This Plan has been amended
See Inside Cover

CONDOMINIUM OFFERING PLAN
for

THE 150 NORTH FIFTH STREET CONDOMINIUM

located at
150 North Fifth Street
Brooklyn, NY 11211

Total Purchase Price for 31 Residential Units $25,251,000.00

SPONSOR:

150 North Fifth Street LLC
169 Wythe Avenue, Suite 102
Brooklyn, New York 11211

SELLING AGENT:

The Developers Group, LLC
79 Bridge Street
Brooklyn, New York 11201

Date of Acceptance for Filing: September 19, 2007

This Offering Plan may not be used after September 18, 2008 unless extended by amendment

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

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

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN.

(SEE SPECIAL RISKS SECTION OF THIS PLAN)

TABLE OF CONTENTS

PART I

Special Risks 1
Definitions 6
Introduction 11
Description of Property and Improvements 15
Location and Area Information 16
Schedule A – Offering Prices and Related Information 18
Schedule B – Budget for First Year of Condominium Operation 24
Compliance with Real Property Law §339-i 30
Changes in Prices and Units 31
Interim Use and Occupancy Agreements 33
Procedure to Purchase 34
Assignment of Purchase Agreements 39
Effective Date of Plan 40
Terms of Sale 42
Unit Closing Costs and Adjustments 46
Rights and Obligations of the Sponsor 53
Control by Sponsor 61
Board of Managers 63
Rights and Obligations of the Unit Owners and the Board of Managers 68
Real Estate Taxes 82
Preliminary Certificate of Eligibility as to 421-a Benefits 86
Income Tax Deductions to Unit Owners and Tax Status of the Condominium 87
Income Tax Opinion of Counsel 90
Reserve Fund 96
Working Capital Fund and Apportionments 96
Managing Agent and Service Contracts 98
Identity of Parties 101
Reports to Unit Owners 103
Documents on File 103
General 103
Sponsor's Statement of Building Condition 105

TABLE OF CONTENTS
(continued)

PART II

Architect's Report 107
Floor Plans of Units 131
Form of Purchase Agreement 181
Limited Warranty 201
Escrow Agreement re down payments between Sponsor and Escrow Agent 217
Form of Unit Deed 225
Form of Unit Owner's Power of Attorney 233
Real Estate Tax Escrow Agreement 239
Declaration of Condominium 245
Condominium Bylaws 271
Application to the Attorney General
for Determination of Disposition of Down Payments 327
Letter from Tax Expert as to Real Estate Tax Projections 333
Certifications 345
Certification of Sponsor and Principals of Sponsor 347
Certification of Sponsor's Architect 349
Certification by Sponsor's Expert as to Adequacy of Budget 351

Part I

SPECIAL RISKS

1. Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, at least 51% of the Units to Purchasers for the personal occupancy of Purchasers or their immediate families, and Sponsor may sell up to 49% of the Units to Purchasers for investment or resale. However, in the event that there is a significant decline in market values of at least 20% from the offering prices set forth in the contracts counted toward effectiveness, Sponsor reserves the right to rent, rather than sell, Units until there is an upturn in the market. Sponsor's good faith efforts to sell to Purchasers will include listing Unsold Units with brokers, showing Unsold Units to brokers and prospective Purchasers or their representatives, filing update amendments to the plan and otherwise engaging in customary sales activities. ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan for further discussion.***

2. In accordance with the terms of this Plan, Sponsor has the right to sell up to 49% of the Units to Purchasers for investment or resale. Accordingly, it is possible that certain Unit Owners will not be residents of the Building and there always may be a substantial percentage of Unit Owners who are non-residents. The Bylaws of the Condominium do not include a provision that, after the 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. Therefore, PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. Further, Unit Owners who are owner-occupants and Unit Owners who are non-residents (including Sponsor) may have inherit conflicts on how the Condominium should be managed because of their differing reasons for purchasing (i.e. purchase of a Unit as a home as opposed to an investment). ***Please refer to the Sections entitled "Control By Sponsor" and "Board of Managers" Part I of this Plan for further discussion***

Sponsor has further reserved the right to enter into Use and Occupancy Agreements for any Unit prior to Closing of the sale with the Purchaser thereof or with any other party, and residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or the Unit Owners. Individuals leasing Units from Sponsor will not, except as expressly provided in their respective Use and Occupancy Agreements, have any special rights to purchase such Units. In addition, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at closing free and clear of all leases and tenancies except as may otherwise be agreed to in writing by the parties. ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan for further discussion.***

3. Upon the earlier of (i) the Closing of title to Units, the percentage of Common Interests of which, in the aggregate, equals at least seventy-five (75%) percent; or (ii) five (5) years from the First Unit Closing, Sponsor, including any designee thereof, will relinquish control of the Board of Managers if it has such control and will not elect a majority of its nominees for positions on the Board of Managers, even though the total

percentage of Common Interest may otherwise enable it to do so. Accordingly, it is possible that Sponsor and/or its designee(s) may control the Board of Managers for as long as five (5) years after the First Unit Closing. ***Please refer to the Section entitled "Control By Sponsor" in Part I of this Plan for further discussion.***

4. As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, but in no event for a period in excess of five (5) years from the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit, or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient). ***Please refer to the Section entitled "Control By Sponsor" in Part I of this Plan for further discussion.***

5. At the time a Purchase Agreement is executed, a Purchaser is required to make a Down Payment in an amount equal to at least ten (10%) percent of the Purchase Price of the Unit. In the event a Purchaser defaults under the Purchase Agreement and Sponsor intends to cancel such Purchase Agreement as a result thereof, Sponsor shall first send a written notice to such Purchaser describing such default. If Purchaser fails to cure such default within thirty (30) days from the date of mailing of such notice, then Sponsor shall be entitled to cancel such Purchase Agreement and retain the Downpayment. Time shall be of the essence for Purchaser to cure such default. "Time of the essence" means that if the Purchaser does not cure such default within said thirty (30) day period, Sponsor may, at its option, cancel such Purchase Agreement and retain, as liquidated damages, the Down Payment made by the Purchaser, together with interest earned thereon, if any.

Additionally, if a Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date and Sponsor elects not to cancel that Purchaser's Purchase Agreement as a result of the same, the closing apportionments to be made at the Closing will be made as of the midnight of the day preceding the originally scheduled Closing Date. ***Please refer to the Section entitled "Procedure to Purchase" in Part I of this Plan for further discussion.***

6. The Purchase Agreement is not contingent upon the Purchaser obtaining mortgage financing. Once a Purchaser signs the Purchase Agreement, the Purchaser shall be obligated to close the transaction whether or not the Purchaser obtains a mortgage. In the event a Purchaser does not have sufficient funds to pay the balance of the Purchase Price due at the Closing, for any reason whatsoever, Purchaser shall be deemed to be in default under the Purchase Agreement. ***Please refer to the Section entitled "Procedure to Purchase" in Part I of this Plan for further discussion of Purchaser's responsibilities***

7. No bond or other security has been furnished to secure the performance of the Sponsor's obligations including Sponsor's obligations to complete construction of the Condominium. Although at the time the Offering Plan is accepted for filing the Sponsor

will be financially capable of performing Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time. ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan for further discussion.***

8. Sponsor shall not be required to offer a right of first refusal to the Condominium Board of Managers for any transfer, lease of, or to obtain the consent of the Board of Managers for any alterations, repairs or improvement to Unsold Units (provided that such alterations, repairs or improvements comply with applicable laws). ***Please refer to the Section entitled "Rights and Obligations of Sponsor" and "Rights and Obligations of Unit Owners and the Board of Managers" in Part I of this Plan for further discussion.***

9. Pursuant to existing law and regulation, Sponsor may declare this Offering Plan effective by selling a minimum of five (5) Units in the Building.

Purchasers should note that certain banks and other lenders impose various restrictions on loans. Such restrictions may include requiring that a certain percentage (higher than 50%) of the Units in a building be sold before the lender will consider making a loan. Thus it may be possible for a Purchaser to experience difficulty obtaining a loan in a building where the percentage of 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 an apartment if prospective buyers are unable to obtain a loan due to such minimum sales requirements. ***Please refer to the Section entitled "Effective Date of Plan" in Part I of this Plan for further discussion.***

10. Purchasers shall be required to pay the New York City and New York State Transfer Taxes due upon their purchase of a Unit. Although Transfer Taxes are customarily paid by the seller in single-family and other covered transactions (other than condominium developments), the responsibility for payment of such taxes may be modified by contract. It is now customary in New York City for Purchasers of Units in condominium developments to pay Transfer Taxes. The New York City Department of Finance and New York State Department of Taxation and Finance each take the position that, where the Purchaser pays such taxes, the amount thereof will be added to the taxable consideration. ***Please refer to the Section entitled "Unit Closing Costs and Adjustments" in Part I of this Plan for further discussion.***

11. Any Use and Occupancy Agreement for a Unit entered into with a Purchaser will provide, however, among other things, that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit which is the subject of the Use and Occupancy Agreement will constitute a default under the lease entitling Sponsor, at its sole discretion, to terminate such Use and Occupancy Agreement in accordance with applicable law. In addition, each Purchase Agreement may provide that

an uncured default by the Purchaser under any Use and Occupancy Agreement with respect to the Unit which is the subject of the Purchase Agreement will constitute a default under the Purchase Agreement entitling Sponsor, at its sole discretion, to terminate such Purchase Agreement and to exercise any remedies therein provided.

Purchasers or any other persons entering into a Use and Occupancy Agreement for a Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the Use and Occupancy Agreement. All other charges or other fees due under a Use and Occupancy Agreement shall be adjusted as of the Closing of the Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any Use and Occupancy Agreement. ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan for further discussion.***

12. While Units are being offered for sale or lease by Sponsor or its designees, there will be a greater number of visitors to the Building than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor or its designee nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Condominium's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor or its designees, the Managing Agent or their respective agents.

13. Each Unit Owner must notify the Managing Agent in writing when a child or children ten (10) years of age or younger lives or resides (even temporarily) in the Unit. Each Unit Owner shall install at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner must maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without full knowledge of the Managing Agent. ***Please refer to the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers" in Part I of this Plan for further discussion.***

14. After completion of construction, the Sponsor will apply for a Certificate of Occupancy from the New York City Department of Buildings. The Sponsor expects to obtain a Temporary Certificate of Occupancy prior to the First Unit Closing and a permanent Certificate of Occupancy within two (2) years of the first Unit Closing, barring delays caused by *force majeure* or other reasons beyond the control of Sponsor. ***Please refer to the Section entitled "Description of Property and Improvements" in Part I of this Plan for further discussion.***

15. If a Purchaser makes a Deposit in excess of $100,000.00, such Deposit will not be federally insured in excess of $100,000.00; and while the Deposit is in the non-interest bearing portion of the Escrow Account, the Deposit may not be fully federally insured even if the Deposit does not exceed $100,000.00. ***Please refer to the Section entitled "Procedure to Purchase" for further details.***

16. The dimensions of the Units set forth in Schedule A are approximate and are based on measurements from the exterior side of the exterior walls. Accordingly, the measurements may not accurately represent the actual usable floor area within the Unit, which may be significantly less than that shown on Schedule A. ***Please refer to note 3 to the Notes to Schedule A in Part I of this Plan for further discussion.***

17. This Project is subject to Article 36-B of the General Business Law which pertains to warranties on the sale of Units within Buildings that are five (5) stories or less. Pursuant to the terms of this law, Sponsor is giving a Limited Warranty to Purchasers. Under the Limited Warranty, Sponsor's limit of total liability will be ten percent (10%) of the purchase price of the Unit. The Limited Warranty coverage is non-assignable and is limited to the Purchaser who purchases a particular Unit from the Sponsor. Specific procedures must be followed for giving notice of a warranty claim to Sponsor. ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan for further discussion. The Limited Warranty is available for review in Part II of this Plan.***

18. The dimensions of the Units set forth in Schedule A are approximate and are based on measurements from the exterior face of the perimeter walls to the centerlines of walls separating one Unit from another Unit or Common Elements, or to the exterior face of the opposite perimeter wall as indicated in the floor plans. Accordingly, the measurements may not accurately represent the actual usable floor area within the Unit, which may be less than that shown on Schedule A. ***Please refer to note 3 to the Notes to Schedule A in Part I of this Plan for further discussion.***

DEFINITIONS

"Appurtenant Interest"	With respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Units of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.
"Assessments"	The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the Bylaws).
"Board", "Board of Managers" or "Condominium Board"	The Board of Managers of the Condominium.
"Building"	The structure located at 150 North Fifth Street, Brooklyn, New York.
"Closing"	The time, place and procedure by which fee title to the Unit in question is conveyed to a Purchaser pursuant to a fully executed Purchase Agreement.
"Closing Date"	The date upon which a Unit Closing occurs.
"Common Charges"	Each Unit's proportionate share of the Common Expenses in accordance with its Common Interest.
"Common Elements"	All portions of the Property, other than Units. Common Elements are comprised of General Common Elements and Limited Common Elements.
"Common Expenses"	Costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements.
"Common Interest"	The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit as expressed in the Declaration.
"Condominium"	A form of ownership of real property in which individual Units as component parts of a whole are owned in fee simple with the right of exclusive use, by separate individuals or entities, which separate individuals and/or entities jointly own those parts of the whole designated as

	Common Elements. In the context of this Declaration, the term "Condominium" specifically refers to The 150 North Fifth Street Condominium.
"Condominium Act"	Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.
"Condominium Documents"	The Declaration and all Schedules thereto, the Bylaws, the Rules and Regulations, the Floor Plans, the form of Unit Deed and the form of Unit Owner's Power of Attorney.
"Declarant"	The Sponsor of this Offering Plan, or its designee. References to Declarant's rights throughout the Offering Plan, including the Declaration, are valid for so long as the Declarant has an ownership interest the Property.
"Declaration" or "Declaration of Condominium"	The instrument, as may be amended from time to time, by which the Property is submitted to the provisions of the New York State Condominium Act, consistent with the provisions of the New York Condominium Act and the Bylaws.
"Department of Law"	The New York State Department of Law.
"Filing Date"	The date that the Plan is accepted for filing by the Department of Law.
"First Unit Closing"	The first Closing of title with a bona fide Purchaser of a Unit.
"Floor Plans"	The floor plans of the Units certified by a registered architect or licensed professional engineer, and filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.
"GBL"	Section 352-e of the New York State General Business Law.
"General Common Elements"	The Land and all parts of the Building, including its foundations, supports and main roof, other than the Units and the Limited Common Elements.
"Insurance Trustee"	A bank, a trust company or savings and loan association, having an office in the City of New York, from time to time appointed to serve as such by the Condominium Board.
"Land"	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, as more particularly described in Exhibit A to the Declaration.
"Law"	The laws and ordinances of any or all of the Federal, New York State, New York City, and Kings County governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.
"Limited Common Elements"	Those Common Elements which serve or benefit exclusively one or more but not all the Units and/or the Unit Owners.
"Majority"	Majority of Unit Owners means more than sixty-six and two-thirds percent (66-2/3rds%) in Common Interest in the aggregate, as may be specified herein or in the Declaration or the Bylaws with respect to any matter or matters. Any specified percentage of Unit Owners means such percentage in Common Interest in the aggregate, as may be specified herein or in the Declaration or the Bylaws with respect to any matter or matters, provided, however, that different percentages in interest and in number of Units may be so specified.
"Managing Agent"	A person employed by the Condominium Board pursuant to Article 2, Section 2.3 of the Bylaws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in such Section of the Bylaws.
"Offering Plan" or "Plan"	The document filed with the New York State Department of Law which describes the Condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time.
"Permitted Mortgage"	A mortgage placed on a Unit made to a bank, a trust company, an insurance company, a federal savings and loan association, a pension fund or other institutional lender, the Sponsor, a Sponsor-designee, or the Seller of the Unit.
"Permitted Mortgagee"	The holder of a Permitted Mortgage.
"Operation of the Property"	The administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.

"Person"	A natural person, corporation, partnership, limited liability company, association, trustee, or other legal entity.
"Power of Attorney"	The document, signed by Unit Owners, which appoints: (i) the Board of Managers as attorney-in-fact, to acquire, on behalf of all Unit Owners, any Unit that the Unit Owner of which wishes to sell or abandon, together with the Appurtenant Interest thereto, and to deal with any such Units so acquired as they may determine; and (ii) the Sponsor, as attorney-in-fact, to amend the Declaration, the Bylaws, and the Rules and Regulations of the Condominium, or any of said documents under certain conditions set forth in the Power of Attorney.
"Property"	Means and includes the Land, the Building and all other improvements thereon, 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, which have been or are intended to be submitted to the provisions of the New York State Condominium Act.
"Purchase Agreement"	The agreement to purchase a Unit pursuant to the Offering Plan.
"Purchaser"	Any Person who has entered into an agreement with Sponsor to purchase a Unit and is not in default thereunder.
"Recording officer", "Recording" and "Recorded"	The meanings stated in section two hundred ninety of the New York State Real Property Law.
"Rules and Regulations"	The rules and regulations of the Condominium, which are annexed as an addendum to the Bylaws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the Bylaws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the Bylaws.
"Selling Agent"	The Developers Group, LLC, located at 70 Bridge Street, Brooklyn, New York 11201.
"Sponsor"	The promoter of the project and/or Offering Plan to convert a particular parcel of property to Cooperative or Condominium ownership.
"Sponsor-designee"	Any Person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a Person is a Sponsor-

	designee shall be conclusive evidence of such status so as to entitle such Person to all the rights of a Sponsor-designee under the Offering Plan. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".
"Title Company"	All New York Title Agency, Inc., having an office at 345 Seventh Avenue, New York, New York 10001 (telephone 212-579-1944).
"Unit"	Any space in the Building designated as a Unit, and all such Units are collectively referred to as the "Units".
"Unit Owner"	The person or persons, or entity owning a Unit in fee simple absolute, and all such owners are collectively referred to as the "Unit Owners".
"Unit Deed"	The deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.
"Unit Designation"	The number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the unit in the Declaration and on the Floor Plans.
"Unsold Units"	Any Unit owned by Sponsor or its designee at the time in question.

INTRODUCTION

The Sponsor and current owner of the Property is 150 North Fifth Street LLC, a New York limited liability company, having an address at 169 Wythe Avenue, Suite 102, Brookyn, New York 11211. The principals of Sponsor acquired the Property by deed dated December 26, 1985 and conveyed title to Sponsor by deed dated August 8, 2002.

The purpose of the Plan is to set forth all the terms of the offer so that prospective Purchasers have an adequate basis upon which to determine whether to purchase 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. All filed amendments will be served on (i) Purchasers who have executed and delivered Purchase Agreements to the Sponsor or the Selling Agent and whose Purchase Agreements are in effect, (ii) Unit Owners, and (iii) any other person who is required by law to receive such amendment. Service shall be either personal delivery, ordinary mail or registered mail. Service by personal delivery is deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth (5^{th}) day after the date of mailing.

The Condominium will be organized pursuant to Article 9B of the Real Property Law of the State of New York, as amended, which is commonly known as the New York Condominium Act (hereinafter referred to as the "Condominium Act").

The Condominium construction involves the rehabilitation and addition to an existing vacant two (2) and three (3) story through-block manufacturing building which was built in the 1920's. Upon completion of construction, the Building will contain two (2) four (4) story wings connected by a common first floor. The Building will be Class IC (non-combustible). The existing certificate of occupancy dated October 25, 1961 is for factory, office and storage uses. However, upon completion of the construction and prior to the First Unit Closing, Sponsor shall obtain a new certificate of occupancy for residential occupancy.

The Condominium shall consist of thirty-one (31) Class-A residential apartment Units. All thirty-one (31) Units are being offered for sale hereunder. Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, at least 51% of all Units to purchasers for the personal occupancy of purchasers or their immediate families, and Sponsor may sell up to 49% of the Units to Purchasers for investment or resale. However, in the event that there is a significant decline in market values of at least 20% from the offering prices set forth in the Purchase Agreements counted toward effectiveness, Sponsor reserves the right to rent, rather than sell, Units until there is an upturn in the market. Sponsor's good faith efforts to sell to Purchasers will include listing Unsold Units with brokers, showing Unsold Units to brokers and prospective Purchasers or their representatives, filing update amendments to the plan and otherwise engaging in customary sales activities.

All the Units being offered are intended to be sold as Condominium Units in accordance with this Plan at the prices noted in Schedule A herein. These prices have

been established solely by the Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency. All fixtures and equipment described in this Plan are included in the offering prices listed in Schedule A. If Sponsor leases certain Units to tenants and such Units subsequently are offered, Sponsor shall amend the Plan accordingly. As of the date this Plan is accepted for filing, Sponsor has not entered into any contracts or agreements with respect to the sale or transfer of any of the Units and no deposits or advances of funds have been taken by or on behalf of Sponsor in connection with the reservation, sale or transfer of such Units.

As more particularly described in this Plan, the Building will include the Common Elements, consisting of General Common Elements and Limited Common Elements.

In the condominium form of ownership, each Purchaser of a Unit owns his Unit similarly in many respects to the manner in which a private home owner owns his home. (References to the masculine gender in this Plan shall be deemed to refer to the feminine gender or plural where the context so requires and shall be deemed to include any duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association or any other entity permitted to own real property in the State of New York). The Unit Owner owns the Unit in fee simple absolute and is entitled to the exclusive possession thereof. The Unit Owner is also the owner, in common with the owners of all other Units, of all remaining parts of the Property excluding the Units themselves, including the land upon which the Building is built, the foundations and supports of the Building, the exterior walls and the roof (hereinafter called "Common Elements"). Each Unit Owner's proportionate share (hereinafter called "Common Interest") of the Common Elements has been determined upon the basis of such Unit's floor space, location, uniqueness, overall dimensions and similar factors of relative value to other space in the Condominium. These allocations are made pursuant to Section 339-i(1)(iv) of the Real Property Law, which is part of the Condominium Act. Any portion of the land or Building, other than the Units themselves, which are for the use of one or more specified Units to the exclusion of all others, are known as "Limited Common Elements". The Plan provides that any balconies, terraces or yards adjacent to and with access directly from a particular Unit shall constitute part of the Unit.

Each Unit Owner is privileged to mortgage his Unit generally on the terms and in such amount as he chooses. With respect to any Unit, a first mortgage or second mortgage shall be either with an institutional lender, the Sponsor, a family member, a business associate or employer or a selling Unit Owner. However, the Purchase Agreement is not contingent upon the Purchaser obtaining mortgage financing. Once a Purchaser signs the Purchase Agreement, the Purchaser shall be obligated to close the transaction whether or not the Purchaser obtains a mortgage. In the event a Purchaser does not have sufficient funds to pay the balance of the Purchase Price due at Closing for any reason whatsoever, the Purchaser shall be deemed to be in default under the Purchase Agreement. No Unit Owner shall be permitted to encumber his Unit with a third mortgage. A Unit is not subject to the lien of any mortgages placed by other Unit Owners on their Units. Although a Unit Owner shall be permitted to obtain a mortgage

in connection with his purchase of the Unit, the Purchase Agreement shall not be contingent on obtaining such a mortgage and a Purchaser shall be required to close title even if his/her mortgage application, if any, is denied.

A Unit Owner can sell or lease his Unit to anyone for a term of not less than one year, without restriction or limitation, subject only to a "right of first refusal" by the Condominium Board at the same price and terms the Owner has been offered. Such right of first refusal is hereinafter described in the Section entitled "Rights and Obligations of the Unit Owners and the Condominium Board" in Part I of this Plan. If the Condominium Board exercises its right of first refusal to lease a Unit, the lessee of the Unit will be subject to reasonable approval by the Unit Owner.

The Board of Managers does not have the right to approve or disapprove purchasers of Units, and there is no limit on the number of Unit Owners who may purchase for investment rather than for personal occupancy. Consequently, there may always be a substantial percentage of Unit Owners who are not owner-occupants.

Sponsor has obtained construction financing secured by a first mortgage lien on the Property in the amount of $11,000,000 from North Fork Bank (the "Lender") located at 275 Broadhollow Road, Melville, New York 11211. The Building Loan Agreement entered into between the Sponsor and the Lender provides that the lien of the foregoing mortgage shall be released at the Closing of each Unit upon payment at such Closing of a minimum release price as more particularly set forth in said Building Loan Agreement.

A Unit Owner can alter and decorate the interior of his Unit in any way he desires, subject to the Condominium Bylaws and local codes, and is obligated for the cost of his own interior decoration, maintenance and repair after Closing.

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and a Unit Owner will not be responsible if any of the other Unit Owners fail to pay their real estate taxes. In the opinion of counsel for the Sponsor, a Unit Owner, like a home owner, may under most circumstances, deduct from his income for income tax purposes his real estate taxes and the interest paid on the mortgage encumbering the Unit owned by him. The Condominium Board will assess against each Unit Owner, in proportion to his respective percentage of Common Interest, charges (hereinafter called "Common Charges") for the costs of maintenance of the Common Elements and for the operation of the Property (hereinafter called "Common Expenses"), as provided in New York State Real Property Law Sections 339-i and 339-m. Electricity for individual usage will be separately metered and the cost thereof for each Unit shall be billed to each Unit Owner separately, and shall not be included in Common Charges. Domestic water service and gas for cooking, space heating, and hot water are each on common meters for the entire Building and the cost thereof shall be included in Common Charges.

Each Unit Owner is obligated to comply with the Declaration, the Bylaws, the Rules and Regulations, and any other requirements of the Condominium Board. Each Unit Owner shall also be responsible for maintaining his own Unit and for making repairs

within his own Unit. The cost of maintenance and repair of the Common Elements shall be a Common Expense shared by all Unit Owners as provided above. Each Unit Owner shall have the same rights of access to, use of and benefit of the Common Elements which are not Limited Common Elements. Each Unit Owner shall also be responsible for obtaining and bearing the cost of casualty and liability insurance in connection with his respective Unit. The Condominium Board shall have the duty of obtaining casualty and liability insurance on behalf of the Condominium with respect to the Building as a whole.

The Condominium Board shall be elected by the Unit Owners with the number of votes allocated to each Unit Owner determined by the Unit Owner's percentage of Common Interest. The Condominium Board shall have the authority to manage and administer the affairs of the Condominium, including, but not limited to, the determination of Common Charges and the adoption of Rules and Regulations covering the Condominium. Please see the Section entitled "Rights and Obligations of the Unit Owners and the Condominium Board" in Part I of this Plan for further discussion.

Units may be purchased either by natural persons over the age of 18 years or by a duly formed partnership, corporation, trust, estate, fiduciary, 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.

This Plan contains all of the material terms of the transaction. 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 will be available for inspection without charge and for copying at a reasonable charge to prospective Purchasers and their attorneys at the office of the Selling Agent or at the on-site sales office at all times such office is open. Copies of the Plan and exhibits thereto will also be available for inspection and copying at a reasonable fee at the Department of Law.

The Plan may be borrowed by a prospective Purchaser from the Sponsor upon payment of a one hundred dollar ($100.00) deposit, which amount will be fully refunded either upon (i) the prompt return of all borrowed materials in good condition or (ii) the execution of a Purchase Agreement subsequently accepted by Sponsor.

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.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property has a land area of approximately 13,750 square feet. The Land is a through-block with frontage on North Fourth Street (the "North Fourth Street Parcel") and North Fifth Street (the "North Fifth Street Parcel"). The North Fourth Street Parcel is approximately 75 feet wide and 100 feet deep and the North Fifth Street Parcel is approximately 75 feet wide and 75 feet deep. These North Fourth Street Parcel and North Fifth Street Parcel are offset and connected by a narrow strip of land approximately 25 feet wide and 25 feet deep. The site contained a three-story non-fireproof building used most recently for furniture manufacturing and accessory uses. Portions of the existing building have been demolished and one (1) new building (the "Building") will be constructed. The primary entrance to the Building will be on North Fifth Street, with a secondary service entrance on North Fourth Street. The street address of the Property is 150 North Fifth Street, Brooklyn, New York 11217.

The Condominium shall consist of thirty-one (31) Class-A residential Units. All fixtures and equipment described in this Plan are included in the offering prices listed in Schedule A. There are no garages or parking areas on the Property.

Upon completion of construction, the portions of the Building located on the North Fourth Street Parcel and the North Fifth Street Parcel will each vary between 1 and 4 stories. The portion of the Building connecting the North Fourth Street Parcel to the North Fifth Street Parcel will be 1 story. The Building will be classified as Class IC non-combustible. The existing certificate of occupancy permits furniture manufacturing and accessory uses. However, upon completion of the construction and prior to the First Unit Closing, Sponsor shall obtain a new certificate of occupancy. The existing building foundation consists of concrete, brick and fieldstone. Additional concrete foundations and foundation walls will be constructed. The ground floor will receive a new concrete slab on grade. The cellar floor will be a new 4" concrete slab on grade. The building structure will consist of new steel and concrete construction and a combination of new and existing masonry bearing walls. See the "Architect's Description of Property" set forth in Part II of this Offering Plan for further discussion.

Construction of the Building will be undertaken pursuant to Alteration Type I Permit Number 301895778-01-AL in accordance with the New York City Building Code. After completion of construction, the Sponsor will apply for a Certificate of Occupancy from the New York City Department of Buildings. The first Unit is expected to be completed by January 1, 2008. The Sponsor expects to obtain a Temporary Certificate of Occupancy prior to the first Unit closing and a Final Certificate of Occupancy within two (2) years of the first Unit Closing.

Units 1A, 1B, 1E, 1F, 1G and 1K include rear yards and Units 2A, 2E, 2G, 2K, 3A, 3E, 3F, 3I, 3J, 3K, 4A, 4B and 4G include terraces. All terraces and yard areas will be finished with 2' x 2' grey concrete pavers. Terraces will include pipe railings. Yards will include wood privacy patio fencing.

LOCATION AND AREA INFORMATION

Location

The Building, located on North Fourth Street and North Fifth Street between Bedford Avenue and Driggs Avenue, is in the Borough of Brooklyn in the neighborhood known as Williamsburg.

As a cultural center, New York City is home to many museums and institutions for the arts, including, in Brooklyn, The Brooklyn Museum and The Brooklyn Academy of Music. In addition, Lincoln Center for the Performing Arts (which houses the Metropolitan Opera House, Avery Fischer Hall, The New York State Theatre and The Vivian Beaumont Theatre), Carnegie Hall, and The Metropolitan Museum of Art are all located in Manhattan.

New York City is also the nation's leading business center for communications, publishing, advertising, legal and financial services, business consulting and public relations. As the world's capital of international commerce and finance, New York City is the home of the New York and American Stock Exchanges and the National Over-The-Counter Stock Market.

The Condominium is located in a primarily residential neighborhood with convenient residential amenities. Many retail facilities such as supermarkets, fruit and vegetable stores, meat and fish stores, and bakeries are located on the surrounding streets. The Condominium is within walking distance of banks and restaurants.

Zoning and Use

The Building is located in the MX-8/M1-2/R6B zoning district which permits residential.

Mailing Address

The mailing address for the Building is 150 North Fifth Street, New York, New York 11211.

Schools

Name	Address
Northside Williamsburg Pre School	North Fifth Street between Bedford Ave. and Driggs Ave.
PS 17	208 North Fifth Street
Harry Van Arsdale High School	Driggs Avenue

Automotive High School	Bedford Avenue
St. Vincent de Paul R.C. School	180 North Seventh Street
Boricua College	180 North Sixth Street.

Police and Fire Stations

Address	Type
100 Meserole Avenue	94th Precinct NYC Police
788 Union St	FDNY SQUAD 1

Hospitals

Address	Name
339 Hicks St	Long Island College Hospital
720 Flushing Avenue	Woodhull Hospital

Public Transportation

Station	Lines
Bedford Avenue and North 7th Street	Subway L train
Lorimer Street and Metropolitan Ave.	Subway G train
Marcy Avenue and Broadway	Subway J, M and Z trains
Bedford Avenue and N. 5th Street	Bus #61 from Red Hook to Long Island City
Rodney Street and Grand Street	Bus Q54 from Williamsburg Plaza to Queens
Rodney Street and Metropolitan Ave.	Bus #24

SCHEDULE A

150 NORTH FIFTH STREET CONDOMINIUM

150 North Fifth Street, Brooklyn, New York 11211

Price Schedule and Estimated Carrying Costs for Units
for the First Year of Condominium Operation (January 1, 2008 to December 31, 2008)
and Real Estate Tax Projections with 421-a Benefits

Unit Number (Note 1)	Number of Bedrooms and Baths (Note 2)	Interior Square Feet (Note 3)	Outdoor Terrace Square Feet (Note 3)	Percent Common Interest (Note 4)	Offering Price (Note 5)	Estimated Monthly Common Charges (Note 6)	Estimated Real Estate Taxes without 421-a Benefits (1/1/08 - 12/31/08) (Note 7)		Estimated Carrying Charges without 421-a Benefits (1/1/08 - 12/31/08) (Note 7)		Estimated Real Estate Taxes with 421-a Benefits (1/1/08 - 12/31/08) (Note 8)		Estimated Carrying Charges with 421-a Benefits (1/1/08 - 12/31/08) (Note 8)	
							Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
North Wing														
1A	1/1	946	185	2.67%	$ 650,000	$ 441.00	$ 657	$ 7,883	$ 1,098	$ 13,175	$ 96	$ 1,157	$ 537	$ 6,449
1B	1/1	1,154	94	2.95%	$ 699,000	$ 486.62	$ 801	$ 9,612	$ 1,288	$ 15,451	$ 118	$ 1,411	$ 604	$ 7,250
1C	Studio/1	762	-	1.80%	$ 535,000	$ 297.12	$ 530	$ 6,359	$ 827	$ 9,924	$ 78	$ 933	$ 375	$ 4,498
1D	1/1	971	-	2.29%	$ 625,000	$ 378.61	$ 674	$ 8,088	$ 1,053	$ 12,631	$ 99	$ 1,187	$ 478	$ 5,730
1E	1/1	1,112	223	3.15%	$ 725,000	$ 520.55	$ 772	$ 9,260	$ 1,292	$ 15,507	$ 113	$ 1,359	$ 634	$ 7,606
2A	2/2.5	1,222	128	3.19%	$ 855,000	$ 526.40	$ 847	$ 10,168	$ 1,374	$ 16,485	$ 124	$ 1,493	$ 651	$ 7,810
2C	2/2	1,168	-	2.76%	$ 829,000	$ 455.43	$ 811	$ 9,729	$ 1,266	$ 15,194	$ 119	$ 1,428	$ 574	$ 6,893
2D	2/2	1,062	-	2.51%	$ 750,000	$ 414.10	$ 738	$ 8,850	$ 1,152	$ 13,819	$ 108	$ 1,299	$ 522	$ 6,268
2E	2/2	1,130	191	3.12%	$ 799,000	$ 515.09	$ 784	$ 9,406	$ 1,299	$ 15,587	$ 115	$ 1,381	$ 630	$ 7,562
3A	3/2.5	1,538	612	5.08%	$ 1,100,000	$ 838.33	$ 1,067	$ 12,806	$ 1,905	$ 22,866	$ 157	$ 1,880	$ 995	$ 11,940
3D	2/2	1,046	-	2.47%	$ 755,000	$ 407.86	$ 725	$ 8,703	$ 1,133	$ 13,597	$ 107	$ 1,278	$ 514	$ 6,172
3E	2/2	1,127	264	3.28%	$ 835,000	$ 542.38	$ 781	$ 9,377	$ 1,324	$ 15,886	$ 115	$ 1,377	$ 657	$ 7,886
4A	3/2.5	1,677	523	5.19%	$ 1,200,000	$ 857.83	$ 1,165	$ 13,978	$ 2,023	$ 24,272	$ 171	$ 2,052	$ 1,029	$ 12,346
4B	2/2	1,517	640	5.09%	$ 1,150,000	$ 841.06	$ 1,053	$ 12,630	$ 1,894	$ 22,723	$ 155	$ 1,854	$ 996	$ 11,947

SCHEDULE A

150 NORTH FIFTH STREET CONDOMINIUM

150 North Fifth Street, Brooklyn, New York 11211

Price Schedule and Estimated Carrying Costs for Units
for the First Year of Condominium Operation (January 1, 2008 to December 31, 2008)
and Real Estate Tax Projections with 421-a Benefits

Unit Number (Note 1)	Number of Bedrooms and Baths (Note 2)	Interior Square Feet (Note 3)	Outdoor Terrace Square Feet (Note 3)	Percent Common Interest (Note 4)	Offering Price (Note 5)	Estimated Monthly Common Charges (Note 6)	Estimated Real Estate Taxes without 421-a Benefits (1/1/08 - 12/31/08) (Note 7) Monthly	Annual	Estimated Carrying Charges without 421-a Benefits (1/1/08 - 12/31/08) (Note 7) Monthly	Annual	Estimated Real Estate Taxes with 421-a Benefits (1/1/08 - 12/31/08) (Note 8) Monthly	Annual	Estimated Carrying Charges with 421-a Benefits (1/1/08 - 12/31/08) (Note 8) Monthly	Annual
South Wing														
1F	1/1	844	367	2.86%	$ 610,000	$ 472.20	$ 586	$ 7,033	$ 1,058	$ 12,699	$ 86	$ 1,032	$ 558	$ 6,698
1G	1/1	938	390	3.13%	$ 670,000	$ 517.82	$ 652	$ 7,824	$ 1,170	$ 14,038	$ 96	$ 1,149	$ 614	$ 7,363
1H	1/1.5	1,069	-	2.52%	$ 730,000	$ 416.83	$ 742	$ 8,909	$ 1,159	$ 13,911	$ 109	$ 1,308	$ 526	$ 6,310
1I	1/1	867	-	2.05%	$ 610,000	$ 338.06	$ 601	$ 7,209	$ 939	$ 11,266	$ 88	$ 1,058	$ 426	$ 5,115
1K	1/1*	886	109	2.35%	$ 625,000	$ 387.97	$ 615	$ 7,384	$ 1,003	$ 12,040	$ 90	$ 1,084	$ 478	$ 5,740
2G	2/2	1,210	187	3.30%	$ 855,000	$ 544.72	$ 840	$ 10,080	$ 1,385	$ 16,617	$ 123	$ 1,480	$ 668	$ 8,017
2H	1/1.5	966	-	2.28%	$ 675,000	$ 376.66	$ 672	$ 8,058	$ 1,048	$ 12,578	$ 99	$ 1,183	$ 475	$ 5,703
2I	1/1	886	-	2.09%	$ 625,000	$ 345.47	$ 615	$ 7,384	$ 961	$ 11,530	$ 90	$ 1,084	$ 436	$ 5,230
2J	1/2	1,083	-	2.56%	$ 760,000	$ 422.29	$ 752	$ 9,025	$ 1,174	$ 14,092	$ 110	$ 1,325	$ 533	$ 6,392
2K	2/2	1,200	363	3.69%	$ 855,000	$ 609.45	$ 833	$ 9,992	$ 1,442	$ 17,305	$ 122	$ 1,467	$ 732	$ 8,780
3F	1/2	1,167	367	3.62%	$ 850,000	$ 598.14	$ 811	$ 9,729	$ 1,409	$ 16,907	$ 119	$ 1,428	$ 717	$ 8,606
3G	1/1	838	-	1.98%	$ 625,000	$ 326.75	$ 581	$ 6,974	$ 908	$ 10,895	$ 85	$ 1,024	$ 412	$ 4,945
3H	1/1.5	967	-	2.28%	$ 685,000	$ 377.05	$ 672	$ 8,058	$ 1,049	$ 12,583	$ 99	$ 1,183	$ 476	$ 5,708
3I	2/2	1,265	475	4.11%	$ 920,000	$ 678.46	$ 877	$ 10,520	$ 1,555	$ 18,662	$ 129	$ 1,544	$ 807	$ 9,686
3J	2/2	1,452	693	5.06%	$ 1,050,000	$ 836.38	$ 1,009	$ 12,102	$ 1,845	$ 22,139	$ 148	$ 1,777	$ 984	$ 11,814
3K	2/2	1,256	590	4.36%	$ 999,000	$ 719.80	$ 872	$ 10,461	$ 1,592	$ 19,099	$ 128	$ 1,536	$ 848	$ 10,174
4G	3/2.5	1,864	770	6.22%	$ 1,600,000	$ 1,027.06	$ 1,287	$ 15,443	$ 2,314	$ 27,768	$ 189	$ 2,267	$ 1,216	$ 14,592
Total:		**35,190**	**7,171**	**100.0%**	**$ 25,251,000**	**$ 16,518**	**$24,420**	**$293,034**	**$40,937**	**$491,244**	**$ 3,585**	**$ 43,018**	**$20,102**	**$241,228**

* Unit also includes Home Office

NOTES TO SCHEDULE A

1. The Condominium consists of thirty-one (31) Units as follows: one (1) studio apartment Unit; fifteen (15) one-bedroom Units; twelve (12) two-bedroom Units; and three (3) three-bedroom Units. Units 1H, 1K, 2H, 2J, 3H, 3J and 4G also include a home office. Units 1A, 1B, 1C, 1D, 1E, 3F, 3I, 3J, and 3K contain a mezzanine level. Units 4A, 4B and 4G are penthouses with an upper level consisting of a landing and outdoor terrace. The remaining Units are apartment flats.

2. No particular industry standard has been used for establishing room count. A full bath contains 3 to 5 plumbing fixtures. A half bath contains a water closet and a lavatory, but does not contain a tub or shower. See the floor plans set forth in Part II to this Offering Plan for the size and location of the rooms.

3. The square foot area of the Units set forth in the floor plans and in **Exhibit B** to the Declaration are approximate and were obtained by using the method customarily used in New York City to measure condominium apartments.

   Each interior Unit floor area consists of the area measured horizontally from the exterior face of the perimeter wall to the centerlines of walls separating one Unit from another Unit or Common Elements or to the exterior face of the opposite perimeter walls, as indicated in the Condominium plans. Accordingly, the measurements may not accurately represent the actual usable floor area within the Unit, which may be less than that shown on Schedule A.

   Units 1A, 1B, 1E, 1F, 1G, 1K, 2A, 2E 2G, 2K, 3A, 3E, 3F, 3I, 3J, 3K, 4A, 4B and 4G contain additional outdoor terrace space.

4. The Common Interest of each Unit has been determined, pursuant to Section 339-i(1)(iv) of the Condominium Act. In accordance with such method of calculation, the Common Interests have been determined based upon the approximate proportion that the floor area of the Unit at the date of the Declaration bears to the then aggregate floor area of all the Units and reflecting any Limited Common Elements appurtenant to such Unit.

   The aggregate Common Interests of all of the Units equal one hundred percent.

5. Sponsor has reserved the right to change the purchase prices (as well as other terms of sale) of Units not subject to executed Purchase Agreements, so Purchasers may pay different prices for similar Units. See the Section entitled "Changes in Prices and Units" in Part I of this Plan for further discussion. In addition to paying the purchase prices of their Units, Purchasers will be responsible for paying certain closing adjustments and Closing Costs (see the Section entitled "Unit Closing Costs and Adjustments" in Part I of this Plan for further discussion).

   The Condominium shall consist of thirty-one (31) residential Units. All thirty-one (31) Units are being offered for sale by Sponsor.

6. These projections have been based upon the projections contained in "Projected Budget for First Year of Condominium Operation - Schedule B", which were made based on the assumption that the first year of condominium operation will be from January 1, 2008 to December 31, 2008. The actual first year of operation may be earlier or later. In the event the actual or anticipated commencement date of the first year of condominium operation is to be delayed by six (6) months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the amended budget exceeds this projected budget by 25% or more, Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period, if the Plan has been declared effective) the right to rescind their Purchase Agreements within not less than fifteen (15) days after the presentation date of the amendment containing such revised budget, and any Purchaser electing rescission pursuant to such offer will have their Down Payments and any interest accrued thereon returned.

   In addition to the payment of Common Charges, each Unit Owner will incur additional expenses for:

   a. mortgage payments under any loan or loans obtained to finance the purchase of the Unit;

   b. the cost of electricity supplied to the Unit, which will be separately metered and payable as and when billed;

   c. the cost of interior repairs to, and the maintenance, painting and decoration of, the Unit, including, without limitation, the equipment and appliances contained in the same, and any appurtenant Limited Common Elements;

   d. the cost of any insurance that the Unit Owner may desire to carry covering the furniture, belongings, equipment and other personal property in the Unit, as well as his or her liability to others for personal injury or property damage as a result of occurrences in the Unit;

   e. telephone and cable television charges; and

   f. real estate taxes (see footnotes 7 and 8 below).

7. In these columns, projected real estate taxes are based on the assumption that 421-a tax benefits <u>will not</u> be in effect during the first year of Condominium Operation, so that the first year of projected taxes has been estimated at the projected full amount from January 1, 2008 through December 31, 2008.

8. In these columns, projected real estate taxes are based on the assumption that 421-a tax benefits <u>will</u> be in effect during the first year of Condominium Operation, so that the first year of projected taxes has been estimated at the projected full amount less 421-a benefits from January 1, 2008 through December 31, 2008.

Sponsor represents that it will use its best efforts to obtain 421-a Benefits. However Sponsor makes no representation or warranty that the Property will receive Section 421-a Benefits, and no representation or warranty as to the date such benefits will take effect if they are received.

The projected post-construction assessment for the Condominium for the 2007/2008 tax year, with and without 421-a benefits, has been made by Sponsor's real estate tax expert, Metropolitan Valuation Services, Inc., 444 Park Avenue, Suite 402, New York, New York 10016 (the "Tax Expert"). ***See the Tax Expert's letter, located in Part II of this Plan.***

The Building will be classified as a Tax Class II property and subject to the prevailing tax rate for the tax year 2007/08. Since it is not expected that a certificate of occupancy will be issued prior to January 1, 2008, the Building may only have an interim assessed value for 2007/08 and may not be fully assessed until the 2008/09 tax year, at which time the post-construction assessed valuation for the entire premises would be established by the assessor. Based upon the foregoing, the Tax Expert has selected the 2008/09 fiscal tax year as the basis for its post-completion assessment analysis. Accordingly, the Tax Expert has assumed, for the purpose of estimating the real estate taxes, a Class II rate of $13.252 per $100.00 of assessed value for the 2008/09 tax year. This was determined by applying a 2.0% annualized inflation rate to the 2006/07 Class II tax rate of $12.737 per $100 of assessed value.

The projected post-construction assessment of the Condominium without 421-a benefits for the 2008/2009 tax year is $2,227,555. When multiplied by the assumed tax rate of $13.252 per $100 of assessed value, the projected tax for the Building without 421-a benefits is $295,196.

The Prior Assessed Valuation for the purpose of estimating the 421-a benefit is $339,158. When multiplied by the assumed tax rate of $13.252 per $100 of assessed value, the projected tax for the Building with 421-a benefits is $44,945.

The foregoing tax amounts have been allocated to the individual Units on the basis of their respective percentage of common interest as set forth on Schedule A.

No warranty, guaranty or assurance is given that:

(i) any projected or estimated amount set forth above including, without limitation, the estimates of the Property's assessed valuations during the first year of condominium operation; the estimates of the portions of such assessed valuations that will be allocable to the Units; the projection of the average real estate tax rate that will be in effect during such first year; will approximate the actual amount; or

(ii) the New York City Real Estate Tax Assessment Bureau will allocate the Property's aggregate assessed valuation between the Units in accordance with the appraised values used by the Tax Expert for such purpose, or that such bureau will allocate the aggregate assessed valuation attributable to the Units among the different Units as described above; or

(iii) any of the projections contained in Schedule A are accurate.

Until the Units are separately assessed, each Unit Owner will pay to the Board his/her Unit's pro rata share of the Property's real estate taxes for the period in question based upon Common Interest. This proration will be made by allocating the Property's taxes among the Unit Owners in accordance with each Unit's Common Interest. The Board will pay such real estate taxes to the Department of Finance of The City of New York or directly to Sponsor if Sponsor has paid such real estate taxes. If any Unit Owner fails to pay his pro rata share as set forth above, the Board will be entitled to assess late charges and/or place a lien on such Unit as if such unpaid share were Common Charges. At such time as a Unit is separately assessed and separate tax bills are issued, the Unit Owner will pay such taxes directly to the taxing authority.

There is no assurance that the pro-ration of taxes described in the paragraph above will equal the actual amount of real estate taxes which will be assessed against the Units, and the actual amounts may vary considerably from the method set forth above.

Please refer to the Section entitled "Real Estate Taxes" and the "Preliminary Certificate of Eligibility" issued by the Department of Housing Preservation and Development and set forth in Part I of the Plan for further discussion regarding real estate taxes.

In the opinion of Seiden & Schein, P.C., counsel to Sponsor, the tax laws existing on the date of this Plan in general permit a Unit Owner who itemizes his deductions to deduct from income for the purposes of Federal, New York State and New York City income taxes, any real estates taxes actually paid by such Unit Owner with respect to his Unit. However, the amount of such deductions may vary from year to year due to changes in the amount of the real estate taxes payable by the Unit Owner (which might result from changes in the assessed valuation of the Unit, in the tax rate and/or in the manner of assessing real property). Prospective Purchasers should refer to the Section entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" in Part I of this Plan, as well as to the "Counsel's Income Tax Opinion," for further discussion.

SCHEDULE B

150 NORTH FIFTH STREET CONDOMINIUM
150 North Fifth Street, Brooklyn, New York

CONDOMINIUM BUDGET

Projected Budget for First Year of Condominium Operation
January 1, 2008 – December 31, 2008

PROJECTED INCOME	
Income - Common Charges (Note 1)	$ 189,660
TOTAL INCOME	**$ 189,660**
PROJECTED EXPENSES	
Payroll and Related Expenses (Note 2)	$ 9,620
Gas for Heating, Cooking and Domestic Hot Water (Note 3)	65,000
Electricity for Common Elements (Note 4)	58,562
Water & Sewer (Note 5)	8,768
Repairs and Maintenance (Note 6)	6,000
Service Contract (Note 7)	3,750
Insurance (Note 8)	23,960
Management Fees (Note 9)	7,500
Professional Fees (Note 10)	3,500
Contingencies (Note 11)	3,000
TOTAL EXPENSES:	**$ 189,660**

NOTES TO SCHEDULE B

1. Common Charge Income from Residential Unit Owners: $189,660

The estimate of the Common Charges to be collected from the Unit Owners during the First Year of Condominium Operation is based upon the budget and it is assumed that projected expenses are recovered on a current basis.

2. Payroll and Related Expenses: $9,620

There will be one (1) part time superintendent, who will work approximately fifteen (15) hours per week at $10/hour. The payroll taxes include FICA, Federal and New York State unemployment insurance, workers' compensation, disability insurance, holidays and vacation pay. The level of staffing described in this Schedule B complies with all applicable housing and labor laws.

No warranty is made as to the actual wages, salaries, benefits and related payroll taxes and similar expenses, which will be applicable and in effect during the first year of condominium operation. However, the projected expenses for wages, salaries and benefits as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert, in managing comparable buildings.

3. Gas for Heating, Cooking and Domestic Hot Water: $65,000

This item is based on an estimate of L. Naoum P.E., P.C. Consulting Engineers located at 330 West 38th Street New York, NY 10038 dated May 31, 2006, revised August 14, 2006 for the cost of gas for heating, cooking and domestic hot water for the Units.

The budgeted cost for gas Building has been computed based upon assumed usage of 7,006 therms/year for cooking, 57,166 therms for space heating, and 11,165 for hot water, all at a cost of $.855 per therm.

In view of the current energy situation, it is not possible to predict with certainty whether the budgeted figure for utilities will reflect the actual cost to be incurred during the first year of Condominium Operation. The actual charges may exceed the budgeted amount if utility rates increase. Utility rates are affected by the increases in the fuel rates paid by the utility, as well as other factors. The costs set forth herein for gas and electricity include sales taxes, but no inflation factor.

4. Electricity for Common Elements: $58,562

This item is based upon an estimate of L. Naoum P.E., P.C. Consulting Engineers located at 330 West 38th Street New York, NY 10038 dated May 31, 2006,

revised August 14, 2006 for the cost of electricity for the Common Elements. This item includes electricity for fans, lighting, heaters and elevators.

The budgeted cost for electricity for common areas of the Building has been computed based upon (i) a demand charge of $22,642 which assumes a load of 154KW, estimated demand of 60% and a rate of $20.42/KW, and (ii) an energy charge of $35,920 which assumes usage of 368,696 KWH at a rate of $.0974/KWH.

In view of the current energy situation, it is not possible to predict with certainty whether the budgeted figure for utilities will reflect the actual cost to be incurred during the first year of Condominium Operation. The actual charges may exceed the budgeted amount if utility rates increase. Utility rates are affected by the increases in the fuel rates paid by the utility, as well as other factors. The costs set forth herein for gas and electricity include sales taxes, but no inflation factor.

5. Water & Sewer: $8,768

This item is based upon an estimate and projection of consumption and rates by Sponsor's consulting engineer, L. Naoum P.E., P.C. Consulting Engineers located at 330 West 38th Street New York, NY 10038 dated May 31, 2006, revised August 14, 2006 for the cost of water and sewer for the entire Building.

Water meters will be installed to measure actual water usage for billing purposes. The budgeted cost for water and sewer assumes annual water usage of 140 gallons for each Unit per day for an annual consumption of 1,584,100 gallons, or 211,778 cubic feet. The current 2006 New York rate for water and sewer is $4.14 per 100 cubic feet.

6. Repairs and Maintenance: $6,000

This item represents the estimated cost for ordinary maintenance and repairs of the Common Elements, including periodic painting, and supplies such as cleaning supplies, lubricants, bulbs, fixtures, hardware, rubbish compactor bags, etc. used in connection with the operation of the Common Elements. No amounts have been budgeted for repairs to the roof, the heating and other repairs, because the Building systems are new. This estimate is based on experience of Sponsor's budget expert, American Building Management Corp., located at 1663 8th Avenue Brooklyn, NY 11215 in operating comparable new buildings. Unit owners will be responsible for the cost of repair of the interior of their units such as refrigerators and stoves.

7. Service Contracts: $3,750

This item includes the cost of various services used in or for the Common Elements, including, exterminating service provided by High Tech Exterminators

located at 1204 Avenue U, at the annual rate of $900, and elevator maintenance provided by Kone, Inc. at the annual rate of $2,850 .

8. Insurance **$23,960**

The Insurance premiums are based on a proposal from USI Northeast, 555 Pleasantville Road, Third Floor, Briarcliff Manor, New York 10510 for the following coverages:

Coverage Description	Amount
I. Commercial Package Policy	
Building Coverage – Replacement Cost	$11,000,000
Loss of Maintenance Fees	$50,000
Personal Property	$25,000
Sublimit and Aggregate Flood	$1,000,000
Sublimit and Aggregate Earthquake	$1,000,000
Buildings Ordinance or Law	$250,000
Boiler and Machinery	$1,000,000
Deductible for Occurrence	$5,000
Deductible for Flood and Earthquake	$25,000
General Liability	$2,000,000
Projects and Completed Operations	$1,000,000
Non-owned and Hired Automobile Liability	$1,000,000
Personal and Advertising Injury	$1,000,000
Elevator Collision	$100,000
Premium: **$16,960**	
II. Commercial Umbrella Liability (Excess Liability)	
Limit Per Occurrence and Aggregate	$5,000,000
Retention	$10,000
Premium: **$4,000**	
III. Non Profit Directors and Officers Liability	
Per Claim and Aggregate	$1,000,000
Deductible	$5,000
Premium: **$1,500**	
IV. Commercial Crime Coverage	
Limit Fidelity	$100,000
(Managing Agent Rider, Blanket Employee Dishonesty)	
Premium: **$1,500**	

The total premium for these various coverages for the first year of condominium operation is estimated. This coverage does not include claims for personal injury or property damage resulting from occurrences in individual Units, nor does it include coverage of furniture or personal property of Unit Owners.

This quotation is an indication of insurance premiums at current rates. Because conditions in the insurance marketplace are volatile, it is not possible to predict what the premiums will be for the first year of Condominium operation. Purchasers should be aware of the possibility of rate increases.

Sponsor will procure, on behalf of the Board, all liability insurance required to be carried by the Condominium.

The fire, casualty and general liability insurance carried by the Condominium will provide (i) that each Unit Owner is an additional insured party, (ii) that there will be no cancellations without notice to the Board of Managers, (iii) a waiver of subrogation; (iv) a waiver of invalidity because of the acts of the insured and Unit Owners; and (v) a waiver of pro-rata reduction if Unit Owners obtain additional coverage.

9. Management Fees: $7,500

This item is based upon a management agreement to be entered into with Goldin Management, 25 8th Avenue, Brooklyn, NY 11217, at the First Unit Closing. For a full discussion of the terms and conditions of the Management Agreement see the section of this plan entitled "Managing Agent and Service Contracts."

All expenses and fees incurred by managing agent in the performance of its duties will be reimbursed by the Condominium Board and charged to all Unit Holders as a Common Expense. In addition, the Condominium Board will indemnify the managing agent against any claims or liabilities in connection with acts properly performed by the managing agent pursuant to instructions of the Condominium Board or for personal injury or property damage not resulting from the managing agent's gross negligence or willful failure to comply with this obligations under the management agreement.

10. Professional Fees: $3,500

This item is for the expense of accounting and legal fees expected to be incurred by the Condominium during the first year of operation. Accounting fees of $2,000 are based upon the estimate of Isaac Goldstein & Company, Certified Public Accountants, located at 2918 Avenue L, Brooklyn, NY 11210, as set forth in a letter dated June 26, 2006 for the preparation of the audited financial statements for the Condominium's first year of operation and its federal, state and city income tax returns. The balance of the budgeted amount of $1,500 has been

estimated to provide for minor legal services to be rendered in connection with the operation of the Building such as attendance at Board meetings, preparation of Board minutes and negotiation of minor agreements. The legal fees are based upon the experience of Sponsor's budget expert, American Building Management Corp., located at 1663 8th Avenue Brooklyn, NY 11215 in operating comparable new buildings.

11. Contingency: **$3,000**

The Board of Managers may apply this reserve toward increases in the projected expenses, unforeseen expenses or other appropriate expenses. The purpose of the contingency is to provide for unanticipated expenses or unanticipated increases in the projected expenses. The reserve for contingencies is separate and distinct from the Reserve Fund. This item is based upon the experience of Sponsor's budget expert, American Building Management Corp., located at 1663 8th Avenue Brooklyn, NY 11215 in operating comparable new buildings.

NOTE: In the opinion of American Building Management Corp., the projected receipts are adequate to meet the estimated expenses for the condominium's first year of operation assuming such first year be the fiscal year commencing on January 1, 2008. The foregoing schedules, however, are not intended and should not be taken as a guarantee by anyone that the Common Charges, other than income or expenses for the first or any subsequent year of operation of the Condominium will be set forth in said schedules, and it is likely that the actual income and expenses will vary from the amount shown in the schedule.

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

The Sponsor anticipates that the First Unit Closing will occur on or about January 1, 2008. If the First Unit Closing is delayed by twelve (12) months or more after January 1, 2008 the Sponsor will offer all Purchasers the right to rescind and a reasonable period of time of not less than fifteen (15) days after the date of presentation to exercise the right.

If the actual or anticipated date of commencement is to be delayed from the budget year projected in the Plan by more than six (6) months, the Plan will be amended to include a revised budget disclosing current projections. If such amended budget projections exceed the original projections by 25% or more, the Sponsor will offer all Purchasers the right to rescind and a reasonable period of time that is not less than fifteen (15) days after the date of presentation to exercise the right. Whether or not Sponsor offers to guarantee the previous budget projection, Sponsor will return any Downpayment or deposit promptly to purchasers who rescind.

THE DEVELOPERS GROUP

May 30, 2006

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

Re: 150 N. 5th Brooklyn, NY 11211

Ladies and Gentlemen:

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

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

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

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

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

Very truly yours,

By:

Highlyann Krasnow
Executive Vice President
The Developers Group, LLC

79 Bridge Street, Brooklyn, NY 11201 • Tel: 718.222.1545 Fax: 718.222.0445

CHANGES IN PRICES AND UNITS

Subject to conditions hereinafter set forth, Sponsor has the right to change the amount of any Purchase Prices from the amounts shown in Schedule A of the Plan. The Purchase Prices set forth in Schedule A must be changed by a duly filed amendment to the Plan when the change of price is an across the board increase or decrease affecting one or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual Purchaser. The Sponsor may enter into a Purchase Agreement with a Purchaser to sell one or more Units at Purchase Prices lower than those set forth in Schedule A without filing an amendment. Purchase Prices may be negotiated by Sponsor under certain circumstances. Unless it constitutes a discriminatory inducement, Sponsor reserves the right to negotiate with Purchasers the following aspects of the Purchase Price of Units: decorating allowances, payment of fees otherwise paid by Purchasers, payment of all or part of Purchaser's financing costs, price reductions tied to rental of Units, reduced down payment deposits (but at least $1,000.00) and extra custom work. Furthermore, Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms. No party other than Sponsor will have the right to approve any changes in price, whether before or after the First Unit Closing.

