CONDOMINIUM OFFERING PLAN

THE CUNNINGHAM PARK CONDOMINIUM
1824 EAST 17TH STREET
BROOKLYN, NEW YORK 11229

12 Residential Units	$4,646,000.00
7 Parking Units	$ 140,000.00
Total Amount of Offering	$4,786,000.00

SPONSOR AND SELLING AGENT
AVENUE R CONDOMINIUM, LLC
60 OCEANA DRIVE WEST #6D
Brooklyn, New York 11235

Date of Acceptance for Filing of this Plan is June 21,2007. This Plan may not be used after June 20 2008, unless extended by a duly filed amendment.

THIS PLAN CONTAINS SPECIAL RISKS TO THE PURCHASER. SEE PAGE iii.

THIS OFFERING PLAN IS THE SPONSOR'S 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 GOVERNMENTAL AGENCY HAS APPROVED THIS OFFERING.

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)

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- SPONSOR AND PRINCIPALS
- SPONSOR'S ENGINEER (OR ARCHITECT)
- SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET

PART I

SPECIAL RISKS

1. The Sponsor has made, and will pursue, an application for abatement and exemption of taxes under Section 421-A of the Real Property Tax Law, and will make all filings necessary to obtain such benefits. Such application has been submitted to the HPD on December 29, 2006. Upon closing, the Sponsor will make all tax benefits documents available to the Condominium for inspection and copying for the life of the benefits. The Sponsor will timely file all applications and timely comply with all procedures required to properly process and maintain the benefits. The Sponsor will make the initial application at his own cost and expense. See "Real Estate Taxes" Section of the Plan

The Sponsor's projection of tax due for the first year of operation is based on the figures and assumptions in the accompanying expert's opinion as to real estate tax benefits. However, it is not possible to accurately determine what the increase and actual assessed valuation will be. Moreover, it is equally impossible to predict any future increases in real estate tax rates, which may affect the amount of tax due on the property. See "Real Estate Taxes" Section of the Plan

NO WARRANTY IS OR CAN BE MADE THAT THE BENEFITS SET FORTH HEREIN WILL BE OBTAINED. IN THE EVENT THE BENEFITS ARE NOT OBTAINED, OR IN THE EVENT THERE ARE INCREASES IN THE TAX RATE OR THE PROPERTY'S ASSESSED VALUATION OR IN THE STATUTES GOVERNING THE TAX BENEFITS, REAL ESTATE TAXES MAY BE HIGHER THAN SET FORTH ABOVE FOR THE FIRST YEAR OF OPERATION AND IN FUTURE YEARS. HENCE, INDIVIDUAL CARRYING COSTS FOR ALL UNITS WOULD ALSO BE HIGHER. See "Real Estate Taxes" Section of the Plan

2. All down payments will be placed in one IOLA account. The account will be federally insured up to $100,000.00; however an individual deposit may not be fully insured. See "Procedure To Purchase" Section of the Plan

3. In the event of an uncured default by the Purchaser in his obligations under the Purchase Agreement, no more than ten (10%) percent of the purchase price may be retained as liquidated damages. Notwithstanding the above, the actual cost incurred by the Sponsor for any special or custom work in the Unit ordered by the Purchaser may also be retained as liquidated damages. The Sponsor agrees not to seek the remedy of specific performance in connection with the Purchase Agreement as to which there has been a default by the Purchaser. See "Procedure To Purchase" Section of the Plan

If the Purchaser defaults under the Purchase Agreement, the Sponsor shall notify the Purchaser in writing of such default and advise the Purchaser that he or she has thirty (30) days from the mailing date or personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR THE PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD. See "Procedure To Purchase" Section of the Plan

"Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date or personal delivery of such written notice, the Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. In such event the monies held by the Sponsor, but not more than ten (10%) percent of the purchase price, and any other sums incurred by the Sponsor for any special or custom work in the Unit ordered by the Purchaser, will be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement will become null and void. The Sponsor waives any right to seek specific performance in the event of a default by the Purchaser. See "Procedure To Purchase" Section of the Plan

4. Risk of loss for fire or other casualty remains with the Sponsor. However, a person who takes possession prior to the closing assumes the risk of losses not covered by insurance. See "Procedure To Purchase" Section of the Plan

5. THE PURCHASER'S OBLIGATION TO PURCHASE HIS/HER UNIT IS NOT CONTINGENT ON OBTAINING FINANCING. This means that the Purchaser will be required to proceed to closing, notwithstanding the fact that the Purchaser has failed to obtain mortgage financing; and, if such Purchaser fails to proceed to closing, the deposit may be retained by the Sponsor. See "Procedure To Purchase" Section of the Plan

6. The terms of this Plan transfer the statutory obligation to pay New York City Real Property transfer taxes (1.0% of purchase price for Residential Units up to $500,000.00 and 1.425% for Residential Units over $500,000.00) and New York State Documentary Stamp Taxes ($2.00 per $500.00) to the Purchaser, so that the cost of such taxes represents an additional closing cost to the Purchaser, and an additional item of consideration on which transfer taxes must be paid. Additionally, the Purchaser is responsible for paying to the Sponsor's attorney a document preparation fee and closing attendance fee of $1,500.00, and may be responsible for an additional $250.00 if the closing takes place outside the office of Sponsor's attorneys and an additional $250.00 if the Purchaser fails to close on the date set forth in the notice of closing.. Furthermore, the Purchaser is required to pay to the Sponsor $1,000.00 as partial reimbursement for the cost of preparing this Plan and 1% of the purchase price as reimbursement for applying for the tax abetment. See "Unit Closing Costs And Adjustments" Section of the Plan

7. The Sponsor is obligated to construct the building in accordance with all applicable codes and filed building plans and specifications. See "Rights and Obligations of Sponsor" Section of the Plan

Since the building consists of more than five stories the Sponsor will not provide a Limited Warranty to the Units. See "Rights and Obligations of Sponsor" Section of the Plan

8. The Sponsor or Sponsor-designee will not retain voting control of the Board of Managers for more than five (5) years after the closing of the first Unit or whenever the Sponsor or Sponsor-designee shall transfer title to Units, the percentage Common Interest of which, in the aggregate, equals more than fifty (50%) percent, whichever is sooner. See "Control By Sponsor" Section of the Plan

9. The By-Laws of the Condominium do not include a provision that after the expiration of initial sponsor voting 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 and its principals. Owner-occupants and non-resident owners, including the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their reasons for purchasing, i.e., purchase as a home as opposed to as an investment. See "Control By Sponsor" Section of the Plan

10. The Purchaser will be responsible for heat, hot water, gas, electricity, and telephone and cable service. See "Description Of Property And Improvements" Section of the Plan

11. The Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all Residential Units to Purchasers for personal occupancy of Purchasers or their immediate family. 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 market value of the property increases to not less than 10% below the offering prices. Sponsor's good faith effort to sell to Purchasers will include listing Unsold Units with brokers, showing Unsold Units to broker and prospective Purchasers or their representatives, filing update amendments to the Plan and otherwise engaging in customary sales activities.

The Sponsor does not intend to make a bulk sale of all or some of its Unsold Units. However, if the Sponsor does make a bulk sale of all or some of its Unsold Units, the transferee successor sponsor will be bound by the Sponsor's representations regarding its commitment to sell Units.

Pursuant to the regulations, the plan may be declared effective when bona fide purchasers, including investors, have signed purchase agreements for at least 15% of the units, which is equal to two (2) Units offered under this Plan.

In order to be counted toward the foregoing effectiveness threshold, a purchase agreement must be in writing and signed by bona-fide arms-lengths purchaser or purchasers. A Bona-fide arms-lengths purchaser is a purchaser who negotiates and buys the unit in good faith, honestly, openly and sincerely, without deceit and fraud.

Units of a primarily ancillary nature such as parking spaces may not be counted toward effectiveness. Such units are excluded from the base in calculating the percentage needed to become effective.

Additionally, the 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 the protections required by Section 20.3(o)(10) of this Part; 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 or the selling agent or the managing agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; 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 Office of the Attorney General establishing that the purchaser is bona fide.

See the "Effective Date" section of this plan.

12. The Sponsor has obtained a construction loan from Oscar Kitsis and Ada Kitsis (Lender). Pursuant to the terms of the loan, the lender shall release its lien on any one condominium unit being conveyed. However this release is conditioned on the following:

(a) the Sponsor is not in default with respect to any of its obligations set forth in the mortgage or in any of the other loan documents;
(b) the building contains twelve apartment (residential) units; and
(c) the Sponsor pays to the lender a release payment (the "Release Payment") in the amount of $360,000.00, simultaneously with the closing of such sale.

See the "Rights and Obligations of Sponsor" Section of the Plan

13. No bond or other security has been posted to secure Sponsor's obligations under the Plan. See "Rights and Obligations of Sponsor" Section of the Plan

14. The Condominium will have seven (7) parking spaces. None of the parking spaces will be land-locked. Thus, no parking attendant will be necessary to move the cars. See "Introduction" Section of the Plan

Parking Spaces 6 & 7 have been designated as a handicapped parking and will be the last parking spaces to be sold. See the "Description of Property" Section of the Plan.

15. Due to the size of the Building, it is expected that the Building will be self-managing. Since the Building is self-managing, the Unit Owners will take turns in cleaning the Common Elements of the Condominium, including without limitation entrance hall and floor corridors, shoveling snow, taking out the garbage and minor maintenance such as changing light bulbs. See Footnotes to Schedule B of the Plan

16. The physical dimensions of each Residential Unit consists of the area measured horizontally from the Unit side of the glass or exterior final surface of the exterior walls to the centerline of the partitions separating one Unit from another Unit, corridors, stairs, elevators and other mechanical equipment spaces or any common elements (as hereinafter defined), or to the

Unit side of the opposite exterior walls. Each Residential Unit will consist of the area measured vertically from the top of the floor to the underside of the ceiling.

These measurements significantly exceed the actual floor area of the Units. See Footnotes to Schedule A of the Plan

17. If the purchaser fails to close on the scheduled Closing Date for any reason, then (i) the closing adjustments shall be made as of the midnight of the day preceding the date originally scheduled for the closing date, and (ii) the purchaser shall pay to sponsor, as a late fee, an amount equal to .4% times the unpaid portion of the purchase price for his or her unit for each day's delay, beginning with the date originally scheduled for the closing date to and including the day immediately preceding the actual closing date. See the "Unit Closing Cost and Adjustments" Section of the Plan.

18. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions include requiring a certain percentage (such as 35% or 50%) of the Units in the Building be sold before the lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty obtaining a loan in the Building where the percentage of the Units purchased is lower than a lender's particular sales minimum. Even once a Building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell the Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

INTRODUCTION

The Sponsor is offering for sale Twelve (12) residential units and Seven (7) Parking Units at 1824 East 17th Street, Brooklyn, NY 11229, as a Condominium to be known as 1824 East 17th Street Condominium (the "Condominium"). The following pertinent information is set forth with respect thereto:

1. The Sponsor may not, under law, offer for sale Condominium Units unless and until an Offering Plan (the "Plan") has been accepted for filing by the New York State Department of Law. The purpose of the Plan is to set forth all the material terms of the offer to sell the Units in the Condominium. The Plan may be amended from time to time when an amendment is filed with the New York State Department of Law. Such an amendment shall be served on:

   i. purchasers who have executed and delivered purchase agreements to the Sponsor or Selling Agent and whose purchase agreements are in effect,
   ii. Unit Owners, and
   iii. any other person entitled to service pursuant to local law or regulation.

2. The Condominium is subject to and complies with Article 9-B of the Real Property Law of the State of New York, as amended (the "Condominium Act").

3. The Sponsor is Homecrest Building Development, LLC., having an address at 79 Brighton 11th Street, Suite 4B, Brooklyn, New York 11235. The Sponsor acquired the property on March 31, 2006.

4. The Plan calls for the sale of Twelve (12) Residential Units, (1-12) and Seven (7) Parking Units (PS1-7).

A parking space may only be sold to a purchaser of a residential unit.

None of the parking spaces will be land-locked. Thus, no parking attendant will be necessary to move the cars.

Parking Spaces 6 & 7 have been designated as a handicapped parking. The sale of Parking Space 6 & 7 and any subsequent sale, transfer or hypothecation of it, is hereby subject to the following covenant and restriction in the deed:

In the event the present or future Owner of a unit, or member of his or her family, becomes handicapped and acquires handicapped plates for his or her vehicle, and said Unit Owner is the Owner of a Parking Space, said Unit Owner has the right to demand that the Owner of either Parking Space 6 or 7 trade the handicapped parking space he or she owns with said handicapped Owner.

In the event the present or future Owner of a Unit, or member of his or her family, becomes handicapped and said Unit Owner does not own a Parking Space, said Unit Owner has

the right to demand that the Owner of either Parking Space 6 or 7, sell it at the then current, fair market value, to said handicapped Owner. All costs and expenses entailed in the transfer of title to the parking spaces, including without limitation, title abstracts, title insurance, transfer taxes and recording fees and reasonable attorney fees shall be borne by the party requesting the transfer.

If the parties can not agree on the fair market value of either Parking Space 6 or 7 then the parties agree to submit the matter to binding arbitration in accordance with Article XIV of the By-Laws of the Condominium. The party seeking the arbitration shall be required to send the appropriate notice as more fully set forth in Article V of the By-Laws. Article V provides in part that all notices required or desired to be given hereunder shall be sent first class mail.

(i) if the Board of Managers of the Condominium, to the Board of Managers of the Condominium at its principal office as set forth in Section 1.7 hereof, with a photocopy to the Managing Agent (if any) at its principal office address as designated as aforesaid;
(ii) if to a Unit Owner other than the Sponsor or its designee, to such Unit Owner at his or her address at the Property;
(iii) if to the Sponsor or its designee, to the Sponsor or such designee; and
(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Board of Managers of the Condominium.

The Owner of Parking Spaces 6 & 7 must comply with the aforementioned demand upon thirty (30) days notice.

Notwithstanding anything to the contrary stated in the Plan, in the event the present or future Owner of a Parking Space not designated as handicapped, or members of his or her family, becomes handicapped and acquires handicapped plates for his or her vehicle, said Unit Owner WILL NOT HAVE the right to demand that the Owner of a handicapped parking space trade the handicapped Parking Space with said handicapped Owner, IF the Owner of the handicapped Parking Space, or member of his or her family, is handicapped or has already obtained handicapped plates for his or her vehicle.

The Condominium will also contain a recreational facility at the 1st floor level for use by the residents of the condominium.

5. The prices for Units offered herein have been set by the Sponsor alone. They are not subject to review or approval by the New York State Department of Law or any other governmental agency.

6. The Condominium Units will be newly constructed in accordance with all applicable zoning and building laws, regulations, codes and other government requirements as well as in accordance with the plans and specifications filed with the New York City Building Department and identified in the Plan. Prior to closing the first Unit, the Sponsor will obtain a permanent certificate of occupancy for the Property or, alternatively, obtain a temporary or partial certificate of occupancy for the Unit or the Building in which the Unit to be closed is

located. The Sponsor will obtain a permanent certificate of occupancy for the Property within two (2) years of closing title to the first Unit, and in any event, before expiration of applicable temporary or partial certificate, as same may be renewed, replaced or extended.

7. The Condominium Units will be offered only to individuals over the age of eighteen (18) years, corporations, and other entities that may legally own real property in the State of New York. Neither the Sponsor nor the Selling Agent will discriminate in the sale or lease of Units on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

8. Each Unit Owner will own his Unit in a manner similar in many respects to the ownership of a private home. In addition to outright ownership of his own Unit, he will be entitled to exclusive possession of his Unit together with an undivided interest in and right to use the Common Elements, together with all other Unit Owners and exclusive right to use the Limited Common Elements.

The Limited Common Elements are those areas appurtenant to a particular Unit, the use of which is restricted to the Owner of such Unit, but which are not owned by such Unit Owner.

Each Residential Unit Owner may use his Unit for residential purposes only and for any other legal purposes subject to the provisions of the Declaration of Condominium, By-Laws and Rules and Regulations promulgated pursuant thereto. A parking Space owner may use his unit to park a motor vehicle

A Unit Owner will have the right to vote annually for the Board of Managers, which will conduct the affairs of the Condominium and supervise the operation of the property. A Unit Owner will be required to pay Common Charges in accordance with the Condominium Declaration, By-Laws and Sections 339-i, 339-m of the Real Property Law, and other applicable provisions of the Condominium Act, proportionate to his respective interest in the Common Elements, for the operation and maintenance of the Condominium property as the Board of Managers may determine.

Each Unit Owner will be taxed separately for real estate tax purposes. He may obtain his own mortgage loan on his Unit and pay directly to the mortgage lender the interest and amortization on his mortgage. His Unit will not be affected by any other Unit Owner's separate obligation for such Unit Owner's mortgage or real estate taxes.

The Board of Managers has the authority to manage the Condominium.

A Unit Owner may sell or lease his Unit subject only to the right of first refusal exercisable by the Board of Managers, and may mortgage his Unit with an institutional lender subject to the provisions of the By-Laws.

Each Unit Owner will be responsible for the cost of interior maintenance and repairs to his Unit, and for the cost of decorating the interior of his Unit beyond that set forth in "Description of Property and Specifications" Section of this Plan. Each Unit Owner will be

responsible for the cost of his own liability insurance for occurrences within his Unit as well as for casualty insurance to cover losses to personal possessions within his Unit. A more detailed description of the rights and obligations of Unit Owners is contained in the Declaration and By-Laws of the Condominium. These documents appear in Part II of this Plan.

The price for each Unit, the percentage of Common Interest allocated to each Unit, the estimated annual Common Charges and other financial information are found in Schedules A, B and B-1 of Part I of this Plan.

In the opinion of counsel for the Sponsor, each Unit Owner may be entitled to certain deductions for Income Tax purposes. See "Opinion of Counsel" Section in Part I of the Plan.

9. The Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all Residential Units to Purchasers for personal occupancy of Purchasers or their immediate family. 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 market value of the property increases to not less than 10% below the offering prices. Sponsor's good faith effort to sell to Purchasers will include listing Unsold Units with brokers, showing Unsold Units to broker and prospective Purchasers or their representatives, filing update amendments to the Plan and otherwise engaging in customary sales activities.

The Sponsor does not intend to make a bulk sale of all or some of its Unsold Units. However, if the Sponsor does make a bulk sale of all or some of its Unsold Units, the transferee successor sponsor will be bound by the Sponsor's representations regarding its commitment to sell Units.

Pursuant to the regulations, the plan may be declared effective when bona fide purchasers, including investors, have signed purchase agreements for at least 15% of the units, which is equal to two (2) Units offered under this Plan.

In order to be counted toward the foregoing effectiveness threshold, a purchase agreement must be in writing and signed by bona-fide arms-lengths purchaser or purchasers. A Bona-fide arms-lengths purchaser is a purchaser who negotiates and buys the unit in good faith, honestly, openly and sincerely, without deceit and fraud.

Units of a primarily ancillary nature such as parking spaces may not be counted toward effectiveness. Such units are excluded from the base in calculating the percentage needed to become effective.

Additionally, the 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 the protections required by Section 20.3(o)(10) of this Part; 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 or the selling agent or the managing agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner; 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 Office of the Attorney General establishing that the purchaser is bona fide.

10. The Board of Managers of the Condominium 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. There may always be a substantial percentage of Owners who are non-residents.

11. The agreement to purchase a Unit is reproduced in Part II of this Plan.

12. The rights and obligations of the Sponsor are set forth in Part I of this Plan.

13. A physical description of the improvements constructed or to be constructed may be found in Part II of this Plan.

14. Any controversy among Unit Owners must be resolved by Unit Owners in accordance with the By-Laws, inasmuch as no governmental agency has jurisdiction to regulate the Condominium's internal affairs.

15. 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 25 cents per page at the office of the Sponsor's attorney, Yevgeny Tsyngauz, Esq., 1635 Bath Avenue, Brooklyn, NY 11214 for six years from the date of first closing.

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

The definitions set forth herein are for informational purposes and should be read in conjunction with technical definitions appearing in the Declaration, By-Laws, and Condominium Act, all of which appear in Part II of the Plan.

1. Board of Managers. The governing body of the Condominium, which will conduct the Condominium affairs and supervise the operation of the Property.

2. Building. The Structure at 1824 East 17th Street, Brooklyn, NY 11229, which will comprise the Units and portions of the Common Elements of the Condominium as above described.

3. Common Elements. The land and all parts of the Building other than Units, including without limitation, the lobby, hallways, mechanical and electrical equipment, spaces and any portions of the Building to be set aside for common use.

4. Common Expense. Expenses of operation of the Property, and all sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or By-Laws.

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

(a) Voting power;
(b) Share of Common Expenses--i.e. operating and other expenses of the Condominium as determined by the Board of Managers;
(c) Share of any distribution upon termination of the Condominium.

6. (a) Common Charges. Each Unit's proportionate share of the Common Expenses in accordance with the Common Interest of the Unit.

(b) Common Profits. The excess of the receipts of the rents, profits and revenue from the Common Elements remaining after the deduction of the Common Expenses.

7. Condominium. The Units and Common Elements constituting the Condominium to be located at 1824 East 17th Street, Brooklyn, NY 11229 and to be known as The Kelly Park Condominium. The word "Property" shall be used interchangeably and shall have the same meaning as the term "Condominium" as defined above.

8. Declaration. The recorded, written instrument by which the Property is submitted to the provisions of the New York Condominium Act, as such instrument may from time to time

be amended, consistent with the law, the provisions of the Declaration and the Condominium By-Laws.

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

10. Offering Plan. A statement prepared on behalf of the Offeror (Sponsor), as defined below, designed to disclose all material facts concerning the proposed Condominium, in order to aid prospective purchasers in making informed decisions regarding their purchases.

11. Property. The land and Building located at 1824 East 17th Street, Brooklyn, NY 11229.

12. Sponsor. The initial offeror of interests in the Condominium. The Sponsor of the offering is Homecrest Building Development, LLC.

13. Selling Agent. The entity which will originate and supervise sales of Units. The Selling Agent is the Sponsor having an address at 79 Brighton 11th Street, Suite 4B, Brooklyn, New York 11235.

14. Unit. Any space in the Building designated as a Residential Unit or a Parking Space. Such Units are part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or Elements leading to a public street or highway.

15. Unit Owner. The person or persons owning a Unit in fee simple absolute.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

These outline specifications are intended to outline generally the nature of the work, materials and equipment and to indicate the contemplated character of the Building, but shall not be interpreted as enlarging in any manner, directly or indirectly, the obligation or liability of the Sponsor as set forth in this Plan. A more detailed description and two-dimensional floor plans are set forth in "Description of Property and Specifications" Section of Part II of the Plan.

Building

The offering consists of Twelve (12) residential Class "A" Apartments and Seven (7) Parking Spaces in the building located at 1824 East 17th Street, Brooklyn, NY 11229.

The building is located in R6 Zoning District, which permits a building of this nature.

R6 Zoning District allows all types of dwelling units and community facilities such as:

(a) medical offices;
(b) government operated health centers or independent out-of-hospital health facilities incorporated pursuant to Article 7 of the New York State Social Services Law;
(c) churches, rectories, or parish houses;
(d) non-commercial clubs.

Typical R6 development, however, is usually between three and twelve stories.

The structure is being newly constructed pursuant to Application No. 302049664 filed with the New York City Department of Buildings. The application has been reviewed and approved.

The streets beyond lots lines are the City of New York sidewalks, consisting of concrete slabs.

Water will be provided by the City of New York. The Building will have a common water meter and will be billed for water consumption.

Electricity will be provided by Consolidated Edison of New York. Each Unit will be separately metered and billed. A separate meter will be provided for electrical requirements for the lobby and stair lightning, exterior entrance lightning, operation of exhaust fans, and other common area needs.

Telephone service will be provided by Verizon Company. Each Unit will be separately billed.

Natural gas for cooking, heating and hot water will be provided by Keyspan Energy Delivery Company. Each Unit will be separately metered and billed.

Each Unit will have its own gas-fired hot water heater and gas-fired furnace.

Each Unit will be handicapped adaptable. The Building's elevator will be handicapped accessible in compliance with NYC Local Law 58.

Occupancy and Unit Information

Unit No.	Location	Usage	Rooms/Baths
PS1-PS7	First Floor	Parking	N/A
1	Second floor	Residential	7/2
2	Second floor	Residential	7/2
3	Third floor	Residential	7/2
4	Third floor	Residential	7/2
5	Fourth floor	Residential	7/2
6	Fourth floor	Residential	7/2
7	Fifth floor	Residential	7/2
8	Fifth floor	Residential	7/2
9	Sixth floor	Residential	7/2
10	Sixth floor	Residential	7/2
11	Seventh floor	Residential	6/2
12	Seventh floor	Residential	6/2

The total number of rooms is calculated by using the following formula:

Living/Dining Room	= 1
Kitchen	= 1
Bedroom	= 1
Bathroom	= 1

Halls are excluded from this count

Parking Spaces

The Condominium will contain Seven (7) parking spaces, designated as Parking Space 1 through 7.

None of the parking spaces will be land-locked. Thus, no parking attendant will be necessary to move the cars.

Parking Spaces 6 & 7 have been designated as a handicapped parking. The sale of Parking Space 6 & 7 and any subsequent sale, transfer or hypothecation of it, is hereby subject to the following covenant and restriction in the deed:

In the event the present or future Owner of a unit, or member of his or her family, becomes handicapped and acquires handicapped plates for his or her vehicle, and said Unit Owner is the Owner of a Parking Space, said Unit Owner has the right to demand that the Owner of either Parking Space 6 or 7 trade the handicapped parking space he or she owns with said handicapped Owner.

In the event the present or future Owner of a Unit, or member of his or her family, becomes handicapped and said Unit Owner does not own a Parking Space, said Unit Owner has the right to demand that the Owner of either Parking Space 6 or 7, sell it at the then current, fair market value, to said handicapped Owner. All costs and expenses entailed in the transfer of title to the parking spaces, including without limitation, title abstracts, title insurance, transfer taxes and recording fees and reasonable attorney fees shall be borne by the party requesting the transfer.

If the parties can not agree on the fair market value of either Parking Space 6 or 7 then the parties agree to submit the matter to binding arbitration in accordance with Article XIV of the By-Laws of the Condominium. The party seeking the arbitration shall be required to send the appropriate notice as more fully set forth in Article V of the By-Laws. Article V provides in part that all notices required or desired to be given hereunder shall be sent first class mail.

(v) if the Board of Managers of the Condominium, to the Board of Managers of the Condominium at its principal office as set forth in Section 1.7 hereof, with a photocopy to the Managing Agent (if any) at its principal office address as designated as aforesaid;

(vi) if to a Unit Owner other than the Sponsor or its designee, to such Unit Owner at his or her address at the Property;

(vii) if to the Sponsor or its designee, to the Sponsor or such designee; and

(viii) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Board of Managers of the Condominium.

The Owner of Parking Spaces 6 & 7 must comply with the aforementioned demand upon thirty (30) days notice.

Notwithstanding anything to the contrary stated in the Plan, in the event the present or future Owner of a Parking Space not designated as handicapped, or members of his or her family, becomes handicapped and acquires handicapped plates for his or her vehicle, said Unit Owner WILL NOT HAVE the right to demand that the Owner of a handicapped parking space trade the handicapped Parking Space with said handicapped Owner, IF the Owner of the handicapped Parking Space, or member of his or her family, is handicapped or has already obtained handicapped plates for his or her vehicle.

Recreational Facilities

A Recreational facility will be provided in the first floor of the building. Such facility will be a common element of the condominium.

Fixtures and Appliances

The following fixtures and appliance are being included in the offering:

Tub	-	Bootz / Aloha Model # 011-2364-00 or equal;
Water-closet	-	Glocier Bay Model # SKU 143-279 or equal;
Lavatory	-	Glocier Bay Model # 303-635 or equal;
Shower bodies		American Shower Model # 403306 or equal;
Microwave	-	General Electric Model # JVM 1650WH
Stove/Oven	-	General Electric Model # JCB 28BELWH
Refrigerator	-	General Electric Model # GTS18HBS WW
Dishwasher	-	General Elctric Model # CSD2600GWW.

The Units will not be supplied with washer and dryer however connections for the washer dryer will be provided in the laundry room.

Balconies and Terraces

Each Unit will have the following size of balconies and terraces:

Unit #	Balcony #1	Balcony #2	Terrace
1	54 sq. ft.	N/A	62.9 sq. ft.
2	54 sq. ft.	26 sq. ft.	N/A
3	54 sq. ft.	26 sq. ft.	N/A
4	54 sq. ft.	26 sq. ft.	N/A
5	54 sq. ft.	26 sq. ft.	N/A
6	54 sq. ft.	26 sq. ft.	N/A
7	54 sq. ft.	26 sq. ft.	N/A
8	54 sq. ft.	26 sq. ft.	N/A
9	54 sq. ft.	26 sq. ft.	N/A
10	54 sq. ft.	26 sq. ft.	N/A
11	57.3 sq. ft.	N/A	183 sq. ft.
12	57.3 sq. ft.	N/A	183 sq. ft.

The Units Owners will have not separate storage rooms outside their Units.

Dimensions of Units

The physical dimensions of each Residential Unit consists of the area measured horizontally from the Unit side of the glass or exterior final surface of the exterior walls to the centerline of the partitions separating one Unit from another Unit, corridors, stairs, elevators and other mechanical equipment spaces or any common elements (as hereinafter defined), or to the Unit side of the opposite exterior walls. Each Residential Unit will consist of the area measured vertically from the top of the floor to the underside of the ceiling.

Completion of Construction and Compliance with Law

The Property will be improved and the Units constructed in accordance with all applicable zoning and building laws, regulations, codes and other government requirements as well as in accordance with the plans and specifications filed with the New York City Building Department and identified in the Plan. The proposed project is governed by the New York City zoning laws, Building Code and New York City Handicapped Access Laws. The Sponsor projects that the construction will be completed by June of 2007. However, the Sponsor makes no representation or warranty that the Units will be completed by said date.

Prior to closing the first Unit, the Sponsor will obtain a permanent certificate of occupancy for the Property or, alternatively, obtain a temporary or partial certificate of occupancy for the Unit or the Building in which the Unit to be closed is located. The Sponsor will obtain a permanent certificate of occupancy for the Property within two (2) years of closing title to the first Unit, and in any event, before expiration of applicable temporary or partial certificate, as same may be renewed, replaced or extended.

LOCATION AND AREA INFORMATION

The Building is located in the Midwood section of Brooklyn. An area map is located at the next page.

This is a highly developed area essentially residential in character, but served by a rich and diverse assortment of shopping, recreational, medical, religious, and educational facilities, as well as a network of both streets and roads, and urban transportation.

The area is served by several MTA buses and the Q train.

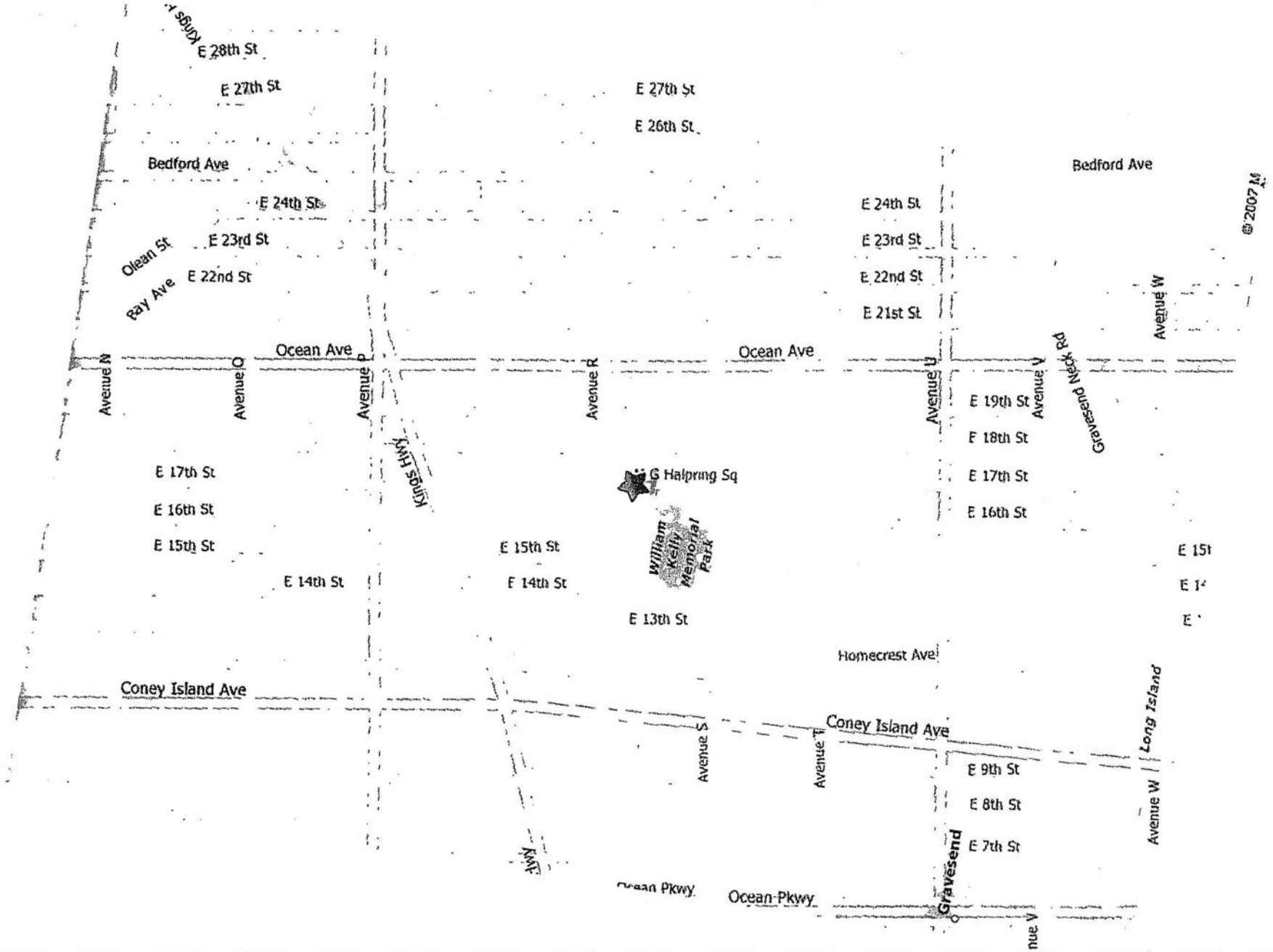
The police precinct serving the community is the 61st precinct, which is located at 2575 Coney Island Avenue, Brooklyn, NY 11223. Medical needs of the community are served by Coney Island Hospital, located at 2601 Ocean Parkway, Long Island City, New York 11106.

Students living in the Condominium will be eligible to attend the public school PS 153 Homecrest, PS 206 Joseph F. Lamb, PS 255 Barbara Reing School, JHS 278 Marine Park, PS 194 Raoul Wallenberg, JHS 234 Arthur W. Cunningham, PS 277 Gerritsen Beach, James Madison HS, James Madison GED.

Zoning of the site is residential. There is no landmark designation of the site. There are no adjoining undeveloped areas of the site.

Neither the Sponsor, nor any principals of the Sponsor, own in whole or in part, or have an optional right to acquire in whole or in part, any other adjacent areas which are not fully developed.

The Condominium is surrounded by the residential one and two-family houses as well as condominium buildings, restaurants and medical offices. There are no uses currently in existence or proposed in adjacent or nearby buildings or land which a reasonable prudent purchaser would find obnoxious.


E 28th St
E 27th St
E 27th St
E 26th St
Bedford Ave
Bedford Ave
E 24th St
E 24th St
Olean St
E 23rd St
E 23rd St
Ray Ave
E 22nd St
E 22nd St
E 21st St
Ocean Ave
Ocean Ave
Avenue N
Avenue O
Avenue P
Avenue R
Avenue U
Avenue V
Avenue W
Gravesend Neck Rd
E 19th St
E 18th St
E 17th St
E 16th St
E 17th St
E 16th St
E 15th St
E 15th St
E 15th St
E 14th St
E 14th St
E 13th St
G Halpring Sq
William Kelly Memorial Park
Homecrest Ave
Coney Island Ave
Coney Island Ave
Avenue S
Avenue T
Long Island
E 9th St
E 8th St
E 7th St
Gravesend
Ocean Pkwy
Ocean Pkwy

SCHEDULE A

PURCHASE PRICE, ALLOCATION OF COMMON INTEREST AND ESTIMATED INDIVIDUAL EXPENSES

FOR FIRST YEAR OF CONDOMINIUM OPERATION

November 1, 2007 – October 31, 2008

Unit (1)	L.C.E (2)	Rooms /Bedrooms /Baths (3)	Approx. Sq. Ft. of Unit (4)	Total Sq. Ft. of L.C.E. (5)	Offering Price (6)	% of Common Interest (7)	Monthly Common Charges (8)	With Tax Benefit Monthly R.E. Taxes (9)	With Tax Benefit Monthly Carrying Charges (10)	Without Tax Benefit Monthly R.E. Taxes (11)	Without Tax Benefit Monthly Carrying Charges (12)	With Tax Benefit Annual R.E. Taxes (13)	Without Tax Benefit Annual R.E. Taxes (14)
1	T&B	7/2/2	897.2	116.9	481,156.50	7.83	157.78	19.28	177.06	1,047.06	1,204.84	231.34	12,564.75
2	2B	7/2/2	888.3	80	471,916.00	7.68	154.75	18.91	173.66	1,026.95	1,181.70	226.90	12,323.45
3	2B	7/2/2	897.2	80	481,544.00	7.84	157.91	19.29	177.20	1,047.91	1,205.81	231.53	12,574.87
4	2B	7/2/2	895.3	80	480,556.00	7.82	157.58	19.25	176.84	1,045.76	1,203.34	231.05	12,549.07
5	2B	7/2/2	897.2	80	486,544.00	7.92	159.55	19.49	179.04	1,058.79	1,218.33	233.93	12,705.44
6	2B	7/2/2	895.3	80	485,556.00	7.90	159.22	19.45	178.68	1,056.64	1,215.86	233.46	12,679.64
7	2B	7/2/2	897.2	80	491,544.00	8.00	161.19	19.69	180.88	1,069.67	1,230.85	236.34	12,836.01
8	2B	7/2/2	895.3	80	490,556.00	7.98	160.86	19.66	180.52	1,067.52	1,228.38	235.86	12,810.21
9	2B	7/2/2	897.2	80	496,544.00	8.08	162.82	19.90	182.72	1,080.55	1,243.37	238.74	12,966.58
10	2B	7/2/2	895.3	80	495,556.00	8.06	162.50	19.86	182.36	1,078.40	1,240.90	238.27	12,940.77
11	RT&B	6/2/2	715.5	240.3	427,097.50	6.95	140.05	17.11	157.16	929.42	1,069.48	205.35	11,153.07
12	RT&B	6/2/2	715.5	240.3	427,097.50	6.95	140.05	17.11	157.16	929.42	1,069.48	205.35	11,153.07
PS1	N/A	N/A	0	0	30,000.00	1.00	20.15	2.46	22.62	133.74	153.89	29.55	1,604.86
PS2	N/A	N/A	0	0	30,000.00	1.00	20.15	2.46	22.62	133.74	153.89	29.55	1,604.86
PS3	N/A	N/A	0	0	30,000.00	1.00	20.15	2.46	22.62	133.74	153.89	29.55	1,604.86
PS4	N/A	N/A	0	0	30,000.00	1.00	20.15	2.46	22.62	133.74	153.89	29.55	1,604.86
PS5	N/A	N/A	0	0	30,000.00	1.00	20.15	2.46	22.62	133.74	153.89	29.55	1,604.86
PS6 (H)	N/A	N/A	0	0	30,000.00	1.00	20.15	2.46	22.62	133.74	153.89	29.55	1,604.86
PS7 (H)	N/A	N/A	0	0	30,000.00	1.00	20.15	2.46	22.62	133.74	153.89	29.55	1,604.86
TOTALS:			**10,387**	**1,318**	**$5,925,667.50**	**100.00**	**$2,015.33**	**$246.25**	**$2,261.58**	**$13,374.25**	**$15,389.58**	**$2,954.97**	**$160,490.96**

Notes:

1) B = Balcony; 2B = Two Balconies, T = Terrace, (H) denotes handicapped designated

2) The above figures are rounded off to the nearest cent, which may cause slight discrepancies.

3) Annual real estate taxes will be 2,954.98 ($246.24 per month) if 421-A real estate tax benefits are obtained, and $160,486.20 ($13,373.85 per month) if 421-A real estate tax benefits are not obtained. See footnote 6 in Footnotes To Schedule A for a complete explanation.

4) Each Residential and Community Facility Unit will be responsible for paying the cost of its own individual electricity. See Schedule B-1 for an estimate thereof.

5) The physical dimensions of each Residential and Community Facility Unit consist of the area enclosed horizontally from the Unit side of the glass of the exterior walls to the centerline of the partitions separating one Unit from another Unit, corridors, stairs, elevator and other mechanical equipmentThese dimensions don't accurately represent the interior space and may exaggerate it by as much as 10 percent. spaces or any common elements as defined in the Plan, or to the Unit side of the opposite exterior walls, and vertically from the top of the floor to the underside of the ceiling.

