occupancy for the Unit shall be deemed presumptive evidence that the Unit has been fully completed in accordance with the plans and specifications, and the Purchaser shall then be obligated to promptly proceed to closing of title.

13.2 Seller reserves the right to make changes or substitutions of materials or construction for items as set forth in the Offering Plan or the plans and specifications and/or modification of layout or design, provided any such changes are of comparable value and quality.

13.3 Seller may cancel this agreement by refunding Purchaser's full deposit, with interest, if any, together with a notice in writing, addressed to the Purchaser, at the address hereinabove set forth, in the event of the occurrence of any of the following: (1) that any governmental bureau, department, or subdivision thereof shall impose restrictions on the manufacture, sale, distribution, and/or use of materials necessary in the construction of residential housing and such restriction shall prevent the Seller from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the dwellings; or (2) that the Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, terrorist activity, military operations and requirements, national emergencies, or the installation of public utilities being restricted or curtailed.

14. Fixtures, Appliances and Personal Property.

14.1 The Unit is being sold unfurnished. No fixtures or appliances are included in the sale of the Unit, except as set forth in the "Description of Property and Specifications" contained in the Offering Plan.

14.2 No credits will be given for any item unless agreed to, in advance and in writing, by Seller, in its sole and absolute discretion. Any change order to the plans hereto attached, involving a change on a phase of construction already performed, if accepted by Seller in its sole and absolute discretion, will be billed a "change order charge" of \$500, plus the charge for the actual change order itself.

14.3 Seller shall not be responsible for any fixture, appliance or other item brought to the construction site by Purchaser for installation in the Unit.

15. Acceptance of Condition of Property . Purchaser shall accept title (without abatement in, or credit against, the purchase price, or escrow) notwithstanding the failure to complete construction of (a) minor details of the Unit, (b) other Units, or (c) work in the common areas of the Condominium which does not prevent Purchaser's use of the Unit.

16. Representations and Warranties. Purchaser acknowledges that he has not relied upon any plans, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Seller or otherwise, including but not limited to, any relating to the description or physical condition of the property, or the Unit, or the size or the dimensions of the Unit, or the rooms contained therein, or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the availability of any mortgage, the estimated real estate taxes on the Unit, the right to any exemption from real estate taxes paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit, the existence, size or condition of any portion of the Common Elements or any improvements thereon, or any other representation except as herein or in the Plan specifically represented, Purchaser having relied on his 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 shall be considered a part of this Agreement. In the event a contractor or subcontractor is financially unable or refuses to perform its warranty, Seller shall not be excused from its obligations enumerated in the Plan under "Rights and Obligations of Sponsor". Nevertheless, Seller shall not, under any circumstances, be liable with respect to mechanical equipment or appliances as to which warranties or guaranties are transferred to Purchaser. Purchaser agrees to close title to the Unit, without offset or claim against Seller, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plan on file in Seller's office, and to be filed in the City Register's office, is accurate or correct, provided the layouts and dimensions conform substantially to the Floor Plans, and Purchaser shall not be relieved of any of his obligations hereunder by reason of any minor inaccuracy or error. The provisions of this Article 16 shall survive the closing.

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

17.1 The risk of loss to the Unit by fire or other casualty until the title closing is assumed by Seller, but without any obligation or liability by Seller to repair or restore the Unit, except that if Seller elects to repair or restore the Unit, this 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, Seller shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, subject to the rights of the Board of Managers, if the Declaration will have theretofore been recorded, 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 title closing.

17.2 In the event Seller notifies Purchaser that it does not elect to repair or restore the Unit, or if the Declaration has been recorded prior thereto, and such repairs or restoration are not made pursuant to the By-Laws, this Agreement shall be deemed canceled and of no further force or effect and Seller shall return to Purchaser all sums deposited hereunder, whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan.

18. Monies Held in Trust. All monies received from Purchaser hereunder will be deposited with Citibank, N.A., 330 Madison Avenue, New York, New York, and shall be held in escrow in a special account under the name "The Annex Condominium – Attorney Trust Account" or a similar name. The funds so deposited will be disbursed only at the title closing or upon the earlier termination of this Agreement pursuant to the provisions hereof. All monies received hereunder by Seller shall be held and disposed of by it in accordance with the provisions of Sections 352-h and 352-e(2) (b) of the New York General Business Law, and shall only be released upon the signature of a member of the firm of Berger & Sklaw LLP, Attorneys for the Sponsor.

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

19. Broker.

19.1 Purchaser represents and warrants that it has not dealt with any broker in connection with this sale other than Prudential Douglas Elliman ("Broker"). Seller shall pay Broker any commission earned pursuant to a separate agreement between Seller and Broker. Purchaser shall indemnify and defend Seller against any costs, claims and expenses, including reasonable attorneys' fees, arising out of the breach of Purchaser's representation contained in this paragraph.

19.2 Purchaser agrees not to act as a broker for resale of any Units in the Condominium as long as the Seller has not sold all of the Units.

19.3 The provisions of this Article 19 shall survive the closing.

20. Agreement May Not Be Assigned or Recorded By Purchaser. Purchaser shall not have the right to assign or record this Agreement without the prior written consent of Seller, which may be granted or refused in Seller's sole discretion. Any attempted assignment or recordation in violation of the Paragraph shall, at the option of Seller, constitute a default under this Agreement.

21. Binding Effect. This Agreement shall not be binding on Purchaser or Seller until a fully executed copy hereof, executed by Seller, has been furnished to Purchaser. If this Agreement is not accepted by Seller within 20 days after Purchaser delivers an executed copy of this Agreement to Seller together with the required downpayment, this Agreement

shall be deemed to have been rejected and canceled and the downpayment paid on the execution hereof shall be promptly returned to Purchaser without interest.

22. Notices. Any notice, request or other communication hereunder shall be in writing and sent (unless otherwise provided herein) by registered mail or certified mail, to Purchaser at the address given at the beginning of this Agreement and to the Seller at the address given at the beginning of this Agreement, or to such address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, 3 days after the date of mailing shall be deemed to be the date of 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.

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

24. No Personal Liability of Seller. Neither Seller nor any of its shareholders, members, managers, officers, directors, employees or agents shall have any personal liability to Purchaser with respect to any of Seller's obligations under this Agreement or the Plan or otherwise.

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

26. Execution of Required Documents. Purchaser agrees to execute and deliver to Seller all documents (including without limitation, a Deed, Unit Owner's Power of Attorney and Real Property Transfer Tax Returns) and to perform all acts required by the Seller to carry out the provisions of the Offering Plan, establish the Condominium, and conform to the provisions of all applicable laws and regulations. This paragraph shall survive delivery of the deed.

27. Entire Agreement; Offering Plan. This Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them. Purchaser shall have a period of 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 Seller within seven (7) day period or mail the notice of rescission to the Seller, postmarked within the seven (7) day period. The Plan, as it may be amended from time to time, is incorporated herein by reference and made a part of this Agreement with the same effect as if fully set forth herein. Terms used herein which are also used in the Plan have the same meanings as therein unless the context otherwise requires. In the event of any inconsistency between this Agreement and the Plan, the Plan shall govern to the extent that it enlarges upon or deals at greater length

with Seller's obligations or imposes greater obligations on Seller.

28. 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.

29. Successors and Assigns. Subject to the provisions of Article 20, the provisions of this Agreement shall bind and inure to the benefit of the Purchaser and his heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Seller and its successors and assigns.

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

31. 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 written above.

SELLER:

91 GRAND AVENUE LLC

By: _____

PURCHASER(S):

SS# _____

SS# _____

**EXHIBIT "B" TO THE OFFERING PLAN
UNIT OWNER'S POWER OF ATTORNEY
THE ANNEX CONDOMINIUM**

All terms used in this Unit Owner's Power of Attorney that are used (a) in the Declaration establishing a plan for condominium ownership of THE ANNEX CONDOMINIUM (the "Condominium") under Article 9-B of the Real Property Law of the State of New York, dated _____, 200__, and recorded in the Kings County City Register's Office on _____, 200__, in CRFN# _____ (hereinafter referred to as the "Declaration"), or (b) in the By-Laws of the Condominium (hereinafter referred to as the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meaning in this Unit Owner's Power of Attorney as in the Declaration or the By-Laws.

The undersigned, the owner of the Condominium Unit (hereinafter referred to as the "Undersigned's Unit") being described as **Unit number** _____ and also designated as Tax Lot _____ in Block _____ of Kings County Tax Map # _____ and on the Floor Plans (does) (do) hereby irrevocably 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 the Unit Owners' respective Common Interests, subject to the provisions of the By-Laws then in effect, (1)(a) to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign, or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, whose owner elects to surrender the same pursuant to the terms of the By-Laws, (c) to subject to a foreclosure or other similar sale, on such terms and (with respect to any transfer pursuant to the terms of subdivision (a) or (c) of this paragraph) at such price or at such rental as the case may be, as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease, mortgage, or otherwise deal with (but not vote the interest appurtenant to) any such Unit so acquired by them, or to sublease any Unit so leased by them, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in said premises that the undersigned could do if the undersigned were personally present, and (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of any governmental unit or agency or any other public authority having jurisdiction over the property and affairs of the Condominium, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements, that the Condominium Board deems necessary or appropriate. The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

The undersigned (does) (do) hereby irrevocably nominate, constitute and appoint 91 Grand Avenue LLC (hereinafter referred to as "Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time said Declaration, By-Laws and the Rules and Regulations of the said Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionments of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with the Declaration or (2) shall be required by (a) an Institutional Lender, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interests of the Undersigned's Unit, (ii) require a material physical modification to the Undersigned's Unit or to the Common Elements or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as the Sponsor or its designees shall cease to own any of the Units in the Condominium.

IN WITNESS WHEREOF, the undersigned (has) (have) executed this Unit Owner's Power of Attorney as of the _____ day of _____, 200__.

State of New York; County of _____ :ss:

On the _____ day of _____ in the year _____ 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 person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

EXHIBIT "C" TO THE OFFERING PLAN

THE ANNEX CONDOMINIUM

UNIT DEED

THIS INDENTURE made the ____ day of _____, 200__, between 91 Grand Avenue LLC, a New York limited liability company having an office at 199 Lee Avenue, Brooklyn, New York 11211, the "Grantor", and _____ and _____ residing at _____, the "Grantee".

WITNESSETH:

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

All that certain piece or parcel of real property, with the improvements therein contained, situate and being a part of THE ANNEX CONDOMINIUM, County of Kings, State of New York, known and designated as the following unit along with an undivided interest in the common elements of the condominium hereinafter described, as the same is defined in the Declaration of Condominium hereinafter referred to as:

Unit No. _____, together with a _____ percent undivided interest in the common elements.

The real property above described is shown on the plans of the Condominium certified by Garth Hayden, Registered Architect and filed in the Kings County City Register's office on the ____ day of _____, 200__, as Map No. _____, as defined in the Declaration of Condominium entitled "The Annex Condominium" made by the Grantor under Article 9-B of the New York Real Property Law, dated _____, 200__, and recorded in the Kings County City Register's Office on the ____ day of _____, 200__, in CRFN # _____, covering the property therein described. The land area of the property is described fully therein.

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

TOGETHER WITH an easement in common with the owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other common elements located in any of the other Units or elsewhere on the Condominium property, and serving or benefitting the Units;

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

TOGETHER WITH and subject to all easements of necessity in favor of the Unit or in favor of other Units or the common elements;

SUBJECT TO easements in favor of adjoining Units and in favor of the common elements for the continuance of all the encroachments of such adjoining units or common elements on the Unit now existing as a result of construction of the building(s), or which may come into existence hereafter as a result of settling or shifting of the building(s), or as a result of repair or restoration of the building(s) or of any adjoining Unit or of the common elements after damage or condemnation or eminent domain proceedings, or by reason or an alteration or repair to the common elements, so that any such encroachments may remain so long as any such buildings shall stand, each Unit being subject to the aforesaid easements in favor of all other Units;

SUBJECT also to an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other common elements located in the Unit(s) or elsewhere on the Condominium Property and servicing other Unit(s);

SUBJECT to the provision, benefits, rights, privileges, easements, burdens, covenants, and restrictions of the Declaration and of the By-Laws of the Condominium recorded simultaneously with and as part of the Declaration (including the Right of First Refusal set forth therein), as the same may be amended from time to time by instruments recorded in the Office of the Kings County City Register, which, together with any amendments thereto, constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein;

TOGETHER with the benefits and subject to the burdens of other easements, agreements, rights of way and restrictive covenants of record.

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

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

AND the Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for 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 total of the same for any other purpose.

AND the Grantee, by acceptance of this deed, accepts and ratifies the provisions of the Declaration and By-Laws of the Condominium recorded simultaneously with and as part of the Declaration and the Rules and Regulations of the Condominium and agrees to comply with all the terms and provisions thereof as the same may be amended from time to time by instruments recorded in the Office of the Kings County City Register.

The use for which the Residential Unit is intended is that of a residence only, subject to the applicable governmental regulations and the restrictions contained in the Declaration and By-Laws.

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

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

Grantor:

91 GRAND AVENUE LLC

By: _____

Grantee(s):

ACKNOWLEDGMENTS

STATE OF NEW YORK)
) SS:
COUNTY OF)

On the day of in the year 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 person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

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

On the day of in the year 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 person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

DESCRIPTION OF PROPERTY AND BUILDING CONDITIONS

91 GRAND AVENUE, BROOKLYN, NEW YORK

Block 1893

Lot 7

Zoning District R-6 in R-8 Map 12d

Year alteration completed 2006-2007

Alteration work was filed with The Department of Buildings under application

301875585 Alteration Type I

301864141 Subdivision

301935379 Fire protection

A New Certificate of Occupancy will be obtained upon completion of alteration work

Construction Classification Class IIB Combustible

Occupancy Classification Residential use group 2 Occupancy J-2

Community facility use group 4 occupancy group E

This report was prepared based on the Contract Documents listed on page two (2) of this report as follows:

ARCHITECTURAL DRAWINGS

- A-1 SITE PLAN & ZONING
- A-2 NOTES & LEGEND
- A-2A ARTICLE 7-B MDL & ENERGY COMPUTATIONS
- A-3 CELLAR & FIRST FLOOR PLAN
- A-4 LOFT PLAN & SECTION & DETAILS
- A-5 SECOND FLOOR & AREA COMPUTATIONS
- A-6 THIRD FLOOR PLAN
- A-7 ROOF PLAN
- A-8 STAIR SECTION & DETAILS
- A-9 FRONT AND REAR ELEVATIONS
- A-10 BATHROOM DETAILS – LOCAL LAW 58
- A-11 DOORS AND TOILET DETAILS
- A-12 DOOR AND FINISH SCHEDULE

STRUCTURAL DRAWINGS

- S-1 NOTES & UNDERPINNING DETAILS
- S-2 FOUNDATION PLAN
- S-3 FIRST FLOOR FRAMING PLAN

MECHANICAL DRAWINGS

- M-1 FIRST FLOOR LOFT AND SECOND FLOOR
- M-2 THIRD FLOOR AND ROOF
- M-3 RISER DIAGRAM

PLUMBING DRAWINGS

- PA-1 CELLAR PLAN
- PA-2 FIRST FLOOR & LOFT
- PA-3 SECOND AND THIRD FLOOR
- PA-4 ROOF PLAN
- PA-5 SANITARY RISER DIAGRAM
- PA-6 DOMESTIC WATER RISER DIAGRAM
- PA-7 STORM AND GAS RISER DIAGRAM
- PA-8 SYMBOL LIST AND SCHEDULE
- PA-9 DETAILS

FIRE PROTECTION DRAWINGS

- SP-1 CELLAR SPRINKLER PLAN
- SP-2 FIRST FLOOR AND LOFT SPRINKLER PLAN
- SP-3 SECOND AND THIRD FLOOR SPRINKLER PLAN
- SP-4 ROOF SPRINKLER PLAN

BUILDING SITE LOCATION

The building is located on the East Side of Grand Avenue distant 250'-0" North of the intersection of Grand Avenue and Myrtle Avenue,
Beginning at a point on the East Side of Grand Avenue 250'-0" South of Myrtle Avenue
Running North 75'-0", East 105'-0", South 65'-0", West 15'-0", North 10'-0"
West 90'-0".

STREET DESCRIPTION

The West façade fronts on Grand Avenue a one way street running North to South. The street is public and owned by the city.
Paving is typical asphalt, with steel curb.

There is no street lighting, a fire hydrant is fronting on the site.

SIDEWALK

A new scored approved type sidewalk will be installed along the site frontage upon completion of construction work

LANDSCAPING

Two (2) deciduous trees will be planted in pre-cast concrete planters along the site front.

BUILDING & USE

There will be one (1) building occupying the site. The building will be classified as mixed use, J-2 Multiple Dwelling and E Community Facility.

BUILDING SIZE

The building will have a new partial Cellar Floor and Floors one through three and Tenant recreation roof terrace. The average building height of the main roof is 40'-0" above grade

The lowest level of the building is the partial cellar, clear ceiling height is 8'-0"

The first floor clear ceiling height is 15'-3"

The second floor ceiling height is 10'-0"

The third floor ceiling height is 13'-0"

The approximate gross area is as follows:

Cellar	approximately	1,800 SQ.FT.
First floor	approximately	7,250 SQ.FT.
Second floor	approximately	7.250 SQ.FT.

OCCUPANCY

The cellar will contain a Boiler Room, Sprinkler Room, Electric/Gas Meter Rooms. The First Floor will contain a community facility, a residential lobby and two duplex residential units (1) bedroom each. The Second floor will contain seven (7) class "A" apartments consisting of two (2) one bedroom apartment, one (1) two bedroom apartment and four (4) open studio type units. The Third floor will contain seven (7) class "A" apartments consisting of five (5) one bedroom apartments and two (2) two bedroom apartment. Total of sixteen (16) apartments consisting of four (4) studio type, nine (9) one bedroom apartments and three (3) two bedroom apartments. The main roof will have a roof terrace for tenant use, glass enclosed interior spiral stairs connected to third floor apartments, skylights and stair bulkhead

UTILITIES

Electrical Service will be provided by Consolidated Edison of NY. Main feeders and disconnect switches will be located on the Cellar Floor. Individual meters will be installed in the Electric Meter Room. Each apartment will be provided with a minimum of 60 to 80 AMP Service.

Gas Service will be provided and individually metered; meters are located in the Gas Meter Room located on the Cellar Floor.

Domestic and Fire Suppression water service will be provided by the City of New York Sanitary and Storm Sewers will be new and will connect to the sewer line on Grand Avenue

Telephone Service will be pre-wired as provided by designated NYC service provider. Data and Communication cables will be provided for individual units final hook-up.

HEATING SYSTEM

The building heating will be provided by a gas fired hot water boiler.

The boiler will be model GSAA15 as manufactured by Trane. The unit will also supply ventilation. Hot water unit heater shall be model HV-108A, as manufactured by Vulcan. Incremental HVAC 'package units' will be provided under windows in each apartment. Heating system will be thermostatically controlled and designed to provide an indoor temperature of 70 degrees F with an exterior temperature of 0 degrees F.

Unit to start ventilation cycle when room temperature reaches 85 degrees, and ventilation cycle with heat when room temperature reaches 55 degrees.