If Sponsor changes the Purchase Price of one or more Units, the Purchaser of such Unit may pay, or may have paid, more or less than other Purchasers of comparable Units having the same Common Interest. However, a price change will not alter the Common Interest of, or the amount of the Common Charges payable by, the Unit Owners.

In order to meet the possible varying demands for number and type of Units, or to meet the particular needs of prospective Purchasers, or for any other reason, Sponsor reserves the right to change: (a) the layout of, or number of rooms in, Unsold Units, and (b) the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, by combining two or more separate Unsold Units into one or more Unsold Units, by altering the boundary walls of any Unsold Unit, or otherwise, including, without limitation, the use of any portion of the Common Elements adjacent to such Unsold Units to the extent that such portion is not required to be maintained as Common Elements pursuant to the terms of the Declaration and the Bylaws. Subject to the terms of the last two paragraphs of this Section, such right may be exercised by Sponsor from time to time, both before and after the First Unit Closing, without the consent or approval of any Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner, any mortgagee or any other party. However, Sponsor will first obtain the approval of all governmental authorities having jurisdiction thereof whose approval is required by law. No change will be made by Sponsor in the size or number of Units, their respective percentages of Common Interest, or in the size or quality of Common Elements except by amendments to the Offering Plan and the Declaration. Unless the affected Purchaser provides a written consent, no material change will be made by Sponsor in Unit size, layout or percentage of Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and such Purchaser is not in default.

No adverse material change will be made in the size or quality of Common Elements unless Purchasers not in default receive a right to rescind for fifteen (15) days after the presentation of the exercise of such right.

If Sponsor changes the size and/or number of Unsold Units, Sponsor will increase or decrease the Common Interests appurtenant thereto accordingly. However, the aggregate amount of the Common Interests of all the Units will always remain at 100%. As a result of such reapportionment, the amount of the Common Charges and the real estate taxes and assessments payable by the owners of the Unsold Units affected thereby will be increased or decreased proportionately, but the amount of the Common Charges and the real estate taxes and assessments payable by the owners of Units unaffected thereby will not vary.

This Plan will be amended to reflect any change in the size of a Unit, number of Units, percentage of Common Interests of Unsold Units or a change in the size or quality of any Common Element. However, the layout and number of rooms in Unsold Units may be changed without prior notice. Notwithstanding the foregoing, unless all Purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of the Common Elements.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls, or otherwise, nor may the Common Interest of any Unit be changed, unless the Declaration is amended and such amendment is duly recorded. The Plan will be amended in the event of any such changes. As more particularly provided in the Declaration, Sponsor or its designee, as the owner of an Unsold Unit, will have the right itself to so amend the Declaration to effectuate such change, without the Condominium Board, the other Unit Owners or any mortgagee consenting to, or executing, such amendment. However, no change of a Unit's Common Interest will be made without obtaining the prior written consent of the owner of such Unit.

To the extent permitted by law, if the size or configuration of a Unit is changed in compliance with the Plan, the Declaration and/or the Bylaws and, in connection therewith, a wall, space or other area forming a part of the Common Elements servicing and benefiting only such Unit is razed or incorporated in the Unit, then such Common Element shall be deemed for the exclusive use and benefit of the owner of such Unit and the Unit's Common Interest will remain unchanged.

INTERIM USE AND OCCUPANCY AGREEMENTS

Sponsor or its designee reserves the right, freely and without restriction, to rent or lease vacant Units to Purchasers, both before and after the First Unit Closing, provided that a temporary Certificate of Occupancy has been issued for the Unit(s). However, once a Purchase Agreement is signed for a vacant Unit, and for so long as such Purchase Agreement is in effect, such Unit may only be rented to the Purchaser thereof. Such agreement, if entered into (an "Interim Use and Occupancy Agreement") will be for such use and occupancy fee, and upon such other terms as may be mutually agreed upon. The term of such Interim Use and Occupancy Agreement shall be for a period which will expire on the earlier of the date of the Closing of such Unit or six (6) months after the execution date of the Interim Use and Occupancy Agreement. In the event this Plan is abandoned, the Purchaser may, at any time at his or her sole option, cancel the Interim Use and Occupancy Agreement and remove from the Building upon thirty (30) days' prior written notice to the Sponsor at the address set forth on the cover page of this Plan. Should Purchaser rescind his or her Purchase Agreement pursuant to any permitted rescission, the Interim Use and Occupancy Agreement shall terminate thirty (30) days thereafter and Purchaser shall be obligated to vacate the Unit no later than that time.

An Interim Use and Occupancy Agreement will provide that an uncured default by the Purchaser under this Purchase Agreement will constitute a default under the Interim Use and Occupancy Agreement, entitling the landlord (i.e., Sponsor), at its sole option, to terminate the Interim Use and Occupancy Agreement. The Purchase Agreement contains a similar cross-default provision entitling Sponsor to cancel the Purchase Agreement in the event that the Purchaser fails to cure a default under the Interim Use and Occupancy Agreement within any applicable grace period. However, before the Sponsor may utilize a default under the Interim Use and Occupancy Agreement to declare a default under the Purchase Agreement, the Sponsor must (i) obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim occupant or (ii) the interim occupant must have vacated the Unit. The interim occupant (i.e., the Purchaser) must vacate the Unit within five (5) days after any default under the Purchase Agreement which remains uncured after five (5) days.

PROCEDURE TO PURCHASE

Purchase Agreement.

A Person desiring to purchase a Unit in the Condominium, or the authorized parties thereof if the Person is other than a natural person, shall be required to execute in quadruplicate a Purchase Agreement in the form set forth in Part II of this Plan and return it to the Sponsor, together with a check in the amount of ten percent (10%) of the Purchase Price, representing the Down Payment, drawn to the order of "Seiden & Schein, P.C., as Escrow Agent." The Down Payment may be increased for special work in the Unit ordered by the Purchaser and agreed to by the Sponsor and itemized in the Purchase Agreement. Seiden & Schein, P.C. shall be the "Escrow Agent" pursuant to the Purchase Agreement and Offering Plan.

Purchasers will be afforded not less than three (3) business days to review this Plan and all filed amendments prior to executing a Purchase Agreement. If a Purchaser has not been afforded at least three (3) business days prior to executing a Purchase Agreement, such Purchaser will have seven (7) days after delivering an executed Purchase Agreement together with the Down Payment to rescind the Purchase Agreement and have the Down Payment refunded promptly. Such rescinding Purchaser must either personally deliver a written notice of rescission to the Selling Agent within the 7-day period or mail the notice of rescission to the Selling Agent and have the mailing post-marked within the 7-day period.

The Purchase Agreement shall not be binding upon the Sponsor until a duplicate thereof, executed by the Sponsor, is delivered to Purchaser. In any such case, unless the Purchase Agreement, executed as aforesaid, is delivered to Purchaser within twenty (20) days after same is received by the Sponsor, it shall be deemed rejected and canceled and all monies paid by Purchaser shall be promptly refunded, without interest, and upon such refund being made, neither party shall have any further rights or obligations hereunder with respect to the other. The Sponsor shall have the right to reject the Purchase Agreement without cause or explanation to Purchaser, provided such rejection is not based upon gender, race, creed, color, national origin or ancestry or other ground proscribed by law.

After this Plan is declared effective, the Sponsor shall fix dates for Closing title to all Units for which Purchase Agreements have been fully executed. Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place (in the City of New York) for the transfer of title to his Unit. Purchasers may, but are not required to, waive this thirty (30) day notice. At Closing, such Purchaser shall pay the balance of the Purchase Price stated in the Purchase Agreement with his unendorsed, personal certified check or by official cashier's check. However, such Purchaser may apply the proceeds of any financing obtained by such Purchaser to make such payment, provided that it is made in the form stated above.

It is anticipated that the first Residential Unit will close title on or about January 1, 2008. If such closing day is delayed twelve (12) months or more, purchasers will be offered a right of rescission.

Escrow

All checks constituting the "Down Payment" are to be made payable to the order of "Seiden & Schein, P.C., as Escrow Agent" and all checks in payment of the balance of the Purchase Price (due at the Closing) are to be made payable to the order of Sponsor or as otherwise directed by Sponsor, with all checks, in either case, drawn on a member bank of the New York Clearing House Association.

In accordance with Section 71-a(3) of the Lien Law, Section 352-h and Section 352-e (2-b) of the New York General Business Law and the Attorney General's regulations promulgated thereto the Sponsor has appointed the law firm of Seiden & Schein, P.C. as Escrow Agent to hold all monies, including all deposits, Down Payments, deposits or advances, received by Sponsor, directly or through its agents, employees or agents (if any) either prior to or subsequent to the closing of title to a Unit (the "Consummation of Plan"), in trust in a segregated special escrow account titled, "Seiden & Schein, P.C., Attorney Account" (the "Escrow Account"). The name of Purchaser shall be added to the title of a sub-account of the Escrow Account, which shall be at North Fork Bank at its office located at 643 Lexington Avenue, New York, New York. Such funds shall be deposited within five (5) business days after the Purchase Agreement is executed by all necessary parties and, except as otherwise stated in the Plan, shall be held there until actually employed in connection with the consummation of this Plan. Seiden & Schein, P.C. is located at 570 Lexington Avenue, New York, New York 10022. The signatories on the Escrow Account authorized to withdraw funds are the principal attorneys of the firm who are Jay G. Seiden, Esq., and Alvin Schein, Esq., both of whom have an office at 570 Lexington Avenue, New York, New York 10022.

Section 71-a(3) of the Lien Law, as applicable herein, also provides in part for the following, although Department of Law regulations are more restrictive:

(a) Down Payments shall be placed in an interest bearing account if so requested by Purchaser. Such Down Payment, with any accumulated interest, shall remain the property of the Purchaser, except as otherwise provided by law.

(b) Down Payments will be retained in escrow as set forth above until: (i) Sponsor performs under the terms of the Purchase Agreement or (ii) Purchaser rescinds, if permitted, or defaults in release or discharge of Sponsor's liability to refund such down payment or (iv) transfer of title to the Unit to the Purchaser, or (v) release by mutual consent of Sponsor and Purchaser.

(c) The Down Payment will be held in an interest-bearing account, provided Purchaser furnishes a completed W-8 or W-9 form, and, unless the Purchaser defaults, interest will be credited to the Purchaser at Closing. The account is a variable-rate account, paying money market rates. The interest rate to be earned in the Escrow Account will fluctuate daily and is currently less than 1% per annum. Interest will begin to accrue upon deposit of the Down Payment, which is to be made in accordance with the preceding paragraphs.

(d) North Fork Bank is covered by federal bank deposit insurance to a maximum of $100,000.00 per individual deposit. No fees of any kind from the account principal may be deducted. Sponsor shall bear any administrative cost for maintenance of the account.

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

The only other time monies received for the purchase of a Unit shall be disbursed from the Escrow Account are (a) at the closing of title to a Unit by such Purchaser; or (b) upon a default by a Purchaser which is not cured within any time periods permitted, provided that no Down Payment to be released pursuant to an uncured default shall be released prior to the Consummation of the Plan. Any withdrawals or disbursement of funds from the Escrow Account shall be made only upon the written approval by an officer in the firm of Seiden & Schein, P.C., despite the fact that Citibank, N.A. may be a party to an escrow agreement with respect to such account or accounts. The amounts paid by the Purchasers prior to Closing will be handled in accordance with the escrow and trust fund provisions of the Section 352-h and Section 352-e (2-b) of the New York General Business Law and the Attorney General's regulations promulgated thereto. If this Offering is not consummated for any reason, Purchaser shall not lose any of his Down Payment. Any provision of any Purchase Agreement, contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Offering Plan or in a Purchase Agreement. Please refer to Part II of this Offering Plan for a copy of the Escrow Agreement between Sponsor and the Escrow Agent.

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

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

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

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

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

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

(i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

(ii) all Purchasers after an Amendment abandoning the Plan is accepted for Filing by the Department of Law.

Purchasers and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Down Payment and any interest thereon. The Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is set forth in Part II of this Plan. The Party applying for a determination must send all other parties a copy of the application.

Any conflict between the Plan and the Purchase Agreement shall be resolved in favor of the Plan. 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 Sponsor or fail to perform any of Purchaser's other obligations, including, without limitation, the obligation to furnish any lender promptly with such information as such lender may require, and the obligation to accept a commitment on the terms set forth in the Purchase Agreement, such failure shall constitute a default by Purchaser, and Sponsor may send notice to Purchaser of Sponsor's intention to cancel the Agreement if such default is not timely cured. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date of such written notice, Seller may (but shall not be obligated to) elect to cancel this Agreement by notice of cancellation to Purchaser sent after the cure period has expired. Upon such cancellation by Sponsor, the Down Payment monies held

with respect to the particular Unit, but not more than ten percent (10%) of the Purchase Price, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. In the event a default is disputed in writing by notice from Purchaser to Seiden & Schein, P.C., during the time to cure period and the default, in Sponsor's opinion, is not timely cured, and Sponsor thereafter cancels the Purchase Agreement, then Seiden & Schein, P.C. shall have the right to continue to hold the Down Payment pending resolution of such dispute (judicial or otherwise) or pay the Down Payment into court. Sponsor shall not seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser.

Power of Attorney

At the Closing of title to a Unit, 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 this Plan. By virtue of such power of attorney, each Unit Owner shall authorize the Board of Managers to acquire, sell, lease or mortgage on behalf of the Condominium any Unit whose Unit Owner desires to abandon, sell or lease the same, in accordance with the right of first refusal granted to the Condominium under the Declaration. In addition, such power of attorney shall authorize the Sponsor to amend the Declaration, By-laws and Rules and Regulations of the Condominium to reflect any changes in Unsold Units or reapportionment of the Common Interests of the affected Unsold Units in accordance with Article 16 of the Declaration, or as may be required by an institutional lender, a governmental agency, or any title insurance company. Purchaser shall deliver such executed Power of Attorney to Sponsor or as directed by Sponsor at the Closing of title for recording and Purchaser shall pay the recording fee. Failure to do so shall constitute a default by Purchaser pursuant to the Purchase Agreement.

No Mortgage Financing Contingency

THE PURCHASE AGREEMENT IS NOT CONTINGENT UPON PURCHASER OBTAINING MORTGAGE FINANCING. UPON EXECUTING THE PURCHASE AGREEMENT, PURCHASER SHALL BE OBLIGATED TO CLOSE TITLE WHETHER OR NOT PURCHASER OBTAINS A MORTGAGE.

Credit Check

All Purchasers must provide the Selling Agent with necessary authorization for the Selling Agent to conduct a credit check of the Purchaser.

The Purchase Agreement and Plan do not contain, and will not be modified to contain, any provision waiving the Purchaser's rights or abrogating the Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law, other than the ability of Purchaser to waive his right to thirty (30) days prior written notice to the closing of title to the Unit.

ASSIGNMENT OF PURCHASE AGREEMENTS

No assignment of a Purchase Agreement of a Purchaser shall be permitted without Sponsor's prior written consent, which may be withheld or delayed for any reason or no reason.

Any purported assignment by a Purchaser in violation of the Purchase Agreement will be voidable at the option of Sponsor. Sponsor's refusal to consent to an assignment will not entitle a Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. Under no circumstances will Sponsor consent to an assignment of the Purchase Agreement in which the Purchaser will receive consideration over and above the purchase price payable to Sponsor. If Sponsor, in its sole discretion consents to a Purchaser's request for an assignment of the Purchase Agreement, the assignee of the Purchase Agreement shall be required to close title to the Unit on the originally scheduled Closing Date set forth in the Purchase Agreement. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, then the Purchaser shall be required to pay Sponsor's attorneys a fee of $500.00, in advance, for preparation of an assignment agreement and any necessary revisions to the other Closing documents.

EFFECTIVE DATE OF PLAN

All Purchase Agreements signed by Sponsor shall be contingent upon Sponsor's declaring the Offering Plan effective pursuant to the requirements and terms of the Plan. These requirements, stated below, must be satisfied within one year of the date the Plan is accepted for filing unless the Plan is amended so as to extend this period. However, any amendment to the Plan is hereby deemed to extend this time period to the same extent that the Plan is extended by such amendment. The closing of title to any Unit may not occur until after the Plan has been declared effective and an amendment has been filed substantiating same, and the Condominium Declaration and Bylaws have been duly recorded.

This Plan may not be declared effective until Purchase Agreements have been executed and delivered by bona fide Purchaser(s) for at least five (5) Residential Units in the Building. When Purchase Agreements have been executed and delivered for the sale of twenty-five (25) or more Units in the Building, the Sponsor must declare this Plan effective.

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 of Part 20(o)(10) of Title 13 NYCRR; or

(iii) with any Purchaser who is the Sponsor, the Selling Agent, or the Managing Agent, or is a principal of the Sponsor, the Selling Agent or the Managing Agent, or is related to the Sponsor, the Selling Agent or the Managing Agent, or to any principal of the Sponsor, the Selling Agent or the Managing Agent by blood, marriage or adoption, or as a business associate, an employee, a shareholder or a limited partner; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

The Plan may be abandoned, at Sponsor's sole option, at any time before the amendment substantiating effectiveness is filed and before all of the Units offered hereunder have been purchased. The Plan, if abandoned, shall be abandoned by amendment filed with the Department of Law in appropriate form. Such amendment shall explain the basis for abandonment and must state how any funds received pursuant to the Plan will be distributed. All monies paid by Purchasers pursuant to Purchase Agreements shall be refunded to them in full, with interest, if any, within twenty (20)

days of such abandonment. The Sponsor may not abandon the Plan after the amendment substantiating effectiveness is filed for any reason other than (i) a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total amount of the Offering, or (ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than one-half of one percent of the total amount of the Offering, or (iii) the taking of any material portion of the Property by condemnation or eminent domain.

The Plan will be declared effective by the mailing or personal delivery of written notice to all Purchasers. Within three (3) business days after such notice is given, an amendment to the Plan will be submitted by Sponsor stating that the Plan has been declared effective. If requested, Sponsor will submit to the Department of Law copies of all Purchase Agreements, together with any amendments or modifications to such Agreements, within five (5) business days after the request is received.

The First Unit Closing shall not occur until either a temporary or permanent Certificate of Occupancy covering the Unit to be conveyed has been issued for the Building by the New York City Department of Buildings. Please see the Sections in Part I of this Plan entitled "Description of Property and Improvements" and "Rights and Obligations of Sponsor" for further information.

TERMS OF SALE

The Units, when sold by the Sponsor, will be sold in fee simple absolute to Purchasers, who may be individuals, a duly formed partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government, any department or agency thereof, or any other entity which is permitted to own property in the State of New York. The sale of the Units will be made at the respective offering prices set forth in **Schedule A** of this Plan, as such prices may be changed by the Sponsor as set forth in the Section entitled "Changes in Prices and Units" in Part I of this Plan, and will include the respective undivided interests in the Common Elements. At the closing of title to an individual Unit, the Purchaser will pay to the Sponsor the balance of the purchase price for the Unit. Title to the Unit and its appurtenant interests in the Common Elements will be conveyed as directed by the Sponsor by Bargain and Sale Deed with Covenants against Grantor's Acts and containing the provisions set forth in subdivision 5, Section 13 of the Lien Law, insurable by the Title Company as being free and clear of all liens and encumbrances other than those set forth below. The form of Unit Deed is set forth in Part II of the Plan, but does not state all of the restrictions listed below.

Title to the Unit and its appurtenant interests in the Common Elements shall be conveyed subject to:

1. The state of facts as shown on survey made by Big Apple Land Surveyors, dated December 18, 2004 and updated August 26, 2006;

2. Any additional state of facts an updated survey might show, provided that if any updated survey reveals any additional encroachments, All New York Title Agency Inc. must be willing to insure against removal of the Building for so long as the Building may stand;

3. Zoning and building ordinances, resolutions, restrictions and regulations of municipal authorities having jurisdiction and any amendments thereto, now or hereafter adopted, providing same will not be violated by the existing structure (as renovated by Sponsor) the contemplated use under the Plan;

4. The Declaration, the Bylaws, the Maps and the Floor Plans of the Condominium to be recorded in the Register's Office, as the same may be amended from time to time;

5. 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, existing as a result of construction of the Building, or construction of the individual Units, or which may have come or may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any

portion thereof, or of any adjoining Unit or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of any 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;

6. Easements in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utilities and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;

7. Revocability of the right to maintain street vaults and other areas, if any, under sidewalks;

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

9. Any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, and the right to use, maintain and repair wires, cables, terminal boxes, lines, service connections, poles, mains, facilities and the like upon, under and across the Property;

10. Service and/or maintenance contracts and agreements, if any, in effect on the date of the First Unit Closing;

11. Encroachments of stoops, areas, cellar steps, doors, ledges, window sills, bay windows, trim, coping, cornices, vaults, chutes, fuel oil lines, gas lines, drainage pipes, standpipes, sewerage pipes, foundations, footings, retaining walls, fences, fire escapes, air conditioning units, canopy and similar projections, if any, on, over or under the Property or the streets or sidewalks or property abutting the Property and rights of governmental authorities and adjoining property owners to require the removal of any such projections, and variations between record lines of the Property and fences, walls, retaining walls and the like, if any;

12. All covenants, declarations, restrictions, reservations, agreements and easements of record, if any, which are still in force and effect on the date of the First Unit Closing, provided that they are not violated by and do not prevent legal use of the Units at the Property nor prevent the existence of the present structure;

13. The lien of any unpaid real estate tax, and the lien of any water charges or sewer rents generally, (which shall be apportioned at Closing);

14. Any Sidewalk Notices of record (provided that Sponsor shall indemnify and hold the Condominium Board harmless from damages associated with any liens which arise from such Sidewalk Notices);

15. Any variations between tax lot lines and lines of record title;

16. Water and sewer meter charges from the date of the last actual reading and entries for meter readings not shown in either the New York City Collector's records or the Department of Environmental Protection's records at or prior to closing and entered and billed subsequent to closing for periods prior to closing of each Unit;

17. Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring Purchaser's title to its Unit.

Closings of title shall take place concurrently with or after the following events have occurred:

(a) A temporary or permanent Certificate of Occupancy has been issued for the Unit being closed or the Building, or the portion of the Building containing the Unit;

(b) The Declaration and By-laws of the Condominium has been recorded in the Kings County Office of the New York City Register, and the Floor Plans of the Building showing the layout, location and approximate dimensions of the Units and the Unit designations, certified by the Tax Assessor of the City of New York as conforming to the official tax lot number for each such Unit and including an Architect's statement as required by Section 339-p of Article 9-B of the Real Property Law of the State of New York certifying that the Floor Plans fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units as built have been filed in said Register's Office;

(c) All duly recorded liens affecting the Unit to be closed and its undivided Common Interest have been discharged and a partial release which releases such Unit and its undivided Common Interest from such lien, if any, as required by Section 339-r of the Real Property Law has been delivered for recording;

(d) The Sponsor has given to the Purchaser, by personal delivery or ordinary mail, at least thirty (30) days advance written notice of the Closing date, unless Purchaser elects to waive all or part of said thirty (30) day period; and Purchaser has been given an opportunity to inspect the Unit and the Common Elements; and

(e) An amendment to this Offering Plan has been filed by the Sponsor declaring this Offering Plan effective and confirming that the Units to be closed have been constructed in accordance with the applicable plans and specifications and that Sponsor has satisfied, or will satisfy prior to Closing of title, all of the requirements of this Section entitled "Terms of Sale".

The risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the Closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the purchase price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the Closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit except as stated in the section of the Plan entitled "Rights and Obligations of Sponsor". Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit or its appliances, fixtures and equipment. Accordingly, Purchaser, or one claiming by or through Purchaser, who takes possession of the Unit prior to the Closing of title should obtain casualty insurance coverage for the Unit prior to taking possession, since, despite any loss, Purchaser will remain obligated to purchase the Unit under the terms of this Purchase Agreement, without any abatement in the Purchase Price. Purchaser should consult with an attorney and/or insurance agent as to his insurance needs.

All personal property located within the Unit that is owned by the Sponsor and which is described in this Plan in the Purchase Agreement is included in the conveyance to the Unit Purchaser, unless specifically indicated otherwise. All personal property affixed to or located within the Common Elements that is owned by the Sponsor is included in the property transferred to the Condominium by the Declaration.

There is an existing construction loan mortgage on the property. At the time of the conveyance of the first Unit, the construction loan mortgagee will subordinate the lien of its mortgage to the Declaration of Condominium, and will release its lien on the Condominium Unit being conveyed and in its proportional interest in the Common Elements.

UNIT CLOSING COSTS AND ADJUSTMENTS

General

The estimated Closing costs, expenses and adjustments to be borne by each Purchaser of a Unit will be as set forth below. Such costs are only estimates and are subject to change:

(a) Payment to All New York Title Agency, Inc., (212) 579-1944, (the "Title Company") or to any other title company of the cost of fee title insurance, if Purchaser elects to obtain title insurance. Fee title insurance rates, as quoted by the Title Company, as of the date of this Plan are as follows: a base rate of $402.00 for the first $35,000.00 coverage; $6.67 per additional thousand dollars of purchase price up to $50,000.00, plus $5.43 per thousand dollars of purchase price in excess of $50,000.00 up to $100,000.00, plus $4.36 per thousand dollars of purchase price in excess of $100,000.00 up to $500,000.00; plus $3.98 per thousand dollars of purchase price in excess of $500,00.00 up to $1,000,000.00; plus $3.66 per thousand dollars of purchase price in excess of $1,000,000.00 up to $5,000,000.

(b) Recording fee for recording the deed and power of attorney of approximately $325.00.

(c) If a purchase money mortgage is obtained from a lending institution, the Purchaser may expect to incur the following costs:

(i) Legal fees of the lending institution's attorney;

(ii) Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured. Mortgage title insurance rates as quoted by the Title Company as of the date of this Plan will cost a base rate of $344.00 for the first $35,000.00 in coverage; $5.55 per additional thousand dollars of coverage up to $50,000.00, plus $4.54 per thousand dollars of coverage in excess of $50,000.00 up to $100,000.00, plus $3.64 per thousand dollars of coverage in excess of $100,000.00 up to $500,000.00, plus $3.31 per thousand dollars of coverage in excess of $500,000.00 up to $1,000,000.00, plus $3.05 per thousand dollars of coverage in excess of $1,000,000.00 to $5,000,000.00. Please note that if a mortgage title policy is purchased simultaneously with a fee insurance policy and through the same company, fee insurance coverage rates shall be discounted;

(iii) A mortgage recording tax of 1.80% of the first ten thousand dollars of the amount of the mortgage executed by the Purchaser and a

mortgage recording tax of 2.05% of the amount of the balance of the mortgage actually executed by Purchaser for mortgages in the amount of less than $500,000.00. The mortgage recording tax for mortgages in the amount of $500,000.00 or more is 2.175% after the $25.00 deduction on the first ten thousand dollars of mortgage amount. Lenders are required to pay one quarter of one percent of the 2.05% tax or 2.175% tax, as the case may be, thereby reducing Purchaser's cost to 1.80% less $25.00 or 1.925% less $25.00, as the case may be;

(iv) Recording fee for recording of the mortgage, approximately $200.00; and

(v) Commitment fee or origination fee, appraisal fee, application fee, credit fee, if any, charged by the lending institution.

(d) New York City Real Property Transfer Tax, currently equal to 1.0% of the purchase price with respect to single Units which are sold for $500,000.00 or less, and 1.425% of the purchase price where the consideration is greater than $500,000.00. Although it is often customary in real estate transactions involving sales of multi-family buildings or single family homes for the seller to pay these transfer taxes and the transfer taxes in (e) immediately below, it is now customary in sponsor sales of condominium units in the New York Metropolitan area, for the Purchaser to pay such transfer taxes. Under this Offering Plan and the Purchase Agreement, Purchasers are required to pay these taxes as a Closing cost. For purposes of paying this tax with respect to this Project, consideration also includes the amount of New York City Real Property Transfer Tax and New York State Transfer Taxes (deed stamps) to be paid for the Unit, so that the effective tax rate is 1.01825% of the purchase price where the purchase price is $500,000.00 or less and 1.451% where the purchase price is more than $500,000.

The New York City Department of Finance has taken the position that when a Purchaser purchases two or more Units, the New York City Transfer Tax will be 1.425% where the consideration is $500,000.00 or less and 2.625% where the consideration is greater than $500,000.00.

(e) New York State Transfer Taxes (deed stamps), which are currently at the rate of $2.00 per each $500.00 of consideration or part thereof. Pursuant to the terms of this Plan, this tax is an obligation of the Purchaser. For purposes of paying this tax with respect to this Project, consideration also includes the amount of New York City Real Property Transfer Tax and New York State Transfer Taxes (deed stamps) to be paid for the Residential Unit, so that the effective rate of State Transfer Tax is $2.028 per $500.00 of consideration, where the purchase price is less than

$500,000.00 and $2.0365 per $500.00 where the purchase price is $500,000.00 or more.

(f) Under Section 1402-a of the Tax Law of the State of New York, a "Mansion Tax" of 1.0% of the consideration (or part thereof attributable to the real property being conveyed) is payable by the grantee (i.e., Purchaser) on each conveyance of residential real property, including condominium units, where the consideration for the entire conveyance is $1,000,000.00 or more. Residential real property includes a 1 to 3 family house, an individual condominium unit and a cooperative unit that is or may be used, in whole or in part, as a personal residence.

(g) The legal fees of Sponsor's attorneys in the amount of $1,500 will be payable by Purchaser to Seiden & Schein, P.C. An additional fee of $500 per Closing shall be due and payable to Sponsor's attorneys for any Unit Closing which occurs outside the office of Seiden & Schein, P.C. Further, an additional fee of $500 shall be payable by Purchaser to Sponsor's attorneys for the work involved for each assignment and/or cancellation of a Purchase Agreement or contract. Assignments are permitted only pursuant to the terms of the Offering Plan. An additional fee of $500 shall be due and payable to Sponsor's attorneys for any previously scheduled Unit Closing which is adjourned by Purchaser less than five (5) business days before such Unit Closing is scheduled to occur. A further additional fee of $350.00 shall be payable by Purchaser to Sponsor's attorneys for reviewing and clearing title prior to closing.

(h) At the time of the first Closing of title to each Unit, the Purchaser of such Unit shall pay into the Working Capital Fund of the Condominium an amount equal to two (2) month of Common Charges for the Unit being purchased at the time of the Closing.

(i) Real estate taxes from the midnight preceding the date of the Closing through the end of the tax payment period within which the Closing Date occurs, which shall be either a quarter of a year or one half of a year, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in closing of title by Purchaser.

(j) At the time of the first Closing of title to each Unit, each Purchaser shall reimburse Sponsor for (i) such Purchaser's pro-rata portion of the filing fees paid by Sponsor to the New York City Department of Housing Preservation and Development ("HPD") to secure 421-a Benefits (as hereinafter defined) for the Units, and (ii) the legal fees actually incurred by Sponsor in connection with its application to HPD for such benefits. At present, the Sponsor anticipates incurring an HPD filing fee of $79,000 and legal fees of $40,000 for total fees of $119,000 in connection with

securing 421-a Benefits. The foregoing fees are estimates only and are subject to increase. At Closing, each Purchaser shall reimburse Sponsor for such fees based upon such Purchaser's percentage of Common Interest in the Condominium

In addition to the above costs, each Purchaser of a Unit will be responsible for the fees and expenses of his own attorney, if any. As a result of the variable factors with respect to each Unit, such as purchase price, terms of a possible mortgage commitment and mortgage application and appraisal costs, fees of Purchaser's attorney and fees of the attorney representing Purchaser's lending institution, Sponsor suggests that Purchasers review their closing costs with an attorney.

The Purchaser will be required to pay to the Condominium Board the Common Charges allocable to his Unit monthly in advance. Common Charges assessed during the month in which title to the Unit closes shall be adjusted with the Sponsor as of the midnight preceding the Closing Date, provided, however, that Sponsor shall be reimbursed by Purchaser for the cost of any Common Charges which Sponsor was obligated to pay to the Board of Managers as a result of any unauthorized delay in Closing of title by Purchaser. The amount of such Common Charges to be assessed against each Unit will be fixed by the Board of Managers. Common Charges to be initially assessed are expected to conform to those shown in **Schedule A** contained herein.

Water and sewer charges will be adjusted between the Sponsor and the Condominium as of the midnight preceding the First Unit Closing.

If the Units have not been separately assessed for real estate tax purposes prior to the First Unit Closing, and such First Unit Closing occurs during a tax payment period, Sponsor will have previously paid the real estate taxes through the end of such tax payment period. For example, if the First Unit Closing occurs on or about January 1, 2008, Sponsor will have paid the real estate taxes for the Property through June 30, 2008. Sponsor shall place in escrow with the Condominium Board of Managers at the First Unit Closing money sufficient to pay the real estate taxes for the next six (6) month tax period subsequent to the tax period in which the First Unit Closing occurs. Sponsor shall collect from each Purchaser, at such Purchaser's Unit Closing, the amount necessary, on the basis of allocations set forth in **Schedule A** contained herein, to cover the next six (6) month tax period subsequent to the tax period in which the Purchaser's Unit Closing occurs. The Board of Managers shall pay the real estate taxes from the escrow account when they are next due and payable.

In the event the actual taxes allocated to each Unit are greater than the amounts collected at the Unit Closing, the Purchaser shall pay his pro rata share of the additional taxes promptly upon demand. In the event the taxes are less than collected, the Sponsor will refund to the Purchaser his pro rata share of such excess collections. If the Units are separately assessed for the next six (6) month tax period subsequent to the tax period in which the First Unit Closing occurs, each Unit Owner shall be responsible to pay the

actual taxes assessed against his/her Unit and the Sponsor shall be entitled to a refund of the amount previously deposited with the Board of Managers on account of such taxes. This provision shall survive the Closing.

Subsequent to this six (6) month period, until a separate assessment for each Unit has occurred, each Unit Owner shall, on January 1st and July 1st of each year, pay to the Board of Managers, for the purpose of paying such Unit Owner's share of the real estate taxes for the ensuing six months. The Board of Managers shall keep all such funds in a separate account for the purpose of paying the real estate taxes for the Property when due. Sponsor shall also pay into this special account with respect to any Units owned by it.

At Unit Closings, individual Purchasers shall adjust real estate taxes with the Sponsor from the midnight preceding the date of the Unit Closing through the end of the tax payment period within which the Closing Date occurs. However, Sponsor shall be reimbursed by Purchaser for the cost of any real estate taxes which Sponsor would not otherwise have had to pay but for an unauthorized delay in Closing of title by Purchaser. If no separate Unit apportionment has yet occurred, such adjustment shall be on the basis of the percentage of Common Interest attributable to such Unit. If a subsequent adjustment need be made when the tax lots are apportioned, to correct any discrepancy between the adjustment on the basis of allocations set forth in **Schedule A** and adjustment on the basis of actual apportionment, it shall be made at that time.

Mortgage Tax Credit

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

> "In the event the proceeds of a construction mortgage were applied to construction of a unit of a 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 whose proceeds were applied exclusively to payment of the construction mortgage or to capital expenditures or expenses for the development or operation of the condominium, or to purchase land or buildings for the condominium provided that such purchase was no more than two years prior to the recording of the declaration of condominium, 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 taxes (except the special additional mortgage recording tax imposed by subdivision one-a of section two hundred fifty-three of the tax law) 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. No credit shall be allowed under this subdivision (a) on account of the special additional mortgage recording tax imposed by subdivision one-a of section two hundred fifty-three of the tax law or (b)

where the first condominium unit is sold more than two years after the construction or blanket mortgage was recorded."

Sponsor obtained a blanket mortgage, the proceeds of which were applied exclusively to capital expenditures for the development of the Condominium, and paid a mortgage recording tax thereon. If a mortgage tax credit becomes available, pursuant to the above Section of the New York Real Property Law, it is specifically understood that such credit shall inure to the benefit of the Sponsor and not to the Purchaser. Accordingly, at Closing, each Purchaser electing mortgage financing shall pay an amount equal to the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. Sponsor, at Closing will be paid by such Purchaser to the extent of any mortgage tax credit allowed.

The entire contents of this Section entitled "Mortgage Tax Credit" as well as those in the immediately preceding section above entitled "General," as same may be revised or amended, shall be deemed to be incorporated into the Purchase Agreement for each Unit.

Example of Closing Costs

A numerical example for the costs set forth in this section of the Offering Plan for a typical Unit with a hypothetical purchase price of $800,000.00 and a mortgage of $640,000.00 are set forth below. Tax, insurance and recording rates are subject to change:

1. title insurance for fee and mortgage, including the simultaneous mortgage discount: $3,928.00;

2. recording costs for deed and power of attorney: approximately $325.00;

3. mortgage recording tax: $12,295.00 (after deduction of $1,600.00 for .25% required to be paid by the Lender, and inclusive of any mortgage tax credit payable to Sponsor);

4. recording cost of mortgage: approximately $200.00;

5. New York City Real Property Transfer Tax: $11,608.00;

6. New York State Transfer Tax (deed stamps): $3,258.00;

7. New York State Mansion Tax: None (not applicable where Purchase Price is less than $1,000,000);

8. legal fee of Sponsor's attorney (at the office of Sponsor's attorney): $1,500.00;

9. legal fee of Sponsor's attorney for reviewing and clearing title: $350.00;

10. Working Capital Fund: $1,000 (varies depending on Unit);

11. real estate tax escrow (and/or reimbursement of real estate taxes paid by Sponsor); and

12. reimbursement of Sponsor's HPD filing fees and legal fees to secure 421-a Benefits: $3,750 (assuming Common Interest of 3.00%).

Other fees which cannot be estimated because they pertain to events outside of Sponsor's control and/or statutory requirement include Purchaser's attorney's fee, lender's attorney's fee, possible commitment fee or loan origination fee, appraisal fee, application fee, credit check fee and monthly Common Charges prospectively from the Closing Date.

RIGHTS AND OBLIGATIONS OF SPONSOR

No bond or other security has been furnished to secure the performance of the Sponsor's obligations including Sponsor's obligations to complete construction of the Condominium. Although at the time the Offering Plan is accepted for filing the Sponsor will be financially capable of performing Sponsor's obligations, the subsequent ability of the Sponsor to perform its obligations will depend upon Sponsor's financial condition at that time.

Sponsor makes the representations set forth below with respect to certain obligations under this Plan:

1. Prior to the First Unit Closing, Sponsor will obtain a permanent or temporary Certificate of Occupancy for the Building, or, alternatively, will obtain a temporary Certificate of Occupancy for the Unit that is being closed. If the First Unit Closing occurs prior to the issuance of a permanent Certificate of Occupancy for the Building, Sponsor shall maintain in escrow an amount reasonably necessary to complete the work required to obtain a permanent Certificate of Occupancy, as determined and certified by Sponsor's architect.

2. The Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with its operation and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium whenever such costs or expenses are incurred, or in connection with the sale of all of the Units held or owned by the Sponsor, except as noted in the Section entitled "Closing Costs and Adjustments" in Part I of this Plan, and will pay or have paid, except as otherwise provided in this Plan, all selling expenses of Sponsor, including, but not limited to, advertising and printing costs, architect's fees, attorneys' fees (other than for individual Units), organization costs, brokerage commissions, engineers' fees, appraisal and any surveying fees and costs.

3. The Sponsor will pay all Common Charges from the date of the First Unit Closing, real estate taxes, special Assessments and other expenses allocable to any Units owned by the Sponsor, so long as Sponsor shall continue to own the same. However, where Purchaser has caused an unauthorized delay in closing of title, Sponsor shall be entitled to certain reimbursement of real estate taxes and Common Charges. Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. Sponsor's financial obligations to the Condominium will be funded from sales proceeds and/or its own funds.

4. At or prior to the First Unit Closing, any liens affecting the Units being conveyed shall be satisfied and their appurtenant Common Interest shall be released therefrom by partial release duly recorded.

5. Immediately following the First Unit Closing, Sponsor will assign to the Condominium Board, and the Condominium Board will, on behalf of all Unit Owners, assume, all assignable service and maintenance contracts and agreements relating to the Property. The Condominium will indemnify Sponsor against all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the First Unit Closing occurs.

6. Sponsor shall be responsible for the repair of any damage to a Unit from a casualty or other cause that occurs before the Closing of that Unit.

7. Sponsor shall procure fire and casualty insurance coverage on behalf of the Condominium, at the Condominium's expense, to be effective at the First Unit Closing, in the amount set forth in Note numbered 5 to **Schedule B** in Part I of this Plan, which Schedule sets forth the Projected Budget for First Year of Condominium Operation.

8. In the event of the voluntary dissolution or liquidation of the Sponsor or the transfer of four (4) or more Units in the Condominium, the principals comprising the Sponsor will provide financially responsible entities or individuals who will assume the status and the obligations of the Sponsor for those Unit(s) under the Offering Plan, applicable laws or regulations.

9. Sponsor shall be obligated to defend any suits or proceedings arising out of its acts or omissions, but shall not be obligated to indemnify the Board of Managers or the Unit Owners against any such suits or proceedings.

   Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims (i) as to any Unit arising out of any occurrence taking place on or after the earlier of the closing of title to such Unit or the leasing thereof to, or at the direction of, any Purchaser, or (ii) as to the Common Elements, arising out of any occurrence taking place on or after the date of the recording of the Declaration, except suits, proceedings or claims arising out of acts or omissions of Sponsor or representations made by Sponsor in the Offering Plan. Sponsor shall not be liable for or obligated to defend any suits, proceedings or claims arising out of any occurrence which was prior to the date of the First Unit Closing except suits, proceedings or claims arising out of acts or omissions of Sponsor.

10. Sponsor shall deliver a set of "as-built" plans to the Board of Managers within 180 days of the first Unit closing.

11. At each Unit closing, Sponsor shall assign to the Unit Owner any manufacturer's warranties with respect to equipment and appliances installed in the purchased Unit(s). Any warranties with respect to

equipment and appliances installed in the Common Elements shall be assigned to the Board of Managers.

12. Sponsor shall build and complete the Building substantially in accordance with the building plans and specifications identified in the Plan. However, Sponsor reserves the right to substitute equipment, appliances, or materials of equal or greater quality or design. Sponsor may not change the size, location of buildings or 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 and contract vendees consent in writing to such change.

13. Sponsor shall keep copies of the Plan, Exhibits and documents referred to in the Plan on file at Sponsor's offices for six (6) years from the date the Declaration is recorded.

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

15. During the time the principal of the Sponsor controls the Board of Managers, it is within its sole power to enforce the obligations of the Sponsor pursuant to the Plan and pertaining to the Common Elements. Therefore, Sponsor agrees that during such period it will, in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.

16. Sponsor has secured construction financing with North Forth Bank which Sponsor believes will be sufficient to complete construction of the Building.

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

Each of the obligations of the Sponsor contained in this section shall be enforceable by any Unit Owner as to its Unit or the Board of Managers on behalf of the Unit Owners as to Common Elements. The representations contained in paragraphs 1

through 16 of this Section shall survive delivery of the deed, as stated. All representations under the Plan, all obligations pursuant to the GBL, and such additional obligations under the Plan which are to be performed subsequent to the closing of each Unit, will survive delivery of the deed. Sponsor makes no other representation or warranties except as provided herein. However, nothing herein shall be construed to limit any rights which Purchasers may otherwise have pursuant to Article 23-A of the General Business Law, Part 20 of the Regulations promulgated by the Attorney General, and this Offering Plan.

Warranties

The Sponsor will give a non-assignable Limited Warranty to each Purchaser under this Plan. The Limited Warranty is in lieu of the Housing Merchant Implied Warranty, as defined in Article 36-B of the New York State General Business Law, and excludes all other warranties of merchantability or fitness for a particular purpose in connection with the Project and the construction and sale of the Units therein. Purchasers are advised that Sponsor makes no Housing Merchant Implied Warranty. Sponsor's obligations are expressly set forth in the Limited Warranty and Sponsor makes no other warranties, express or implied, including any warranties of merchantability or fitness for a particular purpose, in connection with the Project and construction and sale of the Units, which extend beyond the face thereof. Under the Limited Warranty, Sponsor's limit of total liability will be ten percent (10%) of the purchase price of each Unit. The Limited Warranty coverage is non-assignable and is limited to the Purchaser who purchases a particular Unit from the Sponsor and is not available to subsequent owners. Specific procedures must be followed for giving notice of a warranty claim to Sponsor. ***Please refer to the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan for further discussion. The Limited Warranty is available for review in Part II of this Plan.***

The Limited Warranty provides coverage, which is summarized as follows. The complete terms of the Limited Warranty are located in Part II of this Plan.

ONE YEAR COVERAGE: For one (1) year from the "Warranty Date" (the date that a Person takes title to a Unit or the date on which any Person begins occupancy of a Unit, whichever is earlier), the Unit will be free from defects due to:

(a) failure of Sponsor to construct the Unit in accordance with the Building Code;

(b) faulty installation of Consumer Products in the Units, as defined in the Limited Warranty.

TWO YEAR COVERAGE: For two (2) years from the Warranty Date, the plumbing, electrical, heating/cooling and ventilation system, of the Unit will be free from defects due to Sponsor's failure to install such systems in the Unit in conformance with the Building Code.

The Sponsor reserves the right to substitute to the Purchaser at closing written warranties of the Sponsor's plumbing, electrical, heating, cooling, or ventilation system sub-contractors, by providing written copies of such warranties to the Purchaser.

SIX YEAR COVERAGE: For six (6) years from the Warranty Date, the Unit will be free of major structural defects due to faulty workmanship or materials.

In no event shall the Sponsor be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building (ii) for defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in stone or porcelain surfaces, bath and kitchen tile grouting, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, (iv) variations in any floor levels, (v) ceiling imperfections, (vi) minor painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing system, heating system and air conditioning system noises, (x) normal floor noises and creaking, (xi) carpet or floor discoloring or stretching, (xii) variations in width, length or tone of wood floor strips, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, (xiii) repair of chips, scratches, mars, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances, or replacement of fluorescent light ballasts, (xv) cracks or variations in tone, finish or color of any stone used in bathrooms or cracks, variations in tone, finish or color of vanity tops or other stone surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, or (xviii) cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone, formica, granite, Corian, and porcelain surfaces, which repair shall be made by filling the stone, formica, granite, or Corian, or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, formica, granite, Corian or porcelain surfaces.

The items and conditions described above are not defects and may be found in any newly constructed building. Purchasers who purchase a Unit in the Building or in any other newly constructed building, may experience some or all of these items and conditions in their Units or in the Common Elements. Sponsor is obligated to complete

construction in accordance with all building codes, plans and specifications. However, Sponsor has no obligation to correct or repair any of such items and conditions and shall not be liable to any purchaser or Condominium Board therefor. If Purchaser or Condominium Board desires to correct or repair any such items or conditions, to the extent they can be corrected or repaired, the Purchaser or Condominium Board will have to proceed at its sole cost and expense and/or any warranties or undertakings assigned to it by Sponsor.

Sponsor will correct any defects in the construction of the Common Elements, or in the installation or operation of any mechanical equipment therein, due to improper workmanship or material substantially at variance with this Offering Plan provided and on condition that Sponsor is notified of or becomes aware of such defect(s) within twelve (12) months from the date of substantial completion of the defective portion(s) of the Common Elements. The quality of construction shall be in conformance with the Building Code and in accordance with the plans and specifications. In no event shall the Sponsor be responsible for the partial or total death of any trees, shrubs, bushes or other landscape improvements; damage to walkways or other concrete areas caused by the application of salt or de-iceing agents; normal settlement cracks on patios, sidewalks, other flat work; patios, sidewalks, basement leaks resulting from acts of God or alteration of landscaping or grading (whether made by the Condominium or a Unit Owner); spilling or flaking of concrete surfaces if ice melting compounds have been used; shading variations of the exterior siding staining (on the face surface or grooves), and shading variations on fascias from staining. The Sponsor has no obligation to make any repair to the Common Elements except as expressly set forth in the Offering Plan. To the extent said coverage applies to the Common Elements, the coverage shall be deemed given to the Board of Managers.

Sponsor's Rights of Access

(a) General

As a condition of sales of Units pursuant to this Plan, Sponsor reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees and tenants, any and all easements and rights of access, in and to Units, Common Elements and Limited Common Elements consistent with the purposes of the Plan and Sponsor's rights and obligations thereunder.

(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, such rights reserved to Sponsor and its designee(s) specifically include the following:

1) The right to maintain any vacant and Unsold Unit(s) as general and sales and leasing office(s) and/or Model Unit(s) and to maintain

personnel at the Property, to post signs, and to conduct other activities connected with promotion, sales or leasing, such as inspection by and display of vacant or leased Units, as well as all Common Elements and Limited Common Elements, to prospective purchasers or lessees;

2) Right of access in and to Units, Common Elements and Limited Common Elements for purposes of repair, refurbishment, correction, alterations, finishing, servicing (including but not limited to garbage collection) and similar work;

3) Right to show vacant or leased Units;

4) Right to obtain unlimited front door keys upon request; and

5) Utility and other easements for the benefit of Unit Owners, Common Elements and Limited Common Elements.

Sponsor, all Sponsor-designees, and any partner of any entity affiliated directly or indirectly with Sponsor shall exercise all rights of access so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners. Sponsor, all Sponsor-designees, and any partner of any entity affiliated directly or indirectly with Sponsor agree to repair damage directly attributable to and caused by Sponsor, all Sponsor-designees or any partner of any entity affiliated directly or indirectly with Sponsor or its agents as a result of exercising such rights of access.

Sponsor's Right to Perform Alterations

Sponsor (and its successors, assigns and designees) shall have the right to alter any Unit, Common Element or Limited Common Element consistent with the terms of this Plan, including, but not limited to, the right to combine two or more Units.

Sponsor's Right to Withhold Units from Sale

All of the Units are being offered and are intended to be sold as Condominium Units in accordance with this Plan at the prices noted in Schedule A. These prices have been established solely by the Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency.

Sponsor will endeavor in good faith to sell in a reasonably timely manner, at least 51% of the Units to purchasers for the personal occupancy of purchasers or their immediate families, and Sponsor may sell up to 49% of the Units to Purchasers for investment or resale. However, in the event that there is a significant decline in market values of at least 20% from the offering prices set forth in the Purchase Agreements counted toward effectiveness, Sponsor reserves the right to rent, rather than sell, all Units until there is an upturn in the market. Notwithstanding the foregoing, the Building Loan

Agreement between Sponsor and Lender provides that Sponsor may not rent any Units without the Lender's consent. Sponsor's good faith efforts to sell to Purchasers will include listing Unsold Units with brokers, showing Unsold Units to brokers and prospective Purchasers or their representatives, filing update amendments to the Plan and otherwise engaging in customary sales activities.

Sponsor's Right to Sell Units to Investors and Enter Into Use and Occupancy Agreements

In accordance with the terms of this Plan, Sponsor has the right to sell up to 49% of the Units to Purchasers for investment or resale. Accordingly, it is possible that certain Unit Owners will not be residents of the Building. Sponsor has further reserved the right to enter into Use and Occupancy Agreements for any Unit prior to Closing of the sale with the Purchaser thereof or with any other party, and residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or the Unit Owners. Individuals leasing Units from Sponsor will not, except as expressly provided in their respective Use and Occupancy Agreements, have any special rights to purchase such Units. In addition, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at closing free and clear of all leases and tenancies except as may otherwise be agreed to in writing by the parties. Sponsor's right to rent or lease any Unsold Unit will not be subject to any right of first refusal in favor of the Condominium Board to lease such Unit from Sponsor on the same terms offered to the prospective tenant or occupant. Sponsor anticipates that the Interim Use and Occupancy Agreement will not be subject to governmental regulation.

Any Use and Occupancy Agreement for a Unit entered into with a Purchaser will provide, among other things, that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit which is the subject of the Use and Occupancy Agreement will constitute a default under the lease entitling Sponsor, at its sole discretion, to terminate such Use and Occupancy Agreement in accordance with applicable law. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any Use and Occupancy Agreement with respect to the Unit which is the subject of the Purchase Agreement will constitute a default under the Purchase Agreement entitling Sponsor, at its sole discretion, to terminate such Purchase Agreement and to exercise any remedies therein provided.

Purchasers or any other persons entering into a Use and Occupancy Agreement for a Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the Use and Occupancy Agreement. All other charges or other fees due under a Use and Occupancy Agreement shall be adjusted as of the Closing of the Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any Use and Occupancy Agreement.

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 are not subject to a right of first refusal of the Board of Managers. Until the first annual meeting of the Condominium, the Board of Managers shall consist of two (2) 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. Sponsor shall relinquish voting control of the Board of Managers upon the earlier of (i) the transfer of title to Units, the percentage Common Interest of which, in the aggregate, equals at least seventy-five (75%) percent, or (ii) five (5) years after the First Unit Closing. 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, 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 Sponsor voting control of the Board.

As long as the Sponsor or any Sponsor-designee shall continue to own at least one (1) Unit, but in no event for a period in excess of five (5) years from the First Unit Closing, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit, or (ii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, if any, except that Sponsor will consent to replacements to the contingency fund and/or capital replacement reserve, if any, 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 5.00% of the budgeted expenses of the Condominium, or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves, if any, 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 Sponsor's or Sponsor-designee's prior written consent, (i) amend the Declaration or the Bylaws so as to in any way adversely affect the Sponsor or its designees, or (ii) interfere with: the offer, sale or leasing of Units at the Property; the operations of general or sales or leasing offices at the Property; or actions necessary for renovation, repair or correction at the Property, as required by 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.

Members of the Board of Managers will serve without compensation. All officers of the Condominium shall also serve without compensation. Sponsor represents that for as long as it or any of its designees are members of the Board of Managers neither it nor

any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

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

Additionally, the Bylaws of the Condominium do not include a provision that, after the 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. Therefore, PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN.

BOARD OF MANAGERS

Under the Bylaws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers. The Board of Managers will initially consist of two (2) persons designated by the Sponsor. Toros Hovivian shall be President and Marianne Hovivian shall be Secretary/Treasurer. Mr. and Mrs Hovivian are the sole members of the Sponsor. From and after the first annual meeting of Unit Owners, which shall be called within 180 days after the First Unit Closing, the Board of Managers will consist of five (5) persons elected by the Unit Owners. The Unit Owners shall hold annual meetings and at each such meeting they shall elect members of the Board of Managers. Each Unit Owner, including the Sponsor or its designee, shall be entitled to cast one vote for each .01% of interest in the Common Elements attributable to his/her Unit(s) (rounded off to nearest .01%) on all matters put to a vote at all meetings of the Unit Owners except that, when voting for the election of members of the Condominium Board, each Unit Owner: (i) shall be entitled to one vote for each .01% of Common Interest attributable to its Unit (rounded off to nearest .01%) per member to be elected, and (ii) shall not have the right to cumulate its votes in favor of any one or more members to be elected. If Units are owned by more than one person or entity as joint tenants, tenants by the entirety or as tenants in common, the persons or entities owning said Unit shall agree among themselves and cast the votes for their Unit.

A majority of the 5-member Board for the period terminating upon the earlier of (i) the transfer of title to Units whose percentage of Common Interest equals, in the aggregate, at least seventy-five percent (75%), or (ii) five (5) years after the First Unit Closing, shall be designated by the Sponsor and or its designee. Accordingly, it is possible that the Sponsor and/or its designee may control the Board for as long as five (5) years after the First Unit Closing.

The Bylaws of the Condominium do not include a provision that, after the 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. Therefore, **PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN.** Further, Unit Owners who are owner-occupants and Unit Owners who are non-residents (including Sponsor) may have inherent conflicts on how the Condominium should be managed because of their differing reasons for purchasing (i.e., purchase of a Unit as a home as opposed to an investment).

The Unit Owners' annual meetings shall be held on or about the anniversary of the date of the first annual meeting. A special meeting of the Unit Owners shall be called by the President of the Condominium as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners having been presented to the Secretary.

Notice of the annual meeting of Unit Owners or of any special meetings of Unit Owners shall be given by the Secretary, as directed by the Board of Managers, to all Unit Owners not less than ten (10) days or more than thirty (30) days before such meeting.

Minutes of all meetings of Unit Owners and of all meetings of the Board of Managers shall be kept by the Board, together with records of all actions taken by the Board and the financial records of the Condominium. The Board shall retain an independent certified public accountant to prepare an annual report of the receipts and expenditures of the Condominium, which report shall be promptly sent to each Unit Owner.

Each of the members of the 5-member Condominium Board will serve until the next regular annual meeting of Unit Owners and until a successor is elected and qualified. Members of the Board of Managers, except for those members elected by the Sponsor, to be eligible for election, must be either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Except for a member of the Board of Managers designated by Sponsor or a Sponsor-designee, members of the Board of Managers may be removed from office, with or without cause, by the affirmative vote of Unit Owners owning, in the aggregate, a percentage of interest in the Common Elements of the Condominium which is at least sixty-six and two-thirds percent (66-2/3rds %) of all of the Common Interests of the Condominium. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee can be removed only for cause by the affirmative vote of Unit Owners (including Sponsor and/or any other Holder of Unsold Units) owning, in the aggregate, a percentage of interest in the Common Elements of the Condominium which is at least sixty-six and two-thirds percent (66-2/3rds %) of all of the Common Interests of the Condominium. In the event of such removal, the Sponsor or Sponsor-designee, as the case may be, shall have the exclusive right to designate a replacement for such removed member of the Board of Managers.

Subsequent to the date on which the Sponsor relinquishes control of the Board and so long as the Sponsor or a Sponsor-designee shall continue to own at least one (1) Unit, Sponsor or Sponsor-designee shall have the right to elect at least one (1) of the five (5) members of the Board.

All members of the Board of Managers shall serve without compensation, and the Sponsor represents that, for as long as it or any of its designees are members of the Board of Managers, neither it nor any of its designees will vote for remuneration for either members of the Board of Managers or officers of the Condominium.

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium, including but not limited to: determination of the Common Charges; adoption of rules and regulations covering the details of the Property; opening of bank accounts; purchasing, leasing or otherwise acquiring Units; selling, leasing or mortgaging of Units owned by the Board of Managers; and generally managing or supervising the Condominium property as provided in the Declaration and the Bylaws. The Common Expenses shall include such amounts as the Board of Managers deems 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 to make up any deficit in the Common Expenses for any prior year. The Board, in its discretion, may delegate such managerial powers as it sees fit to the officers of the Condominium. The Board of

Managers is authorized to employ a Managing Agent for the Condominium on such terms as the Board of Managers may deem proper. See the Section entitled "Management Agreement and Service Contract" in Part I of this Plan for further discussion.

In order to limit the liability of the Unit Owners, the members of the Board of Managers, the Managing Agent, if any, and any officers of the Condominium, any contract or other commitment shall be made by the Board of Managers or the Managing Agent or an officer of the Condominium, as the case may be, only as agent for the Unit Owners. The members of the Board of Managers, the Managing Agent or the officer, as the case may be, shall have no personal liability on any such contract or commitment (except as Unit Owners), and the liability of any Unit Owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners. The Board of Managers and the officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, or otherwise, except for willful misconduct, negligence or bad faith. The Unit Owners shall severally indemnify the members of the Board of Managers and the officers of the Condominium against any liability or claims except those arising out of the bad faith, negligence or willful misconduct of the members of the Board of Managers or the officers of the Condominium, but the liability of any Unit Owner on account of such indemnification shall be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners.

Officers

The principal officers of the Condominium shall be a President, a Vice President, a Secretary and a Treasurer thereof. The Condominium Board may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be desirable. None of the officers of the Condominium Board need be Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Condominium Board after the first annual meeting of Unit Owners. Thereafter, the President and Vice President of the Condominium Board must be members of the Condominium Board. All officers shall serve without compensation from the Condominium.

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

The Vice President shall take the place of the President of the Condominium in his or her absence.

The Secretary shall be empowered to take and keep minutes of all meetings and to keep the books and records of the Condominium.

The Treasurer shall be responsible for the funds of the Condominium and for accurately keeping the financial records and books of the Condominium.

The Board of Managers, in its discretion, shall delegate such powers to the officers as it sees fit to execute agreements, contracts, deeds, leases and checks etc. on behalf of the Condominium.

Severance of Ownership Prohibited

Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed, its undivided interest in the Common Elements, together with its interest in any Unit or Units acquired by the Board of Managers from Unit Owners electing to sell or lease such Unit or at a foreclosure or other judicial sale involving such Unit or Units, in accordance with the provisions of the Bylaws, all of which are interests appurtenant to its Unit.

Right of First Refusal; Units Acquired or Leased by Board of Managers

In administering the right of first refusal granted to the Board of Managers with respect to any sale or lease of a Unit, the Board shall be required to exercise such rights, if at all, within twenty (20) days of its receipt of written notice from a Unit Owner of the Unit Owner's intention to sell or lease the Unit to a bona fide grantee or lessee. Notice of the decision to exercise or waive such right must be given to the Unit Owner within five (5) days after the exercise of such decision and in any event within said twenty (20) day period by certified or registered mail. Failure of the Board to either exercise such right or to give notice of the exercise of such right within the time periods provided above shall constitute a waiver of the right of first refusal.