6) Parking Unit number PS6 and PS7 have been designated handicapped and will be the last Parking Units to be sold. See "Introduction" Section of the Plan

7) The total annual maintenance charges will be $24,184.00 (2,015.33 monthly).

8) In the room count for this schedule, the living/dining room is counted as one room; the kitchen is counted as one room; each bedroom is counted as one room, the bathrooms are NOT counted as rooms.

FOOTNOTES TO SCHEDULE A

1. The number of rooms in each Unit is computed in accordance with the standards established by the Real Estate Board of the State of New York. See "Description Of Property And Building Condition" Section included in Part II of this Plan, for a more complete description of each Unit.

The estimated square footage of each Unit is based on the Floor Plans and Description of Property Report set forth in Part II of the Plan.

The physical dimensions of each Residential Unit consists of the area measured horizontally from the Unit side of the glass or exterior final surface of the exterior walls to the centerline of the partitions separating one Unit from another Unit, corridors, stairs, elevators and other mechanical equipment spaces or any common elements (as hereinafter defined), or to the Unit side of the opposite exterior walls. Each Residential Unit will consist of the area measured vertically from the top of the floor to the underside of the ceiling.

These dimensions significantly exceed the actual floor area of the Units.

2. Offering prices are negotiable, and the Sponsor may enter into a Purchase Agreement to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment to the Plan. In addition, the Sponsor may offer an individual prospective Purchaser other inducements to purchase a Unit, such as reimbursement of Common Charges for a period of time, construction allowances for optional items, or extensions of time periods in the Purchase Agreement to close. The offering prices may only be decreased or increased by a duly filed amendment to the Plan when the change in price is an across the board change affecting one or more lines of Units or Unit models, or is to be advertised in a newspaper or other media. Also, the offering price may only be changed by a duly filed amendment to the Plan when the change in price is a price increase for an individual Purchaser. See Section "Changes in Prices and Units", for a fuller discussion. See Section "Unit Closing Costs and Adjustments", which discloses and explains the additional closing costs and adjustments that a Purchaser has to pay.

3. In accordance with Section 339-i(1)(i) of the Real Property Law, the Common Interest has been allocated to each Unit in the approximate proportion that the fair value of the Unit at the date of the Declaration will bear to the then aggregate fair value of all the Units.

4. Common Charges have been estimated by the Sponsor and include fire and liability insurance for the Units and Common Elements, and maintenance and operation of the Common Elements. Common Charges exclude repair or decoration to the interior of the Units, separately billed gas, electricity, hot water, heat, air conditioning and cable television service for each Unit and insurance for personal effects and liability. If the Purchaser obtains financing, the Purchaser's debt service will be an additional expense.

Common Charges have been estimated by the Sponsor based on the estimated operating budget annexed as Schedule B to this Plan.

Common Charges have been calculated by allocating to each Unit a share of the Monthly Charges proportionate to the Common Interest which that Unit bears in the Condominium.

5. After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for teal 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.

6. The Sponsor is applying for real estate tax benefits in accordance with Section 421-A of the Real Property Law. The application has been submitted to the HPD on December 29, 2006. If such benefits are obtained, during the construction and during eleven (11) years following the first taxable status date immediately following completion of the construction, 100% of the increased assessed value of the Building resulting from improvements thereon will be exempt from taxation. The exemption will decline to 80% of the increased assessed value for the twelfth (12) year and will be further reduced by an additional 20% for each of succeeding years.

NO GUARANTEE CAN BE, OR IS MADE, THAT SAID BENEFITS WILL BE OBTAINED, OR WILL CONTINUE TO BE AVAILABLE. Therefore, the Sponsor has projected in Schedule A the real estate taxes in the event no such benefits are obtained.

The Sponsor has obtained an opinion from Jacob Moseson of Moseson & Associates, 769 Empire Avenue, Far Rockaway, NY 11691, as to the likely effects of the Sponsor's application for real estate tax benefits. Purchasers are directed to "Real Estate Tax Benefits Opinion" Section, for a complete explanation.

Calculations of real estate taxes are arrived at by applying the current tax rate to the assessed value, and then allocating the resulting taxes in direct proportion to the allocation of the Common Interest of the Unit. In the event the benefits are obtained, the assessed value will be based on the pre-construction assessed value of $23,200.00 In the event the benefits are not obtained, the assessed value used for calculations will be the $1,260,000.00 post-construction assessed value estimated by the Sponsor' real estate tax exemption expert, and set forth in his letter included in this Plan. In either case, the tax rate used for the calculation is $12.737 per $100.00 of assessed value, which is the current tax rate.

Unit Owners will be entitled to deduct real property taxes paid on the Unit for income tax purposes. See "Opinion of Counsel" Section, for a more complete discussion.

7. Monthly carrying charges are composed of the monthly Common Charges and the monthly real estate taxes projected against each Unit.

8. Unit Owners who itemize their deductions should, for federal income tax purposes, be entitled to a deduction for real estate taxes in the year in which same are paid or accrued. The projected tax deductions may vary in future years. See "Tax Opinion Letter" Section, for a more complete explanation.

9. The terms of this Plan transfer the statutory obligation to pay New York City Real Property transfer taxes (1.0% of purchase price for Residential Units up to $500,000.00 and 1.425% for Residential Units over $500,000.00) and New York State Documentary Stamp Taxes ($2.00 per $500.00) to the Purchaser, so that the cost of such taxes represents an additional closing cost to the Purchaser, and an additional item of consideration on which transfer taxes must be paid. Additionally, the Purchaser is responsible for paying to the Sponsor's attorney a document preparation fee and closing attendance fee of $1,500.00, and may be responsible for an additional $250.00 if the closing takes place outside the office of Sponsor's attorneys and an additional $250.00 if the Purchaser fails to close on the date set forth in the notice of closing.. Furthermore, the Purchaser is required to pay to the Sponsor $1,000.00 as partial reimbursement for the cost of preparing this Plan.

THE FOREGOING SCHEDULE A IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ANNUAL CARRYING CHARGES OR EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE SET FORTH ABOVE OR THAT SUCH CARRYING CHARGES OR EXPENSES WILL NOT VARY FROM THE AMOUNTS SHOWN IN SCHEDULE A.

SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION
November 1, 2007 – October 31, 2008

Projected Income	
Common Charges	$24,184.00
Projected Expenses	
Heat and Hot Water (1)	$3,549.00
Electricity (2)	$2,454.00
Water and Sewer (3)	$4,931.00
Repairs and Maintenance (4)	$1,000.00
Services and Supplies (5)	$1,000.00
Insurance (6)	$4,050.00
Legal and Accounting Fees (7)	$1,000.00
Labor (8)	$5,200.00
Management (9)	$0.00
Contingency (10)	$1,000.00
TOTAL	**$24,184.00**

Note: All figures are rounded to the nearest dollar.

IF THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT OF CONDOMINIUM OPERATION IN DELAYED MORE THAN SIX (6) MONTHS FROM THE BUDGET YEAR PROJECTED IN THE OFFERING PLAN, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET DISCLOSING CURRENT PROJECTIONS. IF SUCH AMENDED PROJECTIONS EXCEED THE ORIGINAL PROJECTIONS BY TWENTY-FIVE PERCENT (25%) OR MORE, ALL PURCHASERS WILL HAVE A RIGHT TO RESCIND THEIR PURCHASE AGREEMENTS WITHIN FIFTEEN (15) DAYS AFTER THE PRESENTATION, WHETHER OR NOT THE SPONSOR OFFERS TO GUARANTEE THE PREVIOUS BUDGET PROJECTION. THE SPONSOR WILL RETURN ANY DEPOSIT OR DOWNPAYMENT TO PURCHASERS WITHIN TEN (10) DAYS AFTER RECEIPT OF WRITTEN NOTICE OF RESCISSION. IN ADDITION, ALL PURCHASERS WILL HAVE A RIGHT TO RESCIND THEIR PURCHASE AGREEMENTS IF THE CLOSING DOES NOT OCCUR WITHIN TWELVE (12) MONTHS OF THE PROJECTED CLOSING DATE.

FOOTNOTES TO SCHEDULE B

1. Heat and Hot Water. No hot water will be provided to the common elements however the recreation room will be heated through a central HVAC system. The estimated cost for gas to be consumed by the HVAC unit is listed. Each Unit will be individually metered for heat and hot water. Each Purchaser will pay separately for the heat and hot water supplied to his Unit.. See Schedule B-1, for an estimate of individual Unit heat and hot water charges.

2. Electricity. The item includes the cost of electricity to the Common Areas of the Building. The figure assumes an approximate usage of 7,920.00 KWH at an average cost of approximately $0.26 per KWH. This figure is inclusive of sales tax and a reasonable anticipated increase due to inflation. Each Unit will be individually metered for electricity. Each Purchaser will pay separately for the electricity to his Unit. See Schedule B-1, for an estimate of individual Unit electricity charges.

3. Water and Sewer. This estimate is based on the cost and consumption of water services to be furnished by the City of New York to each Unit. The Building will have a common water meter which will service all Units. The New York City Department of Environmental Protection currently charges $1.65 per one hundred (100) cubit feet of water provided, and $2.62 per one hundred (100) cubit feet of wastewater. One hundred cubic feet is approximately seven hundred forty-eight gallons. The budgeted figure allows for a consumption of approximately 864,000.00 gallons of water annually.

4. Repairs and maintenance of the Building. The budgeted figure is based on normal maintenance and repairs to the Commons Elements of the Building and its systems and equipment. Insofar as this is a newly constructed building it is not anticipated that any major repairs will be required. The budgeted figure includes such items of regular maintenance as cleaning, painting and minor mechanical, carpentry, or electrical work. Individual Unit Owners will be responsible for the cost of interior repairs, decorations, and painting of their respective Units, and the maintenance of their appliances.

5. Services and Supplies. They include items expected to be consumed in the normal course of the Building operation, including light bulbs, cleaning supplies, paints, and hardware items.

6. Insurance. The following estimate for the cost of insurance is not based upon existing coverages for the Building. The estimate is based upon coverages suggested and premiums estimated by Jakob Insurance Brokerage., located at 1810 76th Street, Brooklyn, NY 11214 ("Insurance Agent"). Although the projection is considered to be reasonable, there can be no guarantee that the estimate premium will not escalate or that such coverage will continue to be available.

The Sponsor, at the sole cost and expense of the Condominium, will cause to be delivered to the Condominium on the closing date, policies providing the insurance on the terms that provide:

(1) that each Unit Owner will be an additional insured party;

(2) that there will be no cancellation without notice to the Board of Managers;
(3) a waiver of subrogation;
(4) a waiver of invalidity because of the acts of the insured and Unit Owners; and
(5) a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

In the opinion of the Insurance Agent, the amount of fire insurance is adequate, and the inclusion by the insurance company of the Agreed Amount clause avoids a co-insurance penalty.

In the opinion of the Insurance Agent, the amount of insurance is adequate to repair or replace the Building if kit were totally destroyed. However, the policy does not guarantee the replacement of individual fixtures, and improvements installed by individual Unit Owners.

The policy includes officers' and directors' liability and rent coverage, water damage coverage, elevator collision coverage, boiler and machinery coverage, excess liability coverage, auto liability coverage, fidelity bond coverage and garage keeper's liability. These coverages are not included in the budget. They, however, may be available at extra cost.

Purchasers are advised of the desirability of obtaining additional insurance, at their own cost and expense, to cover such risks as fire and casualty losses to Unit contents, replacements, additions, up-graded fixtures and improvements, and liability coverage for occurrences within the Unit or, where applicable, on the Limited Common Elements pertinent to the Units.

7. Legal and Accounting Fees. Based upon a quote from Eric Krupnik, located at 852 Avenue Z, Brooklyn, NY 11235, $500.00 of the budgeted item will be used for preparation of certified financial statement for the first year of operation and City, State and Federal tax returns. The balance of the budgeted figure, $500.00, anticipates minor legal services during the first year of operation, but would be insufficient to cover any substantial litigation.

8. Labor. Due to the size of the Building, a janitor who resides within two hundred (200) feet of the Building will be required. The janitor, on behalf of the Unit Owners, will perform maintenance services to the Common Elements of the Condominium, specified in New York City Housing and Maintenance Code. The relevant provisions of the Code are located in Part II of the Plan. The Sponsor's figure assumes that the janitor will work 10 hours per week, and will receive $10.00 per hour.

9. Management. Due to the size of the Building, it is expected that the Building will be self-managing. Since the Building is self-managing, the Unit Owners will collect maintenance, pay the condominium's bills and manage day to day operations of the condominium. In the event the Board of Managers should, at any time, employ a managing agent, this will represent an additional cost of approximately **$3,600.00, which would require a concomitant increase in common charges.**

10. Contingency Fund. The contingency fund is intended to provide for any unanticipated expenses or unanticipated increases in the projected expenses. The contingency fund is not intended as a reserve for capital expenditures. The budget does not provide for a reserve for capital expenditures.

SCHEDULE B-1

BUDGET FOR INDIVIDUAL ENERGY COSTS FOR FIRST YEAR OF CONDOMINIUM OPERATION
November 1, 2007 – October 31, 2008

Cost of Electricity for each Unit

Unit	KWH Used	Price per KWH	Cost Of Electricity	Tax	Inflation	Total Monthly Cost (No Inflation)	Total Monthly Cost (inflation)	Total Annual Cost (No Inflation)	Total Annual Cost (inflation)
1	720	$0.26	$187.20	$15.68	$20.29	$202.88	$223.17	$2,434.56	$2,678.02
2	720	$0.26	$187.20	$15.68	$20.29	$202.88	$223.17	$2,434.56	$2,678.02
3	720	$0.26	$187.20	$15.68	$20.29	$202.88	$223.17	$2,434.56	$2,678.02
4	720	$0.26	$187.20	$15.68	$20.29	$202.88	$223.17	$2,434.56	$2,678.02
5	720	$0.26	$187.20	$15.68	$20.29	$202.88	$223.17	$2,434.56	$2,678.02
6	720	$0.26	$187.20	$15.68	$20.29	$202.88	$223.17	$2,434.56	$2,678.02
7	720	$0.26	$187.20	$15.68	$20.29	$202.88	$223.17	$2,434.56	$2,678.02
8	720	$0.26	$187.20	$15.68	$20.29	$202.88	$223.17	$2,434.56	$2,678.02
9	720	$0.26	$187.20	$15.68	$20.29	$202.88	$223.17	$2,434.56	$2,678.02
10	720	$0.26	$187.20	$15.68	$20.29	$202.88	$223.17	$2,434.56	$2,678.02
11	740	$0.26	$192.40	$15.68	$20.81	$208.08	$228.89	$2,496.96	$2,746.66
12	740	$0.26	$192.40	$15.68	$20.81	$208.08	$228.89	$2,496.96	$2,746.66

Cost of Heat and Hot Water for each Unit

Therms Used	Cost of Heat	Tax	Inflation	Annual Cost
1,800.00	$3,114.00	$124.56	$311.40	$3,549.95

1. Each Unit will be responsible for the cost of natural gas (heating, hot water and cooking) and for the cost of electricity supplied to his Unit. Each Unit will be individually metered and charges will be payable to the utility company.

2. The above figures have been determined by the current cost of gas and electricity as set forth by Keyspan Energy and Consolidated Edison of New York. The figures are based upon $1.73 per therm used and $0.26 per KWH used.

3. The above figures do not include gas used for cooking or any other purpose.

4. The sales tax is calculated as the rate of 4% and an inflation adjustment of 10%.

Yevgeny Tsyngauz, Esq.
1635 Bath Avenue
Brooklyn, NY 11214
(718) 621-6600

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

February 15, 2007

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

Re: The Kelly Park Condominium
1824 East 17th Street
Brooklyn, New York

Dear Sir/Madam:

I am the attorney for the Sponsor and I have had five (5) years of experience in preparing contracts of sale and closing tile to the condominium units and as such have requisite experience to prepare this compliance letter. I am not the selling agent or managing agent for the above-referenced property.

I have reviewed the pertinent data with respect to the fair value of the units and other pertinent information with respect to the units. Based on these factors, and the annexed letter of Alex Vayntraub, the allocation of common interest is being made pursuant to Real Property Law Section §339-i(1) subparagraph (i), which provides:

"(i) Such interest shall be in the approximate proportion that the fair value of the unit at the date of declaration bears to then aggregate fair value of all the units."

I certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing this letter is not contingent on the conversion of the property to a condominium or on the profitability of the offering.

Very Truly Yours

Yevgeny Tsyngauz

Atlantic Properties Realty Inc
2315 Avenue U
Brooklyn, NY 11229
(718) 743-1414

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

February 1, 2007

Homecrest Building Development, LLC
79 Brighton 11th St. Ste 4B
Brooklyn, New York, 11235

Attn.: Dmitry Serebryany

Re: The Kelly Park Condominium
1824 East 17th Street
Brooklyn, New York

Dear Mr. Serebryany:

You have requested an opinion from me with regards to your allocation of common interest to units in your proposed condominium at 1824 East 17th Street, Brooklyn, New York, pursuant to Section 339-i(1)(i) of the New York Real Property Law. You have informed me that the method of allocation chosen is to evaluate the approximate fair value of the individual unit in proportion to the anticipated aggregate fair value of all units on the day the condominium declaration will be filed. You have further informed me that the factual basis of calculating the percentage of common interest consists of the size, layout, and location within the premises of each individual unit; and, the anticipated selling price of each unit. Based on my review of the foregoing factors, I have concluded that the proposed allocation of common interest to individual units is in compliance with Section 339-i(1)(i) of the New York State Real Property Law.

I have been a licensed real estate broker and salesman in excess of 10 years and have extensive experience in the sale, management and rental of cooperative and condominium units in Kings County. I have previously participated in the preparation of individual unit value appraisals for the purpose of inclusion in offering plans for the sales thereof. I am not, in any way, associated with you or any other participants in this project, and have no beneficial interest in your business, or in profitability of the project. This is an opinion only as to the relative value of each unit in relation to the value of the project as a whole; is strictly based on the information provided to me in such reasonable inquiries as to the validity thereof as I deemed appropriate under the circumstances; and is not intended as a guarantee of the actual value of any individual unit. I consent to the inclusion of this letter in your offering plan.

Sincerely,

29 ALEX VAYNTRAUB

CHANGES IN PRICES AND UNITS

Changes in Prices

The offering prices set forth in Schedule A may only be decreased or increased by a duly filed amendment to this Plan when the change in price is an across the board change affecting one or more lines of Units or Unit models, or is to be advertised in a newspaper or other media, or when the change in price is a price increase for an individual Purchaser. As set forth in the footnotes to Schedule A offering prices are negotiable, and the Sponsor may enter into a Purchase Agreement to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment to the Plan.

In addition, the Sponsor may offer an individual prospective Purchaser other inducements to purchase a Unit, such as reimbursement of Common Charges for a period of time, construction allowances for optional items, or extensions of time periods in the Purchase Agreement to close.

Changes in Units

The Sponsor represents that no changes will be made in the size and number of Units, their respective percentage of Common Interests, or in the amount and quality of Common Elements except by amendment to the Plan. In the event that the Declaration has already been filed at the time of such change, the Declaration will also be appropriately amended with the consent of all Unit Owners directly affected.

No material change in the size or layout of a Unit, or in the percentage of Common Interest directly affecting a Unit will be made with respect to a Unit for which a Purchase Agreement has been executed and delivered to the Sponsor and the Purchaser thereunder is not in default, unless the Purchaser consents thereto.

No material change in the size or in the quality of Common Elements will be made, unless all Purchasers consent.

PROCEDURE TO PURCHASE

The form of the Purchase Agreement is contained in Part II of the Plan. When a prospective Purchaser has decided to purchase a Unit, a Purchase Agreement in substantially such form will be executed in quadruplicate and returned with deposit to the Sponsor's attorney, Yevgeny Tsyngauz, Esq., with offices at 1635 Bath Avenue, Brooklyn, NY 11214. Such Purchase Agreement will not be binding upon the Sponsor until a copy executed by the Sponsor is delivered to the Purchaser.

Among the important provisions of the Purchase Agreement are the following (the Sponsor is sometimes hereinafter called as "Seller"):

1. Deposit. The required deposit will be ten (10%) percent of the purchase price. However, such deposit may be increased for special work or materials (if offered) ordered by the Purchaser and itemized in the Purchase Agreement. Such deposit may also be decreased as an accommodation to the Purchaser, but in no case will deposit be less that $1,000.00.

2. Statutory requirement. The Sponsor will comply with the escrow and trust fund requirements of Sections 352-e(2-b) and 352-h of the General Business Law and Part 20 of Title 13 NYCRR, and all funds paid by Purchasers will be handled in accordance with these statutes and regulations.

3. Escrow, trust fund.

(i) All deposits or advances made by Purchasers prior to closing of each individual Unit, whether received before or after the date of consummation of this Plan, shall be placed within five (5) days after the Purchase Agreement is signed by the Purchaser and the Sponsor, in a separate Interest-On-Lawyer's-Account ("IOLA") pursuant to Section 497 of Judiciary Law. The name of the account is "Yevgeny Tsyngauz, Esq., IOLA", and the number of the account is [redacted]. The account is maintained in JPMorgan Chase Bank at 8523 Bay Parkway, Brooklyn, New York 11214 (the "Bank"). The Bank is covered by federal bank deposit insurance to a maximum of $100,000.00 per individual depositor.

(ii) All funds received from Purchasers whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be made payable to or endorsed to the order of "Yevgeny Tsyngauz, as escrow agent".

(iii) Only Yevgeny Tsyngauz, Esq. and Mikhail Litt, Esq., whose office address is 1635 Bath Avenue, Brooklyn, New York 11214 and telephone number is (718) 621-6600 (the "Escrow Agent"), shall be a signatories on the account and shall be authorized to release funds.

(iv) The form of the Escrow Agreement is contained in Part II of the Plan.

(v) Within ten (10) business days after tender of the deposit submitted with the Purchaser Agreement, the Escrow Agent will notify the Purchaser that such funds have been deposited in the Bank, and will provide the Purchaser with the account number. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the

deposit, he or she 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 Part 20 of Title 13 NYCRR and requisite notice was timely mailed to the Purchaser.

Before funds are transferred to a new account, or if the Escrow Agent is replaced, the Plan will be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as was originally provided. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in writing the use of such alternate form of security.

(vi) Under no circumstances will the Sponsor apply for release of the escrowed funds of a defaulting Purchaser until after the consummation of the Plan. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to Section 352-h of the General Business Law.

The Escrow Agent will hold funds in escrow until

(a) a writing signed by both the Sponsor and the Purchaser directing the release of funds; or
(b) a determination of the Attorney General pursuant to the dispute resolution provisions contained in (vii) below; or
(c) a judgment or order of a court of competent jurisdiction; or
(d) if there is no written agreement between the Sponsor and the Purchaser 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 contained in Part 20 of Title 13 NYCRR and has so notified the Escrow Agent in accordance with such provisions;

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

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

(vii) In the event of a dispute, the Sponsor will apply and the Purchaser or the Escrow Agent holding the deposits in escrow may apply to the Attorney General for a determination on the disposition of the deposit and any interest earned thereon. A form for this purpose is contained in Part II of the Plan. The party applying for a determination will contemporaneously send to all other parties a copy of such application.

Pending the determination of the Attorney General to grant or deny the application, the Sponsor, the Purchaser or the Escrow Agent will abide by any interim directive issued by the Attorney General.

If the application permitting release of funds is granted, the deposit and any interest earned thereon will be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted.

The Attorney General will act upon the application within 30 days after its submission to the Department of Law, by either making a determination or notifying the parties that an extension of time in which to do so is necessary for stated reasons.

If the application seeking release of funds is denied, the Escrow Agent will continue to hold the deposit and any interest earned thereon until:

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

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

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

(viii) Any provision of any contract or agreement, whether oral or in writing, by which the Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. This provision will prevail over any conflicting or inconsistent provision in the Offering Plan or in a Purchase Agreement.

(ix) The Sponsor may amend the Plan to provide for surety bond or letter of credit in lieu of continuing to maintain the funds in the escrow account.

4. Compliance with Section of 71-a(3) of the Lien Law.

The Plan and the Purchase Agreement comply with Section of 71-a (3) of the Lien Law or other applicable provisions of law.

5. Default of the Purchaser. In the event of an uncured default by the Purchaser in his obligations under the Purchase Agreement, no more than ten (10%) percent of the purchase price may be retained as liquidated damages. Notwithstanding the above, the actual cost incurred by the Sponsor for any special or custom work in the Unit ordered by the Purchaser may

also be retained as liquidated damages. The Sponsor agrees not to seek the remedy of specific performance in connection with the Purchase Agreement as to which there has been a default by the Purchaser.

If the Purchaser defaults under the Purchase Agreement, the Sponsor shall notify the Purchaser in writing of such default and advise the Purchaser that he or she has thirty (30) days from the mailing date or personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR THE PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD.

"Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date or personal delivery of such written notice, the Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. In such event the monies held by the Sponsor, but not more than ten (10%) percent of the purchase price, and any other sums incurred by the Sponsor for any special or custom work in the Unit ordered by the Purchaser, will be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement will become null and void. The Sponsor waives any right to seek specific performance in the event of a default by the Purchaser.

6. Closing of Title. After the Plan has been declared effective and a certificate of occupancy for the Building has been issued, the Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first closing and setting such Purchaser's closing date. The closing date shall be no earlier than thirty (30) days after the date on which written notice is given to the Purchaser. However, the Purchaser may waive this 30-day requirement to a lesser time period.

The Purchaser will be allowed one reasonable adjournment of up to fifteen (15) days, on five (5) days' written notice by the Purchaser to the Sponsor.

The Sponsor expects the first closing of title to occur on November 1, 2007. If such date is delayed twelve (12) months or more, the Purchaser may cancel the Purchase Agreement on fifteen (15) days' written notice by the Purchaser to the Sponsor.

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

7. Power of Attorney. At the closing of title to the Unit, the Purchaser will be required to sign a power of attorney to the Board of Managers of the Condominium, and return it to the Sponsor. If the Purchaser refuses to either sign the power of attorney or return it to the Sponsor, he or she will be in a default of his obligations under the Purchase Agreement.

The power of attorney provides that the Purchaser nominates, constitutes and appoints the persons who may from time to time constitute the Board of Managers of 1824 East 17th Street Condominium, jointly, true and lawful attorneys-in-fact for the Purchaser, coupled with an interest, with power of substitution, to acquire, in their own name, as members of the Board of

Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in the Property, in accordance with their Common Interests, any Unit whose Owner desires to abandon or sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of the sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the Declaration of the Condominium or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact shall, in their sole discretion, deem proper, and thereafter to convey, sell, lease, sublease, mortgage or otherwise deal with any such Units so acquired by them (but not to vote the votes appurtenant thereto), on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the Purchaser could do if the Purchaser were personally present.

8. Rescission of the Purchase Agreement. At the Sponsor's option, the Purchaser will be afforded:

(i) not fewer than seven (7) days after delivering an executed Purchase Agreement together with the required deposit to rescind the Purchase Agreement and have the full deposit refunded promptly. The Purchaser must either personally deliver a written notice of rescission to the Sponsor or Selling Agent within the seven (7) day period or mail the notice of rescission to the Sponsor or Selling Agent and have the mailing post-marked within the seven (7) day period; or

(ii) not fewer than three (3) business days to review the Plan and all filed amendments prior to executing a Purchase Agreement.

9. Risk of Loss. Risk of loss for fire or other casualty remains with the Sponsor unless and until the Purchaser takes actual possession of a Unit pursuant to an interim lease (or written agreement with the Sponsor) or legal title to the Unit has been conveyed to the Purchaser.

10. Financing Contingency. The Purchase Agreement **is not** contingent upon the Purchaser obtaining a mortgage commitment.

11. Conflicts. Any conflict between the Plan and the Purchase Agreement will be resolved according to the terms of the Plan.

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

(a) accept the Purchase Agreement and cause to be returned to the Purchaser the fully executed counterpart thereof, or
(b) reject the Purchase Agreement offer and refund the deposit tendered.

If the Sponsor takes no action within said thirty (30) day period, the Purchase Agreement shall be deemed null and void.

13. Assignment of Purchase Agreements. Purchase Agreements are not assignable without the Sponsor's written consent which may be withheld for any reason or for no reason.

14. Effectiveness of the Plan. The Purchase Agreement is contingent upon effectiveness of the Plan. If the Plan is abandoned, the Purchase Agreements will be cancelled and the deposit returned to the Purchaser.

15. Condition of the Unit. The Purchaser will accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit or the Building in which it is located or (b) other Units or (c) other portions of the Common Elements have not been completed. The Purchaser will represent to the Sponsor that that he has examined the Unit and that his execution of the Purchase Agreement will constitute acceptance of the Unit and the Buildings and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein, in their present condition on the date of the Purchase Agreement, subject to reasonable use, wear, tear and natural deterioration between the date of the Purchase Agreement and the Closing Date and subject to any other obligations of the Sponsor under the terms of the Plan. See Paragraph 18 of the Purchaser Agreement in Part II of the Plan.

16. Inability to Perform. The Sponsor's liability under the Purchase Agreement for failure to complete and/or deliver or have delivered title for any reason whatsoever shall be limited to the return of the money deposited thereunder, and upon the return of said money, the Purchase Agreement will be null and void and the parties released from any and all liability hereunder. The Sponsor will not be required to bring any action or proceeding or otherwise incur any expense in excess of $29,628.33(i.e. one-half of 1% of the total offering amount), excluding legal fees, to render the title to the Unit marketable or to cure any objection to title. See Paragraph 20 of the Purchaser Agreement in Part II of the Plan.

17. Fixtures. The Sponsor will provide the Purchaser only with the fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in the purchase price of the Unit.

The New York City requires the installation of carbon monoxide detectors by owners of multiple dwellings. Prior to the closing, the Sponsor will provide each Purchaser with the carbon monoxide detector.

EFFECTIVE DATE

The Sponsor's offer to sell the Units hereunder is contingent upon the Plan being declared effective in accordance with relevant conditions and time periods. All Purchase Agreements are contingent upon such effectiveness. In declaring the Plan effective, the following will govern:

1. The closing of the first Unit will not occur until the Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

2. Pursuant to the regulations, the plan may be declared effective when bona fide purchasers, including investors, have signed purchase agreements for at least 15% of the units, which is equal to two (2) Units offered under this Plan. Units of a primarily ancillary nature such as parking spaces may not be counted toward effectiveness. These units are excluded from the base in calculating the percentage needed to become effective.

In order to be counted toward the foregoing effectiveness threshold, a purchase agreement must be in writing and signed by bona-fide arms-lengths purchaser or purchasers. A Bona-fide arms-lengths purchaser is a purchaser who negotiates and buys the unit in good faith, honestly, openly and sincerely, without deceit and fraud.

The Plan must be declared effective when the Purchase Agreements have been accepted by the Sponsor for eighty (80%) percent or more of the Units, which is equal to twelve (12) Units offered under the Plan.

3. The Plan will not be declared effective based on the 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 at least three (3) business days to review the Plan and all filed amendments prior to executing a Purchase Agreement; 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 or the Selling Agent or the managing agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner, 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.

4. If the Sponsor, at its option, abandons the Plan before the Plan is declared effective, within twenty (20) days after abandonment, all monies paid by Purchasers will be refunded to them in full, with interest earned, if any. The Sponsor shall promptly file an amendment together with form RS-3 as required by Section 20.1(l)(2) of the Regulations

Governing Newly Constructed, Vacant or Non-Residential Condominiums (Part 20 of Title 13 NYCRR).

5. The Sponsor may not abandon the Plan after effectiveness for any reason other than:

(i) a defect in title which cannot be cured without litigation or cannot be cured for less than $29,628.33, i.e. one-half of 1% of the total offering amount;

(ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than $29,628.33, i.e. one-half of 1% of the total offering amount;

(iii) the taking of any material portion of the Property by condemnation or eminent domain.

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

6. The Plan will be declared effective either by (i) an amendment to the Plan or (ii) by written notice sent by mail or personally delivered to every purchaser. If the Plan is declared effective by notice, then within five (5) days after service of such notice, an amendment to the Plan reflecting that it has been declared effective will be submitted for processing to the Department of Law.

TERMS OF SALE

The term "Closing of Title" (alternatively called simply as "closing") as used herein is intended to signify the passage of title to a particular Unit or Units from the Sponsor to the Purchaser(s) thereof.

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

2. Risk of loss for fire or other casualty remains with the Sponsor. However, a person who takes possession prior to the closing assumes the risk of losses not covered by insurance.

3. Prior to closing the first Unit, the Sponsor will obtain a permanent certificate of occupancy for the Property or, alternatively, obtain a temporary or partial certificate of occupancy for the Unit or the Building in which the Unit to be closed is located. The Sponsor will obtain a permanent certificate of occupancy for the Property within two (2) years of closing title to the first Unit, and in any event, before expiration of applicable temporary or partial certificate, as same may be renewed, replaced or extended.

4. Title to each Unit and its Appurtenant Interest in the Common Elements will be conveyed at closing free and clear of all leases, mortgages and liens but subject to:

i. The terms, provisions, covenants and options contained in the Declaration of the Condominium and the By-Laws as set forth in Part II of the Plan;

ii. Power of Attorney as set forth in Part II of the Plan from the Unit Owner to the members of the Board of Managers of Condominium and their successors;

iii. Any state of facts which an accurate survey and inspection of the Unit would show, provided same does not render title unmarketable;

iv. State of facts of the Land and Building of which the Unit is a part as shown on the survey made and any additional state of facts which a subsequent and accurate survey of such Land and Building would show provided same does not render title unmarketable;

v. Building restrictions and zoning laws and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction;

vi. Any easement or right of use in favor of any utility company for construction, use, maintenance, repair and replacement of all utility lines, wires, terminal boxes, main pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Land and Building;

vii. Revocability of licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax (which is to be paid by the Condominium Board);

viii. Encroachments of stoops, areas, cellar steps or doors, trim, cropings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and standpipes, and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the property and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any;

ix. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title;

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

xi. Any encumbrance as to which the title insurance company which insures Purchaser's title to the Unit would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien and (b) will not prevent the use of the Unit for dwelling purpose;

xii. Any violations against the Property (other than the Unit) which are the obligation of the Condominium Board or another Unit Owner to correct;

xiii. Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring Purchaser's title to the Unit;

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

5. 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 is included in the conveyance in the conveyance unless specifically excepted in this Plan.

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

7. At the time of conveyance of the first Unit and release of such Unit from the lien of its mortgage, the Sponsor's lender, Oscar Kitsis and Ada Kitsis, ("Kitsis"), will execute and deliver to the Sponsor a subordination agreement (in recordable form) subordinating the lien of its mortgage to the Declaration of Condominium, By-Laws and other condominium documents establishing the Condominium and the Units.

Upon the sale of each Unit, the Sponsor shall be entitled to a release of such Unit from the lien of the lender's mortgage immediately upon satisfaction of the following conditions:

(a) the Sponsor is not in default with respect to any of its obligations set forth in the mortgage or in any of the other loan documents;
(b) the building contains twelve apartment (residential) units; and
(c) the Sponsor pays to the lender a release payment (the "Release Payment") in the amount of $360,000.00, simultaneously with the closing of such sale.

UNIT CLOSING COSTS AND ADJUSTMENTS

Closing Costs

1. General. At the time of closing, each Purchaser of a Unit will pay certain closing costs in addition to the legal fees of such Purchaser's counsel and the amount of any net credit in favor of the Sponsor resulting from the closing adjustments described below. Such closing costs will include the following, the amounts of which are based on rates in effect on the date of the Plan and are subject to change without prior notice or amendment:

(1) If such Purchaser elects to obtain fee title insurance, he or she will pay a premium therefor to his or her title insurance company which will vary depending upon the amount of insurance requested. The premium for fee title insurance offered by Stewart Title Insurance Company shall be $342.00 for the first $35,000.00 and an additional fee insurance of $5.67 for each $1,000.00 or fraction thereof from $35,001.00 to $50,000.00 and an additional fee insurance of $4.62 for each $1,000.00 or fraction thereof from $50,001.00 to $100,000.00 and an additional fee insurance of $3.71 for each $1,000.00 or fraction thereof from $100,001.00 to $500,000.00 and an additional fee insurance of $3.39 for each $1,000.00 or fraction thereof from $500,0001.00 to $999,999.00;

(2) A fee for recording the deed and Unit Owner's Power of Attorney of $15.00 for each instrument plus $8.00 per page, together with a service charge to the title company for such recording of approximately $10.00-$15.00 per instrument;

(3) If a Purchaser obtains a mortgage loan, he or she will pay:

(a) a fee and service charge for recording the mortgage at the same rates given above for recording the deed;

(b) a mortgage recording tax in the amount provided for by law (at the date of the Plan, the tax is 1.8% of the face amount of the mortgage for mortgages up to $500,000.00 and 1.925% for mortgages of $500,000.00 or more);

(c) a premium for the mortgage title insurance policy;

(d) all costs and expenses in connection with such loan in amounts determined by the lender, including without limitation, loan origination fees, commitment fees, application fees, appraisal fees, credit reports, lender attorney fees, tax service fees, underwriting fees, messenger fees, bank document preparation fees and escrow reserve for the payment of annual real estate taxes and PMI premiums. **SPONSOR MAKES NO REPRESENTATION OR WARRANTY AS TO SUCH LENDER'S CLOSING COSTS OR EXPENSES OR AS TO THE AVAILABILITY OF SUCH FINANCING.**

(4) Although usually the Seller's expense, the Purchaser shall pay the New York City Real Property transfer tax due to the City of New York. This tax is in the amount of one percent (1.00%) of the total purchase price of the Residential Unit up to $500,000.00 and 1.425% of the total purchase price of the Unit of $500,000.00 or more. The Purchaser will also pay the New York State deed documentary stamps (currently $2.00 pre $500.00, or fractional portion thereof of the purchase price). The amount of such real property transfer tax and deed documentary stamps are added to the purchase price as additional consideration upon which such real

property transfer tax and deed documentary stamps is based. The total amount of such transfer tax and deed documentary stamps are then added to the purchase price and the transfer tax and transfer tax and deed documentary stamps is calculated in accordance with the percentages ser forth above.

(5) The Purchaser will be required to deposit the sum of $750.00 with the Board of Managers for the initial contribution to the working capital fund.

(6) The Purchaser shall be obligated to pay a fee of $1,500.00 to Yevgeny Tsyngauz, Esq. for services rendered in connection with the preparation of the closing documents and the conduct of the closing, plus an additional $250.00 if the closing takes place outside the office of Sponsor's attorneys and an additional $250 if the Purchaser fails to close on the date set forth in the notice of closing. Furthermore, the sponsor's attorney shall allocate two hours for the closing. If through no fault of the sponsor the closing exceeds two hours the purchasers will be required to reimburse the sponsor's attorney a fee of $100.00 for every half hour, or fraction thereof, which the closing exceeds the two hour limit.

(7) The Purchaser will be required to pay the Sponsor a fee of one percent (1%) of the purchase price for obtaining a tax abatement and $750.00 for the survey and the installation of the water meter for the Condominium;

(8) The Purchaser will also pay to the Sponsor $1,000.00 as partial reimbursement for the cost of preparing the Plan.

The above closing fees are cumulative to the extent applicable to an individual Unit.

2. Mortgage Tax Credit

Section 339-ee(2) of the Real Property Law provides as follows:

"In the event the proceeds of a construction mortgage were applied to construction of a unit of condominium submitted to the provisions of this article, or in the event that a Unit submitted to the provisions of this act was subject to a blanket mortgage, and a mortgage tax was duly paid on such construction or blanket mortgage in accordance with article eleven of the tax law, then, as each unit is first conveyed, there shall be allowed a credit against the mortgage recording taxes that would otherwise be payable on a purchase money mortgage, said credit to be in the amount resulting from the product of the Purchaser's pro rata percentage of interest in the common elements and the mortgage tax already paid on the construction or blanket mortgage."

In the event that a mortgage tax credit becomes available, pursuant to the above Section, it is specifically understood that such credit shall inure to the benefit of the Sponsor. Accordingly, at closing, each Purchaser obtaining a mortgage shall pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. The Sponsor at closing will be reimbursed to the extent of any mortgage tax credit allowed.

3. Example of Closing Costs for One of the Units of the Condominium

Unit 1

$481,156.50 Purchase Price
$384,925.20 Loan Amount, if applicable

Title Insurance Fee (Owner's Policy)	$2,070.00
Title Insurance (Loan Policy), if applicable	$507.00
Title Search	$500.00
Deed and Power of Attorney Recording	$225.00
Mortgage Recording Tax, if applicable	$6,929.00
Mortgage Recording	$250.00
New York City Transfer Tax	$4,812.00
New York State Deed Documentary Stamps	$1,925.00
Working Capital Fund Contribution	$750.00
Document Preparation Fee	$1,500.00
Tax Abatement Fee	$4,811.50
Survey and Water Meter	$750.00
Offering Plan Reimbursement Fee	$1,000.00
Total:	$26,029.50

Closing Adjustments

At the closing of the title to each Unit, the Sponsor and the Purchaser shall apportion, as of midnight of the day preceding the closing: (i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal or calendar year for which assessed, and escrows for real estate taxes, if any; (ii) Common Charges for the month in which title closes; and (iii) insurance premium.