STRUCTURAL SYSTEM

The structure consist of 12" diameter cast iron columns at first floor, 8"x8" heavy timber columns at the second and third floor composite steel and wood framing members at the first floor, and wood beams at the second, third and roof. Exterior walls facing East and West are load bearing masonry and approximately 2'-0" thick Perimeter exterior walls facing East and West are masonry non load bearing. The floor is concrete at the first floor and wood at floors two and three.

ELEVATORS & STAIRWAYS/ FIRE ESCAPES

The building does not contain an elevator.

The building stair is 3'-6" wide constructed of metal pan and concrete filled, the enclosure is two hour rated gypsum wall board.

Fire escapes accessible to all dwelling units at front and rear of building are provided.

SUB-SOIL CONDITIONS

No unusual water conditions such as flooding, ponding, or wetness were observed in the area, and no standing water was apparent on the surface.

BUILDING EXTERIOR

Walls - The exterior of the building fronting on Grand Avenue is red brick with exterior cast iron columns and exposed steel beam at the first floor. concrete block and face brick at the East, North and South facades. All exterior walls will have a thermal resistance factor of R-11.

WINDOWS

The windows of the east and west facades consist of full width units of clear anodized aluminum frame casement type and upper fixed units; a typical window dimension is approximately 3'-8" wide by 8'-0" in height.

EXTERIOR DOORS

The residential main entrance doors at the first floor will be factory painted aluminum with glass panels; the community facility will have a similar frame with fixed glass side panels.

ROOF & ROOF STRUCTURE

The main roof above the third floor will be accessible by building stairs
The roof surface is three layer composite
The roof terraces and tenant recreation areas will receive quarry tiles.
The roof areas will have a thermal resistance factor of R-30
All flashings around the perimeter of roof and parapets and bulkheads will be elastic base and metal counter flashings.

PARAPETS

The Front parapet will be brick up to 3'-6" in height, rear and side parapets will be constructed of 3'-6" high prefabricated roof approved type roof metal railing system.

BULKHEAD & CHIMNEY

The roof bulkhead will enclose the building stair. The roof over stair bulkhead will consist of three layer composite roofing with asphalt base and metal cap flashings.
Chimney will be brick and block with terra cotta lining to roof and capped with pre-cast concrete coping

MISCELLANEOUS

The roof will have aluminum roof ventilators for interior bathrooms, and decorative partitions separating roof areas.

INTERIOR STAIR

One new interior straight run steel stair will be installed. The stair will run from the cellar to the roof level. intermediate landings between the first and second floor and between the third floor and roof will be provided.
Width of new stairs is 3'-6" wide throughout and consist of concrete filled metal pan treads, steel stringers with metal railings.
Interior stair serving the first floor apartments and leading to storage loft shall be open riser with oak treads. Circular stairs serving the third floor apartments and connecting to the individual roof terraces are 4'0" diameter steel.

ELEVATOR

The building will not contain an elevator.

INTERIOR DOORS & FRAMES

Interior apartment doors will be solid wood with metal frames; marble saddles will be installed at Bathroom thresholds.
Apartment entry doors will be self-closing hollow metal rated doors with viewers and chimes; all frames will be metal.
Stairs will have hollow metal doors and frames.

LAUNDRY FACILITY

All apartments will be equipped with a stackable washer and dryer

FIRE PROTECTION SYSTEM

The entire building will be equipped with a wet sprinkler system.

REFUSE DISPOSAL

A refuse chute services all floors from the third floor to the Cellar Refuse Room.
Refuse collection at the sidewalk shall be provided by the Department of Sanitation.

EXTERMINATION & JANITORIAL SERVICES

Extermination services will be provided as required by law.

CONDOMINIUM UNITS

The Condominium will contain one Community Facility type unit and sixteen (16) residential units.

There will be two (1) Community facility unit at the first floor and two (2) residential units at the first floor

There will be seven (7) residential units at the second floor and seven residential units at the third floor.

Dimensions of units are approximate and are located horizontally to the inside face of masonry walls of building, approximately to the unit side of walls and partitions.

Dimensions shall be to the centerline when partitions are dividing two (2) apartments.

The approximate net square feet per apartment is as follows:

UNIT #	FLOOR	AREA	UNIT TYPE
UNIT 1A	First Floor	690 Sq. Ft.	(0)BEDROOM
	Loft	227 Sq. Ft.	
UNIT 1B	First Floor	705 Sq. Ft.	(0) BEDROOM.
	Loft	232 Sq. Ft.	
UNIT 2A	Second Floor	820 Sq.Ft.	(1) BEDROOM
UNIT 2B	Second Floor	760 Sq.Ft.	(0) BEDROOM
UNIT 2C	Second Floor	880 Sq. Ft.	(0) BEDROOM
UNIT 2D	Second Floor	1,550 Sq. Ft.	(2) BEDROOM
UNIT 2E	Second Floor	800 Sq.Ft.	(0) BEDROOM
UNIT 2F	Second Floor	815 Sq.Ft.	(0) BEDROOM
UNIT 2G	Second Floor	790 Sq.Ft.	(0) BEDROOM
UNIT 3A	Third Floor	910 Sq.Ft.	(2) BEDROOM
			ROOF TERRACE 660 Sq.Ft.

UNIT 3B	Third Floor	750 Sq.Ft	(1) BEDROOM	600 Sq.Ft.
UNIT 3C	Third Floor	920 Sq.Ft	(1) BEDROOM	800 Sq.Ft.
UNIT 3D	Third Floor	1,550 Sq.Ft.	(2) BEDROOM	800 Sq.Ft.
UNIT 3E	Third Floor	800 Sq.Ft.	(1) BEDROOM	----
UNIT 3F	Third Floor	815 Sq.Ft.	(1) BEDROOM	----
UNIT 3G	Third Floor	790 Sq.Ft.	(0) BEDROOM	----

NOTES:

All gypsum board surfaces will be painted

All wood base will be painted

All bathrooms will have full height tiles surrounding showers and bathtubs

PUBLIC AREAS

<u>FLOOR</u>	<u>BASE</u>	<u>WALLS</u>	<u>CEILING</u>	<u>REMARKS</u>
<u>FIRST FLOOR ENTRY RESIDENTIAL LOBBY</u>				
Granite	Granite	Wood panel Gypsum board	Gypsum Board	Recessed light Mail boxes

CELLAR PUBLIC CORRIDOR

Ceramic tile	tile	Concrete Block Painted	Gypsum Board painted	lights surface mounted
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CELLAR BOILER ROOM, GAS, ELECTRIC AND SPRINKLER ROOMS

Concrete	-	Concrete block	Concrete	paint
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REFUSE ROOM

Concrete	tile	Concrete block	concrete	ceiling light
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TYPICAL APARTMENTS

STUDIO ONE AND TWO BEDROOM APARTMENTS. FIRST THRU THIRD FLOORS:

<u>ROOM</u>	<u>FLOOR</u>	<u>BASE</u>	<u>WALLS</u>	<u>CEILINGS</u>	<u>REMARKS</u>
Foyer	Oak	Wood	Gyp.Bd.	Gyp.Bd.	Intercom
Living Rm	Oak	Wood	Gyp.Bd.	Gyp.Bd.	
Bedroom	Oak	Wood	Gyp.Bd.	Gyp.Bd.	
Bathroom	Cer.Tile	Cer.Tile	Gyp.Bd.	Gyp.Bd.	
Powder Rm	Cer.Tile	Cer.Tile	Gyp.Bd.	Gyp.Bd.	
Kitchen	Oak	Wood	Gyp.Bd.	Gyp.Bd.	

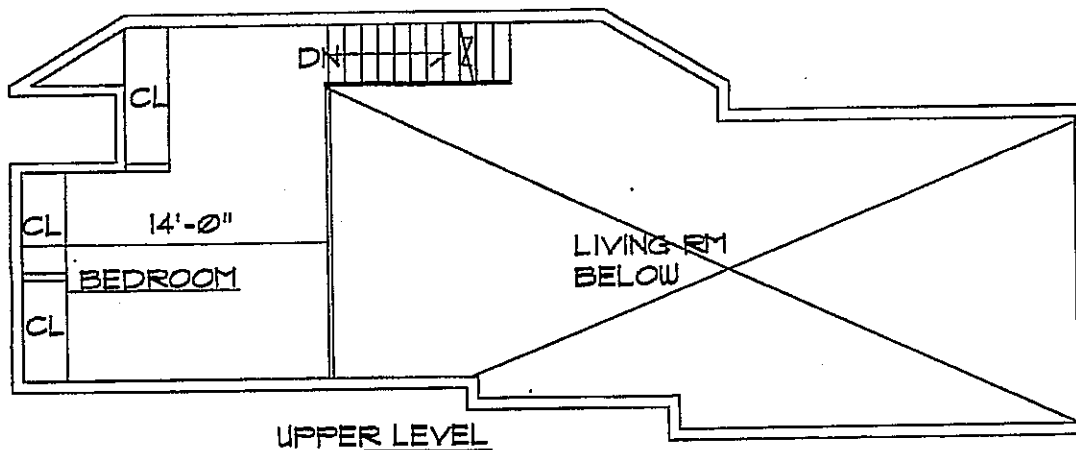
91 grand Avenue
Page 9 of 9

BATH ROOM FIXTURES:

Bathtub : 5'-0" with bath and shower fittings. NEPTUNE
Lavatory : Vitreous china undercounter sink, American Standard
Water Closet: Vitreous China Duravit Stark 3
Additional equipment: Mirror, vanity and lights

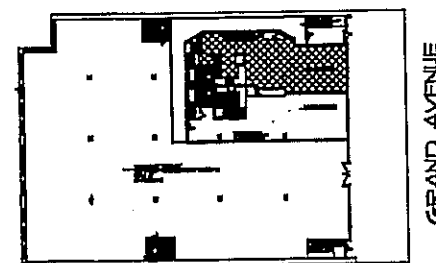
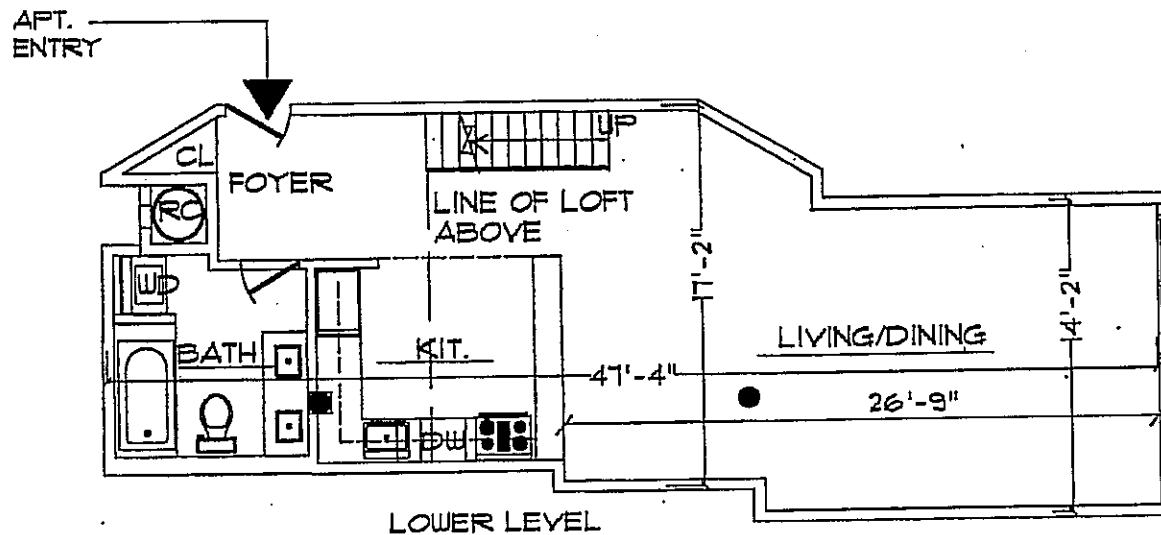
KITCHEN APPLIANCES:

Range, AMANA model ACS3350A
Refrigerator, Jenn-air model JBL2088H
Dishwasher, BOSCH Model SHX33A0xUC
Sink, Stainless Steel, ELKAY 24"
Cabinets, SOLID WOOD .



RESIDENCE A
ONE BEDROOM (LOFT)
ONE BATHROOM

FLOOR: 1ST FLOOR
AREA: APARTMENT = 690 SF
LOFT = 227 SF

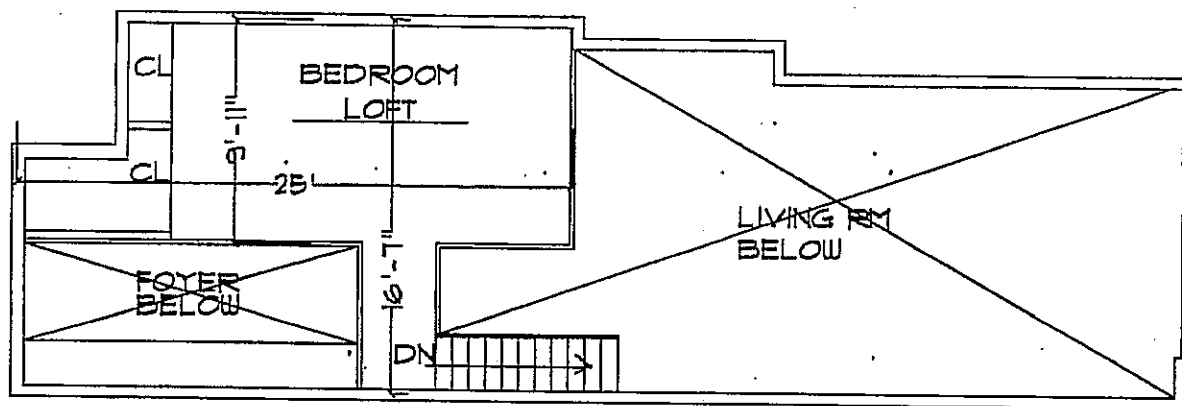


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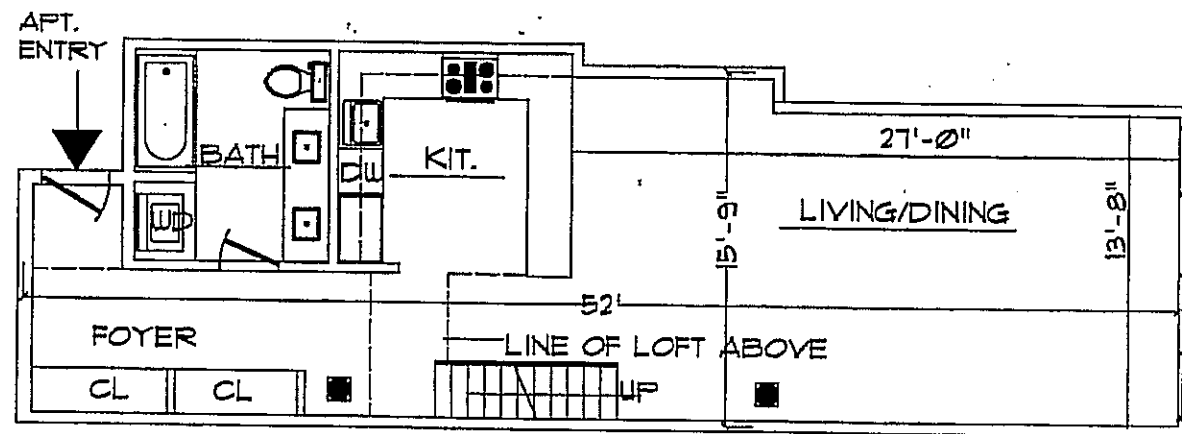
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SCALE 1/8" = 1'

PAGE 1



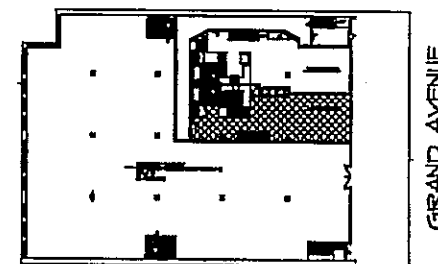
UPPER LEVEL



LOWER LEVEL

RESIDENCE B
ONE BEDROOM (LOFT)
ONE BATHROOM

FLOOR: 1ST FLOOR
AREA: APARTMENT = 790 SF
LOFT = 245 SF



KEY PLAN

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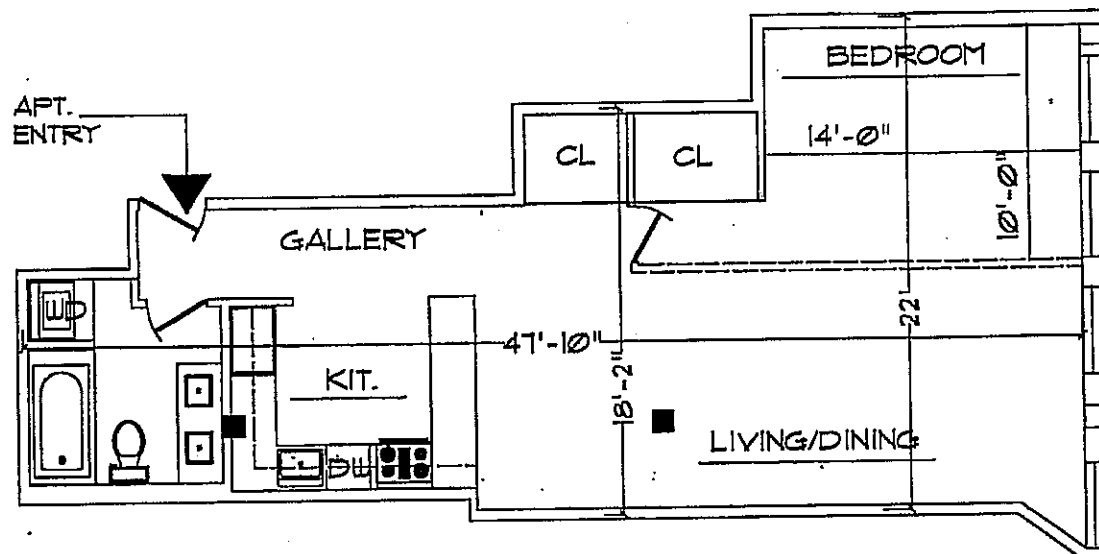
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SCALE 1/8" = 1'

PAGE 2

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RESIDENCE A
ONE BEDROOM
ONE BATHROOM

FLOOR: 2ND FLOOR
AREA: APARTMENT = 820 SF



KEY PLAN

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION TOLERANCE.