In the event the Condominium Board does exercise its right of first refusal, the acquisition or lease of the Unit may be made from the working capital and Common Charges, or, if such funds are insufficient, the Condominium Board may assess each Unit Owner, other than the offering Unit Owner, in proportion to each Unit Owner's percentage of Common Interest, or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The Condominium Board may also assess each Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of such Unit. In the event any Units are acquired or leased by the Condominium Board, the title or lease shall be held by the Condominium Board on behalf of all Unit Owners in proportion to their percentage of Common Interest and any sale or lease of such Unit shall be made by the Condominium Board on behalf of all Unit Owners in proportion to their percentage of Common Interests. Such Unit, while owned or leased by the Condominium Board, may be used for any purpose for which it could be used by an individual Unit Owner. In no event, however, may the Board of Managers at any meeting of Unit Owners vote the votes appurtenant thereto.

The foregoing restrictions upon the sale and lease of Units will not apply to Sponsor or its designee with respect to any Unsold Units, or to Units acquired by a Permitted Mortgagee in foreclosure or by deed in lieu of foreclosure, each of which will be free to sell or lease their respective units without first offering to sell or lease to the Condominium Board.

Each Unit Owner, at the Closing of title to his or her Unit, shall be required to execute an instrument in the form of that contained in Part II in the Section entitled "Power of Attorney" in Part II of this Plan designating the Board of Managers and its successors as his/her attorney in fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or their designee, on behalf of all Unit Owners.

Review of Real Estate Tax Assessments

It shall be the responsibility of the individual Unit Owners, at their sole cost and expense, to review the real estate tax assessments of their Units and, if they so desire, to take any steps necessary to review and/or challenge such assessments. Notwithstanding the foregoing, if proceedings are pending for the reduction of real estate taxes on the Land and Building for the tax year in which the First Unit Closing occurs, the Condominium will continue such proceedings with the attorney previously employed by the Sponsor. Sponsor shall have the sole right to negotiate and settle all claims in connection with said proceedings. The cost of such proceedings, including legal fees, and (in the event taxes are reduced) any refund shall be apportioned between the Sponsor and the respective Unit Owners according to the ownership of the Property during respective portions of the tax year. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with the obtaining such refund, shall belong to and be incurred by the Sponsor alone.

Amendments to Condominium Declaration and Bylaws

The Bylaws of the Condominium may be modified or amended by the affirmative vote of Unit Owners owning, in the aggregate, a percentage of interest in the Common Elements of the Condominium which is at least sixty-six and two-thirds percent (66-2/3rds %) of all of the Common Interests of the Condominium. However, for as long as Sponsor or its designee owns title to one or more Units, neither the Rules and Regulations of the Condominium nor the Bylaws may be amended in a manner which would adversely affect the Sponsor or its designee in any way, in Sponsor's sole discretion, unless the Sponsor or its designee gives its written consent to such an amendment. Additionally, (i) no such amendment shall adversely affect the lien of any mortgage without the written consent of the mortgagee; (ii) no such amendment may change the percentage of Common Interests allocated to any Unit or Units without the written consent of such Unit Owner; (iii) no such amendment shall increase the percentage of Common Interests allocated to any Unit or Units without the written consent of the mortgagee(s) of such Unit, or Units, if any.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

Sale and Lease of Units

Each Unit Owner, other than Sponsor or its designee with respect to any Unsold Units, may sell or lease his or her Unit, but only after the owner first gives the Condominium Board written notice, otherwise referred to herein as a right of first refusal, of his or her intention to do so, accompanied by the terms of the offer as set forth in Article 8 of the Bylaws. The Condominium Board, on behalf of all Unit Owners, will have the exclusive right to elect, within twenty (20) days after receipt of the notice of sale, to purchase the Unit, or to elect, within twenty (20) days after receipt of the notice of lease, to lease the Unit, on the same terms set forth in the offer, as more specifically set forth in Article 8 of the Bylaws. Notice of the decision to exercise or waive such right must be given to the Unit Owner within five (5) days after the exercise of such decision and in any event within said twenty (20) day period by certified or registered mail. If the Condominium Board does not notify the Unit Owner of its election to purchase or lease the Unit within the aforementioned time periods, the Unit Owner will have thirty (30) days after the expiration of the twenty (20) day period to contract to sell the Unit or lease the Unit in accordance with the terms stated in the offer to the Condominium Board. After the expiration of the thirty (30) day period, the Unit Owner will again be required to first offer the Unit to the Condominium Board as provided above.

In the event the Condominium Board does exercise its right of first refusal, the acquisition or lease of the Unit may be made from the working capital and Common Charges or, if such funds are insufficient, the Condominium Board may assess each Unit Owner, other than the offering Unit Owner, in proportion to each Unit Owner's percentage of Common Interest for any funds so borrowed for the Unit to be acquired. The Condominium Board may also assess each Unit Owner, as provided above, for the cost of paying the Common Charges or rent and the maintenance of such Unit. In the event any Units are acquired or leased by the Condominium Board the title or lease shall be held by the Condominium Board on behalf of all Unit Owners in proportion to their percentage of Common Interest and any sale or lease of such Unit shall be made by the Condominium Board on behalf of all Unit Owners in proportion to their percentage of Common Interests. Such Unit, while owned or leased by the Condominium Board, may be used for any purpose for which it could be used by an individual Unit Owner. However, any lease of a Unit by the Condominium Board will be subject to the reasonable approval by the Unit Owner. In no event may the Condominium Board at any meeting of Unit Owners vote the votes appurtenant thereto.

Each Unit Owner, at the closing of title to his or her Unit, shall be required to execute an instrument in the form of that contained in the Section entitled "Power of Attorney" in Part II of the Plan, designating the Board of Managers and their successors, as his or her attorneys in fact, coupled with an interest, for the purpose of selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or their designee, on behalf of all

Unit Owners. The Power of Attorney also grants Sponsor the right to amend the Declaration with respect to Unsold Units.

The foregoing restrictions upon the sale and lease of Units will not apply to Sponsor or its designee with respect to any Unsold Units, or to Units acquired by a Permitted Mortgagee in foreclosure or by deed in lieu of foreclosure, each of which will be free to sell or lease their respective units without first offering to sell or lease to the Condominium Board.

Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, the Unit Owner's: (i) Common Interest; (ii) undivided interest in any Unit or Units acquired by the Condominium Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and (iii) undivided interest in any other assets of the Condominium. In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit, other than mortgages placed on such Unit in compliance with the Bylaws, are paid and satisfied at or prior to closing. At the time of acquisition of a Unit, and as a condition thereof, the new Unit Owner will be required to execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Condominium Board, in the form set forth in Part II of this Plan.

The lease for any Unit (other than Unsold Units) will be in substantially the form of lease printed by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Condominium Board.

A Unit Owner may, without restriction, make a gift of his or her Unit to anyone during his or her lifetime, to devise such Unit by will or to pass same by intestacy.

The Condominium Board may not discriminate against any person for a reason proscribed by the laws of the State of New York.

Mortgaging of Units

Each Unit Owner, after notice to the Board, is free to mortgage his or her Unit to a "Permitted Mortgagee," provided that prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearages for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens affecting the Unit, other than Permitted Mortgages.

Determination of and Liens for Nonpayment of Common Charges

Each Unit Owner shall have an obligation to pay Common Charges and assessments with respect to other expenses of the Condominium when due. Common Charges for each Unit shall be determined by multiplying that Unit's percentage of Common Interest by the total annual net expenses incurred or anticipated to be incurred for those items listed in Schedule B herein, together with the expense of any special repairs, major capital improvements or other expenses deemed by the Board of Managers

to be a part of the Common Expenses and to be paid as Common Charges, all in accordance with Article 6 of the Bylaws of the Condominium. Common Charges will be established on an annual basis and be paid in equal monthly installments, due and payable on the first day of each month. The Board of Managers may, in accordance with Article 6 of the Bylaws, impose special Assessments as it deems necessary, to meet unanticipated or extraordinary expenses, including, but not limited to, expenses incurred for major capital improvements. The special assessment to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest.

Under the provisions of Sections 339-z and 339-aa of the Real Property Law of the State of New York, the Board of Managers on behalf of the Unit Owners will have a lien on each Unit, including Unsold Units owned by Sponsor, for unpaid Common Charges assessed by the Board of Managers. Such lien will be subordinate only to liens for real estate taxes on the Unit and to any sums unpaid on a first mortgage of record thereon. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of notice thereof in the Office of the Register of the City of New York, Kings County, and until all sums secured thereby with the interest thereon shall have been fully paid or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever may be earlier. Such lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Board of Managers to recover the unpaid Common Charges without foreclosing the lien.

Upon the failure of a Unit Owner to pay Common Charges for the Unit within sixty (60) days of the same becoming due and payable, the Board of Managers shall have the right to place a lien against the Unit Owner's Unit, including Unsold Units owned by Sponsor, for the unpaid Common Charges as set forth above. Failure of the Board of Managers to place such a lien shall not constitute a waiver of the right to do so at a later date or with respect to a subsequent failure to pay within the designated time.

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a sale, transfer, or other conveyance made by him or her of his or her Unit, with appurtenant Common Elements, in accordance with the Declaration and the Bylaws.

All Unit Owners shall be required to comply with the Declaration, the Bylaws, the Rules and Regulations of the Condominium, and with any other requirements duly imposed by the Board of Managers pursuant to the authority granted to them. The Board of Managers shall have the power to impose appropriate sanctions where a Unit Owner is in default. Such sanctions include placing a lien against the Unit Owner's Unit, instituting foreclosure proceedings and filing suit against a Unit Owner.

Repairs

All maintenance of and repairs to any Unit, including but not limited to electrical (except General Common Elements) and plumbing (except General Common Elements), as well as the washing of exterior windows shall be at the Unit Owner's expense, excepting as otherwise specifically provided in the Bylaws.

All maintenance, repairs and replacements to the General Common Elements (as defined in the Declaration) shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, excepting 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 General Common Elements or Limited Common Elements (as defined in the Declaration) will be performed by the Condominium Board as a Common Expense unless such maintenance, repair or replacement is necessitated as a result of a Unit Owner's negligence, misuse or neglect, in which case such Unit Owner shall be responsible for the all costs thereof.

The violation of any rule or regulation adopted by the Board of Managers, or the breach of any Bylaw, 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 the Bylaws: (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 of the Bylaws (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.

Additions, Alterations and Improvements

Sponsor or its designee may make nonstructural alterations in any Unit owned by it or with respect to any Limited Common Element for which it has exclusive use without prior consent of the Board of Managers. A nonstructural alteration to a Unit that does not affect the exterior of the Building or the value of other Units may be made by any Unit Owner without consent of the Board of Managers. No Unit Owner, other than the Sponsor, or its designee, as a holder of Unsold Units may make a structural alteration in its Unit or with respect to any Limited Common Element for which it has exclusive use or which affects the exterior of the Building or the value of other Units without the prior written approval of the Board of Managers. The Sponsor or its designee need no such consent for any of its Units. Any approval, if granted, shall provide that such alteration 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 for 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 addition in any event, and to the Unit and any Common Elements where such repairs become necessary due to additional stresses caused by the structural alteration or due to improper design or construction of the structural alteration. 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 in connection with any services provided to such alteration. 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 the request by a Unit Owner for approval of a structural alteration.

Finally, any approval, if granted, shall be subject to regulation by the Condominium as to any one or more of the following aspects of construction:

1. time periods during which work is permitted;

2. the manner in which construction debris will be handled;

3. measures which must be taken to prevent compromising security of the Building during construction;

4. the interruption of services during construction; and

5. liability insurance for contractors during construction.

The Board of Managers and/or the Managing Agent shall have a right of access to any Unit for the purpose of inspection, making any repairs or replacements to any of the General Common Elements or Limited Common Elements contained in such Unit or elsewhere in the Building, remedying any condition which would result in damage to any other Unit or to the General Common Elements or Limited Common Elements, or 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 Bylaws.

Certain structures cannot be built as of right with respect to the City of New York Building Code and require a variance from the City Board of Standards and Appeals. If the Board of Managers does not consent to the proposed alteration, an application for a variance is moot, since the Board of Managers would not permit the proposed alteration in any event.

If a Unit Owner does not need the consent of the Condominium for such alteration, but a variance is needed, such a variance may be denied if it is opposed by the Board of Managers at the Condominium. Structures that increase the size of the Building require a variance. These structures include: additional floors, additions to the rear of the Building above the cellar level, additional penthouses, roof mezzanines, greenhouses and gazebos.

Subject to the Bylaws and the Rules and Regulations of the Condominium, which, among other requirements, assigns responsibility for negligence, misuse or neglect, a Unit Owner who has an exclusive terrace area may install plantings and furniture on it.

Insurance

The Board of Managers shall be required to obtain and maintain the following insurance: fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units, including all of the Units and all fixtures installed therein by the Sponsor and any property customary to the servicing and general occupancy, (but not including furniture, furnishings, equipment or other personal property supplied or installed by Unit Owners), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interest may appear, in an aggregate amount to be determined by the Board of Managers but in no event to be less than eighty percent (80%) 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. Sponsor believes, but does not guarantee, that the terms of the proposed insurance policy, set forth in Note 8 of **Schedule B** herein, provides for coverage sufficient to cover the full replacement cost of the Building.

The Board of Managers shall have the right to select an "Insurance Trustee" (as such term is defined in the Bylaws of the Condominium). All such policies shall provide that adjustment of loss, if over $1,000,000.00, shall be made by the Board of Managers with approval of the Insurance Trustee, if any. Additionally, the net proceeds of such adjustment, if $1,000,000.00 or less, shall be payable to the Board of Managers, and if more than $1,000,000.00 shall be payable to the Insurance Trustee, if any, to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners. At the First Unit Closing, the fire insurance coverage of the Building shall be for replacement cost. Said coverage shall be maintained while Sponsor is in control of the Board of Managers.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners, and shall provide that each Unit Owner is an additional insured party and that such policies may not be canceled or substantially modified without at least ten (10) days

prior written notice to all of the insured, including all mortgagees of Units. The standard mortgagee loss payable clause shall be attached to all policies.

The cost of all such insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense.

The Board of Managers shall also obtain and maintain to the extent obtainable: (1) worker's compensation insurance for Condominium employees, if any; (2) public liability insurance covering each member of the Board of Managers and each Unit Owner in such limits as the Board of Managers may deem proper, and covering all claims for bodily injury or property damage arising out of any occurrence in the Common Elements or the Units, except that such policy will not cover liability of a Unit Owner arising from occurrences within his own Unit. The Board of Managers shall review such limits once each year. The public liability insurance 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.

If, by reason of the occupancy or use of any particular 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.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies contain waivers of subrogation, and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

In the event of a fire or other casualty in which more than eighty percent (80%) of the Building is destroyed or substantially damaged, repairs and/or restoration will be made if Unit Owners whose percentage of Common Interest, in the aggregate, is at least eighty per cent (80%) of the Total Common Interest, affirmatively vote for such a course of action. If no such affirmative vote is given then the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor.

Use of Units

The Units may be used only for private residences. However, a Unit Owner may use his or her 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. Such Units may also be used as professional offices by a resident thereof, provided such professional use does not violate any zoning law and ordinances and provided further that the prior written consent of the Board of Managers to such

professional use is obtained. No illuminated or other sign may be used in connection with the aforementioned use.

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, its 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 Units, and the 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, but in no event will any such sign be larger than one (1') foot by two (2') feet. Additionally, the right is reserved by Sponsor and its designee to maintain and staff one or more vacant and Unsold Units in the Building as a sales office and/or model Unit. Sponsor and its designee shall have the right to place "For Sale", "For Rent", or "For Lease" signs or similar signs on or in the vicinity of the Building or on the facade of the Building without regard to size. Sponsor or its designee shall be responsible for installing and removing such signs.

There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, stairways, or fire towers of the Building, except in any recreational areas, if any, or other areas designated as such in the Declaration or by the Condominium Board.

Except as elsewhere provided, no exterior of any Unit or the windows, doors or terrace thereof, or any portion of the Limited Common Elements or Common Elements may be painted or decorated by any Owner in any manner without prior written consent of the Condominium Board.

No furniture, equipment, or other personal articles shall be placed in entrances, hallways, stairways, or other Common Elements.

No Unit Owner shall make or permit any noise 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.

Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows of a Unit, any dirt or other substances. In addition, where applicable, each Unit Owner shall keep his or her terrace, if any, free of debris.

Except as otherwise provided above, 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.

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 a Unit or adjoining Common Element except such as shall have been approved in writing by the Condominium Board, nor shall anything be projected out of any window of the Building without similar approval.

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. Unit Owners shall be responsible for complying with all applicable recycling laws pertaining thereto.

No clothes, sheets, blankets, laundry, or other articles of any kind shall be hung on or out of a Unit, including any terrace, deck or balcony forming a part thereof, or its appurtenant Limited Common Elements.

Water closets and other water apparatus in the Building shall not be used for any purposes other than those for which they were constructed; nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damage resulting from misuse of any water closet or other apparatus shall be paid for by the Unit Owner causing such damage.

No Unit Owner shall engage any employee of the Condominium for any private business of the Unit Owner without prior written consent of the Condominium Board.

No pets other than dogs, caged birds, cats and tropical fish (which do not cause a nuisance, health hazard or unsanitary condition) shall be kept or harbored in any Unit unless the same in each instance be expressly permitted in writing by the Condominium Board. Any such consent, if given, shall be revocable at any time by the Condominium Board. In no event shall any Unit Owner maintain more than two (2) pets (other than tropical fish) in a Unit without the consent of the Condominium Board and in no event shall any animal 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 having any animal in the Building. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building or on the sidewalk or street adjacent to the Building.

No radio or television aerial or dish shall be attached to or hung from the exterior of the Building without written approval of the Board of Managers.

The agents of the Board of Managers, and any contractor or workman authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted

under the terms of the Declaration, the Bylaws, or the Rules and Regulations of the Condominium.

The Board of Managers or the Managing Agent may retain a passkey to each 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 the Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the Bylaws, 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).

If any key or keys are entrusted by a Unit Owner, by any family member thereof, or by his agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board of Managers nor the Managing Agent shall (except as provided above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

No Unit Owner or any visitor, guest, patient, employee or any client of a Unit Owner shall be allowed in the heating, electrical or mechanical equipment areas without the express permission of the Board of Managers.

All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.

No Unit Owner shall interfere in any manner with any portion of the heating or lighting apparatus which are part of the Common Elements and not part of the Unit Owner's Unit.

Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance of 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, that 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 inflammable, 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.

The Unit Owners shall not be allowed to put their names on any entry to the Building or entrance to any Unit, except in the proper places approved by the Board of Managers for such purposes.

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.

Complaints regarding the management of the Building and grounds or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or owners for 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.

Certain parts of the Common Elements are intended for use for the purpose of affording pedestrian movement within the Condominium and for providing access to the Units. No part of the Common Elements shall be obstructed as to interfere with its use for the purposes hereinabove recited; nor shall any part of the Common Elements be used for general storage purposes, except maintenance storage or where specifically designated as such; nor shall anything be done thereon in any manner which shall increase the rate of hazard and liability insurance covering said area and improvements situated thereon.

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.

Smoke and carbon monoxide detectors must be installed in every Unit as required by New York City Building Code and such detectors shall be installed by Sponsor. It is the obligation of the Unit Owner to maintain the alarms and to make certain the units are in working order at all times.

Each Unit Owner shall notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall install at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without full knowledge of the Managing Agent.

The cost of maintenance and repair of the sidewalks, and adjacent curbs, including keeping them free from snow, ice, dirt and rubbish, shall be the responsibility of the Condominium.

No group tour or exhibition of any part of a Unit or its contents shall be conducted nor shall any auction sale be held in any part of a Unit, without the consent of the Board of Managers or the Managing Agent in each instance.

Plantings on any terrace shall be contained in boxes of wood, lined with metal or other materials impervious to dampness and standing on supports at least two inches from the terrace or balcony surface, and, if adjoining a wall, at least three inches from such wall. Suitable weep holes shall be provided in the boxes to draw off water. In special locations, such as a corner abutting a parapet wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the parapet and flashing, with the floor of drainage tiles and suitable weep holes at the sides to draw off water. Such masonry planting beds shall not, however, rest directly upon the surface of such terrace or balcony, but shall stand on supports at least two inches above such surface. It shall be the responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Such Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings.

Any consent or approval given under the Rules and Regulations of the Condominium may be amended, modified, added to, or repealed at any time by resolution of the Board of Managers. Further, any such consent or approval may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature.

The Rules and Regulations of the Condominium are set forth in Part II of this Offering Plan as an addendum to the Bylaws. The Rules and Regulations govern the use of the Units and Common Elements and may be amended from time to time by the Board. However, no amendment of the Rules and Regulations shall be applicable to any Unsold Unit, unless agreed to by Sponsor or the Sponsor-designee.

Real Property Law §339-kk

Subsection kk to Section 339 of the Real Property Law ("RPL"), a copy of which is set forth in Part II of the Plan, was enacted into law July 22, 1998. RPL §339-kk is intended to provide additional financial protection for a condominium association if a sponsor or other non-occupant owner fails to make monthly payments for common charges, assessments and late fees due in connection with such owner's condominium unit(s).

RPL §339-kk provides, by its terms, among other things, that with respect to unsold units of a condominium owned by a sponsor or by any other non-occupant owner and occupied by a tenant:

(a) If payment of common charges, assessments or late fees by any non-occupant condominium unit owner is more than sixty (60) days late after the expiration of any grace period within which they are due, payments from a tenant of such condominium unit may become directly payable to the condominium upon written notice by the condominium to the tenant and the non-occupant condominium unit owner. Where a majority of the condominium board has been elected by condominium unit owners who are in occupancy of their respective condominium units, the condominium board may elect not to require that the rental payments be paid to the condominium. Once the common charges, assessments and late fees of the non-occupant condominium unit owner have been brought current, the condominium board must notify the non-occupant condominium unit owner and the tenant within three (3) business days and thereafter the rent will be payable to the non-occupant condominium unit owner or a designated agent.

(b) Payment by a tenant of rent or the amount required pursuant to the tenant's lease or statutory tenancy to the Condominium pursuant to the RPL §339-kk, relieves the tenant from the obligation to pay rent to the non-occupying condominium unit owner.

(c) Any rights existing under any other laws are not limited by RPL §339-kk.

(d) A non-occupant condominium unit owner who disputes the condominium's claim to rental payments is entitled to present facts supporting such owner's position at the next scheduled meeting of the condominium board, which must be held within thirty (30) days after receipt of notice that the non-occupant condominium unit owner seeks to dispute the condominium's claim.

Sponsor makes no representation or guarantee that any Unit Owner (other than Sponsor), any tenant, or the Condominium, will in fact comply with RPL §339-kk, and Sponsor shall have no liability for their failure to do so.

RPL §339-kk does not address a number of issues. Accordingly, Sponsor makes no representation as to (i) RPL §339-kk's effect on the lien priority of a loan heretofore or hereafter made to a non-occupant Unit Owner and secured by the Unit, or whether RPL §339-kk's enactment or compliance therewith by a tenant constitutes a default by the Unit Owner under said loan, (ii) RPL §339-kk's effect on assignments of leases and rents given by a non-occupant Unit Owner to a mortgagee in connection with purchase-money financing or otherwise, (iii) the Condominium's remedies if a tenant fails or refuses to make rental payments to the Condominium Board after notice from the Condominium Board (in accordance with RPL §339-kk) to do so, (iv) the consequence of the Condominium Board's failure to give notice to a tenant, or (v) who is responsible for designating an agent to whom rental payments are to be made after the non-occupant Unit Owner is brought current in payment of common charges, assessments and late fees.

Finally, no representation is made about the tax effects of RPL §339-kk.

All prospective Purchasers should review RPL §339-kk to determine its effect on their own situation.

REAL ESTATE TAXES

After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes, and each Unit Owner will not be responsible for the payment of, nor will that Unit Owner's Unit be subjected to, any lien arising from the non-payment of taxes on other Units.

After the First Unit Closing and until the Units are separately assessed, each Unit Owner will pay to the Condominium Board a share of the Property's real estate taxes for the period in question allocated to his/her Unit on the basis of the percentage of Common Interest allocated thereto as set forth in Schedule A. The Condominium Board will pay such real estate taxes timely to the Department of Finance of The City of New York, or directly to Sponsor if Sponsor has paid such taxes, so that no lien will be placed on the Property or any Unit. If Sponsor fails to pay real estate taxes attributable to any Unsold Unit in a timely manner and as a result of such failure a lien is placed on the Property and/or any other Unit, Sponsor will immediately cause such lien to be removed at its sole cost and expense. If Unit Owners fail to pay their pro rata share of real estate taxes as set forth above, the Condominium Board will be entitled to assess late charges and/or place a lien on their Units as if such unpaid share were Common Charges. See "Rights and Obligations of the Unit Owners" above for further discussion. A Unit Owner will not be responsible for the payment of, and will not be subject to any lien arising from the nonpayment of real estate taxes assessed against any other Units. At such time as a Unit is separately assessed and separate tax bills are issued, the Unit Owner will pay such taxes directly to the taxing authority.

Upon completion, the subject property will be classified for New York City real estate tax purposes as a Class II (residential) property. Based upon a letter from Sponsor's tax expert, Metropolitan Valuation Services (the "Tax Expert"), 444 Park Avenue South, Suite 402, New York, New York 10016 dated January 26, 2007, a copy of which is included in Part II of this Plan, the total post-construction assessed value ("AV") for the Property, which is identified as Block 2344, Lot 5 on the Tax Map for the City of New York, Kings County, for the tax year commencing July 1, 2008 and ending June 30, 2009 is $2,227,555. The Tax Expert has assumed that the 2006/07 Class II tax rate of $12.737 per $100 of AV will increase by 2% annually to $13.252 per $100 of AV for the 2008/09 tax year. This assumption is based upon the Tax Expert's analysis of Real Estate Tax Rates in New York City during the past several years. Therefore, the real estate taxes for the entire Building for the 2008/09 tax year, **without 421-a Benefits** (as hereinafter defined) are estimated to be $295,195.59.

The Tax Expert has determined the portion of the projected tax liability for the entire Building attributable to each Unit based upon each Unit's respective Common Interest percentage as set forth in Schedule A of this Plan. The following is an excerpt from the Tax Expert's letter:

> "It has been the practice of the Real Property Assessment Department of the City of New York to review the assessed valuation of newly

> constructed buildings for condominium use. While there is a formula, which has been utilized by the Real Property Assessment Department in reassessing such properties in the past, it has not been employed consistently, and it is therefore not possible to estimate or determine the post-completion assessed valuation of this property with any degree of certainty. However, the estimates presented [herein] are based upon current policies and practices of that department."

Based upon the foregoing, the Sponsor has estimated real estate taxes for the individual Units based upon the percentage of Common Interest allocated to each Unit as set forth on Schedule A. Notwithstanding the foregoing, the tax assessment may be allocated to each Unit on a basis that differs from the allocation of Common Interests.

The First Unit Closing is expected to occur on or about January 1, 2008 at which time the Building may only have an interim AV. Real property taxes are payable semi-annually, the first half on July 1 and the second half on January 1. Therefore, taxes payable during the first year of Condominium operation, January 1, 2008 through December 31, 2008 will be comprised of the tax due for the second half of the 2007/08 tax year and the first half of the 2008/09 tax year. However, it is expected that the Building will not be fully assessed until the 2008/09 tax year, at which time the post-construction AV for the entire premises would be established by the assessor. As a result, the Tax Expert has selected the 2008/09 fiscal tax year for its post-completion analysis and the tax projections set forth in Schedule A for the first year of Condominium operation are based upon the Tax Expert's analysis for the 2008/09 tax year. If taxes for the 2007/08 tax year are based upon an interim AV, it is expected that the actual taxes payable during the first year of Condominium Ownership will be lower. In the event that completion of construction is delayed, it is possible that the actual assessed valuation for the 2008/09 tax year may be lower than estimated herein.

SPONSOR MAKES NO REPRESENTATION THAT THE AV OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL NOT BE CHANGED. PURCHASERS ARE ADVISED THAT THERE IS NO REPRESENTATION, GUARANTEE OR WARRANTY (I) AS TO THE AV OF THE UNITS OR THE TAX RATE DURING THE FIRST YEAR OF CONDOMINIUM OPERATION OR THEREAFTER; OR (II) AS TO THE TAX RATE DURING THE FIRST YEAR OF CONDOMINIUM OPERATION.

No tax certiorari proceedings are pending with respect to the Property. Section 6.14.4 of the By-laws provides that in the event any Unit Owner individually seeks to have the AV of its Unit reduced by bringing a separate certiorari proceeding, the Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing, such reduction, provided that such Unit Owner indemnifies the Board from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

421-a Benefits

Sponsor has applied to the New York City Department of Housing Preservation and Development ("HPD") for real estate tax benefits pursuant to Section 421-a of the Real Property Tax Law ("421-a Benefits") and has received a preliminary certificate of eligibility for partial tax exemption (the "PCE"). Based upon the PCE, the Sponsor expects that the Building is eligible for 421-a Benefits.

Based upon the PCE, the Building will be exempt from real property taxes due to increases in the AV attributable to the construction. Prior to completion of the construction, the Building is exempt from increases in the AV attributable to the construction for up to three (3) years. Immediately following the completion of construction on the first taxable status date the Building will be exempt from all or a portion of real property taxes, other than assessments for local improvements, for a period of fifteen (15) consecutive years. A copy of the PCE follows this page.

The Section 421-a program also provides that the Property will be eligible for a fifteen (15) year tax exemption on any increase in the assessed value of the Property commencing on July 1 following the Taxable Status Date (January 5) after receipt of a Temporary or Permanent Certificate of Occupancy. The exemption schedule is as follows:

Years 1-11:	100% exemption;
Year 12:	80% exemption;
Year 13:	60% exemption;
Year 14:	40% exemption;
Year 15:	20% exemption;
Year 16 and after:	no exemption.

Based upon the letter of the Tax Expert, the prior AV is the lower of the actual or transitional AV of the land and building (if any) during the tax year prior to the commencement of construction. As construction commenced in the New York City 2006/07 fiscal year, the tax for the 2008/09 tax year **with 421-a Benefits** will be based on the AV of the Property during the New York City 2005/06 fiscal year of $339,158. As noted above, the Tax Expert has projected a 2008/09 tax rate of $13.252 per $100 of AV. Therefore, the real estate taxes for the entire Building for the 2008/09 tax year, **with 421-a Benefits** (as hereinafter defined) are estimated to be $44,945.22. Taxes based on the prior AV may be higher or lower depending on the tax rate then in effect.

As noted above, the Tax Expert has determined the portion of the projected tax liability for the entire Building attributable to each Unit based upon each Unit's respective Common Interest percentage as set forth in Schedule A of this Plan.

The Sponsor will keep all records required by HPD to obtain 421-a Benefits and will make said records available to HPD whenever reasonably requested to do so.

Sponsor will make all 421-a Benefit documents available to the Condominium upon request, for inspection and copying for the duration of the 421-a Benefits. Prospective Purchasers are advised that HPD routinely conducts audits, which can result in the reduction or revocation of 421-a Benefits if proper documentation is not provided.

Sponsor hereby agrees that:

1. After the First Unit Closing, Sponsor will make all tax benefit documents relative to the 421-a Benefits available to the Board of Managers for inspection and copying for the life of the benefits; and

2. Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the 421-a Benefits.

Notwithstanding anything above or in the 421-a Opinion Letter to the contrary, although Sponsor will use best efforts to obtain 421-a Benefits, Sponsor makes no representation or warranty that the Building will receive 421-a Benefits, and no representation or warranty as to the date such benefits will take effect if they are received.

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
SHAUN DONOVAN, Commissioner
421-a Partial Tax Exemption Program
Office of Development-Division of Housing Incentives
100 GOLD STREET, NEW YORK, N.Y. 10038
(212) 863-5421

Preliminary Certificate of Eligibility

Docket #: TEO7471

Owner: 150 NORTH FIFTH STREET, LLC

Owner Address: 169 WYTHE AVENUE, SUITE 102
BROOKLYN, NY - 11211

Address	Borough	Block	Lot	Permit Date	Construction Start Date
150 North 5 Street	Brooklyn	02344	0005	06/22/2006	06/22/2006

Total Number of Units: 31
Preliminary Initial Adjusted Monthly Rent Per Room: Condo
Ineligible AFA: 0.00%

Comments: NONE

This Certificate is for construction benefits only. Upon issuance of a Final Certificate of Eligibility, this project will be entitled to: 15 Year Tax Exemption

Based upon the information contained in the Application for Preliminary Certificate of Eligibility for Partial Tax Exemption filed 02/09/2007 and a determination by the Commissioner, the applicant, pursuant to Section 421-a of the Real Property Tax law and the 421-a Rules of the Department of Housing Preservation and Development issued pursuant thereto, is hereby granted this Preliminary Certificate of Eligibility for Partial Tax Exemption for the above premises, except as to those portions of the new building, if any, which are non-residential and which exceed the allowable 12% of Commercial, Community Facility and Accessory Use Space.

This Certificate is conditioned upon the filing and approval of a Final Application to be submitted to the Department of Housing Preservation prior to initial occupancy (for multiple dwellings owned as a rental), and prior to the first taxable status date following the completion of construction (for multiple dwellings owned as a co-op or condo), and the submission of the temporary or permanent certificate of occupancy issued by the Department of Building as evidence of the fact that the structure was completed. It entitles the property to benefits while under construction for up to three years. It is the applicant's responsibility to complete the necessary filing in order to obtain a Final Certificate of Eligibility. This Certificate must be filed with the New York City Department of Finance immediately upon issuance.

Date of Issuance: MAY 15 2007

LISA S. J. YEE
Director, Tax Incentive Programs

MAY 15 2007

[Rep Id:486]

86

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

A Unit Owner will own his or her Unit and its appurtenant Common Elements in fee simple absolute and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Unit Owner owns his or her Unit in fee simple absolute, he or she may mortgage his or her Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

As fully set forth in the tax opinion of Seiden & Schein, P.C. counsel to the Sponsor, found in Part I of this Plan (the "Tax Opinion"), under present law, a Unit Owner will, for Federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid or accrued under Sections 163 and 164 of the Internal Revenue Code of 1986 (as amended, the "Code"). These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Tax Opinion. These deductions may also affect an individual Unit Owner's liability for the alternative minimum Federal income tax. Each individual Unit Owner will, 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. Such deductions may also affect his or her New York City minimum tax liability.

Once the Building is converted to condominium ownership, the affairs of the Condominium will be governed by a Condominium Board. Common Charges will be borne by all Unit Owners and assessed and collected by the Condominium Board. Under present law, the exact tax status of the Condominium Board is uncertain and no opinion has been rendered with respect to it. The Federal income tax consequences to the Condominium Board with respect to the receipt of the Common Charges and of the expenditure of Condominium funds will depend on whether the Condominium Board:

(i) is treated as a conduit,

(ii) qualifies and elects to be taxed under Section 528, or

(iii) is treated as a corporation.

If the Condominium Board is treated as a conduit, it will not be subject to tax. Rather, items of income, expenses, credits and deductions will be attributed to each Unit Owner in proportion to his Common Charges. Thus, for example, interest earned on funds reported by the Condominium Board would be taxed to the Unit Owners. There appear to be no judicial precedents directly supporting such treatment, and the position of the Internal Revenue Service (the "Service"), which is described more fully below, appears to be that a condominium management association is an association taxable as a corporation.

If it satisfies the requirements of Section 528, the Condominium Board may elect to be exempt from Federal income tax on the Common Charges. Generally, those requirements are:

(a) The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance, and care of association property;

(b) Sixty percent or more of the gross income of the condominium management association must consist of assessments from residential unit owners ("Exempt Function Income");

(c) Ninety percent of the expenditures of the condominium management association must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;

(d) No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the condominium management association's property or by rebates of excess assessments; and

(e) Substantially all of the units must be used as residences.

Under the Treasury regulations issued pursuant to Section 528, a condominium management association must qualify annually for the election under Section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of Section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue. It appears that the aforementioned requirements will be met for a Section 528 election for at least the first year of operation.

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

If the Condominium Board either cannot qualify or chooses not to elect the benefits of Section 528, certain published rulings of the Service implicitly state that a condominium management association will be treated as an association taxable as a corporation. Consequently, unless a valid election pursuant to Section 528 has been made, it appears that the Condominium Board would be taxable on that portion of the Common Charges which exceeds the deductible expenses paid or incurred by the Condominium Board for the operation of the Condominium property. The Condominium

would also be taxable on income derived from the interim investment of the Common Charges, on income from nonresidential leases of Common Elements, and on income from the operation of facilities that are available to outsiders, net of deductible expenses related to the production of such income.

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

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

If Section 528 is not applicable, moreover, the Service has noted that a condominium management association may be eligible for the tax treatment afforded to certain cooperatives under Subchapter T of the Code. However, there is very little guidance with respect to the applicability of these provisions to an association managing residential condominium units since generally only farming cooperatives avail themselves of these provisions.

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

The foregoing summary is for informational purposes only and Sponsor's counsel expresses no opinion with respect to the likelihood of which method of taxation will be applied to the Condominium.

EACH PURCHASER SHOULD CONSULT HIS OR HER OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF THE PLAN AND OF THE PURCHASE OF A UNIT.

SEIDEN & SCHEIN, P.C.

ATTORNEYS AT LAW

JAY G. SEIDEN
ALVIN SCHEIN

CHRISTOPHER A. NICOSIA
ADAM A. LEVENSON
DANIEL M. BERNSTEIN
BROOKE U. WALKER
MICHELLE S. SCHURGIN
ELENA BAIER

570 Lexington Avenue
New York, New York 10022

Telephone: (212) 935-1400
Facsimile: (212) 593-4545
web: www.seidenschein.com

OF COUNSEL:

DAVID F. YAHNER
ELISE J. KESSLER

COUNSEL'S TAX OPINION LETTER

April 5, 2007

150 North Fifth Street LLC
169 Wythe Avenue, Suite 102
Brooklyn, New York 11211

RE: Offering Plan (the "Plan") for the Conversion to Condominium Ownership of 150 North Fifth Street, Brooklyn, New York 11211

Gentlemen:

You have requested our opinion concerning (i) the availability of certain deductions for Federal, New York State and New York City income tax purposes (but not for purposes of the New York City earnings tax on nonresidents) to persons who purchase Units for private residential use ("Unit Owners") under the Plan and (ii) the proper treatment by the Condominium Board for such income tax purposes of the Common Charges paid or borne by all Unit Owners. Except where otherwise indicated herein, the terms used in this opinion have the same meanings as in the Plan.

In this connection, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986 ("Code"), the New York State Tax Law, the New York City Administrative Code, the Regulations promulgated thereunder and such other materials as we deemed relevant, and we have assumed that the closing under the Plan will occur in 2007.

I. Deductions for Mortgage Interest and Real Estate Taxes

A Unit Owner will own his Unit and its Appurtenant Interest in the Common Elements in fee simple absolute. Accordingly, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will be individually liable for the

payment of such real estate taxes. A Unit Owner, per terms of the Offering Plan, may also mortgage such Unit(s) and become individually liable for the payment of any finance charges or interest on such mortgage indebtedness.

In our opinion, a non-corporate Unit Owner who itemizes his deductions will be entitled to a deduction in computing his taxable income for Federal income tax purposes for bona fide mortgage interest incurred with respect to his Unit in the year paid or accrued provided that, up to the aggregate amount of $1,000,000.00 for all qualifying mortgages on all qualifying Units, A) the mortgage does not exceed the lesser of (i) the Owner's original basis in his Unit plus the cost of improvements, if any, or (ii) the fair market value of the Unit and B) his Unit is a "qualified residence." A Unit will be a "qualified residence" if it is either (i) the Owner's "principal residence" as that term is defined by Section 1034 or (ii) a residence as defined by Section 280A(d)(1) and the Owner selects it as a qualified residence. Thus, a single taxpayer or a married couple filing a joint return may have two, and only two, qualified residences. In the case of a married couple filing separate returns, each taxpayer may take into account a single "qualified residence," unless by written agreement they consent to one of them taking into account a principal residence and one other residence. Under Section 461(g) of the Code, no deduction will be allowed to a cash basis taxpayer in the year of payment for prepaid interest (other than points paid in certain cases).

In our opinion, a Unit Owner whose Unit is used by him for residential purposes will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit in the year paid or accrued under Section 164 of the Code.

It is also our opinion that each Unit Owner whose Unit is used in an active profession and/or trade or business, other than the rental of such Unit, in which the Unit Owner materially participates, will, for Federal income tax purposes, be entitled to a deduction for real estate taxes incurred with respect to his Unit in the year paid or accrued under Section 164 of the Code.

Other rules are applicable to a Unit Owner if the Unit is to be used in a trade or business or is to be held for rental. In these cases, the Tax Reform Act of 1986 will have broad impact, and no opinion is offered as to the consequences to such a Unit Owner.

It is also our opinion that each Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year. Section 615 of the New York State Tax Law.

It should be noted, however, that the benefit of a Unit Owner's deductions for interest and real estate taxes may be reduced if the Unit Owner is subject to the Federal alternative minimum tax, or the State or City minimum taxes (Section 55 of the Code;

Sections 615 and 622 of the New York State Tax Law; Sections 11-1715 and 11-1722 of the New York City Code). In addition, it should be noted that state and local taxes, including real estate taxes, are not deductible for purposes of calculating an individual's federal alternative minimum taxable income, and that interest with respect to a "qualified residence" is generally deductible only to the extent incurred in acquiring, constructing or rehabilitating a "qualified residence" or in refinancing, without an increase in the principal amount thereof, such an indebtedness; the difference in the treatment of these and other items, for federal alternative minimum tax purposes may result in a taxpayer becoming subject to such tax even though he has no items of tax preference.

It should be noted that our opinion as to the availability of deductions to a Unit Owner with respect to mortgage interest and real estate taxes in connection with his or her Unit used in an active profession and/or trade or business, other than the rental of such unit, is based on the assumption that such owner will have "at risk," within the meaning of Section 465 of the Code, in such profession, trade or business, an amount equal to, or in excess of his losses in connection with said profession, trade or business, including such deduction.

II. Common Charges

Common Charges will be borne by the Unit Owners and assessed and collected by the Board of Managers ("Condominium Board").

Under Section 528 some Condominium Boards may be eligible to be exempt from tax on Common Charges collected from the Unit Owners, provided the requirements of Section 528 are met. Generally, these requirements are:

(i) The condominium management association must be organized and operated solely to provide for the acquisition, construction, management, maintenance and care of association property;

(ii) Sixty percent or more of the gross income of the condominium management association must consist of assessments from residential unit owners ("Exempt Function Income");

(iii) Ninety percent of the expenditures of the condominium management association must be for the acquisition, construction, management, maintenance, and care of the condominium management association's property;

(iv) No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the condominium management association's property or by rebates of excess assessments; and

(v) Substantially all of the units must be used as residences.

Under the Treasury regulations issued pursuant to Section 528, a condominium management association must qualify annually for the election under Section 528, and additionally, it must make a separate election for each taxable year. Accordingly, the ability of the Condominium Board to elect the benefits of Section 528 will depend on the particular facts and circumstances prevailing in the taxable year at issue.

It appears, based upon your representations to us, that the requirements will be met as the Offering Plan is currently structured. With respect to requirement (v) above "Substantially all" is interpreted in Treasury Regulation 1.528-4(b) as meaning at least 85% of the total square footage of all units in the project. Since all of the Units are residential, the "Substantially all" requirement is met.

Assuming the Condominium Board is eligible to make a Section 528 election, it would still be subject to tax on any income not received as assessments or other such payment from Unit Owners; thus, if the Condominium Board realized interest income from funds on deposit, such interest may be taxable to it.

If an election under Section 528 is not in effect for the taxable year, the tax status of the Condominium Board will be governed by the rules in effect prior to the enactment of Section 528 ("Existing Law").

Under Existing Law, the tax status of the Condominium Board is uncertain. The Bylaws provide that the Condominium Board will act as the agent of the Unit Owners. Thus, the Condominium Board may take the position that it is simply a conduit for receipts and payments of the Unit Owners for whom it acts as agent and not a separate entity. In such case, the Unit Owners would themselves be taxable on any interest or similar income which is earned from investments of the amounts which are assessed and collected from the Unit Owners and/or held as reserve funds.

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

In this connection, published rulings indicate that Common Charges which are assessed by the Condominium Board and designated for use solely to make specified capital improvements and which are maintained in a separate bank account should not constitute gross income to such Board, either because it is deemed to receive and hold such Common Charges as agent for the Unit Owners from whom the assessments were collected (Revenue Ruling 75-370, 1975 - 2 Cumulative Bulletin 25), or because the assessed Common Charges are deemed to be nontaxable contributions to the capital of the association (Revenue Ruling 75-371, 1975 - 2 Cumulative Bulletin 52, *cf.* Concord Village, Inc., 65 T.C. 142 (1975)). However, if treated as contributions to the capital of the association, it should be noted that when such amounts (together with any other funds accumulated by the association) are expended for capital improvements, the Internal Revenue Service may contend that the capital expenditures benefit the Unit Owners, and that each Unit Owner should therefore be treated as receiving a distribution equal to the fair market value of that benefit; under the usual rules applicable to distributions of associations, a distribution is first treated as taxable ordinary income to the extent of the distributee's proportionate share of the association's earnings and profits, then as a tax-free recovery of basis to the extent thereof, and the balance, if any, as capital gain.

In the event that the Condominium Board is required to pay any Federal, New York State or New York City income tax and the Condominium Board makes an additional assessment in order to meet this tax liability, it should be noted that the additional amount collected through such assessment may itself be subject to tax (*see* Old Colony Trust Co. v. Commission, 279 U.S. 716 (1929); Revenue Ruling 74-75, 1974 - 1 Cumulative Bulletin 19; Revenue Ruling 86-14 I.R.B. 1986-5, 33).

We express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspects of the Plan other than those consequences and aspects explicitly discussed in this opinion, or as to any tax status of the Plan of a Unit under the laws of any other U.S. or foreign jurisdiction.

Thus, this opinion does not deal with tax consequences which may result from ownership of a Unit in connection with the Unit Owner's trade or business, other than set forth herein, or for purposes of investment or the production of income, or which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences which may arise if Units or Limited Common Elements are acquired and/or leased by the Condominium Board. It is also to be noted that under certain circumstances an owner of any Unit, by virtue of such ownership, may be deemed to become a resident of New York City and that this opinion does not deal with the circumstances under which this may occur, or with the income, estate or other tax consequences that may arise therefrom. Thus, each person contemplating the purchase of a Unit is strongly advised to consult his own tax advisor as to all such tax matters (as well as with respect to the tax matters discussed in this opinion).

In our opinion, Unit Owners will be entitled to income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the Sponsor, the Sponsor's counsel, the Board of Managers of the Condominium or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or rulings of the Internal Revenue Service on which counsel relied which cause Unit Owners not to be entitled to income tax deductions.

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

Very truly yours,

SEIDEN & SCHEIN, P.C.

By: _____
Alvin Schein

RESERVE FUND

Sponsor is not establishing a Reserve Fund for the Condominium under this Plan, as Sponsor does not anticipate that replacement of capital items is likely to be needed within the first five years of condominium operation. The Condominium Board, in its discretion, and subject to certain restrictions contained in the Bylaws, may decide in the future to create a Reserve Fund by special assessment or by increases in Common Charges.

WORKING CAPITAL FUND AND APPORTIONMENTS

Each Purchaser of a Unit shall be required at the Closing of such Unit to make a contribution to the working capital fund of the Condominium (the "Working Capital Fund"). Such contribution shall be in an amount equal to two (2) month's Common Charges then in effect for such Unit(s).

At the First Unit Closing, Sponsor will apportion with the Board the following items as of midnight of the date preceding said Closing:

a. employees' wages, vacation and severance pay, pension and welfare benefits and accruals, uniforms and all other payments or obligations relative to the employees of the Building, if any;

b. deposits with utility companies, if any, and fees for assignable permits and licenses, if any;

c. charges for electricity and other utilities for the General Common Elements and the Limited Common Elements;

d. cost of fuel on hand (plus sales tax), if any;

e. charges and receipts in connection with service, maintenance and concession contracts;

f. water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);

g. cost of Building supplies on hand at Sponsor's cost (including sales tax);

h. premiums for transferable insurance policies; if any;

i. management fees; and

j. other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted at the First Unit Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Unit Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as herein otherwise expressly provided, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters herein mentioned.

The Working Capital Fund will be held and used for working capital, or such other appropriate purposes as will be determined by the Board and may be augmented by allocations from the monthly Common Charges collected from each Unit. While Sponsor controls the Board (see the Section entitled "Control By Sponsor" in Part I of this Plan), the Working Capital Fund will not be used to reduce estimated Common Charges.

The Board will be able to utilize the money in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Common Charges or Common Charges attributable to Unsold Units.

In the event that capital expenditures for renewal or replacement of Building components or systems or to remedy major building defects are needed, it may be necessary to increase Common Charges or make special assessments payable by Unit Owners who are responsible for the repair and replacement of the Common Element in need of such renewal, replacement or remedy. Alternatively, the Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the Bylaws and subject, in certain instances, to Unit Owner approval. In addition, pursuant to the Bylaws each Board is entitled to determine amounts for a reserve for replacements in establishing the annual budgets.

NO REPRESENTATION OR WARRANTY IS MADE THAT THE WORKING CAPITAL FUND WILL BE, OR IS INTENDED TO BE, ADEQUATE TO COVER CURRENT OR FUTURE EXPENSES, FOR THE FIRST OR ANY SUBSEQUENT YEAR OF CONDOMINIUM OPERATION. NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

MANAGEMENT AGREEMENT AND SERVICE CONTRACTS

Management Agreement

At or prior to the First Unit Closing, the Condominium Board will enter into a management agreement with a managing company to manage the Condominium (the "Managing Agent"). Sponsor has received a proposal from American Building Management Corp., 1663 8th Avenue, Brooklyn, New York 11215 to be the Managing Agent. However, Sponsor reserves the right to substitute another Managing Agent for American Building Management Corp. prior to the First Unit Closing on substantially the same terms as those proposed by American Building Management Corp. The management agreement (the "Management Agreement") will be for an initial term of one (1) year, commencing on the First Unit Closing. The Managing Agent will receive a stated annual fee of $7,500.00, payable in equal monthly installments of $625.00 each, for the period commencing on First Unit Closing and ending on the first anniversary of the First Unit Closing. Thereafter, the agreement shall be automatically renewed for additional one year terms. Either party may terminate the agreement by giving notice to the other party at least sixty (60) days prior to the end of the term.

The duties and services to be rendered by the Managing Agent include, among others:

1. Cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the Property.

2. Cause the Property to be maintained in such condition as may be deemed appropriate, including interior and exterior cleaning, and cause ordinary and necessary repairs and alterations to be made, including, but not limited to, electrical, plumbing, steam fitting, carpentry, masonry, elevator, decorating and such other incidental alterations or changes therein as may be proper, provided that ordinary repairs an alterations requiring an expenditure in excess of $2,000 unless authorized by the Condominium.
3. Enter into contracts for electricity, gas, security, 1 elevator service exterminator and other services provided that the term of such contracts shall not exceed two years and annual payments thereunder shall not exceed $5,000 unless authorized by the Condominium.

4. Purchase all supplies which shall be necessary or appropriate to properly maintain and operate the Property.

5. Cause all such acts and things to be done in or about the Property as shall be necessary or desirable to comply with any and all orders or violations affecting the Property placed thereon by any federal, state or municipal authority having jurisdiction thereover, and the orders of the New York Board of Fire Underwriters or other similar body

6. Advise the Board of Managers with respect to proper insurance coverage for the Property. If requested by the Condominium, cause to be effected and/or maintained, in such amounts and through such carriers as the Condominium shall designate or approve, fire, extended coverage, rent, plate glass, boiler, water damage, liability, worker's compensation, employer's liability, disability, and other insurance the Condominium may elect to carry; and to cooperate with any independent insurance broker or consultant that the Condominium may designate or approve and engage for the purpose of effecting insurance.

7. Review all bills received for services, work and supplies ordered in connection with maintaining and operating the Property, pay or cause to be paid all such bills, mortgage interest, mortgage amortization, water charges, sewer rent, assessments, real estate taxes and other taxes assessed against the Condominium as and when the same shall become due and payable.

8. Consider and, when reasonable, attend reasonable complaints of Unit Owners and tenants.

9. Accept and review applications and references from all prospective unit owners and tenants.

10. Supervise the moving in and out of tenants and unit owners and arrange the dates thereof so that there shall be a minimum of disturbance to the operation of the Property and inconvenience to other tenants and unit owners.

11. Bill or cause to be billed all unit owners for common charges, assessments, rents and other charges and use its best efforts to collect such common charges, rent and other charges and, when and if directed by the Board serve notices upon Unit Owners in the event of the failure to pay such charges as and when due.

12. Cause to be prepared and filed the necessary forms for unemployment insurance, withholding and social security taxes and all other tax forms relating to employment of the Condominium's employees.

13. Set up and keep in good order a separate, accurate and full set of books (other than books of account maintained by the Condominium's accountants) for the Condominium, and maintain orderly files containing rent records, insurance policies, correspondence, receipted bills and vouchers, and all other documents and papers pertaining to the Property or the operation thereof, and the same shall be and shall at all times remain the property of the Condominium, and the Managing Agent shall, upon

request of the Condominium, make the same available to the Condominium, accountants, attorneys or other representatives, and shall deliver same to the Condominium or its aforesaid agents on demand from the Condominium.

14. Cooperate with the Condominium's accountants in regard to the annual review of the books of account of the Condominium, including the annual report of the operations of the Property for the calendar year then ended and cooperate with the Condominium's accountants in providing such information as may be necessary to permit the Condominium to comply with its financial reporting requirements.

15. Send to all Unit Owners each year copies of the financial statements of the Condominium as provided by the Condominium's accountants.

16. Cooperate with the Condominium's accountants in the preparation and filing on behalf of the Condominium, of federal, state and any other income and tax returns required by any governmental authority.

17. When requested, send notices to managers and Unit Owners of the Condominium, prepare agendas for and cause a representative to attend meetings of Unit Owners and meetings of the Board and, if requested, keep the minutes of such meetings.

18. Generally, do all things reasonably deemed necessary or desirable for the proper management of the Property.

All expenses incurred by the Managing Agent in performance of its duties will be reimbursed by the Condominium Board and charged to the Unit Owners as a Common Expense.

Service Contracts

Purchasers should be advised that the elevator will require regular maintenance. Sponsor will enter into an agreement with Kone, Inc., 47-36 36th Street, Long Island City, New York 11101, an elevator maintenance and repair company.Kone, Inc. will maintain the elevator on a monthly basis commencing upon completion of construction.

Sponsor will also enter into extermination agreement with High Tech Exterminators, Inc., 1204 Avenue U, Brooklyn, New York 11229 for extermination services to be provided on a monthly basis.

Please refer to Footnotes for Schedule B for further details.

IDENTITY OF PARTIES

Sponsor

The Sponsor of the Offering Plan is 150 North Fifth Street LLC, a New York limited liability company formed on February 9, 2002. Sponsor's office address is 169 Wythe Avenue, Suite 102, Brooklyn, New York 11211.

The sole Members of the Sponsor are Toros Hovivian and Marianne Hovivian, both of whom maintain an office at 169 Wythe Avenue, Suite 102 Brooklyn, New York 11211.

Neither Toros Hovivian nor Marianne Hovivian have ever been a sponsor or a principal of a sponsor of any cooperative or condominium conversion plan. Neither Toros Hovivian nor Marianne Hovivian own ten (10%) percent or more of the unsold shares or units of any cooperative, condominium or homeowners association.

Managing Agent

Sponsor intends to retain American Building Management Corp., 1663 8th Avenue, Brooklyn, New York 11215 to manage the Building. American Building Management Corp. has been engaged in property management since 1987. Below is a representative list of properties in Brooklyn presently managed by American Building Management Corp.:

- 50 Bridge Street
- 176 Johnson Street
- 1520 Bedford Avenue
- 665 88th Street
- 1525 west 11th street

Neither American Building Management Corp., nor any principal thereof has any financial relationship, past or present to the Property or to the Sponsor, except in its capacity as Managing Agent, for which it will be paid a fee for its services.

Architect

Sponsor has retained Gene Kaufman Architects P.C. 525 Broadway, New York, New York 10012 to prepare the Description of Property and Specifications, located in Part II of the Plan. The Sponsor has also retained Andres Escobar and Associates, 5524 rue St-Patrick-suite 400, Montreal, Quebec H4E 1AB 514-272-2131 for interior design. Neither Gene Kaufman Architects P.C., Andres Escobar and Associates, nor any principal of either has any financial relationship, past or present, to the Property or to the Sponsor, except in their capacity as architects and are being paid a fee for their services.

Counsel to Sponsor

The Sponsor has retained the law firm of Seiden & Schein, P.C., 570 Lexington Avenue, New York, New York 10022 to represent it in the preparation and consummation of the Offering Plan. The principal attorney who is responsible for this matter is Alvin Schein, Esq. This firm drafted the Declaration, the Bylaws, this Plan, the form of Purchase Agreement, the form of Unit Deed and all other documents necessary in connection with the formation of the Condominium, and is advising the Sponsor in connection with all legal matters incidental thereto. No separate counsel has been retained to represent the Condominium. It is suggested and expected that each Purchaser will consult and be represented by his own counsel in connection with this Plan.

Additionally, the Sponsor has retained the law firm of Seiden & Schein, P.C. to represent it and prepare and file an Application with the New York City Department of Housing Preservation and Development for the Building to receive 421-a Benefits under the New York State Real Property Law.

Seiden & Schein, P.C. has no financial relationship, past or present, in the Property or to the Sponsor, except that it is being paid a fee for its services.

Selling Agent

The Developers Group, LLC with an office located at 79 Bridge Street, Brooklyn, New York 11201, will act as Selling Agent of the Sponsor. The telephone number for the Selling Agent is (718) 222-1545. The Developers Group has no financial relationship, past or present, in the Property or to the Sponsor, except that it is being paid a fee for its services.

REPORTS TO UNIT OWNERS

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

(a) the financial statement of the Condominium prepared by a certified public accountant or public accountant by March 15th of each calendar year for the prior fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers;

(b) a prior notice of the annual Unit Owner's meeting; and

(c) a copy of the proposed annual budget, if any, of the Condominium within ten (10) days, prior to the date set for adoption thereof by the Board of Managers, which shall be certified by an independent expert if Sponsor is then in control of the Board of Managers.

DOCUMENTS ON FILE

Copies of this Plan and all exhibits or documents referred to herein shall be available for inspection by prospective Purchasers and by any person who shall have purchased a Unit offered under this Plan, or shall have participated in the offering of such Unit, at the office of Sponsor during convenient weekday hours, and shall remain available for such inspection for a period of six years from the date of the First Unit Closing. Sponsor shall, within 180 days after the First Unit Closing, deliver to the Condominium Board a copy of all documents filed with the appropriate recording office.

GENERAL

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

There are no lawsuits or other legal proceedings now pending or any judgments outstanding, that could materially affect this Offering, the Purchasers of Units, the Property, the Condominium or the operation thereof, or the Sponsor's capacity to perform all its obligations under the Plan.

To the best of Sponsor's knowledge, the Property has not been the subject of any prior public offering. As of the acceptance date of this Offering, Sponsor has not entered

into any preliminary binding agreements and has not collected any money from prospective Purchasers for the sale of Units in the Building.

In accordance with the provisions of the laws of the State and City of New York, neither Sponsor nor any Selling Agent engaged by Sponsor will discriminate against any person because of gender, sexual orientation, race, creed, color, national origin, ancestry, disability, marital status, age, religion or other ground proscribed by law in the sale of Units offered by Sponsor pursuant to this Plan, or in the leasing of any such Units or any other portion of the Building.

Sponsor reserves the right to revise, from time to time, the terms and conditions upon which Units are to be sold and to otherwise revise this Plan, including revisions affecting the rights, obligations and liabilities of Sponsor, Purchasers or prospective Purchasers, without obtaining the consent of Purchasers or others. However, Sponsor may neither unilaterally cancel an outstanding Purchase Agreement, except as therein provided (such as in case of an uncured default), nor unilaterally change the purchase price or the payment terms contained in such Purchase Agreement. All substantive or material revisions will be contained in a duly filed amendment to this Plan. In the case of a material revision adversely affecting the rights, obligations or liabilities of then existing Purchasers or reducing the undertakings or obligations of Sponsor, such Purchasers will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreements by written notice to Sponsor and be refunded all monies paid thereunder, with any interest earned thereon. However, as to a Purchaser who first became an interim tenant of the Building after the acceptance date of this Plan and pursuant to a Purchase Agreement, such rescission will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Unit within thirty (30) days thereafter.

All statements and representations made in this Plan with respect to items prepared by others such as the Section entitled "Sponsor's Statement of Building Condition" in Part I of this Plan and the Floor Plans of the Building, have been made in reliance upon the respective firms and their authority as experts.

As of the date that this Offering Plan has been accepted for filing by the New York State Department of Law, no contracts or agreements were entered into and no deposits or advances of funds were accepted by Sponsor.