In the event that Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, the Sponsor will place in escrow in the name of the Board of Managers an amount equal to the real estate taxes attributable to the Unsold Units, which will be levied against the parcel for the six month period following the first closing, or until the Units are separately assessed, whichever is sooner, and will collect at each Unit closing the estimated amount of taxes attributable to such Unit for the balance of the six month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the Sponsor will be entitled to reimbursement from Unit Owners to the extent of the actual assessment.

In the event that the Unit has not been separately assessed for the then current fiscal tax year at the time of closing, the apportionment of real estate taxes will be based on the Unit's pro rata share (in proportion to its Common Interest) of the then current real estate taxes assessed against the Property. Installments for tax assessments due after delivery of the deed (if any) shall be paid by the Purchaser and shall not considered a defect in title.

Late Fees and Defaults

If the purchaser fails to close on the scheduled Closing Date for any reason, then (i) the closing adjustments shall be made as of the midnight of the day preceding the date originally scheduled for the closing date, and (ii) the purchaser shall pay to sponsor, as a late fee, an amount equal to .4% times the unpaid portion of the purchase price for his or her unit for each day's delay, beginning with the date originally scheduled for the closing date to and including the day immediately preceding the actual closing date. The provisions of this paragraph shall not be applicable if through no fault of purchaser; the sponsor postpones the Closing Date.

THE ENTIRE CONTENTS OF THIS SECTION, AS SAME MAY BE REVISED OR AMENDED, WILL BE DEEMED TO BE INCORPORATED IN THE PURCHASE AGREEMENT FOR EACH UNIT.

RIGHTS AND OBLIGATIONS OF SPONSOR

1. The Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all Residential Units to Purchasers for personal occupancy of Purchasers or their immediate family. 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 market value of the property increases to not less than 10% below the offering prices. Sponsor's good faith effort to sell to Purchasers will include listing Unsold Units with brokers, showing Unsold Units to broker and prospective Purchasers or their representatives, filing update amendments to the Plan and otherwise engaging in customary sales activities.

2. The Sponsor will defend any suits or proceedings arising out of the Sponsor's acts, omissions or representations and indemnify the Board of Managers and the Unit Owners.

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

3. All representations under the Plan, all obligations pursuant to the New York General Business Law and such additional obligations under the Plan, which are to be performed by the Sponsor subsequent to the closing date, will survive delivery of any Unit deed.

4. The Sponsor will pay all Common Charges, special assessments and real estate taxes with respect to Unsold Units. The Sponsor represents that the Sponsor has the financial resources to meet its obligations with respect to Unsold Units. The Sponsor will fund its financial obligations to the Condominium from its own existing capital. No bond or other security has been posted to secure Sponsor's obligations.

5. The Sponsor agrees to procure fire and casualty insurance, as set forth in Schedule B, pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance. Such insurance will provide that each Unit Owner and Unit Owner's mortgagee is an additional insured and that there will be no cancellation without notice to the Board of Managers and Unit Owners. The insurance policies will also contain waivers of subrogation, waivers of invalidity due to acts of insured and Unit Owners and waivers of pro-rata reduction of liability of the insurer due to other insurance carried by individual Unit Owners.

6. In the event of the dissolution or liquidation of the Sponsor or the transfer of twenty percent (20%) or more of the total number of the Units in the Condominium, the principal 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 Plan, applicable law or regulations.

7. The Sponsor does not intend to make a bulk sale of all or some of its Unsold Units. However, if the Sponsor does make a bulk sale of all or some of its Unsold Units, the transferee successor sponsor will be bound by the Sponsor's representations regarding its commitment to sell Units.

The Sponsor has obtained a construction loan from Oscar Kitsis and Ada Kitsis (Lender). Pursuant to the terms of the loan, the lender shall release its lien on any one condominium unit being conveyed. However this release is conditioned on the following:

(a) the Sponsor is not in default with respect to any of its obligations set forth in the mortgage or in any of the other loan documents;

(b) the building contains twelve apartment (residential) units; and

(c) the Sponsor pays to the lender a release payment (the "Release Payment") in the amount of $360,000.00, simultaneously with the closing of such sale.

8. The Sponsor will complete construction of the Building in accordance with all applicable zoning and building laws, regulations, codes and other government requirements as well as in accordance with the plans and specifications filed with the New York City Building Department and identified in the Plan. The Sponsor has a right to substitute equipment or materials and make modifications of layout or design of the Units, provided, however, that the Sponsor may not:

(a) substitute equipment or materials of lesser quality or design; or

(b) change the size or location of the Building or the 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 their Purchase Agreements and receive a refund of any deposit or downpayment thereunder.

9. Prior to closing the first Unit, the Sponsor will obtain a permanent certificate of occupancy for the Property or, alternatively, obtain a temporary or partial certificate of occupancy for the Unit or the Building in which the Unit to be closed is located. The Sponsor will obtain a permanent certificate of occupancy for the Property within two (2) years of closing title to the first Unit, and in any event, before expiration of applicable temporary or partial certificate, as same may be renewed, replaced or extended.

As to Units, which close prior to issuance of a permanent certificate of occupancy for the Property, the following will apply:

The Sponsor will maintain all deposits and funds received from Purchasers in the special escrow account as required by Section 352-e(2-b) of the General Business Law, unless the Sponsor's engineer, architect or other qualified expert certified that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent certificate of occupancy, in which case the sum exceeding the amount so certified by such engineer, architect or other qualified expert may be released from the special escrow account. Alternatively, the Sponsor may deposit with an escrow agent an unconditional, irrevocable letter of credit, post a surety bond in the amount so certified, or provide other collateral acceptable to the Department of Law.

10. All Units, Common Elements and Limited Common Elements offered pursuant to this Plan are sold as described in this Plan. Sponsor is obligated to construct the Building in accordance with all applicable codes and filed building plans and specifications.

The Sponsor will provide the Limited Warranty as required by Article 36-B of the General Business Law. The complete text of the Limited Warranty offered by the Sponsor is reprinted in Part II of the Plan.

11. The Sponsor will assign to the Purchaser, upon the closing of title to his Unit, all manufacturers' warranties with respect to equipment and appliances installed in his Unit. The Sponsor will assign to the Board of Managers, upon the recording of the Declaration, all manufacturers' warranties with respect to equipment and appliances installed in the Common Elements. The Sponsor undertakes to do the above only to the extent that warranties are actually made by such manufacturers and only to the extent such warranties are assignable.

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

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

14. Except as specifically set forth herein, no bond or other security has been furnished to secure the Sponsor's obligations including the Sponsor's obligations to complete construction of the Condominium.

15. The Sponsor's Rights of Access, Alterations, Repairs.

(a) General.

As a condition of the sale of Units pursuant to this Plan, the Sponsor reserves to himself, his successors, assigns, designees, invitees, contractors, agents, employees and tenants any and all easements and rights of access, in and to Units and Common Elements, consistent with the purposes of the Plan and the Sponsor's rights and obligations thereunder. For a more complete discussion, see the Declaration set forth in Part II of the Plan.

(b) Examples of Specific Easements and Rights of Access Reserved by Sponsor.

Without in any way limiting the generality of rights reserved in Paragraph (a) above; the Sponsor wishes to inform prospective Purchasers that such rights specifically include the following:

(1) The right to maintain general and sales and leasing office(s) and personnel on the premises, to post signs, and to conduct other activities in connection with promotion, sales or leasing, such as inspection and display of vacant or leased Units, as well as all Common Elements, by and to prospective Purchasers or lessees;

(2) Right of access in and to Units and Common Elements for purposes of construction, repair, correction, alteration, finishing and servicing the Property.

(3) Right to show vacant or leased Units.

(4) Utility and other easements for the benefit of Unit Owners and Common Elements.

(c) Alternations.

The Sponsor (and his successors, assigns and designees) shall have the right without the consent of the Board of Managers to alter any Unit(s) or Common Element(s) subject to filing amended plans and/or specifications, consistent with this offering and consistent with "Changes In Prices and Units" Section.

(d) Repairs, Interference

The Sponsor will repair damage resulting from the exercise of the above rights of access and to exercise such rights so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners.

The Sponsor will also repair damage from a casualty or other cause before the closing of a Purchaser's Unit. No Purchaser shall be required to accept a damaged Unit.

CONTROL BY SPONSOR

Title to all Units which have not been sold by the time of the first Unit closing will remain with the Sponsor or its designee(s) until such Units shall thereafter be sold to bona fide Purchasers. Such sales do not require a right of first refusal to the Board of Managers. Until the first annual meeting of the Condominium, the Board of Managers shall consist of three persons designated by Sponsor. Accordingly, until such first annual meeting, Sponsor will have absolute voting control of the Board of Managers and will thus have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners.

The Sponsor or Sponsor-designee will not retain voting control of the Board of Managers for more than five (5) years after the closing of the first Unit or whenever the Sponsor or Sponsor-designee shall transfer title to Units, the percentage Common Interest of which, in the aggregate, equals more than fifty (50%) percent, whichever is sooner. The Sponsor, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers the Sponsor will not use such vote to elect a particular individual to the Board of Managers which would, by the election of such individual, give the Sponsor voting control of the Board.

A meeting will be held to elect new members of the Board of Managers unrelated to the Sponsor within thirty (30) days of the expiration of the control period.

The Board of Managers currently consists of two (2) members designated by the Sponsor. They are Boris Revzin and Dmitriy Serebryany.

The number of Managers elected at the first meeting will be five (5).

So long as the Sponsor or Sponsor-designee will continue to own: (i) Units representing fifty (50%) percent or more in Common Interest (6 Units or more), the Sponsor or Sponsor-designee shall have the right to elect one less than a majority of the members of the Board of Managers, i.e. two (2) members; or (ii) Units representing less than fifty (50%) percent in Common Interest (less than 6 Units), the Sponsor or Sponsor-designee shall have the right to designate at least one (1) member of the Board of Managers.

As long as the Sponsor or Sponsor-designee shall continue to own Units, the percentage Common Interest of which, in the aggregate, equals more than twenty five (25%) percent, but in no event later than five (5) years following the closing of the first Unit, whichever is sooner, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) increase the number, or change the type, of employees provided for in Schedule B, (ii) make any addition, alteration or improvement to the Common Elements or to any Unit or (iii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed ten (10%) percent of the budgeted expenses of the Condominium or (iv) borrow money on behalf of the Condominium, except when necessary to comply with applicable law or regulations, or remedy any notice of violation or an insurer's

work order(s). As long as the Sponsor or Sponsor-designee shall continue to own a Unit, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) amend the Declaration, the By-Laws or the Rules and Regulations attached thereto so as to in any way adversely affect the Sponsor or Sponsor-designee or (ii) interfere with the offer and sale or leasing of Units or the operation of general, sales or leasing offices at the Property or interfere with actions necessary for construction, renovation, repair or correction at the Property, as required by the Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulations, or remedy any notice of violation or an insurer's work order(s). The Sponsor may not veto expenses described in Schedule B.

Members of the Board of Managers will serve without compensation, as will all officers of the Condominium.

Except for a member of the Board of Managers designated by the Sponsor or Sponsor-designee, a member of the Board of Managers may be removed from office with or without cause but the affirmative vote of Unit Owners owning more than fifty (50%) percent of the Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor or Sponsor-designee may only be removed by the Sponsor or Sponsor-designee and only they shall have the right to designate a replacement.

An officer may be removed with or without cause, by the affirmative vote of a majority of the members of the Board of Managers.

BOARD OF MANAGERS

The affairs of the Condominium will be governed by the Board of Managers in accordance with the By-Laws set forth in Part II of the Plan.

The number of Managers which shall constitute the whole Board of Managers will not be less than three (3) and not more than five (5). Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose, Managers need not be Unit Owners; thereafter, all Managers, other than representatives of the Sponsor, will be Unit Owners, the principal or officer of a Unit Owner or the spouse of a Unit Owner.

The By-Laws of Condominium don't provide that after the initial sponsor control period expires the majority of the Board of Managers must be comprised of owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals.

The first Board of Managers shall consist of two (2) members designated by the Sponsor, and they are Boris Revzin and Dmitriy Serebryany. Boris Revzin and Dmitriy Serebryany are the principles of the sponsor.

Within sixty (60) days after the closing of title to Units whose aggregate Common Interest equals more than fifty (50%) percent, the Sponsor will call a special Unit Owners meeting for the purpose of electing a Board of Managers pursuant to Section I of the By-Laws. At such meeting, the Board of Managers will resign and a new Board will be elected by the Unit Owners. Thereafter, annual meetings will be held on or about the anniversary of such date each succeeding year. At such meetings, there will be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of the By-Laws.

The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on his or their behalf, who need not be an Owner, will be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy will be made in writing but need not be acknowledged or witnessed and will be filed with the Secretary at or previous to the time of the meeting and will be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of Unit Owners. For voting purposes, the percentages of Common Elements in Schedule A are rounded up to the nearest whole number. The Owners of each Unit (including the Sponsor or Sponsor-designee, if the Sponsor or his designee will then own one or more Units) will be entitled to cast one vote for each 1% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to a vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Unit Owner: (i) will be entitled to one vote for each 1% of Common Interest attributable to his Unit per member to be elected, and (ii) will not have the right to cumulate his votes in favor of any one or more members to be elected. If one or more Units are owned by more than one person as joint tenants, tenants-in-common, tenants by the entirety or in the name of a corporation or partnership or other entity permitted for herein, the persons owning said Unit will agree among themselves and cast the votes for their Unit. A fiduciary will be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or his designee will not be entitled to vote.

The members of the Board of Managers will not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners will indemnify and hold harmless each of the members of the Board of Managers against any liability or claims except those arising out of the bad faith or willful misconduct of the members of the Board of Managers. It is intended that the members of the Board of Managers will have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers who are members of the Sponsor, to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers will be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager, on behalf of the Condominium, will provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and will have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder will be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

The principal officers of the Condominium will be the President, the Vice President, the Secretary and the Treasurer, all of whom will be elected by the Board of Managers. The Board of Managers may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, each must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. The officers of the Condominium will be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and will hold office at the pleasure of the Board of Managers and until their successors are elected.

The President will be the chief executive officer of the Condominium. He will preside at all meetings of the Unit Owners and of the Board of Managers. He will have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to, the power to appoint members of committees created by the Board of Managers from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

The Vice President will take the place of the President and perform his duties whenever the President will be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers will appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice President will also perform such other duties as will from time to time be imposed upon him by the Board of Managers or by the President.

The Secretary will keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he will have charge of such books and papers as the Board of Managers may direct; and he will in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

The Treasurer will have the responsibility for Condominium funds and securities and will be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He will be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he will, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

The officers of the Condominium will have the same rights and liabilities as the members of the Board of Managers regarding their personal liability to the Condominium and indemnification by the Unit Owners.

No officer or member of the Board of Managers will receive any salary or compensation from the Condominium for his services as Officer or Manager.

Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers. Notice of special meetings shall be given by mail, telegraph or personal delivery to each member of the Board of Managers and shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers will be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Managers.

It will be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners as defined in Article III of the By-Laws having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business will be transacted at a special meeting except as stated in the notice for such meeting.

Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor or Sponsor-designee, may be removed without cause by the affirmative vote of Unit Owners whose aggregate Common Interest exceeds fifty (50%) percent of the Common Interest of the Condominium, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners will be given an opportunity to be heard at the meeting. A member of the Board of Managers designated by the Sponsor or Sponsor-designee may only be removed by the Sponsor or a Sponsor-designee

and only they will have the right to designate a replacement. If a member of the Board of Managers ceases to be a Unit Owner, the principal or officer of a Unit Owner or the spouse of a Unit Owner, unless such member is the Sponsor or a Sponsor-designee, he will be deemed to have resigned, effective as of the date such ownership interest ceased.

The By-Laws may be modified or amended by the vote of 66 2/3% in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose. However, for as long as the Sponsor or his designee remains the Owner of one or more Units, the By-Laws, including the Rules and Regulations of the Condominium attached thereto, may not be amended or modified in any way so as to adversely affect the Sponsor or his designee, in the Sponsor's sole discretion, without the Sponsor's prior written consent.

The Declaration may be amended, modified, added to or deleted from by the affirmative vote of at least 66- 2/3 % in number and in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by 66- 2/3 % in number and in Common Interest of all Unit Owners, provided, however:

a. no amendment, modification, addition or deletion which shall adversely affect the lien of any mortgage may be made without the written consent of the mortgagee;

b. no amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner(s); no amendment which shall increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagee(s) of such Unit, or Units, if any;

c. no amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against Sponsor, its designee, or any Unsold Unit until Sponsor or such designee shall consent thereto in writing.

The Sponsor reserved to himself and his designee(s) the right to amend the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by Section 339-p of the Real Property Law for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p.

The Sponsor will pay for all costs involved in amending the Declaration.

No such amendment will be effective until recorded in the Kings County Office of the Register of the City of New York.

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

Sale or lease of Units by Unit Owners/Right of First Refusal

Each Unit Owner has the right to sell or lease his or her Unit subject to the following restrictions contained in Article VIII of the By-Laws:

Any Unit Owner who receives a bona fide offer for the sale of his Unit together with: (i) the undivided interest in the Common Elements and any Limited Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or his designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration (hereinafter collectively called the "Appurtenant Interests"); or a bona fide offer for a lease of his Unit (such proposed sale or lease, as the case may be is hereinafter called an "Outside Offer"), which he intends to accept, must give notice by hand or by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and must offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or his designee, corporate or otherwise, on behalf of the Owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice will constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers, on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may exercise a right of first refusal to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by his designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

In the event the Board of Managers elects to exercise a right of first refusal to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, or to cause the same to be purchased or leased by his designee, corporate or otherwise, title will close or a lease will be executed at the office of the attorneys for the Condominium in accordance with the terms of such offer but in no event less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner, if such Unit, together with the Appurtenant Interests, is to be sold, will convey the same to the Board of Managers, or to his designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and will pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner will execute and deliver to the Board of Managers, or to his designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or his designee, as tenant, covering such Unit, for the rental and term contained in such Outside Offer. The terms of the lease will not be subject to state or local law.

In the event the Board of Managers or his designee fails to notify the offering Unit Owner of its decision to accept such offer within thirty (30) days after receipt of notice as aforesaid or to notify the offering Unit Owner within such (30) day period of its decision not to accept such offer, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, within sixty (60) days after the expiration of the thirty (30) day period in which the Board of Managers or his designee might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such deed to any Outside Offeror will provide that acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease will be consistent with the By-Laws and will provide that it may not be modified, amended, extended or assigned, without the prior written consent of the Board of Managers, and that the tenant will not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, and that the Board of Managers will 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 default by the tenant in the performance of such lease. The form of any such lease for Residential Units will be the then current form of apartment lease recommended by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Board of Managers. In the event the offering Unit Owner will not, within such sixty (60) day period, contract to sell such Unit together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner will so contract to sell or lease his Unit within such sixty (60) day period, but such sale or lease will not be consummated pursuant to the terms of such Outside Offer, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another Outside Offeror on the same or other terms and conditions, the offering Unit Owner must be required to again comply with all of the terms and provisions of Article VIII of the By-Laws.

The above restrictions will not apply with respect to any sale or conveyance or lease by a Unit Owner of his Unit, together with the Appurtenant Interests, to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one or more of them, or to any Unit owned by the Sponsor or Sponsor-designee, or to the acquisition or sale of any Unit, together with the Appurtenant Interests, by a mortgagee herein authorized who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure or to the sale or lease of a Commercial Unit. However, the restrictions will apply with respect to any purchaser of a Unit from a mortgagee.

Any purported sale or lease of a Unit in violation of the above restrictions will be voidable at the election of the Board of Managers.

Acquisition or lease of Units by the Board of Managers, or his designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his ownership in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article VI of the By-Laws, or,

the Board of Managers, in its discretion, may borrow money to finance the acquisition or lease of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired or leased by the Board of Managers.

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

Mortgaging of Units by Unit Owners

No Unit Owner shall mortgage his Unit, except by a first and/or second mortgage made to a bank, savings bank, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of New York State, the United States or any other state, foreign banking corporation licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State, insurance company duly organized or licensed to do business in New York State or a purchase money mortgage made to the Sponsor, Sponsor-designee, or to the seller of the Unit. Any such mortgage must be substantially in the form on file with the Board of Managers, except for such changes or additions as may be required in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers. A mortgage may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval will be in the sole and absolute discretion of the Sponsor or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or assessments and discharge any liens therefor.

Common Charges and Assessments

No Unit Owner will be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he will have paid in full to the Board of Managers all unpaid Common Charges and assessments theretofore assessed by the Board of Managers against his Unit and until he will have satisfied all unpaid liens against such Unit, except permitted mortgages.

The Board of Managers will from time to time, at least annually, prepare a budget for the Condominium, determine the amount of Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners according to their respective Common Interests. The Board of Managers, in apportioning expenses for insurance on the Building may take into consideration higher premium rates on some Units than on others. The Board of Managers may also specially allocate and apportion profits and expenses to Residential and Commercial Units based on special or exclusive use or availability or exclusive control of particular Unit Owners in a manner different than in proportion to a Unit Owner's respective interest in the Common Elements. The Common Expenses will include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board

of Managers pursuant to the provisions of Section 2 of Article VI of the By-Laws and the fees and disbursements of the Insurance Trustee, if any. The Common Expenses will also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium for a general operating reserve, and for a reserve fund for replacements, to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or his designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale, together with such amounts as may be necessary to maintain such Unit(s). The Board of Managers will also, where necessary, impose an assessment or additional Common Charge in order to meet any unanticipated Common Expense. The Board of Managers will advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and will furnish copies of each budget on which such charges are based, to all Unit Owners and to their mortgagees, if so required.

The Sponsor or Sponsor-designee will be responsible for the Common Charges assessed against a Unit owned by it from the date of the first Unit Closing until such Unit is sold to a bona fide purchaser.

All Unit Owners will be obligated to pay the Common Charges assessed by the Board of Managers pursuant to the provisions of Section 1 of Article VI of the By-Laws at such time or times as the Board of Managers will determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VIII of the By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VIII hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in the By-Laws, provided that his Unit is free and clear of liens and encumbrances, other than permissible mortgages and the statutory lien for unpaid Common Charges, convey his Unit, together with the Appurtenant Interests to the Board of Managers, or his designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. A purchaser of a Unit will be liable for the payment of Common Charges assessed and unpaid against such Unit prior to the acquisition by him of such Unit, except that a mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit will not be liable for and such Unit will not be subject to a lien for the payment of Common Charges assessed prior to the foreclosure sale.

The Board of Managers will assess Common Charges against the Unit Owners from time to time at least annually and shall take prompt action to collect any Common Charges due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Managers will also take prompt action to collect any assessment due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date thereof. Common Charges and assessments must be paid by the fifth day of the month in which they are due or they will be deemed to be late. The Board of Managers will have the right to

place a lien against a Unit whose Owner fails to pay common charges for the Unit within fifteen days of same becoming due and payable.

In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by the Board of Managers, such Unit Owner will be obligated to pay interest at the highest legal rate on such Common Charges or assessments from the due date thereof, together with all expenses, including late fees charged by the Board of Managers and attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers will have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting in the payment of Common Charges or assessments will not be permitted to vote at any regular or special meeting of Unit Owners

In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner will be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action will be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, will have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same (but not to vote the votes appurtenant to). A suit to recover a money judgment for unpaid Common Charges will be maintainable without foreclosing or waiving the lien securing the same.

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 the Sponsor is more than 30 days in arrears of Common Charges while it is in control of the Board of Managers.

Repairs

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

All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting, decorating, maintenance and repairs of the exterior side of Unit entrance doors and windows and the replacements of the windows and Unit entrance doors will be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense will be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (a) by the Board of Managers as a Common Expense, if such Limited

Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, all necessary waterproofing of the Limited Common Elements except as set forth below, and the repair of any leaks that are not caused by the acts or omissions of the Unit Owner, having direct and exclusive access thereto), or (b) the Unit Owner having direct and exclusive access thereto at his sole cost and expense, if involving non-structural ordinary maintenance, repairs or replacements, including but not limited to painting, decorating and/or maintenance, waterproofing, repair and/or replacement of decking, tile or other terrace or roof deck surface adjacent to the Units, terrace or roof railings and/or means of roof or terrace access constructed or installed by or at the request of the Unit Owner, or as a result of the Unit Owner's negligence, misuse or neglect.

A Unit Owner must grant a right of access to his Unit, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building, or remedying any condition which would violate the provisions of any mortgage encumbering another Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by the By-Laws, provided that requests for entry will 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 will be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided for in Section 15 of the By-Laws, any costs for repairs will be borne in accordance with the provisions of Section 10 of Article VI of the By-Laws.

Additions, Alterations and Improvements

Subject to the provisions of Section 2 of Article II of the By-Laws, whenever in the judgment of the Board of Managers the Common Elements will require additions, alterations or improvements (but not maintenance) costing in excess of $50,000.00, and the making of such additions, alterations or improvements will have been approved by a majority of the Unit Owners, the Board of Managers will proceed with such additions, alterations or improvements and will assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing $50,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof will constitute part of the Common Expenses.

Except as provided below, no Unit Owner can make any addition, alteration or improvement in or to his Unit which is structural or which affects the exterior of the Building or the value of other Units, without the prior written consent thereto of the Board of Managers which consent shall not be unreasonably withheld. In connection with the approval of any addition, alteration or improvement by a Unit Owner as required herein, the Board of Managers may require that such Unit Owner enter into a written agreement, reasonably satisfactory to the Board of Managers, regarding such work. Such agreement may include, but shall not be limited to, provisions for adequate insurance, indemnification of the Condominium and the Board of

Managers, submission of all plans and specifications to the Board of Managers, and restrictions on the hours during which the work may be done. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit must be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent to any addition, alteration or improvement to be made by a Unit Owner in accordance with the provisions of Section 13 of the By-Laws, such consent will be deemed to provide that any such work will be at the Unit Owner's sole cost and expense, that work will be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work will be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (certificates of which must be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, will be maintained in their entirety by said Unit Owner who will also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by such addition, alteration, or improvement, or due to improper design or construction of such addition, alteration, or improvement, and such approval will further provide that the Unit Owner will reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and for any services provided in connection with such addition, alteration, or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work..

The provisions of Section 13 of the By-Law which require the consent of the Board of Managers in connection with an addition, alteration or improvement in or to a Unit which is structural or which affects the exterior of the Building or the value of other Units will not apply to Units owned by the Sponsor, his designee, or a Commercial Unit Owner. The Sponsor, his designee, or a Commercial Unit Owner will not need such consent. All other provisions of Section 13 of the By-Laws will apply to all Units. For example, with respect to such addition, alteration or improvement to a Sponsor-owned Unit, or a Commercial Unit, such work will be at the sole cost and expense of the Sponsor and/or his designee or a Commercial Unit Owner, and will be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances. All work must be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (certificates of which must be delivered to the Board of Managers prior to the commencement of construction). Any such additions, alterations or improvements, will be maintained in their entirety by the Sponsor, his designee, or a Commercial Unit Owner, as the case may be, who will also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by any addition, alteration, or improvement, or due to improper design or construction of the structural addition, alteration, or improvement. Additionally, the Sponsor, his designee and/or a Commercial Unit Owner, as the case may be, will reimburse the Board of Managers any reasonable out-of-pocket

expenses incurred by the Board of Managers for any services provided in connection with such addition, alteration, or improvement.

Non-structural additions, alterations or improvements to Units that do not affect the exterior of the Building or the value of other Units may be made without the prior approval of the Board of Managers except that the Board of Managers may require that the Unit Owner enter into a written agreement, reasonably satisfactory to the Board of Managers, regarding such work as required for additions, alterations or improvements which require the consent of the Board of Managers, prior to commencing such work.

Insurance

The Board of Managers will be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including improvements, furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount to be determined by the Board of Managers but in no event to be less than eighty (80%) percent of the full replacement cost of the Building, including the above noted items, but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker; each of said policies will contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder will be payable to such mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee, if any, as herein provided; (2) worker's compensation insurance, if the Condominium has employees; (3) disability benefits insurance if the Condominium has employees; and (4) such other insurance as the Board of Managers may determine. All policies of physical damage insurance shall provide that adjustment of loss shall be made by the Board of Managers (with the approval of the Insurance Trustee, if any, if more than $50,000.00), and that the total proceeds thereof, if $50,000.00 or less, shall be payable to the Board of Managers, and if more than $50,000.00, shall be payable to the Insurance Trustee, if any.

All policies of physical damage insurance will contain waivers of subrogation and of any reduction of pro-rata liability of the insured as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and the individual Unit Owners as well as the Condominium will be primary insureds to the extent as their interests will also appear. Such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, must be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies if so requested in writing by them.

The Board of Managers will also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager and each Unit Owner. Such public liability coverage will also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least $1,000,000.00 covering all claims for bodily injury with respect to any one occurrence.

Unit Owners will not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers will not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies will be so endorsed so as to state that they will in no way conflict with any insurance carried by the Board of Managers.

If, by reason of the occupancy or use of either a Commercial Unit or a Residential Unit, the rate of fire or liability insurance for the Property will be increased, such Unit Owner will (if such occupancy or use continues for more than thirty (30) days after written notice from the Board of Managers specifying the occupancy or use) become liable for the additional insurance premiums incurred by the Condominium as if such additional premium constituted an assessment.

Restrictions on Occupancy and Use

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

a. The Residential Units will be used only for a private residence, except that a Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinance, building code or other rules and regulations of governmental authorities having jurisdiction thereof. Notwithstanding the foregoing, the Sponsor or Sponsor-designee will have the right, without charge, (i) to maintain general, sales or leasing offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building or Units and to comply with its obligations.

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

c. No nuisances will be allowed on the Property nor will any use or practice be allowed which is a source of annoyance to its residents or which

interferes with the peaceful possession or proper use of the Property by its residents.

d. No immoral, improper, offensive, or unlawful use will be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof will be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, must be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever will have the obligation to maintain or repair such portion of the Property.

e. No portion of a Unit other than the entire Unit, including any Limited Common Elements appurtenant thereto may be rented.

REAL ESTATE TAXES

After the Units are separately assessed, each Unit Owner will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor subject to, any lien for non-payment of taxes on any other Unit. Units will not be separately assessed for the first year of Condominium operation. At closing, Sponsor shall deposit with the Board of Managers a sum sufficient to pay all taxes due for the balance of the 2006/2007 tax year. The Board of Managers will be authorized to pay such taxes as and when due from such escrow fund. As each subsequent individual Unit is sold, the Purchaser thereof, as a standard closing adjustment, will reimburse the Sponsor for the portion of his tax liability paid by the Sponsor from the date of closing through the end of the 2006/2007 tax year. It is anticipated that Units will be separately assessed for the 2007/2008 tax year, and that individual Unit Owners (whether Purchasers or the Sponsor) will pay the taxes thereof.

The Property is taxed by the City of New York, which through the Department of Finance, has assessed the property at a pre-construction value of $23,200.00, and imposes a tax rate of 12.737%. The real estate taxes payable in Schedule A are determined by applying the data from the attached letter of Jacob Moseson from Moseson and Associates, and then allocating the amount due in conformity with the allocation of Common Interests. The City of New York is not bound by the allocation of Common Interests, and may allocate on a different basis. All figures are estimates.

There are no tax certiorari proceedings currently pending. Individual owners may challenge the assessment of their property by filing a tax protest in accord with the rules of the New York City Tax Commission. The Board of Managers may also file a protest on behalf of all Unit Owners. While there is no specific section of the By-Laws dealing with review of real estate tax assessment, the general grant of power in the Board of Managers to operate the property in the best interest of Unit Owners is sufficient to delegate to the Board of Managers a right to file tax protests on behalf of all Unit Owners. The Building benefits from the limitations imposed by Sections 581 and 1805 of the Real Property Tax Law.

The Sponsor has applied for real estate tax benefits pursuant to Section 421-A of the Real Property Tax Law. The benefits provided pursuant to this section are stated in more particularity in the letter, included in this Plan from Jacob Moseson from Moseson and Associates, who has filed an application on behalf of the Sponsor. Briefly stated, however, the program provides an exemption from any increase in assessed value of the property for real estate tax purposes, to the extent that such increase results from the reasonable cost of alteration or improvement to the Building, for a period of eleven (11) years after granting of the exemption. Thereafter, the exemption declines by 20% per year until, after the fifteenth year, real estate taxes will be based on the full assessed value of the property. The Sponsor has obtained an estimate from Jacob Moseson of Moseson and Associates of a post-completion assessed value of $1,260,000.00, commencing in the July 2005 tax year. Schedule A includes the estimated tax payments in the event 421A tax benefits are not obtained. The tax payments are calculated at the first half of 2006/2007 rate of 12.737%. The New York City Department of Finance however may increase the tax rate for the 2007/2008 tax year which will consequently result in higher annual tax.

The following table indicates the application and expiration of benefits:

Year	Abatement Rate	Taxable Assessed Value	Annual RE Tax
1-11	100%	$23,200.00	$2,954.98
12	80%	$270,560.00	$34,461.23
13	60%	$517,920.00	$65,967.47
14	40%	$765,280.00	$97,473.71
15	20%	$1,012,640.00	$128,979.96
16	0%	$1,260,000.00	$160,486.20

The projections set forth herein are based on current New York City Tax rate and assessment procedures. No guarantee or warranty is or can be made that the tax rate will not change in the future, or that the assessed value of the property will not rise due to changes in assessment practices and policies or increases in market value which are reflected in the assessed value. Therefore, the estimate contained in Schedule A for monthly real estate taxes in the event 421-A tax benefits are not obtained may not accurately reflect the taxes which will apply at the expiration of the benefits period.

The Sponsor will use its best efforts to obtain the aforementioned real estate tax exemption benefits, and will make all filings necessary to obtain such benefits, including a timely filing of all applications, and timely compliance with all procedures required to properly process and maintain the benefits. Upon closing, the Sponsor will make all documents available to the Board of Managers for inspection and copying for the life of the benefits.

The New York State Department of Housing Preservation and Development (HPD) routinely conducts audits, which can result in the reduction or revocation of benefits if proper documentation is not provided.

The explanation and projection prepared by the Sponsor's tax abatement expert, who prepared the 421-A application, is expressly adopted by the Sponsor and included as part of this Plan.

MOSESON & ASSOCIATES
769 Empire Avenue
Far Rockaway, NY 11691
Telephone (718) 327-5779
Fax (718) 327-5737

February 12, 2007

Homecrest Building Development, LLC
Boris Revzin
2875 West 8th Street
Brooklyn, New York 11224

RE: twelve units at 1824 East 17th Street, Brooklyn
Block: 6821 Lot: 115

Dear Sir:

You have requested me to advise you with respect to the applicability of The City of New York's program for partial real estate tax exemption under Section 421-a of the Real Property Tax Law and the procedure therefore.

You and your architect have represented to us that:

1. You have commenced construction on the site of the building based on approved new building permit issued by the Department of Buildings of the City of New York before December 31, 2007.

2. Upon completion of construction, the Building will be classified as multiple dwelling pursuant to the Multiple Dwelling Law.

3. The Site was unimproved 36 months prior to the commencement of construction (as defined in the site requirements of section 2.5(1) (a) of the Regulations).

4. The building will be substantially used for dwelling purposes for a period of at least fifteen years following its completion.

5. Construction of the building will be completed on or before Dec. 31, 2010.

6. An application for Preliminary Certificate of Eligibility will be filed with HPD upon start of construction.

7. Upon completion, the project will consist of a condominium consisting of twelve residential units.

CONCLUSION

Based solely on these representations, and if (i) the building is constructed substantially in accordance with the plans and specifications approved by the New York City Department of Buildings and comply with the requirements of section 421-a, the Regulations and HPD, and HPD is notified of any modifications to the plans for the building or the "sell-out" price; (ii) HPD determines that the property was "underutilized" (pursuant to the provisions of Section 421-a) 36 months prior to commencement of construction; (iii) a preliminary Certificate of Eligibility is issued by HPD after commencement of construction and prior to the issuance of a temporary Certificate of Occupancy; (iv) temporary Certificates of Occupancy for all of the residential areas of the building or permanent Certificates of Occupancy for the building is issued and filed with HPD no later than six months after an application for a Final Certificate of Eligibility is filed with HPD, or prior to December 31, 2010 which ever is earlier; (v) a copy of such Final Certification and of the temporary or permanent Certificate of Occupancy for the residential units is filed with the New York City Department of Finance succeeding the issuance of such Final Certificate of Eligibility; and (vi) there is no change in Section 421-a, the Regulations and decisional law, the Building would appear to be eligible for the partial real estate tax exemption prided under Section 421-a.

The units of the condominium should be entitled to Section 421-a tax benefits under present law. Generally, for predominantly residential buildings, under section 421-a, 100% of the increased assessed value of the property resulting from the improvement thereon (i.e., the assessed value above the pre-construction assessed value) is exempt from taxation during construction and during the ten (10) years following the first taxable status date immediately following completion of construction. The exemption declines to 80% of the increased assessed value for the eleventh (11) year and is further reduced by an additional 20% for each of the succeeding years. Following the 15-year period, the Unit Owners will pay real state taxes based on the full assessed valuation of their Units and the tax rate then in effect, without the benefit of any exemption.

The total assessed value of the property (i.e., the aggregate assessment of all units) following completion of construction is estimated to be approximately 1,260,000. Using the foregoing estimate of assessed value upon completion, assuming completion to be on or before December 31, 2010 and assuming the tax rate remains the same as the current rate (i.e., $12.737 per $100 of assessed value) during the 15 year abatement period and upon completion of construction, and using a pre-construction assessed value of the property of 23,200.00, then upon completion of the 15 year tax abatement the real estate taxes will be approximately $160,486.00. You are advised that this projection is an estimate as it is unlikely

that the post-construction assessed value or tax rate will remain constant for the 15-year Section 421-a exemption period. Thus, the actual assessment and real estate tax for each Unit may be more or less than the Unit's proportionate share of the total assessment and tax amount shown. If any of the foregoing requirements or conditions, however, should not be met to the satisfaction of HPD, or if any of the foregoing representations should prove to be inaccurate, then, unless the Regulations are modified to remove or change any requirement or condition that is not met, the buildings would not qualify for the partial real estate tax exemption provided under Section 421-a.

We have been retained by you to undertake the procedures outlined in this letter and consent to the inclusion of this letter in any offering plan with respect to the project. We make no representations and express no opinion as to whether or not any or all of the requirements and conditions set forth herein will be fulfilled.

Although the estimate of the 2006/2007 Actual Assessed Valuation is a good faith estimate, it is not possible to estimate it with any degree of certainty, and thus such assessed valuation when actually made, may be lesser or greater than as estimated. In no event will my firm, the Sponsor, the Sponsors' counsel, the Condominium Board or any other person be liable if the assessed valuation when actually made, is lesser or greater than predicted if the Administrative Code and the applicable rules and regulations of the City of New York are in the future changed or if the facts as represented to my firm prove to be untrue.

As president of Moseson & Associates a real estate tax consulting firm, I have represented homeowners, real estate developers, attorneys, and corporations since 1983 in the dealings with the NYC Department of Housing Preservation and Development. I specialize primarily in obtaining Section 421a, 421b, ICIP, & J51 tax abatements for my clients.

Jacob Moseson

INCOME TAXES DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

Unit Owners who itemize their deductions should, for Federal Income Tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid, or accrued, under Section 163 and 164 of the Internal Revenue Code. These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Counsel's Tax Opinion Letter, attached hereto and made a part hereof. Each individual Unit Owner should, for New York State and New York City Income Tax purposes, be entitled to similar deductions for the mortgage interest and real estate taxes paid, or accrued, during the taxable year.

The affairs of the Condominium will be governed by the Board of Managers. The Board of Managers will assess and collect Common Charges from the Unit Owners, and will have certain discretionary powers over the operating expenses and the application of the assessments. While there is presently no direct authority as to the tax status of the Condominium for Federal Income Tax purposes, the Sponsor's counsel is of the opinion that the Condominium will not be treated as an association taxable as a corporation due to the fact that it will qualify as an exempt homeowner's association under Section 528 of the Internal Revenue Code. As a result, the Condominium will not be subject to Federal Corporate Income Tax on its taxable income, if any.

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

A more detailed statement of the tax factors involved may be found in the Counsel' Tax Opinion.

No warranty or guaranty is made that the United States Treasury Department or the New York State Department of Taxation and Finance or the New York City Director of Finance will allow the aforementioned deductions, and no representation or warranty is made that the tax law or the regulations or rulings issued thereunder, or any judicial interpretation thereof, may not change so as to disallow the deductions in whole or in part. Neither Sponsor nor its attorney shall be liable if, for any such reason, it is held that the Unit Owners are not entitled to such income tax deductions or to special exemptions as aforesaid.

Each Purchaser should consult with his or her own attorney or tax adviser with regard to tax consequences of this purchase.