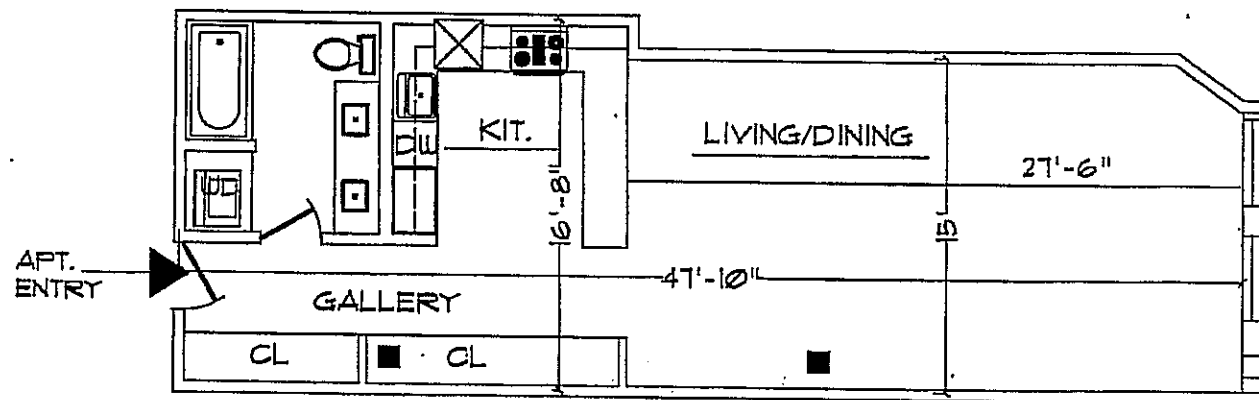
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SCALE 1/8" = 1'

PAGE 3

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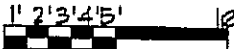
RESIDENCE B
 0 BEDROOM
 ONE BATHROOM

FLOOR: 2ND FLOOR
 AREA: APARTMENT = 760 SF



 KEY PLAN

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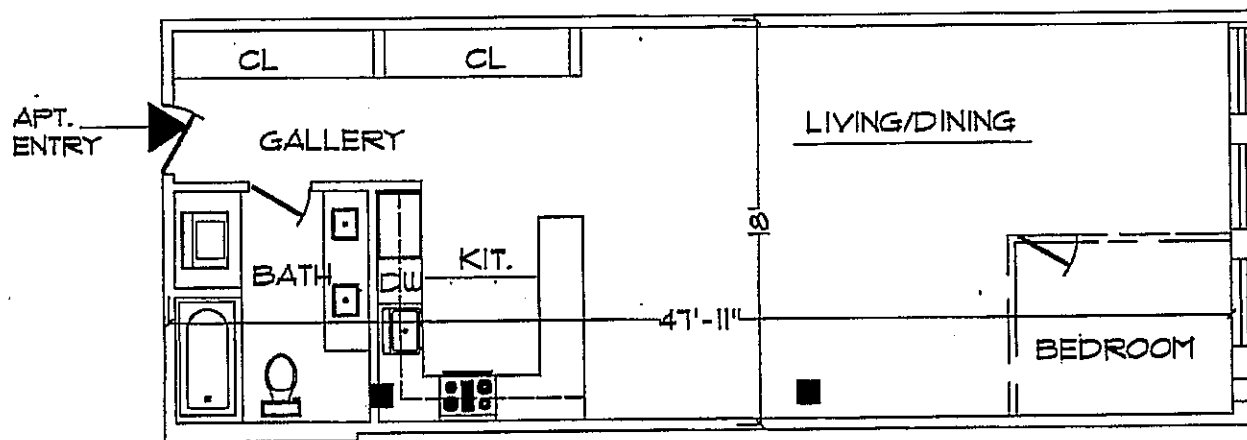

 SCALE 1/8" = 1'

PAGE 4

E-4

RESIDENCE C
 1 BEDROOM
 ONE BATHROOM

FLOOR: 2ND FLOOR
AREA: APARTMENT = 880 SF



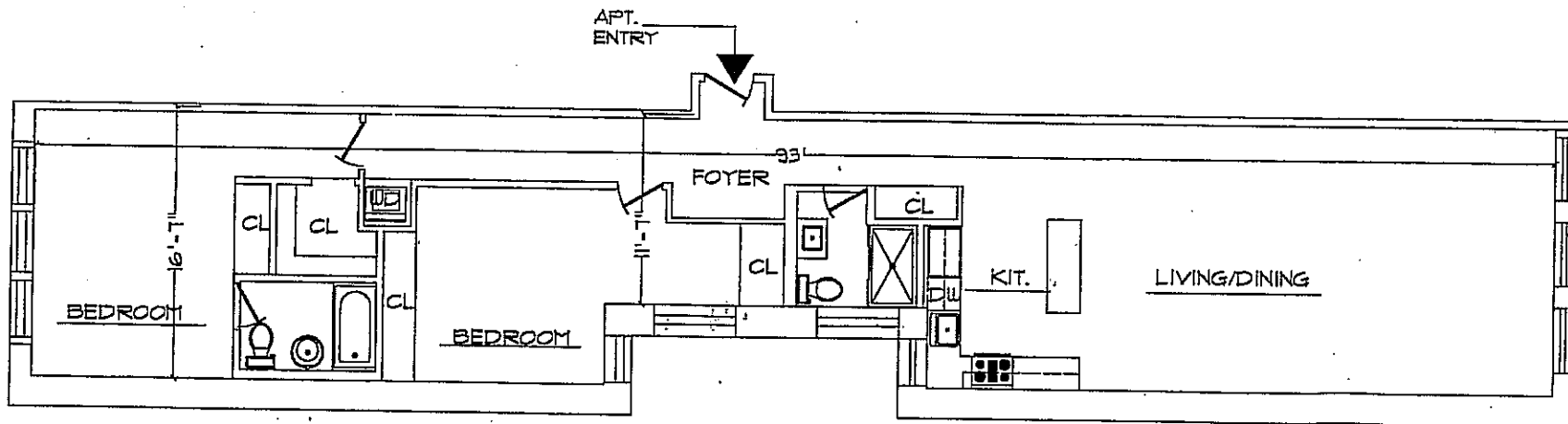
 KEY PLAN

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION TOLERANCE.


 SCALE 1/8" = 1'

PAGE 5

E-5



RESIDENCE D
TWO BEDROOM
TWO BATHROOMS

FLOOR: 2ND FLOOR
AREA: APARTMENT * 1550 SF



KEY PLAN



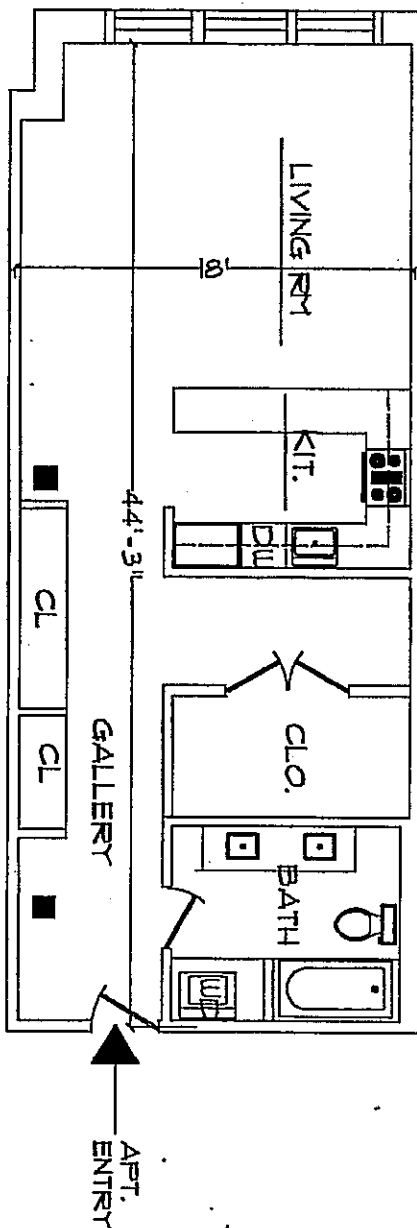
SCALE 1/8" = 1'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION TOLERANCE.

PAGE 6

RESIDENCE E
0 BEDROOM
ONE BATHROOM

FLOOR 2ND FLOOR
AREA: APARTMENT = 800 SF



KEY PLAN

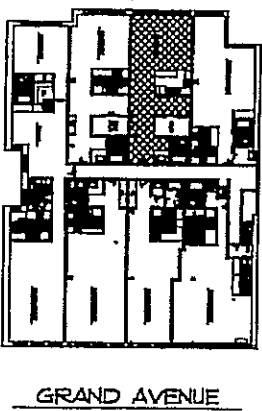
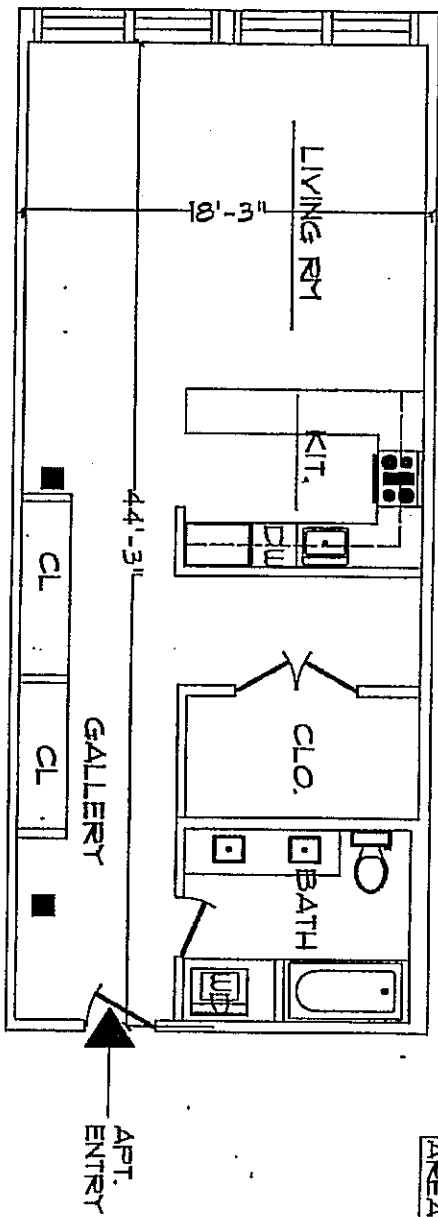
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION TOLERANCE.

1" = 2' 3/4" 1/8" = 1' SCALE

PAGE 7

RESIDENCE F
 0 BEDROOM
 ONE BATHROOM

FLOOR 2ND FLOOR
 AREA APARTMENT = 815 SF



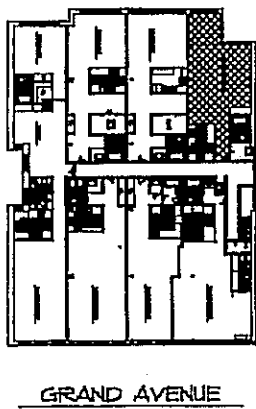
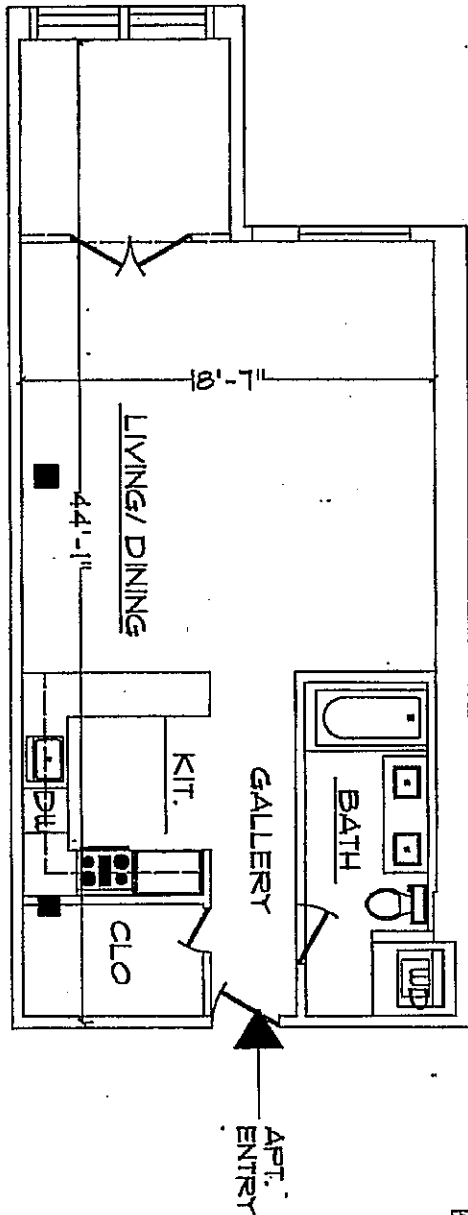
KEY PLAN

1' 2' 3' 4' 5' 10'
 SCALE 1/8" = 1'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION TOLERANCE.

RESIDENCE G
0 BEDROOM
ONE BATHROOM

FLOOR 2ND FLOOR
AREA: APARTMENT = 790 SF

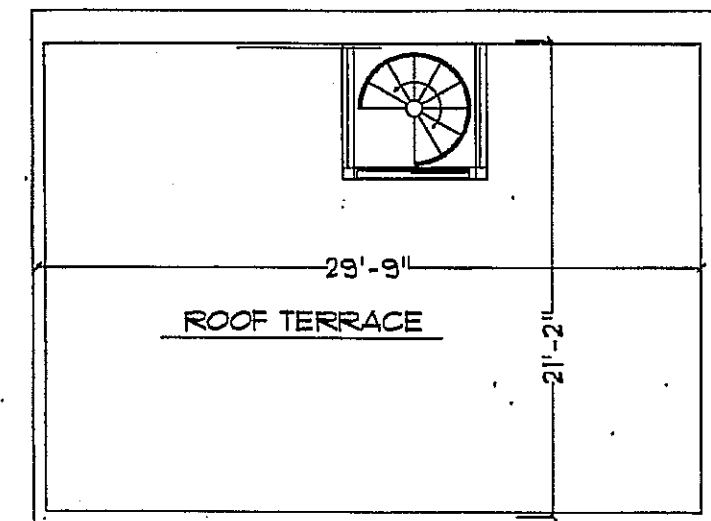
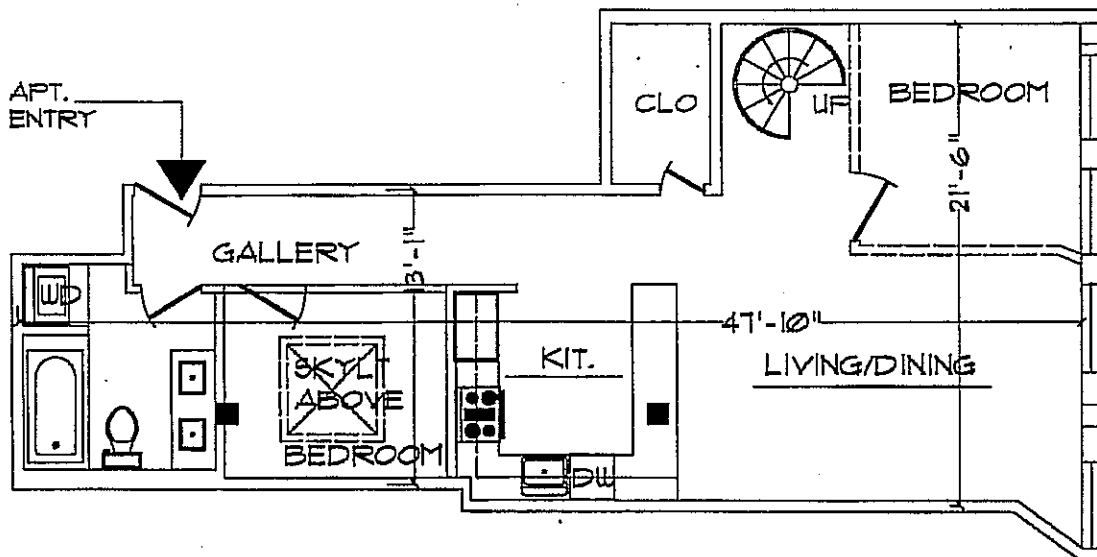


KEY PLAN

1' 2' 3' 4' 5' 10'
SCALE 1/8" = 1'

PAGE 9

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION TOLERANCE.



RESIDENCE A
TWO BEDROOM
ONE BATHROOM
PRIVATE ROOF TERRACE

FLOOR: 3RD FLOOR
AREA: APARTMENT = 910 SF
ROOF TERRACE = 660 SF



KEY PLAN

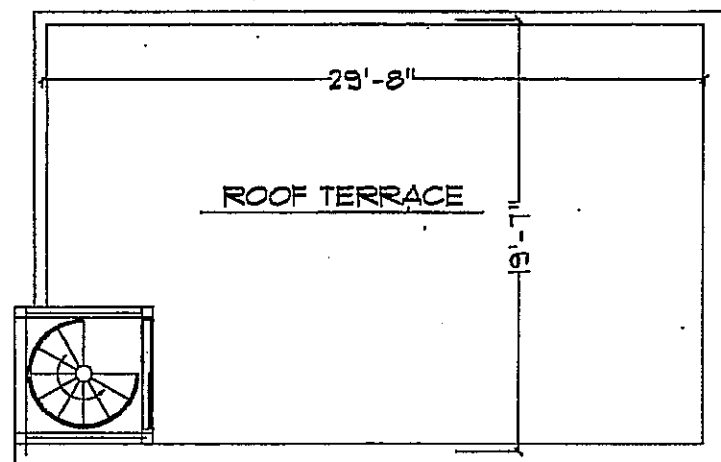
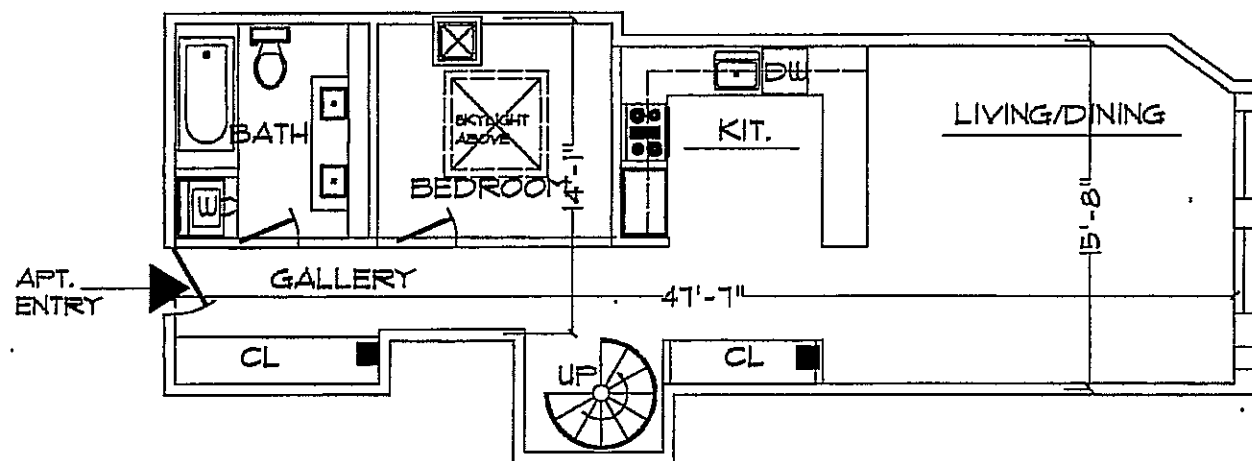
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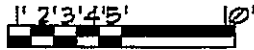
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SCALE 1/8" = 1'

PAGE 10

RESIDENCE B
 ONE BEDROOM
 ONE BATHROOM
 PRIVATE ROOF TERRACE

FLOOR: 3RD FLOOR
AREA: APARTMENT = 750 SF
 ROOF TERRACE = 600 SF

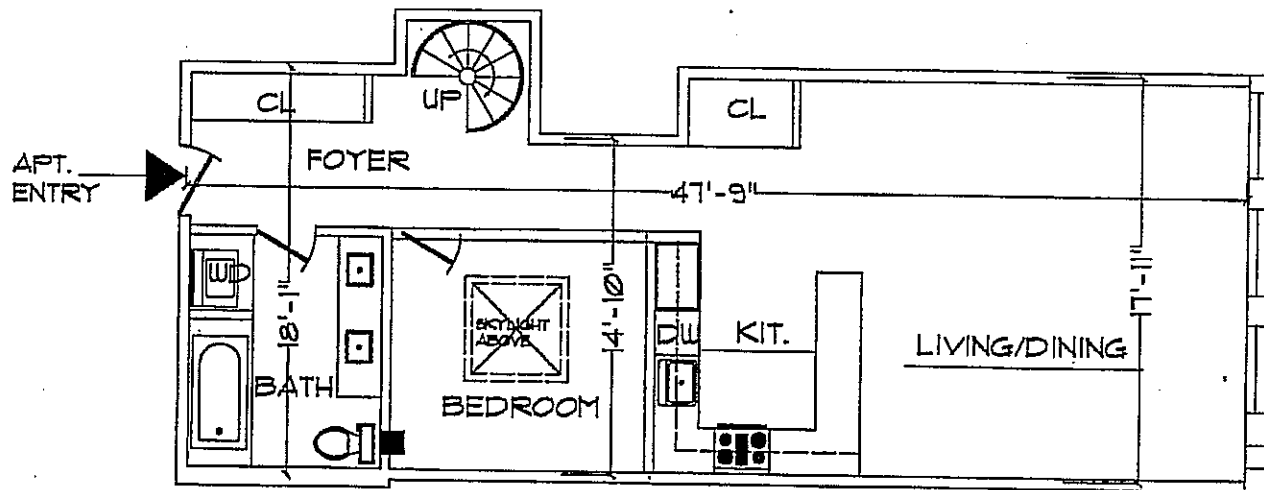


 **KEY PLAN**

 SCALE 1/8" = 1'

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION TOLERANCE.