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

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

Sponsor is not reserving the right to transfer any air or developmental rights to other buildings. Neither the current owner nor a prior owner has conveyed, transferred or reserved air or developmental rights for use in other buildings. Sponsor is not reserving the right to add floor area to the building, except as is necessary to complete the Units being offered hereunder.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the Architect's Report set forth in Part II of this Plan. Sponsor represents that, to the best of its knowledge, the Architect's Report set forth in Part II of this Plan, prepared by Gene Kaufman Architect, PC, registered architects in the State of New York, accurately states the description of the Property and its specifications, as it will be built upon the plans that they have examined.

Part II

ARCHITECT'S REPORT

Attorney General Eliot Spitzer – New York State Department of Law
Investment Protection Bureau / Real Estate Finance Section 120 Broadway – New York, N.Y. 10271 Tel.: (212) 416-8121

Newly Constructed, Vacant or Non-Residential Condominiums
Part 20.7 of Title 13 NYCRR – Effective July 31, 1991, as Amended June 1997

Project No.: 150 N. 5th Street Project Description: conversion and addition to an existing two and three story through block manufacturing building to luxury residential condominiums

Offering Plan Submitted to the Department of Law on: ___/___/_____

Offering /Inspection Date: ___/___/_____ Lapse Time (LT): _____Days LT < or = 180 Days OK___

Comprehensive Narrative Description of the Building(s) and Property Submitted: Included __X__ Yes _____No

Inspection Report of the Property and Building(s): _____ Included in Offering Plan

Location of Property: 150 N. 5th Street, Brooklyn, NY

Block and Lot Number: 2344, 2345 Zoning: MX-8/M1-2/R6B

Permissible Use: CONVERSION TO RESIDENTIAL

Status of Construction: DEMOLITION, FOUNDATION EXCAVATION

Year Built: 2007 Class of Construction: 1C (NON-COMBUSTIBLE)

Certificate of Occupancy – Type and Number: 31 RESIDENTIAL UNITS

DOB Job #: 301895776 Alt. 1: YES Alt. 2: _____ Check one

Self certified? NO Directive 14 job? YES Answer yes or no

Description of Work Done (or Proposed Work): _____

Is this job self-certified? _____ Yes __X__ No

If in New York City, is this job filed under Directive 14? _____ Yes _____ No

Site (Discuss)

Size: 13,750 Number of Buildings: 1 Use: RESIDENTIAL

Streets Owned or Maintained by the Project: NONE

Paving Type: NA Concrete ___Asphalt ____ Brick ___Cobble Stones ____Other (specify)

Curb Material: NA Curb Condition: _____

Catch Basins, Drainage (location and condition): NA

Street Lighting (material, type, location and condition): NA

State whether these items are in conformity with local fire district, town or municipal building codes. NA

Drives, Sidewalks and Ramps (Describe):

Paving Type: _X_ Concrete ___Asphalt ____ Brick ____Cobble Stones ____Other (specify)

Curb Material: CONCRETE Curb Condition: POOR

Catch Basins, Drainage (location and condition): NONE ON THE SITE-STORM DRAINAGE BY NEW YORK CITY

Street Lighting (material, type, location and condition): BY NEW YORK CITY

State whether these items are in conformity with local fire district, town or municipal building codes. _____

Utilities

Identify Source/Provider of Each Utility: Electric CON EDISON Gas KEYSPAN
Water NY Sewer NY
Telephone VERIZON Other _____
Specify

Identify which are Public Utilities WATER, SEWER, ELECTRIC, GAS

Identify which Utilities are the Obligation of the Board of Managers of the Condominium WATER, ELECTRIC, GAS

Indicate whether water, sewer (or septic tank), gas, electric and telephone are metered individually, collectively or by any other method of billing. ELECTRIC WILL BE INDIVIDUALLY METERED

Sub-soil Conditions:

- Describe, including water conditions, whether uneven or settling has occurred (cracking, mortar joints decay, etc.): ADDITIONAL CONCRETE FOUNDATIONS SHALL BE CONSTRUCTED IN COMPLIANCE WITH 2 TON SOIL PER AVAILABLE BORING SAMPLES

- Indicate whether there is any evidence of moisture or seepage or ground water infiltration. Indicate whether corrective action is needed. NO CELLAR

- Indicate whether there is any danger from flooding, either due to water table in area or overflow from other bodies of water. Note potential for mudslide or erosion and what preventive action is appropriate. State if within the 100-Year flood zone. NO

State depth of water table relative to below grade space: UNKNOWN

Reference: Section 20.7 of Title 13 NYCRR

Landscaping and Enclosures – Describe the following:

- ☐ Grass cover (type, location) NONE- PAVERS WILL BE INSTALLED
- ☐ Plants (type, location) NONE
- ☐ Trees (location) 14 TREES AT INTERIOR COURTYARD
- ☐ Fencing (type, location) SCREEN FENCING WILL BE PROVIDED BETWEEN PRIVATE UNIT PATIOS AND PUBLIC COURTYARD AREAS
- ☐ Gates (type, location) N/A
- ☐ Garden walls (type, location) N/A
- ☐ Retaining walls (type, location) N/A
- ☐ Display pools and fountains (location, materials) N/A

Building Size. (specify)

- ☐ Total Height (approximate total feet from ground level to highest part of roof) 50'
- ☐ Crawl Spaces (floor to ceiling, height) NONE
- ☐ As defined by building Codes, list number of floors by type:

  Sub-cellars 0 Cellar 0 Basement 0

  Number of Floors above grade (including penthouses) 4

- ☐ Equipment Rooms (location and use) BOILER RM- SOUTH WEST CORNER OF SOUTHERN WING AND SOUTH WEST SIDE OF SOUTHERN WING ENTIRE FIRST FLOOR ALONG WITH ELECTRIC METER ROOM, SEWER, GAS SERVICE AND WATER METER
- ☐ Parapet (height above roof) 3'6" - 3'11"

Structural System (describe materials used; include type of foundation(s) and method of installation). Specify:
THE NEW FOUNDATION WALLS AND FOOTINGS WILL BE POURED IN PLACE CONCRETE. SOME FOOTINGS WILL BE RETAINED AND REUSED. THE BUILDING SUPER STRUCTURE WILL CONSIST OF NEW STEEL COLUMNS AND BEAMS WITH CONCRETE SLAB. THE FACADE CONSISTS OF NEW AND REMAINING MASONRY BEARING WALLS AND EXTERIOR INSULATED FINISH SYSTEM (EIFS) AND METAL PANELS.

Exterior of Building(s)

- ☐ Exterior Walls (list materials) COMPOSITE METAL PANELS, EIFS, SOLID BRICK BEARING WALLS
- ☐ Type of Construction NON-COMBUSTIBLE, BRICK VENEER
- ☐ Method of Construction ON SITE
- ☐ Insulation (specify): Materials BATT & EXPANDED POLYSTYRENE Type _____ Size ____ **R-Value R19

*For New York City Building, is Local Law 10/11 applicable? ____Yes X No ____NA

* If such inspection is required, but not performed, specify as a violation. **R-19 is recommended

Windows (specify):

Type THERMALLY BROKEN FIXED, HOPPER AND CASEMENT Materials ALUMINUM FRAMES WITH 1" THICK LOW "E" INSULATED GLASS

Locations EXTERIOR-PRECAST, METAL

- ☐ Sills: Type INTERIOR-WOOD Materials PRECAST, ALUMINUM (OUT), WOOD (IN)
- ☐ Screens: Type NONE Materials NA
- ☐ Window Guards: Type NA Materials NA
- ☐ Lintels: Type WINDOW & DOOR Materials STEEL
- ☐ Storm: Type NA Materials NA
- ☐ Sash: Type THERMALLY BROKEN Materials ALUMINUM
- ☐ Hardware: Type CASEMENT Materials ALUMINUM
- ☐ ____ Single Glazing X Double Glazing Caulking X Yes ____ No
- ☐ Indicate whether "Lot Line Windows" exist and describe any potential future problems LOT LINE WINDOWS ARE INDICATED ON EAST AND WEST FACADES OF NORTH WING AND SOUTH WING

Landmark Status: ____Yes X No If Yes, Consequences _____

Parapets and Coping

Type of Material 6" AND 8" CMU GROUTED SOLID WITH ALUMINUM COPING CAP

State how firmly secured in place TIES 8" O.C. VERTICALLY GROUTED SOLID

Indication of problems: ___Yes X No Is yes, specify below.

Leaks: NA Yes Flashing Deteriorated: NA Yes

Spalling: NA Yes Impact Damage: NA Yes

Deterioration of Mortar: NA Yes Efflorescence: NA Yes

Major Cracks: NA Yes Bulging / Displaced: NA Yes

Chimneys, Flues and Caps: Number of Chimneys 7 Materials INSULATED METAL

Purpose of Chimney(s): 1 Boilers ___ Incinerators ___ Compactors 6 Fireplaces

Condition of Chimney(s) NEW Location of Chimneys SOUTH WING & NORTH WING OF BUILDING

If fireplaces are not usable for wood fires, this fact must be conspicuously disclosed.

Balconies and Terraces (Describe):

Deck/finish material CONCRETE PAVERS

Balustrade type TERRACES AND ROOF Balustrade material ALUMINUM CLIPS, STAINLESS STEEL POSTS AND RAIL WITH TEMPERED GLASS

Railings material PIPE Coping materials STAINLESS STEEL

Soffits material NA

Doors to balconies and terraces: Type SWING Material ALUMINUM AND GLASS

Exterior Entrances (Describe): TEMPERED GLASS &

Exterior doors and frames: Material HOLLOW METAL Type PIVOT & SWING Lock NOT VISIBLE, MAGNETIC

Vestibule doors and frames: Material TEMPERED GLASS Type PIVOT Lock NOT VISIBLE, MAGNETIC

Exterior stairs: Material NA Location NA

Railings: Material NA Location NA

Mail boxes: Material METAL Location VESTIBULE

Lighting: Type RECESSED DOWNLIGHTS & SURFACE MOUNTED Location CANOPY SOFFIT

How is drainage provided? DETENTION TANK UNDER FIRST FLOOR

Reference: Section 20.7 of Title 13 NYCRR

Service Entrances (Describe)

Doors and frames: Material HOLLOW METAL Type SWING Lock YES

Gates: Material NA Type NA Lock NA

Exterior stairs: Material NA Location NA

Railings: Material NA Location NA

Roof and Roof Structures (Describe):

Type of roofs for all areas: MEMBRANE ROOFING

Roof Material MEMBRANE ROOF Surface finish CONCRETE PAVERS & GRAVEL BALLAST

Insulation: Size 2" MIN Type EXPANDED POLYSTYRENE Insulating value (if available)/R-Value 31

Bond or guarantee 10 YEAR

Flashing materials (including counter flashing) STAINLESS STEEL

Note: For new roof, R-31 minimum insulation is recommended with air/vapor barrier.

Drains:

Location TERRACE AND ROOFS Material CAST IRON Type ROOF

Gutters and leaders: Type 3" & 4" STORM DRAIN PIPE Material CAST IRON NO HUB

Is Drain Adequate? X Yes _____ No If No, specify _____

Skylights:

Location(s) NORTH BUILDING (2)

Size 5' x 3 1/2' 7 x 5 1/2 Material ALUMINUM AND GLASS

Type (fixed or operable) FIXED Condition NEW

Bulkheads:

Stairs material EIFS Elevator material EIFS

Other NA

Metal Work at Roof Levels:

Exterior metal stairs material NA Railing material NA

Vertical ladders (including gooseneck) material STEEL

Hatches to roof: Type NONE Material NA

Other NA

Rooftop Facilities (Describe in Details) THERE ARE TERRACES FOR PRIVATE USE OF THE RESIDENTS, AS WELL AS COMMON AREA TERRACES ACCESSIBLE BY ELEVATOR AND STAIRS AT BOTH WINGS OF THE BUILDING

Fire Escapes (Describe at each floor and specify any unusual access situation): NONE

Location (Describe how attached and supported) NA

Floors covered: NA

Drop ladder: NA

Type NA Material NA

Yard and Courts (Describe each yard or court including front, rear and interior areas, listing methods of access):

Paving material CONCRETE Drainage type and material 3" - 4" DIAMETER YARD DRAINS

Railings material NONE Stairs material NONE

Fencing type PRIVACY PATIO Fencing material WOOD

Wall type NA Wall material NA

Interior Stairs (Describe):

Number of stairs of each type 4 FIRESTAIRS 16 INTERIOR UNIT STAIRS

Enclosure (construction and interior finishes) FIRE RATED- DRYWALL PARTITIONS & CMU BLOCK

Stair construction: X Steel ___ Concrete ___ Wood ___ Other (specify)

Stringers material STEEL Treads material CONCRETE/WOOD Risers material STEEL/NA

Guard rails material METAL Balustrade material NA

Reference: Section 20.7 of Title 13 NYCRR

Interior Doors and Frames (Describe material, type and location for each, and state whether fireproof or exceeds fire safety standards) HOLLOW METAL AND SOLID CORE WOOD

Unit entrance and interior doors and frames HOLLOW METAL - 45 MIN. RATED, HOLLOW METAL FRAME WITH SOLID CORE PAINT GRADE WOOD

Corridor doors and frames HOLLOW METAL - 3/4 HOUR RATED

Stair hall doors and frames HOLLOW METAL - 1 1/2 HOUR RATED

Roof doors HOLLOW METAL- 3/4 HOUR RATED

Basement doors and frames NA

Elevators (Describe) 2000 LB CAPACITY, 150 FPM TRACTION

Service elevators NONE Age NEW Capacity (lbs/#/passengers) 2000 / 14 PASSENGERS

Manufacturer KONE

Type of operation for each elevator by elevator number or location in building (for large numbers of elevators describe by class-passenger / freight.) PASSENGER

Type of controls: X Automatic Floors served: 1 to 5 Type (hydraulic; gear-less) TRACTION

Doors: X Sliding ___ Swinging ___ Manual X Automatic

Location of machine room(s) REMOTE GROUND LEVEL

DC motor (manufacturer) YES, KONE AC motor (manufacturer) NO

Other NA

Elevator Cabs (Describe)

Kind (manufacturer) KONE Floor (material) 1/2" MARBLE

Walls (materials) STAINLESS STEEL Ceiling (material) STAINLESS STEEL

Lighting (describe) RECESSED DOWN LIGHTS

Alarm / Safety System: AS PER CODE

Auxiliary Facilities

Laundry rooms (describe): Location and number of rooms NA- HOOKUPS IN UNITS

Clothes washers: Number NA Type (heavy duty; coin operated; electric) NA

Clothes Dryers: Number NA Type (heavy duty; coin operated; electric; gas) NA

Room ventilation (method and final exhaust) NA

Dryer ventilation (method and final exhaust) NA

Other NA

Refuse Disposal (Describe, including):

Incinerators: Number NA Location NA Capacity NA Manufacturer NA

Compactors: Number 2 Location GROUND FLOOR Capacity 37,000 LB Manufacturer ECO KRUSHER or equal

Approvals by authority having jurisdiction (date of each approval) DOB- TBD

Initial storage location GROUND FLOOR Ultimate storage location GROUND FLOOR

Pick-up schedule, and whether public or private provider UNKNOWN

Plumbing and Drainage:

Water supply (describe system, pumps, storage and location, size of main, size of units, back-flow, etc.) 6" DIAMETER WATER SUPPLY PIPES FROM STREET TO BACKFLOW PREVENTER DEVICE SUPPLIES A VARIABLE SPEED TRIPLEX BOOSTER PUMP WHICH PROVIDES PRESSURE TO SERVICE THE BUILDING WITHIN THE BUILDING SUPPLY PIPING IS COPPER- 6" SPLITS ONE DOMESTIC, ONE SPRINKLER

Fire protection system (describe):

Stand-pipes: Material STEEL Size 4" Location STAIRWELLS

Hose racks and nozzles location NO

Sprinkler heads type UPRIGHT, SIDE-MOUNTED & PENDANT Location THROUGHOUT

Siamese connection type 4: FLUSH Location AT BOTH NORTH 4TH AND NORTH 5TH STREETS

Water Storage Tank(s) and Enclosures (Describe): NA

Number NA Type NA Location NA

Material (interior, exterior and roof of tank) NA

Access to tank (e.g., vertical goose neck ladder) NA

Tank Capacity NA Capacity fire reserve NA

Reference: Section 20.7 of Title 13 NYCRR

Water Pressure and How Maintained PRESSURE TO PLUMBING FIXTURE SHALL BE LIMITED TO A MAXIMUM OF 85 PS1G AND A MINIMUM OF 10 PS1G. THIS IS ACHIEVED WITH TRIPLE BOOSTER PUMPS AND FULL SIZED PIPE BY PASS

Sanitary Sewage System (Describe)

Sewage piping materials PIPING IS 4" DIAMETER CAST IRON PIPE WITH NO HUB FITTINGS WITH A GRAVITY FEED.

Sewage pumps (if any) NA

Sewage disposal: X **Public** ___ **Private** ___ **Treatment** ___ **Drain-field** ___ **Sewer**

Permit(s) required: X **Yes** ___ **No** **If yes, include date(s) obtained** FEB 2007

Storm Drainage System (Describe system, adequacy, method of disposal and materials including): THERE ARE TWO CENTRAL DETENTION TANKS BENEATH THE FIRST FLOOR SLAB WHICH DRAIN WITH TWO NEW 6" DIAMETER COMBINED SEWER/STORM. ONE CONNECTION IS ON NORTH 4TH STREET AND THE OTHER ON NORTH 5TH STREET.

Catch basins locations NA

Yard and roof drains locations There are 24 roof drains and 5 yard drains for both buildings.

Piping materials CAST IRON NO HUB. SEE ATTACHED.

Eject or sump pumps (describe in detail and describe conditions requiring pumps) SUMP PUMP IN ELEVATOR PIT

Heating (Describe, including space heating and domestic hot water heating): HEATING FOR FLOORS 1-3 SHALL BE ACCOMPLISHED USING A GAS FIRED BOILER TO SUPPLY AIR HANDING UNITS. HEATING FOR THE RESIDENTIAL UNITS ON THE TOP FLOOR WILL BE PROVIDED BY INDIVIDUAL GAS FIRED UNITS. AT EXTERIOR BATHROOM HEAT WILL BE PROVIDED BY ELECTRIC FAN FORCED HEATER OFF A THERMOSTAT. AT STAIRWELLS, HEAT WILL BE PROVIDED BY ELECTRIC UNIT HEATERS. LOBBY & CORRIDORS WILL USE ROOFTOP GAS FIRED UNITS HOTWATER HEATING CABINET UNITS AND CONVECTORS. MECHANICAL AREAS BY HYDRONIC FROM BOILER

Is heating and distribution of domestic hot water capable of providing peak required services? X Yes ____ No

Description of heating system's ability to maintain legally required conditions under anticipated weather conditions. THERMOSTATS CONTROL AND MONITOR TEMPERATURE CONDITIONS WITH ZONEX SYSTEMS AND SYSTEM IS ABLE TO MAINTAIN LEGALLY REQUIRED CONDITIONS.

INTERIOR TEMPERATURE 72F

Specify interior temperature and ambient temperature used in calculations EXTERIOR TEMPERATURE 11F

Number of boilers and description: 1 BOILER
CARAVAN MODULAR BOILER WITH 6 MODULES BY SLANT/FIN

Boiler(s) manufacturer: SLANT/FIN Age of boiler NEW

Model 66H7-2400 Capacity 61.8 Type GAS FIRED

Age 0 Approximate remaining useful life 20 YEARS

Burners' manufacturer SLANT/FIN Model 66H7-2400 Type STANDARD

Age 0 Approximate remaining useful life 20 YEARS

Type of controls DISPLAY Describe: Radiators NA Piping COPPER

Insulation YES Valves YES Pumps CIRCULATING

Fuel type and grade GAS Location of oil tank NA

Material NA Capacity NA

Condition of oil tank NA Oil tank enclosure NA

Gas Supply (if not described above), Describe:

Type NATURAL Meters 1

Piping BLACK STEEL SCHEDULE 40

Reference: Section 20.7 of Title 13 NYCRR

Air Conditioning (Describe):

Cooling system's adequacy to maintain comfortable conditions under anticipated weather conditions, specifying internal temperature and base ambient temperature used in calculations INTERIOR TEMP. 78F WITH 65% RELATIVE HUMIDITY AND OUTSIDE TEMP 95F, ASSUMING SHADES OR BLINDS IN USE BY RESIDENTS

Type of AC system FLOORS 1-3 WILL USE A SPLIT SYSTEM WITH ROOFTOP AIR COOLED CONDENSERS WITH AIR HANDLER. TOP FLOOR WILL USE ROOF TOP UNITS.

Central system (give manufacturer, model and capacity) NA

Cooling Towers ROOF TOP UNITS BY CARRIER

Condensers BY CARRIER, AIR HANDLING UNITS BY MAGIC AIRE AND CARRIER

Individual units covered by the offer (window / sleeve, specify number, capacity, amperage and efficiency) N/A

Ventilation (Describe): Vent system in kitchen NO

Vent system in fireplaces FLUE

Vent system in windowless areas such as corridors, garages, laundries, baths, boiler/mechanical/electrical rooms: GREENHECK, AIR INTAKE AT BOILER ROOM BY EXHAUSTS

Electrical System (Specify):

Service from main service switchgear 1600 AMP FOR RESIDENTIAL UNITS, 800 AMP FOR COMMON AREAS

Amps 2400 Voltage 120/208 Phases 3 Wire 4 Protective equipment YES

Service to individual units (risers, etc.) 100 AMP

Compartment switch gear (location and floor of sectional meter boards and transformers supplying power to the meter boards) NORTH WING OF BUILDING AT THE GROUND FLOOR ALONG 5TH STREET. METER ROOMS IN BOTH NORTH AND SOUTH BUILDINGS.

Unit service (ratings of fuses and circuit breakers; adequacy of electrical system to handle modern usage and appliance such as AC, dishwashers and dryers) TYPICAL APARTMENTS WILL HAVE 100AMP, 120/208 VOLT, 3 PHASE, 30 CIRCUIT PANELS TYPICAL. THE PENTHOUSE WILL HAVE 36 CIRCUIT PANELS WHICH IS ADEQUATE FOR MODERN USE.

Adequacy, i.e., service, average number of circuits per apartment and capacity to handle modern appliances – specifically air conditioners, dishwashers and electric dryers EACH APPLIANCE OUTLET IS ON A SEPARATE CIRCUIT IN COMPLIANCE WITH NYC CODE AND IS CAPABLE OF HANDLING MODERN APPLICANCES.

Lighting and fixtures 20 AMP CIRCUIT IS PROVIDED FOR LIGHTING AND CONVENIENCE OUTLETS, AVERAGE

Convenience outlets YES 4 PER ROOM WITH GFI AT BATH

Appliance outlets YES

Reference: Section 20.7 of Title 13 NYCRR

Intercom & Door Signal Systems, Security Closed Circuit TV

Specify mode of operation and condition THE BUILDING WILL BE EQUIPPED WITH AUDIO-VISUAL INTERCOM, MODEL UNIT ON SYSTEM 100DF OR EQUAL FROM TELEPHONE

Describe television reception facilities (master antennae, cable TV, antennae by tenants) TIME WARNER TELEVISION SERVICE WILL BE AVAILABLE FOR AN ADDITIONAL COST TO RESIDENTS.

Public Area Lighting

Describe and state adequacy (entrance halls and stairs, corridors, basements, courts and yard) LIGHTING IN THE VESTIBULE AND LOBBY WILL BE A COMBINATION OF RECESSED CEILING FIXTTURES COVE LIGHTING AND WALL MOUNTED SCONCES. OTHER PUBLIC AREAS WILL INCLUDE CEILING AND/OR WALL MOUNTED FIXTURES. AT MECHANICAL AND STORAGE AREAS CEILING MOUNTED FLUORESCENT FIXTURE WILL BE USED.

Garages and Parking Areas (Describe):

Location of garages (description of facility) N/A

Location of parking areas (number of spaces in each) N/A

Surfaces (materials used, lighting, fencing etc.) N/A

Parking (attended or not attended) N/A

Garage ventilation (method and equipment) N/A

Garage fire protection (method and equipment) N/A

Drainage N/A

Reference: Section 20.7 of Title 13 NYCRR

Swimming Pool(s) (Describe in details):

Type (concrete/material composition) N/A

Location on property N/A

Size (length, width, depth) N/A Approximate number of bathers permitted _____

Enclosure (material including roof) N/A

Pumping and filter system (describe material) N/A

Water heating equipment or usage of building's hot water (feed or heat exchanger) N/A

If system is on building roof, specify structural support system N/A

Tennis Courts / Playgrounds and Recreation Facilities

Tennis courts type (clay, macadam, turf) N/A

Number and size N/A

Lighting (number and type) N/A

Fencing or enclosure (including distance between fence or enclosure and all sides of court) N/A

Playgrounds (Describe location and size(s), fencing (if any), equipment types and sand bed or safety padding) N/A

Other Recreation Facilities (Describe any beach or lake front, boating facilities, golf course(s), handball, basketball or other game courts). COMMON ROOF DECK

Reference: Section 20.7 of Title 13 NYCRR

Permits and Certificates

List all applicable permits which must be obtained and inspections which are to be done -- list the following:

Permit number: 301895778 Date issued: 10/3/05

Authority issuing permit: DOB Duration of approval once obtained TBD

Include all compactors, incinerators, boilers, oil storage, tanks, elevators, etc.

In New York City, include Department of Air Resources, Elevator Safety, Boiler Safety, Fire Department and Buildings Department permits.

Violations List all violations outstanding as of the date of this report. If no violation is outstanding, state so.

- **Agency imposing violation** N/A **Date violation issued** _____
  Condition involved _____
  Work required by violation to cure _____

- **Agency imposing violation** N/A **Date violation issued** _____
  Condition involved _____
  Work required by violation to cure _____

- **Agency imposing violation** N/A **Date violation issued** _____
  Condition involved _____
  Work required by violation to cure _____

- **Agency imposing violation** N/A **Date violation issued** _____
  Condition involved _____
  Work required by violation to cure _____

- **Agency imposing violation** N/A **Date violation issued** _____
  Condition involved _____
  Work required by violation to cure _____

- **Agency imposing violation** N/A **Date violation issued** _____
  Condition involved _____
  Work required by violation to cure _____

- **Agency imposing violation** N/A **Date violation issued** _____
  Condition involved _____
  Work required by violation to cure _____

- **Agency imposing violation** N/A **Date violation issued** _____
  Condition involved _____
  Work required by violation to cure _____

Unit Information (if not applicable, state so)

Specify the number of units inspected NA - NEW CONSTRUCTION

Specify the unit designations for each typical unit or line of units, including the number and type of rooms
A-946SF,1222SF,1538SF,1677SF B-1154SF,1517SF C-762SF,1168SF D-971SF,1104SF E-1128F,1130SF
1127SF F-844SF,1167SF G-938SF,1210SF,838SF,1864SF H-1069SF,966SF,967SF I-867SF,886SF,1265SF

Give criteria for calculations of the number of room J-1083SF,1452SF K-886SF,1200SF,1256SF

For lofts, give useable residential space in square feet

Describe (include foyers, living rooms, dining areas, kitchen, bedrooms, bathrooms, etc.) UNITS HAVE HIGH CEILING HEIGHTS (HEIGHT VARIES),OPEN KITCHENS SHORT ELEVATOR LOBBIES AND NO CORRIDORS

Storage spaces (give fire separation rating, and what materials may be legally stored?):
REFUSE STORAGE ROOM: FLOORS-CONCRETE PAINTED, WALLS-CMU PAINTED, CEILINGS-GWB SUSPENDED AND/OR FURRED AND PAINTED- 2 HOUR RATING AREA HAS TRASH CHUTE NO ACTUAL STORAGE

Type and grade of finish material used in each type of unit and the number of coverings given. Include paint, wall and floor coverings, as well as specifying the type of flooring, walls and ceiling used
INTERIOR OF RESIDENTIAL CONDOMINIUM UNITS, GENERAL: FLOORS-3/4"x4" SOLID T&G IPE WOOD STRIP FLOORING WITH A CLEAR FINISH, WALLS-GWB PAINTED, BASE-5/ 4 7/8" POPLAR PAINTED, CEILINGS-GWB SUSPENDED AND/OR FURRED AND PAINTED

Describe presence, type and condition of all bathroom fixtures SEE FOLLOWING PAGES

Describe presence, type and condition of kitchen and laundry equipment SEE FOLLOWING PAGES
LAUNDRY EQUIPMENT: HOOK-UPS PROVIDED IN EACH UNIT. WASHER AND DRYER ARE NOT INCLUDED.

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

Reference: Section 20.7 of Title 13 NYCRR

Finish Schedule of Spaces other than Units. The following is a form of schedule to be given for each floor.
Describe all common rooms & spaces, including but not limited to: sub-sub cellar; sub-cellar; cellar; basement; first floor to penthouse floor; public & service halls; corridors; lobbies; etc.

	Room	Floor	Walls	Ceiling	Remarks
Sub-sub cellar					
Sub cellar					
Cellar					
Basement					
1st Floor	SEE ATTACHED SHEETS				
2nd Floor	SEE ATTACHED SHEETS				
3rd Floor	SEE ATTACHED SHEETS				
4th Floor	SEE ATTACHED SHEETS				
5th Floor	SEE ATTACHED SHEETS				
6th Floor					
7th Floor					
8th Floor					
9th Floor					
10th Floor					
11 to X Floor					
Penthouse Floor					
Public & Service Floors	SEE ATTACHED SHEETS				
Corridors	SEE ATTACHED SHEETS				
Lobbies	SEE ATTACHED SHEETS				

Safety and Warning Devices – Describe any fire or smoke safety devices installed in units and common areas. State what devices are required by law, and whether any required devices have not been installed. AS PER NYC CODE.

Reference: Section 20.7 of Title 13 NYCRR

150 NORTH FIFTH STREET CONDOMINIUM
(Finish Schedule)

Bathrooms: (fixtures & accessories shall be as specified below, or equal)

i) Master Bathroom – units 1A, 1C, 1D, 1E, 3I

Floors Marble tiles (Demi-roche)
Walls porcelain tiles (bottom wall, +/- 42" a.f.f.), except full height for shower
Tub Neptune Zen C6632 (tub only), white, 66" x 32" x 20" deep
Tub Kohler, Stillness collection, wall mounted pressure balance valve trim with spout
Tub/Shower faucet Kohler, Stillness collection Bath pressure-balancing bath and shower faucet with rite temp valve
Sink White glossy under counter with custom overflow 21"x 15"x 5" WET or 15"x 15"x 5" WET as space permits
Sink faucet Deck mounted, Kohler, Stillness collection with lever handle
Toilet One piece toilet, Toto model Carolina, white, 1.6

ii) Master Bathroom – units 1B, 2A, 2C, 2D, 2E, 2G, 2I, 2K, 3A, 3D, 3E, 3F, PENTHOUSE G, 4A, 4B, 3J, & 3K W/2 SINKS

Floors Marble tiles (Demi-roche)
Walls Porcelain tiles (bottom wall, +/- 42" a.f.f.), Except full height for Shower
Tub Neptune Zen C6632 (tub only), white, 66" x 32" x 20" deep
Tub faucet Kohler, Stillness collection, wall mounted pressure balance valve trim with spout
Shower Kohler volume control and showerhead
Sink White glossy under counter with custom overflow 15"x 15"x 5" WET model
Sink faucet Deck mounted, Kohler, Stillness collection with lever handle
Toilet One piece toilet, Toto model Carolina, white, 1.6 GPF

iii) Bathroom – units,1F,1G,1H,1K,2H, 2I,3G and 3H

Floors Marble tiles (Demi-roche)
Walls Porcelain tiles (bottom wall, +/- 42" a.f.f.),except full height for Shower
Tub Neptune Zen C6632 (tub only), white, 66" x 32" x 20" deep
Tub shower/faucet: Kohler, Stillness collection Bath pressure-balancing bath and shower faucet with rite temp valve
Sink White glossy under counter with custom overflow 15"x 15"x 5" Neptune
Sink faucet Deck mounted, Kohler, Stillness collection with lever handle
Toilet One piece toilet, Toto model Carolina, white, 1.6 GPF

iv) Guest- 1A, 1B, 1C, 1D, 1E, 2A, 2C, 2D, 2E, 2G, 2J, 2K, 3A, 3D, 3E, 3F, 3I, 3J, 3K, PENTHOUSE G, 4A, & 4B

Shower Built-in, Kohler, Ceiling mounted Rainshower polished chrome
Shower faucet Pressure balance Stillness
Sink Above counter sink, Scarbeo, square support basin white glossy
Sink faucet Wall Mounted, Kohler, Stillness collection with lever handle
Toilet One piece toilet, Toto model Carolina, white, 1.6 GPF

v) Powder Room-1H, 2A, 2H, 3A, 3H, PENTHOUSE G & 4A

Sink White glossy under counter with custom overflow 15"x15"x5" WET model or Neptune
Sink faucet Deck mounted, Kohler, Stillness collection with lever handle
Toilet One piece toilet, Toto model Carolina, white, 1.6 GPF

150 NORTH FIFTH STREET CONDOMINIUM
(Finish Schedule - continued)

Residential Lobby
Floors stone tile and terrazzo tile mud set (type of tile to be determined)
Walls Brick or stone, textured MDF and GWB with plaster skim coat
Bases brick, stone and terrazzo tile (type to be determined)
Ceilings GWB suspended and/or furred with a plaster skim coat painted
Lighting indirect recessed wall and ceiling strip lights and wall washer lights

Asbestos – State whether Asbestos Containing Material (ACM) is present in insulating or fireproofing material anywhere in the building(s). Sponsor shall perform such tests as are necessary to make such determination. In the event that ACM is present, sponsor shall have a person who is qualified to render an opinion on asbestos prepare a report on the asbestos in the building(s) (the **"asbestos report"**). Such asbestos report shall contain at least the following information:

1. The qualifications of the person preparing the report.

2. A detailed inventory of the asbestos in each apartment and in all other areas of the property, including the location, amount of ACM, type and concentration of asbestos in ACM, and condition. At least ten (10) percent of all apartments must be inspected in an initial inspection. If ACM is found in any of these apartments, a second inspection, with notice to tenants and at least partially during non-business hours, must be performed in all remaining accessible apartments. List apartments inspected.

3. Recommendations for handling each and every item of the asbestos inventory, i.e., removal, enclosure, encapsulation, or leaving undisturbed.

4. How the recommendations should be implemented. Include, if applicable, whether apartments must be vacated or whether use of certain rooms will be limited and the projected duration thereof. State whether the work must be performed in compliance with **New York City Local Law 76 of 1985** or any other applicable laws.

5. A recommended protocol (operations and maintenance program) for the future handling and maintenance of asbestos which will remain in the building, whether encapsulated, enclosed or left undisturbed.

Lead-based Paint – Include records, reports, violations and any other information known or available to the sponsor or its agents concerning the presence of lead-based paint and/or lead-based paint hazards.

Additional Information Required – Include the following in the Description of Property and Building Condition section of the plan:

1. A site plan showing landscape features, roads, the outside dimensions of the building(s) and designated common areas, including recreation and refuse disposal areas, and all privately owned access roads. The site plan may be omitted if the building covers the entire lot.

2. An area map showing the location of the condominium with respect to its surroundings, if the condominium is not located in a highly urban area.

3. Floor plan for each line or type of unit drawn to scale, indicating room dimensions, and showing unit boundaries.

4. Floor to ceiling heights of units.

5. Approximate total area of each unit.

6. A master floor plan showing unit boundaries and the relationship of units to each other. The master floor plan may be omitted if the site plan clearly shows unit boundaries and appropriate unit designations.

aa) In the event that certain conditions in the building(s) cannot be adequately evaluated by a visual examination, the Department of Law may, in its discretion, direct that an independent engineer or testing laboratory be retained to perform such tests or monitoring as may be necessary in order to make adequate disclosure. Conditions which may require additional testing or monitoring include, but are not limited to: settlement, masonry cracks, rusting of structural steel, adequacy of concrete cover, fire-stopping, etc. Test results must be reported in the offering plan or in an amendment thereto.

Reference: Section 20.7 of Title 13 NYCRR

ab) Further Development – If the sponsor intends to add additional units to the building, either above the existing roof, outside the existing building development, or by altering space within the building, it must make disclosure about the new units to conform to **13 NYCRR Section 20.7.** In addition:

1. If the additional units are to be added, sponsor must submit plans and specifications approved by all necessary local governmental agencies before the offering plan may be accepted for filing.

2. If the additional units will be on top of an existing structure, state:

   α. Whether the existing structure has sufficient capacity to support the additional load, and, if not, what steps are being taken to support the increased load?

   β. What the resulting building height will be.

2. Describe the component which will be removed, relocated, or extended, e.g., parapet, bulkheads, roof, tanks, elevators, service rooms, landscaping, etc.

3. Describe the effect the additional structure will have on existing systems and state the adequacy of all existing systems which will be affected by the addition, including heat and hot water, water pressure, sewage, elevators, electricity, air conditioning, parking and sprinklers.

4. Include a list of facilities that will be shared by the existing and new structures, e.g., laundry room, intercom, garage, etc.

5. State the effect that the renovation or construction will have on tenants in occupancy. Specifically:

   α. State the manner in which construction debris will be handled and its effect on common areas used by tenants.

   β. Give the schedule for renovation and construction work, e.g., Monday – Friday, 8:00am to 5:00 pm, except holidays.

- Describe any measures that will be taken to protect the security of the building during the construction or renovation process. Include a statement of the manner in which tenants and construction workers will gain access to the building. BUILDING WILL BE UNOCCUPIED DURING CONSTRUCTION

- State whether there will be any interruption of services during construction or renovation and, if so, provide details. This includes water, electricity, elevator service, and laundry rooms. N/A

- State whether new piping will be added to existing piping and whether such work may cause breaks in existing piping. If so, state whether precautions will be taken to minimize damage and state who will be responsible for any such damage. N/A

- State whether the sponsor and/or contractors will have liability insurance in effect during construction. YES

Attorney General Eliot Spitzer – New York State Department of Law
Investment Protection Bureau / Real Estate Finance Section 120 Broadway – New York, N.Y. 10271 Tel.: (212) 416-8121

Other Disclosures

- Please state whether the property is located in an area that is affected by flooding, hurricane, tornadoes, dust storm, earthquake, mud-slide, bush fire, forest fire, avalanches, volcanic eruption, or other natural hazard. State if in compliance with the latest Federal, State, and local Hazardous Materials and Evacuation Laws and Plans.
  THERE IS AN ENVIRONMENTAL CONCERN WHICH DEP HAS DIRECTED US TO ADDRESS BY SEALING THE BELOW GRADE CONDITIONS.

- State whether there is any nuisance such as unusual or unpleasant noise; odor; pollutants; nearby airport; animal pen; horse stable; noxious smoke or chemical fume from factories; mosquitoes from stagnant ponds; marshes; sewage treatment plant facility; garbage dump; quarry / mining; etc.
  NO

Notes:

1. **This format is designed to speed up the process. It must be filled in its entirety. If a section does not apply or the answer is none, please state so.**

2. **DOB approved drawings must be submitted as part of the offering package. The seal and signature of the design architect or engineer must appear on each sheet of the project plans; and if required, the stamp of approval of local authority as well.**

3. **If in the City of New York, sponsor must add as a special risk that the owner of each individual unit will be required to install child window guards if a 10 year old or younger is living or frequently visits the dwelling.**

4. **Sponsor must post signs specifying that recreation, office and storage spaces must be used exclusively for their intended purpose. That these designated spaces must not be used for other habitable reasons such as bedroom and/or living room.**

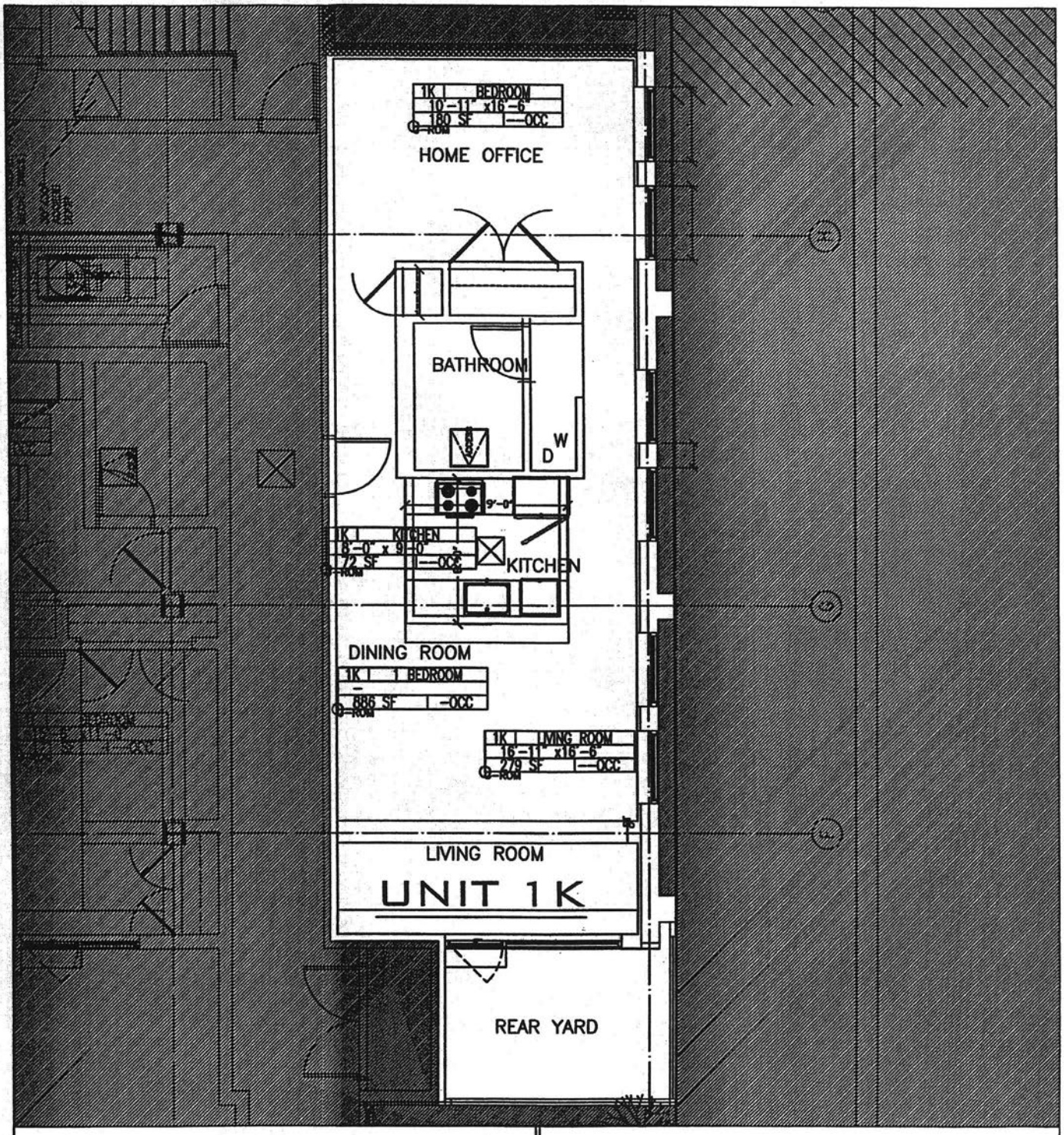
REGISTERED ARCHITECT GENE KAUFMAN No. 01739-1 STATE OF NEW YORK

04-03-07

GENE KAUFMAN

Reference: Section 20.7 of Title 13 NYCRR

Floor Plans

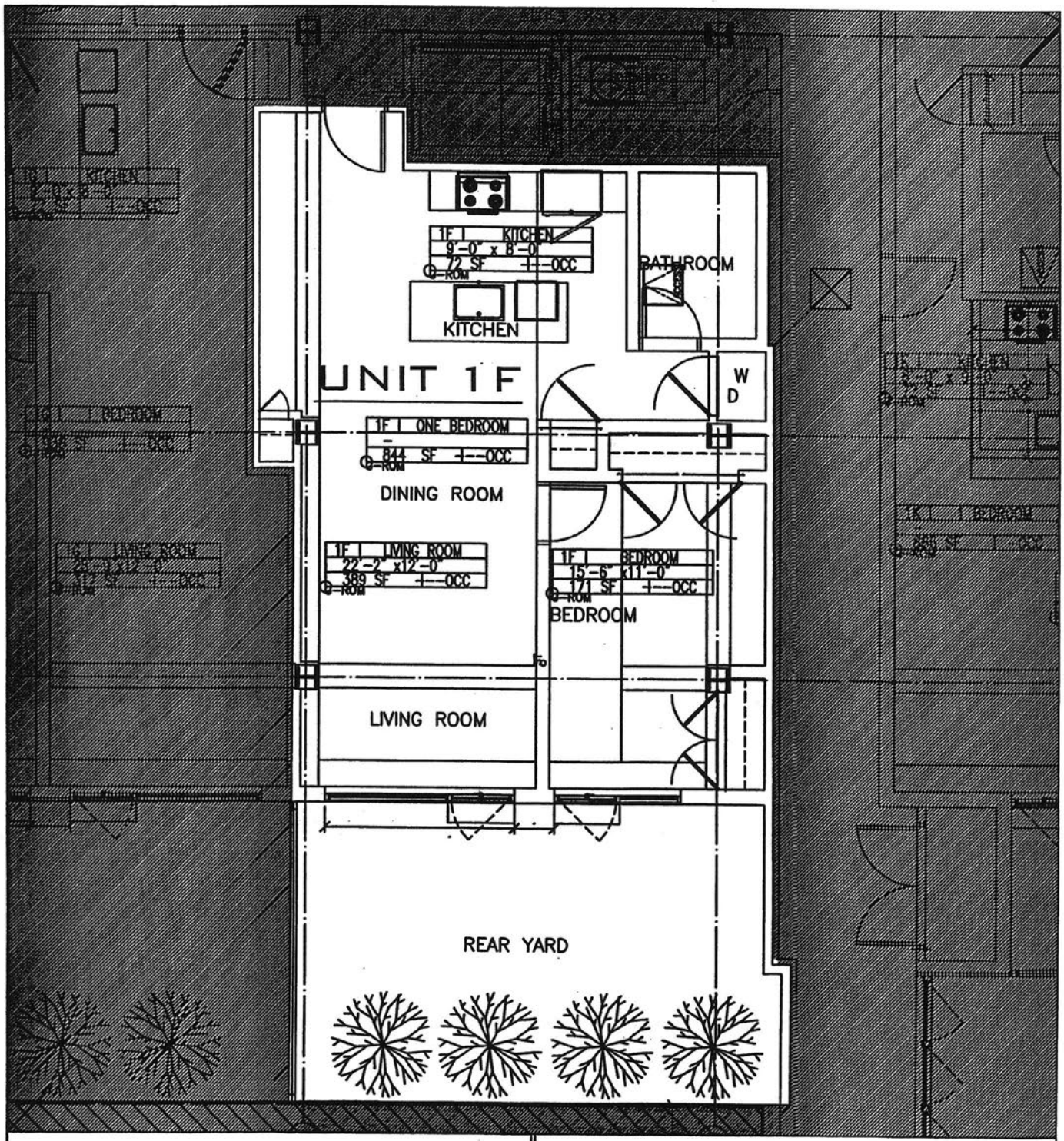


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW **YORK, N.Y. 10012**
TEL. (212) 625-8700 FAX. **(212) 625-8867**