Yevgeny Tsyngauz, Esq.
1635 Bath Avenue
Brooklyn, NY 11214
(718) 621-6600

COUNSEL'S TAX OPINION

February 15, 2007

Homecrest Building Development, LLC.
79 Brighton 11th Street, Suite 4B
Brooklyn, New York 11235

Attn.: Boris Revzin

Re: The Kelly Park Condominium
1824 East 17th Street
Brooklyn, New York

Dear Mr. Revzin:

You have requested my opinion concerning (I) the availability of certain deductions for Federal, New York State, and New York City Income Tax Purposes to persons who purchase units for residential use ("Unit Owners") under the Offering Plan for The Kelly Park Condominium (the "Plan"), and (ii) the Federal Income Tax Treatment of the Common Charges Received by the condominium association of the condominium (the "Condominium").

In connection with rendering this opinion, I have prepared the Plan and the Schedules and Exhibits thereto, the Declaration of the Condominium Plan (the "Declaration"), the By Laws of the Condominium (the "By-Laws"), and reviewed the relevant sections of the Internal Revenue Code of 1986, as amended (the "Code"), the Regulations promulgated thereunder by the Treasury Department (the "Treas. Regs."), the New York State Tax Law, the Administrative Code of the City of New York, revenue rulings, relevant case law and such other materials as I have deemed relevant.

Facts

The Sponsor will apply to the Department of Law of the State of New York to convert the premises located at 1824 East 17th Street, Brooklyn, New York to a condominium ownership pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"). The Condominium shall consist of Twelve (12) Units allocated for residential use and Seven (7) Units allocated to use as parking spaces. Each Unit Owner will own his own Unit and an interest in the elements common to all Units (the "Common Elements").

Each Unit Owner will be entitled to the exclusive ownership and possession of his Unit and will receive a separate deed to the Unit.

The affair of the Condominium will be governed by the Board of Managers which, pursuant to the By-Laws, will act only as an agent of all Unit Owners. The Board of Managers will be comprised of at least three members, who shall each be elected by the Unit Owners. The primary function of the Board of Managers will be to supervise the maintenance and operation of the Common Elements, and collect charges (the "Common Charges") necessary to maintain and operate the Common Elements.

Discussion

Deductibility of Mortgage Interest and Real Estate Taxes

Under the Condominium Act, each Unit Owner will own his/her Unit and its Appurtenant Interest in the Common Elements in fee simple, and each Unit will be taxed as a separate tax lot for real estate tax purposes. Each Unit Owner may mortgage his Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. Failure to pay his or her share of the Common Charges will result in the Board of Managers having a lien on the Unit for the unpaid Common Charges.

The deductibility of the mortgage interest and real estate taxes paid or accrued by the Unit Owner during his or her taxable year will be governed by sections 163 and 164 or the Code. Section 163 of the Code allows a taxpayer to deduct all interest paid or accrued during the taxable year on bona fide indebtedness. Section 164 of the Code allows a taxpayer to deduct real estates tax paid or incurred on his Unit during the taxable year.

Since Sections 339-g and 339-y of the Condominium Act provide that each Unit and its Common Interest shall be taxed as a separate tax lot for real estate purposed, Unit Owners shall be entitled to deduct real estates tax paid or incurred on their Units during the taxable year.

The deduction under Section 163 of the Code for interest is subject to certain other provisions of the Code which may limit the amount of the deduction in any one taxable year. For example under Section 461(g) of the Code, prepaid interest is not deductible by a cash basis taxpayer in the year of payment but must be allocated to the taxable year or years to which it is chargeable. However, the payment of "points" (bank obligation fees) is deductible under certain circumstances in the year of payment, provided that the indebtedness was incurred by the taxpayer in connection with the purchase or improvement of his principle residence, and the other requirements of Section 461(g) (2) of the Code are complied with.

I note that the taxpayer who purchases a Unit for investment may find his interest deduction limited by Section 163(d) of the Code. Under this Section a taxpayer other than a corporation will be subject to a ceiling on his deduction for investment interest. Investment interest is defined as interest paid or accrued on indebtedness incurred or continued to purchase or carry property for investment. To the extent that the taxpayer has investment income (defined as the gross income from the interest, dividends, rents, royalties, new short term capital gains and

recapture income), he or she increases his or her ceiling on the deduction for investment interest. See generally Section 163(d) of the Code. I also note that Section 265(2) of the Code may impact on the interest deduction otherwise allowable to a taxpayer in the event that he/she incurs debt to finance his/her purchase of a Unit rather than liquidate his or her portfolio of tax exempt securities. Under these circumstances Section 265(2) of the Code may disallow the taxpayer's interest deduction since he or she would be deemed to have incurred the debt to "continue to carry" the tax exempt obligations. However, revenue rulings have made an exception for debt incurred to purchase the taxpayer's principal residence.

In Revenue Ruling 64-31, 1964-1 C.B. 300, the Internal Revenue Service (the "Service") considered the deductibility of mortgage interest and real estate taxes incurred by the owner of a condominium unit. The Service ruled the Sections 163 and 164 of the Code, respectively, permitted these deductions by the Condominium Unit Owner provided that he or she itemized his or her deductions in filing his or her federal income tax returns.

In my opinion, under Sections 163 and 164 of the Code, a Unit Owner should, for Federal Income Tax purposes, be entitled to a deduction for interest paid or accrued with respect to mortgage indebtedness and for real estate taxes paid or accrued with respect to his or her method of accounting.

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

The foregoing discussion applies primarily to Residential Unit Owners. Referenced sections of the Code are not applicable to Commercial Unit Owners. However, insofar as the Commercial Unit Owners will be using the Unit for business purposes, other sections of the Code may allow such deductions. Purchasers of Commercial Units are strongly urged to consult with their own tax advisors with regards to the deductibility of the mortgage interest and real estate taxes.

Common Charges - Federal Income Taxation of the Condominium:

A condominium under New York law is not a corporation but an un-incorporated association.

The Treasury Regulations in Section 301.7701-2(a)(i) set forth six factors to be considered in determining whether an association will be treated as an un-incorporated association for Federal Income Tax purposes. Of these factors, the Condominium possesses five (an objective to carry on business, divide the gains, centralization of management, continuity of life, free transferability of interest). Since an un-incorporated organization will be treated as a

corporation if it has more corporation characteristics than non-corporate characteristics, (see Treas. Regs. Section 301.7701-2(a) (3), Philip G Larson, 66 T.C 158 (1976) acq,, Rev. Rul. 79-106,1979-1 C.B. 448), it is my opinion that, although there exists no direct authority on this point, the Condominium should not be treated as an association taxable as a corporation for Federal Income tax purposes. In such event, and in the absence of any specific exception, the Condominium would not be subject to Federal Corporate Income Tax.

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

In Revenue Ruling 75-370, 1975-2 C.B. 257 the shareholders of the condominium management corporation approved special accounts which were not commingled with the general funds of the condominium management association. The assessments could be used only to replace the roof and the elevators located in the common elements of the condominium property. The I.R.S. ruled that these special assessments were not includable in the Condominium's gross income since they did not benefit the condominium which had a fiduciary obligation to expend the funds collected in the manner approved by its unit owners-stockholders. The I.R.S. found that there was an agent and principal relationship between the condominium and its unit owner-stockholders insofar as the special assessments were concerned. However Rev. Rul. 75-370 specifically exempted funds collected by a condominium management corporation to provide services for which it was formed such as the maintenance of the common elements. Thus, funds collected by the Board for painting, general repairs, gardening and janitorial services would constitute gross income to the Condominium.

The By-Laws provide that the Board of Managers will act as the agent of the Unit Owners. If Common Charges for special capital improvements are specifically designated for capital improvements, deposited in special accounts and not commingled with the general funds, then such Common Charges should not be included in the income of the Condominium, according to Revenue Ruling 75-370, supra. Common Charges for operational expenditures would not be excluded from the income of the Condominium, because the Board of Managers does not have mere ministerial powers with respect to the operations of the Condominium.

Under certain circumstances, special assessments for specific capital improvements may be considered non-taxable contributions to the capital of the association, pursuant to Section 118 of the Code. In Revenue Ruling 75-371, 1975-12 C.B. 52, the condominium management collected special assessments, which were assessed pro-rata upon each unit owner to replace outdoor furniture. The By-Laws required that any assessment had to be approved at a stockholder meeting by a majority vote of the unit owner-stockholders. The special assessment was approved and the proceeds were deposited in a special account and were not commingled with the general assessment funds. The assessment could only be used for the specific purpose intended. The Service held that the Special Assessment was a non-taxable contribution to the

capital of the condominium management corporation. Id.; See also Rev. Rul., 74-563, 1974-2 C.B. 38 (special assessments to pave a parking lot of the homeowners association are contributions to the capital of the association)

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

It should be noted that if the special assessments are treated as contributions to the capital of the Condominium, the subsequent expenditure of these funds (together with any other funds accumulated by the Condominium) may be viewed by the Service as a distribution to the Unit Owners taxable under Section 301 of the Code. Each Unit Owner may therefore be subject to tax on his pro-rate share of the amounts expended. Rev. Rul. 75-371 went on to distinguish special assessments from assessments collected for the purpose of normal operating expenses and excess assessments, which could be returned directly to the individual unit owner-stockholders. These general assessments and the unit-owners were held to constitute gross income to the condominium under Section 61 of the Code. I note, however, that to the extent to which the Condominium will be deemed to have functions, it will be entitled to deduct as business expenses its income. See Concord Village, Inc., 65 T.C 142, 157 (1975) ; Park Place, 57 T.C. 767, 778 (1972). Thus, it should have taxable income only in the amount of the excess of its income from all sources over its allowable deductions.

Any net income attributable to over-assessments might constitute taxable income of the Condominium for the year of receipt, even if such excess is distributed or applied to the subsequent year's assessments. In effect, a management association will not earn income when it has no discretion as to the application of the excess, and, conversely, will have income where it does have such discretion. Since the Board of Managers will have discretion as to application of excess Common Charges, and does not intend to return excess Common Charges, if any, but intends to apply such excess to the next year's expenditures, it is possible that any excess Common Charges will constitute taxable income to the Condominium.

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

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

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

(1) Sixty percent (60%) or more of the gross income of the organization must be "exempt function income," that is, income derived from the payment of dues or fees from the residential unit owners in their capacity as owner-members rather than in the capacity as customers for services. Code Section 528 (c)(1)(A) and Treas, Regs. Section 1.528-5 and 1.528.9. "Exempt function income" includes income which is attributable to assessments that arise as a result of the member's ownership interest, either based on value or size of their units, and used for the purpose of enhancing or maintaining the value of the residence. See Treas. Regs., Section 1.528-9(a). For example, the regulations indicate that assessments for the purpose of paying real estate taxes, removing garbage, or removing snow is "exempt function income". See Treas. Regs. Section 1.528-9(b). Income attributable to the use of laundry machines and interest earned on sinking funds is not exempt function income. See Treas. Regs. Section 1.528-9(c). Any assessments attributed to special capital improvements, which are treated as capital contributions, are not included in gross income, and therefore, are not part of the calculation of the gross income test. See Treas. Regs. Section 1.528-9(a)

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

(3) No part of the net earnings of the organization may inure to the benefit of any individual. See Code Section 528(c)(1)(D). The Code expressly excludes benefits received by a unit owner attributable to the homeowners association performing its exempt function, such as the benefit from the homeowners association acquiring, constructing, managing and taking care of the associating property.

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

Based upon my understanding of the matter it is my opinion that the Condominium should be eligible to qualify as a homeowners association within the meaning of Code Section

528 (c)(1) and that, to the extent the condominium has income in excess of its expenses, that income should not be subject to federal income taxation.

Real Estate Tax Benefits

I have reviewed the letter (heretofore set forth in the Offering Plan) from the Sponsor's expect concerning the availability of real estate tax abatement and exemption benefits for this project. Based on existing statutes and practices, the opinions expressed therein appear to be correct, and I hereby adopt said opinion as my own. This adoption is, of course, subject to the accuracy of the facts supplied to said expert in rendering his determination and facts supplied to said expert in rendering his determination and also subject to any change in existing statutes which may affect my evaluation and interpretation of the availability so such benefits. This is not a warranty that such benefits will be obtained but only an opinion based on the existing laws, regulations, and facts, this condominium project will qualify for such benefits.

Conclusion

I express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspect of the Plan other than those tax consequences and aspects explicitly discussed in this opinion, or as to the tax consequences of the Plan under the laws of any state or foreign jurisdiction. This opinion does not discuss the tax consequences which may result from ownership or the leasing of a Unit to another, in connection with the Unit Owner's trade or business, for purposes of investment, or for the production of income, or tax consequences which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not consider the tax consequences which may arise if Units are acquired and/or leased by the Board of Mangers, or the issue of whether a Unit Owner may be deemed to be resident of New York State due to ownership of a Unit. I, therefore, advise each person contemplating the purchase of a Unit to consult his/her own tax advisor as to all such tax matters, as well as with respect to the tax matters discussed in this opinion.

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

NO WARRANTIES ARE MADE THAT THE INTERNAL REVENUE SERVICE, THE DEPARTMENT OR TAXATION AND FINANCE OF THE STATE OF NEW YORK OR THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK WILL ALLOW INCOME TAX DEDUCTIONS. FURTHER, NO WARRANTIES OR

REPRESENTATIONS ARE MADE THAT THE TAX LAW UNDERLYING THIS OPINION WILL NOT CHANGE AND IN NO SUCH EVENT WILL THE SPONSOR-SELLER, THE SPONSOR–SELLERS COUNSEL, THE CONDOMINIUM BOARD, THE SELLING AGENT OR ANY OTHER PERSON CONNECTED WITH THIS OFFERING BE LIABLE IF FOR ANY REASON IT SHALL BE DETERMINED THAT UNIT OWNERS DO NOT MEET OR AT ANY FUTURE TIME CEASE TO MEET THE REQUIREMENTS OF THE INTERNAL REVENUE CODE OF 1986, THE NEW YORK TAX LAW OR THE NEW YORK CITY ADMINISTRATIVE CODE OR ANY AMENDMENT OF ANY THEREOF. MOREOVER, NONE OF THE AFORESAID MAKES ANY WARRANTIES WITH RESPECT TO THE TAX CONSEQUENCES OF THE OWNERSHIP OF ANY UNITS OFFERED UNDER THE PLAN EXCEPT AS EXPRESSLY SET FORETH HEREIN, AND NO ONE ELSE HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED HEREIN.

Very truly yours

Yevgeny Tsyngauz

WORKING CAPITAL FUND AND RESERVE FUND

Working Capital Fund

At the time of the closing of title to the Unit to a bona fide Purchaser, each Purchaser shall pay into the Working Capital Fund of the Condominium the sum of $750.00. The initial working capital will be used for payment by the Board of Managers of any net closing adjustment expenses owed to the Sponsor at the closing of title to the first Unit and to pay for insurance premiums and other items in the budget which will be payable prior to the time that sufficient monthly Common Charges and assessments have accrued to pay these items. While the Sponsor is in control of the Board of Managers of the Condominium, the Working Capital Fund will not be used to reduce the Common Charges. If any portion of the Working Capital Fund is used during this period, such amount will be repaid to such fund out of Common Charges collected and the entire balance of such fund will be turned over to the new Board of Managers at such time as the Sponsor turns over control.

The initial Working Capital contribution described herein is intended as a one time payment to be made by the Purchaser at the time of the closing of title to the first Unit (subject to the right of the Board of Managers to make assessments for additional Working Capital as permitted by law, the Condominium Declaration and By-Laws and the provisions of this Plan). Such payment shall not confer any rights thereto on the Purchaser of a Unit.

No representation is made that the Working Capital Fund will be sufficient to accomplish the purpose set forth above, or other purposes as determined by the Board of Managers in its discretion. If additional funds are required, it may be necessary to increase Common Charges or separately assess all Unit Owners.

Should monies be required by the Condominium for capital expenditures such as renewal or replacement of building components or systems or to remedy major building defects, the Board of Managers of Condominium could vote to obtain loans for required expenditures as provided by the New York Real Property Law. Section 339-jj of the Real Property Law states:

> "1. To the extent authorized by the declaration or the by-laws, the board of managers, on behalf of the unit owners, may incur debt. In addition, subject to any limitations set forth in the declaration or the by-laws, the board of managers, on behalf of the unit owners, may incur debt for any of the purposes enumerated in paragraph (b) of subdivision two of section three hundred thirty-nine-v of this article, provided that (a) such debt is incurred no earlier than the fifth anniversary of the first conveyance of a unit and (b) the incurrence of such debt shall require the consent of a majority in common interest of the unit owners.
> 2. In connection with a debt incurred by it, the board of managers, on behalf of the unit owners, may (a) assign the rights in and to receive future income and common charges, (b) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds, (c) agree that, to the extent of any amounts due under any of the provisions of the agreements under which the debt was incurred and subject to the provisions of subdivision two of section three hundred thirty-nine-1 of this

article, all common charges received and to be received by it, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and the same shall be expended for such purpose before expending any part of the same for any other purpose, and (d) agree that at the lender's direction it will increase common charges to the extent necessary to pay any amount when due under any of the provisions of the agreements under which the debt was incurred. The preceding sentence shall not be construed to authorize the board of managers to create a lien on the common elements. Any such assignment may provide that, in the event of a default, the lender shall have the right of the board of managers to file liens in the lender's name on units for unpaid common charges pursuant to sections three hundred thirty-nine-z and three hundred thirty-nine-aa of this article and the right to foreclose such liens pursuant to section three hundred thirty-nine-aa of this article."

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

Reserve Fund

No provision has been made to establish a Reserve Fund for the Condominium.

IDENTITY OF PARTIES

Sponsor

The Sponsor is Homecrest Building Development, LLC., having an office at 79 Brighton 11th Street, Suite 4B, Brooklyn, New York 11235. The principals of the Sponsor are Boris Revzin and Dmitriy Serebryany.

(i) There are no prior felony convictions of the Sponsor, Boris Revzin or Dmitriy Serebryan;

(ii) There are no prior bankruptcies, convictions, injunctions against the Sponsor or Boris Revzin, which may be material to the Plan. Dmitriy Serebryany has filed a bankruptcy petition on August 10, 1999 and has been discharged on December 8, 1999. He has been free of bankruptcy ever since.

Boris Revzin and Dmitriy Serebryany have been a real estate investor for 3 years. Mr. Revzin is also a loan officer at a mortgage company.

This is the first offering in which the Sponsor participates. Boris Revzin and Dmitriy Serebryany are principles of the sponsors of the Ocean Avenue Condominium located at 2384 Ocean Avenue. The offering plan has been filed with the State of New York Office Of the Attorney General under file number CD05-0283 on May 2, 2006. No units have been sold yet.

Selling Agent

The Selling Agent for the Property is the Sponsor, having an office at 79 Brighton 11th Street, Suite 4B, Brooklyn, New York 11235. There are no prior felony convictions of the Selling Agent or any principals of the Selling Agent. This is the first offering in which the Selling Agent participates.

Sponsor's Attorney

The law firm of Yevgeny Tsyngauz located at 1635 Bath Avenue, Brooklyn, New York 11214 represents the Sponsor in connection with this Plan. Yevgeny Tsyngauz, Esq. prepared the Plan. Yevgeny Tsyngauz, Esq. will handle closings for the Sponsor and act as the escrow agent for the downpayments.

Sponsor's Registered Architect

Yevgeniy Rybak, having an office at 1337 Prospect Avenue, Brooklyn, New York 11218 prepared the "Description of Property and Specifications" section of part II of this plan. Mr. Rybak has no financial interest in the Property, Sponsor, Condominium, Selling Agent, or any other party interested in this transaction, except for his fee for services rendered in connection with his report. He is an experienced architect who has designed and supervised the construction of many condominiums and residential and commercial buildings.

REPORTS TO UNIT OWNERS

It is the obligation of the Board of Managers of the Condominium to give all Unit Owners annually:

i. a financial statement of the Condominium prepared by a certified public accountant or public accountant by March 1 of each year; such statement shall be certified while the Sponsor is in control of the Board of Managers;

ii. prior notice of the annual Unit Owners' meeting; and

iii. a copy of the proposed annual budget of the Condominium at least 30 days prior to the date set forth for adoption hereof by the Board of Managers; while the Sponsor is control of the Board of Managers such budget shall be certified by an expert in compliance with Section 20.4(d) of Part 20 of Title 13 NYCRR.

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 25 cents per page at the office of the Sponsor's attorney, Yevgeny Tsyngauz, Esq., 1635 Bath Avenue, Brooklyn, NY 11214 for six years from the date of first closing.

The Sponsor shall deliver to the Board of Managers a copy of all documents filed with the Kings County Office of the Register of the City of New York at the time of the closing of the first Unit.

GENERAL

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

The Property has not, to Sponsor's knowledge, been the subject of any prior cooperative or condominium offerings. The Sponsor has not entered into any preliminary binding agreements. The Sponsor has not collected money from prospective purchasers.

In accordance with the provisions of the laws of the United States and the State of New York, the Sponsor represents that the Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation, or other grounds prohibited by law in the sale of Units offered by the Plan or in the leasing of any Unit.

If there is a material amendment to the Plan that adversely affects Purchasers, the Purchasers shall have a right to rescind Purchase Agreements within fifteen (15) days after the

date of service of the amendment. The Sponsor shall return any deposit or downpayment to the Purchasers who rescind.

Neither the Sponsor nor anyone acting on its behalf has entered into any contracts or agreements, written or oral, for the sale or transfer of any of the Units offered in the plan, as of the date the Plan is accepted for filing.

Neither the Sponsor nor anyone acting on its behalf has taken any deposits or advances of funds in connection with the reservation, sale or transfer of such Units, as of the date the Plan is accepted for filing.

All of the Units offered in the plan are vacant.

SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION

The Sponsor adopts the Description of Property and Building Condition set forth in Part II of the Plan. The Sponsor represents that it has no knowledge of any material defects or need for major repairs to the Property except as set forth in the Description of Property and Building Condition.

PART II

RYBAK ARCHITECTS, P.C.
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ARCHITECT'S REPORT

DESCRIPTION OF PROPERTY AND SPECIFICATION
1824 EAST 17th STREET, BROOKLYN NEW YORK

DATE: April 16, 2007

Prepared by: Yevgeniy Rybak, Architect

A. Location and Use Property

The property is located on the West Side of East 17th Street 160.0' South of Avenue R in Borough of Brooklyn, County of King, City and State of New York. The property, proposed project and its construction will comply with all applicable use and zoning requirements of the City of New York in conjunction with the New York City Department of Building and the New York City Department of City Planning.

(1) **Address:**

The project will consist of one (1) Main Building facing East 17th Street with the addresses assigned by Topographic Bureau of Brooklyn Borough President Office as follows:

- 1824 East 17th Street Residential Entrance to the Building.

(2) **Block and Lot Number:** Block 6821, Lot 115

(3) **Zoning:**

Zoning R-6, as defined in Zoning Resolution of the City of New York.

(4) **Permissible Use:** Residential and Community Facility.

B. Status of Construction

(1) **Year Build:**

A new building application was field with New York City Department of Building and approved on December 16th, 2005. New Building Permit was issued on December 21st, 2005. The building construction has started in the winter of 2005 and projected to reach total completion in the summer of 2007.

(2) **Class of Construction:**

The Building is classified as a Construction Class I-D (all exterior walls and supporting bearing members are of non-combustible construction having fire protection rating of one (1) hour. The entire building including roof is constructed of non-combustible materials-as per New York City Building Code. The proposed structural systems for this project are cast in place concrete foundation walls footing and grade beams, steel frame (columns and beams), metal framing and concrete floors and metal studs with exterior sheathing and masonry and stucco exterior walls.

(3) **Certificate of Occupancy:**

All Residential Units will have a Certificate of Occupancy (C of O) before delivering Title to any Condominium.

(4) **Alteration Permit Numbers:**

The following application numbers were assigned by New York City of Building for respected parts of the project:

302049673- Builder's Paving Plan.
302049664- New Building, General Construction and Plumbing.
302275106- Installation of Mechanical Systems.
302196077-Strictures and Foundation.
302055772-Instalation of Sprinkler System

C. Site

(1) **Size:**

This is rectangular parcel of land with the dimensions of 40'-0 x 100'- 0" and lot area of approximately 4,000.0 square feet or 0.092 acres.

(2) **Number of Buildings and Use:**

The site will be used for one (1) building consisting of twelve (12) Residential Units, and seven (7) parking spaces.
All Residential Units will be ADA Handicap adaptable in compliance with LL 58/87 (Handicap Law).

(3) **Streets**:

The proposed project will be facing East 17th Street as mapped on final map of the City of New York.
East 17th Street is a public one (1) way street with a total width of 80'-0" running South-North direction. Proposed project will be directly facing the road.

(i). Paving: Existing asphalt at the roadway is in good condition as maintained by the City of New York. New concrete paved sidewalk will be installed directly in front of the property in accordance with an approved Builder's Paving Plan or any amendment thereto

(ii). Curbing: New concrete curb will be installed on all street frontages directly faced by the project in accordance with BPP or any amendment thereto

(iii). Catch basins: Installed in the bed of existing street in accordance with General Drainage Plan and maintained by the City of New York

(iv). Street lighting: Provided and maintained by the City of New York on overhead poles along public roadways

(v). All improvements will be in strict conformance with New York Building Code, Department of Transportation and Department of Highways rules and regulations

(4) Drives, Sidewalks and Ramps:

(i). Paving: New cast in place concrete slab or masonry pavers
(ii). Curbing: New concrete curbs will be installed at all walkways
(iii). Catch basins: Area drains will be installed in open areas to collect storm water and lead it to underground drywells installed in the rear yard of the property – under open parking area
(iv). Street site lighting: NA
(v). All the above items shall be in compliance with New York City Building Code

D. Utilities

Water: Water is obtained by tap to the New York City water main located on East 17th Street. The building will have one (1) water meter that will be installed prior to closing of Condominium units. The water invoice will be a Common Charge of the Condominium. Rates for water use set are by the Water Board of the City of New York.

Sewer: The building will be connected to the sanitary and storm sewer located on East 17th Street and maintained by the New York City Sewer Department. From the property line to the City sewer line the sanitary sewer size will be six (6) inches and storm sewer size will be six (6) inches.
The Condominium will be responsible to maintain and repair the sewer within the boundary of the Condominium. The sewer charges will be paid as part of the Common Charges of the Condominium. Storm drainage will be collected on the Main Building roofs for the controlled disposal into public sewer.

Gas: Gas service will be provided by Keyspan Energy. There will be a separate gas meter for each Condominium Unit.
The gas service for each Condominium Unit will be for heating, hot water and cooking only. Gas charges will be responsibility of the Condominium Unit Owner. There will be a Common gas meter for heat and heating of Residential Common Areas. All Common gas charges will be included in the Common Charges for Condominium.

Electricity: Electric service will be by underground connection to electric service on East 17th Street, owned and maintained by Con Edison. All Condominium Units will be separately metered for individual electrical consumption and costs associated therewith will be the sole cost of the Condominium Unit Owner. All common electrical use will be included in the Common Charges of the Condominium.
Telephone: Verizon or other regulated company, at the discretion of the Board of Managers of the Condominium, will provide the telephone service. Each residential unit will be separately billed and the telephone service to each unit will be sole responsibility of the Condominium Residential Unit. There will be no common telephone.

E. Sub-soil Condition

Sub-soil conditions are consistent throughout the project site. Test borings were taken by Atlas Technical Associates Inc., 60 Sackett Street Brooklyn, NY 11231 on November 1st 2005. The results of the tests were examined by the professional engineer. The sub-soil consists of mixed fill (sand, silt, gravel) with an acceptable bearing capacity up to approximately depth of 10'-0". The soil below 10'-0" is considered to be suitable for a soil bearing capacity of at least 2 tons per square foot.

(1) The consistent conditions of the soil below proposed bottom of the foundation level shall prevent any uneven foundation movement or settlement.

(2) The ground water elevation shown on the boring tests log is consistently located at or below 14'-0" below grade. The cellar floor level is designed to be above such elevation. The cellar floor slab waterproofing is designed to withhold standard hydrostatic pressure and prevent from ground moisture seepage or ground water infiltration.

(3) In accordance with the latest Federal Insurance Rate Map, the building is not located within a flood hazard area .There is no danger flood to building structure assessed at present time.

F. Landscaping

(1) **Grass:** Grass planted area between front property line and front wall. Type of grass to be selected by owner.

(2) **Plantings:** N/A

(3) **Trees:** N/A

(4) **Fencing:** 6'-0'' high security rod fencing on concrete curb at the side and rear property sides around parking area

(5) **Gates:** Full high automatic roll up security grill at the entrance to the parking area

(6) **Garden Walls:** N/A

(7) **Retaining Walls:** N/A

(8) **Pool:** N/A

G. Building Size

(1) **Height:**

Approximate height of the building measured from East 17th Street side from ground to highest point of the roof is 70'-0".

(2) **Crawl spaces:** N/A

(3) **Sub-Cellars:** N/A

(4) **Number of Floors:**

Building is comprised of seven (7) floors and technical cellar.

(5) **Equipment Rooms:**

Building has mechanical rooms located within individual residential units, in the cellar and at the first floor by the parking area.

(6) **Parapet:**

Parapet is 3'-6" high including railing above 6th floor roof and at the main roof.

H. Structural System

Structural System of the building will consist of steel columns, masonry and metal studs assembly bearing walls and metal floors and roofs beams as indicated on applicable structural drawings. Foundation system for the building is cast in place reinforced concrete spread footings, foundation walls (12" thick-minimum) grade beams and slabs. Bottom of foundation will be located on undisturbed soil with a bearing capacity sufficient to withhold applicable loads.

(1) **Exterior of the Building:**

(i). Walls: Comprised reinforced masonry units or assemblies of bearing metal studs with exterior grade sheathing on the exterior and 5/8" fireproof gypsum wall board on the interior. All exposed surfaces will be covered with synthetic stucco of ¾" min. Exterior walls will be insulated with a thermal fiber glass insulation installed between bearing studs or on the

interior of masonry units. Wall assembly will have an insulation value of R-19 min.

(ii). Windows: Composite frame casement windows as manufactured by 'Anderson Corp' with standard manufacturer's warranty or equivalent, meeting or exceeding New York State Energy Code standards and New York City Building Code Requirements. All windows will be double glazed insulated with low E glass and caulked on the perimeter of the opening. All apartment windows will have incest screens and standard lever type handles by manufacturer.
Lot line windows are installed trough side building lines. All lot line windows are protected in accordance with New York City Building Code. Lot line windows are not counted against providing legal light or ventilation for Residential Units

(iii). Landmark Status: N/A

(2) Parapets and Copings:

Concrete masonry units or assembly of bearing metal studs with exterior grade sheathing both sides anchored in to concrete slab. The synthetic stucco systems finish on the interior and the exterior. Copings are of precast concrete or better.

(3) Chimney and Caps:

The twelve (12) individual flues with rain cap for individual boilers and water heaters will terminate above main roof in accordance with requirements of New York City Building Code.

(4) Balconies and Terraces:

(i). Deck: Constructed of concrete over waterproofing membrane and metal deck on steel joists and frame

(ii). Balustrade: N/A

(iii). Railings: Wrought iron with or better 1 ½ diameter top rail and ½ diameter bars spaced 5" on center maximum

(iv). Copings: Aluminum cast or better

(v). Soffits: Layer of cement board and synthetic stucco finish.

(vi). Doors: Sliding glass doors as manufactured by 'Anderson Corp" with insulated tempered glass or equivalent

5) Exterior Entrances:

(i). Exterior Doors: Insulated corrosion resistant finish steel frame doors assemblies with insulated tempered glass. Doors will be equipped with key lockset exterior dead bolt with electronic release.

(ii). Vestibule Doors: Steel or aluminum frame with insulated tempered glass and lockset

(iii). Exterior Stairs: N/A

(iv). Railings: **corrosion resistant paint** painted steel tube 1 ½" diameter at stairs only

(v). Mail Boxes: US Post Office standard released type grouped in Building lobby

(vi). Lighting: In front of the building located at all building entrances. Lighting will be generic H.I.D. sodium or better as selected by Sponsor

(6) Service Entrances: N/A

7) Roof and Roof Structures:

(i). Type:
(a) Material - Three (3) ply roll up roofing with 10 years minimum manufactures warranty.
(b) Insulation – 6" fiberglass foil faced with an insulation rating of R-38 min
(c) Surface: N/A
(d) Flashing material galvanized sheet aluminum or better

(ii). Drains:
(a) Roof and area drains for all flat roofs and terraces are to be cast iron with guard and sediment basket. Interior leaders will be cast iron 'no hub' fitting
(b) Gutters and leaders collecting storm water from the bulkhead will be cast aluminum or better

(iii). Skylights: N/A

(iv). Bulkheads:
(a) Stairs: reinforced concrete masonry unit's walls and concrete slab over metal deck roof framing.
(b) Elevator: reinforced concrete masonry unit walls and concrete slab over metal deck roof framing
(c) Others N/A

(v). Metal work at roof levels:
(a) Exterior metal stairs N/A
(b) Ladder: N/A
(c) Railing: N/A

(d) Hatches to roof N/A
(e) Other N/A

(vi). Rooftop facilities: One (1) HVAC unit serving public space of the building will be installed on standard manufacturer's curb over Main building.

(8) Fire Escapes: N/A

(9) Yards and Courts:

One front yard will be provided along East 17th Street frontage to the front access of the building

(i). Paving: Cast in place concrete or better

(ii). Drainage: Area drains will collect storm water to storm drain

(iii). Railings: N/A

(iv). Stairs: N/A

(v). Fencing: 6'-00" high security rod fencing on concrete curb at the side and rear property sides around parking area

(vi). Walls: N/A

(10) Interior Stairs:

(i). Stairs: Two (2) stairs leading to a safe area

(ii). Enclosure: Reinforced concrete masonry units with sealant type paint finish

(iii). Stair construction: Metal pan with concrete fill on steel framing and GWB soffits

(iv). Stringers: Steel

(v). Treads: Concrete

(vi). Risers: Steel

(vii). Guard rails: Steel

(viii). Balustrade: Steel

(11) Interior Doors and Frames:

All interior doors and frames will be in compliance with requirements of New York City Building Code for material and finish type and fire rating.

(i). Residential Units Entrance doors: 1 ½ hour fireproof self closing Class 'A' hollow metal door and frame with chain guard peephole and lockset as approved by City of New York

(ii). Interior doors and frames: Hollow core wood doors and frames (not rated)

(iii). Stair hall doors and frames: 1 ½ hours fireproof self closing Class 'A' hollow metal doors and frames with wire glass insert

(iv). Roof doors, basement doors and frames: 1 ½ hours fireproof self closing Class 'A' hollow metal doors and frames

(12) Elevators:

(i). Numbers elevators:
One (1) elevator

(ii). Manufacturer:
'Millennium Elevator'
Elevator capacity: 2000 lbs

(iii) Type of operation:
Dual Jack Roped Hydraulic System

(iv). Automatic type of controls:
Automatic operation by means of car or hall buttons

(v). Floor served:
Main residential lobby and floors from cellar through 7th floor

(vi). Type:
Roped Hydraulic holed passenger elevator

(vii). Doors:
Sliding flush automatic doors of formed steel frame construction having required Fire Rating with vertical internal channel reinforcement

(viii). Locations of machine room:
Remote from shaft located at the first floor

(ix). DC motor: N/A

(x). AC motor: Standard Motor provided by 'Millennium Elevator' or as selected by manufacturer

(xi). Other: N/A

(13) Elevator Cabs:

(i). Kind: Manufactured by 'Millennium Elevator', as selected by manufacturer.

(ii). Floor material: Nonskid resilient material (VCT or better)

(iii). Walls material:
Cab walls will be of wood core panels with plastic laminate panels from standard manufacturer's catalog of choices or better as supplied by same manufacturer.

(iv). Ceiling: suspended ceiling from manufacturer's catalog of choices.

(v). Lighting: Florescent lighting fixtures as a part of the ceiling system or equal as provided by same manufacturer.

(vi). Safety system:
Integral to the car frame flexible guide clamp type and oil buffer mounted in the pit as provided by cab manufacturer.

(vii). Alarms:
Emergency car lighting with an emergency pulsating siren mounted on top of the car operating panel with rated sound pressure of twenty (20) db(a) and maximum delay of one (1) second as provided by cab manufacturer

I. Auxiliary Facilities

(1) Laundry Room:

(i). Number and Location: Twelve (12) - inside of each residential unit

(ii). Clothes washers: Complete gas and water hookups are provided; units are not supplied by the Sponsor

(iii). Clothes dryers: Complete gas and water hookups are provided; units are not supplied by the Sponsor

(iv). Room ventilation: Negative pressure through dryer combined exhaust to roof

(v). Dryer ventilation: Combined ducted exhaust terminating above main roof

(2) **Refuse Disposal:**

(i). Incinerators: N/A

(ii). Compactors: N/A

(iii). Approvals by authority: N/A

(iv). Initial storage: refuse room at each floor and main refuse room at the first floor

(v). Pick-up schedule: Pick-up by New York City Department of Sanitation according to the Department schedule

J. Plumbing and Drainage

(1) **Water Supply:**

Water will be provided to the building from an existing New York City water main in East 17th Street. There will be one (1) 4"Ø water connection for the fire service and one (1) 2''Ø water connection for the domestic service. Connection will be copper pipe installed per New York City Department of Environmental Protection specifications.

(2) **Fire Protection System:**

Fire hydrants are located in the City streets in front of the Building in accordance with Fire Department Requirements.

(i). Standpipes: One (1) combination standpipe located within interior staircase.

(ii). Hose racks, hoses and nozzles: One (1) fire hose located in Fire Department Approved type cabinet in the Residential Lobby.

(iii). Sprinkler heads: Wet system for entire building protection to meet requirements of New York City Building Code and NFPA Standards. The valves and meter are located at cellar floor. Water is taken to all parts of the building by way of risers, horizontal pipes and branches. Heads are pendant, concealed or sidewall types

(iv). Siamese connection: Wall type Fire Department Connection Siamese located on front building wall facing East 17th Street near residential entrance.

(3) **Water Storage Tanks and Enclosures:** N/A

(4) **Water Pressure and how Maintained:**

Water pressure of 40 PSI as maintained by City of New York is to maintain an adequate pressure for normal use at the upper floor of the building.

(5) **Sanitary Sewage System:**

(i). Sewage piping: Gravity collector system will consist of 1 ½ "to 6" diameter cast iron 'no hub' connection piping

(ii). Sewage pump: N/A

(iii). Sewage disposal: Connection to New York City Municipal Sewer System

(6) **Permits:**

Plumbing permits (D.O.B.), Sewer Connection and Water Tap and Meter Permits (D.E.P.)

(7) **Storm Drainage System:**

There will be a gravity system collecting storm water into storm house drain and underground drywells located below parking area with in rear yard of the property for disposal to New York City Public Sewer. Detention and retention systems will be adequate to accommodate all requirements for the applicable rainfall.

(i). Catch basins: N/A

(ii). Yard and roof drains: Located on the main roofs and in front of the Building Entrances and at the parking area

(iii). Piping: Cast iron 'no hub' connection

(iv). Sump pumps: N/A

K. Heating

(1) **Heating (space heating):**

Residential units will be heated by 'Versa Line' hot water fin-tube baseboard radiators Manufactured by 'Sterling' or equal and piped to boilers located inside of the Mechanical Room with in individual Residential Unit.
Heat for the Community Room unit will be provided by a separate central HVAC system with gas furnace installed on the HVAC unit: Manufactured by 'Coolair' Model #: ISA2G1A05 or equal.
Main residential lobby, public stairs, public hallways will be heated with electric cabinet heaters Model #: CU900 Manufactured by 'Brasch' or equal. Mechanical

Room in the cellar will be heated with electrical fin-tube radiators Manufactured by 'Brasch' Model #: 'BTU-H-3'. Cost of electric charges for operating this system will be a part of Common Condominium Charges.
The proposed system should adequately maintain comfortable conditions under anticipated New York City weather conditions. The capacity of the units on the following; Heating 70° F inside/ 0° F outside; Cooling 75° F inside / 89° F outside.

(2) **Number of Boilers:**

There is twelve (12) hot water boilers.

(3) **Manufacturer of Boilers:**

There are twelve (12) hot water boilers manufactured by 'Delta', Model PG-30 located in the Mechanical Rooms within Residential Units.

(4) **Manufacturer of Burners:**

There will be one (1) gas furnace installed in the HVAC units to provide heat for Community Room spaces manufactured by 'Coolair' located in the first floor Mechanical Room.

(5) **Type of Controls**:

Residential units will be controlled individually with a central wall thermostat located inside of Residential Unit manufactured by 'Honeywell' or equal. Community room units will have wall mounted heat/cool thermostat Manufactured by 'Honeywell' or equal.

(6) **Radiators, Piping, Insulation Valves, Pumps**:

Electrical heaters manufactured by 'Brasch', Model # 'A' and 'LB' and BTUH-3 Hot water radiators manufactured by 'Sterling', Model # 'Versa-Line'.

(7) **Fuel:**

Natural Gas from Public Utility Company.