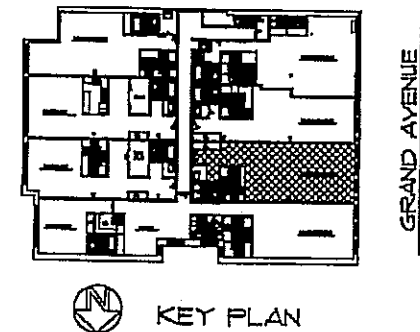
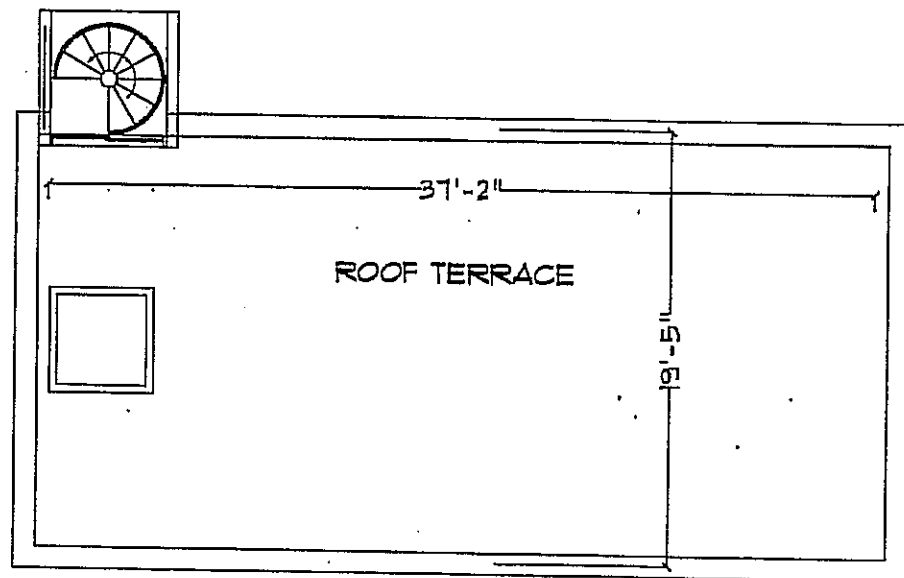
PAGE 11

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RESIDENCE C
ONE BEDROOM
ONE BATHROOM
PRIVATE ROOF TERRACE

FLOOR: 3RD FLOOR
AREA: APARTMENT = 920 SF
ROOF TERRACE = 800 SF

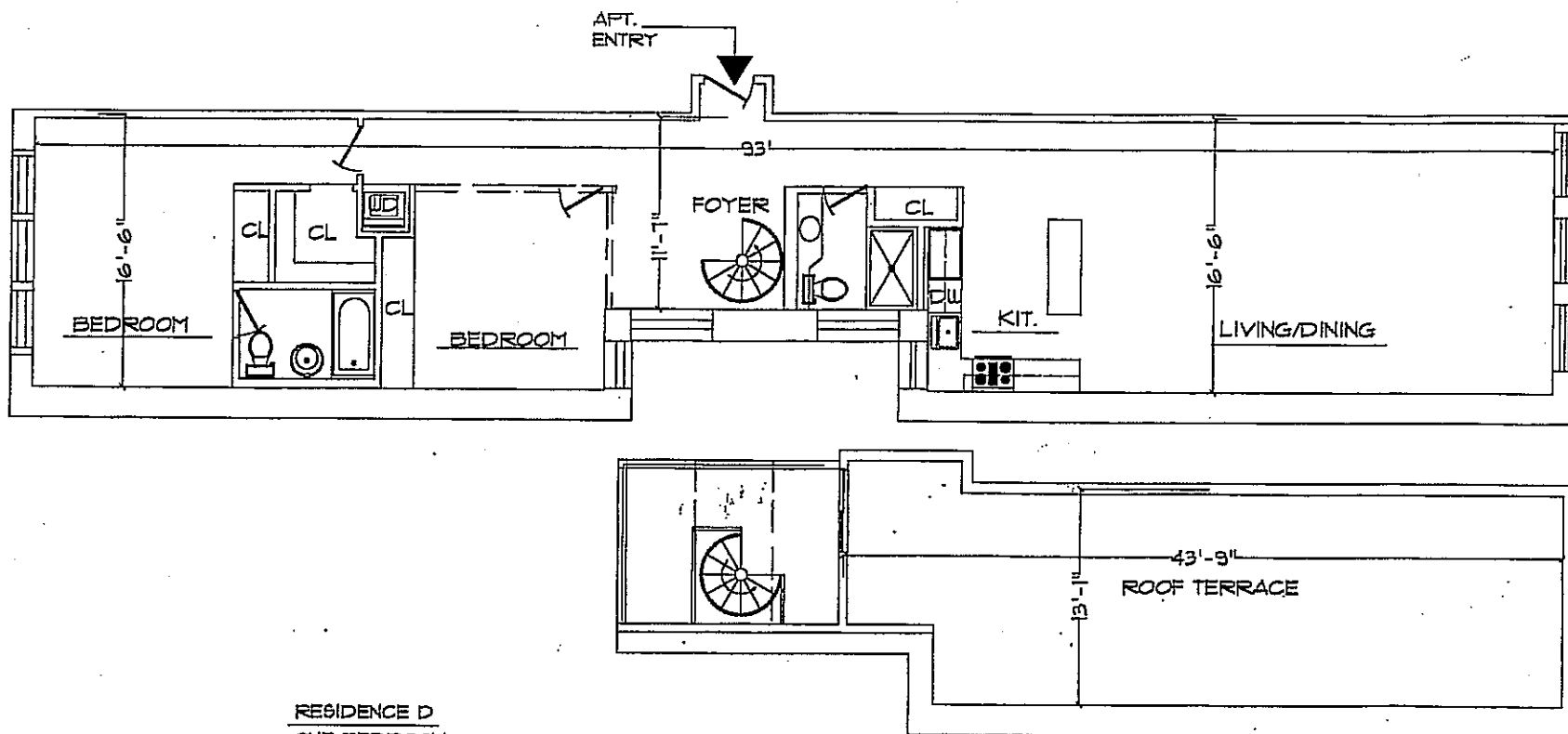


ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION TOLERANCE.

1' 2' 3' 4' 5' 10'
SCALE 1/8" = 1'

PAGE 12

E-12



RESIDENCE D
 ONE BEDROOM
 TWO BATHROOMS
 STUDY
 PRIVATE ROOF TERRACE

FLOOR: 3RD FLOOR
 AREA: APARTMENT = 1550 SF
 ROOF TERRACE = 800 SF

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION TOLERANCE.

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 SCALE 1/8" = 1'



KEY PLAN

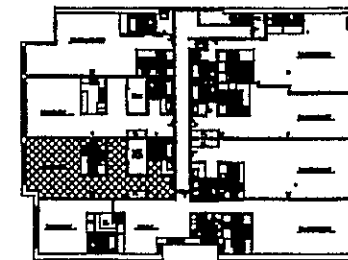
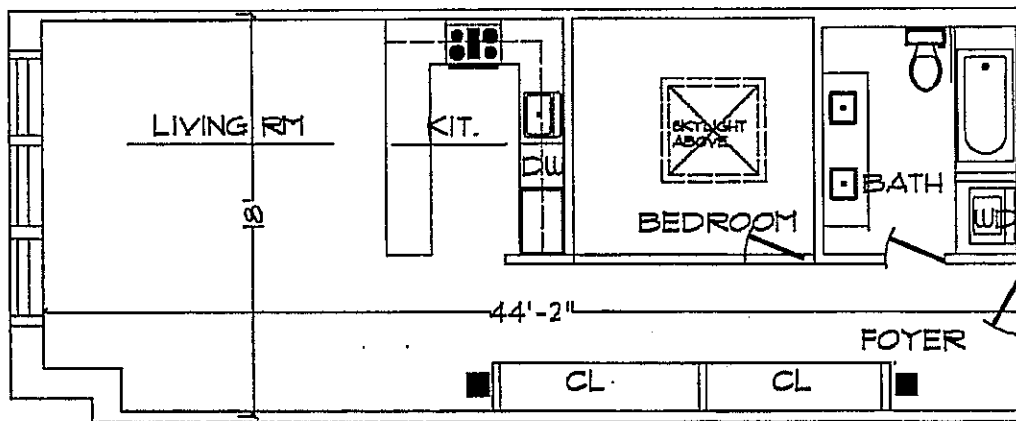
GRAND AVENUE

PAGE 13

E-13

RESIDENCE E
ONE BEDROOM
ONE BATHROOM
STUDY

FLOOR: 3RD FLOOR
AREA: APARTMENT = 800 SF



GRAND AVENUE



KEY PLAN

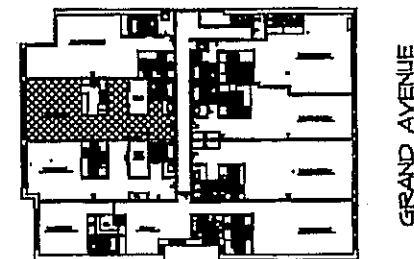
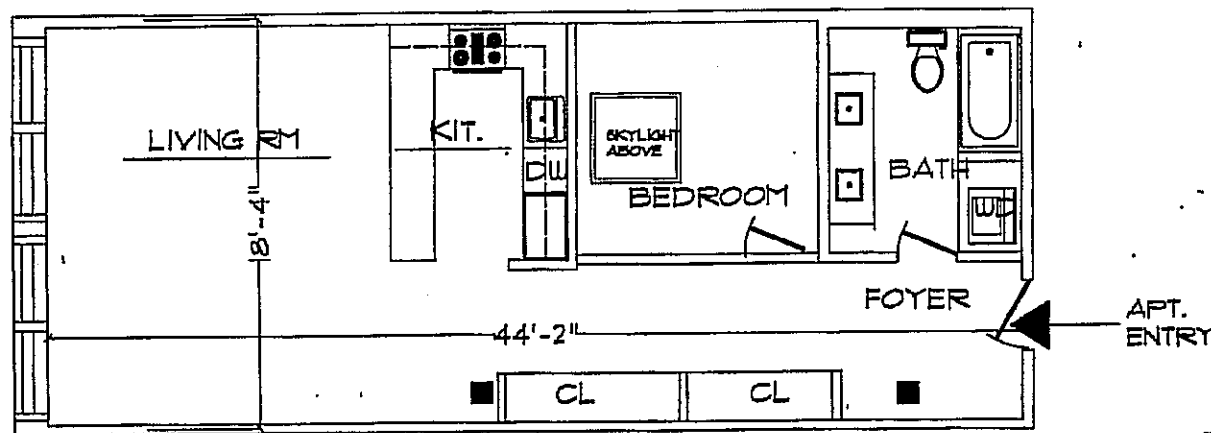
ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION TOLERANCE.

1' 2' 3' 4' 5' 10'
SCALE 1/8" = 1'

E-14

RESIDENCE F
ONE BEDROOM
ONE BATHROOM

FLOOR: 3RD FLOOR
AREA: APARTMENT = 815 SF



 KEY PLAN

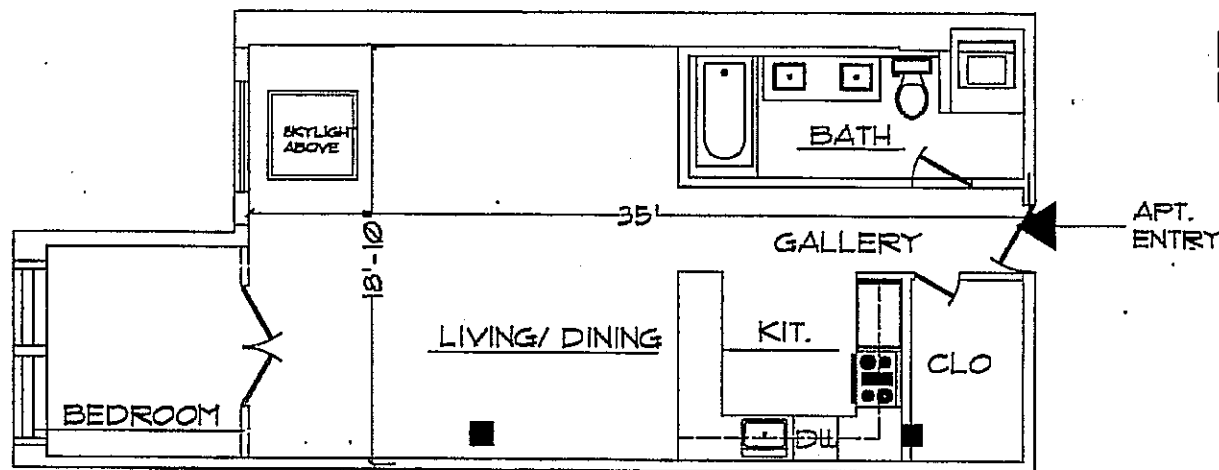


SCALE 1/8" = 1'

PAGE 15

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION TOLERANCE.

E-15.



RESIDENCE G
ONE BEDROOM
ONE BATHROOM

FLOOR: 3RD FLOOR
AREA: APARTMENT = 730 SF



KEY PLAN

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION TOLERANCE.

1' 2' 3' 4' 5' 10'
SCALE 1/8" = 1'

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EXHIBIT "F" TO THE OFFERING PLAN

ARTICLE 36-B - WARRANTIES ON SALE OF NEW HOMES

NY CLS Gen Bus § 777-a (2005)

§ 777-a. Housing merchant implied warranty

1. Notwithstanding the provisions of section two hundred fifty-one of the real property law, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

a. one year from and after the warranty date the home will be free from defects due to a failure to have been constructed in a skillful manner;

b. two years from and after the warranty date the plumbing, electrical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such systems in a skillful manner; and

c. six years from and after the warranty date the home will be free from material defects.

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

EXHIBIT "G" TO THE OFFERING PLAN

DECLARATION

**ESTABLISHING A PLAN FOR CONDOMINIUM OWNERSHIP OF
THE ANNEX CONDOMINIUM**

91 Grand Avenue
Brooklyn, New York 11205

Pursuant to Article 9-B of the Real Property Law
of the State of New York

SPONSOR: 91 GRAND AVENUE, LLC

Date of Declaration: _____, 200__

Prepared by: **BERGER & SKLAW LLP**
Attorneys for Sponsor
295 Madison Avenue
New York, New York 10017

The land affected by the within instrument lies in the County of New York, State of New York, and is shown as Block 1893 Lot 7 on the Tax Map of the County Kings, City and State of New York.

INDEX TO DECLARATION

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Exhibits:

- Property Description (Exhibit A)
- Description of Units (Exhibit B)
- Definitions (Exhibit C)
- By-Laws (Exhibit D)
- Unit Power of Attorney (Exhibit E)

DECLARATION OF CONDOMINIUM FOR

THE ANNEX CONDOMINIUM

PREMISES LOCATED AT 91 GRAND AVENUE BROOKLYN, COUNTY OF KINGS, CITY AND STATE OF NEW YORK

(Pursuant to Article 9-B of the Real
Property Law of the State of New York)

91 Grand Avenue LLC, a New York limited liability company having an office at _____, New York, New York 1_____, (hereinafter referred to as "Sponsor"), does hereby declare as follows:

Article 1

Definitions

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which the same are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Article 2

Submission of the Property

Sponsor hereby submits the Property to the provisions of the Condominium Act and, pursuant thereto, does hereby establish a regime for condominium ownership of the property as more particularly set forth herein and in the By-Laws, to be known as The Annex Condominium.

Article 3

The Land

The Land, which is located in the Borough of Brooklyn, County of Kings, City and State of New York, and is more particularly described in Exhibit A annexed hereto, is owned by the Sponsor in fee simple absolute. Its street address is 91 Grand Avenue, , Brooklyn, New York, shown on the Kings County Tax Map as Block 1893, Lot 7.

Article 4

The Building

The subject property is comprised of three (3) stories, and is constructed principally of brick and masonry block backup.

Article 5

The Units

(a) The Condominium will consist of sixteen Residential (16) Units, and one (1) Community Facility Unit. Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its unit designation number and location; (ii) its tax lot number; (iii) its approximate area; (iv) the number of rooms contained therein; (v) the portions of the Common Elements to which such Unit has immediate access; and (vi) the Common Interest appurtenant to such Unit.

(b) The boundaries of the Units consist of the area measured from the exterior face of exterior walls adjacent to the Unit to the centerline of the demising wall between Units, corridors, elevator and stairs. However, any Common Elements located within the Unit shall not be considered a part of such Unit. The Units include the following areas in or bounding each such Unit; (i) the front entrance door and any other entrance doors to such Unit; (ii) the interior walls, partitions and floor covering and plaster board ceilings affixed, attached, or appurtenant to such Unit; (iii) all windows (including, without limitation, their panes, casements and frames) located within, or opening from, such Unit; (iv) any and all equipment, fixtures and appliances (including, without limitation, heating and cooling equipment, plumbing facilities, sinks, bathtubs, water closets, ranges, dishwashers and any other appliances) affixed, attached, or appurtenant to such Unit; and (v) all other Unit Facilities affixed, attached, or appurtenant to such Unit and benefitting only that Unit.

(c) Notwithstanding anything contained in this Article 5 to the contrary, each Unit Owner shall have the right, exercisable at any time and from time to time, to install, at such Unit Owner's sole cost and expense, such decorations, fixtures and coverings (including, without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit, as shall be appropriate and desirable to such Unit Owner, provided that no such installation shall impair the structural integrity of such Unit or of the Building in which such Unit is located nor of any adjacent Unit.

Article 6

The Common Elements

(a) The Common Elements are comprised of (i) the General Common Elements, which are described in paragraph (b) of this Article 6 and (ii) the Limited Common elements, which are described in paragraph (c) of this Article 6.