150 North 5th Street

1K	UNIT AREA	FLOOR AREA
	886 SF	886 SF
FLOOR	QNTY. BR	QNTY BATH
1ST	STUDIO+H.O	1
COMMENTS: –		

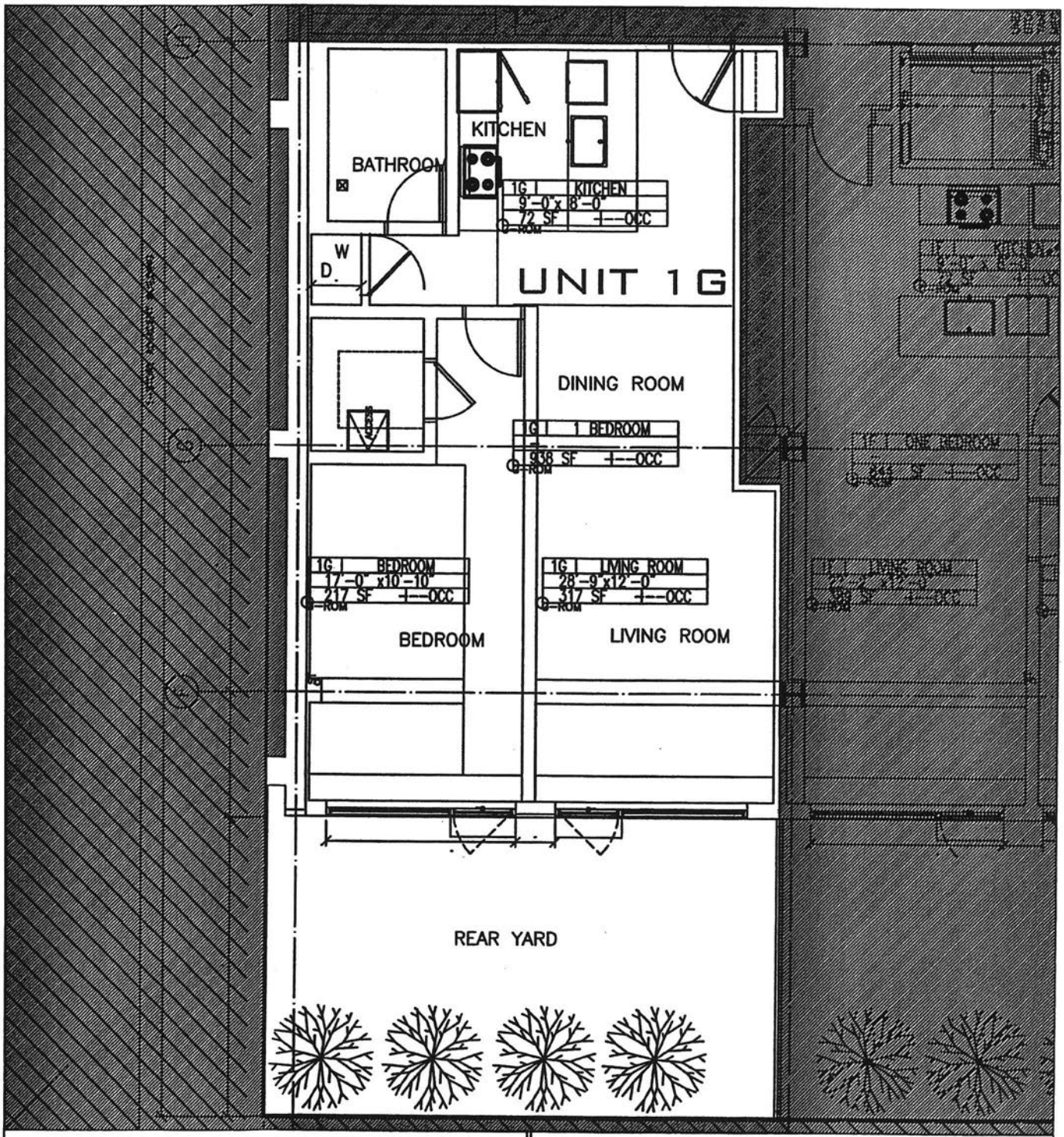


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

1F	UNIT AREA	FLOOR AREA
	844 SF	844 SF
FLOOR	QNTY. BR	QNTY BATH
1ST	1	1
COMMENTS: –		

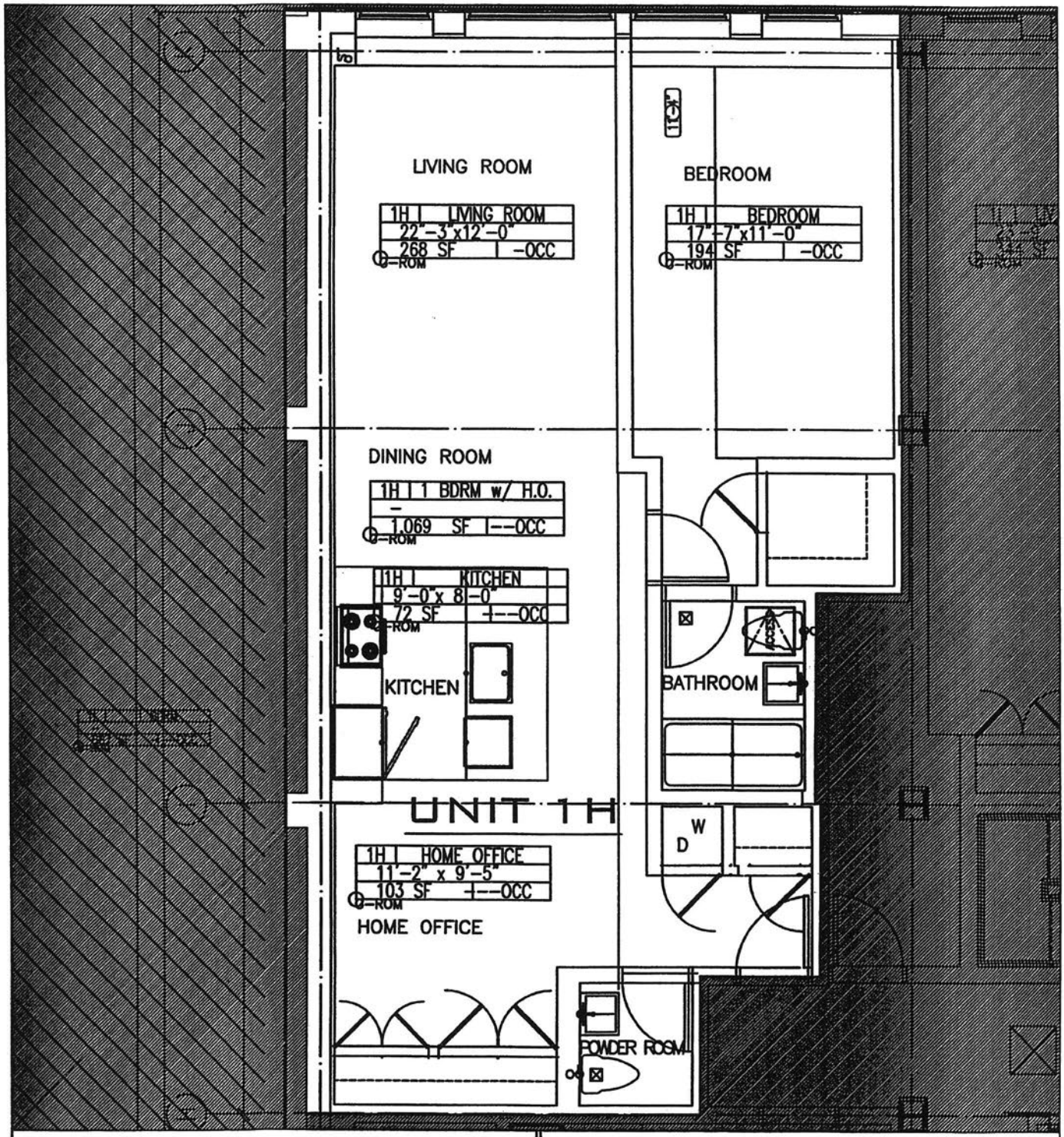


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

1G	UNIT AREA	FLOOR AREA
	938 SF	938 SF
FLOOR	QNTY. BR	QNTY BATH
1ST	1	1
COMMENTS: –		

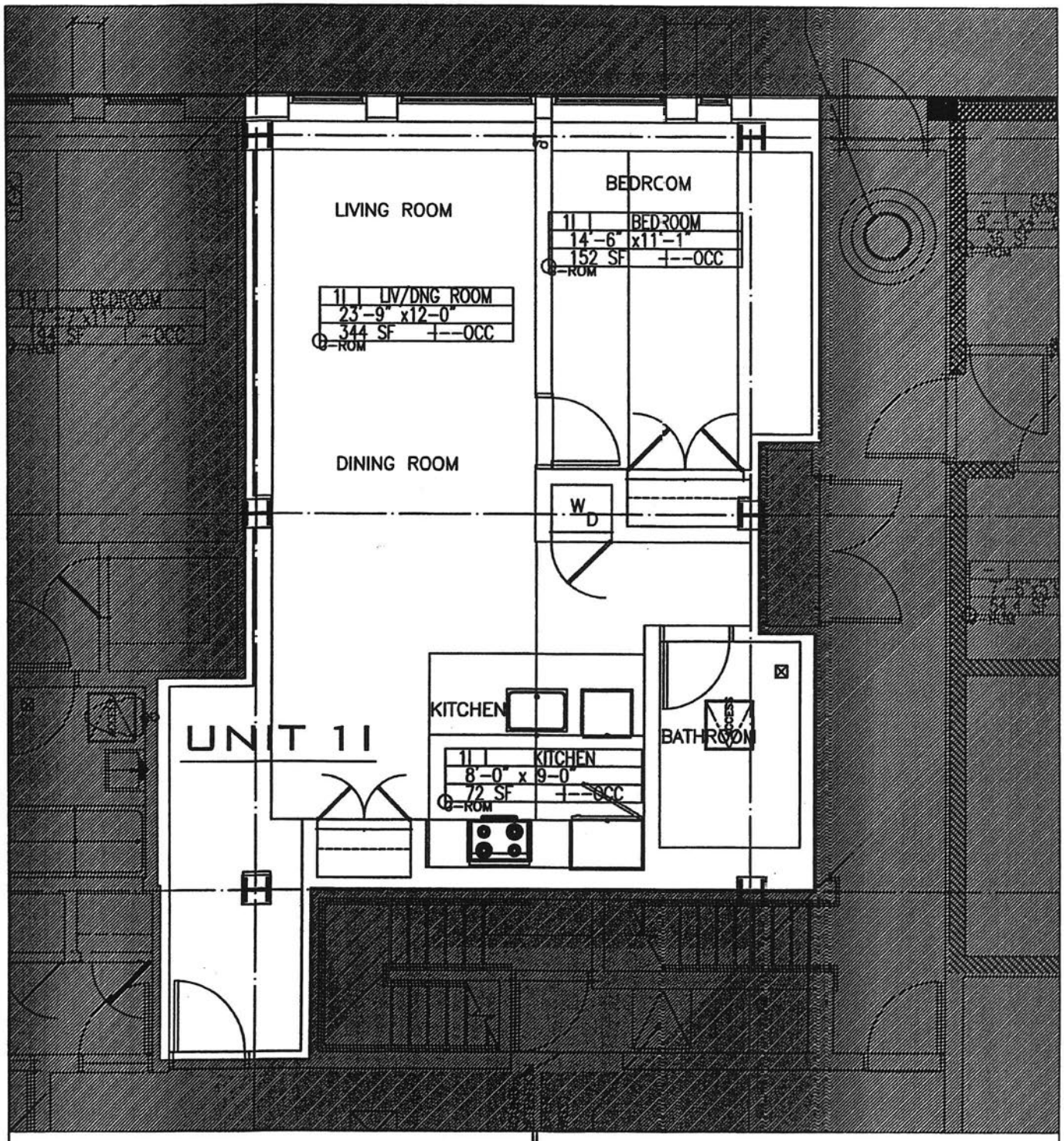


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

1H	UNIT AREA	FLOOR AREA
	1069 SF	1069 SF
FLOOR	QNTY. BR	QNTY BATH
1ST	1+H.O	1.5
COMMENTS: –		

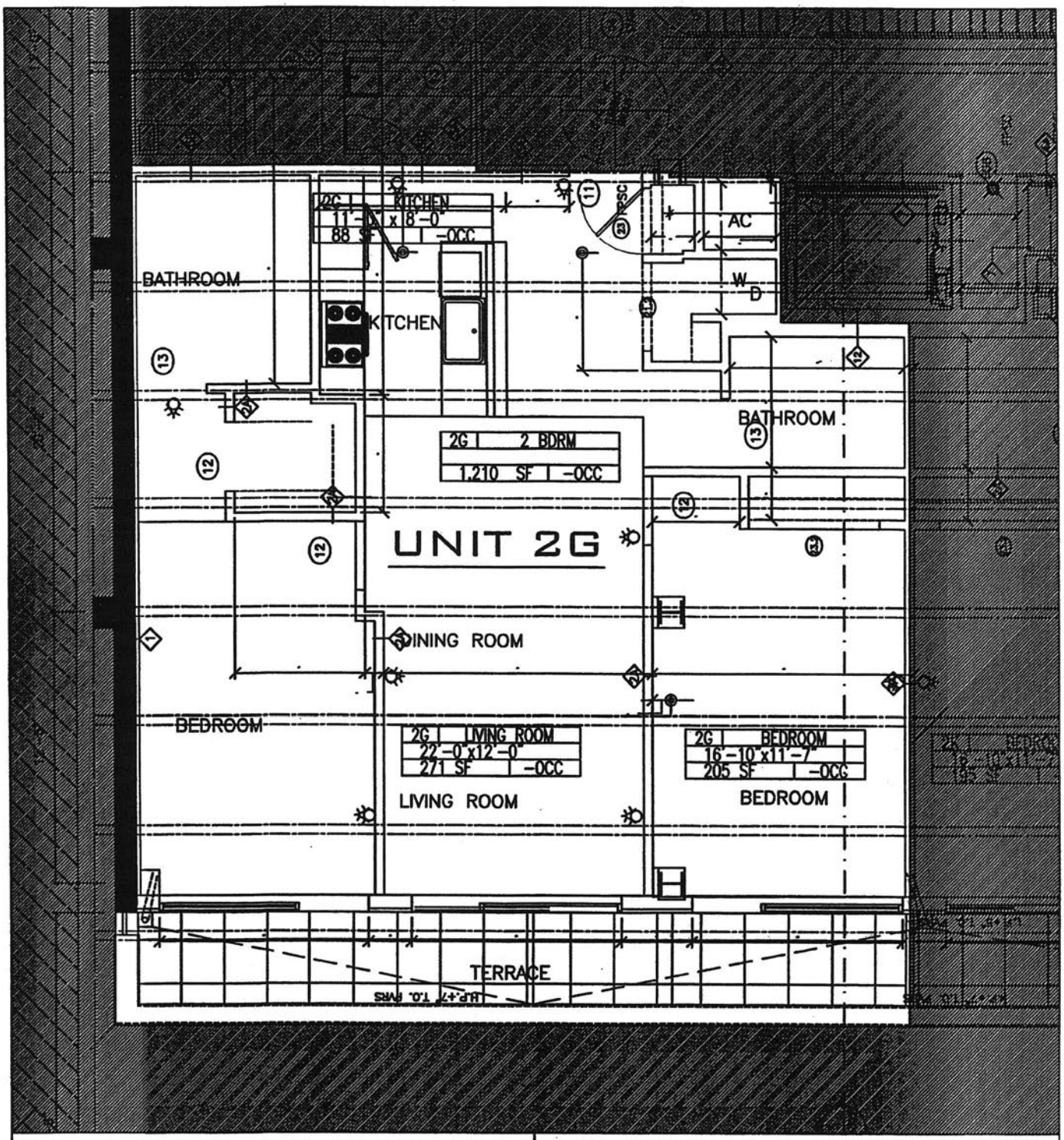


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

11	UNIT AREA	FLOOR AREA
	867 SF	867 SF
FLOOR	QNTY. BF	QNTY BATH
1ST	1	1
COMMENTS: –		

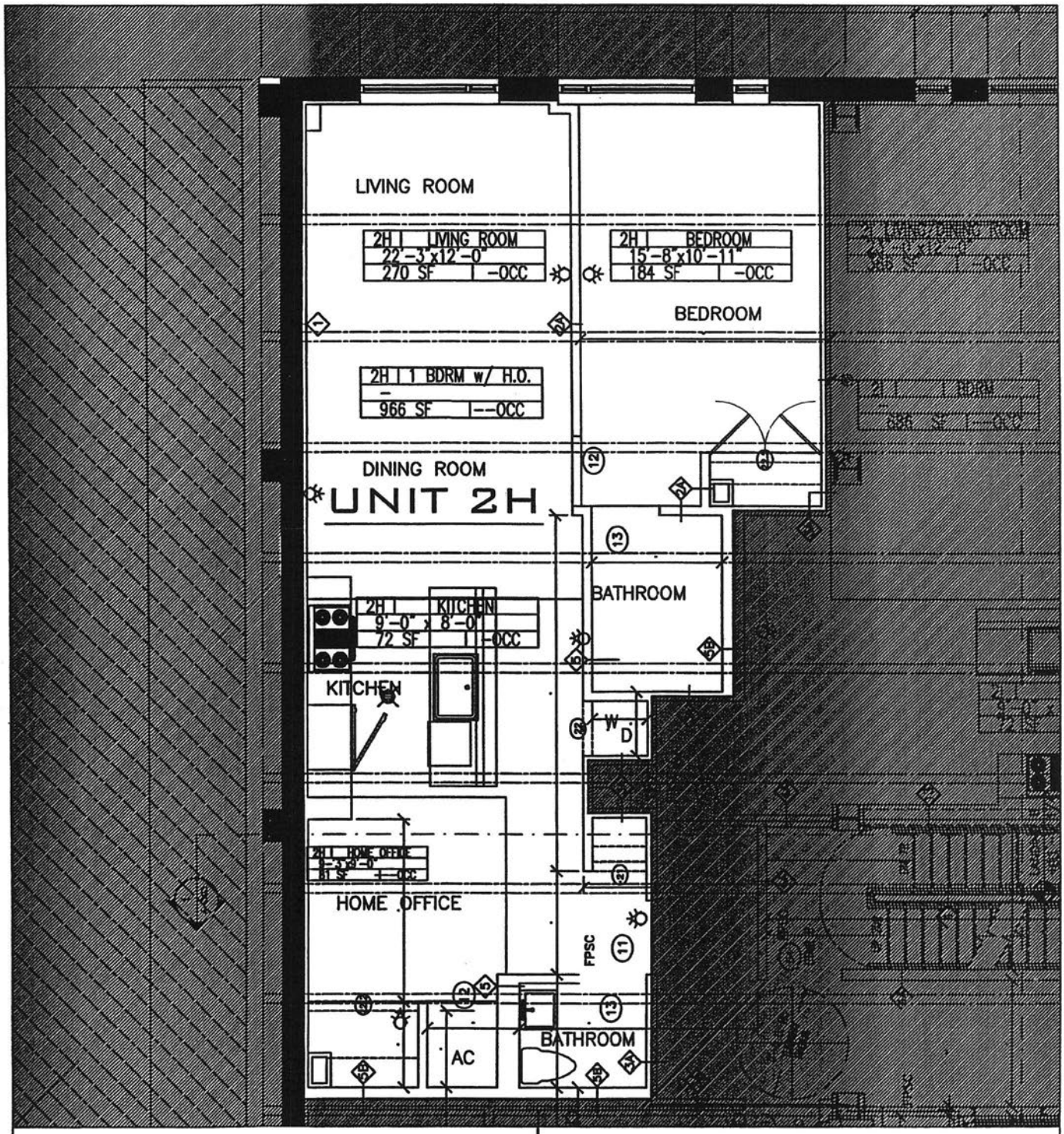


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

2G	UNIT AREA	FLOOR AREA
	1207 SF	1207 SF
FLOOR	QNTY. BR	QNTY BATH
2ND	2	2
COMMENTS: –		

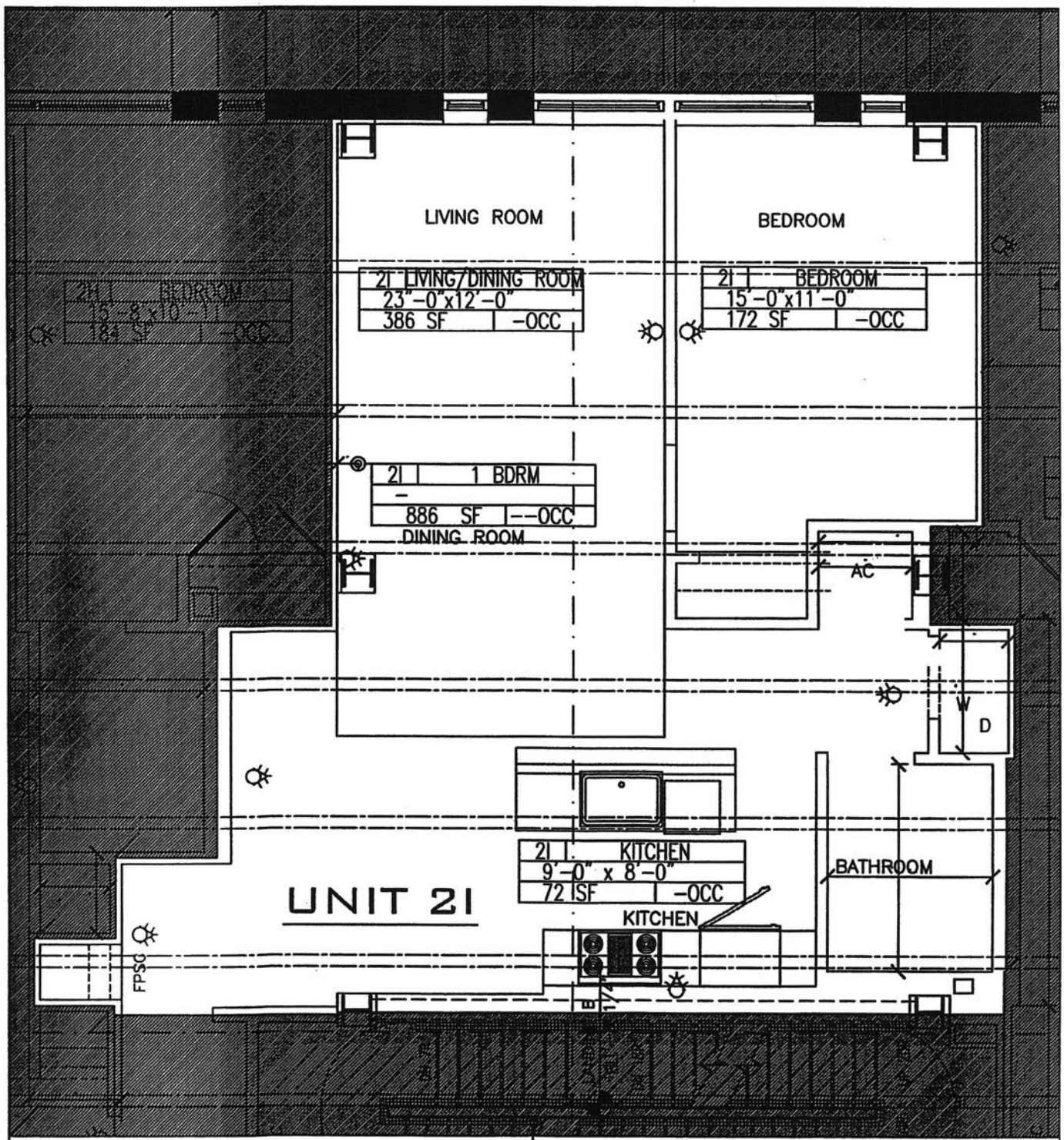


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

2H	UNIT AREA	FLOOR AREA
	966 SF	966 SF
FLOOR	QNTY. BR	QNTY BATH
2ND	1	1.5
COMMENTS: –		

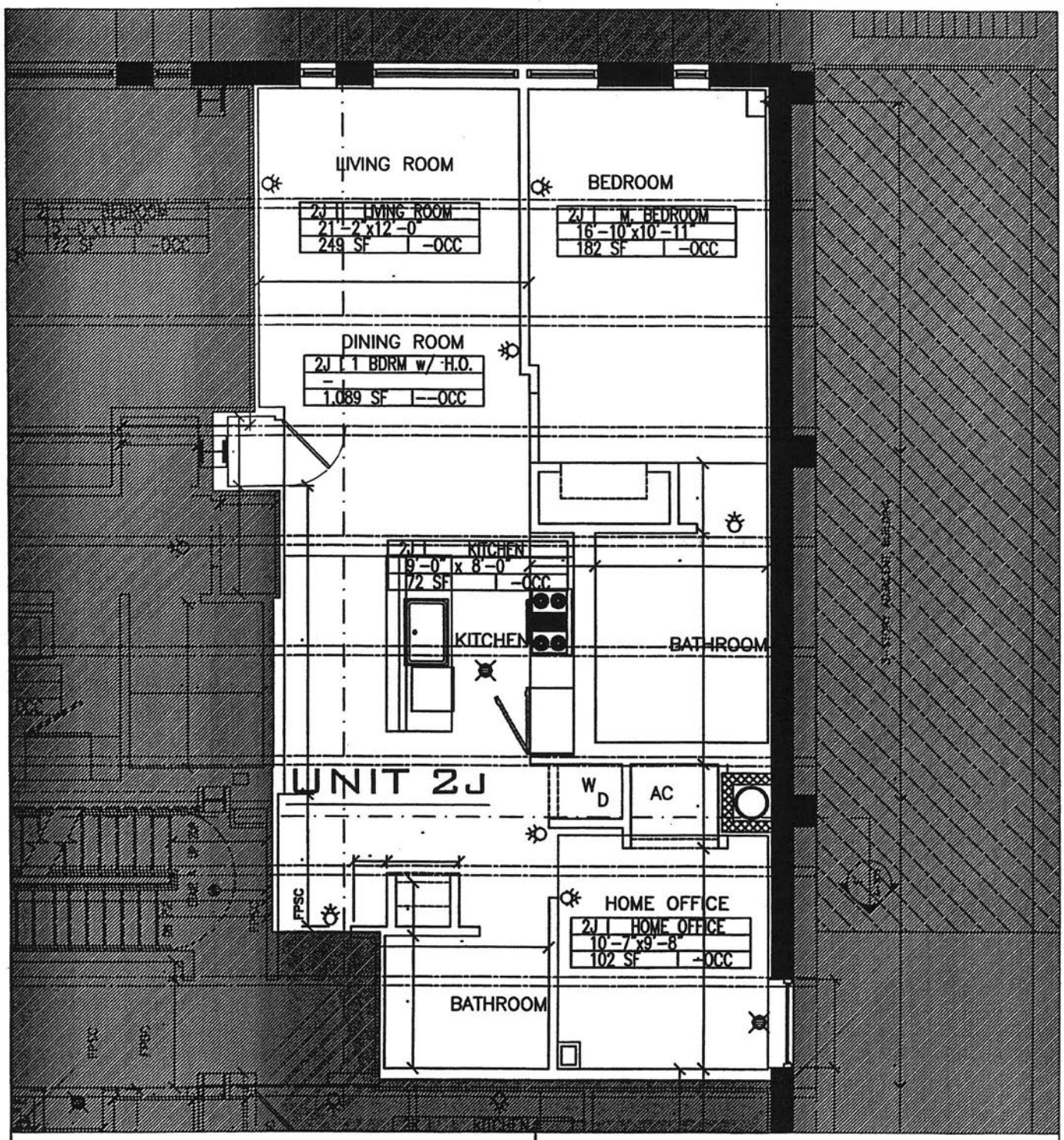


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

2I	UNIT AREA	FLOOR AREA
	886 SF	866 SF
FLOOR	QNTY. BR	QNTY BATH
2ND	1	1
COMMENTS: –		

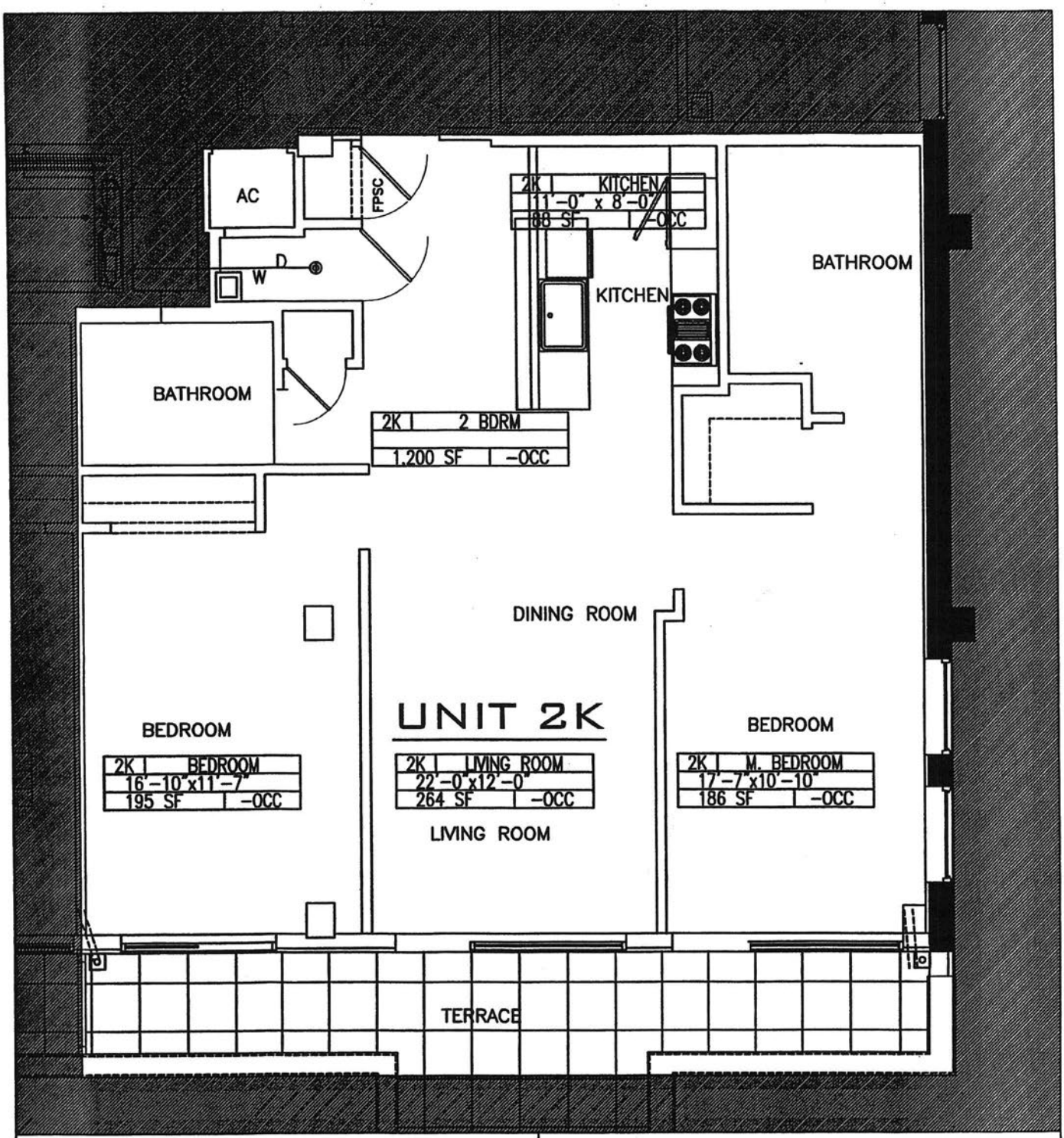


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

2J	UNIT AREA	FLOOR AREA
	1089 SF	1089 SF
FLOOR	QNTY. BR	QNTY BATH
2ND	1	2
COMMENTS: –		

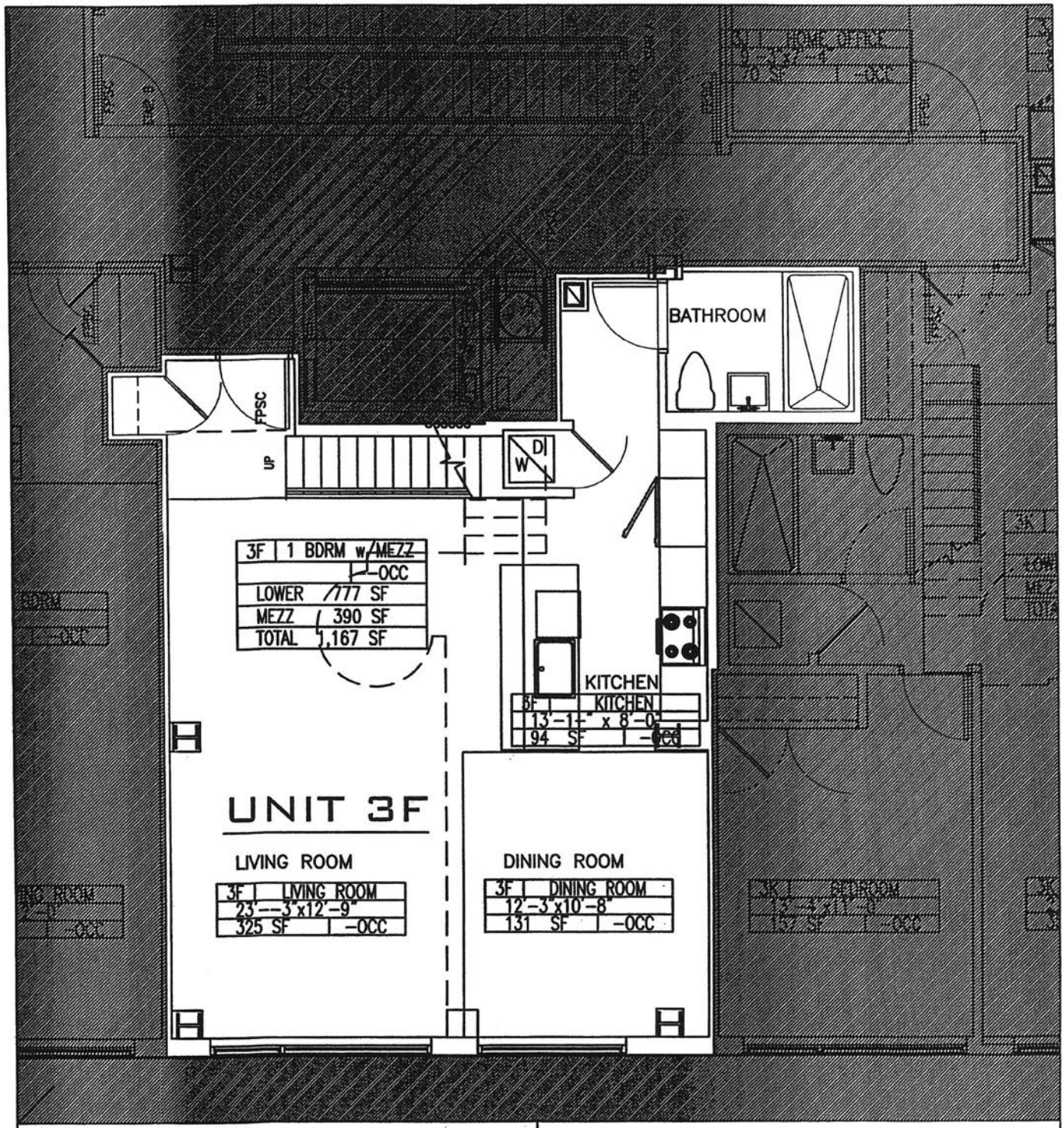


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

2K	UNIT AREA	FLOOR AREA
	1200 SF	1200 SF
FLOOR	QNTY. BR	QNTY BATH
2ND	2	2
COMMENTS: –		



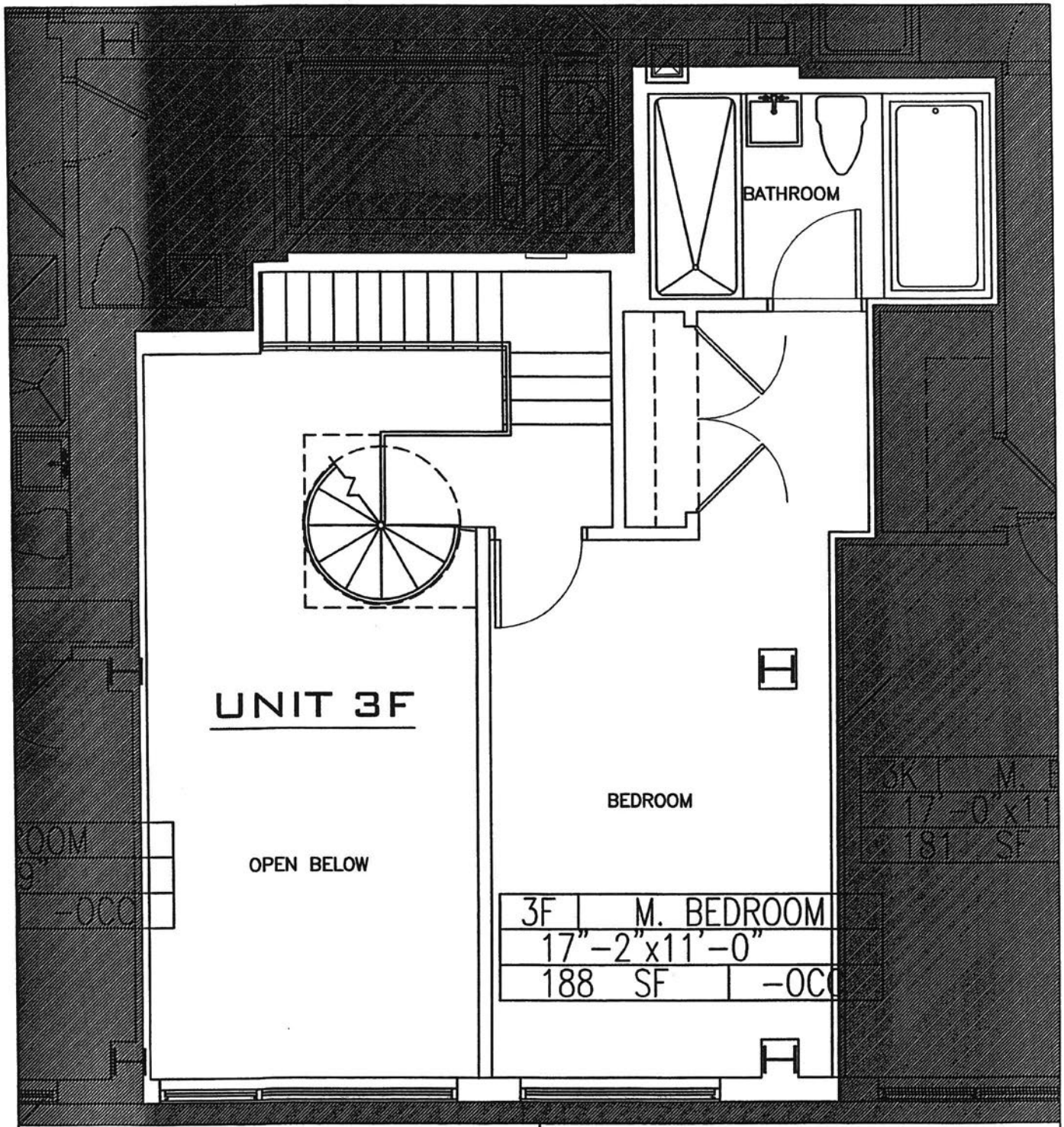
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

3F	UNIT AREA	FLOOR AREA
	1167 SF	777 SF
FLOOR	QNTY. BR	QNTY BATH
3RD	1	2
COMMENTS: –		

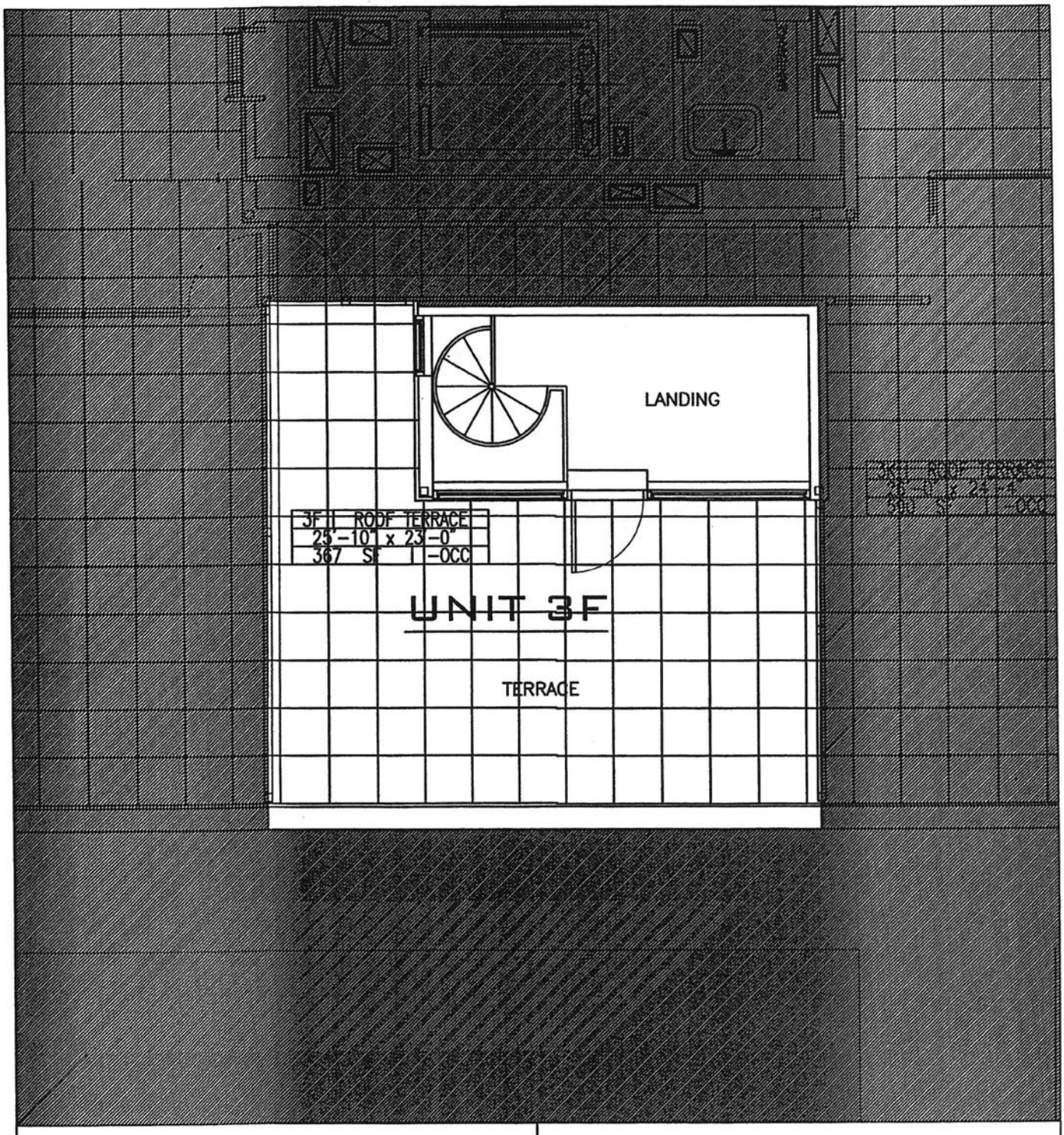


GENE KAUFMAN ARCHITECT PC
525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

3F MEZZ.	UNIT AREA	FLOOR AREA
	1167 SF	390 SF
FLOOR	QNTY. BR	QNTY BATH
4TH	1	2
COMMENTS: –		



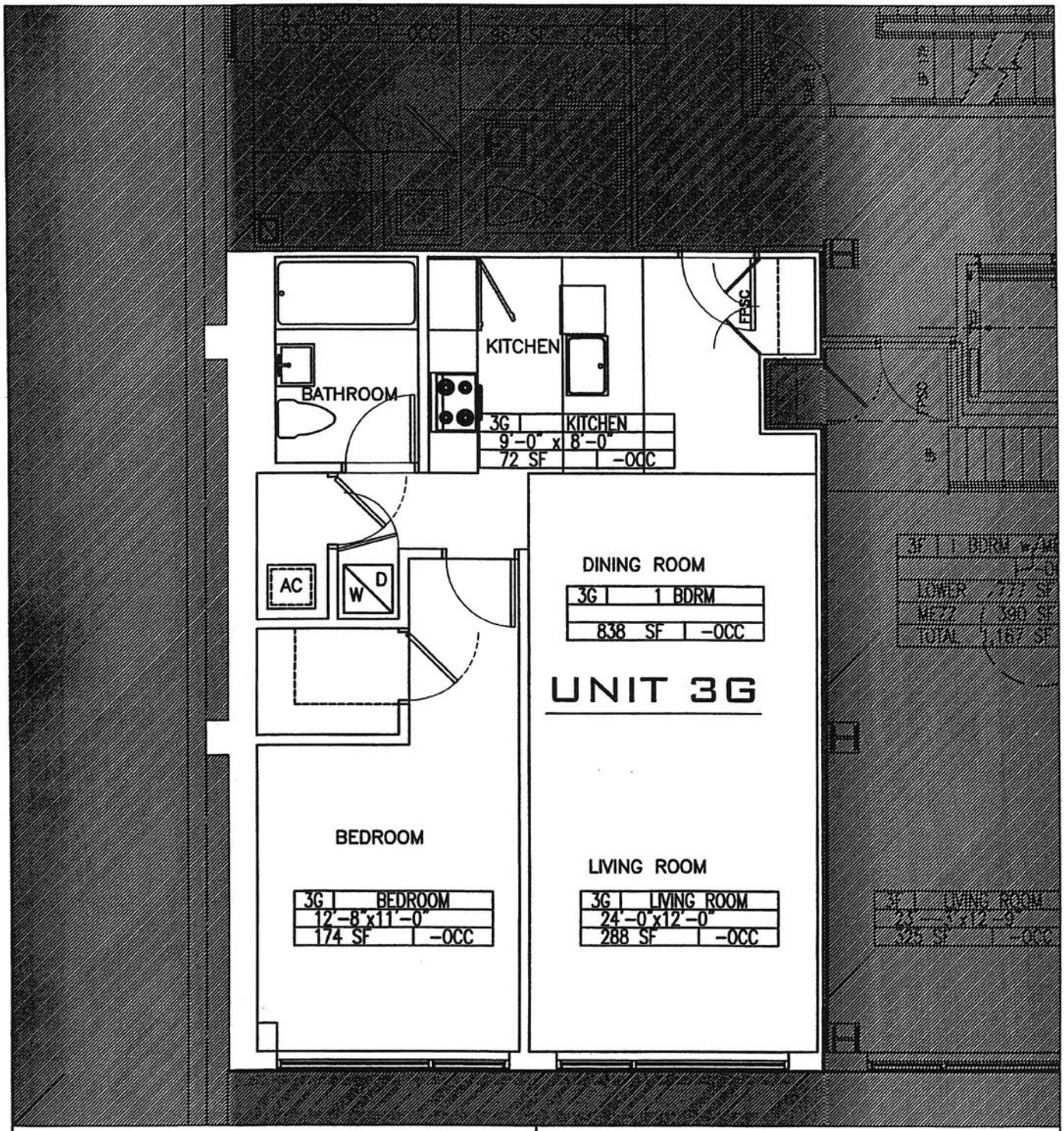
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

3F TERRACE	UNIT AREA	FLOOR AREA
	NON-FL. AREA	NON-FL. AREA
FLOOR	QNTY. BR	QNTY BATH
ROOF	–	–
COMMENTS: –		



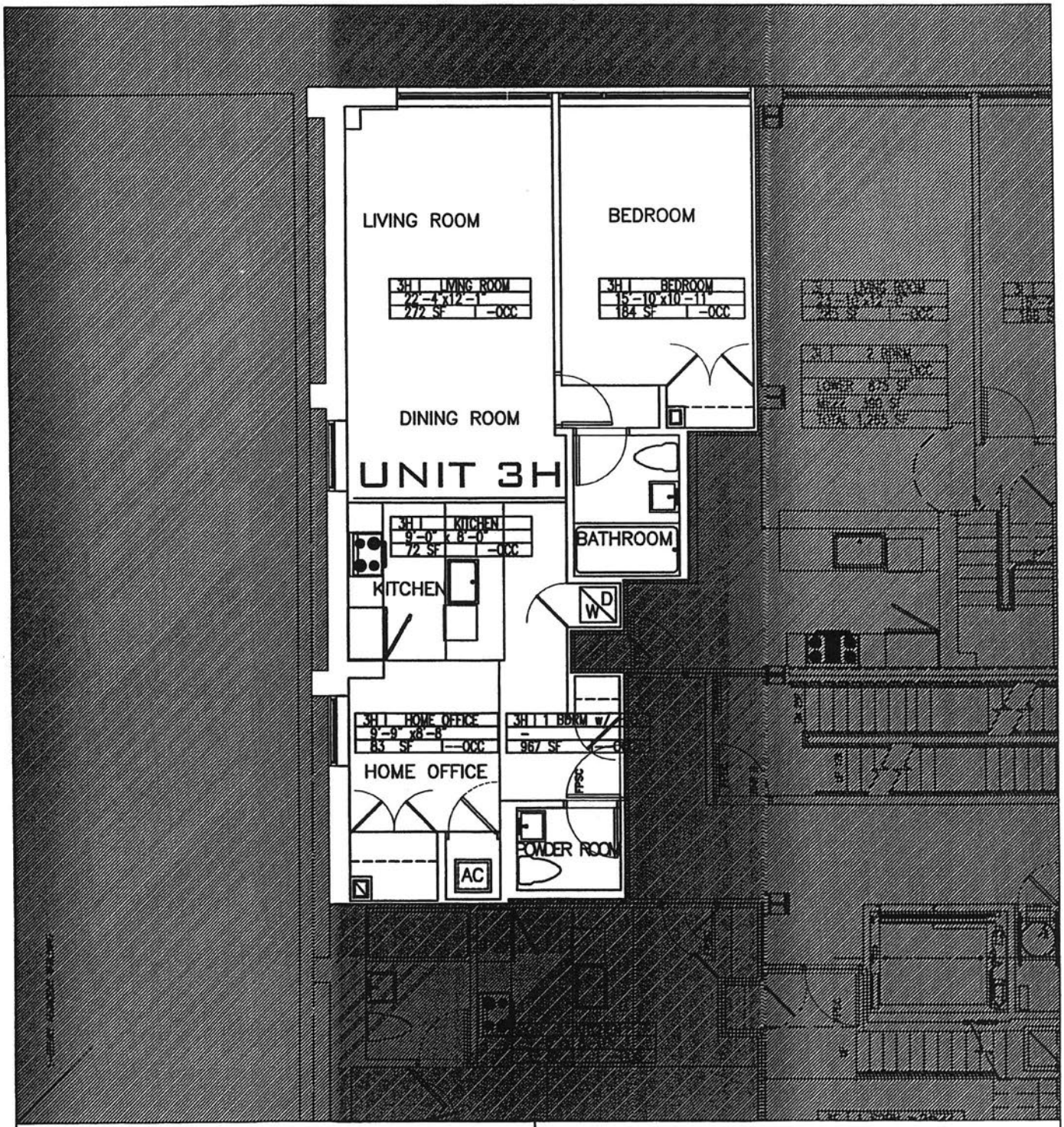
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

3G	UNIT AREA	FLOOR AREA
	838 SF	838 SF
FLOOR	QNTY. BR	QNTY BATH
3RD	1	1
COMMENTS: –		



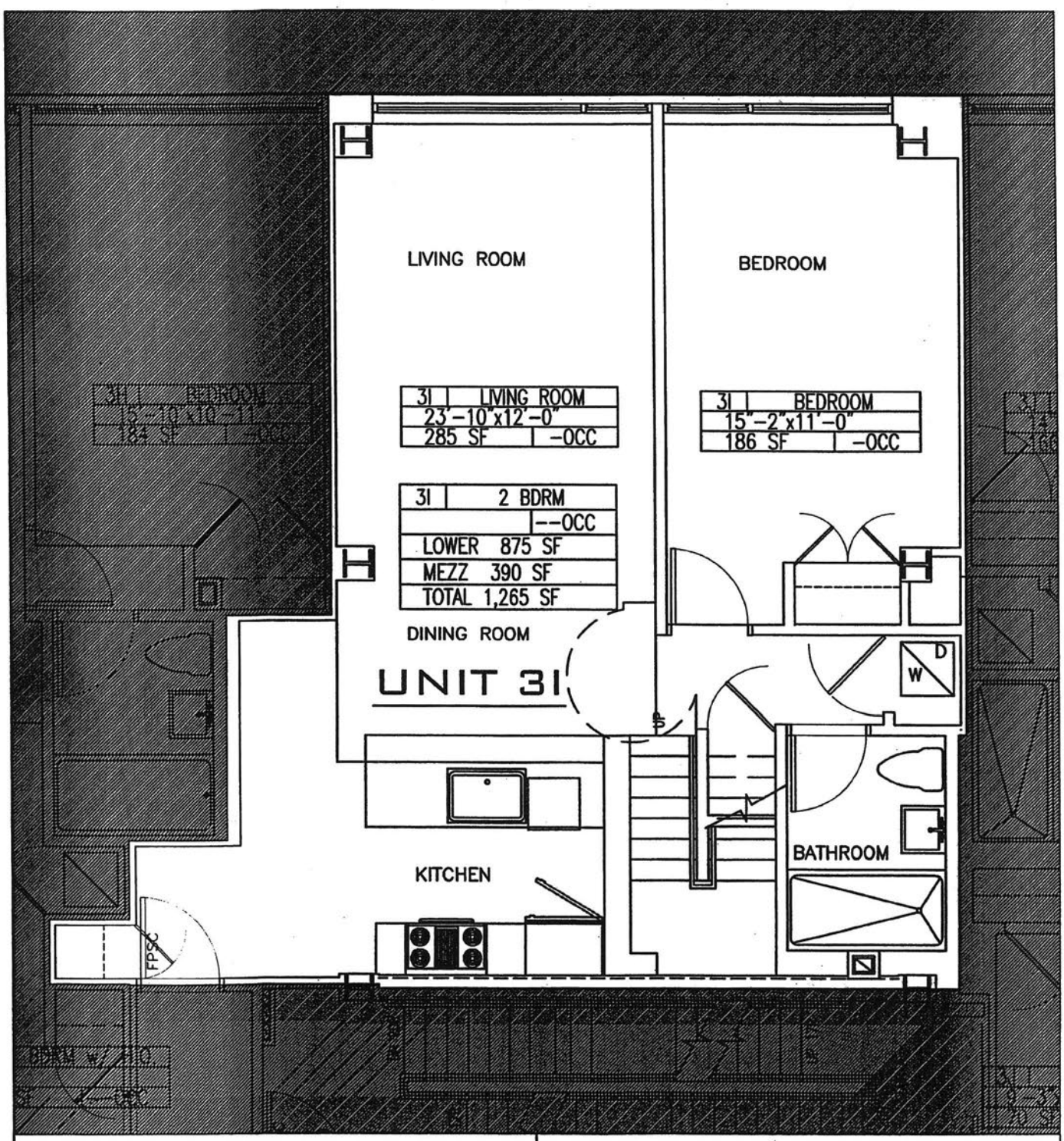
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. **(212) 625-8867**

150 North 5th Street

N

3H	UNIT AREA	FLOOR AREA
	967 SF	967 SF
FLOOR	QNTY. BR	QNTY BATH
3RD	1+ H.O.	1.5
COMMENTS: –		



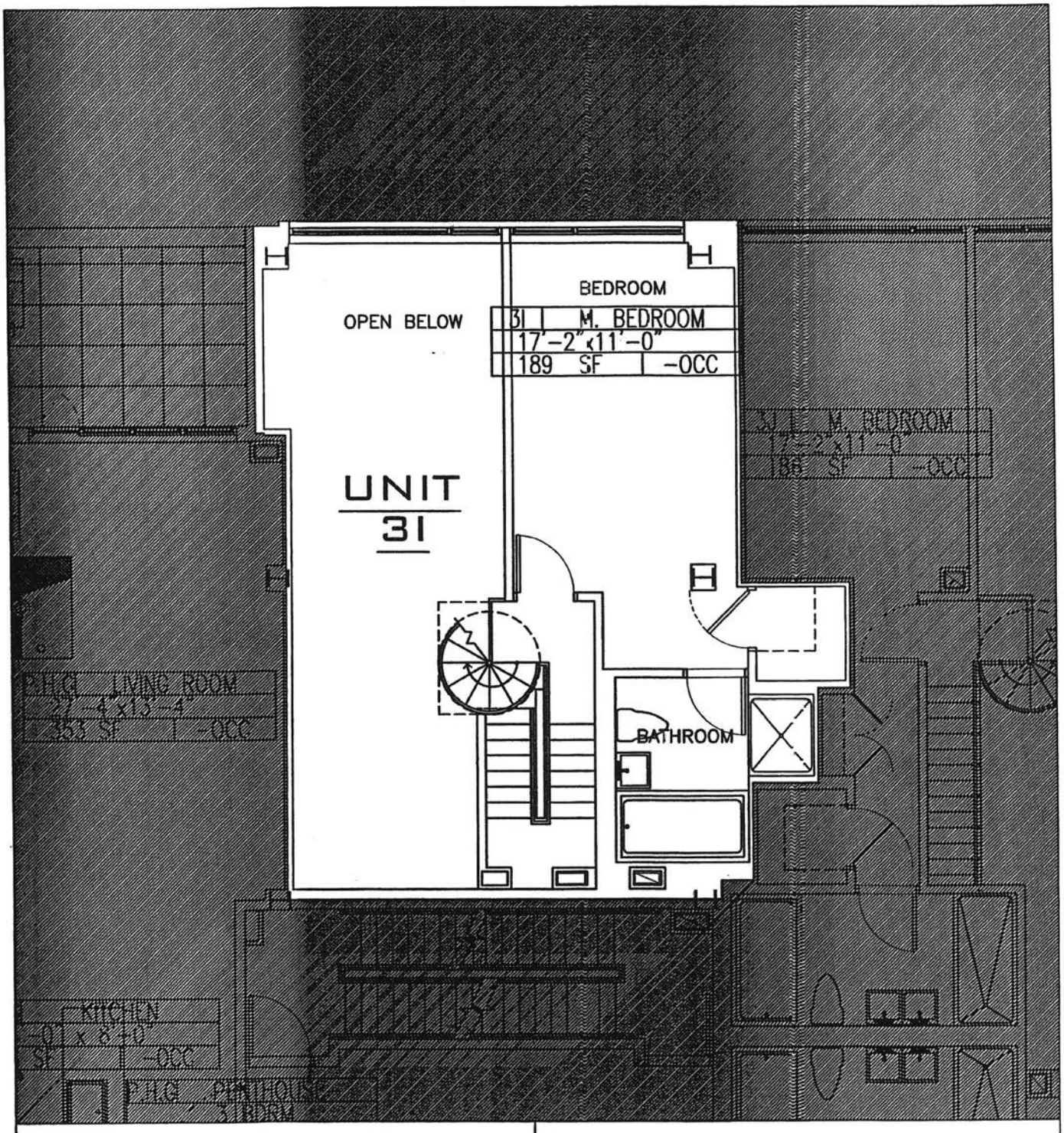
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

31	UNIT AREA	FLOOR AREA
	1265 SF	875 SF
FLOOR	QNTY. BR	QNTY BATH
3RD	2	2
COMMENTS: –		



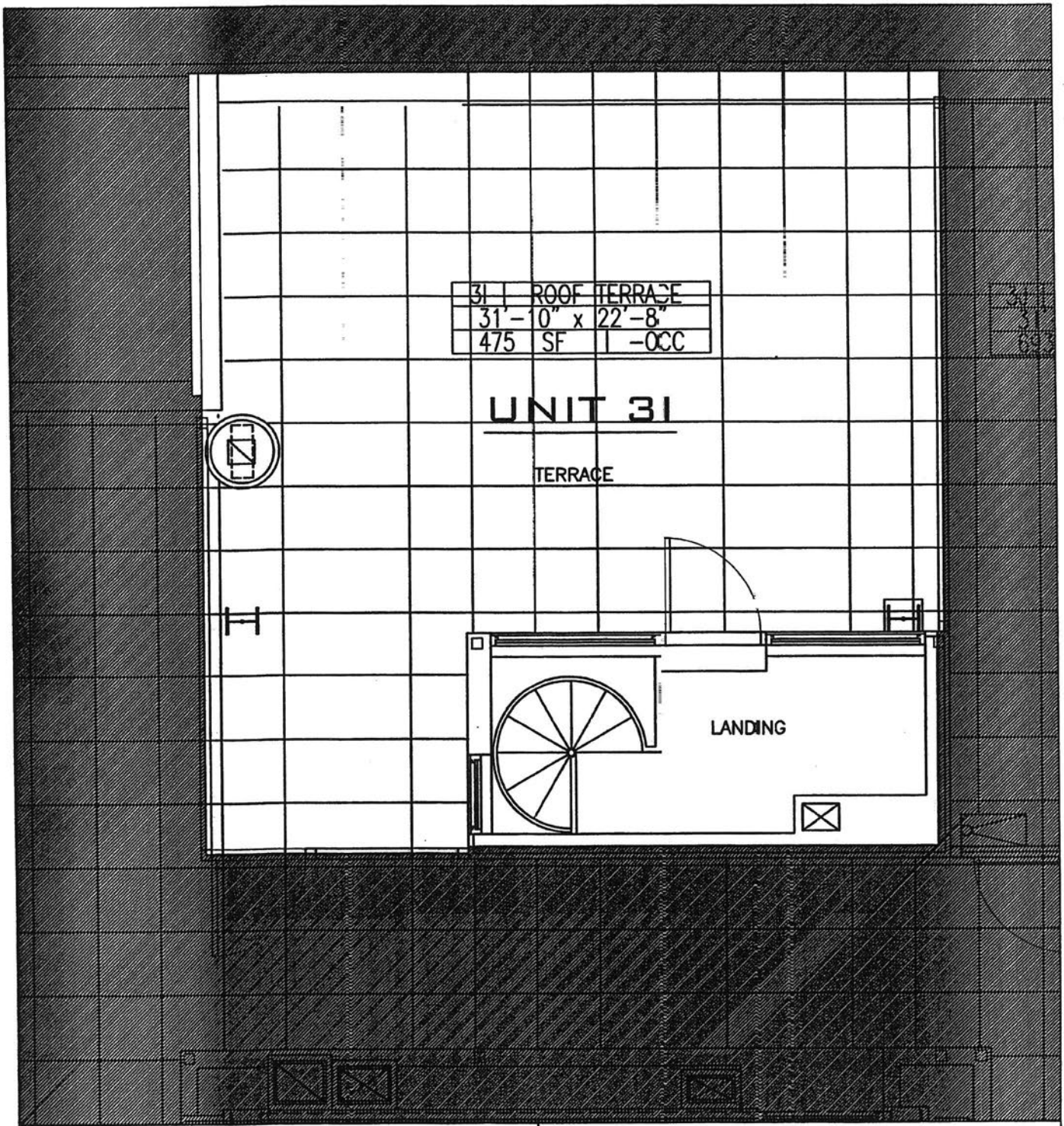
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

31 MEZZ.	UNIT AREA	FLOOR AREA
	1265 SF	390 SF
FLOCR	QNTY. BR	QNTY BATH
4TH	2	2
COMMENTS: –		



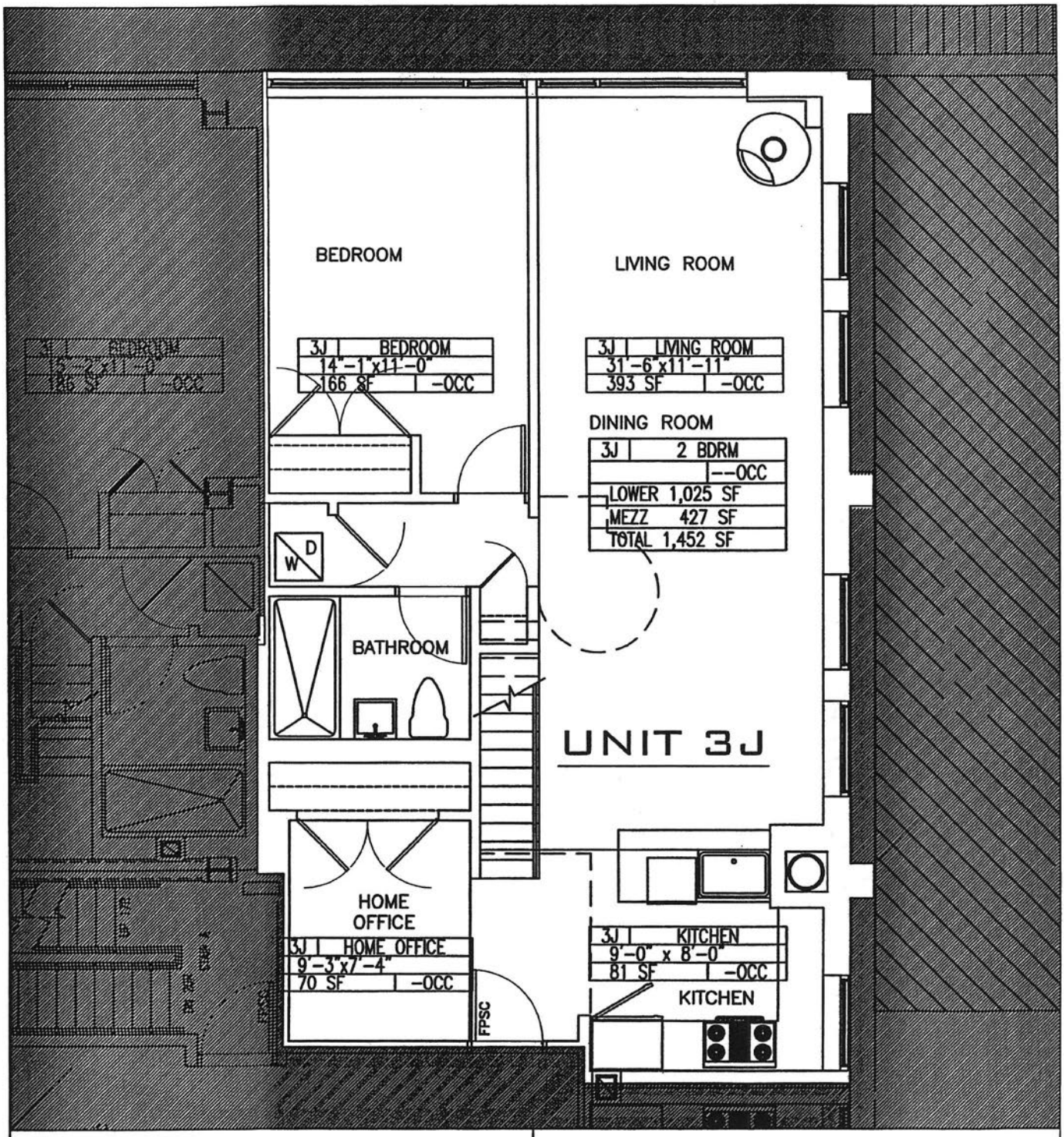
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

31 TERRACE	UNIT AREA	FLOOR AREA
	NON-FL. AREA	NON-FL. AREA
FLOOR	QNTY. BR	QNTY BATH
ROOF	–	–
COMMENTS: –		



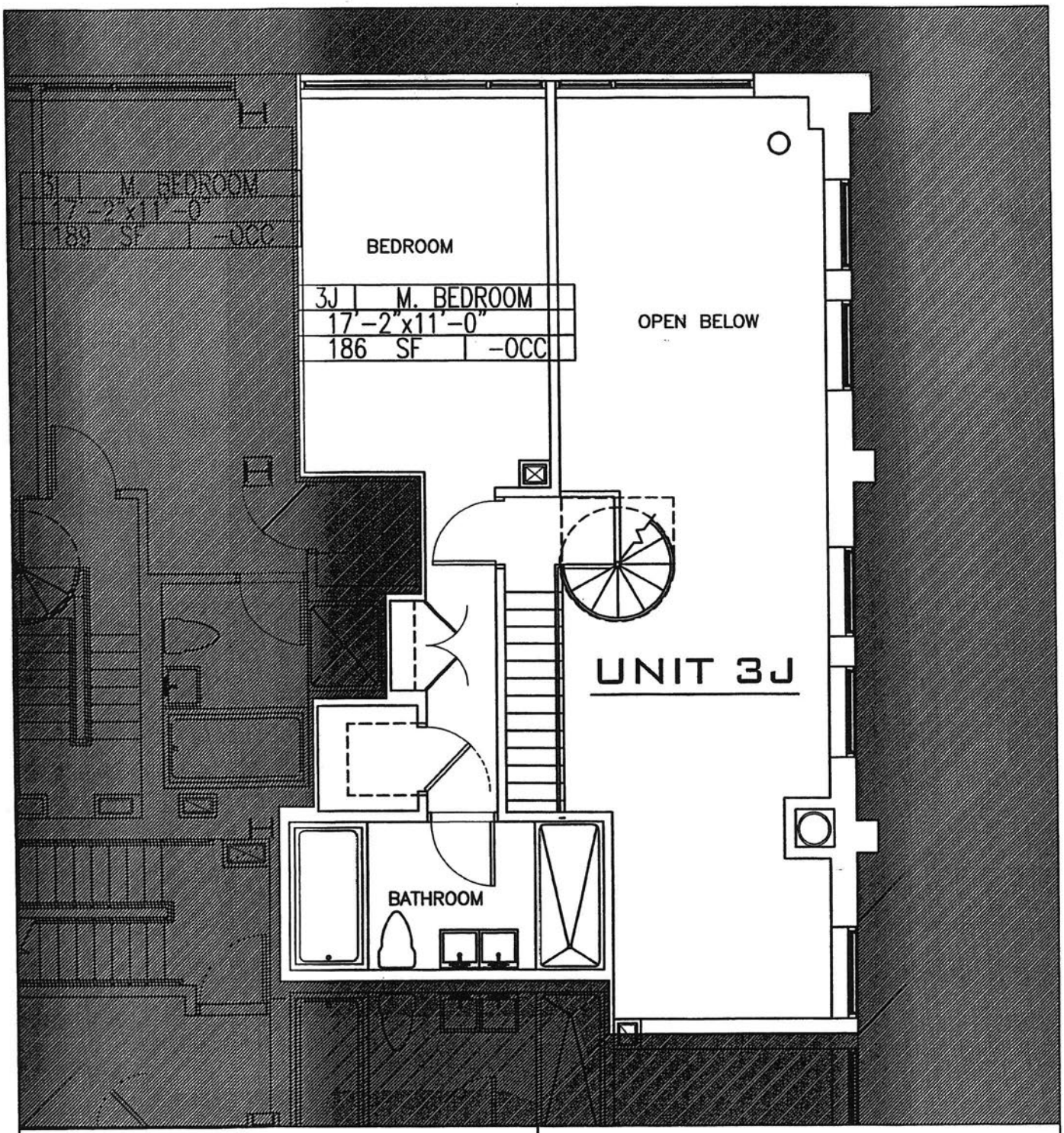
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

3J	UNIT AREA	FLOOR AREA
	1452 SF	1025 SF
FLOOR	QNTY. BR	QNTY BATH
3RD	2+ H.O.	2
COMMENTS: –		



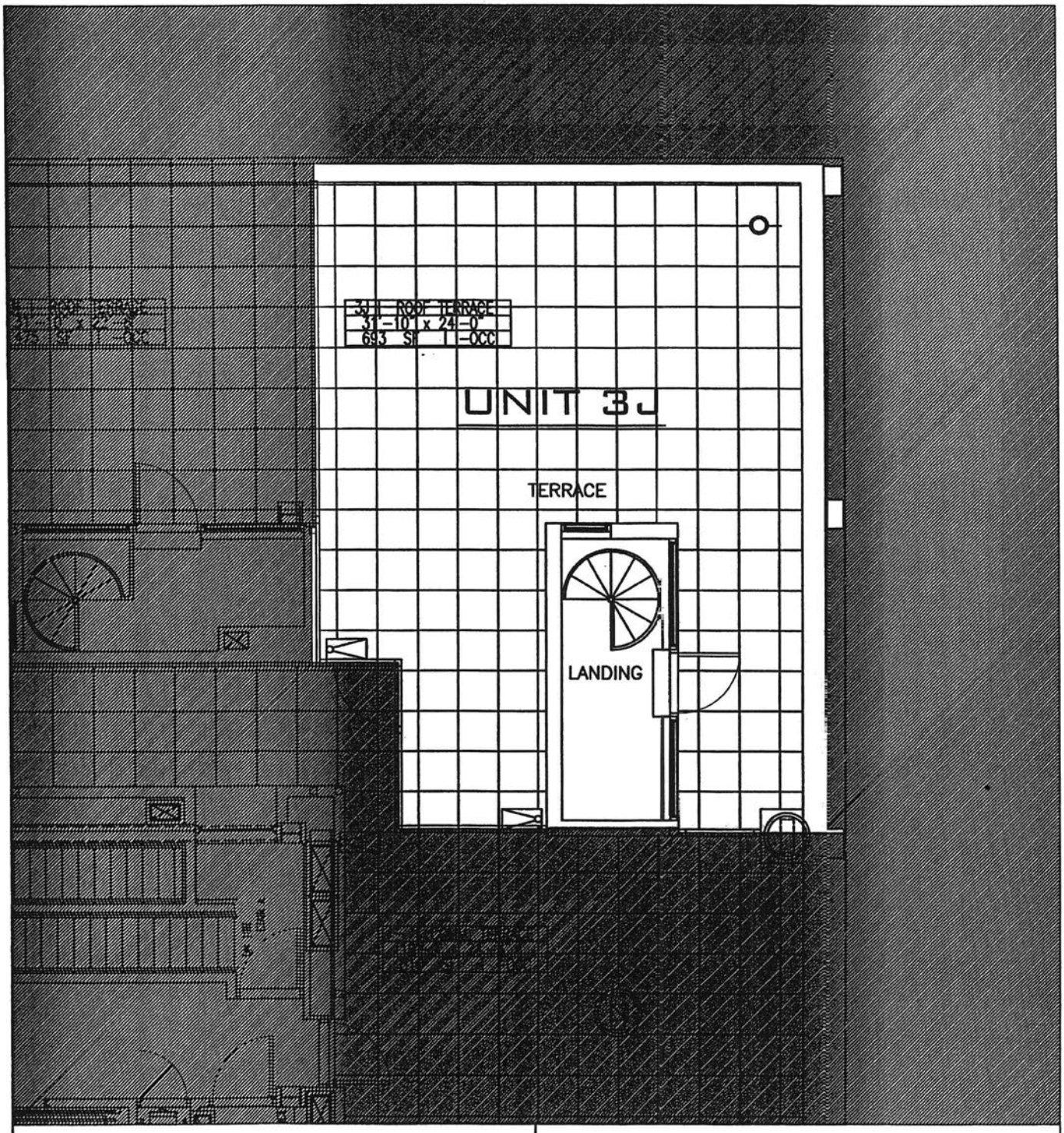
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