(8) **Location of Oil Tank:** N/A

(9) **Capacity of Oil Tank:** N/A

L. Gas Supply

(1) **Type:** Natural Gas

(2) **Meters:** Individual meters for each Condominium unit and Common meter. All meters are located in mechanical/meter room at the cellar

(3) **Piping:** Black iron welded and/or threaded to meet New York City Building Code

M. Air Conditioning

The proposed system should adequately maintain comfortable conditions under anticipated New York City weather conditions. The capacity of the units on the following; Heating 70° F inside/ 0° F outside; Cooling 75° F inside / 89° F outside.

(1) **Type of System**: Individual system for each Condominium Unit.

(2) **Central System:**

(i). Community Room Unit: One (1) HVAC Unit Manufacturer 'Coolair, Model # VSA2G1A05, will be installed inside of the mechanical room at first floor.

(3) **Condensers:** N/A

(4) **Individual Units:**

Standard Air Conditioning sleeves and required power supply will be provided by Sponsor. No Air Conditioning units will be provided.

N. Ventilation

All kitchens, bathrooms and public corridors will have mechanical ventilation by means of the exhaust registers of 120 CFM for kitchens, 50 CFM for bathrooms and ducted to the roof exhaust fans as manufactured by 'Greenheck', or equal.

O. Electrical System

(1) **Service from Main service switchgear:**

Service entrance main service switchgear is in the cellar- 800 AMP, 208 voltage, 2 or 3 phase, circuit breakers, cut off distribution switches panels are located in the Cellar Electrical Room and determined by Con Edison.

(2) **Service to individual units:**

Electrical service to each individual Residential unit - 60 AMP service minimum.
Electrical service to the Community room unit - 400 AMP service.

(3) **Compartment switch gear:**

All transformers and sectional meter boards are located in the First floor Electrical Room. There will be remote meter reading devices on exterior front wall for utility meter readers to monitor without entering building.

(4) **Unit service:**

Ratings for unit service of main fuses - 800 AMP. Circuit breakers to units (20) 15 AMP circuit breakers with 60 min. APM Main 40-45 APM-2 pole-220- copper wire entrance wires for each unit.

(5) **Adequacy:**

(i). Service –average of ten (10) circuits per apartment with the capacity to handle appliances, A/C units, dishwashers and clothes dryers
(ii). Lighting and Fixtures – approximately three (3) circuits will be provided for general and localized lighting
(iii). Convenience outlets, appliance outlets, generally there will be a minimum of (4) outlets per room including (1) A/C outlet per occupiable room if central A/C is not provided

P. Intercommunication

Push button intercom with a door signal system manufactured by 'AIphone', GF series, as minimum required will be provided for each Residential Unit.
No intercom will be provided for Community room unit.
Television distribution wiring will be provided to each living room and bedroom of all Residential Units.
No master antennae or cable TV is provided by Sponsor.
No closed circuit TV is provided by Sponsor.

Q. Public Area Lighting

Public area lighting as minimum or excepting requirements of New York City Building Code and Electrical Code for following areas:
- Front yard, Building entrances and parking area at the first floor with exterior H.I.D. type wall or surface mounted lighting.

-Main Residential lobby, public corridors and stairs and exercise room with wall or ceiling mounted or recessed incandescent of fluorescent lights.

R. Garage and Parking Area

(1) **Location of Garages:** N/A

(2) **Location of Parking Areas:**

Seven (7) cars open parking level located at first floor level within rear yard area.

(3) **Surface:** Concrete paving

(4) **Parking:** Parking is unattended

(5) **Garage Ventilation:** N/A

(6) **Garage Fire Protection:** N/A

(7) **Drainage**

One (1) cast iron area drain will collect storm water and by gravity bring it to storm house drain in the cellar of the building

S. Swimming Pool N/A

T. Recreation Facilities

(1) **Tennis Court:** N/A

(2) **Playgrounds:** N/A

(3) **Other Recreation Facilities:** N/A

U. Permits and Certificates

The following permits listed below are reburied with their respective agencies:

Department of Buildings
New Building Construction Permits
Plumber's Affidavit and Permit
Curb Cut Permit
Department on Environmental Protection
Sewer Connection Permit

Department of Highways
Roadway Paving Permit
New Sidewalk Permit
Curb Work Permit
Department of Water Supply
Water Tap Permit

Department of Parks
Tree Planting Permit

V. Violations

All violations that might occur during construction will be cured prior to delivery of the Final Certificate of Occupancy to the building.

All units will be conveyed free and clear of all DOB and ECB violations

W. Unit Information

There will be a total of one (1) building that will have twelve (12) Condominium Residential Units and seven (7) car spaces.
All dimensions and sizes are approximate. Unit sizes below do not include common area stairwells or any other common areas within the building. Additionally where applicable size show does not include square footage for balconies or terraces.

Recreation Room at 1st Floor **402.3 square feet**

Parking Area at 1st Floor **2,621.2 square feet**

Unit consists of seven (7) car spaces separated into individual tax lots.

Unit "1" at 2ndFloors **897.2 square feet**

Unit consists of two (2) bedrooms one (1) living room, one (1) kitchenette, two (2) bathrooms and one (1) laundry room.

Unit "2" at 2nd Floor **888.3 square feet**

Unit consists of two (2) bedrooms one (1) living room, one (1) kitchenette, two (2) bathrooms and one (1) laundry room.

Unit "3" at 3rdFloor **897.2 square feet**
Unit consists of two (2) bedrooms one (1) living room, one (1) kitchenette, two (2) bathrooms and one (1) laundry room

Unit "4" at 3rd Floor **895.3 square feet**

Unit consists of two (2) bedrooms one (1) living room, one (1) kitchenette, two (2) bathrooms and one (1) laundry room

Unit "5" at 4thFloor **897.2 square feet**

Unit consists of two (2) bedrooms one (1) living room, one (1) kitchenette, two (2) bathrooms and one (1) laundry room

Unit "6" at 4th Floor **895.3 square feet**

Unit consists of two (2) bedrooms one (1) living room, one (1) kitchenette, two (2) bathrooms and one (1) laundry room

Unit "7" at 5th Floor **897.2 square feet**

Unit consists of two (2) bedrooms one (1) living room, one (1) kitchenette, two (2) bathrooms and one (1) laundry room

Unit "8" at 5th Floor **895.3 square feet**

Unit consists of two (2) bedrooms one (1) living room, one (1) kitchenette, two (2) bathrooms and one (1) laundry room

Unit "9" at 6th Floor **897.2 square feet**

Unit consists of two (2) bedrooms one (1) living room, one (1) kitchenette, two (2) bathrooms and one (1) laundry room

Unit "10" at 6th Floor **895.3 square feet**

Unit consists of two (2) bedrooms one (1) living room, one (1) kitchenette, two (2) bathrooms and one (1) laundry room

Unit "11&12" at 7th Floor **715.5 square feet each unit**

Unit consists of two (2) bedrooms one (1) living room, one (1) kitchenette, one (1) bathroom and one (1) laundry room

X. Finish Schedule

(1) Finish Material Used:

(a)	Sub-Floor	Floor	Walls	Ceiling
Living/Dining	CONC	WD	GWB/PNT	GWB /PNT
Kitchen	CONC	WD	GWB/PNT	GWB/PNT

Bedroom	CONC	WD	GWB/PNT	GWB /PNT
Bathroom	CONC	CT	MR GWB/CT	MR GWB/PNT
Mechanical/ Laundry	CONC	CT	MR GWB/PNT	MR GWB/PNT
Meter Rooms	CONC	CONC	MR GWB/PNT	MR GWB/PNT
Community Room	CONC	CONC	GWB/	GWB/PNT

Abbreviations:

CONC-Concrete	CT-Ceramic Tile	WD-Hard Wood	/PNT-Paint
GWB-Gypsum Wall Board	MR-Moisture Resistant	PRM - Prime	

Type and Finish of hardwood floors are to be selected by Sponsor.

(b) Bathroom Finishes:

Residential Units: Full bathrooms will be equipped with a wash basin, a water closet and a combination bathtub and shower

Community Facility Unit: Powder Rooms will be equipped with a wash basin and a water closet

Water Closet (all units)
"Glocier Bay"
Model #: SKU 143-279

Bathtub (all units)
"Bootz / Aloha"
Model #: 011-2364-00

Pedestal Lavatories
"Glocier Bay"
Model #: 303-635

Shower Bodies:
"American Shower"
Model #: 403306

(c) Kitchen Equipment:

Microwave
"General Electric"
Model #: JVM 1650WH

Stove / Oven (for all residential units)
"General Electric"
Model #: JCB 28BELWH

Refrigerator (for all residential units)
"General Electric"
Model #: GTS18 HBS WW

Dishwater: (for all residential units)
"General Electric"
Model# CSD2600GWW

(d) Kitchen Finishes:

All kitchen cabinets will be generic washable 'Formica' laminate finish or comparable. The counter tops be manufactured by 'American Standard' Americast™ or equal

Y. Safety and Warning

Entire building will have sprinkler system as required by Building Code. All Residential Units will be equipped with approved type combined Smoke/ Carbon Monoxide Detectors installed in accordance with all applicable laws.

Z. Special Risks

Under normal conditions, and for conventional buildings such as this one, reinforced concrete as well as concrete block walls develop cracks. Such cracks are due to inherent shrinkage of concrete, creep and restraining effects of wall and other structural elements to which the beams/slabs are tied.

Cracks in the concrete are primarily caused by improper curing of the concrete, premature loadings, improper placement, use of aluminum tools to finish the concrete excessive tampering with the concrete mix and lack of controlled joints and proper allowance for expansion. Quality Assurance or Quality Control are of paramount importance to control these conditions.

The sponsor of the project will NOT be providing Quality Assurance or Quality Control on the site. As a result there a greater chance that the concrete will develop cracks.

AA. Further Development

No further Development is anticipated by Sponsor.

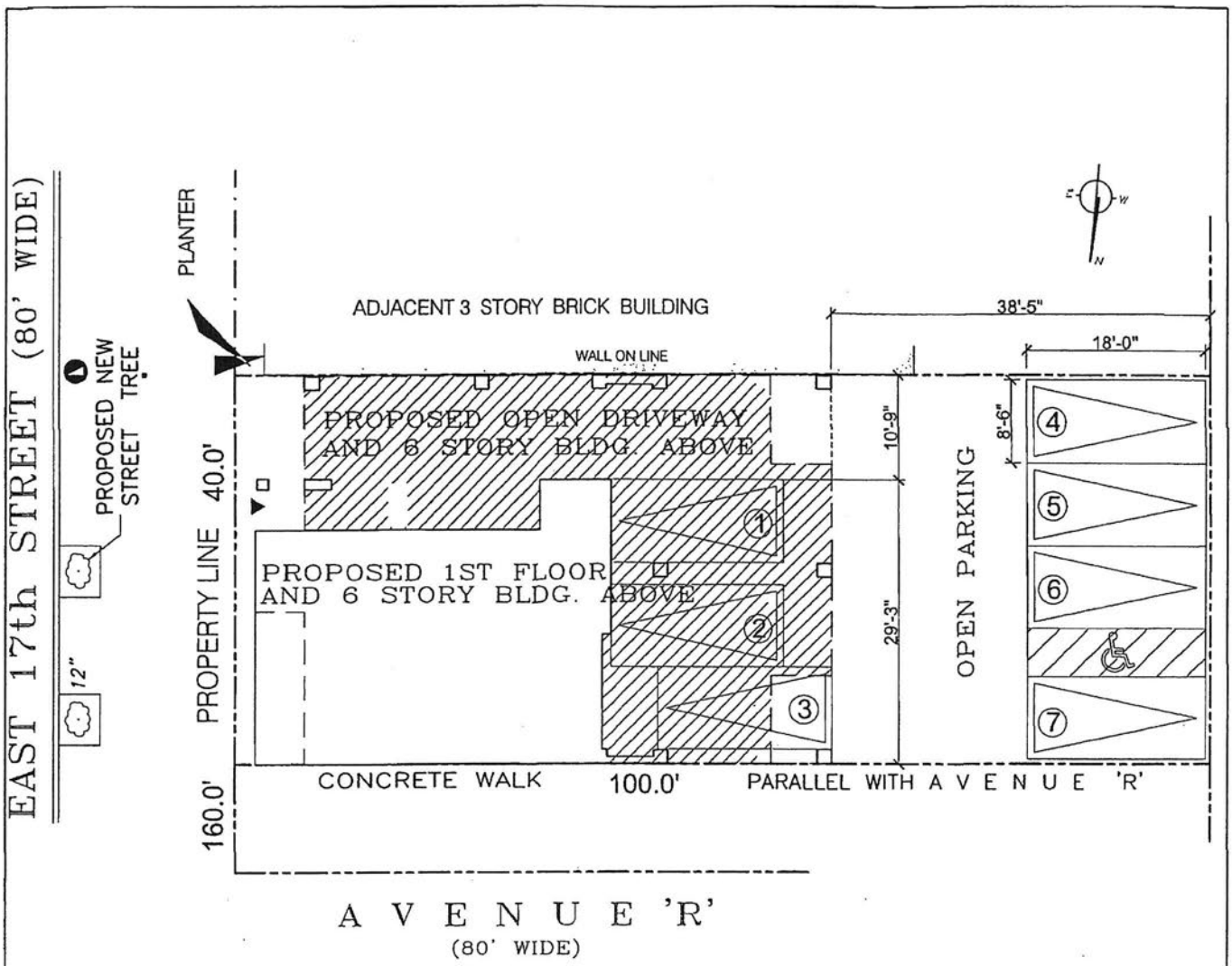
BB. General Comments

Sponsor intends to use fixtures, appliances, equipment and materials described herein but reserves the right substitute fixtures, appliances, equipment and materials of equal or better quality.

Prepared by:



Yevgeniy Rybak, R.A.
Rybak Architects, PC



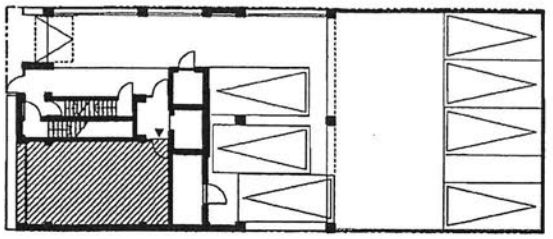
SITE PLAN

0 10' 20' 30'

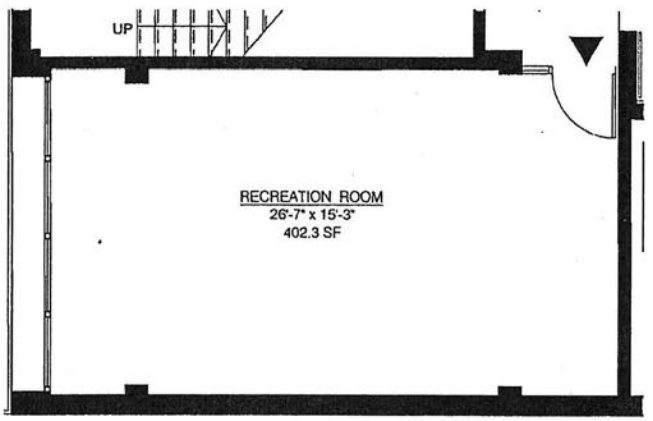
drawn by	checked by	title	date
IG	YR	SITE PLAN, SCALE: 1/16" = 1'-0"	01/05/2007

RYBAK ARCHITECTS, P.C.
1337 Prospect Avenue, Brooklyn, NY 11218
Phone (718)437-4965 Fax (718)504-3667

project	job #	dwg #
PROPOSED BUILDING AT: 1824 EAST 17 STREET, BROOKLYN, NY 11229	26020	RE-1



ALL AREAS AND DIMENSIONS ARE APPROXIMATE AND ARE SUBJECT TO NORMAL CONSTRUCTION TOLERANCES AND VARIANCES
DIMENSIONS ARE MAXIMUM OVERALL: AS MEASURED TO THE OUTSIDE BOUNDARY OF PERIMETER WALLS AND TO THE MIDDLE LINE OF DEMISING WALLS BETWEEN UNITS
SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH OFFERING PLAN



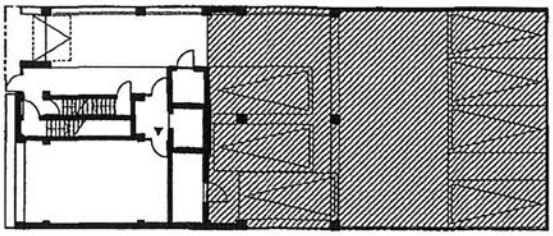
RECREATION ROOM
@ FIRST FLOOR

0 5' 10' 15'

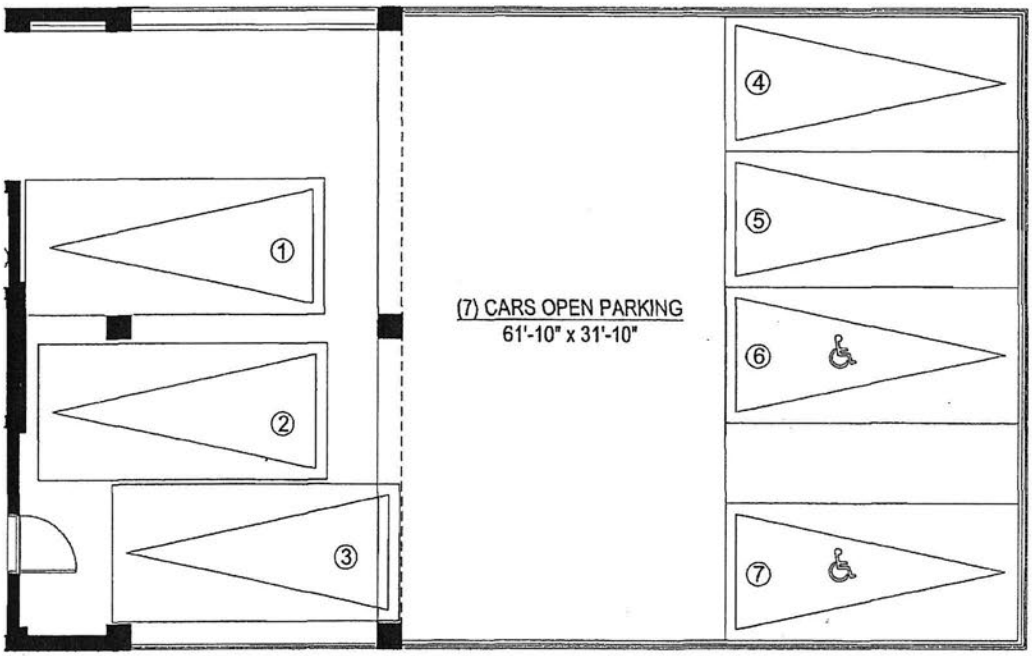
RECREATION ROOM
MAX CLG HEIGHT: 8'-8"
AREA: 402.3 SF

drawn by IG	checked by YR	title RECREATION ROOM @ 1 FLOOR, SCALE: 1/8" = 1'-0"	date 01/05/2007	
RYBAK ARCHITECTS, P.C. 1337 Prospect Avenue, Brooklyn, NY 11218 Phone (718)437-4965 Fax (718)504-3667		project PROPOSED BUILDING AT: 1824 EAST 17 STREET, BROOKLYN, NY 11229	job # 26020	dwg # RE-2





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(7) CARS OPEN PARKING @ FIRST FLOOR

0 5' 10' 15'

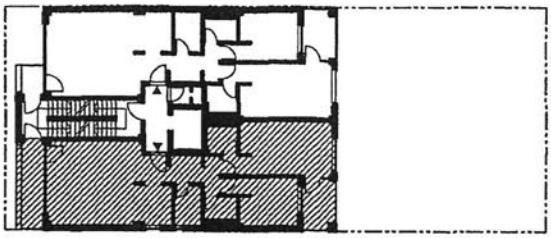
drawn by	checked by	title	date
IG	YR	(7) CARS OPEN PARKING @ 1 FLOOR, SCALE: 3/32" = 1'-0"	01/05/2007

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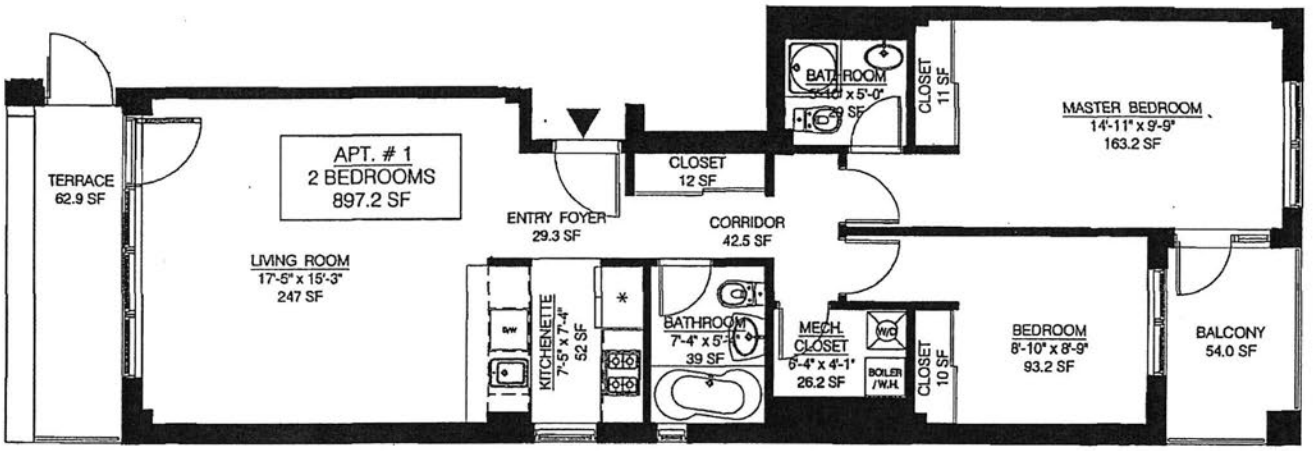
project: PROPOSED BUILDING AT:
1824 EAST 17 STREET, BROOKLYN, NY 11229

job # 26020

dwg # RE-3



ALL AREAS AND DIMENSIONS ARE APPROXIMATE AND ARE SUBJECT TO NORMAL CONSTRUCTION TOLERANCES AND VARIANCES
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APARTMENT # 1
@ SECOND FLOOR

0 5' 10' 15'

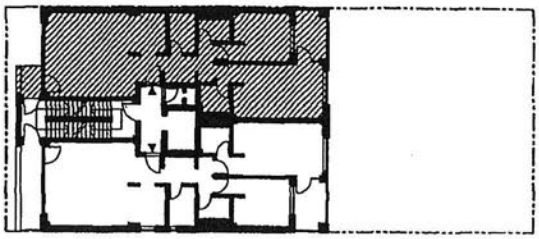
APT. # 1
2 BEDROOMS
MAX CLG HEIGHT: 8'-8"
AREA: 897.2 SF

drawn by	checked by	title	date
IG	YR	APT. # 1 @ SECOND FLOOR, SCALE: 1/8" = 1'-0"	01/05/2007

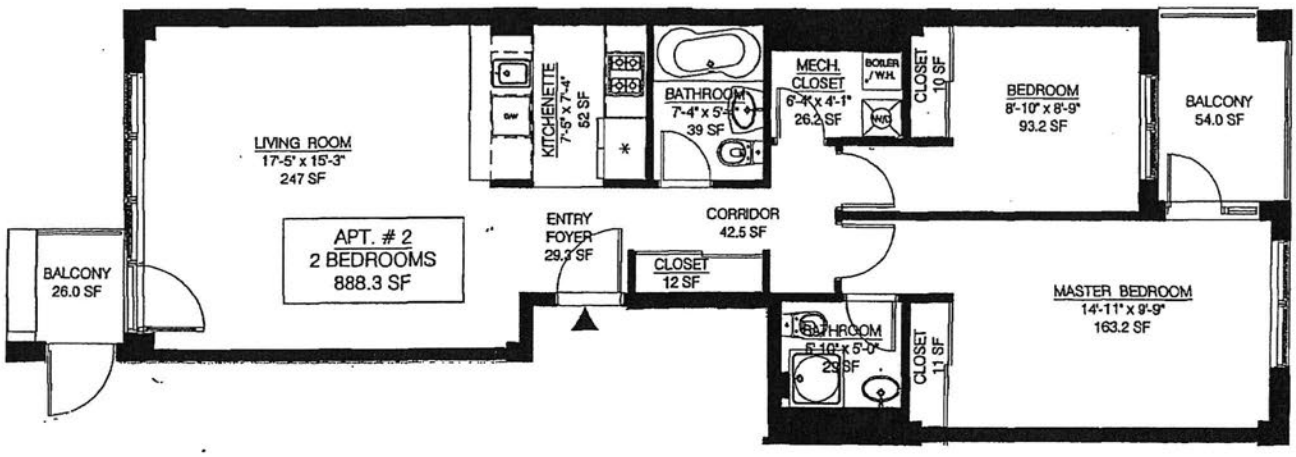
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project	job #	dwg #
PROPOSED BUILDING AT: 1824 EAST 17 STREET, BROOKLYN, NY 11229	26020	RE-4





ALL AREAS AND DIMENSIONS ARE APPROXIMATE AND ARE SUBJECT TO NORMAL CONSTRUCTION TOLERANCES AND VARIANCES DIMENSIONS ARE MAXIMUM OVERALL: AS MEASURED TO THE OUTSIDE BOUNDARY OF PERIMETER WALLS AND TO THE MIDDLE LINE OF DEMISING WALLS BETWEEN UNITS SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH OFFERING PLAN



APARTMENT # 2
@ SECOND FLOOR

0 5' 10' 15'

APT. # 2
2 BEDROOMS
MAX CLG HEIGHT: 8'-8"
AREA: 888.3 SF

drawn by	checked by	title	date
IG	YR	APT. # 2 @ SECOND FLOOR, SCALE: 1/8" = 1'-0"	01/05/2007

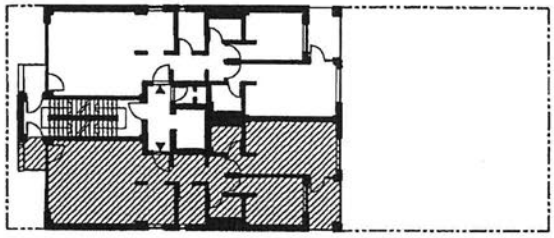
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Phone (718)437-4965 Fax (718)504-3667

project: PROPOSED BUILDING AT:
1824 EAST 17 STREET, BROOKLYN, NY 11229

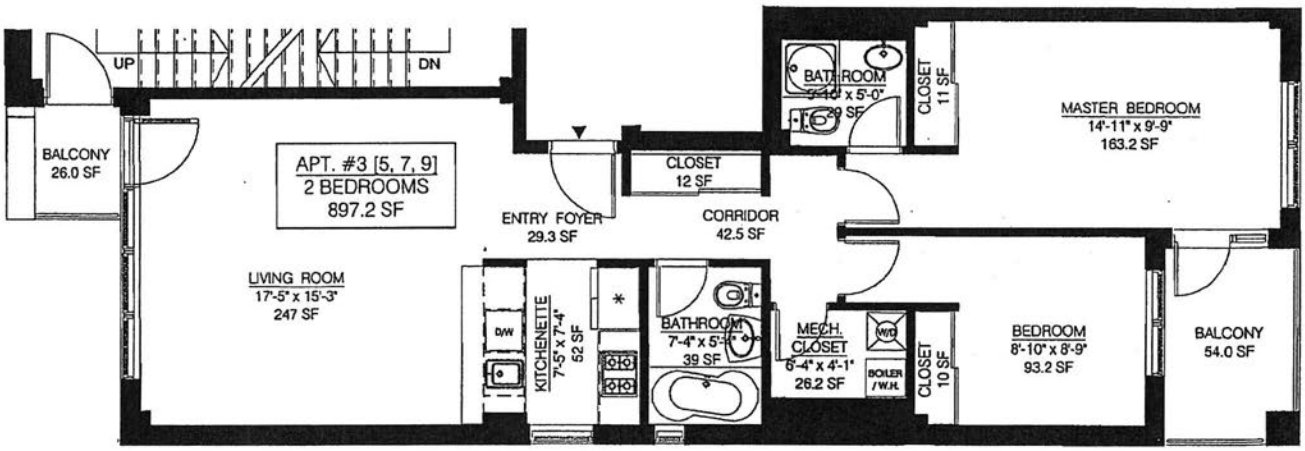
job # 26020

dwg # RE-5





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APARTMENT # 3 [5, 7, 9]
@ 3 [4, 5, 6] FLOOR

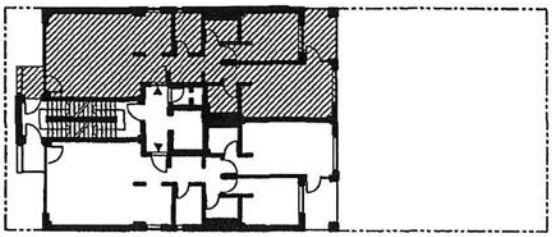
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APT. # 3 [5, 7, 9]
2 BEDROOMS
MAX CLG HEIGHT: 8'-8"
AREA: 897.2 SF

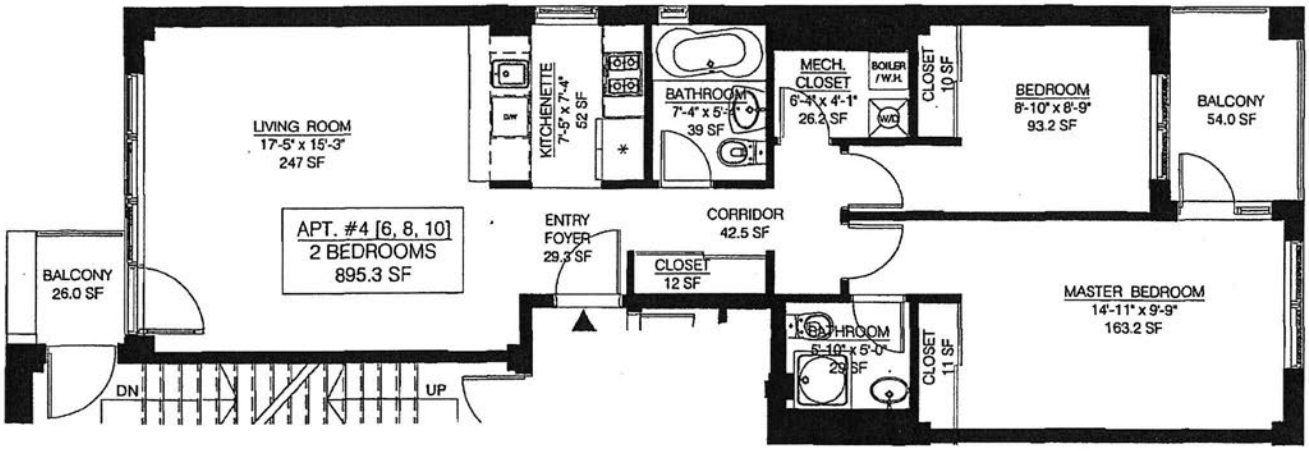
drawn by	checked by	title	date
IG	YR	APT. # 3 [5, 7, 9] @ 3 [4, 5, 6] FLOOR, SCALE: 1/8" = 1'-0"	01/05/2007

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project	job #	dwg #
PROPOSED BUILDING AT: 1824 EAST 17 STREET, BROOKLYN, NY 11229	26020	RE-6



ALL AREAS AND DIMENSIONS ARE APPROXIMATE AND ARE SUBJECT TO NORMAL CONSTRUCTION TOLERANCES AND VARIANCES
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APARTMENT # 4 [6, 8, 10]
@ 3 [4, 5, 6] FLOOR

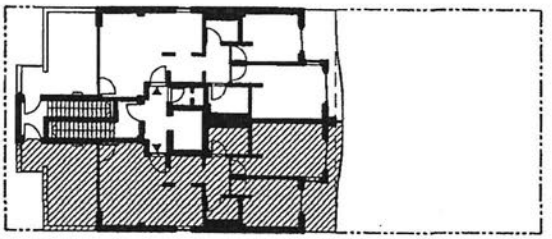
0 5' 10' 15'

APT. # 4 [6, 8, 10]
2 BEDROOMS
MAX CLG HEIGHT: 8'-8"
AREA: 895.3 SF

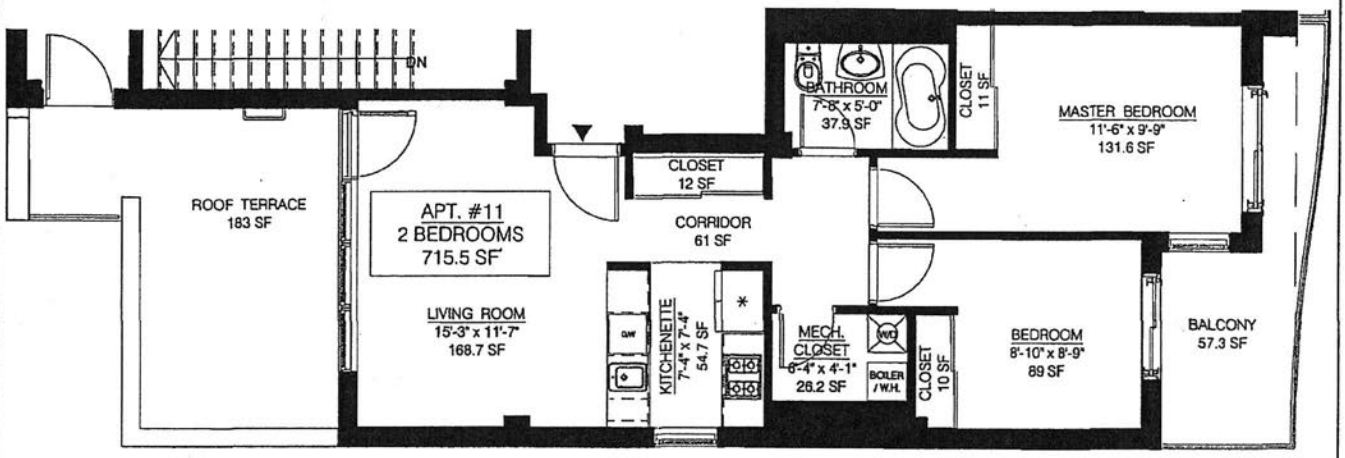
drawn by	checked by	title	date
IG	YR	APT. # 4 [6, 8, 10] @ 3 [4, 5, 6] FLOOR, SCALE: 1/8" = 1'-0"	01/05/2007

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project	job #	dwg #
PROPOSED BUILDING AT: 1824 EAST 17 STREET, BROOKLYN, NY 11229	26020	RE-7



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APARTMENT # 11
@ SEVENTH FLOOR

0 5' 10' 15'

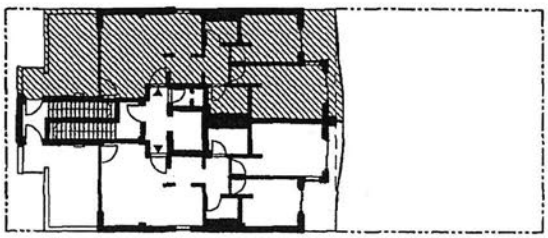
APT. # 11
2 BEDROOMS
MAX CLG HEIGHT: 8'-8"
AREA: 715.5 SF

drawn by	checked by	title	date
IG	YR	APT. # 11 @ SEVENTH FLOOR, SCALE: 1/8" = 1'-0"	01/05/2007

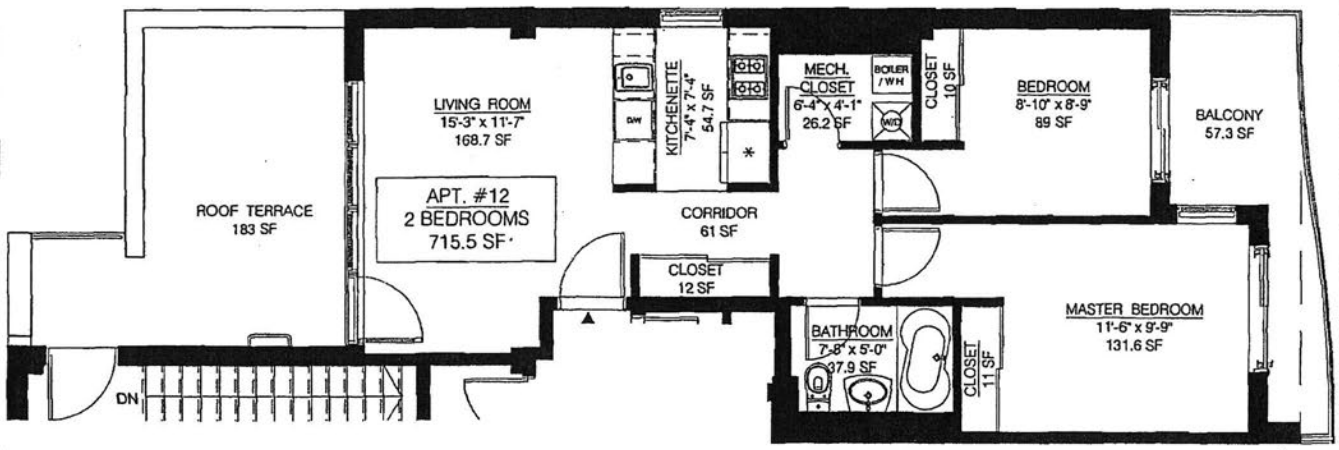
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1337 Prospect Avenue, Brooklyn, NY 11218
Phone (718)437-4965 Fax (718)504-3667

project
PROPOSED BUILDING AT:
1824 EAST 17 STREET, BROOKLYN, NY 11229

job #	dwg #
26020	RE-8



ALL AREAS AND DIMENSIONS ARE APPROXIMATE AND ARE SUBJECT TO NORMAL CONSTRUCTION TOLERANCES AND VARIANCES
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SPONSOR RESERVES THE RIGHT TO MAKE CHANGES IN ACCORDANCE WITH OFFERING PLAN



APARTMENT # 12
@ SEVENTH FLOOR

0 5' 10' 15'

APT. # 12
2 BEDROOMS
MAX CLG HEIGHT: 8'-8"
AREA: 715.5 SF

drawn by	checked by	title	date
IG	YR	APT. # 12 @ SEVENTH FLOOR, SCALE: 1/8" = 1'-0"	01/05/2007

RYBAK ARCHITECTS, P.C.
1337 Prospect Avenue, Brooklyn, NY 11218
Phone (718)437-4965 Fax (718)504-3667

project	job #	dwg #
PROPOSED BUILDING AT: 1824 EAST 17 STREET, BROOKLYN, NY 11229	26020	RE-9

THE CITY OF NEW YORK

TITLE D*
HOUSING MAINTENANCE CODE

* Added by L. L. 1967, No. 56, July 14. Subsequent amendments indicated in text.

Department of Housing Preservation and Development
Office of Rent and Housing Maintenance

SUBTITLE II: MAINTENANCE, SERVICES, AND UTILITIES

ARTICLE 10: Obligations of Owner and Tenant; Duty to Repair

Section

D26-10.01 Duties of Owner
D26-10.03 Duties of Tenant
D26-10.05 Certain Specific Duties of Tenants and Others
D26-10.07 Owner's Right of Access
D26-10.09 Tenant Violations as Grounds for Eviction

Sec. D26-10.01 Duties of owner

a. The owner of a multiple dwelling shall keep the premises in good repair.

b. The owner of a multiple dwelling, in addition to the duty imposed upon him by subsection (a) of this section, shall be responsible for compliance with the requirements of this code, except insofar as responsibility for compliance is imposed upon the tenant alone.

c. The owner of a one- or two-family dwelling shall keep the premises in good repair, and shall be responsible for compliance with the provisions of this code, except to the extent otherwise agreed between him and any tenant of such dwelling by lease or other contract in writing, or except insofar as responsibility for compliance with this code is imposed upon the tenant alone.

Sec. D26-10.03 Duties of tenant

a. A tenant shall, in addition to complying with all provisions of this code and the multiple dwelling law applicable to him, be responsible for violations of this code to the

extent that he has the power to prevent the occurrence of a violation. A tenant has the power to prevent the occurrence of a violation if:

(1) it is caused by his own willful act or that of a member of his family or household, or a guest; or

(2) it is the result of his gross negligence, neglect or abuse, or the gross negligence, neglect or abuse of a member of his family, or household or a guest.

b. The tenant, any member of his family or household, or his guest shall, with respect to the public parts of the premises, be liable if a violation is caused by his own willful act, gross negligence, neglect or abuse.

c. The fact that a tenant is or may be liable for a violation of this code or any other law or is found liable for civil or criminal penalties does not relieve the owner of his obligation to keep the premises, and every part thereof, in good repair.

Sec. D26-10.05 Certain specific duties of tenants and others

In addition to other duties imposed upon him by this code, no tenant, or any other person, shall:

a. remove or render inoperative any self-closing device on any door which is required by any provision of law to be self-closing, or cause or permit such door to be held open by any device;

b. use, or cause or permit to be installed, a louvred door or screen door in addition to or in place of any required self-closing door to a public hall;

c. place any encumbrance before or upon, or cause access to be obstructed to, any fire escape, or obstruct by a baby carriage or any encumbrance the public halls or any required means of egress;

d. take down, alter, destroy, or in any way deface any sign required by this code to be displayed.