(b) The General Common Elements consist of the Land and those rooms, areas, corridors and other portions of the Building (other than the Units), as well as those Unit Facilities therein, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence maintenance, management, operation, or safety of the Property. Without intention to limit the generality of the foregoing in any respect, the General Common Elements include:

(i) the Land;

(ii) all foundations, columns, beams, supports, girders, exterior walls, interior walls, partitions, floors, roofs, and ceilings in, on, or under the Buildings, to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 5 hereof or as part of a Limited Common Element pursuant to the terms of paragraph (c) of this Article 6;

(iii) all hallways, corridors, lobbies, vestibules, mail boxes, stairs, stairways, mechanical equipment spaces and entrances to, and exits from, the Building;

(iv) all central and appurtenant installations and Unit Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, garbage disposal, cable television and other mechanical and electrical systems to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 5 hereof;

(v) the boiler and utility rooms of the Building; and

(vi) all other parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property.

(c) The Limited Common Elements consist of all portions of the Land and the Building (other than the Units) that are for the use of one Unit to the exclusion of all other Units. The Limited Common Elements include without limitation any balcony, porch, rear yard area or terrace, to which there is direct and exclusive access from the interior of a Unit; all as set forth in the Floor Plans.

(d) The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division

thereof, except as is expressly permitted pursuant to the terms of Article 14 hereof and Section 5.5 of the By-Laws.

Article 7

Determination of Common Interests

The Common Interest of each Unit has been determined, pursuant to Section 339-i(1)(iv) of the Condominium Act and as set forth in Exhibit B to this Declaration based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular Unit.

Article 8

Use

(a) Use of the Units. (i) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Article and in the By-Laws. In addition, the Board of Managers may, from time to time, promulgate and amend such reasonable rules and regulations as they may deem necessary to effectuate the foregoing, in accordance with applicable law and the provisions of this Declaration and the By-Laws of the Condominium.

(ii) Each Residential Unit shall be used only as a residence, except as otherwise permitted to Sponsor under this Declaration and the By-Laws.

(iii) A Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by a rental tenant pursuant to a lease agreement in compliance with this Declaration and the By-Laws; provided in each case such occupancy complies in all respects with the provisions of subparagraph (a)(ii) hereof.

(A) Within 30 days after a Person, other than a natural person, becomes the owner of a Unit, such non-individual owner shall notify the Condominium Board or Managing Agent if any has been appointed, in writing, of the name of the officer, director, stockholder, partner or employee designated by such owner to occupy its Unit. The non-individual owner may change such designee from time to time by similar written notice to the Condominium Board or Managing Agent if any has been appointed. All designees must be bona fide officers, directors, stockholders, partners or employees of such owner.

(B) The foregoing restrictions in this paragraph (iii) do not apply to Unsold Units, which may be leased to any Persons (whether individuals, corporations, partnerships, fiduciaries or other entities) and, in the case of Unsold Units, occupied by any Person authorized by such lessee and approved by the owner of such Unsold Units, who is not required to comply with the designation notice requirement set forth in the preceding paragraph.

(iv) Notwithstanding anything to the contrary contained in this Article, Sponsor may, without the consent of either the Condominium Board or the Unit Owners:

(A) grant permission for the use of any Unsold Unit as a professional or business office or for any other purpose, provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering such Unsold Unit; and

(B) use any one or more Unsold Units as model units and offices for the sales, promotions, rental, management and operation of the Unsold Units or for any other purpose, subject only to compliance with Law.

(b) Use of the Common Elements. (i) Subject to the terms of the next succeeding paragraph, the Common Elements and the facilities thereon may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable, and which are incident to the use and occupancy of the Units. In addition, no Unit Owner or occupant of any Unit may obstruct or suffer the obstruction of any part of the Common Elements. Notwithstanding the foregoing, the Limited Common Element appurtenant to each Unit is limited to the exclusive use and enjoyment of owner of such Unit.

(ii) Notwithstanding the terms of the preceding paragraph, Sponsor or its designee shall have the right (and expressly reserves to itself and its designees an easement), without charge or limitation so long as there are any Unsold Units in the Condominium or any adjacent buildings being constructed and marketed by the Sponsor or its designee, to: (A) erect and maintain signs, of any size or content determined by Sponsor or such designee, on or about any portion of the Common Elements chosen by Sponsor or such designee, including, without limitation, on the exterior walls of any building or facility on the Common Elements; (B) have its employees, contractors, subcontractors and sales agents present on the Property; (C) do all things necessary or appropriate, including the use of the Common Elements, to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to the Common Elements or the Units, as expressly undertaken by Sponsor, or in compliance with Sponsor's obligations; and (D) to enter and utilize the Common Elements in connection with any work by Sponsor or its designee on any adjoining property. In no event, however, shall Sponsor or such designee be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

(c) Use of the Commercial and Community Facility Units. Notwithstanding anything else contained in this Declaration, the permitted uses of the Commercial Unit will be for any lawful use as permitted by the Certificate of Occupancy and applicable municipal laws and regulations. The permitted uses of the Community Facility Unit will be for any lawful use as permitted by the Certificate of Occupancy and applicable zoning laws and regulations regarding the use of community facilities.

The Board will have no right to restrict or limit the method of operation or of any uses of the Commercial Unit or the Community Facility Unit which are permitted by Law. No rules affecting the operation of the Commercial Unit or Community Facility Unit may be adopted or modified by the Board without the consent of the Commercial Unit Owner or the Community Facility Unit Owner, as the case may be. All or any part of the Commercial Unit may be leased or subleased by the Commercial Unit Owner or Community Facility Unit Owner. The Commercial Unit and/or the Community Facility Unit may be sold without prior notice. The Commercial Unit and the Community Facility Unit may be divided by the Owners of those Units. The Residential Unit Owners will have no interest in the rents, profits or revenues from the rental or use of any space in the Commercial Unit or the Community Facility Unit.

The provisions of this ¶ 8(c) may not be added to, amended, modified or deleted without the prior written consent of the Commercial Unit Owner and the Community Facility Unit Owner.

Article 9

Easements for the Enjoyment of Common Elements

(a) Subject to the terms of the By-Laws and the Rules and Regulations, the Unit Owners (including Sponsor, as long as it owns any Unit), all other permitted tenants and occupants of the Buildings, the Managing Agent (if any), the Condominium Board and all officers, partners, employees, agents, guests, invitees and licensees of the foregoing shall have in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the General Common Elements, and the General Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no person shall use or enjoy the Common Elements except in accordance with the reasonable purpose for which they are intended and without encroaching upon the rights of other Permitted Persons to do so.

(b) Each Unit Owner whose Unit has one or more appurtenant Limited Common Elements shall have an exclusive easement for the use thereof.

(c) Notwithstanding anything to the contrary contained in paragraph (a) hereof, Sponsor and its successors, assignees, invitees, licensees, contractors, employees, agents and tenants shall have an easement in, over, under, through and upon the

Common Elements to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the construction, sale or renting of Unsold Units, or the easements reserved in Paragraph (b)(ii) of Article 8 hereof. In addition, Sponsor shall have the right, to the extent not prohibited by Law, to use one or more portions of the Common Elements, as designated by Sponsor, in its sole discretion, for sales, rental, or display purposes, which right shall include, without limitation, the right to place "for sale", "for rent" and other signs and promotional materials, of such size and content as Sponsor shall determine, in, on, about and adjacent to the Building and Common Elements (including without limitation the exterior walls and adjacent sidewalk).

Article 10

Other Easements

(a) Subject to the terms of the By-Laws and to the Rules and Regulations, each Unit Owner shall have, in common with all other Unit Owners, an easement to use any of the Common Elements, and all pipes, wires, ducts, cables, conduits, public utility lines, and all other utility distribution systems, whether or not Common Elements, located in, over, under, through, adjacent to, or upon any other Unit or the Common Elements to the extent that such Common Elements and utility distribution system serves, or is necessary to the service of, such Unit Owner's Unit and all of the Common Elements shall be subject to such easement. In addition, the Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. The easements and the rights of access granted in this paragraph 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 day's notice, except that no such notice shall be necessary in the event of repairs or replacements immediately necessary or required for the preservation or safety of the Property, for the safety of the occupants of the Condominium or other persons, or to avoid the suspension of any necessary service in the Condominium.

(b) Sponsor reserves for itself and to the Condominium Board on behalf of all Unit Owners, the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Property or any portion thereof or for the general health or welfare of the owners, tenants and occupants of the appropriate Units or for the provision of utility services to adjacent properties, provided, however, that the grant of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with the use of the Units for their permitted purposes. Any utility company, as well as its officers, employees and agents, shall have a right of access to each Unit and to the

Common Elements in furtherance of such easement. However, such right of access shall be exercised in such manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

(c) Each Unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

(d) If (i) any portion of the Common Elements now encroaches upon any Unit or upon any other portion of the Common Elements, (ii) any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or (iii) any such encroachment shall hereafter occur as a result of (w) the initial construction of the project by the Sponsor as contemplated by this Declaration, (x) the settling of the Building, (y) any repair or alteration made to the Common Elements in accordance with the terms of this Declaration and the By-Laws by, or with the consent of, the Condominium Board, by Sponsor or Sponsor's designee, or (z) any repair or restoration made to any portion of any structure or improvement on the Property, to any Unit, or to the Common Elements in accordance with the terms of this Declaration and the By-Laws after damage by fire or other casualty or after any taking by condemnation or eminent domain proceedings, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same for so long as the Building or the affected Unit, structure, improvement or Common Elements shall stand.

(e) The Building has granted an egress easement to the adjacent property located on Block 1893, Lot 4, which easement is filed with the Kings County City Register under CRFN # _____.

(f) In addition to the specific easements set forth in this Article 10 and in Article 9 hereof, the Property and every portion thereof shall be subject to all easements and rights of access prescribed in the Condominium Act.

Article 11

Changes in Unsold Units

(a) Sponsor or its designee shall have the right, to the extent not prohibited by law, without obtaining the consent or approval of the Condominium Board, or Mortgage Representative (if any), to subdivide any Unsold Unit into separate Units, provided and on condition that:

(i) Such subdivision into separate Units shall be appropriately reflected in (1) an Amendment to this Declaration recorded in the Register's Office, and (2) an Amendment to the Floor Plans filed with the Register's Office, each such Amendment to set forth all information required by the Condominium Act; and

(ii) The Common Interest of each newly established Unit shall be allocated in conformity with the Condominium Act, provided, however, (1) the Common Interests of all newly established Units shall equal the Common Interest of the original Unit being so subdivided, and (2) the Common Interests of all Units shall equal 100%.

(b) Sponsor or its designee shall have the right, to the extent not prohibited by law, without obtaining the consent or approval of the Condominium Board, other Unit Owners or Mortgage Representatives (if any):

(i) To make alterations, additions and/or improvements (whether structural or nonstructural, interior or exterior, ordinary or extraordinary) in to and upon Unsold Units, provided and on condition that: (A) no physical modification shall be made to any other Units and the Common Interests and interior dimensions of any other Units shall not be changed by reason thereof, unless the owner or purchaser (if a purchase agreement has been executed and the purchaser is not in default thereunder) of any such other affected Unit shall consent thereto; and (B) such alteration, addition or improvement shall not jeopardize the of the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property;

(ii) To change the layout of, or number of rooms in, any Unsold Units, provided and on condition that the Sponsor or its designee (as the case may be) shall comply with applicable law; and

(iii) To change the size and/or number of Unsold Units by (1) further subdividing one or more Unsold Units into two or more Units, (2) combining two or more separate Unsold Units (including, without limitation, those resulting from such subdivision or otherwise) into one or more Units, (3) altering the boundary walls of any Unsold Unit, or (4) otherwise, provided and on condition that: (A) the Common Interest of any Unit affected by such change in size or number shall be appropriately reapportioned in accordance with the factors, conditions and restrictions set forth in paragraph (a) of this Article 11; and (B) the Declaration and Floor Plans shall be appropriately amended to reflect the changes made to such affected Units and the reapportionment of the Common Interest for each, all in accordance with the Condominium Act.

(c) In the event that one or more Units is subdivided into two or more Units in accordance with the foregoing provisions of this Article 11, all newly established Units as well as the Owners, tenants and occupants thereof, shall be subject to, bound by 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.

(d) The provisions of this Article 11 may not be added to, amended, modified, or deleted without the prior written consent of Sponsor.

Article 12

Acquisitions of Units by the Condominium Board

If (i) any Unit Owner surrenders his Unit, together with its Appurtenant Interests, to the Condominium Board pursuant to the terms of the By-Laws or of Section 339-x of the Condominium Act, or (ii) the Condominium Board, pursuant to the terms of the By-Laws or otherwise, either (x) acquires or leases a Unit, together with its Appurtenant Interests, or (y) purchases a Unit, together with its Appurtenant Interests, at a foreclosure or other similar sale, then, in any such event, title or the leasehold estate, as the case may be, in and to such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit leased or subleased by the Condominium Board or its designees shall be held by the Condominium Board or such designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests.

Article 13

Power of Attorney to Sponsor and the Condominium Board

(a) Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power (i) the Sponsor, to amend the Condominium Documents pursuant to the terms of Article 17 hereof; and (ii) the Persons who shall from time to time constitute the Condominium Board, jointly, to:

(A) acquire or lease any Unit, together with its Appurtenant Interests (1) whose owner desires to sell, convey, transfer, assign, lease, or surrender the same, or (2) that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners;

(B) convey, sell, lease, mortgage, or otherwise deal with (but not to vote the Common Interest appurtenant to) any Unit so acquired or to sublease any Unit so leased; and

(C) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium, or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

(b) In confirmation of the foregoing powers of attorney, each Unit Owner, upon the request of either Sponsor or the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the City Register's Office, a Unit Owner's Power of Attorney in the form set forth as Exhibit E to this Declaration.

Article 14

Termination of Condominium

The Condominium shall continue until terminated by: (i) casualty loss, condemnation, or eminent domain, as more particularly provided in the By-Laws; or (ii) withdrawal of the Property from the provisions of the Condominium Act in accordance with the provisions of Section 339-t of the Condominium Act.

Article 15

Covenant of Further Assurances

(a) Any Person who is subject to the terms of this Declaration (whether such person is a Unit Owner, a lessee or a sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, or otherwise) shall, at the expense of Sponsor, the Condominium Board, any officer of the Condominium, or the Managing Agent (if any), as the case may be, requesting the same, execute, acknowledge and deliver to Sponsor, the Condominium Board, any officer of the Condominium, or the Managing Agent, as the case may be, such instruments, in addition to those specifically provided for herein, and take such other action, as Sponsor, the Condominium Board, any officer of the Condominium, or the Managing Agent, as the case may be, 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.

(b) Subject to paragraph (c) below, if any Unit Owner or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(c) If any Unit Owner or the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days after request therefor, to take any action that the Condominium Board, Unit Owner, or other Person is required to take pursuant to this Declaration at the request of Sponsor, then Sponsor is hereby authorized as

attorney-in-fact for the Condominium Board, such Unit Owner, or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Condominium Board, such Unit Owner, or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner, or other Person, as the case may be.

Article 16

Covenants to Run With the Land

(a) All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 16, shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions thereof shall be binding upon, and shall inure to the benefit of, the owner of all or any part thereof, or interest therein and his or her 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 succeeding to title, the entering into a lease, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having, at any time, any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease.

(b) If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration 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 that is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision

shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

(c) Subject to the terms of paragraph (b) of this Article 16, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration 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 17

Amendments to This Declaration

(a) Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee, the Commercial Unit Owner or the Community Facility Owner, any provision of this Declaration may be amended, modified, added to, or deleted by the vote of eighty (80%) percent of all Unit Owners, both in number and in aggregate Common Interests, taken in accordance with the provisions of the By-Laws. However, no amendment, modification, addition, or deletion pursuant to the preceding sentence shall be effective without the written consent of the Mortgage Representatives (if required by the terms of the applicable mortgage), if any, provided such consent shall not be unreasonably withheld or delayed. In addition, such amendment, modification, addition, or deletion: (i) shall not be effective until recorded in the City Register's Office; and (ii) shall be executed by the Condominium Board as attorney-in-fact for the Unit Owners, which power shall be deemed to be coupled with an interest, and the Condominium Board is hereby authorized by the Unit Owners so to act as their attorney-in-fact. No amendment may be made which will in any way affect the rights of the Sponsor unless the Sponsor shall consent to such amendment.

(b) Sponsor or its designee shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Condominium Board, or the Mortgage Representatives (if any), to execute, acknowledge and record (or, at the Sponsor's or such designee's sole option, to require the Condominium Board or any other Unit owners to execute, acknowledge and record) in the City Register's Office and elsewhere, if required by Law, one or more amendments to this Declaration (including the Exhibits hereto), together with such documents, plans and maps as the Sponsor or such designee deems appropriate to effectuate the same:

(i) to reflect any changes in the Unsold Units, including any reapportionment of the Common Interest resulting therefrom made by the Sponsor in accordance with the terms of Article 11 hereof, or any assignment or revision of a tax lot to any Unit; or

(ii) required by an Institutional Lender, any governmental agency having regulatory authority over the Condominium, or any title insurance company selected by Sponsor to insure title to any Units; provided, however, that any amendment made pursuant to the terms of subparagraph (i) or (ii) of this paragraph (b) shall not (1) change the Common Interest of any Unit not then owned by Sponsor, (2) require a material, physical modification of any Unit not then owned by Sponsor or of the Common Elements, or (3) adversely affect the priority or validity of the lien of any mortgage held by an institutional lender unless the owner of the affected Unit (in the event described in clause (1) or (2) of this subparagraph (ii)) or the holder of such mortgage (in the event described in clause (3) of this subparagraph (ii)) shall consent thereto by joining in the execution of such amendment.

(c) Any amendment to this Declaration may be executed: (i) if on behalf of Sponsor pursuant to the terms of paragraph (b) hereof, by any officer of Sponsor, or (ii) if on behalf of the Unit Owners or by the Condominium Board, by the President or Vice President and by the Secretary or an Assistant Secretary of the Condominium. If the amendment requires the approval of a specified percentage of Unit Owners pursuant to the terms of this Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting, in which Certification shall be described the number and percentage of Unit Owners so consenting and, if voted upon at a meeting, the date and time of the meeting.

(d) Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no amendment to the Condominium Documents shall be adopted which would:

(i) (A) unreasonably interfere with the sale, lease or other disposition of an Unsold Unit; (B) abridge, modify, suspend, eliminate or otherwise affect any right, power, easement, privilege or benefit to Sponsor or its designee; or (C) impose any discriminatory charge or fee against Sponsor or its designee, unless Sponsor or such designee shall consent thereto, by joining in the execution of such Amendment; or

(ii) change the permitted use of any Unit or such Unit's Common Interest, unless the owner of such affected Unit shall consent thereto by joining in the execution of such Amendment.

Article 18

Consents of Sponsor

Wherever the consent, approval, satisfaction, or permission of Sponsor or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction, or permission shall not be required when Sponsor or such designee no longer owns any Units.

Article 19

Person to Receive Service

Any member of the Condominium Board is hereby designated to receive service of process in any action that may be brought against the Condominium relating to the Common Elements or to more than one of the Units.

Article 20

Incorporation by Reference

The terms, covenant, conditions, descriptions and other information contained in: (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the table of definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Unit Owner's Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans; are, by this reference, each incorporated herein and made a part of this Declaration as if the same were set forth at length in the text hereof.