3J MEZZ.	UNIT AREA	FLOOR AREA
	1452 SF	427 SF
FLOOR	QNTY. BR	QNTY BATH
4TH	2 + H.O.	2
COMMENTS: –		



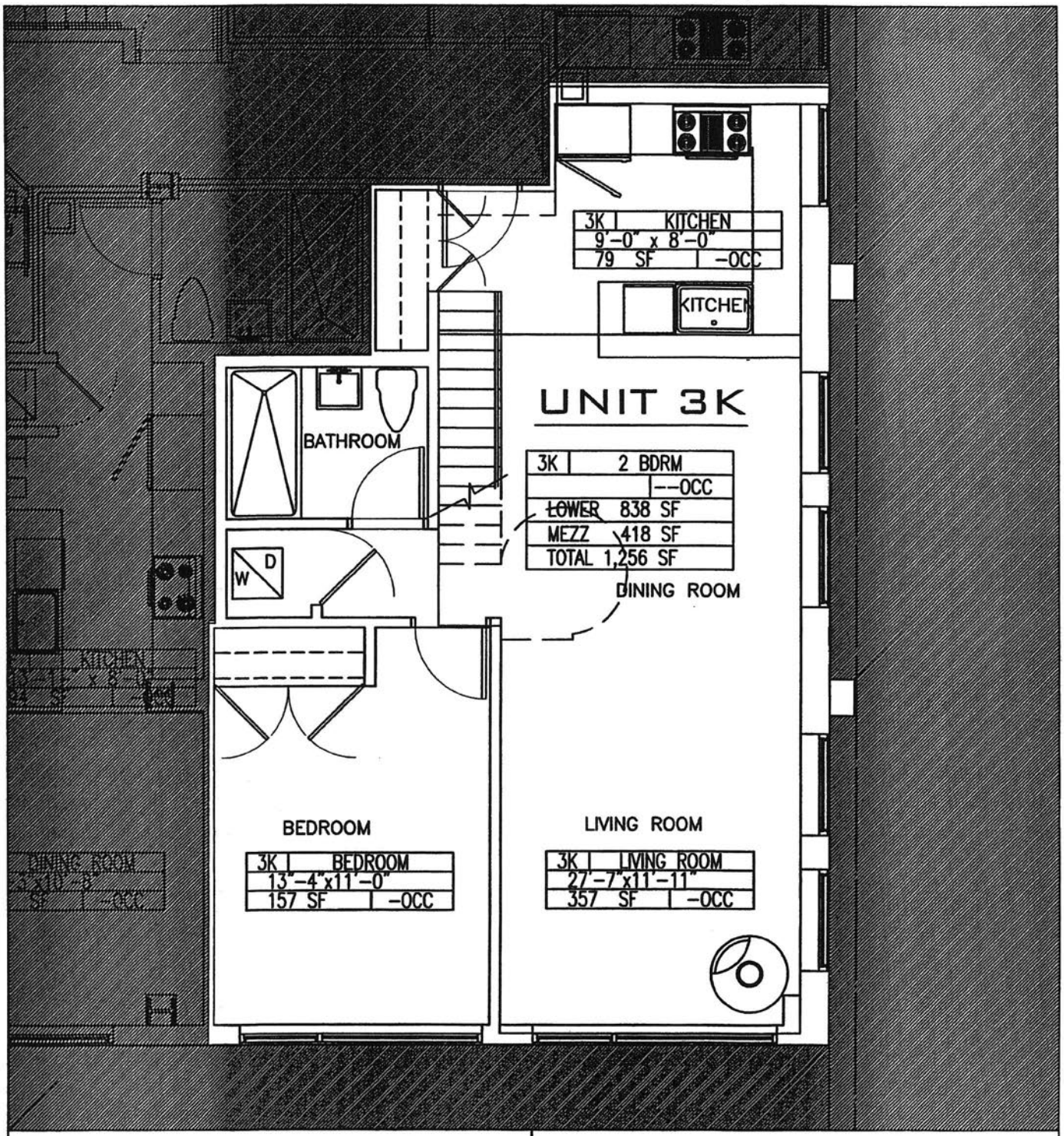
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

3J TERRACE	UNIT AREA.	FLOOR AREA
	NON-FL. AREA	NON-FL. AREA
FLOOR	QNTY. BR	QNTY BATH
ROOF	–	–
COMMENTS: –		



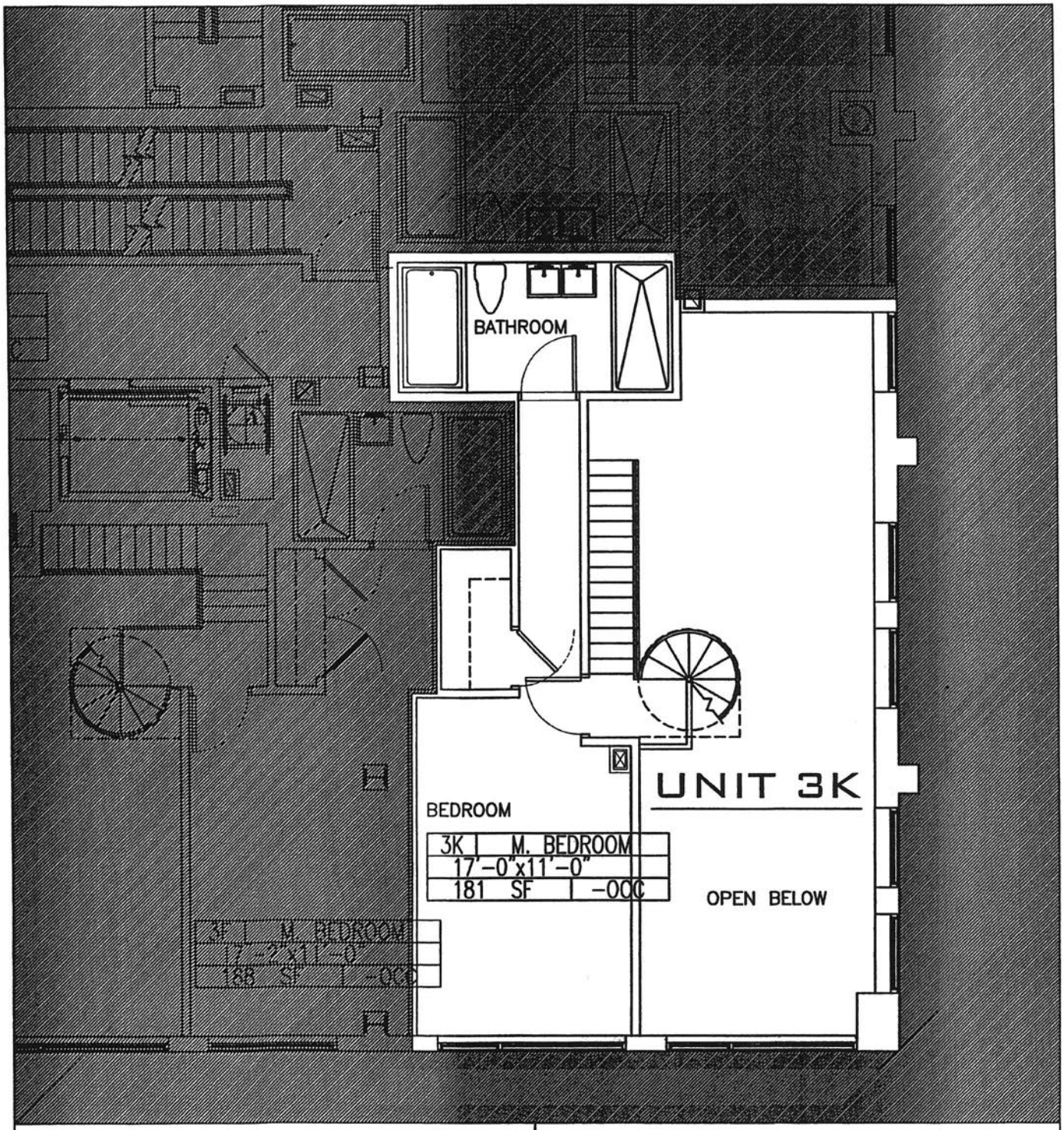
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

3K	UNIT AREA	FLOOR AREA
	1256 SF	838 SF
FLOOR	QNTY. BR	QNTY BATH
3RD	2	2
COMMENTS: –		



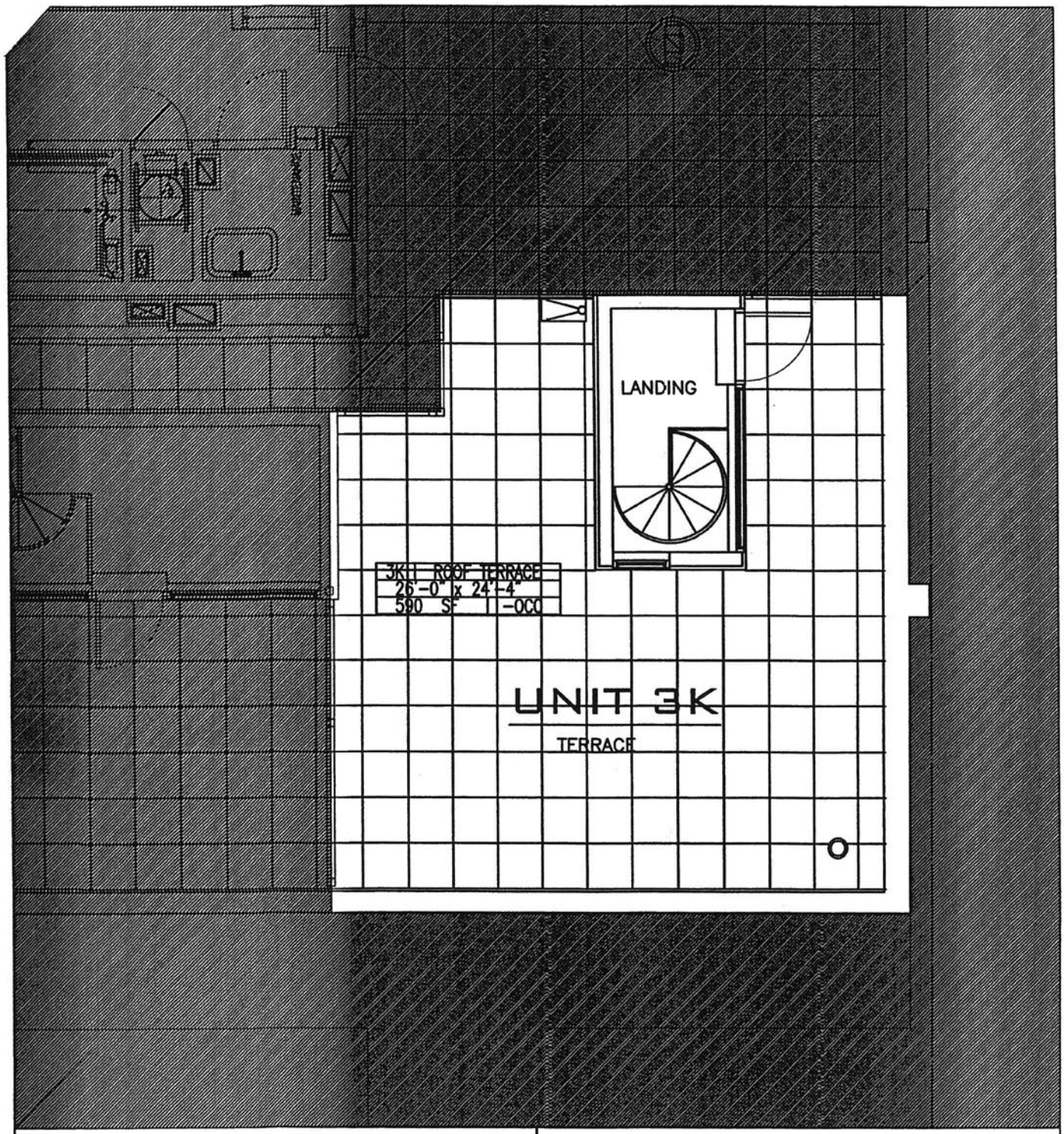
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. **10012**
TEL. (212) 625-8700 FAX. (212) 625-**8867**

150 North 5th Street

N

3K MEZZ.	UNIT AREA	FLOOR AREA
	1256 SF	418 SF
FLOOR	QNTY. BR	QNTY BATH
4TH	2	2
COMMENTS: –		



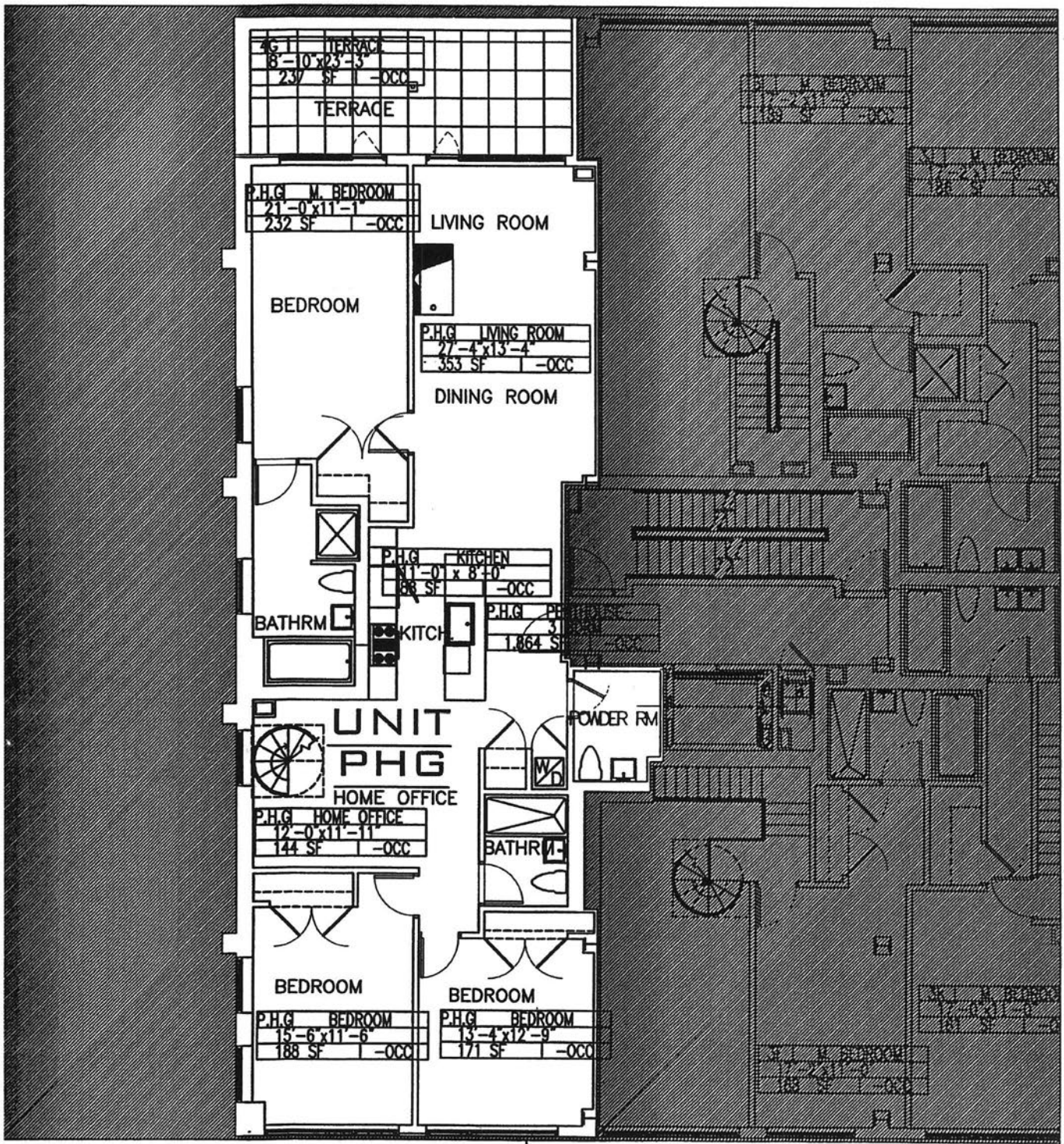
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

3K TERRACE	UNIT AREA	FLOOR AREA
	NON-FL. AREA	NON-FL. AREA
FLOOR	QNTY. BR	QNTY BATH
FOOF	–	–
COMMENTS: –		



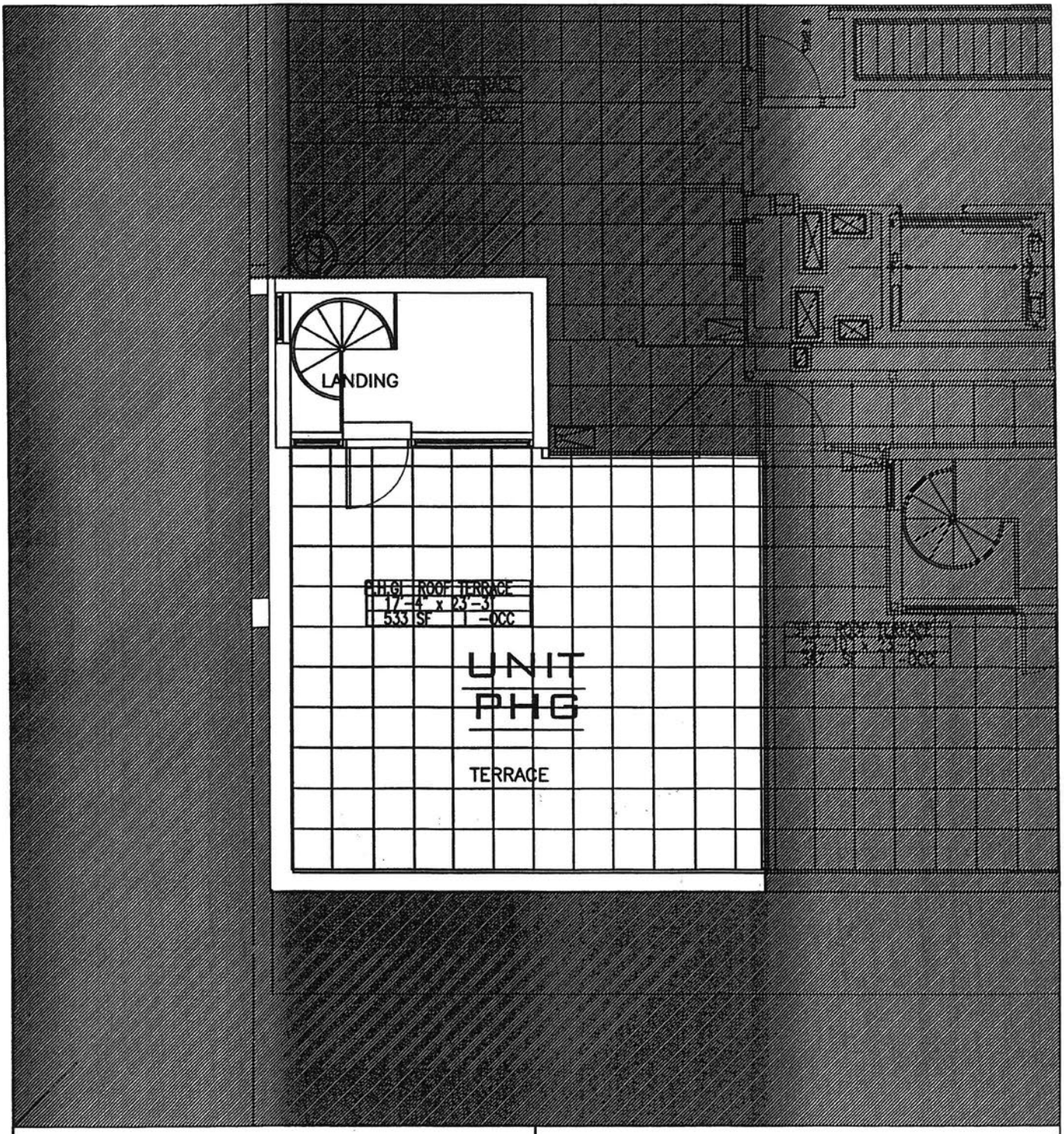
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

PHG	UNIT AREA	FLOOR AREA
	1864 SF	1864 SF
FLOOR	QNTY. BR	QNTY BATH
4TH	3+ H.O.	2.5
COMMENTS: –		



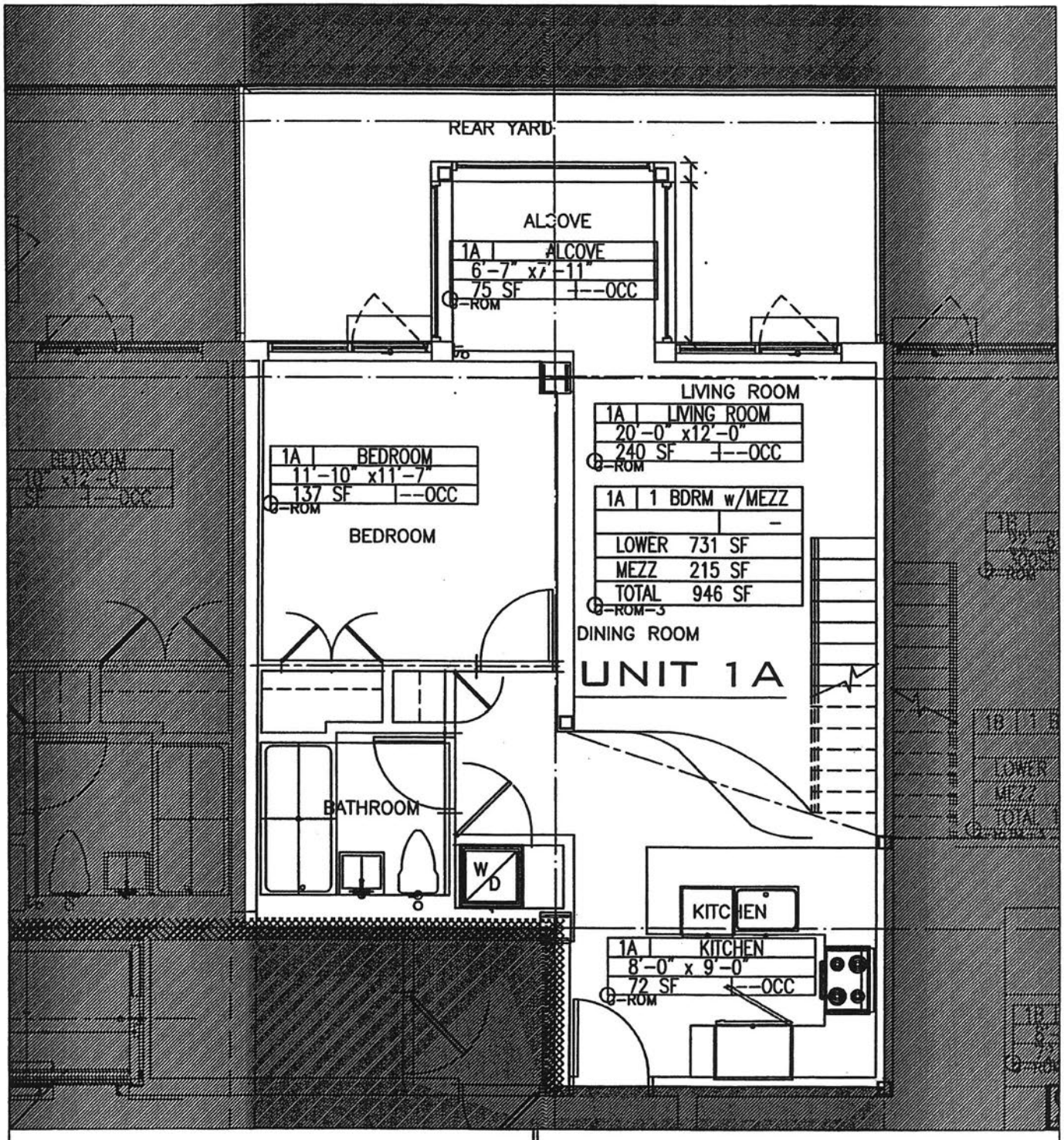
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

PHG TERRACE	UNIT AREA	FLOOR AREA
	NON-FL. AREA	NON-FL. AREA
FLOOR	QNTY. BR	QNTY BATH
ROOF	–	–
COMMENTS: –		

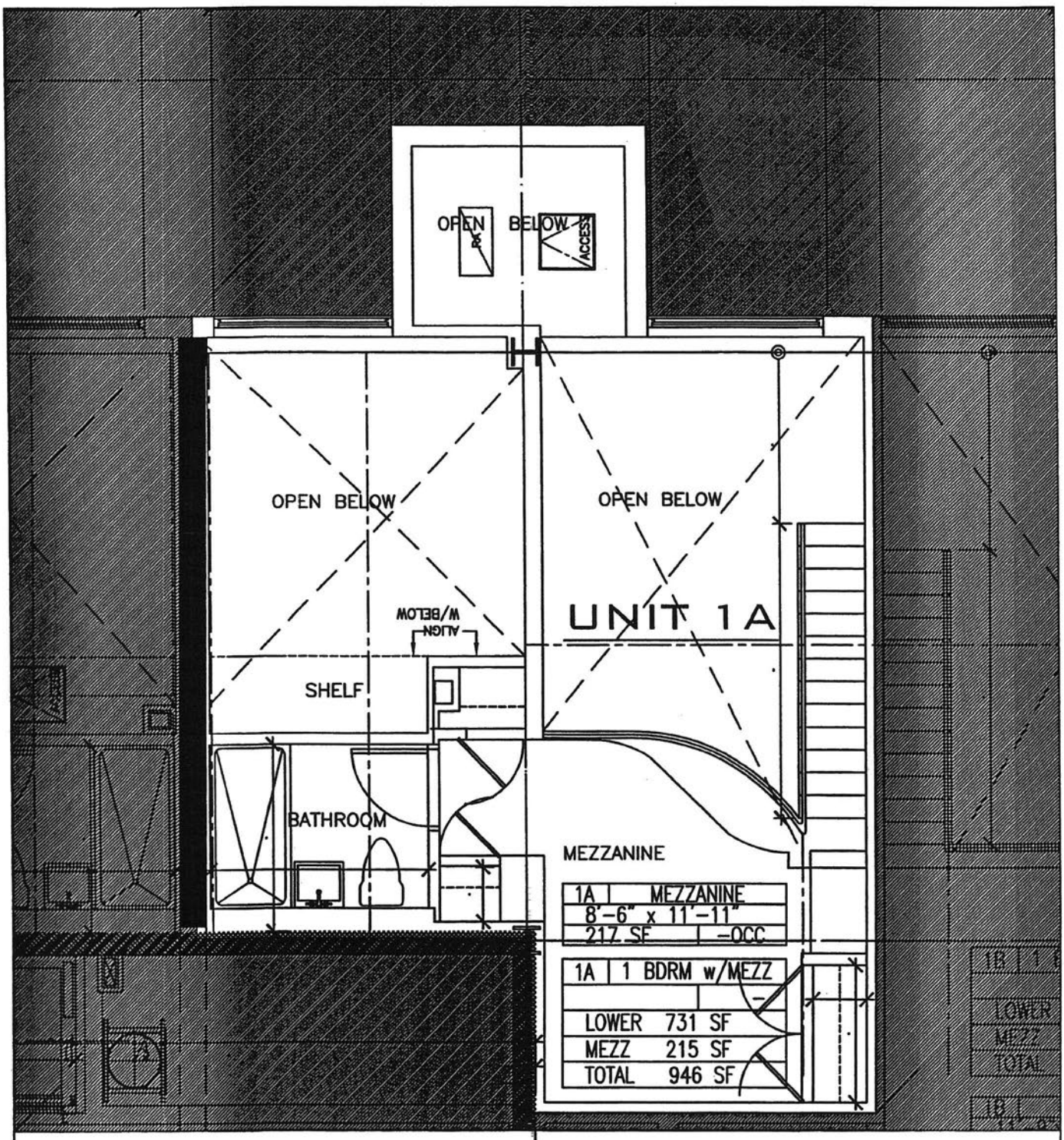


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

1A	UNIT AREA	FLOOR AREA
	946 SF	731 SF
FLOOR	QNTY. BR	QNTY BATH
ST	1+ALCOVE/MEZZ	2
COMMENTS: –		



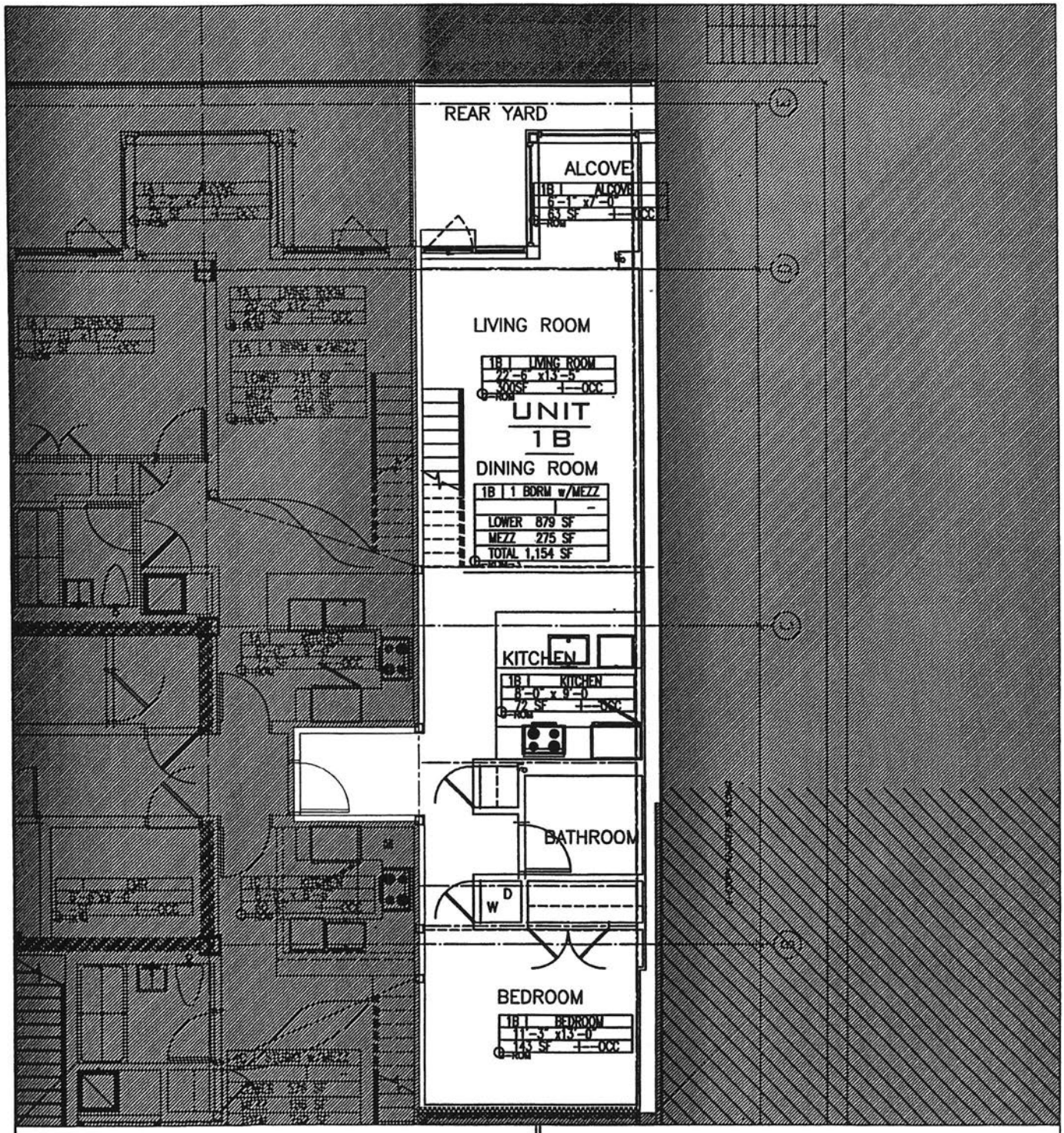
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

1A MEZZ.	UNIT AREA	FLOOR AREA
	946 SF	215 SF
FLOOR	QNTY. BR	QNTY BATH
1ST	1+ALCOVE/MEZZ	2
COMMENTS: –		

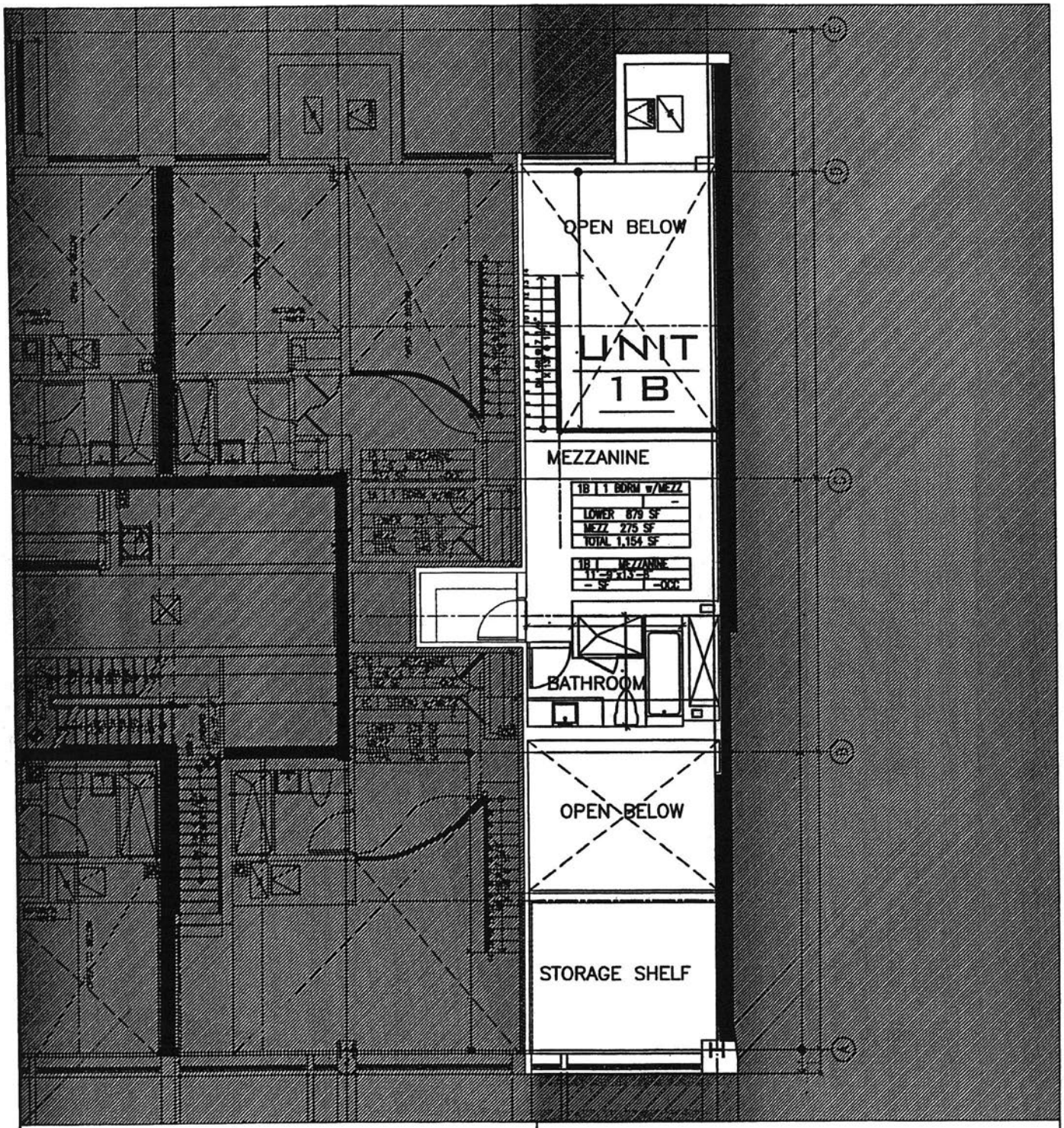


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

1B	UNIT AREA	FLOOR AREA
	1154 SF	879 SF
FLOOR	QNTY. BR	QNTY BATH
1ST	1+ALCOVE/MEZZ	2
COMMENTS: –		



GENE KAUFMAN ARCHITECT PC

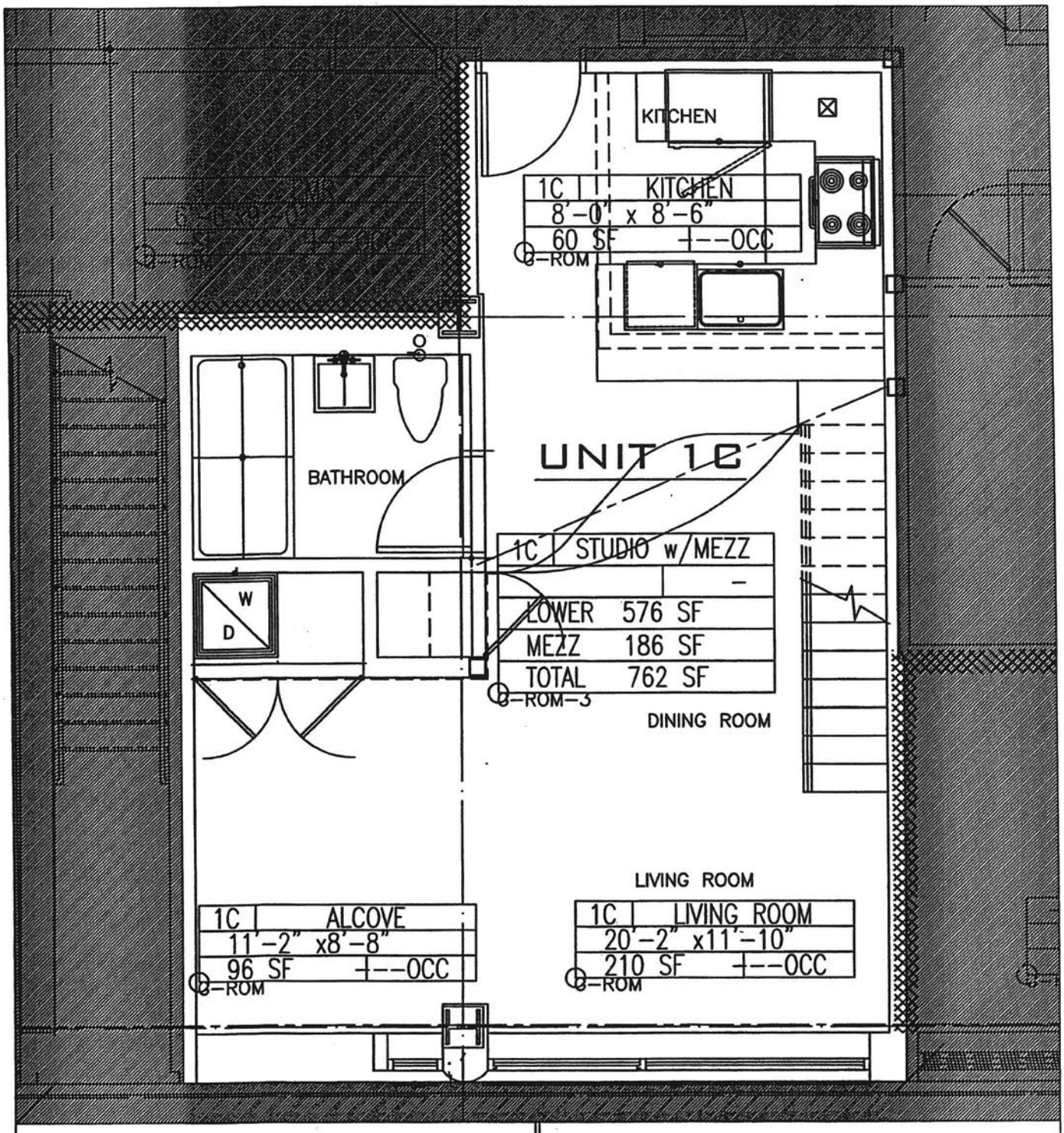
525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

1B MEZZ.	UNIT AREA	FLOOR AREA
	1154 SF	275 SF
FLOOR	QNTY. BR	QNTY BATH
1ST	1+ALCOVE/MEZZ	2

COMMENTS: –

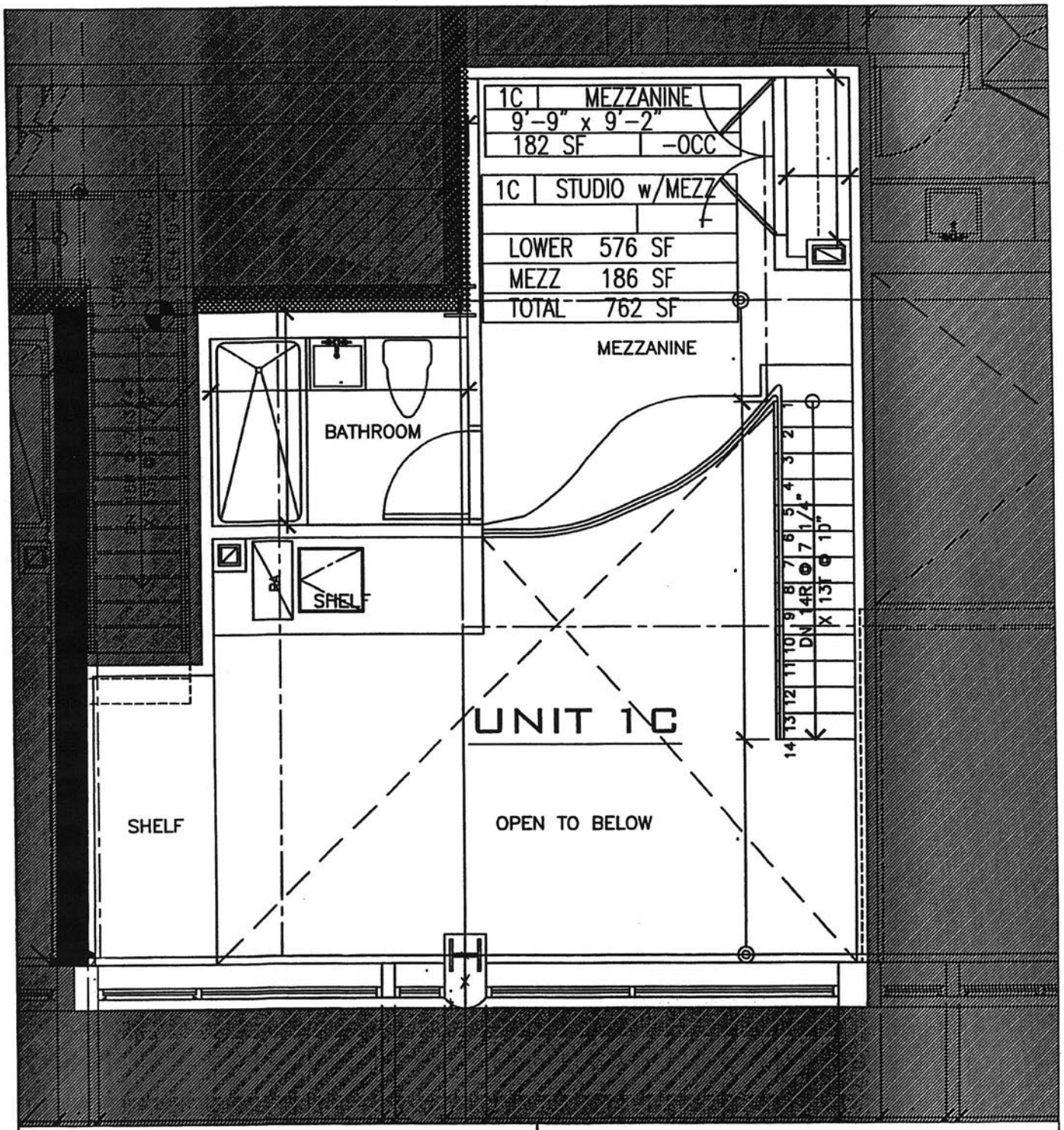


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

1C	UNIT AREA	FLOOR AREA
	762 SF	576 SF
FLOOR	QNTY. BR	QNTY BATH
1ST	STUDIO+MEZZ	2
COMMENTS: –		



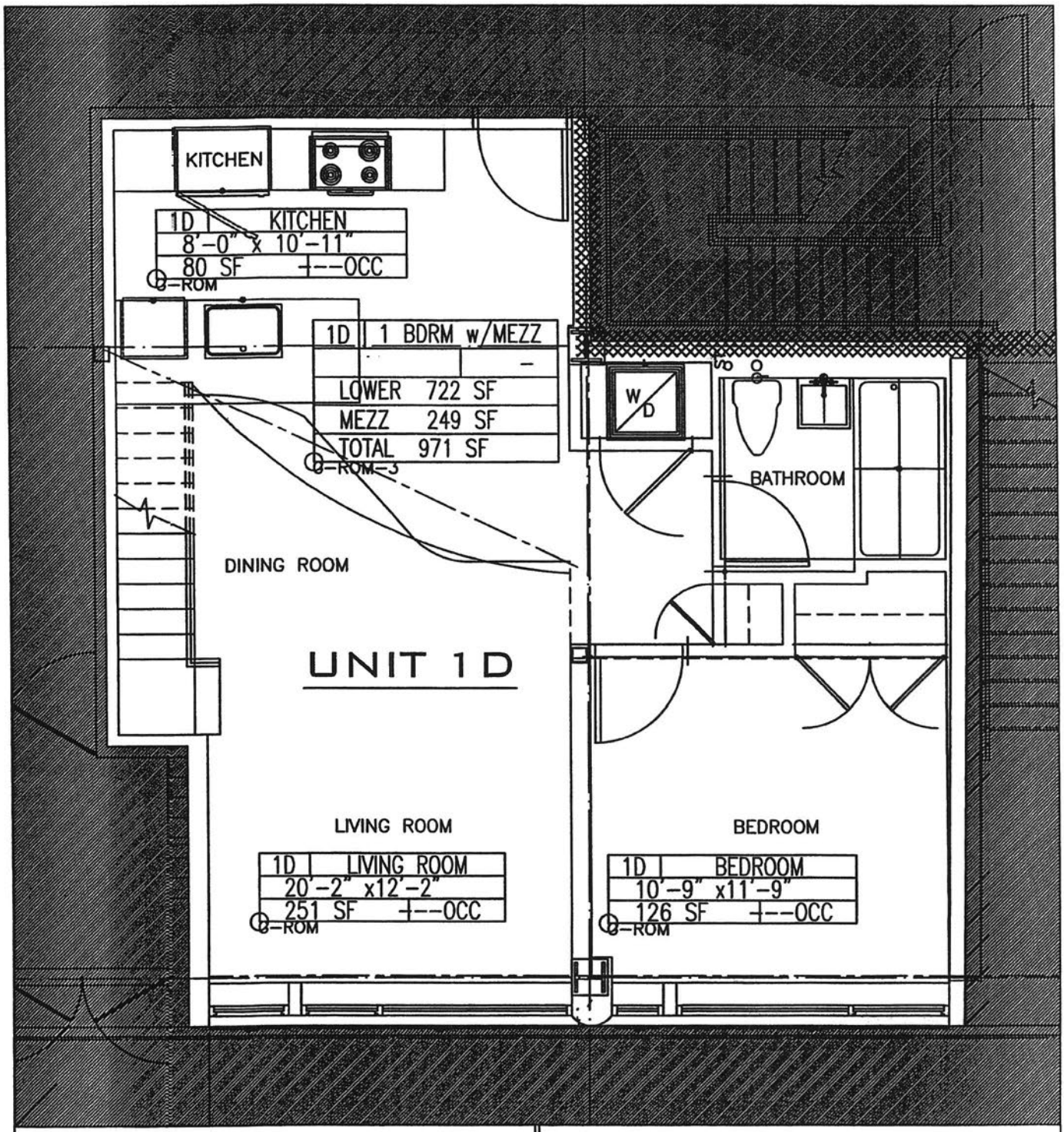
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

1C MEZZ.	UNIT AREA	FLOOR AREA
	762 SF	186 SF
FLOOR	QNTY. BR	QNTY BATH
1ST	STUDIO+MEZZ	2
COMMENTS: –		

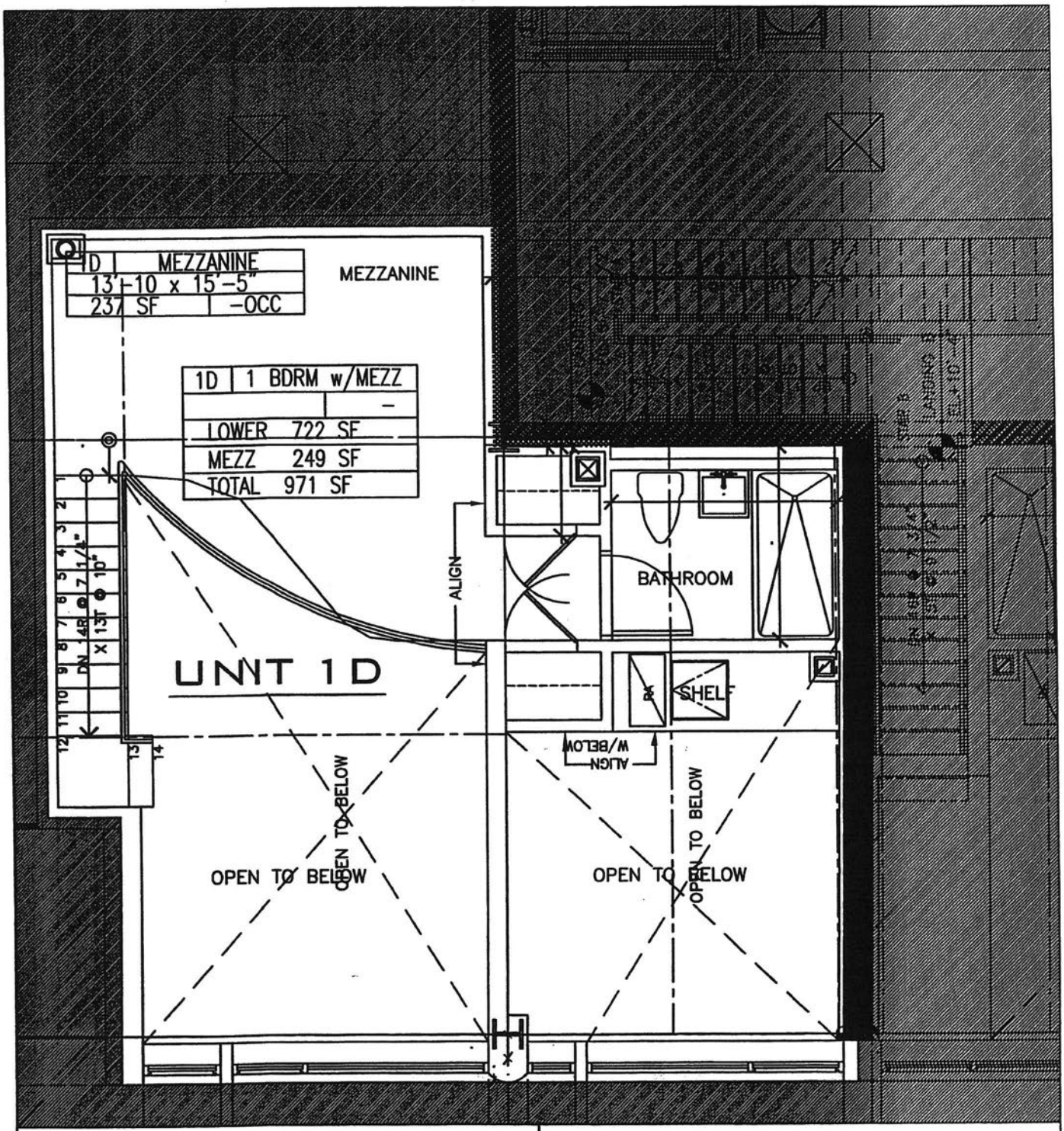


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

1D	UNIT AREA	FLOOR AREA
	971 SF	722 SF
FLOOR	QNTY. BR	QNTY BATH
1ST	1+MEZZ	2
COMMENTS: –		



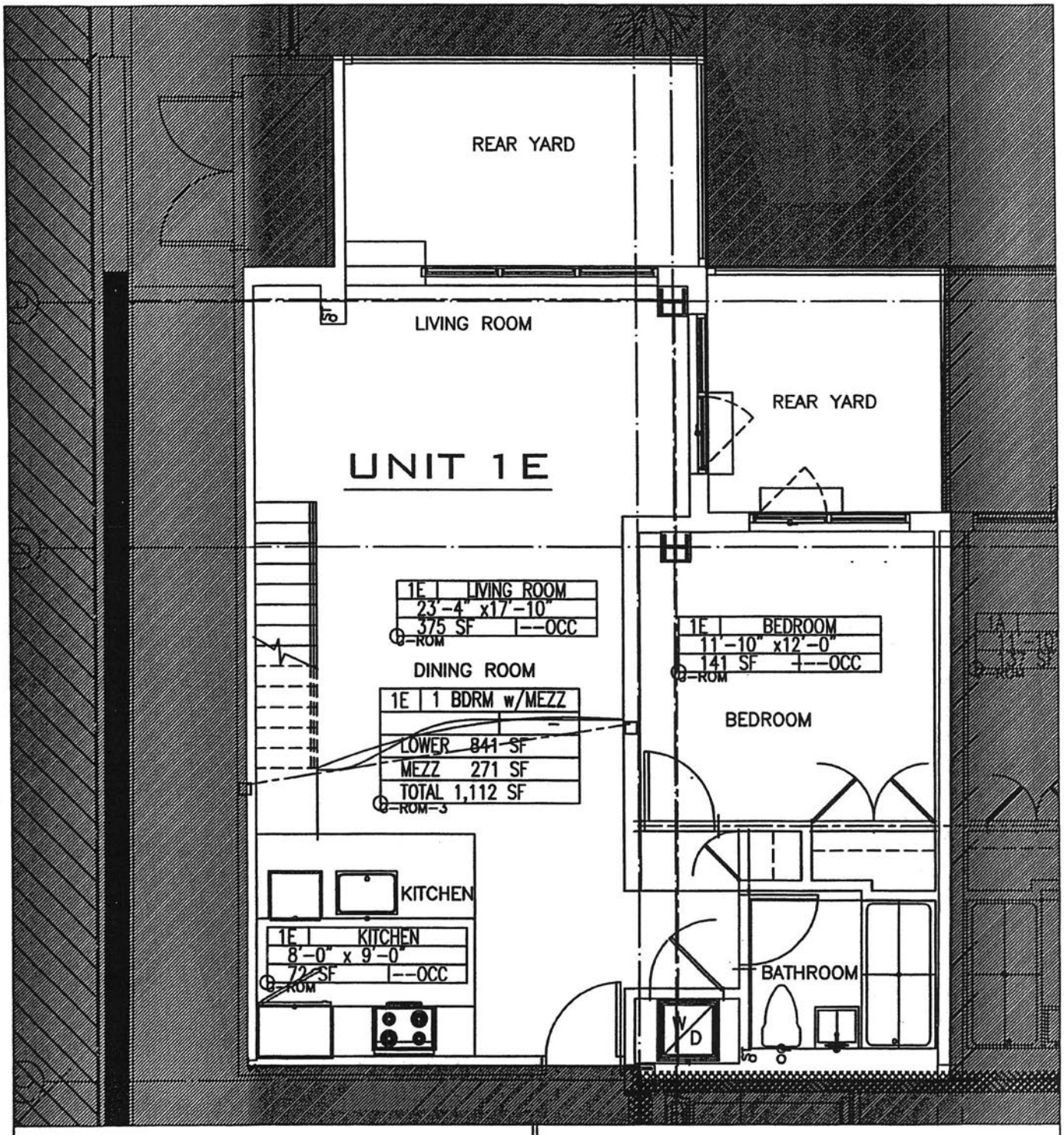
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