Sec. D26-10.07 Owner's right of access

No tenant shall refuse to permit the owner, or his agent or employee, to enter his dwelling unit or other space under his control to make repairs or improvements required by this code or other law or to inspect such apartment or other space to determine compliance with this code or any other provision of law, if the right of entry is exercised at a reasonable time and in a reasonable manner. The department may by regulation restrict the time and manner of such inspections.

Sec. D26-10.09 Tenant violations as grounds for eviction

Any conviction of a tenant for violation of this code which:

(1) results from willful or grossly negligent conduct and causes substantial damage to the dwelling units; or

(2) results from repeated or continued conduct which causes damage to the dwelling unit or substantially interferes with the comfort or safety of another person; or

(3) consists of an unreasonable refusal to afford access to the dwelling unit to the owner or his agent or employee for the purpose of making repairs or improvements required by this code, shall constitute grounds for summary proceedings by the owner to recover possession of such dwelling unit from the tenant.

ARTICLE 11: Cleaning

Section

D26-11.01 Cleaning of Roofs, Yards, Courts and Other Open Spaces
D26-11.03 Cleaning of Interior Shared Space
D26-11.05 Cleaning of Interior of Dwelling Units

Sec. D26-11.01 Cleaning of roofs, yards, courts and other open spaces

The owner of a dwelling containing two or more dwelling units, and the occupant of a single family dwelling shall keep the roof, yard, courts and other open spaces clean and free from dirt, filth, garbage or other offensive material.

Sec. D26-11.03 Cleaning of interior shared space

The owner of a dwelling shall maintain the public parts in a clean and sanitary condition.

Sec. D26-11.05 Cleaning of interior of dwelling units

a. The occupant of a dwelling shall maintain the dwelling unit which he occupies and controls in a clean and sanitary condition except as provided in subdivision (b)

b. The owner of all rooming units in a rooming house or an entire multiple dwelling used for single room occupancy, or the person in control of an apartment containing rooming units, shall clean any such unit before any change in

occupancy and at least once a week during the period of occupancy and shall at all times maintain the same in a clean and sanitary condition.

ARTICLE 12: Painting

Section

D26-12.01 Painting Or Public Parts and Within Dwellings
D26-12.03 Window Frames and Fire Escapes
D26-12.05 Courts and Shafts
D26-12.07 Departmental Regulations Concerning Paint and Wall Covering and Quality and Frequency of Repainting or Re-covering

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Sec. D26-12 01 Painting of public parts and within dwellings

a. In the public parts of a multiple dwelling, and in a tenant-occupied dwelling unit in a one-or two-family dwelling, the owner shall:

(1) paint or cover the walls and ceilings with wallpaper or other acceptable wall covering; and

(2) repaint or re-cover the walls and ceilings with wallpaper or other acceptable wall covering whenever necessary in the judgment of the department to keep such surfaces sanitary.

b. In occupied dwelling units in a multiple dwelling, the owner shall

(1) paint or cover the walls and ceilings with wallpaper or other acceptable wall covering; and

(2) repaint or re-cover the walls and ceilings with wallpaper or other acceptable wall covering every three years, and more often when required by contract or other provisions of law.

c. The department may require a tenant of a dwelling unit in a multiple dwelling to repaint or recover the interior walls and ceilings of his dwelling unit with wallpaper or other acceptable wall covering if such walls and ceilings become unsanitary at any time within three years from the date of the last refinishing by the owner. However, if the tenant can show, to the satisfaction of the department, that the walls and ceilings have become unsanitary through no act or neglect of his own or of his family or guests, the department may require the owner to repaint or re-cover the same. This subsection does not relieve the owner from his

duties under subsection (b)(2) of this section.

d. The owner and tenant of any dwelling unit in a multiple dwelling may, by voluntary agreement, provide that the owner need not repaint in such unit as required by subsection (b)(2) of this section for such additional period, not to exceed two years, as may be agreed upon. Such an agreement to extend the time for repainting shall not be valid unless it has been entered into not earlier than one month prior to the expiration of the three-year period, and shall not form part of any agreement of lease. The department may prescribe the form of such agreements, require them to be filed, and may make such other regulations as may be necessary to avoid abuse, and to further the purposes of this article. Notwithstanding any agreement, the department may, during the period for which repainting is deferred by agreement, order repainting by the owner in any dwelling unit when deemed necessary to keep the walls and ceilings of such unit sanitary. This subsection shall not affect the applicability of subsection (c) of this section during the three years after any repainting or re-covering.

e. Neither the owner nor a tenant of a dwelling unit shall place wallpaper or wall covering upon a wall or ceiling in the public or tenant-occupied parts of a dwelling unless existing wallpaper or wall covering is first removed and such wall or ceiling is cleaned and repaired. However, if wallpaper or wall covering is in good condition, free from vermin and a coat of acceptable paint or sizing is applied, one additional layer of wallpaper or wall covering may be applied.

f. Nothing contained in this section shall be deemed to require the owner of a dwelling to cover with wallpaper or other acceptable covering any wall or ceiling not previously so covered by him. When a wall or ceiling of a dwelling unit has been decorated with paper, wood paneling, or other material over which paint normally is not applied, the owner shall be relieved of his obligation to repaint or recover such wall or ceiling so long as the same remains in a sanitary condition, in the judgment of the department. When the department requires redecoration of such wall or ceiling, the tenant shall remove any paper, wall covering, wood paneling or other material which he himself has applied before the owner is required to clean and repair and repaint or re-cover. However, if the owner or a former tenant has applied paper, wall covering, wood paneling or other material, the owner shall be responsible for its removal before redecoration.

g. The owner of a multiple dwelling shall keep and maintain records relating to the refinishing of public parts and dwelling units showing when such parts were last painted or papered or covered with acceptable material and who performed the work. Such records shall be open to inspection by the department, and shall be submitted to the department upon request.

Sec. D26-12.03 Window frames and fire escapes

a. At least once every five years, the owner of a dwelling shall paint all exterior window frames and sashes with one coat of an exterior paint. The department may require a more frequent repainting of any window frame or sash, as it deems necessary. This subsection shall not apply to window frames and sashes of approved atmospheric corrosion resistant metal.

b. The owner of a dwelling shall paint every fire escape with two coats of paint of contrasting colors. The owner shall paint the first coat before and the second after erection of a new fire escape, except that this shall not apply to fire escapes constructed of approved atmospheric corrosion resistant metal. Whenever a fire escape becomes corroded, the owner shall scrape and remove the corrosion products and repaint it with two coats of paint of contrasting colors.

Sec. D26-12.05 Courts and shafts

a. The owner of a multiple dwelling shall whitewash the walls enclosing all courts and shafts not made of light-colored brick or stone or shall paint such walls a light color, and shall maintain them in a clean condition.

b. As often as it deems necessary, the department may require the owner of a multiple dwelling:

(1) to rewhitewash or repaint the walls enclosing courts and shafts not made of a light colored brick or stone, and

(2) to clean the walls enclosing courts and shafts made of a light-colored brick or stone.

c. This section does not apply to:

(1) outer courts which open on a street; or

(2) courts which exceed the minimum dimensions set forth in section 26 of the multiple dwelling law by at least 50 per cent.

Sec. D26-12.07 Departmental regulations concerning paint and wall covering and quality and frequency of repainting or re-covering

a. The department may by regulation prescribe or approve the kind and quality of paints or wall covering which may be used to satisfy the requirements of this article.

b. The department may by regulation extend the time for repainting when in its judgment the particular kind and

quality of paint or wall covering used is designed to wear for considerably longer periods of time than the time set for repainting in this article. An owner who uses such long-wearing paints or wall covering shall inform the department prior to his doing so in accordance with departmental regulations.

ARTICLE 13: Extermination and Rodent Eradication

Section

D26-13.01 Definitions
D26-13.03 Rodent and Insect Eradication; Mandatory Extermination
D26-13.05 Elimination of Harborages

Sec. D26-13.01 Definitions

When used in this article:

(a) Eradication means the elimination of rodents or insects and other pests from any premises through the use of traps, poisons, fumigation or any other method of extermination.

(b) Insects and other pests include the members of class insects, including houseflies, lice, bees, cockroaches, moths, silverfish, beetles, bedbugs, ants, termites, hornets, mosquitoes and wasps, and such members of the phylum arthopoda as spiders, mites, ticks, centipedes and wood lice.

(c) Harborage means any condition which provides shelter or protection for rodents or insects and other pests.

Sec. D26-13.03 Rodent and insect eradication; mandatory extermination

a. The owner or occupant in control of a dwelling shall keep the premises free from rodents, and from infestations of insects and other pests, and from any condition conducive to rodent or insect and other pest life.

b. When any premises is subject to infestation by rodents or insects and other pests, the owner or occupant in control shall apply continuous eradication measures.

c. When the department makes the determination that any premises are infested by rodents, insects or other pests, it may order such eradication measures as the department deems necessary.

Sec. D26-13.05 Elimination of harborages

All building material, lumber, boxes, cartons, barrels, containers, machinery. raw material, fabricated goods, junk, food, animal feed and any other substance which may afford harborage or provide food for such rodents or insects and other pests shall be kept stored or handled by the owner and tenants of every dwelling in such manner as the department may require. The department may make orders to eliminate rat harborages to the person who is responsible for the conditions. The department shall uncover and inspect periodically all structural harborages which cannot be eliminated from dwellings.

ARTICLE 14: Collection of Wastes

Section

D26-14.01 Definitions
D26-14.03 Receptacles for Waste Matter
D26-14.05 Frequency of Collection of Waste Matter from Dwelling Units in Multiple Dwellings
D26-14.07 Collection of Waste Matter from Dwelling units in One- and Two-Family Dwellings

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Sec. D26-14.01 Definitions

When used in this article:

(a) Organic wastes shall mean all wastes produced by or from living organisms.

(b) Inorganic wastes shall mean all waste other than organic wastes, including discarded lumber, wood shavings and furniture.

(c) Household wastes shall mean all wastes, organic and inorganic, which are produced within a dwelling unit.

Sec. D26-14.03 Receptacles for waste matter

a. The owner or occupant in control of a dwelling shall provide and maintain metal cans, or other receptacles jointly approved as to specifications by the department, the environmental protection administration and the department of health, for the exclusive use of each building, which shall be of sufficient size and number to contain the wastes accumulated in such building during a period of 72 hours. No receptacle shall he filled to a height so as to prevent the effective closure thereof and no receptacle shall weigh more

than 100 pounds when filled. The receptacles shall be so constructed as to hold their contents without leakage. Metal cans shall be provided with tight-fitting covers and other receptacles shall be effectively closed. When requested by the environmental protection administration, the owner or occupant in control shall separate and place in separate receptacles, ashes, organic and inorganic wastes. Nothing contained in this subsection shall prevent the department, the environmental protection administration and the department of health from jointly approving as to specifications other systems for the disposal of waste utilizing containers of larger size and different construction as may be appropriate for such systems. (Subd. a amended by L. L. 1971, No. 11, Jan. 25.)

b. Metal cans shall he kept within the dwelling or as required by the department until the time for removal of their contents when they shall he placed in front of the dwelling. When inside storage is required, receptacles of other materials shall be kept in a metal can or a rat-proof and fire-proof room until the time of their removal when they shall be removed from the metal can and he neatly stacked in front of the dwelling. After the contents have been removed by the environmental protection administration, any receptacles remaining shall be returned promptly to their place of storage. Metal cans shall be kept covered at all times and shall be disinfected regularly and maintained in a sanitary condition. Yard sweepings, hedge cuttings, grass, leaves, earth, stone, or bricks shall not be mixed with household wastes. (Subd. b amended by L. L. 1971, No. 11, Jan. 25.)

c. Newspapers, wrapping paper, or other inorganic wastes which are likely to be blown or scattered about the streets shall be securely bundled, tied or packed before being placed for collection. Such material shall be kept and placed for collection in the same manner as the receptacles.

Sec. D26-14.05 Frequency of collection of waste matter from dwelling units in multiple dwellings

a. The owner of a multiple dwelling shall not allow the accumulation except in a lawful receptacle of ashes or any type of waste matter in any part of the premises.

b. In multiple dwellings where the owner provides dumbwaiter service, all waste matter shall be collected at least once daily and deposited in separate receptacles.

c. In multiple dwellings where no dumbwaiter service is provided, the owner shall provide between the hours of seven a.m. and ten a.m. or between five p.m. and eight p.m. daily:

(1) a sufficient number of receptacles but in no event less than two within the dwelling or other area approved by the department which are accessible to the tenants.

Such receptacles shall be removed promptly upon the expiration of the selected time period and taken to their place of storage; or

(2) a pick-up service at each dwelling unit to collect ashes and wastes for deposit in the receptacles referred to in section D26-14.03 of this article.

The owner shall post and maintain a notice in a conspicuous place in the dwelling informing the tenants of the hour and method of collection. A new notice shall be posted and maintained within 48 hours preceding any change in such hour or method.

d. The tenant of a multiple dwelling shall dispose of waste matter in accordance with the method provided by the owner under subsection (b) or (c) of this section. The tenant shall not accumulate any waste matter in his dwelling unit so as to create a condition which is unsanitary or a fire hazard in the judgment of the department.

e. Subsections (b), (c) and (d) shall not apply to any multiple dwelling where regular incinerator services or other means of disposal approved by the department are provided. The tenant in such a dwelling shall dispose of waste matter in an incinerator or by such other approved means of disposal and shall not permit wastes to accumulate so as to create a condition which is unsanitary or a fire hazard in the judgment of the department.

Sec. D26-14.07 Collection of waste matter from dwelling units in one- and two-family dwellings

The owner and occupants of a one- or two-family dwelling shall provide for the regular collection of waste matter from dwelling units and its deposit in the receptacles required by section D26-14.03, and shall not permit ashes or any type of waste matter to accumulate in any part of the premises so as to create a condition which is unsanitary or a fire hazard in the judgment of the department.

ARTICLE 15: Water Supply

Section

D26-15.01 Water Supply to Buildings
D26-15.03 Water Supply to Individual Units and Fixtures

Sec. D26-15.01 Water supply to buildings

The owner of a dwelling shall provide and maintain a supply of pure and wholesome water sufficient in quantity and at sufficient pressure to keep all plumbing fixtures adequately supplied for their sanitary maintenance. Where water mains are available in the street, every dwelling shall be supplied with water from such mains. The owner shall keep the water free from connection to any unsafe water supply or from cross-connections to any drainage system.

Sec. D26-15.03 Water supply to individual units and fixtures

The owner of a dwelling shall provide proper appliances for the use of every dwelling unit to receive and distribute an adequate supply of water during all hours.

ARTICLE 16: Sewers and Drainage

Section

D26-16.01 Maintenance of Sewer Connections and Plumbing Fixtures
D26-16.03 Drainage of Roofs and Court Yards

Sec. D26-16.01 Maintenance of sewer connection and plumbing fixtures

The owner of a dwelling shall properly maintain and keep in good repair the plumbing and drainage system, including water closets, toilets, sinks and other fixtures.

Sec. D26-16.03 Drainage of roofs and court yards

a. The owner of a dwelling shall grade and maintain the grading of all roofs, terraces, shafts, courts yards, and other open spaces on the lot, and shall provide and maintain unobstructed drainage from these areas and spaces through a drain connected to a street storm-water main or combined sewer and street storm-water main. In the absence of a street storm-water main or combined sewer and street storm-water main, the department may permit the storm water from such areas to drain into a street gutter leading to a natural channel, water course, or dry well.

b. The owner of a dwelling shall provide and maintain drainage from all roofs to carry off storm water, to prevent it from dripping to the ground, or from causing dampness in walls, ceilings, and open spaces.

c. The department may require the owner of a dwelling to surface shafts, courts, yards, and other open spaces on the

lot with concrete, and to pitch the surfaces of such areas towards a sewer-connected drain or other adequate drainage system, except that, with respect to private dwellings, the department may permit the surfacing of such areas with bituminous* aggregate or other similar material.

d. The owner of a dwelling may plant grass, sod, shrubs, trees and other vegetation in yards and courts, unless the department orders its removal because in its opinion such vegetation interferes with proper drainage, light, ventilation, or egress.

ARTICLE 17: Heat and Hot Water

Section

D26-17.01 Central Heat or Electric or Gas Heating System; When Required
D26-17.03 Minimum Temperature to be Maintained
D26-17.05 Self-inspection of Central Heating Plants
D26-17.07 Supply of Hot Water; When Required
D26-17.09 Gas-fueled or Electric Heaters

Sec. D26-17.01 Central heat or electric or gas heating system; when required

Except as otherwise provided in this article. every multiple dwelling and every tenant-occupied one- or two-family dwelling shall he provided with heat from a central heating system constructed in accordance with the provisions of the building code and the regulations or the department. A system of gas or electric heating provided for each dwelling unit may, if approved by the department, be utilized in lieu of a central heating system if

(1) the system is lawfully in use on the effective date of this code; or

(2) the system is approved by the appropriate city agencies having jurisdiction and is installed in a structure or building erected. converted. substantially rehabilitated, or completely vacated, after the effective date of this code.

Sec. D26-17.03 Minimum temperature to be maintained

a. During the period from October 1 through May 31, centrally supplied heat, in any dwelling in which such heat is required to be provided, shall be furnished so as to maintain in every portion of such dwelling used or occupied for living purposes:

(1) between the hours of six a.m. and ten p.m. a temperature of at least 68 degrees Fahrenheit whenever the outside temperature falls below 55 degrees: and

(2) between the hours of ten p.m. and six a.m. a temperature of at least 55 degrees Fahrenheit whenever the outside temperature falls below 40 degrees.

b. During the period from October I through May 31. all central heating systems required under this article shall be maintained free of any device which shall cause or which is capable of causing an otherwise operable central heating system to become incapable of providing the minimum requirements of heat or hot water as required by this article for any period of time. This subdivision shall not apply to any safety device required by law, or by a rule or regulation of any city agency, to be used in conjunction with a central heating system. (Subd. b added by LL. 1978, No. 43, Sept. 22, amended by LL. 1981, No. 76, Oct. 1, 1981, eff. Oct. 31, 1981.)

Sec. D26-17.05 Self-inspection of central heating plants

The owner of a private dwelling or a multiple dwelling containing six or less units, occupied in whole or in part by a tenant or tenants, in which there was a breakdown or other failure in central heating system, under the control of the owner, shall cause the furnace, boiler or other central heating system to be inspected by a qualified person in the period between January first and September thirtieth subsequent to the breakdown. The owner of a multiple dwelling containing more than six units shall cause the furnace, boiler or other central heating system to be inspected by a qualified person between January first and September thirtieth of each year. The department shall, by regulation, provide criteria as to the qualification of and certify such persons. In addition to testing the efficiency and adequacy of the heating system, the central heating system or water heating appliance and its flues, vents and dampers shall be inspected for escape of carbon monoxide gas. The findings on inspection shall be recorded on forms approved by the department within fifteen days following the inspection and shall be delivered to the owner, who shall file a copy with the department within seven days of the receipt of such findings. Before October fifteenth all defects as found upon the inspection shall be corrected. The failure to file a copy of the report shall be a class C violation for the purpose of subdivision (d) of section D26-51.01 of the code. Even after such violation is placed the owner may file such report and the department shall enter a notation in its records of the date on which such report was accepted by the department. After the date of acceptance by the department the per diem penalty shall be stayed. The department shall maintain the violation on its records, with a notation of the date on which such report was accepted by the department until the May 31st following the year in which the report was to be filed. Notwithstanding any other provision of this code. the

department may serve a notice of violation of failure to file a copy of the report in the same manner as a class A or class B violation and shall not be required to serve such notice by registered or certified mail. The provisions of this section shall not apply to dwellings owned or operated by the New York City housing authority.

Notwithstanding the provisions of any other law, failure by an owner of a dwelling required to file an inspection report prior to December thirty-first, nineteen hundred seventy-nine shall not be deemed a violation under the provisions off the article. (Amended by L. 1978, ch. 132, May 16, eff. Jan. 1, 1979; L. 1980, ch. 59, April 8, L. L. 1980, No. 47, Sept. 8.)

Sec. D26-17.07 Supply of hot water; when required

Except as otherwise provided in this article, every bath, shower, washbasin and sink in any dwelling unit in a multiple dwelling or tenant-occupied one-family or two-family dwelling shall be supplied at all times between the hours of six a.m. and midnight with hot water at a constant minimum temperature of 120 degrees Fahrenheit from a central source of supply constructed in accordance with the provisions of the building code and the regulations of the department. Gas or electric water heaters may, if approved by the department, be utilized in lieu of a central source of supply of hot water if such heaters

(1) are lawfully in use on the effective date of this code; or

(2) are approved by the appropriate city agencies having jurisdiction and are installed in a structure or building erected, converted, substantially rehabilitated, or completely vacated after the effective date of this code.

Sec. D26-17.09 Gas-fueled or electric heaters

a. Gas-fueled or electric space or water heaters, where permitted by this article as an alternative to a central supply of heat or hot water, shall be governed by the provisions of this section.

b. The capacity, number and location of such heaters shall be such as to furnish the same standard of heat or hot water supply, as the case may be, as is required to be furnished from a central heat or hot water system.

c. Electric heaters shall be approved by Underwriters Laboratories, Inc. and shall comply with applicable provisions of the building code and the multiple dwelling law.

d. Gas-fueled heaters shall comply with article 18 of this code and with applicable provisions of the building code and the multiple dwelling law, but any such heater lawfully in existence on the effective date of this code which does not

comply with section D26-18.01(b) shall comply with such section by July fourteenth, nineteen hundred seventy-eight. No person shall cause or permit to be occupied for sleeping purposes any room containing such a non-complying heater. Any heater installed in replacement of any such non-complying heater shall comply with all provisions of article eighteen. (Subd. amended by L. L. 1977, No. 73, Oct. 6.)

e. The owner shall not, unless otherwise agreed between owner and tenant, be required to pay for the gas or electricity used by such heaters.

f. Notwithstanding any provision of prior law, it shall be the duty of the owner to keep each such heater in good repair and good operating condition. regardless of the identity of the person originally owning or installing the heater.

g. The owner shall instruct each successive tenant of an apartment in which such heaters are installed as to safe and proper method of using and operating such heaters.

h. The department may make and enforce regulations supplementary to the provisions of this section and article 18 of this code to secure an adequate supply of heat and hot water and to protect the health and safety of tenants.

ARTICLE 18: Gas Appliances

Section

D26-18.01 Space and Water Heaters
D26-18.03 Gas-fired Refrigerators
D26-18.05 Self-inspection of Gas heaters

Sec. D26-18.01 Space and water heaters

a. Any gas-fueled space or water heater used in any dwelling unit, in addition to the provisions of section D26-17.09 of this code, shall comply with the provisions of this section and with the regulations of the department.

b. No person shall install or maintain in any dwelling unit a gas-fueled space or water heater unless the heater obtains combustion air directly from the outside of the building.

c. No person shall install or maintain a gas-fueled water heater in a room occupied for sleeping purposes, or cause or permit to he occupied for sleeping purposes any room in which a gas-fueled water heater is installed.

d. No person shall install or maintain in any dwelling unit a

gas-fueled water heater so designed and arranged that it heats water in pipe coils placed at a distance from the hot water storage tank.

e. Every gas-fueled space or water heater shall be approved by the American Gas Association and by the department of health or shall have a certificate of listing issued for the heating unit by the American Gas Association and approved by the department of health. All accessories or control devices for use with such heaters shall have such a certificate of listing.

f. Each heater shall be equipped with an effective device which will automatically shut off the gas supply to the heater if its pilot light or other constantly burning flame is extinguished, or in the event of an interruption of the gas supply to the heater, and will not permit the heater to be relighted unless such shut-off device is first rest manually.

g. Each heater shall be rigidly connected to the gas piping supplying gas in the premises.

h. Each heater shall be connected to a flue or outlet pipe conforming to the provisions of the building code. No heater shall be vented to an inner court. A flu or outlet pipe may be extended to an inner court if the flue or pipe is connected with an outside chimney which conforms with the provisions of the building code.

Sec. D26-18.03 Gas-fired refrigerators

a. It shall be unlawful to install or furnish for use or to use, operate, or permit to be used or operated in a dwelling any gas-fired refrigerator:

(1) which utilizes a water-cooled gas-fired refrigerator unit; or

(2) which is not equipped with a flue and flue components wholly composed of a non-metallic material or of molybdenum stainless steel or aluminum; or

(3) which is not equipped with a fixed mounted dust incinerating type of gas burner, gas pressure regulator, gas supply filter, and thermostat; or

(4) which does not have a properly operating automatic regulating or safety device of a type installed or specified by the manufacturer, or which has a clogged flue, or an improperly operating burner, or which gives off excessive heat or odors or discharges carbon monoxide or is otherwise defective.

b. Inspectors or other duly authorized representatives of the department may seal any refrigerator which is in violation

of this section. Any refrigerator so sealed shall not be installed, used, or operated without the written permission of the department.

Sec. D26-18.05 Self-inspection of gas appliances

The owner shall cause an inspection to be made by a licensed plumber, utility company or other qualified gas service person of each gas-fueled space heater and, in an old law tenement or in any rooming unit, of each gas appliance, at least once a year. The findings on inspection shall be recorded on forms approved by the department and shall be kept on file by the owner for a period of one year. Such inspection reports shall be submitted to the department upon request but shall not be subject to inspection by others or to subpoena, or used in or as the basis of prosecution for the existence of a defect on the date of inspection. (Amended by L. L. 1977, No. 73, Oct. 6.)

ARTICLE 19: Artificial Lighting

Section

D26-19.01 Duty to Provide Electric Lighting Equipment in all Dwellings
D26-19.03 Electric Lighting Fixtures in Certain Public Parts of Dwellings; Fixtures and Lights Required
D26-19.05 Lighting to be Provided at Night Owners Responsibility
D26-19.07 Lights Near Entrance Ways and in Yards and Courts of Multiple Dwellings

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Sec. D26-19.01 Duty to provide electric lighting equipment in all dwellings

The owner shall equip every dwelling for lighting by electricity. He shall provide and maintain light fixtures to provide lighting for all public parts in a dwelling, including the means of egress, for every room, water-closet compartment and bathroom in every dwelling unit, and for every water-closet without the dwelling unit. In addition to required light fixtures, the owner shall install and maintain such receptacle outlets as may be required by the electrical code. Except as otherwise provided in this code or in the electrical code, the owner may substitute an additional receptacle outlet for a required light fixture in living rooms other than kitchens.

Sec. D26-19.03 Electric lighting fixtures in certain public parts of dwellings; fixtures and lights required

a. In every multiple dwelling and tenant-occupied two-family dwelling the owner shall provide electric lighting fixtures for every public hall, stair, firestair and fire tower on every floor, in accordance with the following requirements:

(1) If an incandescent lighting fixture is provided, it shall be capable of providing illumination of at least ten watts per 25 square feet of floor-area or fraction thereof. Each lighting fixture shall he provided with one or more lights of a total of not less. than 60 watts. Where, under this requirement, the number of watts per fixture would exceed 100, one or more additional fixtures shall be provided and shall be located as may he prescribed by the department, except where the distance from the fixture to the furthest intersecting wall does not exceed 20 feet.

(2) If a fluorescent lighting fixture is provided, it shall he capable of providing illumination of at least four watts cool white fluorescent light per 25 square feet of floor-area or fraction thereof. Each lighting fixture shall be provided with one or more lights of a total of not less than 20 watts. Where, under this requirement, the number of watts per fixture would exceed 40, one or more additional fixtures shall be provided and shall be located as may be prescribed by the department, except where the distance from the fixture to the farthest intersecting wall does not exceed 20 feet.

(3) In every multiple dwelling hereafter erected, in addition to other lighting requirements, a sufficient number of incandescent or fluorescent fixtures shall be provided so that the distance between fixtures is not more than 30 feet and so that no wall is more than 15 feet distant from a fixture.

b. The department may approve electric lighting for public halls, stairs, fire-stairs and fire towers other than the incandescent and fluorescent lighting required in subsection (a) if such other method of electric lighting provides equivalent illumination, and meets the requirements of the electrical code.

c. Notwithstanding any other requirement of this section, the department may require fixtures to be so located, and additional fixtures to be installed, in order to assure that every pan of every public hall, stair, fire-stair or fire tower is adequately lighted.

Sec. D26-19.05 Lighting to be provided at night; owner's responsibility

a. The owner of a multiple dwelling shall turn on all required lights in every public hall and stair at sunset every day and shall keep them on until sunrise the day following.

b. The owner of a multiple dwelling shall keep all required lights burning continuously (1) in every fire-stair and fire tower; (2) in every stair and public hall where there is no window opening on a street, court, yard, space above a setback, or on a shaft; and (3) in every stair and public hall where there is a window which in the opinion of the department does not provide adequate natural light.

c. The owner of a multiple dwelling shall provide electric light at all hours of the day and night in rooms or spaces in multiple dwellings in which laundry equipment is provided for the common use of the occupants whenever natural light is insufficient in the opinion of the department.

d. The owner of a multiple dwelling shall install and maintain in working condition a lighting fixture that can be turned on by a tenant or by the mail carrier directly over a mail box or other receptacle for mail if the natural light in the public hall is not sufficient to read the names on each mail box or receptacle.

e. The owner of a multiple dwelling shall not be responsible if any required light becomes extinguished and remains so if he can show to the satisfaction of the department or the court that it became and remained extinguished without his knowledge or consent.

Sec. D26-19.07 Lights near entrance ways and in yards and courts of multiple dwellings

a. The owner of a multiple dwelling shall install and maintain one or more lights at or near the outside of the front entrance way of the building which shall in the aggregate provide not less than 50 watts incandescent illumination or its equivalent for a building with a frontage up to 22 feet, and 100 watts incandescent illumination or its equivalent for a building with a frontage in excess of 22 feet. In the case of a multiple dwelling with a frontage in excess of 22 feet and front entrance doors with a combined width in excess of five feet, the owner shall install at least two lights, one on each side of the entrance way, with an aggregate illumination of 150 watts incandescent illumination or its equivalent. If the minimum level of illumination is maintained, the owner may determine details of location, design and installation of lighting fixtures, subject, however, to regulations of the department with respect to the maximum height above or distance from the entrance way of such fixtures, and the electrical and other safety of their installation. The lights required by this subsection shall be kept burning from sunset on each day to sunrise on the day following.

b. The owner of a multiple dwelling shall install and maintain in every yard and court one or more lights of at least 40 watts of incandescent illumination or its equivalent, in

such locations as the department may prescribe. The lights required by this subsection shall be kept burning from sunset on each day to sunrise on the day following.

ARTICLE 20: Protective Devices and Fire Protection

Section

D26-20.01 Peepholes
D26-20.03 Mirrors in Elevators
D26-20.05 Locks in Dwelling Unit Doors
D26-20.07 Fire Protection in Certain Old Law Tenements

Sec. D26-20.01 Peepholes

In every dwelling the owner shall provide and maintain a peephole in the entrance door of each dwelling unit. Such peephole shall be located, as prescribed by the department, in such a place that the person in each dwelling unit may view from the inside any person immediately outside the entrance door. However, such peephole need not be installed In any tenant-occupied one- or two-family home where it is possible to see from the inside any person immediately outside the entrance door. This section shall not apply to hotels, apartment hotels, college or school dormitories, or owner-occupied dwelling units in one- and two-family homes.

Sec. D26-20.03 Mirrors in elevators

The owner of a multiple dwelling in which there arc one or more self-service elevators shall affix and maintain in each such elevator a mirror which enables persons to view its interior before entering the same. The mirror shall meet such requirements as the department shall by regulation prescribe.

Sec. D26-20.05 Locks in dwelling unit doors

a. The owner of a dwelling shall provide a key lock in the entrance door to each dwelling unit and at least one key. In a class A multiple dwelling such door shall be equipped with a heavy duty latch set and a heavy duty dead bolt operable by a key from the outside and a thumb-turn from the inside.

b. Each dwelling unit entrance door in a Class A multiple dwelling shall also be equipped with a chain door guard so as to permit partial opening of the door. (Amended by L. L. 1971, No. 8, Jan. 22, eff. March 31.)

Sec. D26-20.07 Fire protection in certain old law tenements

a. In every old law tenement which is less than four stories in height:

(1) Every door opening into any entrance hall or stair, or into any public hall connected therewith, shall be self-closing; every glazed opening or glazed panel in such a door shall be glazed with wire glass, and every transom opening upon any public hall shall be glazed with wire glass firmly secured in a closed position; and

(2) Every interior sash, or opening other than a door, in the walls or partitions of any such hall, and every window in any such hall not opening to the outer air, shall be removed and the openings closed up and fire-retarded, and

(3) The ceiling of the cellar, or if there is no cellar, of the basement or other lowest story, shall be fire-retarded unless such ceiling already has been plastered or covered in a manner satisfactory to the department with plaster board or gypsum board at least one-half inch in thickness.

b. In every old law tenement which is four stories or more in height:

(1) On all stories above the third story, every apartment door opening into any stair or into any public hall connected therewith, unless such stair or public hall is protected by an approved sprinkler system shall have a fire resistance rating of at least one hour. Existing door frames in good condition may be retained. All such doors shall comply with this requirement, not later than six months after the effective date of this local law.

(2) For all stories below the fourth story, any application for an alteration permit for alterations to be made in an apartment below the fourth story shall include the provision that every door of such apartment opening into any entrance hall, stair or into any public hall connected therewith, unless such entrance hall, stair or public hall is protected by an approved sprinkler system, shall have a fire resistance rating of at least one hour. Existing door frames in good condition may be retained.

(3) Where apartment doors having a fire resistance rating of at least one hour are required, every transom opening upon any entrance hall, stair or public hall connected therewith shall be sealed and fire-retarded. All other transoms opening upon any entrance hall, stair or public hall connected therewith shall be glazed with wire glass and permanently sealed in a closed position.

(4) All doors opening into any entrance hall, stair or into any public hall connected therewith shall be self-closing; every glazed opening or glazed panel in such a door shall be glazed with wire glass. (Amended by L. L. 1971, No. 11. Jan. 25; L. L. 1973, No. 17, May 2.)

Sec. D26-20.08 Duties of owner and occupant with respect to installation and maintenance of smoke detecting devices in class A multiple dwelling.

a. It shall be the duty of the owner of a class A multiple dwelling which is required to be equipped with smoke detecting devices pursuant to sub-article 1705.0 of article seventeen of title C of chapter twenty-six of this code to:

(1) Provide and install one or more approved and operational smoke detecting devices in each dwelling unit. Such devices shall be installed in accordance with the requirements of Reference Standard 17-12.

(2) Post a notice in a form approved by the commissioner in a common area of the building informing the occupants of such building that the owner is required by law to install one or more approved and operational smoke detecting devices in each dwelling unit in the building and that each occupant is responsible for the maintenance and repair of such devices and for replacing any or all such devices which are stolen, removed, missing or rendered inoperable during the occupancy of such dwelling unit.

(3) Replace any smoke detecting device which has been stolen, removed, missing or rendered inoperable during a prior occupancy of the dwelling unit and which has not been replaced by the prior occupant prior to the commencement of a new occupancy of a dwelling unit.

(4) Replace within thirty calendar days after the receipt of written notice any such device which becomes inoperable within one year of the installation of such device due to a defect in the manufacture of such device and through no fault of the occupant of the dwelling unit.

(5) Keep such records as the commissioner shall prescribe relating to the installation and maintenance of smoke detecting devices in the building and make such records available to the commissioner upon request.

b. Notwithstanding the provisions of subdivision a of Section D26-10.01 of this code and subdivision c of Section D26-10.03 of this code, it shall be the sole duty of the occupant of each dwelling unit in a class A multiple dwelling in which a smoke detecting device has been provided and installed by the owner pursuant to the provisions of sub-

article 1705.0 of article seventeen of title C of chapter twenty-six of this code to:

(1) keep and maintain such device in good repair; and

(2) replace any and all devices which are either stolen removed missing or rendered inoperable during the occupancy of such dwelling unit.

c. Except as otherwise provided in paragraphs (3) and (4) of subdivision a of this section an owner of a class A multiple dwelling who has provided and installed a smoke detecting device in a dwelling unit pursuant to this section shall not required to keep and maintain such device in good repair or to replace any such device which is stolen removed missing or rendered inoperable during the occupancy of such dwelling unit.

d. The occupant of a dwelling unit in which a battery-operated smoke detecting device is provided and installed pursuant to this section shall reimburse the owner a maximum of ten dollars for the cost of providing and installing each such device. The occupant shall have one year from the date of installation to make such reimbursement. (Added by L. L. 1982 No. 62. July 27)

Sec. D26-20.09 Duties of owner with respect to installation and maintenance of smoke detecting devices in class B multiple dwellings.

It shall be the duty of the owner of a class B multiple dwelling which is required to be equipped with smoke detecting devices pursuant to sub-article 1705.0 of article seventeen of title C of chapter twenty-six if this code to:

(1) provide and install one or more approved and operational smoke detecting devices in each dwelling unit or, in the alternative, provide and install a line-operated zoned smoke detecting system with central annunciation and central office tie-in for all public corridors and public spaces, pursuant to rules and regulations promulgated by the commissioner of buildings

(2) keep and maintain smoke detecting devices in good repair.

(3) replace any smoke detecting device which has been stolen, removed, missing or rendered inoperable prior to the commencement of a new occupancy of a dwelling unit

(4) keep such records as the commissioner shall prescribe relating to the installation and maintenance of smoke detecting devices in each dwelling unit and make such records available to the commissioner upon request (Added by L. L. 1981, No. 62, July 27.)

ARTICLE 21: Miscellaneous Services and Facilities

Section

D26-21.01 Mail Service
D26-21.03 Floor Signs
D26-21.05 Street Numbers
D26-21.07 Inspection of Required Sprinklers in Converted Dwellings and Dwellings Used for Single Room Occupancy
D26-21.09 Maintenance of Rooming Units

Sec. D26-21.01 Mail service

The owner of a multiple dwelling shall either:

(1) arrange for mail to be delivered to himself, his agents, or employees for prompt distribution to the occupants, or

(2) provide and maintain approved mail receptacles and directories of persons living in the dwelling, as provided by federal law and by the regulations of the post office department.

Sec. D26-21.03 Floor signs

The owner of a multiple dwelling more than two stories in height shall post and maintain a sign, of sufficient size to be readily seen, which states the number of the floor. Such signs shall be located in the public hall near the stairs and elevator, and within any stair enclosure.

Sec. D26--21.05 Street numbers

The owner of a dwelling shall post and maintain street numbers on the dwelling, which are plainly visible from the sidewalk in front of the dwelling, in accordance with section 82(3)-1.0 of the administrative code and the rules and regulations issued by the borough presidents thereunder.

Sec. D26-21.07 Inspection of required sprinklers in converted dwellings and dwellings used for single room occupancy

a. In every converted dwelling, or in every tenement used, in whole or in part, for single room occupancy in which a sprinkler system has been installed pursuant to the requirements of the multiple dwelling law, the owner shall have an annual test and inspection of such sprinkler system made by a licensed plumber or sprinkler system contractor.

b. For the purposes of such test. the owner shall provide an angle hose valve or sill cock threaded on the outlet side for standard garden hose couplings at the extreme end of the highest line of sprinklers. A piece of garden hose ten feet in length with female coupling shall be kept on the premises. There shall be available for use by the tester a pail of at least ten quarts capacity.

c. The person conducting the inspection shall perform the following tests:

(1) obtain and record the static pressure at the test valve by means of a hydraulic gauge.

(2) connect the test hose to the test valve and drain off into a pail or other suitable receptacle not less than ten quarts of water to insure that the system is operative and that there is a full and free flow of water

(3) check the valve on the main supply to the system making certain the valve is fully open and sealed in such open position.

(4) check the system to insure that all sprinkler heads are in place, and shall incorporate in his report the findings

d. The owner, resident manager or janitor shall witness the test.

e. A report of the test, signed by the tester and witness, shall be filed, within ten days thereafter, with the superintendent of buildings for the borough in which the dwelling is located; and a copy of such report shall be kept on the premises in the care of the owner, resident manager or janitor.

f. If the system is found defective, the owner or his authorized agent shall notify the fire commissioner through the local firehouse and the superintendent within 24 hours after the test, and shall promptly cure such defect.

Sec. D26-21.09 Maintenance of rooming units

A manager, who may be the owner, shall reside in every rooming house or multiple dwelling used for single room occupancy, except that two adjoining or connected rooming houses may be under the same supervision. The manager shall be responsible for the operation and maintenance of the dwelling.

ARTICLE 22: Janitorial Services

Section

D26-22.01 Definitions
D26-22.03 Obligations of Owner
D26-22.05 Residence of Person Performing Janitorial Services; Limitation on Number of Dwelling Units Served
D26-22.07 Certification of Competency
D26-22.09 Exemption of New York City Housing Authority

Sec. D26-22 01 Definitions

When used in this article:

(a) Janitorial services means: cleaning and maintenance, including the making of minor repairs; the furnishing of heat and hot water, where supplied from a central source; the removal of garbage, refuse, ashes and wastes from the premises; and the removal of snow, ice. dirt and other matter from the sidewalk and gutter.