Article 21

Waiver

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Article 22

Severability

Subject to the provisions of paragraphs (b) and (c) of Article 16 hereof, if any provision of the Condominium Documents is invalid or unenforceable as against any Person or under certain circumstances, the remainder of the Condominium Documents and

the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of the Condominium Documents shall, except as otherwise provided herein, be valid and enforced to the fullest extent permitted by Law. Any conflict between any provision of the Condominium Documents and the Condominium Act, or any questions regarding the interpretation of any of the Condominium Documents, shall be governed by the Condominium Act.

Article 23

Successors and Assigns

The rights and/or obligations of, and limitations imposed on, Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, its successors and assignees as well as any designated transferee of its Units. Subject to the foregoing, Sponsor shall have the right, at any time, in its sole discretion, to assign or otherwise transfer its interest herein, whether by merger, consolidation, lease, assignment, or otherwise.

Article 24

Construction

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 otherwise requires.

Article 25

Captions

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of this Declaration or the intent of any provision hereof.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the _____ day of _____, 200__.

91 GRAND AVENUE LLC

By: _____

ACKNOWLEDGMENT

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

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

Notary Public

**EXHIBIT A TO THE DECLARATION OF
THE ANNEX CONDOMINIUM**

DESCRIPTION OF THE LAND

[TO BE INSERTED]

**EXHIBIT B TO THE DECLARATION OF
THE ANNEX CONDOMINIUM**

**THE PREMISES KNOWN AS
91 GRAND AVENUE, BROOKLYN, NEW YORK**

DESCRIPTION OF UNITS

[TO BE INSERTED]

EXHIBIT C TO THE DECLARATION OF

THE ANNEX CONDOMINIUM

DEFINITIONS

"Appurtenant Interest." With respect to any Unit, the undivided interest of the owner thereof, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other asset of the Condominium.

"Building." The building being constructed on the Land, located at 91 Grand Avenue, Brooklyn, New York.

"By-Laws." The By-Laws of the Condominium, which are annexed as an Exhibit to the Plan, as the same may be amended from time to time pursuant to the terms thereof.

"Common Elements." All of the Property except the Units, including the Land and improvements thereon (other than the Units), as well as those facilities thereon, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property as more particularly described in of Article 6 of the Declaration. The Common Elements are divided into the General Common Elements and the Limited Common Elements. The Limited Common Elements appurtenant to a Unit are reserved for the exclusive use and benefit of the owner of such Unit. The General Common Elements consist of all the Common Elements other than the Limited Common Elements.

"Common Charges". The charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws), to meet the Common Expenses.

"Common Expenses". All costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the General Common Elements; (ii) the establishment and/or maintenance of a general operating reserve or a reserve fund for working capital, for replacement with respect to the Common Elements, or to make up any deficit in the General Common Charges for any prior year(s); (iii) the purchase, lease, or sublease by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell, lease, transfer, or convey the same or that is to be sold at a foreclosure or other sale; and (iv) generally, the conduct of the affairs of the Condominium.

"Common Interest". The undivided percentage interest of each Unit in the Common Elements.

"Community Facility Unit." The Unit in the Building reserved for the use of an approved Community Facility pursuant to New York City Community Facility zoning regulations. This Unit is not being offered for sale under this Plan.

"Condominium". The Annex Condominium, established pursuant to the terms of the Declaration and which is to be governed pursuant to the terms of the By-Laws.

"Condominium Act." Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.

"Condominium Board" or "Board of Managers." The governing body of the Condominium, whose members shall be selected pursuant to the terms of Article 2 and 4 of the By-Laws.

"Condominium Documents." The Declaration, the By-Laws and the Rules and Regulations.

"Declaration." The instrument to be executed by the Sponsor and recorded in the New York County City Register's Office for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for the condominium ownership thereof. A copy of the Declaration is set forth as an Exhibit to the Plan.

"Designee." A person or entity designated by Sponsor or by a designee of Sponsor to succeed to the rights of Sponsor.

"Facilities." The improvements and other facilities being part of the Common Elements.

"Family Members." The spouse, children (natural and adopted), grandchildren, great grandchildren, siblings, parents, parents-in-law, grandparents, great grandparents and aunts and uncles of a Unit Owner who reside in such Unit Owner's Unit.

"First Closing." The first date upon which title to a Unit is conveyed to a purchaser who is not a principal of the Sponsor.

"Floor Plans." The floor plans of the Unit filed in the City Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

"General Common Elements." The Common Elements of the Condominium, other than those portions thereof constituting Limited Common Elements.

"Initial Control Period." The period ending thirty calendar days after the earlier to occur of: (i) five (5) years after the date of closing of title to the first Unit; or (ii) the transfer of title to all Residential Units such that Sponsor no longer retains an interest in any Residential Unit in the Condominium.

"Institutional Lender." (i) A savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, N.Y.S.-licensed mortgage banker, or mortgage trust, or (ii) a federal, state, municipal, teachers or union employee, welfare, pension or retirement fund or system.

"Institutional Mortgage." Any first mortgage covering one or more Units that is a permitted mortgage and the initial holder of which is either Sponsor or its designee or an Institutional Lender.

"Land." The land upon which the Project is situated, as more particularly described in Exhibit A to the Declaration.

"Limited Common Element." The designated portion of the General Common Elements appurtenant to a particular Unit, which is reserved for the exclusive use and benefit of the owner of such Unit.

"Managing Agent." A Person employed by the Condominium Board pursuant to Section 2.4 of the By-Laws.

"Majority of Unit Owners." Those Unit Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the terms of Section 4.7 of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.

"Mortgage Representatives." The representatives of the holders of all Permitted Mortgages encumbering Units.

"Permitted First Mortgage." A Permitted Mortgage that is a first mortgage lien against a Unit.

"Permitted Mortgagee." Any holder of a Permitted Mortgage at the time in question.

"Person." Any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

"Plan." The offering plan to convert the Property to condominium ownership filed with the Department of Law of the State of New York pursuant to Section 352-e of the General Business Law of the State of New York.

"Property" or "Project." The Land and all improvements erected or to be erected on the Land, including the Units, all easements, rights and appurtenances pertaining thereto and all other property, real, personal, or mixed, used or intended to be used in connection therewith.

"Purchase Agreement." The agreement pursuant to which a Purchaser contracts to purchase a Unit from the Sponsor. The form of Purchase Agreement is annexed as an Exhibit to the Plan.

"Purchaser." A Person or Persons who have executed a Purchase Agreement with respect to a Unit.

"Residential Unit." One of the sixteen (16) Units for use as residences comprising the Condominium formed pursuant to the Declaration, as depicted on the Floor Plans, and as more particularly defined in Article 5 of the Declaration.

"Rules and Regulations." The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.

"Special Assessments." The charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with the By-Laws.

"Sponsor." 91 Grand Avenue LLC.

"Unit." One of the sixteen (16) Residential Units and the Community Facility Unit, comprising the Condominium formed pursuant to the Declaration, as depicted on the Floor Plans, and as more particularly defined in Article 5 of the Declaration.

"Unit Facilities." All personal property and fixtures now or hereafter existing in, on, or under the Land, any buildings or improvements thereon or on the Units, and either existing for the common use of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property.

"Unit Owner." Any Person who holds fee title of record to a Unit at the time in question.

"Units." More than one Unit.

"Unsold Unit." Any Unit owned by Sponsor or its designee at the time in question.

"Unsold Units." More than one Unsold Unit.

EXHIBIT "H" TO THE OFFERING PLAN
THE ANNEX CONDOMINIUM

BY LAWS
OF
THE ANNEX CONDOMINIUM

THE PREMISES KNOWN AS
91 GRAND AVENUE
BROOKLYN, NY 11205

City of New York, County of Kings, State of New York

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BY-LAWS

THE ANNEX CONDOMINIUM

THE PREMISES KNOWN AS
91 Grand Avenue, Brooklyn, New York 11205

ARTICLE 1

GENERAL

Section 1.1 Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium.

Section 1.2 Definitions. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are used shall otherwise require. All capitalized terms used in these By-Laws as defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of such capitalized terms shall be applicable to singular and to plural nouns, as well as to the verbs of any tense.

Section 1.3 Applicability of By-Laws. The provision of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the land and the buildings and improvements thereon including the condominium units (hereinafter referred to as "Units") and the common elements and the use and occupancy thereof.

Section 1.4 Application of By-Laws. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of 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 an agreement that the provisions of the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with.

Section 1.5 Principal Office of the Condominium. The principal office of the Condominium shall be located either at 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 Condominium Board.

ARTICLE 2

BOARD OF MANAGERS

Section 2.1 General. The affairs of the Condominium shall be governed by the Condominium Board.

Section 2.2 Powers and Duties of the Condominium Board. (A) The Condominium Board shall have all the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-Laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements and/or any other portions of the Property for which the Condominium Board is responsible pursuant to the Declaration and the By-Laws, including, without limitation, as the Condominium Board shall deem necessary or proper in connection therewith: (a) the purchase and leasing of supplies, equipment and material, and (b) the employment, compensation and dismissal of personnel;

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a residential condominium;

(iii) to maintain accurate books and records with respect to the finances and the operation of the Condominium;

(iv) to prepare and adopt a budget for the Condominium for each fiscal year thereof;

(v) to determine the amount and establish the means and methods of payment of, and to collect, the Common Charges and Special Assessments from the Unit Owners;

(vi) to borrow money on behalf of the Condominium when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided however that (i) the consent of all Unit Owners present at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of \$10,000 and (ii) no lien to secure repayment of any sum borrowed may be created on

any Unit or its appurtenant interest in the Common Elements without the written consent of the Owner of said Unit;

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor;

(viii) to use the Common Charges and Special Assessments collected from Unit owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the Administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements;

(ix) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof;

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit owners; (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property;

(xi) to make, or to contract with others for the making of repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property (whether after damage or destruction by fire or other casualty, or as a result of destruction by fire or other casualty, or as a result of eminent domain proceedings or otherwise), all in accordance with the terms of these By-Laws;

(xii) to accept the surrender of any Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiii) to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiv) to purchase Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xv) to sell, lease, mortgage and otherwise deal with Units acquired by, and to sublease Units leased by, the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to vote the votes appurtenant to any such Unit;

(xvi) to adopt and amend the Rules and Regulations and to levy and collect fines against Unit owners for violations of the same;

(xvii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents, to collect delinquent assessments by suit or otherwise, to abate nuisances and seek damages from the Unit Owners for violations of the house rules or rules and regulations herein referred to and defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners;

(xviii) to incorporate, to the extent and in the manner provided in the Condominium Act;

(xix) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

(B) The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a Permitted Lessee or other permitted occupant.

Section 2.3 Certain Limitations on the Powers of the Condominium Board. Notwithstanding anything to the contrary contained in these By-Laws, the Condominium Board shall not take any of the following actions unless 80% of all members thereof shall approve the same in writing or by vote at a duly constituted meeting called for such purpose:

(i) increase the number, or change the type, of employees from those hired at the time of recording the Declaration;

(ii) provide for new or additional services from those being provided at the time of recording the Declaration;

(iii) impose any Common Charge or Special Assessment for the purpose of making any capital or major improvement, alteration, or addition to the Common Elements or to any Unit, unless required by Law; or

(iv) establish any reserves, including, without limitation, a reserve for contingencies, repairs, improvements, or replacements, other than a twelve-month reserve for contingencies not exceeding ten percent of the budgeted operating expenses for the ensuing 12 months of operation.

Section 2.4 Exercise and Delegation of Powers and Duties. Any act within the power of the Condominium Board to perform, and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Condominium Board.

Section 2.5 Number, Election and Qualification of Members. Until the first annual meeting of the Unit Owners held pursuant to the terms of Section 4.1 hereof, the Condominium Board shall consist of three individuals to be designated from time to time

by Sponsor. From and after the first annual meeting of the Unit Owners, the Condominium Board shall consist of five individuals (which number may not be increased so long as Sponsor owns any Unsold Units) to be elected by the Unit Owners and the Sponsor, as provided in these By-Laws. Except for members designated by Sponsor or its designee pursuant to the terms of Section 2.8 or 4.8 hereof, all members of the Condominium Board shall be either: (i) individual Unit Owners; (ii) individual Permitted Mortgagees; (iii) officers, directors, shareholders, partners, principals, members, employees, or beneficiaries of corporations, partnerships, limited liability companies, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees; or (iv) adult Family Members of any of the foregoing.

Section 2.6 Term of Office Members. The term of office of the three members of the Condominium Board designated by Sponsor prior to the first annual meeting of the Unit Owners shall expire when the five individuals to be elected or designated at such meeting are so elected or designated and qualified. The term of office of each of the five individuals elected or designated and qualified at the first annual meeting of the Unit Owners and at all subsequent annual meetings shall be one year. Notwithstanding anything to the contrary contained in this Section 2.6, however, each member of the Condominium Board shall serve until his successor shall be elected or designated and qualified. There shall be no limit on the number of terms of office, successive or otherwise, that a member of the Condominium Board may serve.

Section 2.7 Removal and Resignation of Members. (A) Any member of the Condominium Board who was elected thereto by the Unit Owners may be removed from office, with or without cause, by a majority vote of Unit Owners. Any member of the Condominium Board who was designated as such by Sponsor or its designee, pursuant to the terms of Section 2.5, 2.8, or 4.8 hereof, may be removed only by Sponsor or said designee, by giving written notice thereof to the Condominium Board. Any member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Unit Owners shall be given prior written notice thereof and an opportunity to be present and heard thereat.

(B) Any member of the Condominium Board may resign his membership at any time by giving written notice thereof to the Condominium Board and, with respect to members of the Condominium Board designated as such by Sponsor or its designee, to Sponsor or such designee. In addition, any member of the Condominium Board who shall cease to be qualified for membership pursuant to the terms of Section 2.5 hereof shall be deemed to have resigned his membership effective as of the date upon which such qualifications shall cease.

Section 2.8 Vacancies. (A) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was elected thereto by the Unit Owners, shall be filled by vote of a majority of the remaining members of the Condominium Board, to serve until replaced at a special meeting of Unit Owners pursuant to Section 4.2 of these By-Laws.

(B) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was designated as such by Sponsor or its designee shall be filled by an individual designated by Sponsor or such designee.

Section 2.9 Regular Meetings of the Condominium Board. Regular meetings of the Condominium 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 such meetings shall be held during each fiscal year. Written notice of all regular meetings of the Condominium Board shall be given to each member thereof by personal delivery, mail, or telegram at least five business days prior to the day named for such meeting.

Section 2.10 Special Meetings of the Condominium Board. Any member may call a special meeting of the Condominium Board whenever he deems the same to be necessary or desirable. Written notice of all special meetings shall be given to each member thereof by personal delivery, mail or telegram at least five business days prior to the day named for such meeting, which notice shall state the time, place and purpose of the meeting.

Section 2.11 Waiver of Notices of Meeting. Any member of the Condominium Board may, at any time, waive notice of any meeting thereof in writing, and such waiver shall be deemed equivalent to the giving of notice. Attendance by a member of the Condominium Board at any meeting shall constitute a waiver by him of notice of the time and place thereof. If all of the members of the Condominium Board are present at any meeting thereof, no notice of such meeting shall be required and any business may be transacted at such meeting.

Section 2.12 Quorum of the Condominium Board. For purposes of all meetings of the Condominium Board, a majority of the members thereof shall constitute a quorum for the transaction of business. In connection therewith, one or more members of the Condominium Board may participate in any meeting thereof by means of a conference telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes. If, at any meeting of the Condominium Board, there shall be less than a quorum present, a majority of the members of the Condominium Board in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a reduced quorum of a majority of the Board is present, any business that might have been transacted at the meeting originally called but for lack of a quorum may be transacted without further notice.

Section 2.13 Conduct of Meetings. The President shall preside at all meetings of the Condominium Board, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure from time to time acceptable to a majority of the Condominium Board, shall govern the conduct of the

meetings of the Condominium Board unless the same be in conflict with the terms of the Declaration, these By-Laws or the Condominium Act.

Section 2.14 Decisions of the Condominium Board. Except as otherwise expressly provided in the Declaration or these By-Laws, the vote of a majority of the members of the Condominium Board present at a meeting thereof at which a quorum is present shall constitute the decision of the Condominium Board. Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all of the members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Secretary of the Condominium in the minutes of the Condominium Board.

Section 2.15 Compensation of Members. No member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

Section 2.16 Liability of the Condominium Board. (A) No members of the Condominium Board shall have any liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each member of the Condominium Board shall be liable thereto for his own bad faith or willful misconduct.

(B) Every contract made, and other document executed, by or on behalf of the Condominium Board, any committee thereof, or the Managing Agent shall expressly provide (if such provision is reasonably obtainable and in addition to the limitation of liability of the officers of the Condominium and the Unit Owners pursuant to the terms of Section 3.9 and 4.11 hereof, respectively) that the same is made or executed by or on behalf of the Condominium Board, such committee, or the Managing Agent solely as agent for the Unit Owners and that the members of the Condominium Board or such committee or the Managing Agent shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.11 hereof.

(C) The Unit Owners shall jointly and severally indemnify and hold each member of the Condominium Board harmless from and against any claim or liability to others arising from such member's acts or omissions as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such member.

ARTICLE 3

OFFICERS

Section 3.1 General. The principal officers of the Condominium shall be the President, the Secretary and the Treasurer. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Condominium Board, by any two officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board.

Section 3.2 President. The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board.

Section 3.3 Secretary. The Secretary shall keep a record wherein the actions of the Condominium Board and the meetings of the Unit Owners shall be recorded and shall act as President in the absence of the President.

Section 3.4 Treasurer. The Treasurer shall keep the financial records and books of account of the Condominium.

Section 3.5 Election, Term of Office and Qualifications of Officers. Each of the officers of the Condominium Board shall be elected annually by a majority vote of the Condominium Board taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. The President, Secretary and Treasurer shall be elected from amongst the members of the Condominium Board. No person shall hold more than one office.

Section 3.6 Removal and Resignation of Officers. Any officer of the Condominium may be removed from office, with or without cause, by an affirmative vote of a majority of the members of the Condominium Board. In addition, any officer may resign at any time by giving written notice to the President of the Condominium Board. Finally, if the President, Secretary, or Treasurer shall cease to be a member of the Condominium Board during his term of office, such officer shall be deemed to have resigned his office effective upon the date which his membership shall cease.

Section 3.7 Vacancies. Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Section 3.8 Compensation of Officers. No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

Section 3.9 Liability of the Officers of the Condominium. (A) The officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each officer of the Condominium shall be liable to Unit Owners for his or her own bad faith or willful misconduct.

(B) The Unit Owners shall jointly and severally indemnify and hold each officer of the Condominium harmless from and against any claim or liability to others arising from his acts or omissions as, or by reason of the fact that such individual is or was, an officer of the Condominium except to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such officer.

ARTICLE 4

UNIT OWNERS

Section 4.1 Annual meeting of the Unit Owners. The first annual meeting of the Unit Owners shall be held immediately after the Initial Control Period.

Section 4.2 Special Meetings of the Unit Owners. Any member of the Condominium Board may call a special meeting of the Unit Owners by setting forth, in reasonable detail, the purpose for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes. In addition, a special meeting shall take place promptly after the occurrence of a vacancy in the Condominium Board for the purpose of electing new members of the Board pursuant to Section 2.8 (A) of these By-Laws.