1D MEZZ.	UNIT AREA	FLOOR AREA
	971 SF	249 SF
FLOOR	QNTY. BR	QNTY BATH
1ST	1+MEZZ	2
COMMENTS: –		

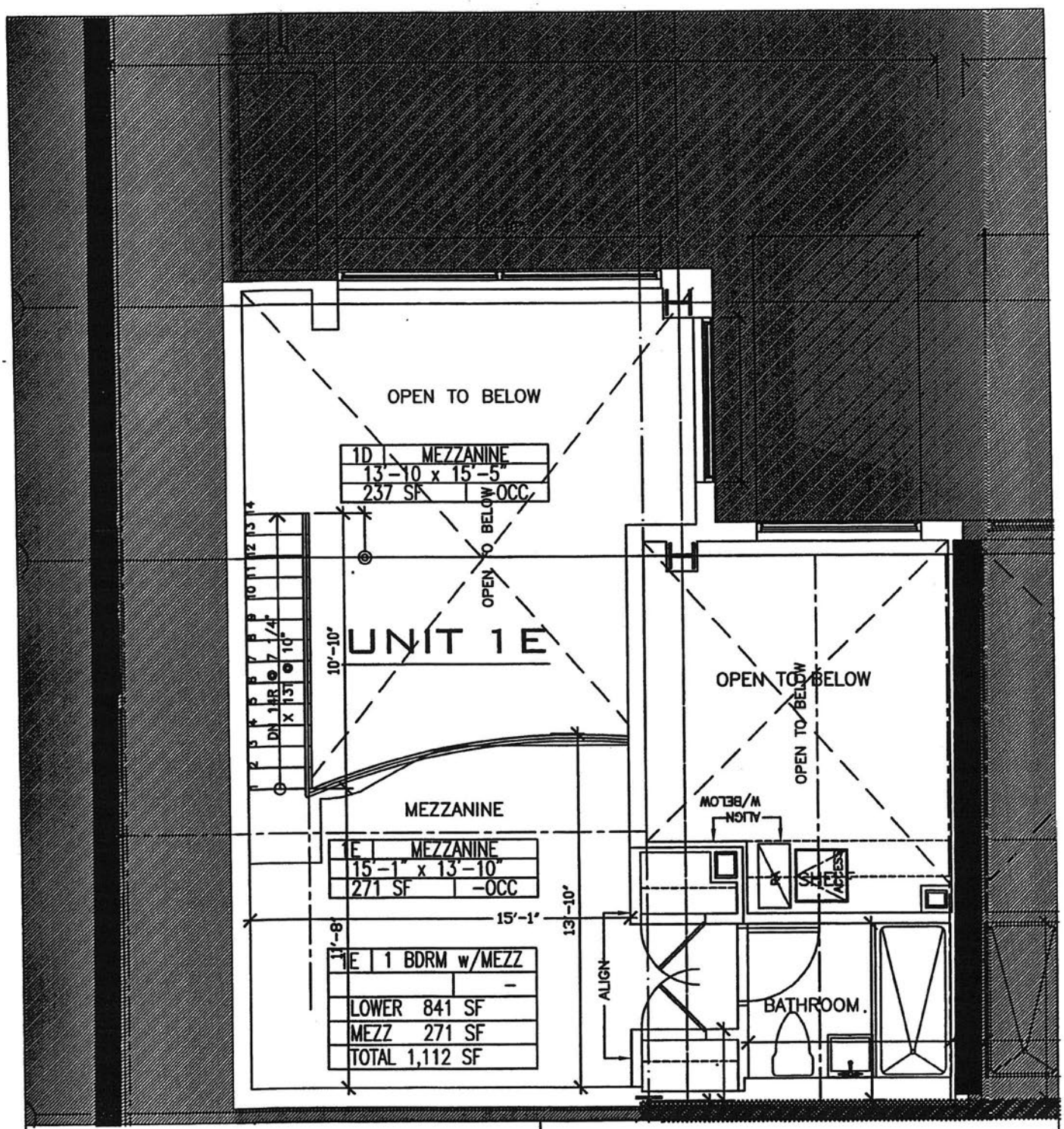


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

1E	UNIT AREA	FLOOR AREA
	1112 SF	841 SF
FLOOR	QNTY. BR	QNTY BATH
1ST	1+MEZZ	2
COMMENTS: –		

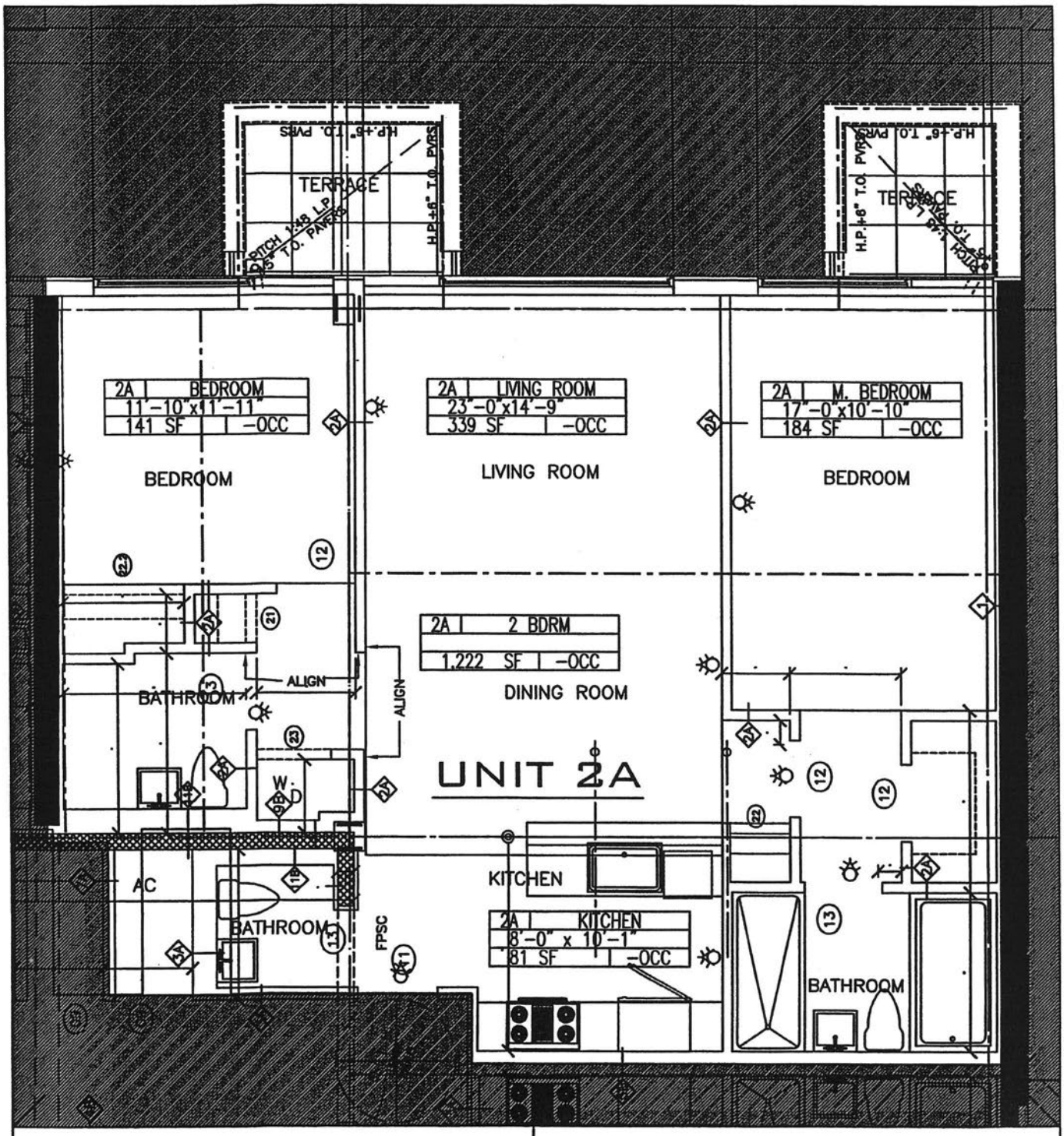


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

1E MEZZ.	UNIT AREA	FLOOR AREA
	1112 SF	271 SF
FLOOR	QNTY. BR	QNTY BATH
1ST	1+MEZZ	2
COMMENTS: –		

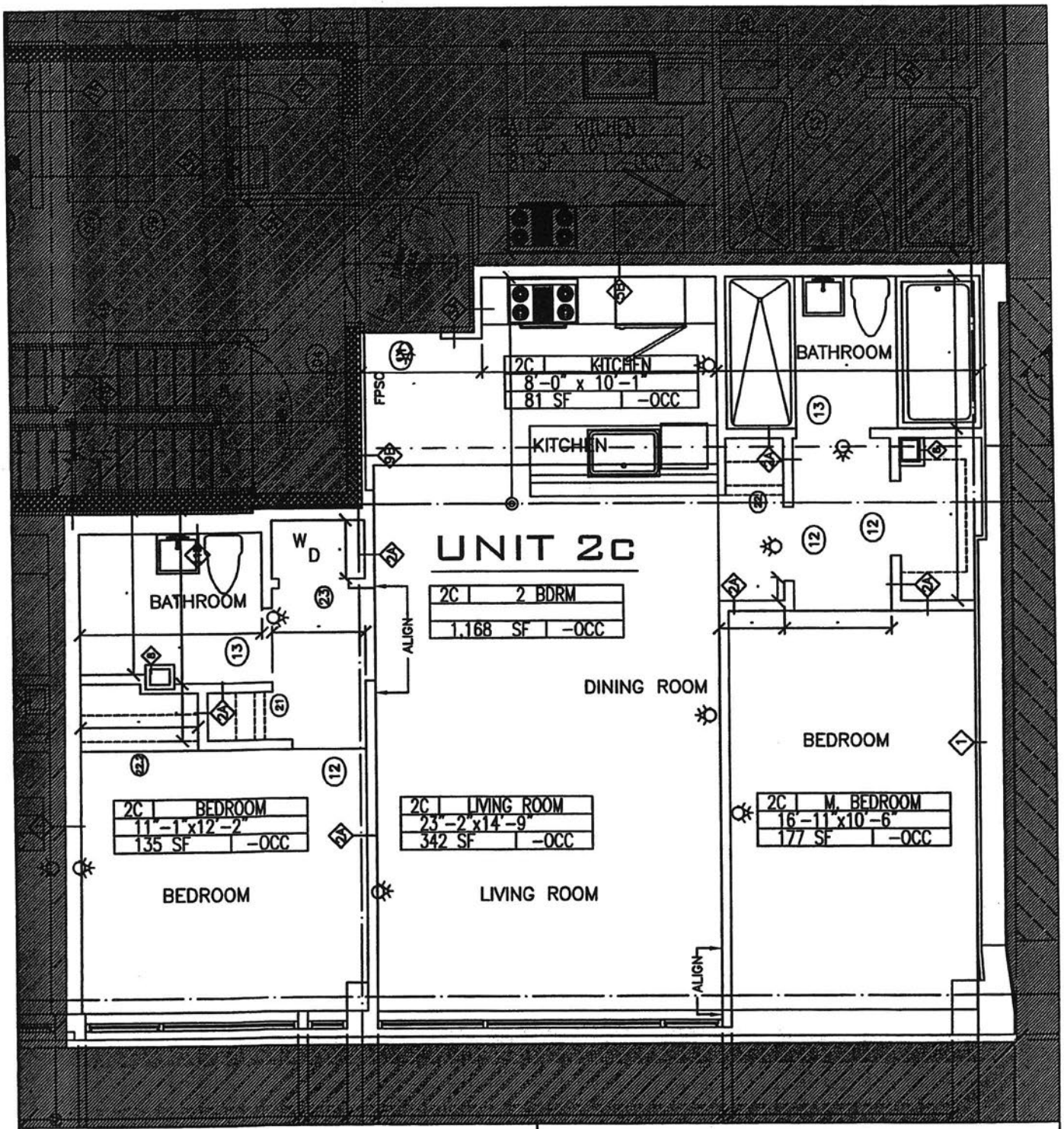


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

2A	UNIT AREA	FLOOR AREA
	1222 SF	1222SF
FLOOR	QNTY. BR	QNTY BATH
2ND	2	2.5
COMMENTS: –		

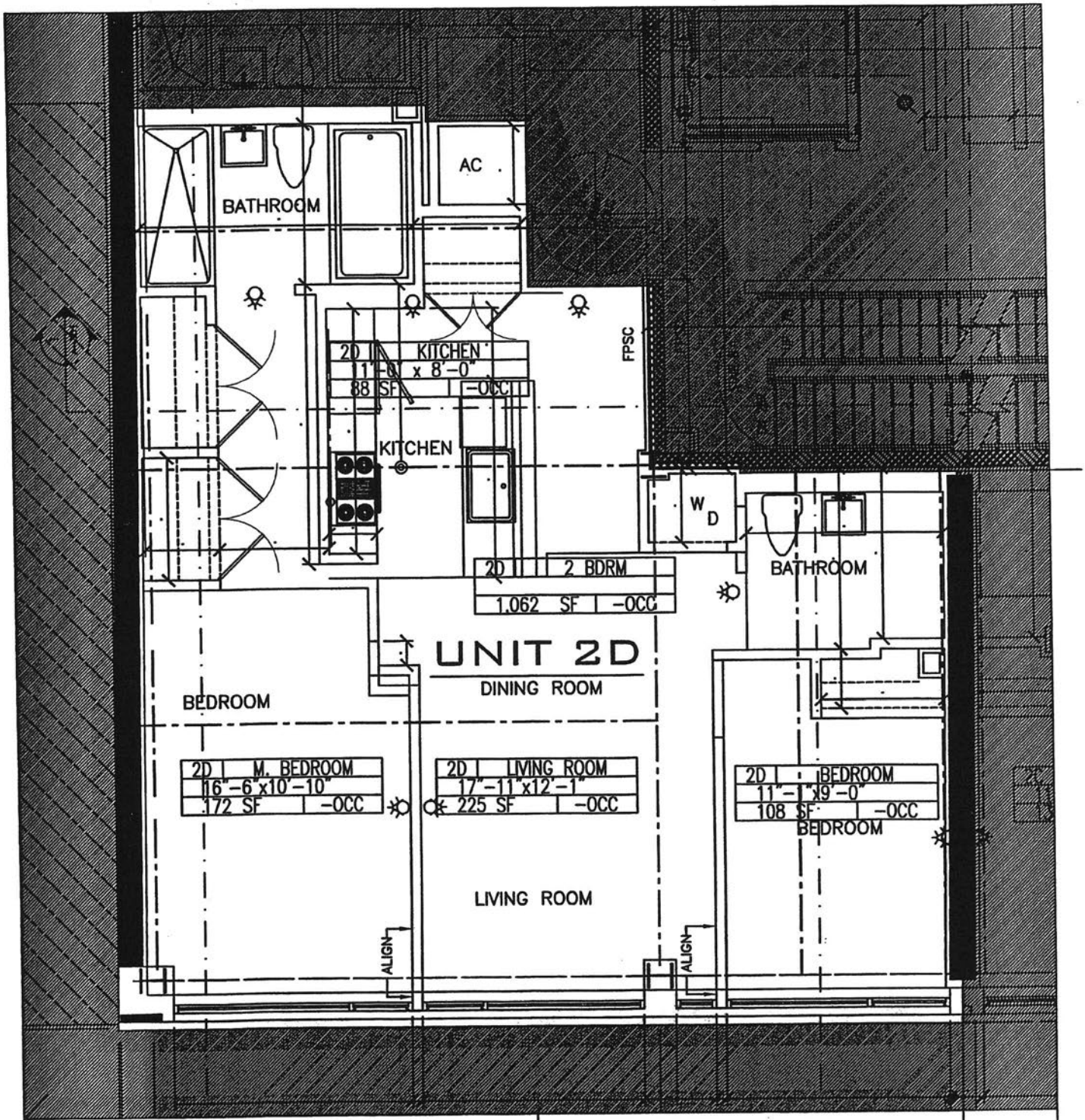


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

2C	UNIT AREA	FLOOR AREA
	1168 SF	1168 SF
FLOOR	QNTY. BR	QNTY BATH
2ND	2	2
COMMENTS: –		

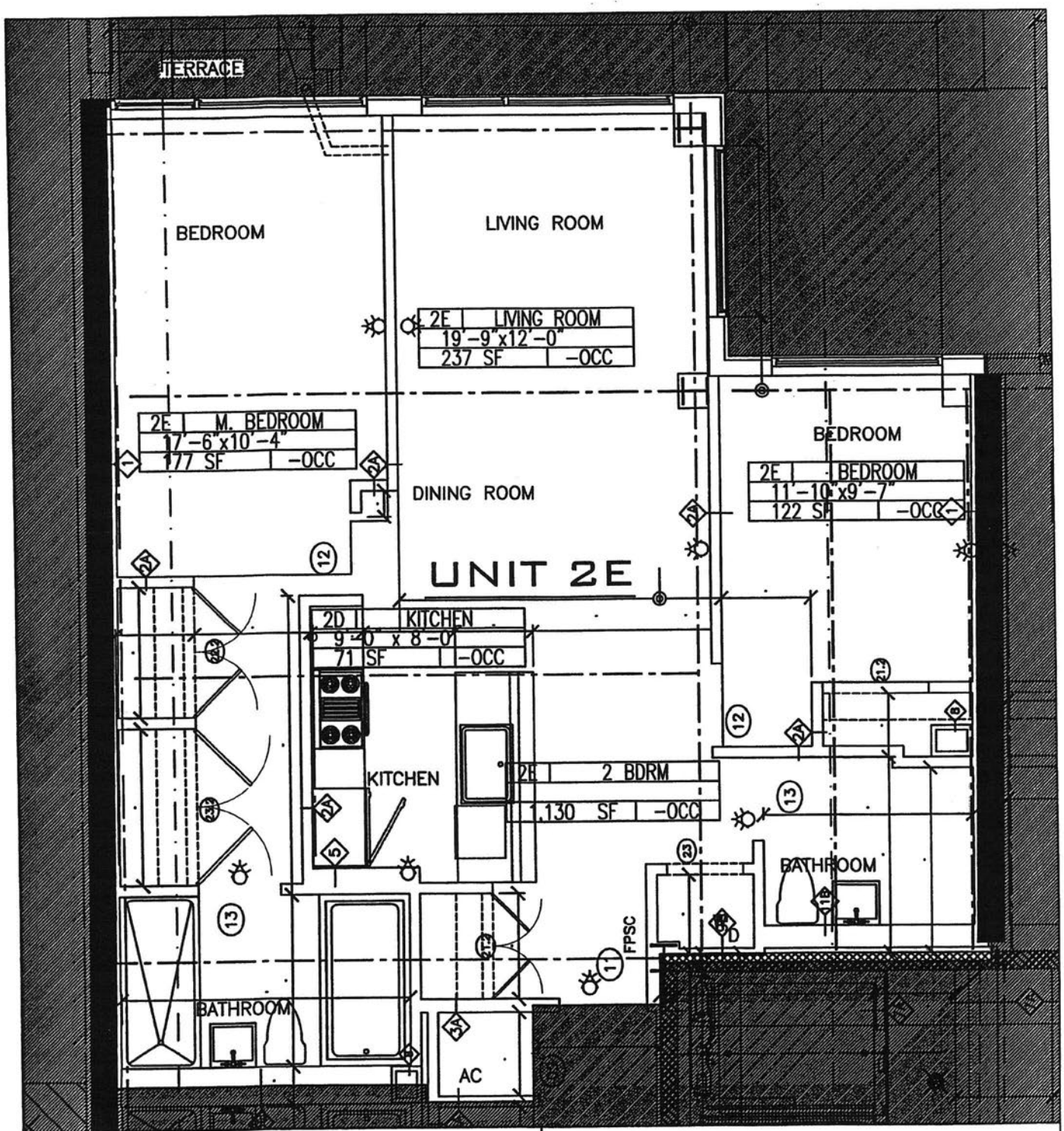


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

2D	UNIT AREA	FLOOR AREA
	1062 SF	1062 SF
FLOOR	QNTY. BR	QNTY BATH
2ND	2	2
COMMENTS: –		

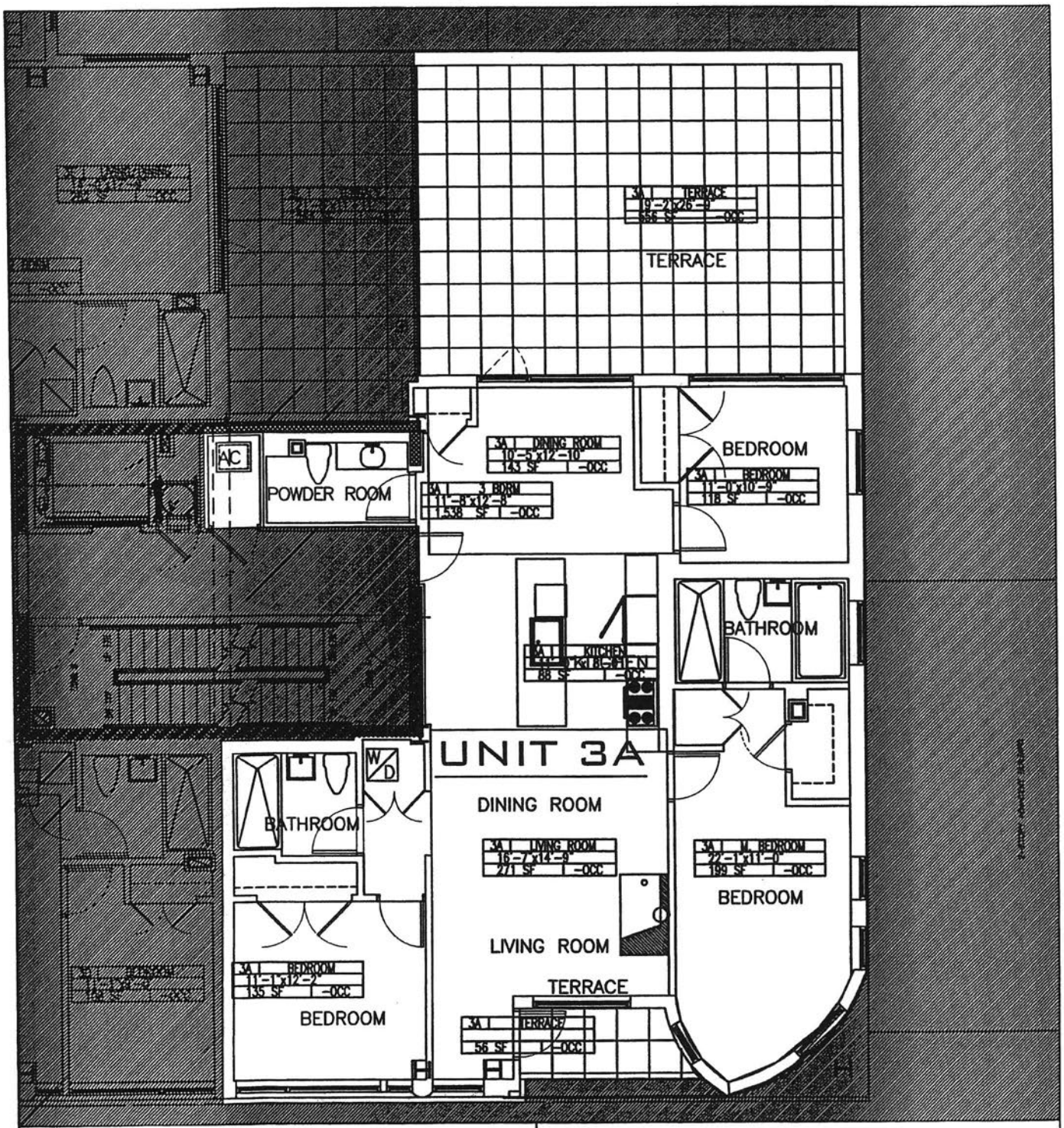


GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

2E	UNIT AREA	FLOOR AREA
	1130 SF	1130 SF
FLOOR	QNTY. BR	QNTY BATH
2ND	2	2
COMMENTS: –		



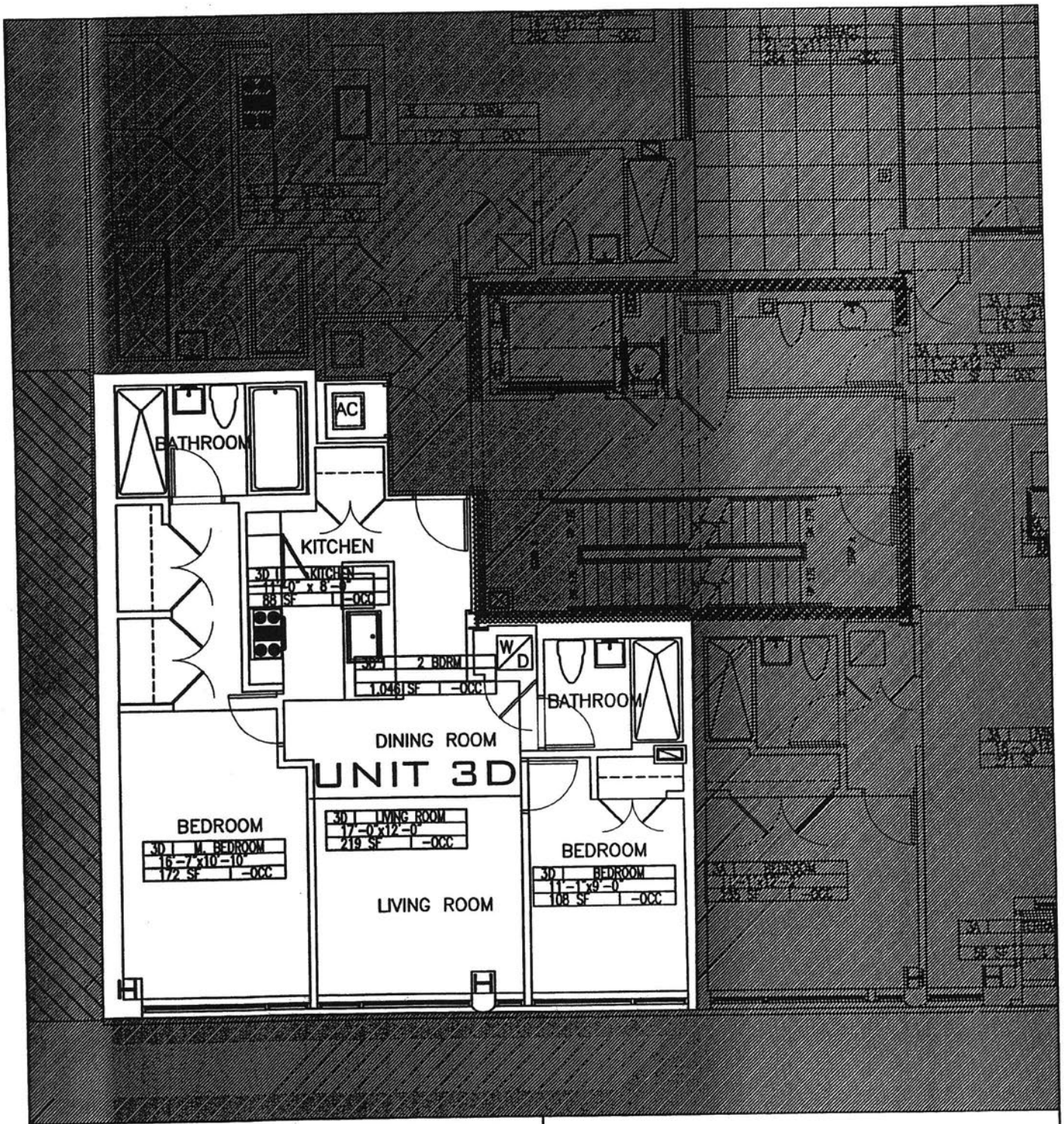
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

3A	UNIT AREA	FLOOR AREA
	1538 SF	1538 SF
FLOOR	QNTY. BR	QNTY BATH
3RD	3	2.5
COMMENTS: –		



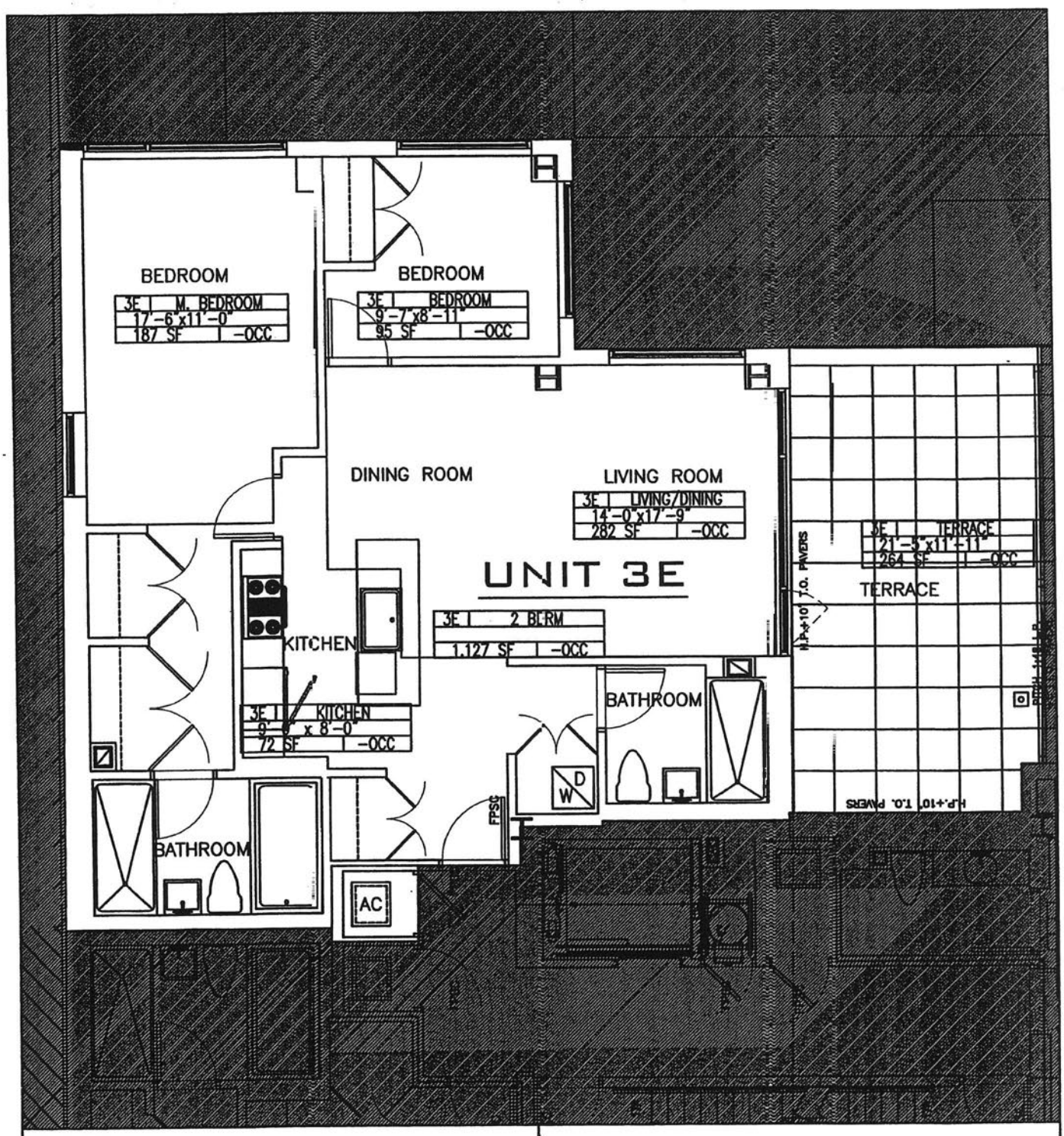
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

3D	UNIT AREA	FLOOR AREA
	1046 SF	1046 SF
FLOOR	QNTY. BR	QNTY BATH
3RD	2	2
COMMENTS: –		



GENE KAUFMAN ARCHITECT PC

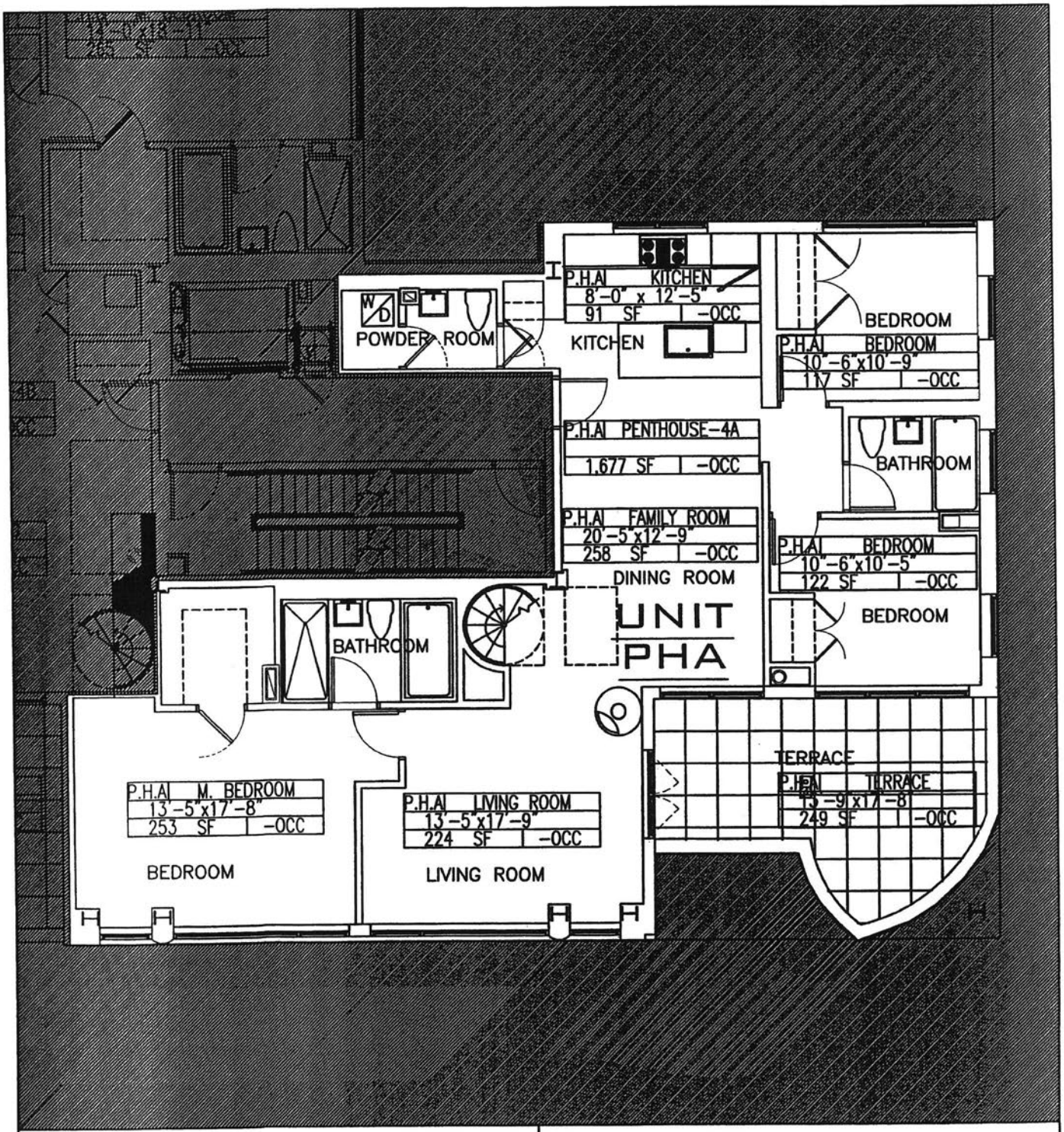
525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

3E	UNIT AREA	FLOOR AREA
	1127 SF	1127 SF
FLOOR	QNTY. BR	QNTY BATH
3RD	2	2

COMMENTS: –



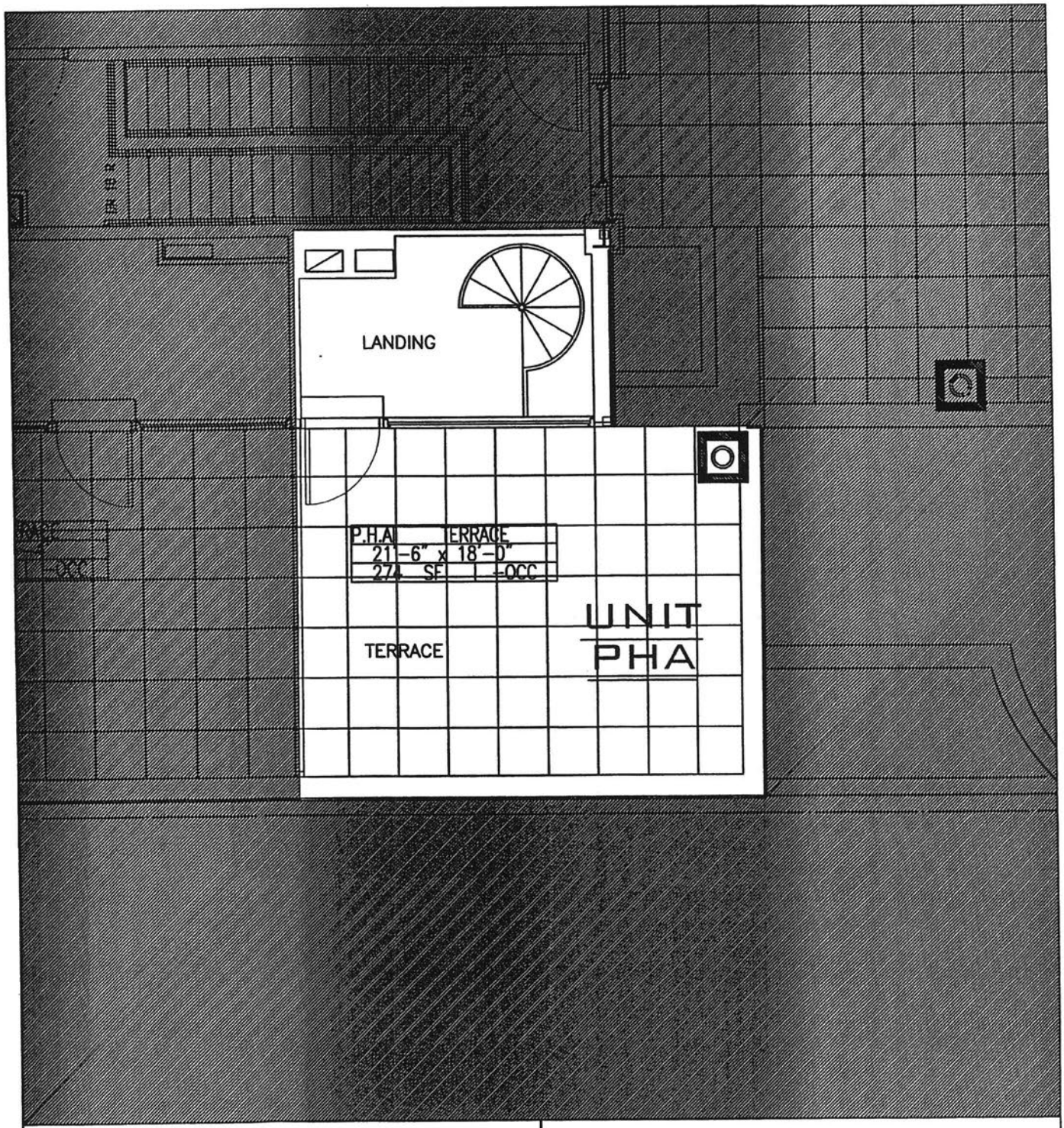
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

PHA	UNIT AREA	FLOOR AREA
	1677 SF	1677 SF
FLOOR	QNTY. BR	QNTY BATH
4TH	3	2.5
COMMENTS: –		



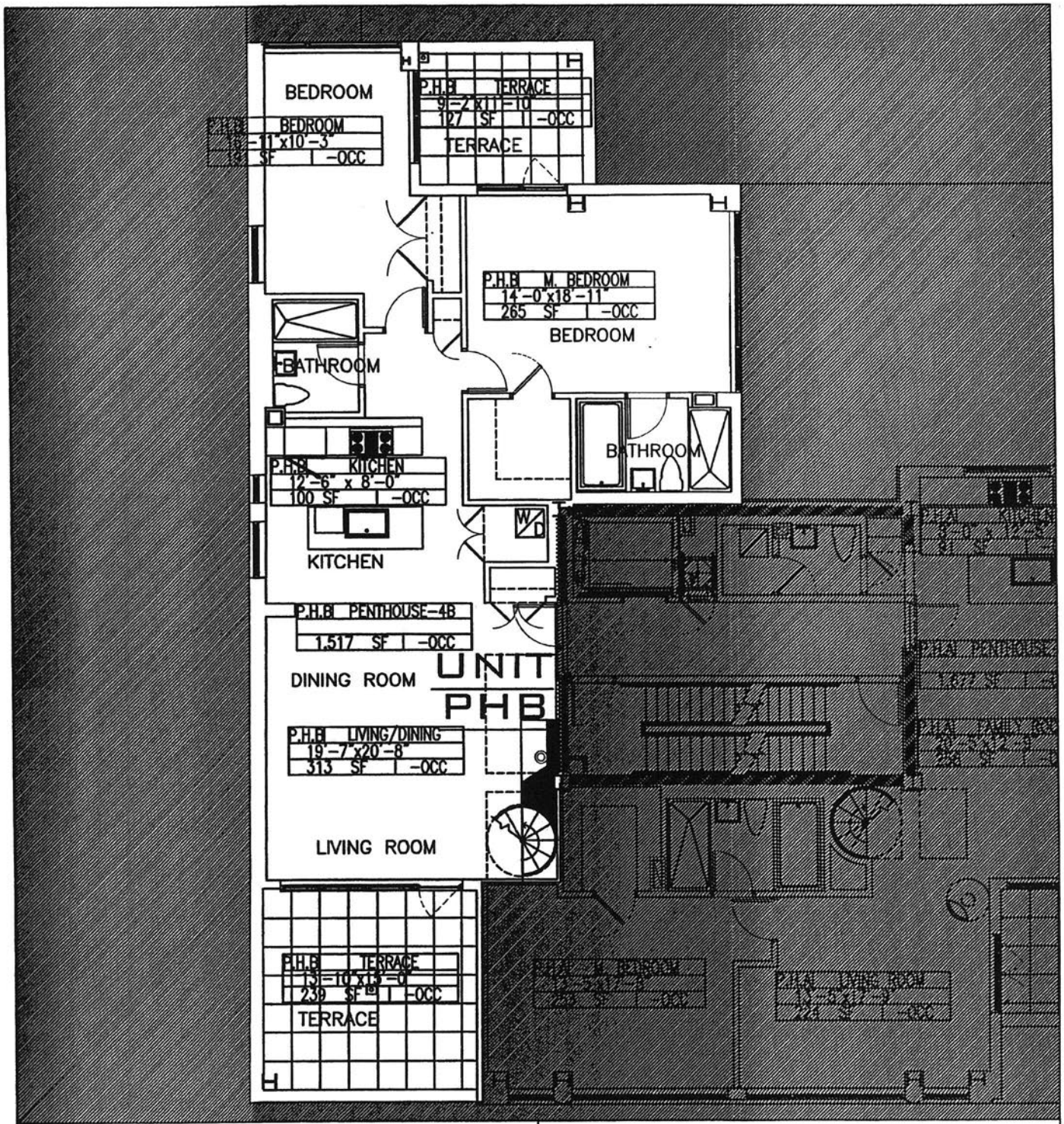
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

PHA TERRACE	UNIT AREA	FLOOR AREA
	NON-FL. AREA	NON-FL. AREA
FLOOR	QNTY. BR	QNTY BATH
ROOF	–	–
COMMENTS: –		



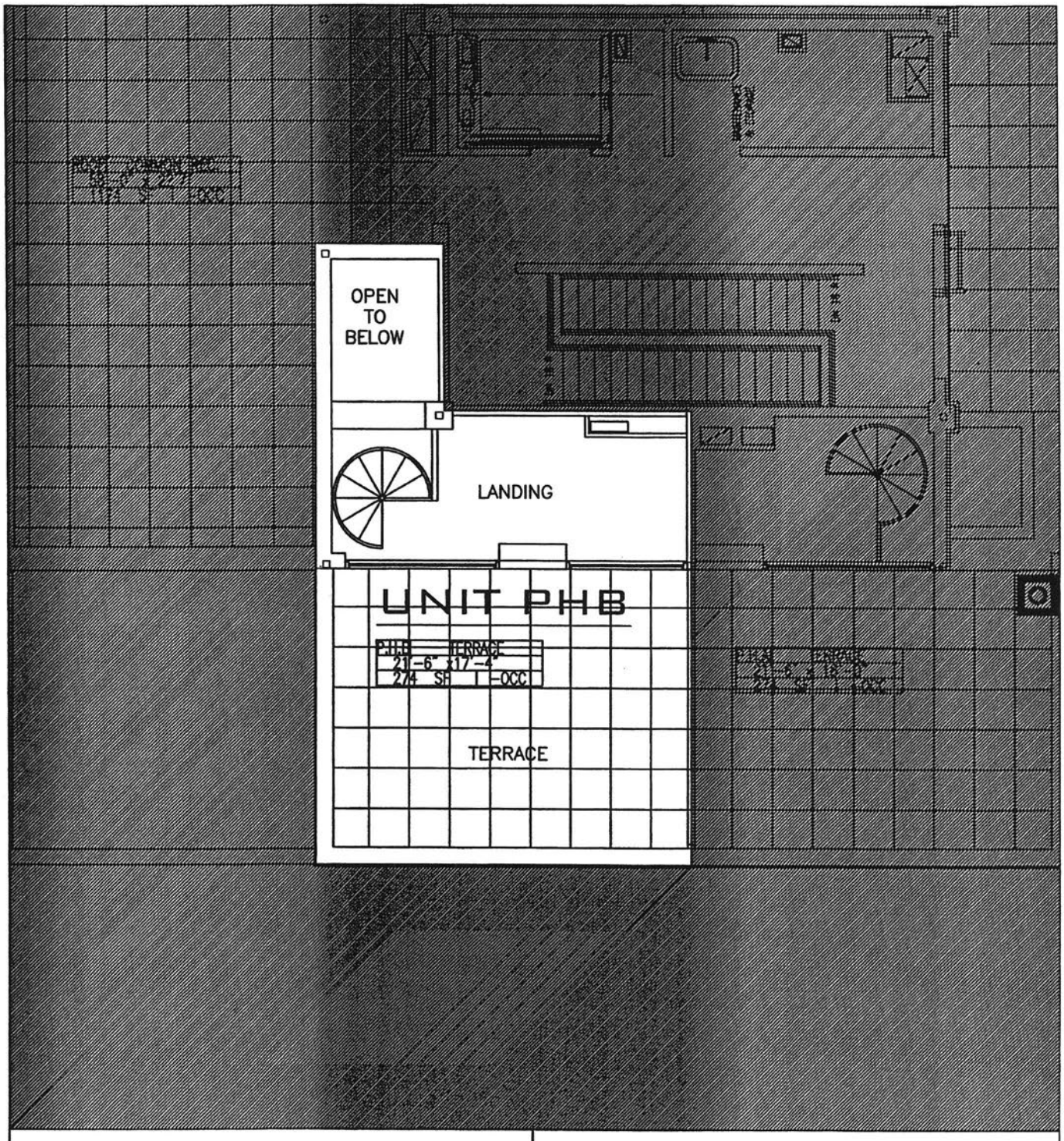
GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

PHB	UNIT AREA	FLOOR AREA
	1517 SF	1517 SF
FLOOR	QNTY. BR	QNTY BATH
4TH	2	2
COMMENTS: –		



GENE KAUFMAN ARCHITECT PC

525 BROADWAY, 8TH FLOOR, NEW YORK, N.Y. 10012
TEL. (212) 625-8700 FAX. (212) 625-8867

150 North 5th Street

N

PHB TERRACE	UNIT AREA	FLOOR AREA
	NON-FL. AREA	NON-FL. AREA
FLOOR	QNTY. BR	QNTY BATH
ROOF	–	–
COMMENTS: –		

FORM UNIT PURCHASE AGREEMENT

PURCHASE AGREEMENT
THE 150 NORTH FIFTH STREET CONDOMINIUM
PURCHASE AGREEMENT
UNIT NUMBER ____
150 NORTH FIFTH STREET, BROOKLYN, NEW YORK 11211

CONTRACT DATE: _____

UNIT NUMBER: _____ **PERCENTAGE OF COMMON INTEREST:** _____%

PURCHASER(S) NAME(S):

(1) _____ (2) _____

PURCHASER(S) MAILING ADDRESS(ES):

(1) _____ (2) _____

_____ _____

PURCHASER'S SOCIAL SECURITY NUMBER(S):

(1) _____ (2) _____

BROKER (IF ANY): _____

PURCHASER'S ATTORNEY: _____

ADDRESS OF PURCHASER'S ATTORNEY: _____

_____

TELEPHONE: (___) ___-_____ **FAX:** (___) ___-_____

PURCHASE PRICE: $_____

10% DOWN PAYMENT: $_____

BALANCE DUE AT CLOSING: $_____

Statement of Seller

150 North Fifth Street LLC, with an office at 169 Wythe Avenue, Suite 102, Brooklyn, New York, New York 11211 (the "Seller"), has promulgated a Plan of Condominium Ownership for 150 North Fifth Street Condominium, located at 150 North Fifth Street, Brooklyn, New York 11211 (the "Plan") pursuant to which the land, the appurtenances and the Units (the "Units") located in the County of Kings, City and State of 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:

A. Purchaser acknowledges having received and read the Plan and all amendments thereto, if any, filed with the Department of Law of the State of New York (the Plan, together with all such filed amendments, if any, are hereinafter collectively referred to as the "Offering Plan") at least three (3) business days prior to Purchaser's signing this Agreement. Purchaser understands that if Purchaser has not been afforded at least three (3) business days prior to Purchaser's signing this Agreement to receive and read the Offering Plan, then in such event, Purchaser shall have seven (7) days after delivering this Agreement together with the Down Payment to rescind this Agreement and have the Down Payment refunded promptly by either personally delivering a written notice of rescission to Seller or Selling Agent within said seven (7) day period or mailing the notice of rescission to Seller or the Selling Agent and having the mailing postmarked within said seven (7) day period. The Offering Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Offering Plan, the provisions of the Offering Plan will govern and be binding.

B. Purchaser has been given an opportunity to examine the architectural plans for the above numbered Unit and for the building in which it is located (the "Building").

C. The Offering Plan, which includes the Declaration to be made by the Seller which is to be or has already been recorded in the Office of the Register of the City of New York, County of Kings, and the schedules, the Bylaws 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.

D. 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 as set forth in the Offering Plan (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 convey, and Purchaser hereby agrees to purchase, the Unit for the Purchase Price stated above. The Down Payment stated above has been made on the signing of this Agreement, receipt of which by check subject to collection is hereby acknowledged by Seller. The Balance Due at Closing shall be payable at the Closing, as hereinafter provided in Paragraph 2, by unendorsed certified or official bank check of Purchaser drawn on a bank or trust company which is a member of the New York Clearing House Association (or any successor organization) to the order of Seller or as otherwise directed by Seller.

2. **Closing of Title.**

2.1 The closing of title to the Unit (the "Closing") shall take place on no less than thirty (30) days prior written notice (the "Closing Notice") to Purchaser at such place as Seller may designate, at an hour and on a date (the "Closing Date") to be specified by Seller. If Seller consents to close at any other location as an accommodation to or at the request of Purchaser or Purchaser's lender, Purchaser shall pay an extra fee to Seller's attorney as set forth in Paragraph 6 hereof. Seller shall have the right, from time to time, to adjourn the Closing Date on written notice to Purchaser or Purchaser's attorney. If adjourned, Seller shall fix a new date and time for the Closing and shall give Purchaser or Purchaser's attorney not less than five (5) days written notice of the newly scheduled Closing Date. Purchaser shall be entitled to one (1) reasonable adjournment of the Closing Date for a period of up to fifteen (15) days, on five (5) business 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 unauthorized delay in closing of title by Purchaser.

2.2 The Closing shall occur only after or concurrently with the prerequisites as set forth under the Section entitled "Terms of Sale" in Part I of the Offering Plan.

2.3 At the Closing, Seller shall deliver to Purchaser, or direct the delivery to Purchaser of, a bargain and sale deed, with covenant against grantor's acts, conveying the Unit to Purchaser, such deed to be substantially in the form contained in Part II of the Offering Plan, executed and acknowledged by Seller or as directed by Seller in form for recording.

2.4 Simultaneously with the delivery of the deed, Purchaser (i) shall cause the net proceeds of any mortgage loan to be paid to Seller on account of the Purchase Price, and (ii) shall execute and deliver to the mortgagee the note and mortgage, and any other documents required by the mortgagee, as well as any documents required

by Seller. Seller and Purchaser shall execute and deliver such forms as shall be required by law with respect to the reporting real estate transfers.

2.5 In the event the Closing is delayed for any reason beyond the Closing Date set forth in the Closing Notice (or any adjourned date agreed upon or requested by Sponsor), except to the extent said delay is caused by Seller's inability or refusal to close, Purchaser agrees: (a) that all closing adjustments shall be made as of the Closing Date fixed in the Closing Notice (or any such adjourned date); and (b) to pay to Seller a sum equal to .05% of the Purchase Price for each day or portion thereof that the Closing is delayed beyond the seventh (7^{th}) day after the date set forth in the Closing Notice, not as a penalty, but as partial reimbursement to Seller of its costs to carry the Unit for such additional period of time (including, without limitation, interest on any acquisition and/or construction loan which shall then constitute a lien on the Unit).

3. Power of Attorney to Board of Managers. At the Closing 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 substantially in the form contained in Part II of the Offering 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, Bylaws, Offering Plan, Rules and Regulations. Purchaser hereby agrees to be bound by the Declaration, the Bylaws, the Rules and Regulations, and the Offering 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 Offering Plan, specifically in Part I thereof in the section entitled "Terms of Sale", and Exhibits submitted in connection therewith and the mortgage referred to in Paragraph 8 hereof, if any (as well as other mortgages, if any, obtained by Purchaser).

Notwithstanding the above, the existence of unpaid taxes or liens and encumbrances of any kind at the time of Closing shall not constitute an objection to title, provided that All New York Title Agency, Inc., as agent, or another reputable title insurer 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 Property, not provided for in the Offering Plan or this Agreement, out of the monies to be paid by Purchaser at the time of closing title.

6. Expenses of Closing and Closing Adjustments.

6.1 At Closing, Purchaser will pay the Closing costs and expenses referred to in the section of the Offering Plan (as same may be amended to date) titled "Unit 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 title insurance, if Purchaser elects or is required by its lender to obtain same, recording fees for recording

the Deed and Power of Attorney, New York City Real Property Transfer Tax, New York State Transfer Tax, transfer tax on Units which are $1,000,000.00 or more in price, Seller's attorney's fees for closing the Unit, and costs associated with obtaining a mortgage loan. The legal fees of Seller's attorneys in the amount of $1,500.00 will be payable by Purchaser to Seiden & Schein, P.C., provided that an additional fee of $350.00 per Closing shall be due and payable for any Unit closing which occurs other than in the office of Seller's attorneys. An additional fee of $500.00 shall be due and payable to Sponsor's attorneys for any previously scheduled Unit Closing which is adjourned by Purchaser less than five (5) business days before such Unit Closing is scheduled to occur. A further fee of $500.00 shall be payable by Purchaser to Seller's attorneys for the work involved for each assignment of a Purchase Agreement that is permitted by Seller. Assignments are permitted only pursuant to the terms of the Offering Plan. Any fees payable to Seller's attorney by Purchaser will be paid by certified check or official bank check drawn on a bank or trust company which is which is a member of the New York Clearing House Association or any successor organization. Purchaser will also pay to the Board of Managers a sum equal to two (2) months of Common Charges for the Unit being purchased as Purchaser's contribution to the Working Capital Fund of the Condominium.

6.2 Except as otherwise provided in this Agreement or in the Offering Plan, real estate taxes and Common Charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Offering Plan. Any such expenses or adjustments payable to Seller in excess of $500.00 will be paid by unendorsed certified check or official bank check drawn on a bank or trust company which is a member of the New York Clearing House Association (or any successor organization).

6.3 If Seller obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on the Unit, Purchaser and Seller will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the Closing.

6.4 Any errors or omissions in computing apportionments at Closing shall be corrected and payment made to the proper party promptly after discovery. The provisions of this subsection shall survive the Closing.

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 lender's right to make advances before they become due in accordance with the

schedule of payments. Notwithstanding anything to the contrary contained in this Paragraph 7, however, as of the Closing Date the only mortgage to which the Unit will be subject will be the mortgage referred to in Paragraph 8 hereof, if any, as well as any other mortgage(s) obtained by Purchaser.

8. Financing Contingency. (DELETE THIS PARAGRAPH 8 IF THIS AGREEMENT WILL NOT BE CONDITIONED ON OBTAINING A COMMITMENT FOR FINANCING).

8.1 This Agreement is conditioned upon Purchaser obtaining a written mortgage loan commitment from an "Institutional Lender" (as such term is hereinafter defined) in the amount stated on Page 1 which amount shall not exceed eighty (80%) percent of the Purchase Price for a term of not more than thirty (30) years at the prevailing fixed or variable rate of interest (the "Commitment"). Purchaser shall in good faith submit an application to the Institutional Lender for the Commitment within five (5) days after the date (the "Contract Date") on which a fully-executed copy of this Agreement is delivered to Purchaser's attorney; and promptly submit to the Institutional Lender, or as the Institutional Lender may direct, all required fees, information and supporting documents necessary for processing such loan application. Purchaser agrees to furnish to Sponsor and to any prospective mortgagee such information and data pertaining to his or her financial condition as may be required by such prospective mortgagee. Purchaser shall be obligated, upon request from Seller, to promptly provide a copy of his or her filed mortgage application to Seller. Purchaser shall have forty-five (45) days after the Contract Date to obtain the written Commitment. In the event Purchaser fails to obtain the written Commitment within such time period, or in the event the Commitment is subsequently withdrawn, Purchaser must notify Seller of same within five (5) days subsequent to such forty-five (45) day period or the date the Commitment is withdrawn, whichever is applicable, and if Purchaser fails to so deliver notice to Seller, this financing contingency shall be deemed waived.

In the event Purchaser (i) fails to obtain the Commitment within such forty-five (45) day time period, and (ii) so notifies Seller of same within five (5) days subsequent to such forty-five (45) day period, Seller shall have the right either:

(a) to declare this Agreement null and void by giving written notice to Purchaser postmarked or delivered within ten (10) days subsequent to such forty-five (45) day period; or

(b) to obtain, at Seller's option, at no cost or expense to Seller, within sixty (60) days after receipt of such notice, a Commitment for Purchaser from the same, or another, Institutional Lender in the same amount at the same or the then-prevailing interest rate. In the event that Seller does elect to obtain the Commitment, but no Commitment is obtained within such sixty (60) day period, this Agreement may be declared null and void by Seller by giving written notice to Purchaser postmarked or delivered within ten (10) days subsequent to such sixty (60) day period.

In the event no Commitment is furnished by Seller pursuant to the provisions of clause (b) above, Purchaser, provided it has not already waived the financing contingency as set forth above, may also declare the Agreement null and void by written notice to Seller postmarked or delivered within ten (10) days subsequent to such sixty (60) day period, or within ten (10) days subsequent to such notification by Sponsor to Purchaser that Seller has waived the option to obtain the Commitment as set forth in clause (b) above, whichever is sooner. In such event, the Down Payment shall be returned to Purchaser with interest, if any. If such notice is not sent within such ten (10) day period, this financing contingency clause shall be deemed waived by Purchaser. No other financing contingency is permitted by this Agreement. Notwithstanding anything to the contrary contained herein, Seller shall have no obligation to secure a Commitment for Purchaser. Additionally, failure of Purchaser to comply with the terms and conditions of the Commitment which are unrelated to Seller's responsibility to perform under the terms of the Plan does not relieve Purchaser of its obligation to close title to the Unit.

8.2 Notwithstanding the preceding provisions of this Paragraph 8, if Purchaser obtains a Commitment within the time period set forth above, this Agreement shall nonetheless be subject to the Commitment being in full force and effect at the First Unit Closing; provided, however, that any expiration of the Commitment as a result of Purchaser's refusal, inability or unwillingness to close title or delay in closing title, or the revocation of a Commitment by a lending institution resulting from Purchaser's acts or omissions, including but not limited to, Purchaser's failure to satisfy any of the conditions of the Commitment, shall be excepted from this requirement, and Purchaser shall be deemed to have waived any financing contingency within this Agreement. Purchaser shall take all possible steps to maintain his Commitment, including, but not limited to, good faith application for an extension of such Commitment to the same lending institution, the payment of any required extension fees, and, if said extension is not obtainable, written application for a new Commitment to at least one (1) other Institutional Lender at the prevailing rate of interest. In the event Purchaser notifies Seller within thirty (30) days after the expiration date of his previous Commitment by registered mail of his inability to obtain an extension of such previous Commitment or a new Commitment, this Agreement shall be null and void and Purchaser's Down Payment shall be returned by Seller. Failure to provide such notification shall be deemed a waiver of this Paragraph by Purchaser and this Agreement shall be deemed binding.

8.3 For the purposes hereof, the term "Institutional Lender" means any of the following that is authorized under Federal or New York State law to issue a mortgage loan secured by the Unit and is currently extending similarly secured loan commitments in the county where the Unit is located: a bank, savings bank, savings and loan association, trust company, credit union of which Purchaser is a member, mortgage banker, mortgage broker, insurance company or governmental entity.

9. Default by Purchaser.

9.1 If Purchaser shall fail to pay any portion of the Purchase Price when due, or shall fail or refuse to close title on the date, hour and place specified by Seller pursuant to Paragraph 2 hereof, or shall fail to perform any of Purchaser's other

obligations hereunder (including, without limitation, the obligation to furnish any lender promptly with such information as such lender may require, and the obligation to accept a Commitment on the terms set forth in this Agreement), such failure shall constitute a default by Purchaser and Seller may send notice to Purchaser of Seller's intention to cancel this Agreement if such default shall not be cured within thirty (30) days from the mailing date of such notice. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date of such written notice, Seller may (but shall not be obligated to) elect to cancel this Agreement by notice of cancellation to Purchaser sent after the cure period has expired. In the event that Seller shall elect to cancel this Agreement, Seller shall certify to its attorneys, Seiden & Schein, P.C., that title has not closed because of Purchaser's default and that Seller has elected to cancel this Agreement by reason thereof, and Seiden & Schein, P.C., pursuant to Paragraph 16 hereunder, shall cause to have paid over to Seller, as liquidated damages, the Down Payment and the interest earned thereon (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 canceled 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. Seiden & Schein, P.C. 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.

9.2 Notwithstanding the above, Seiden & Schein, P.C. ("Escrow Agent") will hold funds in escrow until otherwise directed in:

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

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

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

If there is no written agreement between the parties to release the escrowed funds, Escrow Agent will not pay the funds to Seller until Escrow Agent has given Purchaser not less than five (5) business days prior written notice. Thereafter, the escrowed funds may be paid to Seller unless Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General's regulations and has so notified Escrow Agent in accordance with such provisions.

Seller will not object to the release of the escrowed funds to:

(i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Offering Plan or an amendment to the Offering Plan (except for escrowed funds pertaining to Special Work); or

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

Purchasers and the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the Down Payment and any interest thereon. Seller must avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is set forth in Part II of the Offering Plan. The Party applying for a determination must send all other parties a copy of the application.

9.3 If Purchaser becomes an occupant of the Building pursuant to an Interim Use and Occupancy Agreement, his or her failure to pay rent or otherwise comply with his or her use and occupancy obligations shall constitute default under this Purchase Agreement. Upon the occurrence of such default, Seller shall have the right to cancel this Agreement upon sending Purchaser ten (10) days prior written notice of its intention to do so. If Seller elects to cancel, Purchaser shall have ten (10) days from the giving of the cancellation notice within which Purchaser must cure the specified default. If the default is not timely cured the Use and Occupancy Agreement will be deemed canceled by Seller upon the occurrence of either of the following: (i) Seller having obtained an order of eviction or other judgment or order from a court or agency of competent jurisdiction against Purchaser, or (ii) Purchaser having vacated the Unit. Upon such cancellation, Seller shall have the right to retain, as and for liquidated damages, all payments made hereunder, but in no event to exceed ten percent (10%) of the Purchase Price, plus any interest earned thereon. Any additional deposits in excess of ten percent (10%) of the Purchase Price, plus any interest earned thereon, shall be refunded to Purchaser promptly thereafter. Upon cancellation of this Agreement and making such refund (if any) to Purchaser, Purchaser and Seller will be released and discharged of all further liability and obligation hereunder and under the Offering Plan, and the Unit may thereafter be sold to another as though this Agreement had never been made and without accounting to Purchaser for the proceeds of such sale.

Failure to comply with all obligations under this Agreement shall also constitute default under any use and occupancy obligations. Upon occurrence of any such default, Seller, in addition to any other rights available to it, shall have the right to terminate the occupancy upon sending Purchaser ten (10) days prior written notice of its intention to do so. If Seller elects to terminate, Purchaser shall have ten (10) days from giving of cancellation notice within which to cure the specified "failure to comply". If there is no timely cure, the occupancy obligation is terminated as of the expiration of said ten (10) day period. This provision does not limit in any way other rights of Seller in the event of a failure to comply with the terms of this Agreement.