(b) Janitor means a person employed to perform janitorial services.

Sec. D26-22.03 Obligations of owner

a. The owner of a multiple dwelling shall provide adequate janitorial services.

b. In a multiple dwelling of nine or more dwelling units, the owner shall either:

(1) perform the janitorial services himself, if he is a resident owner; or

(2) provide a janitor; or

(3) provide for janitorial services to be performed on a 24-hour-a-day basis in a manner approved by the department.

c. The owner of a multiple dwelling or his managing agent in control shall post and maintain in such dwelling a legible sign, conspicuously displayed, containing the janitor's name, address (including apartment number) and telephone number. A new identification sign shall be posted and maintained within five days following a change of janitor. (Subd. c amended by L. L. 1978, No. 28, Sept. 14.)

Sec. D26-22.05 Residence of person performing janitorial services; limitation on number of dwelling units served

The person who performs janitorial services for a multiple

dwelling of nine or more dwelling units (other than where janitorial services are performed on a 24-hour-a-day basis under section D26-22.03 (b)(3) shall reside in or within a distance of one block or 200 feet from the dwelling, whichever is greater, unless the owner resides in the multiple dwelling. Where two or three multiple dwellings are connected or adjoining, it shall be sufficient, however, that the person who performs janitorial services resides in one of these, but no person who performs janitorial services for more than one multiple dwelling may service more than 65 dwelling units. Regardless of residence the janitor must have a telephone where the janitor may reasonably be expected to be reached. (Amended by L. L 1978, No. 28, Sept. 14.)

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PURCHASE AGREEMENT

Purchaser(s) Name: _____

_____

Address: _____

_____

Social Security No.: _____

Unit No.: _____ *Corresponding Common Interest:* ____%

Total Common Interest: ____%

Manner in which title will be taken: _____

_____

Purchaser's Attorney Name: _____

Address: _____

_____

Purchase Price: $_____

Downpayment: $_____

Balance Due at Closing: $_____

Statement of Seller:

Homecrest Building Development, LLC., with an office at 79 Brighton 11th Street, Suite 4B, Brooklyn, New York 11235 ("Seller"), has promulgated a Plan of Condominium Ownership of The Kelly Park Condominium ("the Plan") pursuant to which the land with appurtenances, the Residential Units ("the Units") located at 1824 East 17th Street in Brooklyn, New York, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

Statement of Purchaser:

Purchaser acknowledges as follows:

I, as Purchaser, have received and read a copy of the Plan and all filed amendments thereto at least three (3) full business days prior to executing this Agreement. Said Plan, which includes the Declaration to be made by Seller and to be recorded in the Office of the Register of the City of New York, County of Kings, the Schedules, Purchase Agreement, By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein.

Purchaser is desirous of purchasing the above-numbered Unit, as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid Register's Office, together with an undivided interest in the Common Elements appurtenant thereto (the above-numbered Unit and the undivided interest being hereinafter collectively called the "Unit").

Agreement Between Seller and Purchaser

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

1. **Payment for Unit.** Seller hereby agrees to sell and Purchaser hereby agrees to purchase the Unit for the Purchase Price stated above. The downpayment stated above has been made on the signing of this Agreement, receipt of which by check subject to collection is hereby acknowledged by Seller. The Balance Due at Closing shall be payable at the closing of title, as hereinafter provided in Paragraph 2, by unendorsed certified or cashier's check of Purchaser, drawn on a bank or trust company which is a member of the New York Clearing House Association, to the order of Seller or as otherwise directed by Seller.

2. **Closing of Title.** The closing of title shall take place on no less than thirty (30) days' prior written notice to Purchaser at 1635 Bath Avenue, Brooklyn, NY 11214 on such date (hereinafter called the "Closing Date") and at such time as Seller may designate. Such date shall be no earlier than thirty (30) days after the date on which written notice is given to Purchaser that the Plan has been declared effective or a Certificate of Occupancy for the Building has been issued, whichever is later, unless Purchaser and Seller shall agree on an earlier Closing Date. The closing of title may be adjourned to such later date as the parties may agree upon in writing, or otherwise as set forth in the following paragraph, and such adjourned date shall then be deemed the Closing Date hereunder.

Purchaser shall be entitled to one reasonable adjournment of the Closing Date of up to fifteen (15) days, on five (5) days' prior written notice by Purchaser to Seller. In addition to any other rights Seller may have by reason of Purchaser's failure to timely close title when requested, Seller shall be reimbursed by Purchaser for the cost of any real estate taxes and Common Charges which Seller would not otherwise have had to pay if there had been no delay in closing of title by Purchaser.

Seller shall be entitled to reasonable adjournments in the closing of title in the event of delays by reason of weather conditions, strikes or material shortages, or delays in inspections and reports thereon, or other requirements. However, in the event Seller shall be unable to convey title to the Unit on or before six (6) months after the scheduled closing of title set forth herein, except for (i) delays due to strikes, acts of God, wars, lockouts, military operations, national emergencies, installation of public utilities, governmental restrictions preventing Seller from obtaining necessary supplies and/or materials, in which event the period shall be extended to nine (9) months, or (ii) the Purchaser's default, Purchaser shall have the right to cancel this Purchase Agreement upon written notice sent to Seller within fifteen (15) days subsequent to the end of such six (6) month, or nine (9) month period as the case may be and, upon such

cancellation, Purchaser shall be entitled, within fifteen (15) days of the date of Seller's receipt of such notice, to the return of any moneys paid under the terms of this Agreement.

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

In the event Purchaser obtains a mortgage loan, then simultaneously with the delivery of the deed, Purchaser shall (i) cause the proceeds of such mortgage loan to be transferred to the Seller on account of the Purchase Price and (ii) execute and deliver to the mortgagee the note and mortgage, and any other documents required by the mortgagee, as well as any documents required by Seller.

Title to the Unit will close only after or concurrently with the occurrence of the events set forth in the section of the Plan entitled "Terms of Sale."

3. **Power of Attorney to Board of Managers.** At the closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the Power of Attorney to the Board of Managers in the form contained in Part II of the Plan. Purchaser agrees to deliver such Power of Attorney to Seller, or as directed by Seller, at the closing of title, for recording, and to pay the recording fee.

4. **Binding Effect of Declaration, By-Laws, Plan, Rules and Regulations.** Purchaser hereby agrees to be bound by the Declaration, the By-Laws, the Rules and Regulations of the Condominium and the Plan.

5. **Condition of Title.** Seller agrees to convey to Purchaser title in fee simple to the Unit free and clear of all liens and encumbrances other than those set forth in the Plan.

Notwithstanding the above, the existence of unpaid taxes or liens of any kind at the closing of title shall not constitute an objection to title, provided that a reputable title insurance company licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that Seller may pay and discharge any liens and encumbrances upon the Unit, not provided for in the Plan or this Agreement, out of the monies to be paid by Purchaser at the time of closing of title.

6. **Expenses of Closing and Closing Adjustments.** Purchaser will pay the closing costs and expenses referred to in the Section of the Plan (as same may be amended) entitled "Closing Costs and Adjustments," including, but not limited to, the amount of any credit for mortgage recording tax as set forth in such Section, payment for tax abatement, payment for title insurance, if Purchaser elects or is required by Purchaser's lender to obtain same, recording fees for recording the Deed, Power of Attorney and Mortgage, real estate taxes, New York City Real Property Transfer Tax, New York State Transfer Tax, the fees of Seller's attorneys, all costs associated with obtaining a mortgage loan and Purchaser's contribution to the working capital of the Condominium.

At the closing of the title to each Unit, the Sponsor and the Purchaser shall apportion, as of midnight of the day preceding the closing: (i) real estate taxes (including all prepaid real estate

taxes) and assessments, if any, on the basis of the fiscal or calendar year for which assessed, and escrows for real estate taxes, if any; (ii) Common Charges for the month in which title closes; and (iii) insurance premium.

In the event that Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, the Sponsor will place in escrow in the name of the Board of Managers an amount equal to the real estate taxes attributable to the Unsold Units, which will be levied against the parcel for the six month period following the first closing, or until the Units are separately assessed, whichever is sooner, and will collect at each Unit closing the estimated amount of taxes attributable to such Unit for the balance of the six month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the Sponsor will be entitled to reimbursement from Unit Owners to the extent of the actual assessment.

In the event that the Unit has not been separately assessed for the then current fiscal tax year at the time of closing, the apportionment of real estate taxes will be based on the Unit's pro rata share (in proportion to its Common Interest) of the then current real estate taxes assessed against the Property. Installments for tax assessments due after delivery of the deed (if any) shall be paid by the Purchaser and shall not considered a defect in title.

7. **Agreement Subject to Mortgages.** Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage or development loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or which may hereafter be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments.

8. **Financing Contingency. PURCHASER'S OBLIGATION UNDER THIS CONTRACT IS NOT CONTINGENT UPON RECEIPT OF MORTGAGE FINANCING.**

9. **Default by Purchaser.** If Purchaser shall fail to pay any portion of the Purchase Price when due, fail to close title on the date, hour and place specified by Seller pursuant to Paragraph 2 hereof or fail to perform any of Purchaser's other obligations hereunder, such failure shall constitute a default by Purchaser. Seller shall notify Purchaser in writing of such default and of Seller's intention to cancel this Agreement if such default shall not be cured within thirty (30) days from the mailing date or personal delivery of such notice. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THIS AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD. If such default is not cured within said thirty (30) day period, Seller may, at its option, cancel this Agreement by notice of cancellation to Purchaser sent after the expiration of said thirty (30) day period. In such event, the downpayment and any other sums incurred by Seller for any special or custom work ordered by Purchaser shall be paid over to Seller as and for liquidated damages and thereafter the Purchase

Agreement shall become null and void. In the event that Seller shall elect to so cancel this Agreement, Seller shall certify to its attorney, Yevgeny Tsyngauz, Esq., that title has not closed because of Purchaser's default and that a notice to cure was delivered to Purchaser and Purchaser has failed to cure the default within thirty (30) days from the mailing date or personal delivery of such notice and that Seller has elected to cancel this Agreement by reason thereof, and Yevgeny Tsyngauz, Esq. shall thereupon, pursuant to Paragraph 16 hereunder, cause to have paid over to Seller as liquidated damages the downpayment (and the actual cost incurred by Seller for any special work in the Unit ordered by Purchaser, if any), and upon such payment being made each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. If this Agreement shall be cancelled by Seller pursuant to the provisions of this Paragraph 9, Seller may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. Yevgeny Tsyngauz, Esq. may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

10. Agreement may not be Assigned. Purchaser shall have no right to assign this Agreement without the prior written consent of Seller which consent may be withheld for any reason or for no reason and any purported assignment of this Agreement in violation hereof shall be voidable at the option of Seller.

11. Notices. Any notice to be given hereunder shall be in writing and sent by registered or certified mail or personal delivery to Purchaser and Purchaser's attorney, if any, at the address given above and to Seller at Yevgeny Tsyngauz, Esq., 1635 Bath Avenue, Brooklyn, New York 11214 or at such other address as either party may hereafter designate to the other in writing. The date of mailing shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

12. No Representation. Except as herein or in the Plan specifically set forth, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's attorney or Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Building or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the building services, the estimated Common Charges and expenses allocable to the Unit or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the Building are not accurate or correct, provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Building and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from his obligations hereunder by reason of any minor inaccuracy or error.

13. Recording of Deed and Power of Attorney. At the closing of title, Purchaser will deliver the executed deed received from Seller and the executed and acknowledged Power of

Attorney to the representative of the title company, if any, or to Seller for recording in the Office of the Register of the City of New York, County of Kings. Such deed and Power of Attorney will be substantially in the form set forth in Part II of the Plan.

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

15. Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel. This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior to its being declared effective, provided Purchase Agreements for not more than 80% of the Units have been executed by Purchasers and accepted by Seller. Seller also reserves the right to abandon the Plan after it has been declared effective pursuant to other provisions of the Offering Plan as set forth in the section entitled "Effective Date." If the Plan is abandoned or does not become effective, this Purchase Agreement shall be deemed cancelled, and the Plan terminated. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth in the Plan for any reason other than Purchaser's default, then, at Purchaser's option, upon prior written notice sent by Purchaser to Seller within fifteen (15) days subsequent to the end of the scheduled Closing Date, after permitted adjournments, this Purchase Agreement shall be deemed cancelled. If this Purchase Agreement is cancelled pursuant to the provisions of this paragraph, then not later than twenty (20) days thereafter, Purchaser shall receive a refund in full, of all monies paid by Purchaser hereunder. Upon such repayment, neither party shall have any claim against the other and both parties shall be released from all obligations hereunder and under the Plan.

Seller may cancel this Agreement by forwarding his check in the full amount paid by the Purchaser, together with a notice in writing, addressed to the Purchaser at his address hereinabove set forth in the event of the occurrence of any of the following: (a) any governmental bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of materials necessary in the construction of residential housing and such restrictions shall prevent Seller from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the dwellings; or (b) Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, acts of God or if the installation of public utilities is restricted or curtailed.

16. Monies to be Held in Trust; Payment of Purchase Price; Notice of Closing. The required downpayment pursuant to this Agreement will be ten (10%) percent of the Total Purchase Price for the Unit set forth in the Plan, as amended, which downpayment shall be increased by special work or materials, if any, offered by Seller and ordered by Purchaser as itemized in this Agreement. All monies received by Seller through its agents or employees pursuant to this Agreement will be deposited with JPMorgan Chase Bank, in an account titled "Yevgeny Tsyngauz, Esq., IOLA", at its branch located at 8523 Bay Parkway, Brooklyn, New York 11214 in accordance with Section 71-a(3) of the Lien Law, which account shall not be interest bearing.

Such funds will be held in trust in accordance with the escrow and trust provisions of Sections 352(h) and 352-e(2)(b) of the New York General Business Law, and Regulations, if any, promulgated pursuant to said Section 352-e(2) (b). Such funds will be disbursed as follows: (i) to Seller, or as directed by Seller, if the Plan is declared effective and title closes hereunder or if Purchaser defaults hereunder; or (ii) to Purchaser if the Plan is abandoned or withdrawn or title does not close because of Seller's default, or this Agreement is cancelled (without default by either party) in accordance with its terms. The downpayment shall remain the property of the Purchaser except as provided by law.

As an alternative to depositing the downpayments in escrow as set forth above, Seller may post a bond or indemnity contract with a licensed surety company ensuring return of such monies, which bond or contract is to be delivered to Purchaser.

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.

The downpayment will be retained in the special account or bonded as set forth above until: (i) Seller performs under the terms of the Purchase Agreement or (ii) Purchaser rescinds or defaults in performance, thereby excusing performance by Seller or (iii) release or discharge of Seller's liability to refund such downpayment or (iv) title to the Unit is transferred to the Purchaser, or (v) Seller and Purchaser mutually consent otherwise in writing.

In the event of an uncured default by Purchaser in his obligations under the Purchase Agreement, no more than ten (10%) percent of the Purchase Price may be retained as liquidated damages. Notwithstanding the above, the actual cost incurred by Seller for any special work in the Unit ordered by Purchaser may also be retained as liquidated damages. Seller agrees not to seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser.

The balance of the Purchase Price will not be payable until closing of title to the Unit.

Following the declaration of effectiveness of the Plan, Purchaser will be given at least thirty (30) days prior written notice of the Closing Date for his Unit, which notice will also remind him of his obligation to pay the balance of the Purchase Price at that time and will state when Common Charges will be due and payable.

17. Appliances and Equipment. Seller will provide Purchaser only the fixtures, equipment, hardware and appliances referred to in the Plan, which are included in the Purchase Price of the Unit. The Unit is being sold unfurnished. Fixtures, equipment, hardware, appliances and decorations in any model unit or sales office not referred to in the Plan are excluded from this sale unless specifically included by a rider to this Purchase Agreement. The cost of any such items will be added to the Purchase Price of the Unit.

18. Acceptance of Condition of Unit; Risk of Loss.

(i) Purchaser shall accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit or the Building in which it is located or (b) other Units or (c) other portions of the Common Elements have not been completed.

(ii) Purchaser represents to Seller that he has examined the Unit and agrees that his execution of this Purchase Agreement shall constitute acceptance of the Unit and the Buildings and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein, in their present condition on the date of this Purchase Agreement, subject to reasonable use, wear, tear and natural deterioration between the date of this Purchase Agreement and the Closing Date and subject to any other obligations of Seller under the terms of the Plan.

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

a. Legal title to the Unit has been conveyed to the Purchaser, or

b. Purchaser or another person or entity has taken actual possession of the Unit pursuant to a written agreement between Purchaser and Seller.

19. Possession of Unit Prior to Closing. It is expressly understood and agreed that Purchaser shall in no event take possession of the Unit prior to the time of the delivery of the deed and full compliance by Purchaser with the terms of this Agreement, and should the Purchaser violate this provision, Purchaser consents that Seller shall have the right to remove him from the Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, Purchaser shall be deemed in default hereunder at the option of the Seller, and if the Seller so elects, Seller may cancel this Agreement and the amount deposited hereunder shall belong to the Seller as liquidated damages deemed earned hereunder. It is further understood and agreed that Seller will not be responsible for any damage or loss to any property belonging to Purchaser whether same is delivered to the property before, on or after the closing of title herein.

20. Limitation of Seller's Liability. Seller's liability under this Purchase Agreement for failure to complete and/or deliver or have delivered title for any reason whatsoever shall be limited to the return of the money deposited hereunder, and upon the return of said money, this Agreement shall be null and void and the parties hereto released from any and all liability hereunder. In any event, the Seller shall not be required to bring any action or proceeding or otherwise incur any expense in excess of $1,770.00 (i.e. one-half of 1% of the total offering amount), excluding legal fees, to render the title to the Unit marketable or to cure any objection to title.

21. Definitions. The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be deemed joint and several. The terms used herein shall have the same meanings as ascribed thereto in the Plan.

22. Gender. The use of the masculine gender in this Purchase Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

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

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

25. Brokerage. Purchaser represents and warrants to Seller that Purchaser did not negotiate with any broker for the purchase of the Unit other than _____ and Seller agrees to pay said broker a commission pursuant to a separate agreement. Purchaser hereby agrees to indemnify, defend and hold Seller harmless from any claims by any other broker that alleges that it has dealt with Purchaser in connection with the purchase of the Unit.

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

27. 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, or the right of Purchaser to any statutory relief or remedy.

28. Acceptance by Seller. Within thirty (30) days after delivery to Seller or its Agent by Purchaser of this Purchase Agreement with the required downpayment, Seller will either:

(a) accept this Agreement and cause to be returned to Purchaser a fully executed counterpart thereof or;
(b) reject this Agreement offer and refund the downpayment tendered by Purchaser.

If Seller takes no action within said thirty (30) day period, this Purchase Agreement shall be deemed null and void and Seller will return Purchaser's downpayment, within twenty (20) days.

29. Transfer Tax Returns. At closing, Purchaser will duly complete and sign, before a Notary Public, the transfer tax returns required to be filed with the State of New York and/or the City of New York. The transfer tax return shall be delivered at closing to the

representative of Purchaser's title insurance company (or, if none, to Seller's attorney) for filing with the proper governmental officers.

30. **Survival.** The closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom.

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

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

Dated: Brooklyn, New York

_____

Purchaser(s)

_____

_____

_____

_____

Accepted by

Homecrest Building Development, LLC.

_____

By: Boris Revzin

POWER OF ATTORNEY

The undersigned, _____, the owner of Unit No. ___ in the condominium known as The Kelly Park Condominium (the "Condominium") and by the street number 1824 East 17th Street, Brooklyn, New York, (the Building"), said Unit being designated and described as Residential Unit No. __ in that certain declaration dated _____ made by Homecrest Building Development, LLC. (the "Sponsor") under Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), establishing a plan for condominium ownership of the Building and the land (the "Land") upon which the Building is situated, which declaration was recorded in the Office of the Register of the City of New York, County of Kings (the "City Register's Office") on _____ under CRFN _____ (such declaration and any amendments thereto being collectively referred to as the "Declaration"); and also designated as Tax Lot _____ in Block _____ on the Tax Map of the Real Property Assessment Department of the City of New York for the Borough of Brooklyn and on the floor plans of the Building (the "Floor Plans"), certified by Yevgeniy Rybak and filed in the City Register's Office on _____ under CRFN _____ as Condominium Plan #_____, does hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of the Condominium, jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire, in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in said Condominium, in accordance with their Common Interests, any Unit whose Owner desires to abandon or sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of the sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact shall, in their sole discretion, deem proper, and thereafter to convey, sell, lease, sublease, mortgage or otherwise deal with any such Units so acquired by them (but not to vote the votes appurtenant thereto), on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present. The acts of a majority of such persons shall constitute the acts of said attorneys-in-fact.

The undersigned does hereby nominate, constitute and appoint Homecrest Building Development, LLC. (the "Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by the Sponsor or its designee in accordance with Article 16 of the Declaration or (2) shall be required by (a) an institutional lender to make a mortgage loan secured by a mortgage on any

Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by the Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, 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 designee shall cease to own any Units in the Condominium.

The undersigned does further nominate, constitute and appoint the Sponsor as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to execute any document on behalf of the undersigned, if same is necessary, to effectuate the transfer, assignment or conveyance by Sponsor, in whole or in part, of the transferable development rights which the Sponsor has retained for itself, its successors and assignees. This Power of Attorney shall in no way be construed to grant any interest in such transferable development rights to the undersigned.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned have executed this Power of Attorney this __ day of _____.

_____

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

On the ____ day of _____ in the year 2007 before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

FORM OF UNIT DEED

THIS INDENTURE made the ___ day of _____ in the year 2007, between Homecrest Building Development, LLC., having an office at 79 Brighton 11th Street, Suite 4B, Brooklyn, New York 11235, (the "Grantor"), _____, residing at _____, (the "Grantee"),

W I T N E S S E T H:

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

The Unit (the "Unit") in the condominium known as The Kelly Park Condominium (the "Condominium") and by the street number 1824 East 17th Street, Brooklyn, New York, (the Building"), said Unit being designated and described as Residential Unit No. __ in that certain declaration dated _____ made by the Grantor under Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), establishing a plan for condominium ownership of the Building and the land (the "Land") upon which the Building is situated, which declaration was recorded in the Office of the Register of the City of New York, County of Kings (the "City Register's Office") on _____ under CRFN _____ (such declaration and any amendments thereto being collectively referred to as the "Declaration"); and also designated as Tax Lot _____ in Block _____ on the Tax Map of the Real Property Assessment Department of the City of New York for the Borough of Brooklyn and on the floor plans of the Building (the "Floor Plans"), certified by Yevgeniy Rybak and filed in the City Register's Office on _____ under CRFN _____ as Condominium Plan #_____. The Land is more particularly described as follows:

SEE SCHEDULE A ANNEXED HERETO AND MADE A PART HEREOF

SAID premises known as 1824 East 17th Street, Unit __, Brooklyn, New York.

TOGETHER with any strips or gores adjoining the Building or the Land on any of the sides thereof.

TOGETHER with an undivided ____ percent interest in the Common Elements described in said Declaration (the "Common Elements");

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

TOGETHER with an easement in common with 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 in the Building and the Land, and serving the Unit;

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 encroachments of such adjoining Units or Common Elements on the Unit, now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements, after damage, condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

SUBJECT ALSO TO an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other Common Elements located in the Unit or elsewhere in the Building or the Land and serving such other Units;

SUBJECT ALSO TO such other liens, agreements, covenants, easements, restrictions, consents and other matters of record appertaining to the Unit, to the Land and the Building.

SUBJECT ALSO TO the Grantor's ownership of the Air and Development Rights, and its right to sell and convey such rights.

SUBJECT ALSO TO the permitted encumbrances set forth in Exhibit A annexed hereto.

TOGETHER with and **SUBJECT TO** easements, rights of way, restrictions and encumbrances created by the Declaration for the Condominium recorded in the Office of the Register of the City of New York, County of Kings on _____ under _____.

SUBJECT TO the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the Office of the Register of the City of New York, County of Kings, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any

interest or estate in the Unit, as though such provisions were recited and stipulated at length herein;

EXCEPT as otherwise specifically permitted by the Board of Managers of the Condominium or provided in the Declaration or in the By-Laws, the Unit is intended for Residential use only;

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;

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

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Building to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Building to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Building to the provisions of the Condominium Act, the applicable provisions of clause 17 of the Declaration shall control.

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.

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

The term "Grantee" shall be read as "Grantees" whenever the sense of this deed so requires.

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

Homecrest Building Development, LLC.

_____

By: Boris Revzin

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

On the ___ day of _____ in the year 2007 before me, the undersigned, personally appeared Boris Revzin, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

EXHIBIT A
PERMITTED ENCUMBRANCES

1. Covenants, conditions, easements, leases and agreements of record.
2. Restrictive Use Regulations as set forth in the By-Laws of the Condominium.
3. Power of Attorney as set forth in the purchase agreement from the insured to the members of the Board of Managers of Condominium and their successors.
4. Any state of facts which an accurate survey and inspection of the unit would show, provided same does not render title unmarketable.
5. State of facts of the land and building of which the t unit is a part as shown on the survey made and any additional state of facts which a subsequent and accurate survey of such land and building would show provided same does not render title unmarketable.
6. Building restrictions and zoning laws and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction.
7. Any easement or right of use in favor of any utility company for construction, use, maintenance, repair and replacement of all utility lines, wires, terminal boxes, main pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Land and Building.
8. Revocability of licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax (which is to be paid by the Condominium Board).
9. Encroachments of stoops, areas, cellar steps or doors, trim, cropings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and standpipes, and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the property and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.
10. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.
11. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.
12. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date (however, the then current installment shall be adjusted at closing).
13. Any encumbrance as to which the title insurance company which insures Purchaser's title to the Unit would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien and (b) will not prevent the use of the Unit for dwelling (if the Unit is a Residential Unit) or Professional (if the Unit is a Professional Unit) purposes.
14. Any recorded covenant, restriction, reservation, agreement, assessment or encumbrance against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.
15. Any violations against the Property (other than the Unit) which are the obligation of the Condominium Board or another Unit Owner to correct.

16. Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring Purchaser's title to the Unit.

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

DECLARATION

Establishing a Plan for Condominium Ownership
Pursuant to Article 9-B of the Real Property Law of the State of New York

Name: The Kelly Park Condominium

Declarant:

Homecrest Building Development, LLC.

Date of Declaration: _____

Record & return to:

Yevgeny Tsyngauz, Esq.
1635 Bath Avenue
Brooklyn, NY 11229

The land affected by the within instrument lies

In Block 6821, FKA Lot 115
NKA Lots:

DL

Declaration Establishing a Plan for Condominium Ownership of Premises to be known as The Kelly Park Condominium, located at 1824 East 17th Street, Borough of 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.

Homecrest Building Development, LLC., having an office at 79 Brighton 11th Street, Suite 4B, Brooklyn, New York 11235 (hereinafter called the "Sponsor") does hereby declare:

1. **Submission of Property.** The Sponsor hereby submits the land hereinafter described, together with the building and improvements thereon erected (hereinafter called the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York.

2. **Area and Location of Land.** The land (hereinafter called the "Land") has an area of approximately 4,000.00 square feet and consists of all that certain tract, plot, piece and parcel of land situate, lying and being in the County of Kings, City and State of New York, more particularly described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Sponsor in fee simple absolute.

3. **Name of Condominium.** The Condominium shall be known as The Kelly Park Condominium.

4. **Description of Building.** The Building consists of Seven stories and a basement level. There are twelve (12) residential units and seven (7) parking units.

The main entrance to the Building is located at the front facade of the Building, accessed by the East 17th Street sidewalk.

5. **The Units.** Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: unit designation; tax lot number; approximate area; location; number of rooms; the portion of the Common Elements and the percentage of interest in the Common Elements. The location of each Unit is more clearly designated on the Floor Plans, as hereinafter defined, and reference should be made thereto for the statement of the location of each Unit. As shown on the Floor Plans of the Building (hereinafter called the "Floor Plans"), certified by Yevgeniy Rybak, and intended to be filed in the Kings County Office of the Register of the City of New York, simultaneously with the recording of this Declaration, the physical dimensions of each Residential Unit consists of the area measured horizontally from the Unit side of the glass or exterior final surface of the exterior walls to the centerline of the partitions separating one Unit from another Unit, corridors, stairs, elevators and other mechanical equipment spaces or any common elements (as hereinafter defined), or to the Unit side of the opposite exterior walls. Each Residential Unit will consist of the area measured vertically from the top of the floor to the underside of the ceiling.

Any Common Elements located within a Unit will not be considered a part of such Unit.

6. Common Elements. The Common Elements of the Condominium consist of the entire Property, including all parts of the Building and improvements thereon other than the Units. Common Elements are comprised of General Common Elements and Limited Common Elements. They include, without limitation, the following:

A. General Common Elements.

(1) The Building and the land on which the Building is physically erected.

(2) All foundations, columns, girders, beams, supports, bearing walls; those portions of the exterior walls and insulation beyond the interior exposed face of the exterior wall; those portions of the walls and partitions dividing the Units from corridors, lobby, stairs, and other mechanical spaces located beyond the unexposed face of the dry walls enclosing the Unit, or, where applicable, the subfloor and framing joists including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkhead; skylights, (other than those located in a Unit), if any; water towers and tanks, if any; chimney; if any; yard areas, if any; terraces and roof; corridors, halls, stairs and stairway areas located beyond the unexposed face of the dry walls or block work or concrete work of the walls enclosing a Residential Unit; storage and utility areas which are not part of a Unit located beyond the unexposed face of the dry walls enclosing a Unit or the unexposed face of a dry wall enclosing all or part of such Units; and all cellar areas which are not included within a particular Unit; the entrances to and exits from the Building.

(3) The gas, electric and water meters, if any, in the cellar, the meter room in the cellar, any oil tank which is owned by the Condominium or for which the Condominium is responsible for the replacement, maintenance and/or repair thereof;

(4) All installations outside the Units for services such as gas, power, light, telephone and water;

(5) All sewer pipes and drainage pipes;

(6) Any tanks, pumps, motors, fans compressors, ducts and in general all apparatus and installations existing for common use; and

(7) The vestibule, lobby and fire escape;

(8) All other apparatus and installations, existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building;

(B) Limited Common Elements.

Balconies and terraces

See Schedule B annexed hereto and made a part hereof for more details.

7. Use of Units. Each of the Residential Units may be used only for a private residence, except that a Residential Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Notwithstanding the foregoing, the Sponsor or its designee may, without the permission of the Board of Managers, retain ownership

of one or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units.

The Parking Units will be used for the parking of automobiles.

8. Determination of Percentages in Common Elements. The percentage of Common Interest allocated to each Unit 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.

9. Encroachments. If any portion of the Common Elements now encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers, or (c) as a result of repair or restoration of the Building or a Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings; a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand.

10. Easements.

A. Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit, all General Common Elements and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building.

B. The Sponsor, his designees, successors, assigns, invitees, licensees, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, installation and development thereon, and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility lines for the benefit of the Property, and (ii) construction and installation, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables, and (iii) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

C. The Sponsor, his designees and successors, assigns, invitees, licensees, contractors, employees and tenants (i) shall have an easement to erect, maintain, repair and replace from time

to time one or more signs on the Building and elsewhere on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of a certain Offering Plan for the Property 1824 East 17th Street, Brooklyn, New York, as same may be amended, and the Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements and (ii) reserve the right to establish, grant and create easements for any additional underground electric transformer, amplifier, gas, cable television, telephone, water, storm drainage, sewer or other utility lines and appurtenances in, under and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Sponsor or designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, or users of any recreation facilities, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Residential Units for private residential use or home occupation purposes. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right of access is exercised in such a manner as not unreasonably to interfere with the use of the Units.

D. Users of any easement granted by subparagraphs B and C of this Paragraph 10 shall have the responsibility of repairing any damage resulting therefrom.

11. Power of Attorney to Board of Managers. Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired or to sublease any Unit so leased by the Board of Managers.

12. Acquisition of Units by Board of Managers. In the event any Unit Owner shall surrender his Unit, together with: (i) the undivided interest in the Common Elements, general and limited, appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium; (hereinafter referred to as the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Real Property Law of the State of New York, or in the event the Board of Managers shall purchase from any Unit Owner who has elected to sell the same, a Unit, together with the Appurtenant Interests, pursuant to Section 1 of Article VIII of the By-Laws, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit,

together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. The lease covering any Unit leased by the Board of Managers, or its designee, corporate or otherwise, shall be held by the Board of Managers, or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interests.

13. Person to Receive Service. For the period during which the Sponsor is in control of the Board of Managers, Homecrest Building Development, LLC., at 79 Brighton 11th Street, Suite 4B, Brooklyn, New York 11235 is hereby designated to receive notice of process in any action which may be brought against the Condominium. After the Sponsor relinquishes control of the Board of Managers notice of process in any action which may be brought against the Condominium shall be served on the President of the Condominium at the Office of the Condominium, 1824 East 17th Street, Brooklyn, NY 11229.

14. Units Subject to Declaration, By-Laws, and Rules and Regulations. All present and future Owners, tenants, subtenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of 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 or conveyance or lease thereof.

15. Amendment to Declaration. This Declaration may be amended, modified, added to or deleted from by the affirmative vote of at least 66- 2/3 % in number and in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by 66- 2/3 % in number and in Common Interest of all Unit Owners, provided, however:

a. no amendment, modification, addition or deletion which shall adversely affect the lien of any mortgage may be made without the written consent of the mortgagee;

b. no amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner(s); no amendment which shall increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagee(s) of such Unit, or Units, if any;

c. no amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against Sponsor, its designee, or any Unsold Unit until Sponsor or such designee shall consent thereto in writing.

The Sponsor hereby reserves to himself and his designee(s) the right to amend this Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by Section 339-p of the New York Real Property Law for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and dimensions of the particular Unit or Units as built, as provided in said Section 339-p.

No such amendment shall be effective until recorded in the Kings County Office of the Register of the City of New York.

16. Changes in Unsold Units. For any Unit owned by the Sponsor or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Sponsor or his designee(s) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (i) make alterations, additions, or improvements in, to and upon the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and (iv) reapportion among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that the Sponsor or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. Contract vendees, if any, pursuant to Purchase Agreements with the Sponsor or its designee for a Unit adversely affected as a result of the above changes, if they have not consented to such changes, will be given the right to rescind their Purchase Agreements and receive a refund of any deposit or downpayment. The above changes, if made, will be disclosed in an amendment to the Offering Plan for the Property. The provisions of this paragraph 16 may not be added to, amended or deleted without the prior written consent of the Sponsor or its designee(s).

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

17. Invalidity.

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

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

18. Termination of Condominium. The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than eighty (80%) percent in number and in Common Interest of the Units. The Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such net proceeds all liens on his Unit, in the order of priority of such liens.

19. Common Expense. Common Expenses of the Condominium mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, the Declaration or the By-Laws. The Board of Managers may also specially allocate and apportion

profits and expenses to residential and/or non-residential units based on special or exclusive use or availability or exclusive control of particular units or common areas by particular unit owners in a manner different than in proportion to a Unit Owner's respective interest in the Common Elements.

20. Definition of "Sponsor-designee". The term "Sponsor-designee" as used in this Declaration shall mean any person or entity designated by the Sponsor to acquire title to a Unit. A "Sponsor-designee" shall have the right to designate a person or entity to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".

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

22. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision thereof.

23. Gender. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the Sponsor has duly executed this Declaration the _____ of _____, 2007.

Homecrest Building Development, LLC.

_____
By: Boris Revzin

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

On the _____ of _____, 2007, before me, the undersigned, personally appeared Boris Revzin personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which individual acted, executed the instrument.

_____
Notary Public

SCHEDULE A
TO THE DECLARATION

SCHEDULE B
TO THE DECLARATION

SCHEDULE C
TO THE DECLARATION

BY-LAWS OF

The Kelly Park Condominium

Yevgeny Tsyngauz, Esq.
Attorney for Sponsor
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Brooklyn, NY 11214
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ARTICLE I
PLAN OF UNIT OWNERSHIP

Section 1. Unit Ownership. The property, located in the borough of Brooklyn, County of Kings, City and State of New York at 1824 East 17th Street, Brooklyn, New York (hereinafter called the "Property"), has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the Kings County Office of the Register of the City of New York, simultaneously herewith. The Condominium thereby shall hereinafter be known as The Kelly Park Condominium.

Section 2. Applicability of By-Laws. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Building and all other improvements thereon (including the Units, the Common Elements and Limited Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The Condominium Units are hereinafter sometimes referred to as "Unit" or "Units".

Section 3. Application. All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Rules and Regulations attached hereto as Schedule A and the provisions of the Declaration.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupying a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations attached hereto and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. Office. The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II
BOARD OF MANAGERS

Section 1. Number and Term. The number of Managers which shall constitute the whole Board of Managers shall not be less than three (3) and not more than five (5). Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose, Managers need not be Unit Owners; thereafter, all Managers, other than representatives of Sponsor, shall be Unit Owners, the principal or officer of a Unit Owner or the spouse of a Unit Owner. The number of Managers elected at the first such meeting shall be five (5). Thereafter, within the limits above specified, the number of Managers shall be determined by the Unit Owners at their annual meetings. The Managers shall be elected by the Unit Owners at their annual meetings. There shall always be an odd number of Managers.

Managers designated by the Sponsor shall serve until the election and qualification of Managers elected at the first meeting of Unit Owners. Managers elected at the first meeting of Unit Owners, and at meetings subsequent thereto, shall serve until the next annual meeting of Unit Owners and until the election and qualification of their respective successors.

Section 2. Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

a. contracting for necessary services for the operation, care, upkeep and maintenance of the Common Elements;
b. determining the Common Expenses and Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property;
c. collecting the Common Charges and expenses of the Condominium from the Unit Owners;
d. employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements;
e. adopting and amending the Rules and Regulations covering the details of the operation and use of the Property subject to the right of the Unit Owners to overrule the Board (See Article VI, Section 16);
f. opening bank accounts on behalf of the Condominium and designating the signatories required therefor;
g. purchasing or leasing or otherwise acquiring, in the name of the Board of Managers, or his designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Managers;
h. purchasing Units at foreclosure or other judicial sale in the name of the Board of Managers, or his designee, corporate or otherwise, on behalf of all Unit Owners;
i. acquiring in the name of the Board of Managers, or his designee, corporate or otherwise, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, as described in the Declaration and these By-Laws;
j. selling, leasing, mortgaging (but not voting the votes appurtenant thereto), or otherwise dealing with Units acquired by, and subleasing Units leased by, the Board of Managers or his designee, corporate or otherwise, on behalf of all Unit Owners;
k. organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners;
l. obtaining and reviewing insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof;
m. making repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions

of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

n. negotiating and settling all claims and actions relating to the Condominium;

o. borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of a majority of all Unit Owners shall be required for the borrowing of any sum in excess of $50,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Unit Owner. If any sum borrowed by the Board of Managers on behalf of the Condominium, pursuant to the authority contained in this paragraph (o), is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit;

p. levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property and levying late payment charges against Unit Owners for late payment of their Common Charges;

q. notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or any Sponsor-designee shall continue to own Units, the percentage Common Interest of which, in the aggregate, equals more than twenty five (25%) percent, but in no event later than five (5) years following the Closing Date, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) increase the number, or change the type, of employees provided for in Schedule B, (ii) make any addition, alteration or improvement to the Common Elements or to any Unit or (iii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that the Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed 10% of the budgeted expenses of the Condominium or (iv) borrow money on behalf of the Condominium (except where necessary to perform work required by applicable law or regulations, or remedy violations or a mortgagee's work order(s) to the extent that existing reserves are insufficient). As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, the Board of Managers may not, without the prior written consent of the Sponsor or Sponsor-designee, (i) amend the Declaration, these By-Laws or the Rules and Regulations attached hereto so as to in any way adversely affect the Sponsor or his designees or (ii) interfere with the offer and sale or leasing of Units or the operation of general, sales or leasing offices at the Property or interfere with actions necessary for construction, renovation, repair or correction at the Property, as required by the Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the provisions of this Section 2q, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge

for expenses required to comply with applicable law or regulations, or remedy any notice of violation or an insurer's work order(s).

Section 3. Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager, at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to the managing agent or manager, all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (k), (n), (o) and (p) of Section 2 of this Article II.

Section 4. First Board of Managers. The first Board of Managers shall consist of persons designated by the Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first meeting of Unit Owners called for the purpose of electing Managers. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 6 of this Article.

Section 5. Removal of Members of the Board of Managers. At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor or Sponsor-designee, may be removed without cause by the affirmative vote of Unit Owners whose aggregate Common Interest exceeds fifty (50%) percent of the Common Interest of the Condominium, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. A member of the Board of Managers designated by the Sponsor or Sponsor-designee may only be removed by the Sponsor or a Sponsor-designee and only they shall have the right to designate a replacement. If a member of the Board of Managers ceases to be a Unit Owner, the principal or officer of a Unit Owner or the spouse of a Unit Owner, unless such member is the Sponsor or a Sponsor-designee, he shall be deemed to have resigned, effective as of the date such ownership interest ceased.