Section 4.3 Place of Meetings. Meetings of the Unit Owners shall be held at the Condominium or at such other location within the City of New York as may be designated by the Condominium Board.

Section 4.4 Notice of Meetings. (A) The Secretary or person calling the meeting shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote or designate members of the Condominium Board at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail or telegram not later than 10 business days prior to the day fixed for the meeting; however, the mailing for such notice to any Unit Owner, addressed to his or her address at the Property, at least 15 days prior to the day fixed for the meeting shall be conclusively deemed the giving of notice to such Unit Owner of such meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Secretary of the Condominium not less than 15 days prior to the giving of notice of the applicable meeting.

(B) If the business to be conducted at any meeting of the Unit Owners shall include the consideration of a proposed amendment to the Declaration or to these By-Laws, the notice

of such meeting shall be mailed to all Unit Owners at least 30 days prior to the day fixed for such meeting and shall be accompanied by a copy of the text of such proposed amendment.

Section 4.5 Quorum of the Unit Owners. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Unit Owners owning Units to which 51% of the aggregate Common Interests appertain shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting and the quorum required at such meeting shall be a majority of the Unit Owners.

Section 4.6 Conduct of Meetings. The President shall preside at all meetings of the Unit Owners, and the Secretary shall faithfully record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order, or any other rules of procedure acceptable to a majority of the Unit Owners present at any meeting, in person or by proxy, shall govern the conduct of the meetings of the Unit Owners, unless the same shall be in conflict with the terms of the Declaration, these By-Laws, or the Condominium Act. All votes of the Unit Owners shall be tallied by the persons appointed by the presiding officer of the meeting.

Section 4.7 (A) Voting. Subject to the terms of Section 4.8 hereof, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own one or more Unsold Units) shall be entitled to cast one vote at all meetings of the Unit Owners for each .01% of the Common Interest attributable to his Unit(s).

(B) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. In addition, if two or more Persons own a Unit, they shall designate one Person amongst them to vote the Common Interest appurtenant to their Unit in a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually vote such Common Interest under one ballot without division, and the concurrence of all such Persons shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for the purpose of determining whether a quorum is present for such voting.

(C) The owner(s) of any Unit may designate any Person to act as a proxy on his or her behalf. The designation of any such proxy shall be made in a writing both signed and dated by the designor and delivered to the Secretary of the Condominium at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Secretary of the Condominium; however, no revocation of such a designation shall be effective with respect

to any votes cast by such proxy prior to the receipt of such revocation notice by the Secretary of the Condominium or, if such revocation is made at a meeting of the Unit Owners during which the Secretary of the Condominium is not in attendance, by the individual acting as the Secretary of such meeting. Except with respect to the designation of a Permitted Mortgagee to act as the proxy of its mortgagor(s), no designation to act as a proxy shall be effective for a period in excess of six months after the date thereof.

(D) Except when otherwise required by law or otherwise provided in the Declaration or in these By-Laws, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

Section 4.8 Election of Members of Condominium Board. (A) Notwithstanding anything to the contrary in the Declaration or these By-Laws, during the Initial Control Period, Sponsor or its designee shall have the right to designate all of the members of the Condominium Board.

(B) After the Initial Control Period, Sponsor or its designee shall have the right to designate and elect two (2) members of the Condominium Board so long as Sponsor or its designee shall own any Unsold Residential Units. The remaining members of the Condominium Board shall be elected by a majority vote of Unit Owners. In such election, each Unit Owner (including Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast one vote for each .01% of Common Interest attributable to his Unit(s) per member to be elected. However, cumulative voting shall not be permitted, and nothing contained herein shall be deemed to permit any Unit Owner to cumulate the votes attributable to the ownership of any one Unit in favor of any one or more members to be elected.

Section 4.9 Action Without a Meeting. Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if Unit Owners, sufficient in number (both in absolute number and in Aggregate Common Interests) to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-Laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit owners pursuant to this Section 4.9 shall be retained in the records of the Condominium together with a true copy of the resolutions to which they relate.

Section 4.10 Title to Units. Title to any Unit may be taken by any person or by any two or more persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate, but not as owners in severalty.

Section 4.11 Contractual Liability of Unit Owners. Every contract made by the Condominium Board, by any officer of the Condominium, or by any Managing Agent shall provide (if such provision is reasonably obtainable and in addition to the limitation of liability of the members of the Condominium Board and the officer of the Condominium pursuant to the terms of Section 2.16 and 3.9 hereof, respectively) that the liability of any Unit Owner

with respect thereof shall be limited to: (i) such proportionate shares of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners and (ii) such Unit Owner's Interest in his Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5

OPERATION OF THE PROPERTY

Section 5.1 Maintenance and Repairs. (A) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary:

(i) in or to any Unit and all portions thereof (including, but not limited to, kitchen, bathroom fixtures and appliances, windows and their frames, sills and sashes, all doors (entrance and balcony, if any) and their frames and saddles, exposed plumbing, gas and heating, fixtures and equipment, air conditioning units, lighting and electrical fixtures incorporated therein) shall be performed by the owner of such Unit at such Unit Owner's cost and expense; and

(ii) in or to the General Common Elements shall be performed by the Condominium Board as a Common Expense; and

(iii) in or to the Limited Common Elements shall be performed (a) by the Condominium Board as a Common Expense, if necessitated by a condition in the General Common Elements that is the obligation of the Condominium Board to maintain or repair or which is covered by the Condominium's insurance policies; or (b) by the Unit Owner whose Unit is appurtenant thereto at his sole cost and expense, if involving any other maintenance, repairs, or replacements (including, without limitation, individual heating and hot water equipment). In the event a Unit Owner fails to properly maintain or repair any Limited Common Element appurtenant to his Unit, the Condominium Board may take such steps, at the expense of such Unit Owner, as in the exclusive judgement of the Condominium Board are necessary to maintain the Common Elements in a proper state of appearance and repair.

Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect or need for repairs for which the Condominium Board is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of the Unit Owner of the Condominium Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, however, the exterior glass surfaces of all windows of each Unit are to be washed and cleaned by the Owner of such Unit at such Unit Owner's sole cost and expense. In addition, if any painting, decorating, maintenance, repairs or replacements of the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, is necessitated by the negligence, misuse or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Condominium Board, the entire cost and expense thereof shall be borne by the Condominium Board as a Common Expense, except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace his or her Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any balcony, roof, or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. In addition, the public areas of the Building and the Land and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of balconies, windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his or her Unit.

Section 5.2 Alterations, Additions, or Improvements to the General Common Elements. Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions or improvements in or to any of the Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a Common Expense except that any improvements or additions shall only be made after unanimous consent of the Board is obtained.

Section 5.3 Alterations, Additions, Improvements, or Repairs in or to the Units and Limited Common Elements. (A) Subject to the terms of paragraph (B) of this Section 5.3, no Unit Owner shall make any structural alteration, addition, improvement, or repair in or to his Unit or its appurtenant Limited Common Elements without the prior written approval of the Condominium Board. The Condominium Board shall grant its approval provided that prior to, and as a condition of, the granting of any such approval, the Unit Owner procures and agrees to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe and executes an agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement, or repair may be made, including, without limitation, the indemnity referred to in paragraph (D) hereof and the days and hours

during which any such work may be done, and further provided that the alteration does not impair the structural integrity of the building or any Unit or otherwise interfere with the use of any other Units.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.3, Sponsor or its designee shall have the right pursuant to the terms of Article 11 of the Declaration, without the approval of the Condominium Board to (i) make any alterations, additions, improvements, or repairs in or to any Unsold Units whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of Unsold Units.

(C) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with applicable law. In connection therewith, the Condominium Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit or its appurtenant Limited Common Elements, provided that, with respect to all such work of a structural nature (but other than that of the nature described in paragraph (B) hereof), the same was approved by the Condominium Board pursuant to the terms of paragraph (A) hereof.

(D) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her or their Unit(s) and appurtenant Limited Common Elements) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor, materialman, architect, or engineer on account of any alterations, improvements, additions, or repairs made or caused to be made by any Unit Owner; or (iii) to any Person asserting any claim for personal injury or property damage, arising therefrom. Any Unit Owner(s) making alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her or their Unit(s) and appurtenant Limited Common Elements shall agree (in a writing executed and delivered to the Condominium Board, if the Condominium Board shall request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Condominium Board, the members of the Condominium Board, the officers of the Condominium, the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

Section 5.4 Alterations, Additions and Improvements to the Community Facility Unit. Notwithstanding anything to the contrary that may appear in these By-Laws, the Owner of the Community Facility Unit may make any structural alteration, addition, improvement, or repair in or to said Unit without the prior written approval of the Condominium Board. Additionally, the Community Facility Unit may be divided by the Owner of the Unit, subject only to the applicable Certificate of Occupancy and applicable zoning laws and regulations.

Section 5.5 Insurance. (A) If the same shall be obtainable, the Condominium Board shall obtain, and shall maintain in full force and effect, fire insurance policies with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by Unit Owners or the tenants of Unit Owners) and covering the interests of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interests may appear. Each of the said policies shall contain:

(i) waivers of (a) subrogation, (b) any defense based upon co-insurance, or other insurance, (c) invalidity arising out of any acts of the insured and (d) pro-rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds thereof shall be paid to the Condominium Board, as provided in Section 5.6 hereof;

(iii) a New York standard mortgage clause in favor of each Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interests may appear, subject, however, to the loss payment provisions in favor of the Condominium Board;

(iv) a provision that such policy may not be either canceled or substantially modified except upon at least 30 days prior written notice to all of the insured, including all Permitted Mortgagees.

Duplicate originals or certificates of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be sent to all Unit Owners and Permitted Mortgagees at least 30 days prior to the expiration of the then current policies.

(B) The Condominium Board shall also obtain and maintain, to the extent practicable:

(i) comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as co-insured (a) the Condominium Board and each member thereof, (b) the Managing Agent (if any), (c) each officer of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his own Unit or its appurtenant Limited Common Elements);

(ii) such other insurance as the Condominium Board shall from time to time determine.

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine, provided, however, that:

(i) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, the coverage shall be in an amount sufficient to avoid the effects of co-insurance; and

(ii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than \$1,000,000 in the aggregate until the first regular meeting of the Condominium Board elected by the Unit Owners.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once a year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.5 shall be borne by the Condominium Board as a Common Expense.

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

Section 5.6 Casualty or Condemnation. (A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "Casualty Loss") or (ii) the General Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.5 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable to the Condominium Board. All such monies actually received (hereinafter referred to as the "Trust Funds") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.6. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section 5.6, however, no Unit Owner whose Unit, its appurtenant Limited Common Elements, or any portion thereof are taken in condemnation or by eminent domain (whether or not all or a part of the General Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he or she may have to pursue a separate claim against the condemning authority by reason thereof.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration (hereinafter referred to as the "Work") of the damage covered by the insurance.

(C) If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the General Common Elements are taken in a Taking, the Work shall not be performed unless 80% or more of all Unit Owners (including Sponsor or its designee, if Sponsor or such designee shall then own any Units), both in number and in aggregate Common Interests, shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall not be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds and the resulting sale, together with any Trust Funds, 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 first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit in the order of priority of such liens.

Section 5.7 Use of the Property. (A) No nuisance shall be allowed on the Property. No immoral, improper, offensive, or unlawful use shall be made of the Property or any portion thereof, and all valid laws relating to any portion of the Property shall be complied with at the full cost and expense of the respective Unit Owners or the Condominium Board, whoever shall have the obligation to maintain or repair such part of the Property.

(B) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common elements be altered or removed.

Section 5.8 Use of the Residential Units. (A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Residential Units, the use of Residential Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.8.

(B) Each Residential Unit shall be used only as a residence. Notwithstanding the foregoing, however, during the Initial Control Period upon the written consent of Sponsor

(or after the Initial Control Period upon the prior written consent of the Condominium Board) a Residential Unit may be used as a professional or business office or for any other purpose other than that set forth in this paragraph (B) provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering such Residential Unit.

(C) A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing, or by a rental tenant pursuant to a lease agreement in compliance with the Declaration and these By-Laws. Additionally, in no event shall a portion of a Residential Unit (as opposed to the entire Unit) be sold, conveyed, leased, or subleased, and no transient occupant (other than a guest permitted under this paragraph (C)) may be accommodated therein.

(D) Notwithstanding anything to the contrary contained in this Section 5.8, Sponsor may, without the consent of either the Condominium Board or the Unit Owners:

(i) grant permission for the use of any Unsold Residential Unit as a professional or business office or for any other purpose, other than those set forth in the last sentence of Section 5.8(B), provided that the nature and manner of such use complies with Law and does not violate the then existing Certificate of Occupancy covering such Unsold Residential Unit; and

(ii) use any one or more Unsold Residential Units as model units and offices for the sales, promotions, rental, management and operation of the Unsold Units or for any other purpose, subject only to compliance with Law.

Section 5.9 Use of the Common Elements. (A) Subject to the terms of paragraph (B) of this Section 5.9, the Common Elements (including without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Unit Facilities) may be used only for the furnishing of the services and facilities, and for the other uses for which they are reasonably suited and capable. In addition, 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 (except for those areas designated as storage areas, if any) without the prior written consent of the Condominium Board. The lobbies, vestibules, public halls and stairways shall be used only for normal ingress and egress.

(B) Notwithstanding the terms of paragraph (A) of this Section 5.9, Sponsor or its designee shall have the right, without charge or limitation so long as there are any Unsold Units, to: (i) erect and maintain signs, of any size or content determined by Sponsor or such designee, on or about any portion of the General Common Elements chosen by

Sponsor or such designee, including, without limitation, on the exterior walls of the Building or adjacent to the main entrances thereof; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the General Common Elements, to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations. In no event, however, shall Sponsor or such designee be entitled to use any Common Elements in such a manner as will unreasonably interfere with the use of any Unit for its permitted purposes.

Section 5.10 (A) Use of the Community Facility Unit. The Community Facility Unit may be used in any manner permitted by applicable zoning laws and regulations, and any Certificate of Occupancy issued at any time. The Board will cooperate, at no cost or expense to the Condominium, in any application for an amended Certificate of Occupancy for the Community Facility Unit that complies with the applicable zoning laws and regulations.

(B) The Board will have no right to restrict or limit the method of operation or of any uses of the Community Facility Unit that are permitted by applicable laws or regulations. No rules affecting the operation of the Community Facility Unit may be adopted or modified by the Board without the written consent of the Community Facility Unit Owner, as the case may be. All or any part of the Community Facility Unit may be leased or subleased by the respective Owners thereof, without the consent of the Board.

Section 5.11 Right of Access. (A) Subject to the rights of existing tenants and other occupants of Unsold Units, each Unit Owner shall and hereby does grant to the Condominium Board, to the Managing Agent or manager (if any), and/or to any other Person authorized by any of the foregoing a right of access to his Unit and its appurtenant Limited Common Elements for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Rules and Regulations committed by such Unit Owner or correcting any conditions originating in his or her Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the mechanical or electrical services, or other portions of the Common Elements located within his Unit or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to his or her Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of emergency (that is, 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 individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than one day's advance notice and only in such a manner as will not unreasonably interfere with the use of the Units and their appurtenant Limited Common Elements for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) Each Unit Owner shall and hereby does grant a right of access to his Unit and its appurtenant Limited Common Elements, and the Condominium Board shall and hereby does grant rights of access to the General Common Elements, to Sponsor and its contractors, subcontractors, agents and employees for the purpose of fulfilling Sponsor's obligations, provided that access thereto shall not be exercised, with respect to any Unit and its appurtenant Limited Common Elements, in such a manner as will unreasonably interfere with the use of such Unit and Limited Common Elements for their permitted purposes.

Section 5.12 Modification of the Rules and Regulations. The Condominium Board shall have the right to amend, modify, add to, or delete any of the Rules and Regulations from time to time, provided, however, that (a) any such amendment, modification, addition, or deletion may be overruled by a vote of a majority of Unit Owners; and (b) any such amendment, modification, addition or deletion affecting the rights of the Sponsor or its designee, or the Community Facility Unit Owner shall require the prior written consent of such affected party. Copies of the text of any amendments, modifications, additions or deletions to the rules and Regulations shall be furnished to all Unit Owners not less than thirty days prior to the effective date thereof.

Section 5.13 Real Estate Taxes, Water Charges and Sewer Rents. Water for the Building shall be supplied by the City of New York. Unless and until real estate taxes, water charges and sewer rents are billed directly to Unit Owners by the city collector, such taxes, charges and rents shall be payable by the Condominium Board.

The Condominium Board may act as an agent of each Unit Owner who has given his written authorization to complain or apply to the board of assessment review of the assessing agency by filing a single complaint on behalf of all such Unit Owners and to commence and prosecute a special proceeding for the review of assessments of real estate property as an aggrieved person. The Condominium Board may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and may charge all such Unit Owners a pro rata share of expenses, disbursements and legal fees, for which charges the Condominium Board shall have a lien pursuant to the terms of these By-Laws.

Section 5.14 Gas. Gas for the Condominium will be supplied by the utility company servicing the gas distribution system and charges therefor shall be paid by the Board. The cost of gas consumed will be borne by the Unit Owners as a Common Expense.

Section 5.15 Electricity. Electricity shall be supplied to each Unit through a separate meter for such Unit, and each Unit Owner shall be required to pay all charges for electricity consumed or used in his or her Unit directly to the utility company servicing the Building as and when billed therefor.

Section 5.16 Utilities Serving the General Common Elements. The cost and expense of water, steam and electricity serving or benefitting any General Common Element shall be (i) considered part of the expense of maintaining such Common Element, (ii) determined by the Board and (iii) charged to the Unit Owners as a Common Expense.

Section 5.17 Records and Audits. (A) The Treasurer of the Condominium, or the Managing Agent under the supervision of such Treasurer, shall keep full, detailed and accurate records and books of account with respect to the financial affairs of the Condominium, which records and books of accounts shall include, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges and Special Assessments levied against such Unit, the dates when due, the amounts paid thereon and the balance, if any, remaining unpaid.

(B) Within four months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared and certified by an independent certified public accountant. The cost of preparing and distributing each such report shall be borne by the Condominium Board as a Common Expense.

ARTICLE 6

COMMON CHARGES

Section 6.1 Determination of Common Expenses and Fixing of Common Charges. (A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt a budget for the Condominium, subject to the restrictions set forth in Section 2.3 hereof; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges among the Unit Owners pro-rata, in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws). The Condominium Board may, as its sole discretion, from time to time increase or decrease the amount of Common

Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination.

(B) The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respects, to any restrictions contained herein, to levy Special Assessments to meet the Common Expenses.

(D) Until the Units are separately assessed for real estate tax purposes, real estate taxes on the Property will be included as part of the common expenses, and such taxes shall be apportioned based upon the percentage of Common Interests attributable to each Unit. In the event that the actual tax assessment for each Unit is allocated on a basis that differs from the allocation of Common Interests, Unit Owners will not receive rebates for overpayments based upon the new allocation, and will not be assessed for underpayments based upon the new allocation.

Section 6.2 Payment of Common Charges. (A) All Unit Owners (including Sponsor or its designee with respect to Unsold Units, for so long as the same are owned thereby) shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit.

(B) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against his Unit for the period subsequent to a sale, with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to his acquisition thereof, except that, to the extent permitted by Law, a Permitted First Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted First Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any

Common Charges and Special Assessments assessed subsequent to the recording of such Permitted First Mortgage and prior to the acquisition of title to such Unit by the Permitted First Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted First Mortgagee (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure. Any unpaid Common Charges and Special Assessments that are not collected from such defaulting Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit owners at the time that the same is levied.