Section 6. Vacancies. Vacancies on the Board of Managers caused by any reason, other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by a vote of the majority of the remaining members at a special meeting of the Board of Managers held for that purpose, promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until a successor is elected and qualified at the next annual meeting of the Unit Owners. If all members of the Board of Managers die or resign, any Unit Owner may call a special meeting of Unit Owners as provided herein, and Managers for the unexpired term may be elected at such special meeting in the manner provided for their election at the annual meeting. Notwithstanding the foregoing, vacancies of members designated by the Sponsor or Sponsor-designee shall be filled only by a person designated by the Sponsor or Sponsor-designee.

Section 7. Organization Meeting. The first meeting of the members of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Managers, elected at the meeting at which they shall have been elected, and no notice shall be necessary to

the newly elected members of the Board of Managers in order to legally constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

Section 8. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or telegraph, at least five (5) business days prior to the day named for such meeting. The business to be transacted at any regular meeting of the Board of Managers need not be specified in the notice of such meeting.

Section 9. Special Meetings. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers. Notice of special meetings shall be given by mail, telegraph or personal delivery to each member of the Board of Managers and shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Managers.

Section 10. Waiver of Notice. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Managers. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If, at any meeting of the Board of Managers, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum shall be present. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board or the committee.

Section 12. Fidelity Bonds. The Board of Managers may obtain fidelity bonds in the amount of $50,000.00 or more for all officers and employees of the Condominium handling or responsible for Condominium funds and for the managing agent. The premiums on such bonds, if obtained, shall constitute a Common Expense.

Section 13. Compensation. No member of the Board of Managers shall receive any salary or compensation from the Condominium for his services as Manager.

Section 14. Liability of the Board of Managers. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against any liability or claims except those arising out of the bad faith or willful misconduct of the members of the Board of Managers. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers who are members of the Sponsor, to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager, on behalf of the Condominium, shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 15. Executive Committee. The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Board of Managers, at least one of whom shall be a member designated by the Sponsor or Sponsor-designee, so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee may not exercise any of the powers set forth in subdivisions (b), (e), (g), (h), (i) and (o) of Section 2 of Article II.

Section 16. Other Committees. The Board of Managers may, by resolution, create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be designated by the Sponsor or a Sponsor-designee, so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board, shall be appointed by the President of the Condominium. The members of any such committee need not be a member of the Board of Managers, but must be eligible to be elected to the Board of Managers. Such committee shall not have power to do any act which the Executive Committee may not do under Section 15 of Article II.

ARTICLE III
UNIT OWNERS

Section 1. Annual Meetings.

a. Within sixty (60) days after the closing of title to Units whose aggregate Common Interest equals more than fifty (50%) percent, the Sponsor shall call a special Unit Owners meeting for the purpose of electing a Board of Managers. At such meeting, the Board of Managers shall resign and a new Board shall be elected by the Unit Owners. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings, there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

b. The Sponsor or Sponsor-designee shall not retain voting control of the Board of Managers for more than five (5) years after the closing date or whenever the Sponsor or Sponsor-designee shall transfer title to Units, the percentage Common Interest of which, in the aggregate, equals more than fifty (50%) percent whichever first occurs. The Sponsor, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers. The Sponsor will not use such vote to elect a particular individual to the Board of Managers which would, by the election of such individual, give the Sponsor voting control of the Board. So long as the Sponsor or Sponsor-designee shall continue to own: (i) Units representing 40% or more in Common Interest the Sponsor or Sponsor-designee shall have the right to elect one less than a majority of the members of the Board of Managers; or (ii) Units representing less than 40% in Common Interest, the Sponsor or Sponsor-designee shall have the right to elect at least one member of the Board of Managers. The Unit Owners may transact such other business at such meetings as may properly come before them.

Section 2. Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners as defined in Section 9 of this Article III having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice for such meeting.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the building or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided for in this Section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum shall be present. No such adjourned meeting shall be held earlier than forty-eight (48) hours from the time the prior meeting was called.

Section 6. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

a. call to order;
b. roll call and presentation and examination of proxies;
c. presentation of proof of due calling of meeting;
d. reading of minutes of previous meeting;
e. reports of officers;
f. report of Board of Managers;
g. reports of committees;
h. appointment of inspectors of election (when so required);
i. election of members of the Board of Managers (when so required);
j. unfinished business;
k. new business;
l. adjournment.

Section 7. Title to Units. Title to Units may be taken in the name of an individual or in the names of two (2) or more persons, as joint tenants, tenants-in-common, tenants by the entirety or in the name of a corporation or partnership, or in the name of a fiduciary or trust, estate, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. The above shall not constitute consent or condonation of any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 8. Voting. The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on his or their behalf, who need not be an Owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing but need not be acknowledged or witnessed and shall be filed with the Secretary at or previous to the time of the meeting and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of Unit Owners. The Owners of each Unit (including the Sponsor or Sponsor-designee, if the Sponsor or his designee shall then own one or more Units) shall be entitled to cast one vote for each 1% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to a vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Unit Owner: (i) shall be entitled to one vote for each 1% of Common Interest attributable to his Unit per member to be elected, and (ii) shall not have the right to cumulate his votes in favor of any one or more members to be elected. If one or more Units are owned by

more than one person as joint tenants, tenants-in-common, tenants by the entirety or in the name of a corporation or partnership or other entity permitted for herein, the persons owning said Unit shall agree among themselves and cast the votes for their Unit. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or his designee shall not be entitled to vote.

Section 9. Majority of Unit Owners. As used in these By-Laws the term "majority of Unit Owners" shall mean those Unit Owners having greater than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 8 of this Article III.

Section 10. Quorum. Except as otherwise provided for in these By-Laws, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 11. Majority Vote. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where, in the Declaration or these By-Laws or by law, a higher percentage vote is required.

Section 12. Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or applicable law, consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV
OFFICERS

Section 1. Designation. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, each must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. President. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to, the power to appoint members of committees created by the Board of Managers from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. Treasurer. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9. Compensation of Officers. No officer shall receive any salary or compensation from the Condominium for his services as officer.

Section 10. Liability of Officers. The officers of the Condominium shall have the same rights and liabilities as the members of the Board of Managers under Article II Section 14 of these By-Laws.

ARTICLE V
NOTICES

Section 1. Definition. Whenever, under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, any manager, Unit Owner or mortgagee at such address as appears on the books of the Condominium. Members of the Board of Managers may be given notice in writing personally delivered to them.

Section 2. Service of Notice Waiver. Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI
OPERATION OF THE PROPERTY

Section 1. Determination of Common Expenses and Fixing of Common Charges. The Board of Managers shall from time to time, at least annually, prepare a budget for the Condominium, determine the amount of Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners according to their respective Common Interests. The Board of Managers, in apportioning expenses for insurance on the Building may take into consideration higher premium rates on some units than on others. The Board of Managers may also specially allocate and apportion profits and expenses to residential and/or non-residential units based on special or exclusive use or availability or exclusive control of particular unit owners in a manner different than in proportion to a Unit Owner's respective interest in the Common Elements. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article VI and the fees and disbursements of the Insurance Trustee, if any. The Common Expenses shall also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium for a general operating reserve, and for a reserve fund for replacements, to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or his designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale, together with such amounts as may be necessary to maintain such Unit(s). The Board of Managers shall also, where necessary, impose an assessment or additional Common Charge in order to meet any unanticipated Common Expense. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively,

as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such charges are based, to all Unit Owners and to their mortgagees, if so required.

The Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide purchaser.

Section 2. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including improvements, furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount to be determined by the Board of Managers but in no event to be less than eighty (80%) percent of the full replacement cost of the Building, including the above noted items, but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker; each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee, if any, as herein provided; (2) worker's compensation insurance, if the Condominium has employees; (3) disability benefits insurance if the Condominium has employees; and (4) such other insurance as the Board of Managers may determine. All policies of physical damage insurance shall provide that adjustment of loss shall be made by the Board of Managers (with the approval of the Insurance Trustee, if any, if more than $50,000.00), and that the total proceeds thereof, if $50,000.00 or less, shall be payable to the Board of Managers, and if more than $50,000.00, shall be payable to the Insurance Trustee, if any.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insured as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and the individual Unit Owners as well as the Condominium shall be primary insureds to the extent as their interests shall also appear. Such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies if so requested in writing by them.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager and each Unit Owner. Such public liability coverage shall also cover cross-liability

claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least $1,000,000.00 covering all claims for bodily injury with respect to any one occurrence.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies shall be so endorsed so as to state that they will in no way conflict with any insurance carried by the Board of Managers.

If, by reason of the occupancy or use of either a Residential Unit, the rate of fire or liability insurance for the Property shall be increased, such Unit Owner shall (if such occupancy or use continues for more than thirty (30) days after written notice from the Board of Managers specifying the occupancy or use) become liable for the additional insurance premiums incurred by the Condominium as if such additional premium constituted an assessment.

Section 3. Repair or Reconstruction After Fire or Other Casualty. In the event of a fire or other casualty which damages or destroys less than seventy-five (75%) percent of the Building containing the Units, the Board of Managers shall arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by the Sponsor, but not including any wall, ceiling or floor decorations or coverings or other improvements, furniture, furnishings, fixtures, appliances or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five (75%) percent in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Whenever in this Section the words "promptly repair" are used it shall mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notified the Board of Managers and the Unit Owner or Unit Owners that it shall hold proceeds of insurance funds

sufficient to pay the estimated costs of such work; or not more than ninety (90) days after the Insurance Trustee notified said Board of Managers and Unit Owner or Unit Owners that such funds are insufficient to pay said estimated costs and advising them of the amount of the required completion bond, if necessary. If there is no Insurance Trustee, then the aforementioned sixty (60) and ninety (90) day periods shall be from the date of notification by an insurance adjuster retained by the Board of Managers. Wherever the words, "promptly resolve" are used it shall mean not more than sixty (60) days from the date of receipt of said insurance funds.

Section 4. Payment of Common Charges. All Unit Owners shall be obligated to pay the Common Charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VIII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VIII hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his Unit is free and clear of liens and encumbrances, other than permissible mortgages and the statutory lien for unpaid Common Charges, convey his Unit, together with the "Appurtenant Interests" to the Board of Managers, or his designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of Common Charges assessed and unpaid against such Unit prior to the acquisition by him of such Unit, except that a mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for and such Unit shall not be subject to a lien for the payment of Common Charges assessed prior to the foreclosure sale.

Section 5. Collection of Common Charges and Assessments. The Board of Managers shall assess Common Charges against the Unit Owners from time to time at least annually and shall take prompt action to collect any Common Charges due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Managers shall also take prompt action to collect any assessment due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date thereof. Common Charges and assessments shall be paid by the fifth day of the month in which they are due or they shall be deemed to be late. The Board of Managers shall have the right to place a lien against a Unit whose Owner fails to pay common charges for the Unit within fifteen days of same becoming due and payable.

Section 6. Default in Payment of Common Charges or Assessments. In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the highest legal rate on such Common Charges or assessments from the due date thereof, together with all expenses, including late fees charged by the Board of Managers and attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or assessments, together with interest thereon, and the

expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting in the payment of Common Charges or assessments shall not be permitted to vote at any regular or special meeting of Unit Owners.

THE SPONSOR SHALL CAUSE THE BOARD OF DIRECTORS TO FILE A LIEN AS PROVIDED FOR IN SECTION 339-aa OF THE REAL PROPERTY LAW ON UNITS IN WHICH THE SPONSOR IS MORE THAN 30 DAYS IN ARREARS OF COMMON CHARGES WHILE IT IS IN CONTROL OF THE BOARD OF DIRECTORS.

Section 7. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same (but not to vote the votes appurtenant to). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. Statement of Common Charges and Assessments. The Board of Managers, managing agent or manager shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges due from such Unit Owner.

Section 9. Abatement and Enjoinment of Violations by Unit Owners. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; and (c) in any event, charge the Unit Owner with the cost of reasonable legal and other fees and costs incurred in enjoining, abating or remedying such violation.

Section 10. Maintenance and Repairs.

a. All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except painting the exterior side of Unit entrance door), windows (except painting the exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures, air conditioning units and appliances, if any, within the Unit or belonging to the

Unit Owner shall be at the Unit Owner's expense, excepting as otherwise specifically provided herein.

b. All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (a) by the Board of Managers as a Common Expense, if such Limited Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, all necessary waterproofing of the Limited Common Elements except as set forth below, and the repair of any leaks that are not caused by the acts or omissions of the Unit Owner, having direct and exclusive access thereto), or (b) the Unit Owner having direct and exclusive access thereto at his sole cost and expense, if involving non-structural ordinary maintenance, repairs or replacements, including but not limited to painting, decorating and/or maintenance, waterproofing, repair and/or replacement of decking, tile or other terrace or roof deck surface adjacent to the Units, terrace or roof railings and/or means of roof or terrace access constructed or installed by or at the request of the Unit Owner, or as a result of the Unit Owner's negligence, misuse or neglect.

Section 11. Restrictions on Use of Units. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

a. The Residential Units shall be used only for a private residence, except that a Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinance, building code or other rules and regulations of governmental authorities having jurisdiction thereof. Notwithstanding the foregoing, the Sponsor or Sponsor-designee shall have the right, without charge, (i) to maintain general, sales or leasing offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building or Units and to comply with its obligations.

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

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

d. No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or

requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

e. No portion of a Unit other than the entire Unit, including any Limited Common Elements appurtenant thereto may be rented.

Section 12. Additions, Alterations or Improvements by Board of Managers. Subject to the provisions of Section 2 of Article II of these By-Laws, whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements (but not maintenance) costing in excess of $50,000.00, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing $50,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Section 13. Additions, Alterations or Improvements by Unit Owners. Except as provided below, no Unit Owner shall make any addition, alteration or improvement in or to his Unit which is structural or which affects the exterior of the Building or the value of other Units, without the prior written consent thereto of the Board of Managers which consent shall not be unreasonably withheld. In connection with the approval of any addition, alteration or improvement by a Unit Owner as required herein, the Board of Managers may require that such Unit Owner enter into a written agreement, reasonably satisfactory to the Board of Managers, regarding such work. Such agreement may include, but shall not be limited to, provisions for adequate insurance, indemnification of the Condominium and the Board of Managers, submission of all plans and specifications to the Board of Managers, and restrictions on the hours during which the work may be done. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent to any addition, alteration or improvement to be made by a Unit Owner in accordance with the provisions of this Section 13, such consent shall be deemed to provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (certificates of which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by such addition, alteration, or improvement, or due to improper design or construction of such addition,

alteration, or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and for any services provided in connection with such addition, alteration, or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work..

The provisions of this Section 13 which require the consent of the Board of Managers in connection with an addition, alteration or improvement in or to a Unit which is structural or which affects the exterior of the Building or the value of other Units shall not apply to Units owned by the Sponsor or its designee. The Sponsor or its designee shall not need such consent. All other provisions of this Section 13 shall apply to all Units. For example, with respect to such addition, alteration or improvement to a Sponsor-owned Unit, such work shall be at the sole cost and expense of the Sponsor and/or his designee, and shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances. All work must be done by reputable contractors with adequate liability, property damage and Workers Compensation insurance (certificates of which shall be delivered to the Board of Managers prior to the commencement of construction). Any such additions, alterations or improvements, shall be maintained in their entirety by the Sponsor or its designee, as the case may be, who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by any addition, alteration, or improvement, or due to improper design or construction of the structural addition, alteration, or improvement. Additionally, the Sponsor or its designee, as the case may be, shall reimburse the Board of Managers any reasonable out-of-pocket expenses incurred by the Board of Managers for any services provided in connection with such addition, alteration, or improvement.

Non-structural additions, alterations or improvements to Units that do not affect the exterior of the Building or the value of other Units may be made without the prior approval of the Board of Managers except that the Board of Managers may require that the Unit Owner enter into a written agreement, reasonably satisfactory to the Board of Managers, regarding such work as required for additions, alterations or improvements which require the consent of the Board of Managers, prior to commencing such work.

Section 14. Use of Common Elements and Facilities. A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-designee shall have the right to use the Common Elements, without charge, for the purposes set forth in Section 11 of this Article VI.

Section 15. Right of Access. A Unit Owner shall grant a right of access to his Unit, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the

mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building, or remedying any condition which would violate the provisions of any mortgage encumbering another Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by these By-Laws, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided for in this Section 15, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI.

Section 16. Rules of Conduct. Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. The vote of a majority of Unit Owners at a meeting may overrule the Board. Copies of such Rules and Regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial Rules and Regulations, which shall be effective until amended by the Board of Managers are annexed hereto and made a part hereof as Schedule A. Notwithstanding this provision, for as long as the Sponsor or his designee remains the Owner of one or more Units, the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect the Sponsor or his designee without the Sponsor's prior written consent.

Section 17. Water Charges and Sewer Rents. Water shall be supplied to all of the Residential Units and the Common Elements through one building meter and, the Board of Managers shall pay, as a Common Expense, all charges for water consumed by the Residential Units, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Unit as of the date of closing of title to such Unit, promptly after such charges shall have been billed.

Section 18. Utilities. Except for heat, hot water, telephone, cable and air-conditioning service, gas and electricity in each Unit all utilities shall be paid for by the Condominium as a Common Expense.

Section 19. Vault Charges. All license fees and all periodic taxes and charges for street vaults or other protrusions, if any, beyond the lot line shall be paid by the Board of Managers as a Common Expense.

ARTICLE VII
MORTGAGES

Section 1. Notice to Board of Managers. A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy

of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 2. Notice of Unpaid Common Charges. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. Notice of Default. The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 4. Examination of Books. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium, during business days, at reasonable times, upon reasonable notice to the manager, managing agent or Board of Managers.

ARTICLE VIII
SALES, LEASES AND MORTGAGES OF UNITS

Section 1. Sales and Leases. No Unit Owner other than the Sponsor or Sponsor-designee may sell or lease his Unit or any interest therein except by complying with the provisions below. The Sponsor or Sponsor-designee need not comply with such provisions.

Any Unit Owner who receives a bona fide offer for the sale of his Unit together with: (i) the undivided interest in the Common Elements and any Limited Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or his designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration (hereinafter collectively called the "Appurtenant Interests"); or a bona fide offer for a lease of his Unit (such proposed sale or lease, as the case may be is hereinafter called an "Outside Offer"), which he intends to accept, shall give notice by hand or by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or his designee, corporate or otherwise, on behalf of the Owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers, on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may elect to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by his designee,

corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, or to cause the same to be purchased or leased by his designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Condominium in accordance with the terms of such offer but in no event less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner, if such Unit, together with the Appurtenant Interests, is to be sold, shall convey the same to the Board of Managers, or to his designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall execute and deliver to the Board of Managers, or to his designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or his designee, as tenant, covering such Unit, for the rental and term contained in such Outside Offer.

In the event the Board of Managers or his designee fails to notify the offering Unit Owner of its decision to accept such offer within thirty (30) days after receipt of notice as aforesaid or to notify the offering Unit Owner within such (30) day period of its decision not to accept such offer, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, within sixty (60) days after the expiration of the thirty (30) day period in which the Board of Managers or his designee might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such deed to any Outside Offeror shall provide that acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned, without the prior written consent of the Board of Managers, and that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, and that the Board of Managers shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. Except as hereinbefore set forth, the form of any such lease for Residential Units shall be the then current form of apartment lease recommended by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Board of Managers. In the event the offering Unit Owner shall not, within such sixty (60) day period, contract to sell such Unit together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell or lease his Unit within such sixty (60) day period, but such sale or lease shall not be consummated pursuant to the terms of such Outside Offer, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another Outside Offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VIII.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board of Managers.

THE BOARD OF MANAGERS MAY NOT DISCRIMINATE AGAINST ANY PERSON ON THE BASIS OF RACE, CREED, COLOR, NATIONAL ORIGIN, SEX, AGE, DISABILITY, MARITAL STATUS OR OTHER GROUNDS PROHIBITED BY LAW.

Section 2. Consent of Unit Owners to Purchase or Lease of Units by Board of Managers. The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners.

Section 3. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4. Release by Board of Managers of Right of First Refusal. The right of first refusal contained in Section 1 of this Article VIII may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold, conveyed, or leased, free and clear of the provisions of such section.

Section 5. Certificate of Termination of Right of First Refusal. A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VIII have been met by a Unit Owner, or have been duly waived by the Board of Managers and the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VIII or in respect to whom the provisions of such section have been waived, upon request.

Section 6. Financing of Purchase of Units by Board of Managers. Acquisition or lease of Units by the Board of Managers, or his designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his ownership in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article VI, or, the Board of Managers, in its discretion, may borrow money to finance the acquisition or lease of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the

Unit, together with the Appurtenant Interests, so to be acquired or leased by the Board of Managers.

Section 7. Exceptions. The provisions of Section 1 of this Article VIII shall not apply with respect to any sale or conveyance or lease by a Unit Owner of his Unit, together with the Appurtenant Interests, to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one or more of them, or to any Unit owned by the Sponsor or Sponsor-designee, or to the acquisition or sale of any Unit, together with the Appurtenant Interests, by a mortgagee herein authorized who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. However, the provisions of this section shall apply with respect to any purchaser of a Unit from a mortgagee.

Section 8. Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy, without restriction.

Section 9. Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or his designee, on Behalf of All Unit Owners as Tenants in Common. In the event that a Unit shall be acquired by the Board of Managers, or his designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 10. Payment of Common Charges and Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Board of Managers all unpaid Common Charges and assessments theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 11. Mortgage of Units. No Unit Owner shall mortgage his Unit, except by a first and/or second mortgage made to a bank, savings bank, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of New York State, the United States or any other state, foreign banking corporation licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State, insurance company duly organized or licensed to do business in New York State or a purchase money mortgage made to the Sponsor, Sponsor-designee, or to the seller of the Unit. Any such mortgage shall be substantially in the form on file with the Board of Managers, except for such changes or additions as may be required in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers. A mortgage may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval shall be in the sole and absolute discretion of the Sponsor or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or assessments and discharge any liens therefor.

ARTICLE IX
CONDEMNATION

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to $50,000.00 or less, and to the Insurance Trustee, if any, if such award amounts to more than $50,000.00. If seventy-five (75%) percent or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five (75%) percent or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

ARTICLE X
RECORDS

Section 1. Records and Audits. The Board of Managers or the managing agent or manager shall keep detailed records of the actions of the Board of Managers and the managing agent or manager, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. In addition, it is the obligation of the Board of Managers of the Condominium to give to all Unit Owners annually, the following:

a. the financial statement of the Condominium prepared by a certified public accountant or, public accountant within 150 days after the end of each calendar year for the prior fiscal year;
b. prior notice of the annual Unit Owner's meeting;
c. a copy of the proposed annual budget, if any, of the Condominium.

ARTICLE XI
MISCELLANEOUS

Section 1. Invalidity. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 2. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 3. Gender. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4. Waiver. No restriction, condition, obligation or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5. Insurance Trustee. The Insurance Trustee, if selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of three (3) or more Unit first mortgages). In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of three (3) or more Unit first mortgages). The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense of the condominium.

Section 6. Definition of "Mortgagee". As used in these By-Laws, the term "mortgagee" or "holder of a first mortgage" shall include the holder of any construction loan mortgage which shall be a lien on a Unit.

ARTICLE XII
AMENDMENTS TO THE BY-LAWS

Section 1. Amendment to By-Laws. These By-Laws may be modified or amended by the vote of 66 2/3% in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose. However, for as long as the Sponsor or his designee remains the Owner of one or more Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect the Sponsor or his designee, in the Sponsor's sole discretion, without the Sponsor's prior written consent.

ARTICLE XIII
CONFLICTS

Section 1. Conflicts. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

ARTICLE XIV
ARBITRATION

Section 1 Procedure. Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a panel of three (3) arbitrators in a proceeding held in the City of New York, which arbitrators shall be appointed as follows: One arbitrator shall be chosen by the Condominium Board, one arbitrator shall be chosen by the Unit Owner and the third arbitrator shall be chosen by the two aforementioned arbitrators. The decision of the arbitrators so chosen shall be given within thirty (30) days after his or her selection or appointment. The decision shall be enforceable in a court of law of competent jurisdiction.

Section 2 Variation by Agreement. The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section .1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes."

Section 3 Binding Effect. The decision in any arbitration conducted pursuant to the terms of Sections 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of the Condominium Documents with respect to a matter that arose prior to the first annual meeting of all Unit Owners held pursuant to the terms of Section 3.1 hereof shall be non-binding.

Section 4 Costs and Expenses. (A) The fees, costs and expenses of the arbitrators shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses. (B) All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses shall constitute Common Expenses.

SCHEDULE A
RULES AND REGULATIONS
OF
THE KELLY PARK CONDOMINIUM

1. The Residential Units may be used only for private residential use, except that a Residential Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction.

2. Except as set forth above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Units or Common Elements, nor shall any "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Unit therein or adjoining Common Elements, nor shall any Unit be rented for transient, hotel or motel purposes. The right, however, is reserved by the Sponsor, his designee and the Board of Managers, or its agent, to place "For Sale," "For Rent" or "For Lease" or similar signs on any unsold or unoccupied Unit, and such right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee. Additionally, the right is reserved by the Sponsor and his designee to maintain and staff one or more vacant and unsold Units in the Building as a sales or leasing office and/or model Unit. The Sponsor and his designee shall have the right without charge or any limitation whatsoever, to place "For Sale," "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building. The Sponsor or his designee shall be responsible for installing and removing such signs.

3. Except as elsewhere provided, no exterior of any Unit or the windows or doors thereof or any other portions of the Common Elements shall be painted or decorated by any Owner or in any manner without prior written consent of the Board of Managers.

4. No furniture, equipment, or other personal articles shall be placed in entrances, hallways, stairways, or other Common Elements.

5. No Unit Owner shall make or permit any noise or objectionable odor that will disturb or annoy the occupants of any of the Units in the Building or do or permit anything to be done therein which will interfere with the rights, comfort, or convenience of other Unit Owners.

6. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness. Nothing shall be hung or shaken from any doors or windows and no Unit Owner shall sweep or throw or permit to be swept or thrown, any dirt or other substances therefrom.

7. No exterior shades, awnings, window guards, ventilators, fans or air-conditioning devices shall be used on or about the Building or Common Elements except such as shall have been approved by the Board of Managers, or as required by law.

8. Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of the Building, except such as shall have been approved in writing by the Board of Managers, nor shall anything be projected out of any window of the Building without similar approval.

9. All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct.

10. No Unit Owner shall engage any employee of the Condominium for any private business of the Unit Owner without the prior written consent of the Board of Managers.

11. No bird or animal shall be kept or harbored in the Building unless the same in each instance is expressly permitted in writing by the Board of Managers. Any such consent, if given, shall be revocable at any time by the Board of Managers. In no event shall dogs be permitted in any of the public portions of the Building unless carried or on a leash. The individual Unit Owners who keep an animal in the Building shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in the Building. No pigeons or other birds or animals shall be fed from the window sills, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

12. No radio or television aerial shall be attached to or hung from the exterior of the Building without the written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Units. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

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

14. The Board of Managers or the Managing Agent may retain a pass-key to each Residential Unit. If any lock is altered or a new lock is installed, the Board of Managers or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If a Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers, or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

15. All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid for by the Unit Owner responsible for the presence of such article.

16. No Unit Owner shall interfere in any manner with any portion of the heating, air-conditioning, or lighting apparatus which are part of the Common Elements and not part of the Unit Owner's Unit.

17. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance for the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements, which will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any law. No Unit Owner or any of his family members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his Unit or Limited Common Elements any flammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or Limited Common Elements.

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

19. Complaints regarding the management of the Property or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

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

21. No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

22. The agents of the Condominium Board or the Managing Agent, and any contractor or workmen authorized by the Condominium Board or the Managing Agent, may enter any room in the Building or Residential Unit at any reasonable hour of the day, on at least three days prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

23. No portion of a Unit including any Limited Common Element appurtenant thereto other than the entire Unit may be leased.

24. Subject to provisions of the By-Laws, these Rules and Regulations may be added to or repealed at any time by the Board of Managers. Further, any consent or approval given under these Rules and Regulations may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature, or may be amended, modified, added to or repealed at any time by resolution of the Board of Managers.

TAX ESCROW AGREEMENT

AGREEMENT made this 25th day of January, 2007, between HOMECREST BUILDING DEVELOPMENT, LLC, and The Board of Managers of The Kelly Park Condominium.

WITNESSETH:

WHEREAS, HOMECREST BUILDING DEVELOPMENT, LLC is the sponsor of an Offering Plan to convert to condominium ownership the premises located at 1824 East 17th Street, Brooklyn, New York, which premises are known as The Kelly Park Condominium (hereinafter referred to as "the Sponsor"); and,

WHEREAS, the Board of Managers of The Kelly Park Condominium is charged with governing the operation of said condominium (hereinafter referred to as "the Board"); and,

WHEREAS, the individual condominium Units located at the aforementioned property have not been separately assessed for real estate tax purposes prior to the closing of the first Unit located thereat; and

WHEREAS, pursuant to the terms of the Offering Plan for said condominium the Sponsor desires to secure its obligation to pay real estate taxes for the Unsold Units.

NOW, THEREFORE, the parties agree as follows:

1. On the first closing of a Unit at the premises, Sponsor will deposit in escrow with the Board in a special segregated escrow account to be maintained by the Board in its own name, an amount equal to the real estate taxes attributable to the Unsold Units, which will be levied against the parcel for the six month period following the first closing, or until the Units are separately assessed, whichever is sooner.

2. The Board is irrevocably authorized to pay such real estate taxes as are assessed against the premises from the escrow account when such taxes are due and payable.

3. The funder of the escrow account will be entitled to reimbursement from Unit Owners to the extent of the actual assessment.

4. Upon each subsequent closing of the Units, the Sponsor may collect the estimated amount of taxes attributable to such Unit for the balance of the six-month period from purchasers thereof.

5. If the escrow is kept in an interest-bearing account, the interest earned thereon shall belong to the Sponsor.

6. The escrow account shall be maintained in accordance with the laws, rules, and regulations of the State of New York; specifically including, but not limited to, the General Business Law and, shall be deemed held for the benefit of the condominium.

IN WITNESS WHEREOF, the parties set their hands the date above first written.

HOMECREST BUILDING DEVELOPMENT, LLC

By: Dmitry Serebryany,
Managing Member

THE BOARD OF MANAGERS OF THE KELLY PARK CONDOMINIUM

By: Dmitry Serebryany, Manager

ESCROW AGREEMENT FOR CONTRACT DEPOSIT

AGREEMENT made this 25th day of January, 2007, between HOMECREST BUILDING DEVELOPMENT, LLC, and Yevgeny Tsyngauz and Mikhail Litt.

WHEREAS, HOMECREST BUILDING DEVELOPMENT, LLC is the sponsor of an Offering Plan to convert to condominium ownership the premises located at 1824 East 17th Street, Brooklyn, New York, which premises are known as The Kelly Park Condominium (hereinafter referred to as "the Sponsor"); and

WHEREAS, Yevgeny Tsyngauz and Mikhail Litt are authorized to act as an escrow agent hereunder in accordance with Section 352-3(2-b) of the General Business Law, and the regulations promulgated by the Attorney General (hereinafter referred to as "the Escrow Agent"); and,

WHEREAS, Sponsor desires that Escrow Agent act as escrow agent for deposits and advances made by Purchasers, pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT

1.1 The escrow account has been opened with JPMorgan Chase Bank at 8523 Bay Parkway, Brooklyn, New York 11214. The account number is [redacted]

1.2 The name of the account is "Yevgeny Tsyngauz, Esq., IOLA".

1.3 The Escrow Agents are the sole signatories on the account.

1.4 The escrow account is a non-interest-bearing account.

1.5 The escrow account is an IOLA established pursuant to Section 497 of the Judiciary Law.

2. DEPOSITS INTO THE ESCROW ACCOUNT

2.1 All deposits or advances made by Purchasers prior to closing of each individual Unit, whether received before or after the date of consummation of the Plan shall be placed within five (5) days after the Purchase Agreement is signed by the Purchaser and the Sponsor.

2.2 All funds received from Purchasers whether in the form of checks, drafts, money orders, wire transfers, or other instruments, which identify the payor, shall be made payable to or endorsed to the order of "Yevgeny Tsyngauz, as escrow agent".

2.3 Within ten (10) business days after tender of the deposit submitted with the Purchase Agreement, the Escrow Agent shall notify the Purchaser that such funds have been deposited in the escrow account, and shall provide the Purchaser with the account number. If the

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 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 Part 20 of Title 13 NYCRR and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS

3.1 Under no circumstances will the Sponsor apply for release of the escrowed funds of a defaulting Purchaser until after the consummation of the Plan. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to Section 352-h of the General Business Law.

3.2 The Escrow Agent will hold funds in escrow until

(a) a writing signed by both the Sponsor and the Purchaser directing the release of funds; or
(b) a determination of the Attorney General pursuant to the dispute resolution provisions contained in (vii) below; or
(c) a judgment or order of a court of competent jurisdiction; or
(d) if there is no written agreement between the Sponsor and the Purchaser 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 contained in Part 20 of Title 13 NYCRR and has so notified the Escrow Agent in accordance with such provisions;
(e) an amendment abandoning the Offering Plan is filed with the Department of Law, in which event all deposits of Purchasers will be returned to them.

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

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

3.4 In the event of a dispute, the Sponsor will apply and the Purchaser or the Escrow Agent holding the deposits in escrow may apply to the Attorney General for a determination on the disposition of the deposit and any interest earned thereon. A form for this purpose is contained in Part II of the Plan. The party applying for a determination will contemporaneously send to all other parties a copy of such application.

3.5 Pending the determination of the Attorney General to grant or deny the application, the Sponsor and the Escrow Agent will abide by any interim directive issued by the Attorney General.

3.6 If the application permitting release of funds is granted, the deposit and any interest earned thereon will be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted.

3.7 If the application seeking release of funds is denied, the Escrow Agent will continue to hold the deposit and any interest earned thereon until:

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

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

4. RECORDKEEPING

4.1 The Escrow Agent shall maintain all records concerning the escrow account for seven (7) years after release of the funds.

4.2 The Escrow Agent shall make available to the Attorney General, upon its request, all books and records of the Escrow Agent relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF THE ESCROW AGENT

5.1 The Escrow Agent shall maintain the escrow accounts in this Agreement under the direct supervision and control of the Escrow Agent.

5.2 A fiduciary relationship shall exist between the Escrow Agent and Purchasers, and the Escrow Agent acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF THE SPONSOR

6.1 The Sponsor agrees that the Sponsor and its agents, including any selling agents, shall immediately deliver all deposits and advances received by them prior to closing of an individual Unit to the Escrow Agent.

6.2 The Sponsor agrees that it shall not interfere with the performance of the fiduciary duties by the Escrow Agent and compliance with the regulations promulgated by the Attorney General.

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 the Sponsor to the Escrow Agent of cancellation of designation of the Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department or Law providing for a successor Escrow Agent; or,

(b) the resignation of the Escrow Agent upon giving notice to the Sponsor of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or

(c) written notice given by the Sponsor to the Escrow Agent that all Units offered pursuant to the Offering Plan have been sold.

7.2 Upon termination of the duties of Escrow Agent as described in Paragraph 7.1(a) & (b) above, the Escrow Agent shall deliver any and all funds held by its in escrow, and any and all contracts or documents maintained by the Escrow Agent to the new escrow agent.

8. SUCCESSORS AND ASSIGNS

8.1 This Agreement shall be binding upon the Sponsor and the 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 The Sponsor agrees that the compensation of the Escrow Agent shall not be paid from escrowed principle, nor from any interest accruing thereon, and that compensation to the Escrow Agent, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

IN WITNESS WHEREOF, the undersigned have executed this agreement as of the day and year first written above.

HOMECREST BUILDING DEVELOPMENT, LLC

Dmitry Serebryany

By: Dmitry Serebryany,
Managing Member

Yevgeny Tsyngauz

Mikhail Litt

ETF-1

APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWNPAYMENTS

[Send this application to the reviewing attorney assigned to the subject plan.]

Re: _____
Address of Building or Name of Project

File Number: _____

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

1. **Name of Applicant** _____

2. **Address of Applicant** _____

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

   _____

4. **This is an application for**
   - [ ] **return of downpayment.**
   - [ ] **forfeiture of downpayment.**
   - [ ] **other:** _____

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

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

7. **Name and Address of Sponsor:** _____

_____

8. **Name and Address of Escrow Agent:** _____

_____

9. **If downpayments are maintained in an escrow account:**

   (a) **Name of account** _____

   (b) **Name and address of bank** _____

   (c) **Account number (if known)** _____

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

10. **If downpayments have been secured by bonds:**

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

   _____

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

   _____

   _____

11. **If downpayments have been secured by a letter of credit:**

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

   _____

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

   _____

12. **Plan information:**

   (a) **Date of filing of plan:** _____

(b) Plan

[ ] has been declared effective. Approximate date: _____

[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed. Approximate date: _____

[ ] has not closed.

[ ] don't know.

(d) Downpayments are secured by

[ ] escrow account.

[ ] bonds.

[ ] letter of credit.

13. Contract information:

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

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

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

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

_____

_____

_____

_____

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

_____

_____

_____

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

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

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

Signature: Date:

Name (Printed):

Telephone: (Home) (Business)

Mailing Address:

2/6/92

HOMECREST BUILDING DEVELOPMENT, LLC
79 BRIGHTON 11TH ST. STE 4B
BROOKLYN, NEW YORK, 11235
Ph. 718-934-6100
Fx. 718-934-6101

CERTIFICATION BY THE SPONSOR AND THE SPONSOR'S PRINCIPALS PURSUANT TO SECTION 20.4 OF THE REGULATIONS ISSUED PURSUANT TO ARTICLE 23-A OF THE GENERAL BUSINESS LAW, AS AMENDED

January 26, 2007

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

Re: The Kelly Park Condominium
1824 East 17th Street
Brooklyn, New York

Dear Sir/Madam:

We, Homecrest Building Development, Dmitry Serebryany and Boris Revzin, are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

i. set forth the detailed terms of the transaction and be complete, current and accurate;

ii. afford potential investors, purchasers and participants 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 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.

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.

Homecrest Building Development LLC

By: Dmitry Serebryany, Member

Dmitry Serebryany

Boris Revzin

Arkady Rotenberg

Subscribed and sworn to before me this
26th day of January, 2007

Yevgeny Tsyngauz, Notary Public
State Of New York, No. 01TS6029105
Qualified In Kings County
Commission Expires August 9, 20

Notary Public

RYBAK ARCHITECTS, P.C.
1337 Prospect Avenue Brooklyn, NY 11218
Tel 718.437.4965 Fax 718.504.3667
www.rybackarchitects.com

SPONSOR'S ARCHITECT CERTIFICATION PURSUANT TO 13 NYCRR 20.4 (c)

Date: January 24, 2007

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

RE: **1824 East 17 Street, Brooklyn NY**

Gentlepeople:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me/our firm to prepare a report describing the construction of the property (the" Report"). I examined the building plans and specifications that were prepared by Shenker Architects dated December 15 2005 and I Yevgeniy Rybak R.A., at Rybak Architects P.C., prepared the Report dated January 24, 2007, according to the plans by Dmitry Shenker R.A. / Shenker Architects, 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 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 construction, provided that construction is in accordance with the plans and specifications that I examined;

(ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;

(iii) does not omit any material fact;
(iv) does not contain any untrue statement of a material fact;
(v) does not contain any fraud, deception, concealment, or suppression;
(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
(vii) does not contain any representation or statement which is false, where I:
(a) Knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) Did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. The statement is not intended as a guarantee or warranty of the physical condition of the property.

By: _____
Yevgeniy Rybak, R.A.

REGISTERED ARCHITECT
YEVGENIY RYBAK
028077
STATE OF NEW YORK

Sworn to before me this
24th day of January, 2007

Notary Public

LEE PESH
Notary Public State of New York
No. 01PE5014938
Qualified in Kings County
Commission Expires

Atlantic Properties Realty Inc
2315 Avenue U
Brooklyn, NY 11229
(718) 743-1414

CERTIFICATION BY THE SPONSOR'S EXPERT ON ADEQUACY OF BUDGET PURSUANT TO SECTION 20.4 OF THE REGULATIONS ISSUED PURSUANT TO ARTICLE 23-A OF THE GENERAL BUSINESS LAW, AS AMENDED

February 1, 2007

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

Re: The Kelly Park Condominium
1824 East 17th Street
Brooklyn, New York

Dear Sir/Madam:

The sponsor of the condominium offering plan for the captioned property retained me to review or prepare Schedules B and B-1, containing projections of income and expenses for the first year of condominium operation. My experience in this field includes being licensed real estate broker and salesman for over 10 years. I am familiar with prices, practices and procedures in the area of this condominium. I have managed seven properties for five years.

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 Schedules B and B-1.

I have reviewed the Schedules B and B-1 and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the projections in Schedules 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.

I certify that the Schedules:

(i) set forth in detail the projected income and expenses for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment, or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where I:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Alex Vayntraub

Subscribed and sworn to before me this
2 day of February, 2007

Notary Public

DMITRY RUBALSKY
Notary Public, State of New York
No. 01RU5011281
Qualified in Kings County
Commission Expires 4.19.2007