(C) Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey his Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however, that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Unit have been paid; (ii) such Unit is free and clear of all liens and encumbrances other than a Permitted First Mortgage and the Statutory lien for unpaid Common Charges and Special Assessments; (iii) no violation of any provision of the Condominium Documents then exists with respect to such Unit and (iv) at the time of conveyance, and in the event that the Unit is encumbered by a Permitted Mortgage, the Unit Owner shall deposit with the Condominium Board an amount equal to the product of the then currently monthly debt service on the Permitted Mortgage multiplied by 24. However, in no event shall Sponsor or its designee be permitted to convey any Unsold Unit to the Condominium Board and thereby exempt itself from Common Charges and any Special Assessments attributable to such Unit thereafter accruing.

(D) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Charges by waiving the use or enjoyment of any or all of the Common Elements or by abandoning his or her Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of paragraph (C) hereof). No Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (ii) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit Owner's Unit) pursuant to the terms of Section 5.1, 5.2, or 5.3 hereof; or (iii) any action taken by the Condominium Board or the officers of the Condominium to comply with the Law.

Section 6.3 Statement of Common Charges. The Condominium Board shall promptly provide a written statement of all unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on weekdays.

Section 6.4 Default in Payment of Common Charges. (A) The Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remains unpaid for more than 30 days after the due date for the payment thereof. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board to be filed in the Register's Office pursuant to the terms of Section 339-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 339-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover all such unpaid Common Charges, together with all additional sums of money collectible by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such Common Charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay all costs and expenses paid or incurred by the Condominium Board, the Managing Agent (if any) in connection with collecting such unpaid Common Charges and/or in foreclosing the aforementioned lien, including, without limitation, reasonable attorney's fees and disbursements and court costs. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will be required to pay a reasonable rental for the use of his Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same.

(C) In any action brought by the Condominium Board to foreclose a lien on a unit because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, 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 votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure sale shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

ARTICLE 7

SELLING AND LEASING OF UNITS

Section 7.1 General. Subject to the terms of Section 7.5 hereof, no Unit Owner may sell or lease his Unit except in compliance with the applicable provisions of this Article 7. Any purported sale or lease consummated in default of the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or leasing Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported

purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized leasing) in the name of the said Unit Owner as the owner, or landlord, as the case may be. The said Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorney's fees, disbursements and court costs.

Section 7.2 Right of First Refusal. (A) Subject to the terms of Sections 7.5 hereof, any contract to sell a Residential Unit together with its Appurtenant Interests and any lease of a Unit (hereinafter collectively referred to as a "Sale or Lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS, IF ANY, OF THE BOARD OF MANAGERS OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTION 7.2 AND 7.3 OF THE BY-LAWS OF THE SAID CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED." Promptly after any such contract of sale or lease shall be fully executed, the Unit Owner executing the same (hereinafter referred to as the "Offeree Unit Owner") shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the contract of sale or the lease, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant (hereinafter referred as the "Outside Offeror").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell his Unit, together with its Appurtenant Interests, or to lease his Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, upon the same terms and conditions as are outlined in such Sale or Lease Agreement, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offeror and the Sale or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than 20 business days after receipt of the notice referred to in paragraph (A) (provided that if further information had been requested pursuant to the terms of paragraph (B) hereof, such 20 day period shall commence on the receipt of such information), to purchase such Unit together with its Appurtenant Interests or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) on behalf of all Unit Owners upon the same terms and conditions as were contained in the Sale or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not

exercise any option set forth in this Section 7.2 to purchase or lease any Unit without the prior approval of a Majority of Unit Owners.

Section 7.3 Acceptance of Offer. (A) In the event that the Condominium Board shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Unit together with its Appurtenant Interests, to lease such Unit, or to cause the same to be purchased or leased, a lease or contract shall be executed in either event in accordance with the terms of the Sale or Lease Agreement, at the office of the attorneys for the Condominium within 45 days after the day upon which the Condominium Board shall give notice of its election to accept such offer.

(B) In the event that such Unit is to be leased by the Condominium Board or its designee on behalf of all Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Unit by and between the Offeree Unit Owner, as landlord, and the Condominium Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Lease Agreement not in conflict with such form of lease, including without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises thereunder without consent of the landlord.

Section 7.4 Failure to Accept Offer. (A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the time set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale or Lease Agreement within 120 days after (i) notice of refusal is sent to the Offeree Unit owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale or Lease Agreement within such 120-day period, then, should the Offeree Unit Owner thereafter elect to sell such Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Sections 7.2, 7.3, and 7.4 hereof.

(B) Any deed of a Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included therein.

(C) Each lease of a Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc. subject to such modifications as may be approved in writing by the Condominium Board in its sole and absolute discretion. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease shall be for a term of not less than six months and shall not be for less than an entire Unit;

(ii) such lease may not be amended, modified, or extended without the prior written consent of the Condominium Board in its sole and absolute discretion in each instance;

(iii) the tenant thereunder shall not assign his interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Condominium Board in its sole and absolute discretion in each instance; and

(iv) the Condominium 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 (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

Section 7.5 Termination of, and Exceptions to, the Right of First Refusal. (A) A certificate executed and acknowledged by the Secretary of the Condominium or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a Unit Owner or that the right of first refusal therein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing Agent to furnish, without unreasonable charge, such certificate upon written request of any Unit Owner in respect to whom the provisions of Section 7.2 hereof have, in fact, been terminated. In no event, however, shall the Right of First Refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Section 7.2, 7.3, and 7.4 hereof) in the absence of a certificate that has been duly executed, acknowledged and issued by the Condominium Board or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Sections 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease, or conveyance of a Unit, together with its Appurtenant Interests, by:

(i) the owner of such Unit to any of his or her adult Family Members, to any combination of the same, or to a trust for the benefit of any of them or, with respect to a Unit Owner that is not an individual, to any entity or individual that owns more than 50 percent of the legal and beneficial interest of such Unit Owner or entity with respect to which such Unit Owner (individual or otherwise) owns more than 50 percent of the legal and beneficial interest thereof;

(ii) Sponsor or its designee, with respect to the Unsold Units;

(iii) the Condominium Board;

(iv) 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;

(v) any 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 Unit shall continue to be subject to, all of the terms and conditions of this Article 7; or

(vi) the Owner of the Community Facility Unit.

Section 7.6 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 Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, 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 of all Units. Nothing contained in this Section 7.6 however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests.

Section 7.7 Payment of Common Charges. No Unit Owner shall be permitted to convey or lease his Unit unless he shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit provided that if a Unit Owner shall convey his Unit without having paid in full all such payments, the purchaser of such Unit shall be responsible for all such payments.

Section 7.8 Power of Attorney. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of his or her title insurance company (or, if no such representative is present, to Sponsor or its designee, or, if Sponsor or its designee is not then the owner of any Unsold Unit, to the Condominium Board) for recording in the Register's Office, the Unit Owner's Power of Attorney required in Article 13 of the Declaration, in the form set forth as an Exhibit to the Declaration and the new Unit Owner shall bear the cost of recording the Unit Owner's Power of Attorney.

Section 7.9 Devises, Etc. Any Unit Owner shall be free to devise his Unit together with its Appurtenant Interests by will or to have the same pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, the provisions of this Article 7.

ARTICLE 8

MORTGAGING OF UNITS

Section 8.1 General. Each Unit Owner shall have the right to mortgage his Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages his or her Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of his or her mortgagee and shall file a conformed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering his Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units."

Section 8.2 Restrictions on Mortgaging. (A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate his Unit unless and until he shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

(B) Any mortgage or other document mortgaging, pledging, or hypothecating title to a Unit shall include 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 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.

(C) Any mortgage covering a Unit shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions thereto as may be reasonably required in order to permit a particular bank, trust company, insurance company, savings and loan association, or other institutional or noninstitutional lender to make the mortgage loan.

Section 8.3 Notice of Unpaid Common Charges and Default. Whenever requested in writing by a Permitted Mortgagee, the Condominium Board shall promptly report to such Permitted Mortgagee any default by his, her or its mortgagor(s) in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to his Permitted Mortgagee, if so requested. However, the Condominium Board shall have no liability for any failure, through

oversight or negligence, in notifying a Permitted Mortgagee of any default by such mortgagor under the Condominium Documents, provided that (i) the Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium Board shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.4 hereof by reason of such default, the Condominium Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

Section 8.4 Performance by Permitted Mortgagees. Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by his Permitted Mortgagee, and the Condominium Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

ARTICLE 9

ARBITRATION

Section 9.1 Procedure. Any dispute between the Unit Owners, members of the Condominium Board, or Officers of the Condominium shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association then obtaining.

Section 9.2 Binding Effect. The decision in any arbitration conducted pursuant to the terms of Section 9.1 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

ARTICLE 10

NOTICES

Section 10.1 General. All notices required or desired to be given hereunder shall be sent by registered or certified mail, return receipt requested, postage prepaid, addressed:

(i) if to the Condominium Board, to all members thereof at their respective home addresses;

(ii) if to a Unit Owner other than Sponsor or its designee, to such Unit Owner at his or her address at the Property;

(iii) if to a Permitted Mortgagee, at its latest address designated in writing to the Condominium Board.

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 10.1 shall be deemed given 2 business days after deposit in a United States Postal Service depository located in the State of New York enclosed in a sealed, postage prepaid wrapper, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United States Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

Section 10.2 Waiver of Service. Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, 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 11

AMENDMENTS TO BY-LAWS

Section 11.1 General. (A) Subject to the terms of paragraph (B) hereof and subject, further, to any provisions contained in the Declaration or these By-Laws with respect to any amendments (hereinafter referred to as "Special Amendments") affecting or in favor of Sponsor or its designee, the Community Facility Unit, any Unsold Unit(s), and/or any Permitted Mortgagee, any provision of these By-Laws may be amended, modified, added to, or deleted by the affirmative vote of eighty (80%) percent of all Unit Owners, both in number and in aggregate Common Interests, either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.9 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Unit Owners or in writing without a meeting pursuant to the terms of Section 4.9 hereof, in which Secretary's Certification there shall be described the number and percentage of Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding anything to the contrary contained in paragraph (A) hereof, but still subject to any provision contained in the Declaration of these By-Laws with respect to Special Amendments:

(i) the Common Interest appurtenant to any Unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof; and

(ii) no amendment, modification, addition, or deletion agreed to pursuant to the terms of paragraph (A) hereof shall be effective without the prior written consent of the Mortgage Representatives, if any, provided, however, that no such consent shall be unreasonably withheld or delayed.

Section 11.2 Special Amendments. (A) Any amendments, modification, addition, or deletion of or 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 its designee without the consent of the Condominium Board or the Unit Owners shall be embodied in an instrument executed and recorded in the Register's Office by Sponsor or such designee as attorney-in-fact of both the Condominium Board and all Unit Owners, which power-in-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by Sponsor or such designee, certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by Sponsor or such designee pursuant to the terms of the Declaration and/or these By-Laws, in which Certification there shall be set forth the Article and/or Section of the Declaration or these By-Laws pursuant to which the same was effectuated. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

(B) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition, or deletion of or to these By-Laws shall be effective in any respect against Sponsor or its designee, the Community Facility Unit Owner, any Unsold Unit, or the holder of any present or future mortgage, pledge, lien, or security agreement covering any Unsold Unit unless and until Sponsor, such designee, such Owner, and/or such holder (as the case may be) shall consent to the same in writing.

(C) Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to Section 5.4 or 5.5, paragraph (B) of Section 6.2, or subparagraph (iv) or (v) of paragraph (B) of Section 7.5, hereof shall be effective with respect to the holder of any Permitted Mortgage theretofore made unless and until such Permitted Mortgagee shall have given its written consent thereto.

ARTICLE 12

FURTHER ASSURANCES

Section 12.1 General. Any Person that is subject to the terms of these By-Laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, or

otherwise, shall, at the expense of any other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request in order either 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.

Section 12.2 Failure to Deliver or Act. (A) Subject to the provisions of (B) below, if any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge and deliver or to take action required to be taken pursuant to these By-Laws, then the Condominium Board is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If the Condominium Board, any Unit Owner, or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that the Condominium Board, such Unit Owner, or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Sponsor, then Sponsor is hereby authorized, as attorney-in-fact for the Condominium Board, such Unit Owner, or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Condominium Board, such Unit Owner, or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner, or other Person.

ARTICLE 13

MISCELLANEOUS

Section 13.1 Inspection of Documents. Copies of the Declaration, these By-Laws, and 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 Condominium and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

Section 13.2 Waiver. No provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

Section 13.3 Conflicts. In the event that any provision of these By-Laws or of the Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

Section 13.4 Severability. If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of

these By-Laws and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforceable to the fullest extent provided by law.

Section 13.5 Successors and Assigns. The rights and/or obligations of Sponsor as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Sponsor or, with the consent of Sponsor, any transferee of all the then Unsold Units.

Section 13.6 Gender. A reference in these By-Laws 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.

Section 13.7 Captions. The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provision hereof.

**EXHIBIT "I" TO THE OFFERING PLAN
THE ANNEX CONDOMINIUM**

AGREEMENT made as of this ____ day of _____, 200__ between 91 GRAND AVENUE LLC ("SPONSOR") as sponsor of the offering plan for The Annex Condominium, and Berger & Sklaw LLP ("ESCROW AGENT") as escrow agent.

WHEREAS, 91 Grand Avenue LLC is the sponsor of an offering plan to convert to condominium ownership of the premises located at 91 Grand Avenue, Brooklyn, New York; and

WHEREAS, Berger & Sklaw LLP is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

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

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

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

- 1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow account has been opened with Citibank N.A. at its branch located at 330 Madison Avenue, New York, New York. The account number is _____.
- 1.2 The name of the account is The Annex Condominium - - Attorney Trust Account (IOLA).
- 1.3 ESCROW AGENT are the sole signatory of the account.
- 1.4 The escrow account shall be a 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 prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser or subscriber to the order of The Annex Condominium – Attorney Trust Account. 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, and provide the account number. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with 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 the purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction, or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.
- 3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.
- 3.4 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to SPONSOR unless the purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified ESCROW AGENT in accordance with such provisions.

4. RECORD KEEPING.

- 4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.
- 4.2 Upon the dissolution of 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 resignations shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or
 - (c) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.
- 7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts 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 circumstance.

11. SEVERABILITY.

11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provision 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 the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

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

ESCROW AGENT:
Berger & Sklaw LLP

By: 

SPONSOR:
91 Grand Avenue LLC

By: 

Michael Maidan

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPAL

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

Re: Condominium Offering Plan
91 Grand Avenue
Brooklyn, New York 11216

MICHAEL MAIDAN, being duly sworn, deposes and says:

91 Grand Avenue LLC is the sponsor of the above-referenced offering plan. Michael Maidan is the sole principal of the Sponsor.

I understand that I 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.

I have read the entire Offering Plan. I have investigated the facts set forth in the Offering Plan and the underlying facts. I have exercised due diligence to form a basis for this certification. I hereby certify that the Offering Plan does and that documents submitted hereinafter which amend or supplement the Offering Plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where I:

- (a) knew the truth;
- (b) with reasonable effort could have known the truth, or
- (c) made no reasonable effort to ascertain the truth, or
- (d) did not have knowledge concerning the representations or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

91 Grand Avenue, LLC

By: _____
Michael Maidan

Michael Maidan

Sworn to before me this
28th day of November, 2006.

AL

Notary Public

LAURENCE M. SKLAW
Notary Public, State of New York
No. 025K6056885
Qualified in Westchester County
Commission Expires June 30, 2007

**CERTIFICATION BY SPONSOR'S ENGINEER/ARCHITECT
PURSUANT TO SECTION 20 OF THE REGULATIONS
ISSUED PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED.**

12/ 21/ 2006

Department of Law of the State of New York
120 Broadway, 23rd Floor
New York, NY 10271

Attn.: Investment Protection Bureau

RE: 354 Franklin Avenue, Brooklyn, New York 11238

Gentlepeople:

The sponsor of the offering plan to convert the new captioned property to condominium ownership retained my firm to prepare a report describing the construction of the property (the "Report"). We visually inspected existing portions of the built on December 01, 2004 and we prepared the Report dated September 12, 2005, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I am a registered architect in the State in which the property is located. I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made. I certify that the Report:

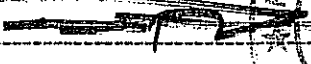
- i. sets forth in narrative form the description of the entire property as it will exist upon completion of renovation, provided that renovation is in accordance with the plans and specifications that we examined;
- ii. in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description 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;

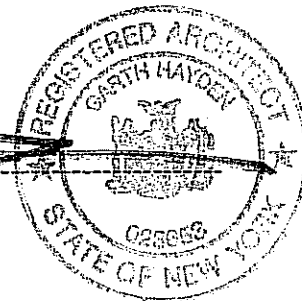
K-1

- iv. does not contain any untrue statement of a material fact;
- v. does not contain any fraud, deception, concealment, or suppression;
- vi. does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- vii. does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing the 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.

Very truly yours,

By: 
Garth Hayden Architect
Garth Hayden, aia





C O R P.

LICENSED REAL ESTATE BROKER

204 East 83rd Street • New York, NY 10028
Tel 212.288.0077 • Fax 212-734.2065

**CERTIFICATION BY SPONSOR'S EXPERT AS TO ADEQUACY OF BUDGET
PURSUANT TO PART 20
OF THE REGULATIONS ISSUED
PURSUANT TO GENERAL BUSINESS LAW
ARTICLE 23-A AS AMENDED**

June 21, 2006

New York State Department of Law
Investment Protection Bureau
120 Broadway
23rd Floor
New York, New York 10271

**Re: Condominium Offering Plan
91 Grand Avenue Condominium
91 Grand Avenue
Brooklyn, New York 11205**

The sponsor of the condominium offering plan for the captioned property retained our firm to review or prepare Schedule B and B-1 containing projections of income and expenses for the first year of condominium operation. Our experience in this field includes:

Taube Management Corp., a licensed Real Estate Broker, began operations approximately 25 years ago. We own, as well as manage over twenty-five rental and condominium properties, all in New York City. We are also members of The Real Estate Board of New York, B.O.M.A., and the Executive Association of New York City.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule B and B-1.

We have reviewed the Schedule and investigated the facts set forth in the Schedule and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in the Schedule B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedule:

- (i) sets forth in detail the projected income and expenses for the first year of condominium operation;

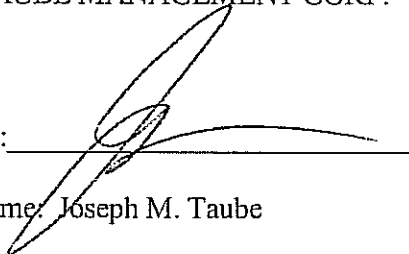
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where 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 the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

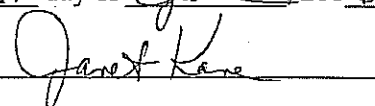
Very truly yours,

TAUBE MANAGEMENT CORP.

By: 

Name: Joseph M. Taube

Sworn to before me this

21st day of June, 2006


Notary Public JANET KANE
Notary Public, State of New York
No. 01KA4662615
Qualified in New York County
Commission Expires March 30, 2007