10. No Assignment. Purchaser shall have no right to assign this Agreement without Seller's prior written consent, which consent may be withheld or denied by Seller for any reason or no reason. Any purported assignment of this Agreement in violation thereof 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 at the address given above

with a copy to Purchaser's attorney attorney (named on Page 1 of this Agreement) and to Seller at 150 North Fifth Street LLC, 169 Wythe Avenue, Suite 102, Brooklyn, New York, New York 11211 (with copy to Seiden & Schein, P.C., 570 Lexington Avenue, New York, New York 10022, Attention: Alvin Schein, Esq.) 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 Offering 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 is not accurate or correct, provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Building in accordance with the Offering Plan and that Purchaser will not be relieved from its obligations hereunder by reason of any minor inaccuracy or error.

13. **Recording of Deed and Power of Attorney**. At the Closing, Purchaser will deliver the executed deed received from Seller and 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 forms for such documents which are set forth in the Offering 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 Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

15. **Agreement Subject to Offering Plan Becoming Effective; Seller's Right to Cancel**. This Purchase Agreement is contingent upon the Offering Plan being declared effective. The Offering Plan may be abandoned by Seller at any time prior to its being declared effective, provided Purchase Agreements for Units totaling not more than 80% of the Common Interests of the Condominium have been executed and accepted. If the Offering Plan is abandoned or does not become effective this Purchase Agreement shall be deemed canceled, and the Offering Plan terminated and Purchaser is to receive back, not later than twenty (20) days thereafter, in full, all monies paid by him hereunder, and upon such repayment no party shall have any claim against any other party, person or entity, and all parties shall be released from all obligations hereunder and under the

Offering Plan. If, after the Offering Plan is declared effective, title to the Unit shall not close within the time set forth in the Offering 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 canceled. If this Purchase Agreement is canceled 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, with the interest earned thereon, if any. Upon such repayment, neither party shall have any claim against the other arising out of this Agreement and both shall be released from all obligations hereunder.

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

16.1 The required Down Payment pursuant to this Agreement will be ten percent (10%) of the Purchase Price for the Unit. All monies, including all deposits, down payments or advances, received by Seller through its agents or employees pursuant to this Agreement either prior to or subsequent to the consummation of the Offering Plan will be deposited by Escrow Agent in a segregated, special escrow account or accounts titled "Seiden & Schein, P.C., Attorney Escrow Account", or similar name, with the name of Purchaser and Unit number added to the title of a sub-account, with North Fork Bank at its branch located at 643 Lexington Avenue, New York, New York.. Such account or accounts shall be interest bearing if so requested by Purchaser in accordance with Section 71-a(3) of the Lien Law. Such funds shall be deposited by Escrow Agent within five (5) business days after this Agreement is executed by all necessary parties. 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, the terms and conditions of the Offering Plan, and the Regulations promulgated pursuant to said Section 352-e(2-b) by the Attorney General's Office. Such funds will be disbursed only upon written instructions of a member of Seiden & Schein, P.C. (Seller's attorneys) as follows: (i) to Seller, or as directed by Seller, if the Offering Plan is declared effective and title closes hereunder, or if Purchaser defaults hereunder; or (ii) to Purchaser, if the Offering Plan is abandoned or withdrawn or title does not close because of Seller's default, or if this Agreement is canceled (without default by either party) in accordance with its terms. Down Payments, with any accumulated interest, shall remain the property of Purchaser except as provided by law. Seller is required by law to submit a Form 1099 to the Internal Revenue Service reporting interest earned on Purchaser's Down Payment, if any. Purchaser will be taxed accordingly on such interest.

16.2 Down Payments will be retained in the special escrow account as set forth above until: (i) Seller performs under the terms of this Agreement, or (ii) Purchaser rescinds or defaults in performance of this Agreement, thereby excusing performance by Seller, or (iii) release or discharge of Seller's liability to refund the Down Payment, or (iv) transfer of title to the Unit to the Purchaser, or (v) by mutual consent of Seller and Purchaser, including provisions in the previous paragraph, or (vi) as provided for in the Section of the Offering Plan entitled "Procedure to Purchase," which is incorporated herein by reference. By signing this Agreement, Purchaser will not object

and will be deemed to have agreed, without the need for a further written agreement, to the release of the Down Payment to Seller in the event Seller and Purchaser close title under this Agreement.

16.3 In the event of an uncured default by Purchaser in its obligations under this Agreement, no more than ten percent (10%) of the Purchase Price plus any interest earned thereon, may be retained as liquidated damages. Notwithstanding the above, the actual cost incurred by Seller for any Special Work 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 this Agreement as to which there has been a default by Purchaser. No Down Payment or other monies shall be released pursuant to an uncured default by Purchaser prior to the First Unit Closing.

16.4 The balance of the Purchase Price will not be payable until Closing of title to the Unit.

16.5 Following the declaration of effectiveness of the Offering Plan, Purchaser will be given at least thirty (30) days prior written notice of the Closing Date for his Unit.

17. Equipment and Furnishings. Seller will provide Purchaser with only the fixtures, equipment, hardware, appliances and furnishings referred to in the Offering Plan, which are included in the Purchase Price of the Unit. Furnishings, equipment, appliances and decorations in any model unit or sales office not referred to in the Offering Plan are excluded from this sale unless specifically included by a rider to this 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.

18.1 The signing of this Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Property as represented by Sponsor in the Offering Plan, including the Building, the Common Elements, and the Unit and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein (hereinafter collectively called "Installations") in their respective existing conditions, ordinary wear and tear excepted between the date Purchaser signs this Agreement and delivery of the deed to Purchaser. Purchaser acknowledges having read the Section entitled "Description of Property and Specifications" set forth in Part II of the Offering Plan, which sets forth a description of the physical condition of the Building, and acknowledged having been given the opportunity to review the reports referred to in the Section of the Offering Plan entitled "Sponsor's Statement of Building Condition". Purchaser understands that Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Building, the Unit or the Installations, except as may otherwise be set forth in the Offering Plan. Sponsor has agreed in the Offering Plan to maintain the Building and the Common Elements in substantially the same condition they were in on the Filing Date, until the First Unit Closing (subject to ordinary wear and tear between the Filing Date and the First Unit Closing), unless prevented from so doing by reason of acts or events beyond Sponsor's control, as more particularly set forth in the Offering Plan.

18.2 Prior to the Closing of title to a Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Seller. Purchaser shall have the right to enter and inspect such Unit prior to the Closing of title, but shall be obligated to make an inspection appointment with Seller. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the Closing of title thereto.

18.3 Except as set forth below, the risk of loss from fire or other casualty with respect to the Unit shall remain with Seller until the Closing of title for the Unit. Seller, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without an abatement in the Purchase Price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Subsequent to the filing of an amendment substantiating effectiveness of the Offering Plan, Seller may be required to repair or restore as set forth below. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the Closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Seller shall not be obligated to repair any damages to the Unit or his appliances, fixtures and equipment. However, Purchaser does not assume the risk of loss to the Unit if the cause of such loss originated outside his Unit and did not result from the acts of Purchaser or the other occupants of the Unit or Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage in accordance with the foregoing, then his failure to repair the damage shall not excuse him from paying the balance due under this Purchase Agreement and accepting title to the Unit.

18.4 With respect to all risk of loss after an amendment substantiating effectiveness of the Offering Plan has been filed but prior to Closing, Seller is not obliged or liable to repair the damage or restore the Unit other than to repair damage or destruction from fire or other casualty to the Property to the extent of an aggregate of an amount equaling one half of one percent of the Total Purchase Price set forth on the front cover of the Offering Plan (minus certain amounts which Seller is required to spend to cure or comply with any work order from an insurer or to cure or comply with a defect in title or hazardous or dangerous condition against the Property which did not exist on the date of acceptance of the Offering Plan). If Seller or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage which Seller is not required to repair or replace, (i) this Agreement shall continue in full force and effect, (ii) Purchaser will not have the right to reject title to the Unit or to receive a credit against, or abatement of, the Purchase Price, and (iii) Seller will be entitled to a reasonable period of time to complete (or to permit the Condominium Board to complete) such repairs or replacements. Purchaser will not be required to pay the balance of the Purchase Price unless and until (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty, and (ii) its essential services (such as gas, electricity and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss will belong entirely to Seller (subject to the rights, if any, of the Condominium Board or other Unit Owners) and if such proceeds are

paid to Purchaser, Purchaser will promptly, upon receipt, turn them over to Seller. The provisions of the preceding sentence will survive the Closing.

18.5 In the event Seller is not obligated to restore or repair as set forth above and notifies Purchaser that it does not elect to repair or restore the Unit, or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's Bylaws, this Agreement will be deemed canceled and of no further force or effect and Seller will instruct its attorneys to return to Purchaser all sums deposited hereunder (with interest, if any), whereupon the parties will be released and discharged from all obligations and liability hereunder and under the Offering Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Seller will retain the sums deposited hereunder as liquidated damages.

19. Possession of Unit Prior to Closing. Seller may, in its discretion, grant Purchaser possession of the Unit prior to Closing under an Interim Use and Occupancy Agreement. If Purchaser is or hereafter becomes a tenant of the Unit, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest thereon, within forty-five (45) days following the Closing, provided Purchaser is not in default under the Interim Use and Occupancy Agreement. If the Unit is occupied by a person other than Purchaser, then the unapplied security deposit (if any) of the tenant or occupant will be transferred at Closing to Purchaser, who will upon receipt, sign and deliver to Seller an agreement acknowledging the amount received, indemnifying Seller from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest bearing bank account pursuant to the provisions of Section 7-103 of the New York General Obligations Law (such agreement to be in form and substance satisfactory to Sponsor). In either event, Seller will have the right to deduct from any tenant's security deposit the amount of any rent arrearage owing to Seller and to sue the tenant to the extent such security is insufficient.

20. Limitation of Seller's Liability. Seller's liability under this agreement for failure to complete and/or deliver or have delivered title for any reasons whatsoever shall be limited to the return of the money deposited hereunder (with interest, if any), 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, Seller shall not be required to bring any action or proceeding to render the title to the Unit marketable or to cure any objection to title.

21. Definitions.

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

21.2 Except where otherwise herein defined, capitalized terms used herein shall have the same meanings as are ascribed thereto in the Offering Plan.

21.3 The "Contract Date" on Page 1 of this Agreement shall be filled in by Seller only upon signing this Agreement, and shall be no less than three (3) days from the date that Seller actually signs this Agreement.

22. Gender. The use of the masculine gender in this Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

23. Other Agreements. This 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 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 the Selling Agent and the Broker named on Page 1 of this Agreement. Purchaser and Seller each agree to indemnify and hold each other harmless from any and all liabilities arising from claims made against them for commissions by any broker other than the above-named on account of each other's act or the acts of each other's representatives. Seller shall pay the commission of the above named broker(s) pursuant to a separate agreement. The provisions of this Paragraph shall survive the Closing.

26. Governing Law. This 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 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 twenty (20) days after delivery by Purchaser to Seller or Seller's agent of this Agreement as executed by Purchaser, Seller will either:

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

(b) reject this Agreement and refund the Down Payment tendered by Purchaser.

THE SUBMISSION OF THIS AGREEMENT SHALL NOT BE DEEMED TO CONSTITUTE AN OFFER TO SELL, OR AN OPTION TO PURCHASE, AND THIS AGREEMENT SHALL NOT BE BINDING UPON SELLER UNLESS AND UNTIL IT IS EXECUTED AND DELIVERED BY BOTH PURCHASER AND SELLER AND, IN SUCH EVENT, SUBJECT TO ALL THE TERMS AND CONDITIONS HEREOF.

29. **Transfer Tax Return**. At Closing, Purchaser will duly complete and sign before a Notary Public the Real Property Transfer Tax Return required to be filed with the City of New York and the appropriate New York State Real Estate Transfer Tax Return and Credit Line Mortgage Certificate (NYS form TP-584 or its successor) required to be filed with the Bronx County Register's office. These transfer tax returns 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 offices. Purchaser shall also execute and deliver to Seller a W-8 or W-9 Internal Revenue Service form.

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 Agreement, except as to any item specifically listed and excepted therefrom.

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

32. **Foreign Investment in Real Property Tax Act**. Pursuant to the Foreign Investment in Real Property Tax Act (FIRPTA), upon disposition of a United States real property interest by a foreign person on or after January 1, 1985, the purchaser of such real property interest must deduct and withhold a tax equal to ten percent (10%) of the purchase price unless the seller furnishes a certificate that it is not a foreign entity or individual. Seller will furnish to Purchaser a non-foreign certification at closing, thereby complying with FIRPTA and relieving Purchaser from any withholding obligations.

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

34. **Rules of Construction.** There shall be no presumption against the draftsman of this Agreement or the Offering Plan.

35. **Costs of Enforcing and Defending This Agreement.** Purchaser shall be obligated to reimburse Seller for any legal fees and disbursements incurred by Seller in defending Seller's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder.

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

37. **Performance by and Liability of Seller.** Purchaser's acceptance of the deed for the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Agreement, the Offering Plan, General Business Law §352-e, and applicable regulations thereunder, except those (if any) herein or therein expressly stated to survive delivery of such deed.

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

IN WITNESS WHEREOF, Seller and Purchaser have executed this Purchase Agreement as of the Contract Date.

_____

PURCHASER:
DATE: _____

_____

PURCHASER
DATE: _____

ACCEPTED:

150 NORTH FIFTH STREET LLC

BY: _____
Name:
Title:
DATE: _____

LIMITED WARRANTY

THE UNDERSIGNED PURCHASER(S) ACKNOWLEDGE RECEIPT OF THE HEREINBELOW LIMITED WARRANTY PURSUANT TO THE PROVISIONS OF THE CONTRACT OF SALE TO WHICH THIS LIMITED WARRANTY IS ANNEXED ON REFERENCED.

LIMITED WARRANTY

NAME OF PURCHASER(S)
ADDRESS OF PURCHASER(S)

DESIGNATION OF
UNIT WARRANTED

NAME OF SPONSOR

ADDRESS OF SPONSOR

SPONSOR'S LIMIT OF TOTAL LIABILITY:

> **Ten (10%) percent of the purchase price of the Unit set forth in the purchase agreement to which this Limited Warranty is annexed as an exhibit.**

NOTE: THIS LIMITED WARRANTY EXCLUDES ALL CONSEQUENTIAL, INCIDENTAL SPECIAL AND INDIRECT DAMAGES EXCEPT AS REQUIRED BY LAW. THIS LIMITED WARRANTY EXCLUDES ALL OTHER WARRANTIES OF EVERY KIND, EXPRESS AND IMPLIED, ON THE CONSTRUCTION AND SALE OF THE UNIT, ITS WORKMANSHIP AND MATERIALS, AND ITS FITNESS FOR USE AND HABITABILITY. THIS LIMITED WARRANTY IS ACCEPTED BY THE PURCHASER IN LIEU OF ALL OTHER WARRANTIES. THE SPONSOR MAKES NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF, EXCEPT THAT THE SPONSOR REPRESENTS THAT CONSTRUCTION OF THE UNIT WILL COMPLY WITH APPLICABLE BUILDINGS CODE REQUIREMENTS AND WILL BE PERFORMED IN ACCORDANCE WITH COMMONLY ACCEPTED BUILDING PRACTICES. THE PURPOSE OF THIS LIMITED WARRANTY IS TO IDENTIFY THE SPONSOR'S RESPONSIBILITIES FOR DEFECTS OF A

LATENT OR HIDDEN NATURE THAT WOULD NOT HAVE BEEN FOUND OR DISCLOSED ON THE FINAL INSPECTION.

1. TO WHOM GIVEN. This Limited Warranty is extended exclusively to the Purchaser named on page 1 of this Limited Warranty, while the named Purchaser owns the Unit. It does not extend to subsequent owners of the Unit, tenants or mortgagees in possession of the Unit, any Person who may succeed to the rights of the Purchaser or to any other Person.

2. BY WHOM MADE. This Limited Warranty is made exclusively by the Sponsor whose name and address appear on page 1 of this Limited Warranty.

3. FINAL INSPECTION OF THE UNIT. Before the Purchaser moves into the Unit or accepts the deed, the Sponsor will set up an appointment for the Final Inspection with the Purchaser. The purpose of the Final Inspection is to discover any Defects of a visible, apparent or patent nature, or any unfinished work.

Defects in the Unit found on the Final Inspection will be itemized on a Final Inspection Form, annexed hereto as Schedule C, that includes a schedule for each item that will be corrected or completed. The Final Inspection Form will be signed by the Purchaser and the Sponsor before occupancy of the Unit or transfer of the deed.

The purpose of this Limited Warranty is to identify the Sponsor's responsibilities for Defects of a latent or hidden kind that would not have been found or disclosed on the Final Inspection.

When the Purchaser moves into the Unit or accepts the deed, the Sponsor's responsibility is limited to:

(a) completion of items shown on the Final Inspection Form, as provided in the Final Inspection Form, and

(b) performance of warranty obligations under the provisions of this Limited Warranty, as contained in this document.

4. DEFINITIONS. As used in this Limited Warranty, the following terms have the following meanings:

(a) "Building Code" means the Building Code of the City of New York, Title 27 of the Administrative Code of the City of New York, as the Code exists on the Warranty Date.

(b) "Consumer Product" shall include, but not be limited to, any appliance, piece of equipment, or other item which is a "consumer product" under the Magnusson-Moss Warranty Act, 15 USC section 2301 et seq., and which is installed in the Unit by the Sponsor. Examples of Consumer Products include, when installed by the Sponsor: air purifiers, kitchen appliances, refrigerators, freezers, ovens, stoves, microwaves, mixers, sinks, toilets, bathtubs, compactors, garbage disposals, dishwashers, fans, faucets, and plumbing fixtures, clothes washers, clothes dryers, water heaters, water softeners, humidifiers, pumps, furnaces, oil tanks, gas tanks, heaters, air conditioners, light fixtures, circuit breakers, floor coverings, windows, doors, door openers, siding, brick, and roofing.

(c) "Defect" means defective workmanship performed by the Sponsor and defective materials supplied by the Sponsor, determined solely by reference to the specific standards of the Building Code.

The term Defect does not include a condition in the Unit that would have been apparent or ascertainable upon the Final Inspection. A condition that is disclosed to the Purchaser at any time prior to acceptance of the deed, by notation on the Final Inspection Form or otherwise, is not a Defect within the meaning of this Limited Warranty. Unless otherwise indicated, the term "Defect" shall be deemed to include "Major Structural Defects."

(d) "Electrical System" means the following items, if installed in the Unit by the Sponsor: electrical wiring, electrical boxes, switches, outlets and connections up to the public utility connection; cable television systems; intercom systems; burglar, fire and smoke alarm systems. The Electrical System does not include any Consumer Product.

(e) "Final Inspection" means the final inspection of the Unit prior to the Purchaser's acceptance of the deed as referred to in Paragraph 12 of the purchase agreement to which this warranty is annexed as a exhibit.

(f) "Heating/Cooling/Ventilation System" means the following items, if installed in the Unit by the Sponsor: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers. The Heating/Cooling/Ventilation System does not include any Consumer Product.

(g) "Major Structural Defects" means Defects resulting in actual physical damage to the Major Structure of the Unit caused by failure of the Major Structure which affects its load-bearing functions to the extent that the Unit becomes unsafe, unsanitary or otherwise unlivable.

(h) "Major Structure" means the following portions of the Unit that are load-bearing: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems. Major Structure does not include non-load bearing portions of the Unit such as: roofing and sheathing; roof shingles and tar paper; drywall, lathes and plaster; exterior siding; brick, stone, stucco and veneer; flooring and sub-flooring material; floor covering material; wall tile or paper and other wall coverings; non-load bearing walls and partitions; concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the Unit; Electrical System, Plumbing System, Heating/Cooling/Ventilation System; Consumer Products, appliances, fixtures and items of equipment; paint and stains; doors and windows; trim; cabinets; hardware; insulation.

(i) "Person" means any individual, partnership, corporation, or other legal entity.

(j) "Plumbing System" means the following items, if installed in the Unit by the Sponsor: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system. The Plumbing System does not include any Consumer Product.

(k) "Purchaser" means the Person identified as the Purchaser on page 1 of this Limited Warranty, while such Person owns the Unit.

(l) "Purchaser's Family" means "Family Member" as defined in Section 2520.6 (o) of the Rent Stabilization Code for Rent Stabilized Apartments in New York City.

(m) "Residential Occupancy" means occupancy of any portion of the Unit for residential purposes by any Person, their designee or invitee.

(n) "Sponsor" means the Person identified as the Sponsor on page 1 of this Limited Warranty.

(o) "Unit" means any space designated as a unit in the declaration of condominium.

(p) "Warranty Date" means the date that the Purchaser, or a member of Purchaser's Family, takes title to the Unit, or the date on which any Person begins Residential Occupancy of the Unit, whichever date is earlier.

5. PRODUCTS AND PARTS COVERED BY LIMITED WARRANTY. Coverage A of this Limited Warranty applies to those parts of the Unit that have been constructed by the Sponsor and to those Consumer Products that have been installed in the Unit by the Sponsor. Coverage A does not apply to any part of the Unit that has been constructed, altered or damaged by any Person other than the Sponsor or to any Consumer Product that has been installed, altered or damaged by any Person other than the Sponsor.

Coverage B of this Limited Warranty applies to those products or parts of the Plumbing System, Electrical System, and Heating/Cooling/Ventilation System that have been installed by the Sponsor. Coverage B does not apply to any products or parts that have been installed, altered or damaged by any Person other than the Sponsor. Coverage B does not extend to any Consumer Product.

Coverage C of this Limited Warranty applies to those parts of the Major Structure that have been constructed by the Sponsor. Coverage C does not apply to any part of the Major Structure that has been constructed, altered or damaged by any Person other than the Sponsor.

Coverages A, B and C are subject to the definitions, limitations, exclusions, and all other terms and conditions of this Limited Warranty.

6. WARRANTY COVERAGE PERIODS. Warranty coverages A, B and C begin on the Warranty Date. The warranty coverages end as follows:

COVERAGE A: one year following the Warranty Date;
COVERAGE B: two years following the Warranty Date;
COVERAGE C: six years following the Warranty Date.

No fact, condition or circumstance delays or extends the Warranty Date or any time or period of warranty coverage.

7. WARRANTY COVERAGES.

COVERAGE A: The Sponsor warrants to the Purchaser that, for one year following the Warranty Date, the Unit will be free from Defects due to failure by the Sponsor to have constructed the Unit in accordance with the specific standards of the Building Code. The above coverage shall include, but not be limited to, Sponsor's warranty that the roof and basement of the Unit, if any, shall be free from leaks.

The Sponsor further warrants to the Purchaser that, for one year following the Warranty Date, Consumer Products installed in the Unit by the Sponsor will be free from Defects due solely to faulty installation by the Sponsor. (For Consumer Products, see further details in paragraph 10 of this Limited Warranty, below.)

COVERAGE B: The Sponsor warrants to the Purchaser that, for two years following the Warranty Date, the Plumbing System, Electrical System, and Heating/Cooling/Ventilation System of the Unit will be free from Defects due to failure by the Sponsor to have installed such systems in the Unit in accordance with the specific standards of the Building Code.

The Sponsor reserves the right to substitute to the Purchaser at closing written warranties of the Sponsor's plumbing, electrical, heating, cooling, or ventilation system sub-contractors, by providing

written copies of such warranties to the Purchaser. In the event of such substitution, the Purchaser's coverage will be limited to said substituted warranties and the Purchaser will address any requests for warranty service under Coverage B and any warranty claims under Coverage B to the sub-contractor, with a copy of any written request or claim to the Sponsor.

COVERAGE C: The Sponsor warrants to the Purchaser that, for six years after the Warranty Date, the Major Structure of the Unit will be free from Major Structural Defects due to faulty workmanship performed by the Sponsor or defective materials supplied by the Sponsor.

The Sponsor reserves the right to substitute to the Purchaser at closing insurance coverage from a licensed insurance carrier or risk retention group to be selected by the Sponsor by providing written copies of such insurance policy to the Purchaser substantially in conformance with the terms and conditions contained in the standard insurance policy issued by Home Buyers Warranty Corporation for six year structural coverage. In the event of such substitution, the Purchaser's coverage will be limited to said substituted insurance policy and the Purchaser will address any requests for warranty service under Coverage C and any warranty claims under Coverage C to the insurance carrier or risk retention group, with a copy of any written request or claim to the Sponsor.

8. SPONOSR'S RIGHT TO SUBSTITUTE COVERAGE. The Sponsor reserves the right to substitute and replace the above coverage with coverage from a warranty company.

9. EMERGENCY ACCESS: Purchaser also understands and agrees that if emergency repairs are needed on Purchaser's Unit or adjoining Units(s) and the Purchaser cannot be contacted within a reasonable period of time, the Purchaser waives advance notice. Such entry, with or without notice, shall be made with as little inconvenience as possible to the Purchaser.

10. CONSUMER PRODUCTS. This Limited Warranty covers Consumer Products only during the first year and only to the extent of Defects caused solely by faulty installation by the Sponsor. Damage caused or made worse by any manufacturer's or distributor's defect, by installation by any Person other than the Sponsor, from misuse by the Purchaser or user, or from a malfunction of an electric company, gas company, water supplier or any other utility is not covered.

The Sponsor conveys and assigns to the Purchaser, to the extent that they are assignable, all warranties provided to the Sponsor on any Consumer Products and manufactured items that have been installed by the Sponsor in the Unit. The Purchaser accepts this assignment and acknowledges that the Sponsor's only responsibility relating to such assigned warranties is to lend assistance to the Purchaser in settling claims under the assigned warranties.

11. EXCLUSIONS FROM COVERAGE. The following are excluded from Coverages A, B, and C, except as otherwise noted below:

(a) Loss or damage caused by workmanship performed by any person other than the Sponsor.

(b) Loss or damage caused by defective materials supplied by any person other than the Sponsor.

(c) Loss or damage caused by defective design, unless the design professional was retained exclusively by the Sponsor.

(d) Loss or damage that would have been apparent or ascertainable upon the Final Inspection.

(e) Loss or damage that is disclosed to the Purchaser at any time prior to acceptance of the deed, by notation on the Final Inspection Form or otherwise.

(f) Defects in outbuildings including, but not limited to, detached garages and detached carports (except outbuildings which contain the Plumbing System, Electrical System, or Heating/Cooling/Ventilation System serving the Unit); site located swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); deck areas; curbs; sidewalks; off-site improvements or any other improvements not a part of the dwelling structure itself.

(g) Defects in concrete floors of basements or concrete floors of attached garages that are built separately from foundation walls or other structural elements of the Unit.

(h) Damage to real property which is not part of the Unitcovered by this Limited Warranty and which is not included in the purchase price of the Unit.

(i) Any damage to the extent that it is caused or made worse by:

(i) negligence, improper maintenance, or improper operation by anyone other than the Sponsor; or

(ii) failure by the Purchaser or anyone other than the Sponsor to comply with the warranty requirements of manufacturers or suppliers of Consumer Products, appliances, fixtures or items of equipment; or

(iii) failure of the Purchaser to give notice to the Sponsor of any Defects or damage in the manner set forth in paragraph 14 of this warranty; or

(iv) changes in the grading of the ground by anyone other than the Sponsor; or

(v) changes, alterations or additions made to the Unitby anyone after the Warranty Date shown on page 1; or

(vi) dampness or condensation due to failure of any Person other than the Sponsor to maintain adequate ventilation.

(j) Any condition which does not result in actual physical damage to the Unit, including but not limited to uninhabitability or health risk due to the presence or consequence of unacceptable levels of radon gas, formaldehyde, or other pollutants and contaminants, or the presence of hazardous or toxic on-site materials.

(k) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, hurricane, tornado, mudslide, earthquake, volcanic eruption, wind-driven water, or changes in the underground water table.

(l) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a Defect and is not due to condensation or improper grading of land other than the grades established by the Sponsor.

(m) Loss or damage caused by soil movement for which compensation is provided by legislation.

(n) Changes, alterations, or additions made to the Unitby anyone after initial occupancy or acceptance of the deed, except those performed by the Sponsor to meet warranty obligations under this Limited Warranty.

(o) Loss or damage which is covered under any other warranty or insurance policy.

(p) Loss or damage which the Purchaser has not taken timely action to mitigate.

(q) Normal wear and tear and normal deterioration.

(r) Insect, vermin and/or rodent damage and infestation, or damage caused by other animals or pests.

(s) Bodily injury, personal injury, death, or loss or damage to personal property.

(t) Failure of the Sponsor to complete construction of the Unit.

(u) Loss or damage which arises while the Unit is being used primarily for non-residential purposes or which arises as the result of non-residential use.

(v) Loss or damage due to loading on floors by the Purchaser which exceeds design loads as established by the Building Code.

(w) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to inconvenience, relocation, or loss of use, during repair.

(x) Consequential, incidental, special and indirect damages.

(y) Loss or damage arising from any claim not filed in strict compliance with the procedures set forth in paragraph 14, "Step-by-Step Claims Procedures" with respect to any claim. PURCHASER'S FAILURE TO COMPLY WITH ANY OF THE PROCEDURES SET FORTH IN PARAGRAPH 14 WITH RESPECT TO A CLAIM WILL VOID SAID CLAIM UNDER THIS LIMITED WARRANTY.

(z) Loss or damage of any kind in excess of the Sponsor's Total Limit of Liability, as indicated on page 1 of this Limited Warranty.

(aa) Loss or damage to any improvements or additions to the Unitmade by the Purchaser.

(bb) Loss or damage to the Unitwhich cannot be remedied due to the Sponsor's inability to gain reasonable access to the affected area because of the Purchaser's improvements or additions to the Unit.

(cc) Defects in any work or materials ordered directly by the Purchaser from the Sponsor's sub-contractors or suppliers or other outside suppliers or sub-contractors or for incidental, consequential, special or indirect damages resulting from such work or materials;

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

In addition, in no event shall the Sponsor be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building (ii) for defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door

sticking or window sticking due to weather, door warpage, scratches in stone or porcelain surfaces, bath and kitchen tile grouting, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, (iv) variations in any floor levels, (v) ceiling imperfections, (vi) minor painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing system, heating system and air conditioning system noises, (x) normal floor noises and creaking, (xi) carpet or floor discoloring or stretching, (xii) variations in width, length or tone of wood floor strips, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, (xiii) repair of chips, scratches, mars, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances, or replacement of fluorescent light ballasts, (xv) cracks or variations in tone, finish or color of any stone used in bathrooms or cracks, variations in tone, finish or color of vanity tops or other stone surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, or (xviii) cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone, formica, granite, Corian, and porcelain surfaces, which repair shall be made by filling the stone, formica, granite, or Corian, or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, formica, granite, Corian or porcelain surfaces.

12. PURCHASER'S RESPONSIBILITIES. The Unit requires active maintenance effort on the Purchaser's part to reduce the likelihood of damage due to neglect, improper maintenance, abnormal use or any other use proscribed under applicable law. The Purchaser is required to abide by all operating instructions provided by the Sponsor or by any manufacturer or supplier of component parts of the Unit.

The Purchaser is required, prior to the time that the Sponsor has received notice of a claim, to use reasonable efforts to timely mitigate damages caused by a Defect. Except in the event of an actual emergency, the Purchaser's obligation to mitigate damages will not require the Purchaser to expend any monies to mitigate damages. The Sponsor will be required to reimburse the Purchaser for any monies reasonably expended by the Purchaser to mitigate damages in the event of an actual emergency.

NOTE: DAMAGE CAUSED OR MADE WORSE BY UNIT OWNER NEGLIGENCE, IMPROPER MAINTENANCE, IMPROPER OPERATION, ILLEGAL USE OR THE PURCHASER'S FAILURE TO TIMELY MITIGATE DAMAGES IS EXPRESSLY EXCLUDED FROM COVERAGE UNDER THIS LIMITED WARRANTY.

Further responsibilities of the Purchaser are described in Section 14 of this Limited Warranty, below.

13. WHAT THE SPONSOR WILL DO. If a Defect occurs in an item covered by this Limited Warranty, the Sponsor will repair, replace or pay the Purchaser the reasonable fair market cost of repairing or replacing the defective item(s) within sixty (60) days after the Sponsor's inspection or testing discloses the problem, subject to Acts of God, weather conditions, availability of materials and other events and circumstances beyond the Sponsor's control. The choice among repair, replacement or payment is solely that of the Sponsor. In making any repairs or replacements, the Sponsor will have the sole right to select the method and materials to be used in performing such repairs or replacements.

In no event will the Sponsor's total liability for deficiencies under this Limited Warranty exceed the Sponsor's Limit of Total Liability, shown on page 1. Any payments made by the Sponsor or the fair market cost of repairs and/or replacements made by the Sponsor will be applied to reduce the Sponsor's Limit of Total Liability set forth on page 1 of this Limited Warranty.

Repair, replacement or payment of reasonable cost for any Major Structural Defect is further limited to (i) the repair of damage to the load-bearing portions of the Unit itself which is necessary to restore its load-bearing function; and (2) the repair of those items of the Unit damaged by the Major Structural Defect which made the Unit unsafe, unsanitary or otherwise unlivable.

When the Sponsor finishes repairing or replacing the Defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the Defect must be signed by the Purchaser and delivered to the Sponsor. In the event the Purchaser fails to execute a full release, the Sponsor will notify the Purchaser as to what action(s) it has taken with respect to the applicable Defect and thereafter the Sponsor will be deemed to have complied with all of its obligations under this Limited Warranty with respect to the applicable Defect.

14. STEP BY STEP CLAIMS PROCEDURES. If the Purchaser believes that a Defect has occurred in an item covered by this Limited Warranty, the Purchaser must take the following steps:

1. Written notice of any warranty claim must be made on the "Notice of Warranty Claim Form" annexed hereto as Schedule A, and must be actually received by the Sponsor identified on page 1, no later than the tenth (10^{th}) business day after warranty coverage on that item expires. Notice of any warranty claim must be given by the Purchaser to the Sponsor as follows: (1) by hand, with a written acknowledgment receipt from the Sponsor, or (2) by certified or registered mail, return receipt requested. If this Notice of Warranty Claim Form is not properly completed and received by the Sponsor by that deadline, the Sponsor will have no duty to respond to any complaint or demand, and any or all claims may be rejected. FAILURE TO COMPLETE AND DELIVER THE NOTICE OF WARRANTY CLAIM TO THE SPONSOR VOIDS ANY CLAIMS UNDER THIS LIMITED WARRANTY.

2. No steps taken by the Sponsor, Purchaser or any other person to inspect, test or correct defects will extend the period of warranty coverage or any other time period under this Limited Warranty. Steps taken by the Sponsor in response to an improperly completed or untimely Notice of Warranty Claim will not give rise to any liability of the Sponsor to the Purchaser and will not prejudice or otherwise affect any right of the Sponsor, including but not limited to the Sponsor's right to receive a timely and properly completed Notice of Warranty Claim.

3. In response to a Notice of Warranty Claim, or any other complaint or request of the Purchaser, the Sponsor and the Sponsor's agents will have the right to inspect and test the portion of the Unit to which the claim, complaint or request relates. The Purchaser and occupants of the Unit must provide Reasonable Access to the Sponsor and the Sponsor's agents during normal business hours, Monday through Friday, to complete inspection, testing and repair or replacement.

"Reasonable Access" by the Purchaser for inspection, testing and completion of the work will (a) require the Purchaser or its representative to be physically present during any work period and (b) require the Purchaser and occupants of the Unit to allow the Sponsor to inspect, test and complete the work and not obstruct the Sponsor in any way during the Sponsor's performance of its duties. In the event, after a work appointment has been set by the Sponsor and the Purchaser, the Purchaser (and/or occupants, as required) fails to provide Reasonable Access to the Sponsor, the Sponsor will have the right to assess the Purchaser a $50.00 service fee.

IN THE EVENT, AFTER A SECOND WORK APPOINTMENT HAS BEEN SET BY THE SPONSOR AND THE PURCHASER, THE PURCHASER (AND/OR OCCUPANTS, AS REQUIRED) AGAIN FAILS TO PROVIDE REASONABLE ACCESS TO THE SPONSOR, THE PURCHASER WILL BE ESTOPPED FROM ASSERTING ANY CLAIMS WITH RESPECT TO THE APPLICABLE DEFECT UNDER THIS LIMITED WARRANTY AND THE SPONSOR WILL BE DEEMED TO HAVE COMPLIED WITH ALL OF ITS OBLIGATIONS UNDER THIS LIMITED WARRANTY WITH RESPECT TO THE APPLICABLE DEFECT.

4. The Sponsor is not responsible for repairs performed by anyone other than the Sponsor or an authorized service representative of the Sponsor. The Sponsor will not reimburse the Purchaser for the costs of any unauthorized work or materials. The Sponsor will not repair or replace an item that has been repaired, altered or replaced by anyone other than the Sponsor or the Sponsor's authorized service representative. A LIST OF THE SPONSOR'S AUTHORIZED SERVICE REPRESENTATIVES IS ATTACHED TO THIS LIMITED WARRANTY AS SCHEDULE B. USE OF UNAUTHORIZED SERVICE VOIDS ANY CLAIMS UNDER THIS LIMITED WARRANTY.

15. LEGAL ACTIONS.

1. No claim or cause of action under this Limited Warranty may be commenced or asserted in any suit, action, or other legal proceeding against the Sponsor in any court or forum unless notice of the claim or cause of action has been received by the Sponsor in a timely and properly completed Notice of Warranty Claim Form as provided in paragraph 14 above.

2. No suit, action and proceeding against the Sponsor under this Limited Warranty may be commenced in any court or forum more than thirty (30) days after the expiration of the applicable warranty coverage under paragraph 6 of this Limited Warranty.

16. GENERAL PROVISIONS.

(a) This Limited Warranty may not be changed or amended in any way.

(b) This Limited Warranty is to be binding upon the Sponsor and the Purchaser, their heirs, executives, administrators, successors and assigns.

(c) Should any provision of the Limited Warranty be deemed unenforceable by a court of competent jurisdiction, the determination will not affect the enforceability of the remaining provisions.

(d) Use of one gender in this Limited Warranty includes all other genders, and use of the plural includes the singular.

(e) This limited warranty is to be governed in accordance with the laws of New York State.

SCHEDULE A

CONSTRUCTION QUALITY STANDARDS FOR ONE AND TWO YEAR WARRANTY COVERAGE

WORKMANSHIP/SYSTEMS COVERAGE CONSTRUCTION QUALITY STANDARDS

The following Construction Quality Standards are standards that have been developed and accepted by the residential construction industry in general. While it is virtually impossible to develop a construction standard for each possible deficiency, the construction industry and the Sponsor have attempted to isolate the most common deficiencies that occur and in so doing, list the extent of the Sponsor's and Purchaser(s) responsibility. Where a specific deficiency has not been isolated, the standard practice of the construction industry will apply.

Purchaser(s) should be aware that all new Units go through a period of settlement and movement. During this period, the Unit may experience some minor material shrinkage, cracking and other events which are unavoidable and considered normal. The Purchaser(s) should also be aware that he/she is responsible for proper Unit maintenance, such as maintaining builder set grades around the house. Damage caused by Purchaser negligence, improper maintenance or changes, alterations or additions performed by anyone other than the Sponsor, his/her employees, or sub-contractors is excluded from the warranty.

The following Construction Quality Standards are expressed in terms of required standards that the Sponsor's construction must meet. Non-compliance with these construction standards calls for corrective action by the Sponsor.

SCHEDULE A

NOTICE OF WARRANTY CLAIM FORM

Dear Purchaser. To ask the Sponsor to correct a defect in your Unit that you think is covered by the Sponsor's Limited Warranty, you must complete this form and deliver it to the Sponsor. This is necessary to protect your rights to warranty performance under the Limited Warranty. Even if you believe that the Sponsor is aware of the problem, fill out this form and deliver it to the Sponsor.

The information you will need to fill out the form will be on page 1 of the Limited Warranty. However, if you do not know the answers to any questions, write "Don't know." Please do not leave any item blank.

Your Name:

Mailing Address:

Phone:

Warranty Date:

Describe the defect(s) which you think are covered by the Limited Warranty. Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem.

_____

(Signature) (Date)

(Signature) (Date)

NOTE: THIS COMPLETED AND SIGNED FORM MUST BE DELIVERED TO THE SPONSOR AS FOLLOWS: (1) BY HAND, WITH A WRITTEN ACKNOWLEDGMENT RECEIPT FROM THE SPONSOR, OR (2) BY CERTIFIED OR REGISTERED MAIL, RETURN RECEIPT REQUESTED. YOUR RIGHTS TO WARRANTY COVERAGE UNDER THIS LIMITED WARRANTY WILL BE VOIDED UNLESS YOU STRICTLY COMPLY WITH ALL OF THE PROCEDURES SET FORTH IN PARAGRAPH 14 OF THIS LIMITED WARRANTY.

SCHEDULE B

LIST OF AUTHORIZED SERVICE REPRESENTATIVES

[Name, address, phone numbers for service]

PLUMBING:

ELECTRICAL:

HVAC:

OTHER:

FINAL INSPECTION FORM

SCHEDULE C

SPONSOR:

PURCHASERS:

JOB NO.:____ DATED:_____ ADDRESS:

The following is a complete survival list of incomplete or unfinished items determined at an inspection made by the Purchasers herein with reference to the premises identified by the job number above:

THE ABOVE WORK WILL BE PERFORMED BY THE UNDERSIGNED SPONSOR AT ITS OWN COST AND EXPENSE WITHIN A REASONABLE TIME AFTER CLOSING OF TITLE. THIS LIST SHALL CONSTITUTE A FINAL AGREEMENT BY THE PURCHASER(S) AS TO ALL DISPUTED OR UNFINISHED OR INCOMPLETE ITEMS AND IS INTENDED AND UNDERSTOOD TO BE IN FULL COMPLIANCE WITH THE CONTRACT OF SALE. WITH THE EXCEPTION OF THE SPONSOR'S OBLIGATIONS CONTAINED IN THE EXPRESS LIMITED WARRANTY ANNEXED OR REFERRED TO AS EXHIBIT A TO THE CONTRACT OF SALE, THE SPONSOR'S OBLIGATIONS TO COMPLETE THE ITEMS AS SET FORTH ABOVE ARE THE ONLY ONES THAT SHALL SURVIVE THE CLOSING OF TITLE.

APPROVED AND ACCEPTED BY:

_____
Purchaser

By:_____

_____
Purchaser

ESCROW AGREEMENT RE DOWN PAYMENTS

ESCROW AGREEMENT
(re Down Payments)

ESCROW AGREEMENT ("Agreement") made this 22nd day of January, 2007 between **150 NORTH FIFTH STREET LLC** ("Sponsor"), as Sponsor and Holder of Unsold Units under the Offering Plan for the premises at 150 North Fifth Street, Brooklyn, New York 11211, and **SEIDEN & SCHEIN, P.C.** ("Escrow Agent"), as escrow agent.

WHEREAS, Sponsor is the Sponsor under the Condominium Offering Plan for premises located at 150 North Fifth Street, Brooklyn, New York 11211 (the "Offering Plan"); and

WHEREAS, Escrow Agent is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, Sponsor desires that Escrow Agent act as escrow agent for deposits and payments by Purchasers, pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 Sponsor and Escrow Agent hereby establish an escrow account (the "Escrow Account") with Escrow Agent for the purpose of holding deposits or payments made by purchasers or subscribers. The Escrow Account has been opened with Citibank, N.A. (the "Bank") at its branch located at 399 Park Avenue, New York, NY 10022. The account number is [redacted]

1.2 The name of the Escrow Account is SEIDEN & SCHEIN, P.C. ATTORNEY ESCROW ACCOUNT.

1.3 Jay G. Seiden, Esq. and Alvin Schein, Esq., principals of Escrow Agent, are the sole signatories on the Escrow Account.

1.4 The Escrow Account shall be an interest-bearing account as disclosed in the Offering Plan.

1.5 The Escrow Account is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds, received from prospective Purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the Escrow Account. All instruments to be deposited into the Escrow Account shall be made payable to the order of SEIDEN & SCHEIN, P.C. AS ESCROW AGENT. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be returned to the prospective Purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by Escrow Agent. In the event of such return of funds, the instrument shall be deemed not to have been delivered to Escrow Agent pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after tender of the deposit submitted with the Purchase Agreement, Escrow Agent shall notify the Purchaser of the deposit of such funds (the "Escrowed Funds") in the Bank, provide the account number, and disclose the initial interest rate. If the Purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the Purchaser may cancel the Purchase Agreement and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Escrowed Funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS.

3.1 Escrow Agent shall not release the Escrowed Funds of a defaulting Purchaser until after consummation of the Offering Plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve Sponsor of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 Escrow Agent shall continue to hold the Escrowed Funds in escrow until otherwise directed in (a) a writing signed by both Sponsor and Purchaser, or (b) a determination of the Attorney General, or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of Escrowed Funds.

3.3 Sponsor shall not object to the release of the Escrowed Funds to a Purchaser who timely rescinds in accordance with an offer of rescission contained in an amendment to the Plan, as described in the Plan.

3.4 If there is no written agreement between the parties to release the Escrowed Funds, Escrow Agent shall not pay the funds to Sponsor until Escrow Agent has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the Escrowed Funds may be paid to Sponsor unless the Purchaser has made application to the Department of Law pursuant to the dispute resolution provisions

contained in the Attorney General's regulations and has so notified Escrow Agent in accordance with such provisions.

4. RECORDKEEPING.

4.1 Escrow Agent shall maintain all records concerning the Escrow Account for seven years after release of the Escrowed Funds.

4.2 Upon the dissolution of a law firm which was Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 Escrow Agent shall make available to the Attorney General, upon his request, all books and records of Escrow Agent relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 Escrow Agent shall maintain the Escrow Accounts called for in this Agreement under the direct supervision and control of Escrow Agent.

5.2 A fiduciary relationship shall exist between Escrow Agent and Purchasers, and Escrow Agent acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF SPONSOR.

6.1 Sponsor agrees that Sponsor and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to Escrow Agent.

6.2 Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled, by either:

(a) Written notice given by Sponsor to Escrow Agent of cancellation of designation of Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or

(b) The resignation of Escrow Agent upon giving notice to Sponsor of its desire to so resign which resignation shall

take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or

(c) All Units offered pursuant to the Offering Plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of Escrow Agent as described in paragraph 7.1 above, Escrow Agent shall deliver any and all Escrowed Funds held by it in escrow and any and all contracts or documents maintained by Escrow Agent to the new escrow agent.

8. SUCCESSORS AND ASSIGNS.

8.1 This Agreement shall be binding upon Sponsor and Escrow Agent and their successors and assigns.

9. GOVERNING LAW.

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

10.1 Sponsor agrees that Escrow Agent's compensation shall not be paid from Escrowed Funds nor from any interest accruing thereon and that compensation to Escrow Agent, if any, shall not deducted from the Escrowed Funds by any financial institution under any circumstance.

11. SEVERABILITY.

11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. ENTIRE AGREEMENT.

12.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

SEIDEN & SCHEIN, P.C.

By: _____
Alvin Schein

150 NORTH FIFTH STREET LLC

By: _____
Toros Hovivian, Manager

FORM OF UNIT DEED

UNIT DEED

THIS INDENTURE made the _____ day of _____, 200__, between 150 North Fifth Street LLC, a New York limited liability company having an office at 169 Wythe Avenue, Suite 102, Brooklyn, New York 11211 (the "Grantor"), and _____, residing at _____ (the "Grantee").

WITNESSETH:

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

The unit known as Unit No. ___ in the Building known as 150 North Fifth Street, Brooklyn, New York 11211, and also designated and described as Unit No. _____ in the Declaration comprising The 150 North Fifth Street Condominium (hereinafter called the "Property") made by the Grantor under the Condominium Act of the State of New York, as amended (Article 9-B of the Real Property Law of the State of New York), dated _____, 200__ , and recorded in the Kings County Office of the Register of the City of New York, on the ___ day of _____, 200__, in CRFN# _____ (hereinafter called the "Declaration"), which Unit is also designated on the Floor Plans of the Building, certified by _____, and filed in the said Office of the Register of the City of New York, County of Kings as Map No. _____ (hereinafter called the "Unit").

The Unit is identified in the Declaration as Condominium Unit No. ___ in The 150 North Fifth Street Condominium, located at 150 North Fifth Street, Brooklyn, New York 11211, and is identified on the Tax Map of the City of New York for Kings County as Tax Lot _____ in Block 2344.

The Property is described as follows:

SEE SCHEDULE A

TOGETHER with any strips or gores adjoining the above described premises on any of the sides thereof.

TOGETHER with an undivided _____ percent interest in the common elements of the Property described in said Declaration (hereinafter called the "Common Elements").

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements 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 the Owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property, and serving the Unit.

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

TOGETHER with 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 on the Property and serving such other Units.

SUBJECT TO the state of facts shown on the survey made by Big Apple Land Surveyors, dated December 18, 2004 and updated August 26, 2006.

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 Kings County Office of the Register of the City of New York, 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 whatsoever, 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 Property 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 Property 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 Property to the provisions of the Condominium Act, the applicable provisions 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 for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvements before using any part of the same for any other purpose.

The use for which the Unit is intended is as a residential dwelling, subject to applicable governmental regulations and such other restrictions as are set forth in the Declaration and Condominium By-Laws and Condominium Rules and Regulations.

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

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

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

Grantor: **150 North Fifth Street LLC**

By: _____
Name:
Title:

Grantee:

_____

_____

ACKNOWLEDGMENTS

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

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

_____
Notary Public

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

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

_____
Notary Public

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

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

_____
Notary Public

UNIT OWNER'S
POWER OF ATTORNEY

POWER OF ATTORNEY

The undersigned, _____, residing at _____, being the Unit Owner of Unit No. ___ in the Condominium known as **The 150 North Fifth Street Condominium** (the "Condominium"), consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration dated _____, 200_ , and recorded in the Kings County office of the Register of the City of New York on _____, 200__ in Reel _____ at Page _____ and on the Floor Plans on file in said office as Map No. _____, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of 150 North Fifth Street Condominium, acting 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 Property, in accordance with their Common Interests, any Unit whose Unit 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 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 Unit Owner desires to rent the same, at such price or on such rental, as the case may be, pursuant to the offer as required by the right of first refusal, and on such terms as said attorneys-in-fact shall deem proper, and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) to otherwise deal with any such Units so acquired by them, or to sublease any Unit so leased by them on such terms as said attorneys-in-fact may determine, granting to 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 majority of such persons shall constitute the acts of said attorneys-in-fact.

This Power of Attorney affects Condominium Unit No. _____ in **The 150 North Fifth Street Condominium**, located at **150 North Fifth Street, Brooklyn, NY 11211**, and identified on the Tax Map of the City of New York for New York County as Tax Lot _____ on Block **2344**.

The undersigned do(es) hereby nominate, constitute and appoint 150 North Fifth Street LLC ("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 Sponsor or its Designee in accordance with Article 16 of the

Declaration, or (2) shall be required by (a) an institutional lender procured by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of 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) and 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 Sponsor-designee(s) shall cease to own any Units in the Condominium.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned have (has) executed this Power of Attorney this __ day of _____, 200_.

_____

_____

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

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

_____
Notary Public

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

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

_____
Notary Public

POWER OF ATTORNEY

_____,
as Unit Owner

Unit No. _____ in **The 150 North Fifth Street Condominium**

Tax Map Identification:

Tax Block **2344**
Lot _____
Kings County

Record and Return to:

SEIDEN & SCHEIN, P.C.
570 Lexington Avenue
New York, New York 10022

REAL ESTATE TAX ESCROW AGREEMENT

REAL ESTATE TAX ESCROW AGREEMENT

ESCROW AGREEMENT, dated as of January 22, 2007, by and among 150 North Fifth Street LLC ("Sponsor"), having an office at 169 Wythe Avenue, Suite 102, Brooklyn, New York 11211, and the Board of Managers of The 150 North Fifth Street Condominium ("Board of Managers"), with an office at c/o Goldin Management, 25 8th Avenue, Brooklyn, New York 11217.

WHEREAS, pursuant to the terms of the Offering Plan for the conversion to condominium ownership of the premises 150 North Fifth Street, Brooklyn, New York 11211 (the "Premises"), each Unit Owner is obligated to pay the real estate taxes attributable to his or her condominium unit during such Unit Owner's period of ownership,

WHEREAS, the condominium Units have not yet have been separately assessed as independent tax lots.

WHEREAS, the parties hereto wish to establish a procedure to ensure that real estate taxes are timely paid for the Premises until the Units have been separately assessed as independent tax lots.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Sponsor shall place in escrow with the Condominium Board of Managers, at the First Unit Closing, monies sufficient to pay the real estate taxes for the Premises for six months subsequent to the date of the First Unit Closing. If the real estate taxes have already been paid for the part of this six month period, then this six month period shall be reduced by the amount of time subsequent to the First Closing for which the

taxes have been paid. Sponsor shall have the right to cause the Board of Managers reduce the amount of Sponsor's funds that are being held in escrow on a Unit by Unit basis by requiring each Purchaser to fund into escrow, at such Purchaser's Unit Closing, the amount necessary, on the basis of the Unit's percentage of Common Interest, to cover the period for which real estate taxes have not been paid for such Unit up to six (6) months from the First Unit Closing (in which case an equivalent amount shall be paid to Sponsor by the Board of Managers from the escrow account). This funding can occur by either Purchaser paying such funds in escrow to its mortgagee or by Purchaser paying such monies into the escrow held by the Board of Managers (if there is no bank escrow). Sponsor shall be entitled to reimbursement from the Board of Managers to the extent that any part of Sponsor's payments to the escrow account are used to pay real estate taxes attributable to a Unit Owner who either did not pay the required amounts into escrow or who otherwise paid less than was required to cover the real estate taxes attributable to such Unit for the time Purchaser owned the Unit.

2. The Board of Managers shall deposit any sums paid by Sponsor (or by other Unit Owners) pursuant to this agreement in a special, segregated escrow account in a savings institution or commercial bank until such real estate taxes are due and payable, at which time the Board of Managers may release such funds for the purpose of paying the real estate taxes then due and owing. When the Units have been separately assessed as independent tax lots and separate tax bills have been issued for the various lots in the Premises, the Board of Managers shall release any funds then

being held by it in the escrow account to the Sponsor (or to the other Unit Owners, to the extent funded by them, as the case may be.)

3. The Board of Managers shall receive no compensation for its services to be performed hereunder.

IN WITNESS WHEREOF, this agreement has been duly executed by the parties as of the date first set forth above.

THE BOARD OF MANAGERS OF
150 NORTH FIFTH STREET CONDOMINIUM

By: Toros Hovivian
Toros Hovivian, President

150 NORTH FIFTH STREET LLC

By: Toros Hovivian
Toros Hovivian, Manager

DECLARATION OF CONDOMINIUM

DECLARATION OF CONDOMINIUM

THE 150 NORTH FIFTH STREET CONDOMINIUM

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

150 NORTH FIFTH STREET LLC, a New York limited liability company, having an office at 169 Wythe Avenue, Suite 102, Brooklyn, New York, New York 11211 (hereinafter referred to as the "Sponsor"), does hereby declare as follows:

1. Submission of Property. Sponsor hereby submits the Land together with the Building (each as hereinafter defined), owned by the Sponsor in fee simple absolute (the Land and Building, hereinafter collectively referred to as the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act").

2. Name of Condominium. This Condominium shall be known as "The 150 North Fifth Street Condominium".

3. The Land. The land consists of all that certain tract, plot, piece and parcel of land as more particularly described in Exhibit A annexed hereto and made a part hereof (the "Land"). The Land has an area of approximately 13,750 square feet.

4. The Building. The building erected on the Land (the "Building") was built in 2007 and is classified as being of Class IC (non-combustible) and is constructed of concrete perimeter foundation walls with concrete slab on grade, masonry bearing walls, metal deck and concrete floors and roof of metal decking and concrete. The Building consists of two (2) wings of four (4) floors each.

5. The Units.

5.1. The Property shall consist of thirty-one (31) residential condominium units (each a "Unit" and collectively the "Units") located on the first through fourth floors, inclusive, of the Building. The owners of the Units are hereinafter referred to collectively as the "Unit Owners" and individually as a "Unit Owner".

5.2. Exhibit B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its Unit number; (ii) its tax lot number; (iii) its approximate square foot area; (iv) the number of rooms; (v) the portions of the Common Elements (as hereinafter defined) or Limited Common Elements to which the Unit has immediate access; and (vi) the percentage interest in the Common Elements appurtenant to such Unit. The location of each Unit is shown on the floor plans of the Building

(the "Floor Plans") certified by Gene Kaufman Architects, P.C. and filed in the Office of the Register of the City of New York for Kings County (the "City Register's Office") simultaneously with the recording of this Declaration.

5.3. (a) Each Unit consists of the area measured horizontally from the outer edge of the exterior walls (perimeter columns and perimeter mechanical pipes are not deducted) to the centerline of the wall separating that Unit from another Unit, corridors, stairs, elevators and other mechanical equipment or any Common Elements (as hereinafter defined), or the outer edge of the opposite exterior walls. Each Unit consists of the area measured vertically from the top of the floor of the Unit to the underside of the ceiling of such Unit.

(b) Each Unit includes: (i) the front entrance and any other doors located within or opening from such Unit, except stair doors; (ii) any interior walls, partitions, floors and floor coverings and gypsum board ceilings affixed, attached or appurtenant to such Unit, except where designated as a Common Element; (iii) all windows (including, without limitation, their panes, sashes, hardware and frames) located within, or opening from such Unit; (iv) any and all equipment, fixtures and appliances affixed, attached, appurtenant to or exclusively serving such Unit regardless of the location of such equipment, fixtures and appliances; (v) all terraces, if any, appurtenant to such Unit and benefiting only that Unit; and (vi) all other facilities affixed, attached, appurtenant to such Unit and benefiting only that Unit.

(c) Notwithstanding the foregoing, any Common Element located within a Residential Unit shall not be part of such Unit.

5.4. Notwithstanding anything contained in this Article 5 to the contrary, each Unit Owner shall have the right, exercisable at any time and from time to time, to install at such Unit Owner's sole cost and expense, such decorations, fixtures and coverings (including, without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, and to install pipes and wiring within the walls enclosing the Unit provided that no such installation shall impair the structural integrity of the Unit or of the Building or any Common Element in terms of structure or compliance with applicable codes, laws, or regulatory requirements.

6. Common Elements.

6.1. The common elements of the Condominium (the "Common Elements") consist of the entire Property including the Land and all parts of the Building and improvements thereon other than the Units. The Common Elements include but are not limited to, those rooms, areas, corridors, spaces and other portions of the Building (other than the Units) and all facilities therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. The "Limited Common Elements" of the Condominium consist of those Common Elements which serve or benefit

exclusively a Unit or group of Units, but not all Units or Unit Owners. All Common Elements which are not a Limited Common Element are "General Common Elements".

6.2. The General Common Elements include the following:

a) The Land, together with all consents, rights and privileges appurtenant thereto;

b) All structural elements, foundations, foundation walls, main roof, footings, columns, girders, beams, supports, interior load bearing walls, floor slabs and ceilings;

c) All mechanical equipment and associated piping and controls, but only to the extent that the foregoing are not a Limited Common Element;

d) All areas identified on the Floor Plans as mechanical, boiler, gas, electrical, maintenance, storage, trash/recycle and/or utility closets or rooms and other areas intended for use for similar purposes excluding, however, all such areas which are located within a Unit and serve only that Unit;

e) The Building's elevators, including the elevator shaft, elevator equipment, the rooftop elevator machine room, the elevator pit, entrances and appurtenant facilities, and the enclosing walls of each of the foregoing and all framing and finishes thereof;

f) The main Building lobby, the lobby vestibule, the entrance to the main Building lobby, the doors at the main entrance to the Building, the canopy, if any, the common hallways and corridors of the Building, the common stairs and stairwells in the Building, and the enclosing walls of each of the foregoing and all framing and finishes thereof;

g) All electrical risers, feeders, lines and equipment, including incoming service, main switch changer and distribution panel boards, conduits, wires, meters, transformers and panel boards, excluding, however, all such items which are a Limited Common Element, and all such items which are located within a Unit and serve only that Unit;

h) All plumbing fixtures, equipment for distribution of cold water and equipment for producing and distributing hot water (including

pumps, valves, pressure reducers, meters and water heaters), excluding, however, all such items which are a Limited Common Element and all such items which are located within a Unit and serve only that Unit;

i) All storm and sanitary sewer equipment and pipes (including ventlines, ejectors, interceptors, filters and valves), excluding, however, all such items which are a Limited Common Element and all such items which are located within a Unit and serve only that Unit;

j) All electric service rooms, gas and water meter rooms, sprinkler rooms and other service, mechanical and utility rooms serving or benefiting all of the Units;

k) All other facilities of the Building (including shafts, pipes, wiring, ducts, vents, flues, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of all of the Units;

l) The roof, including rooftop terraces identified on the Floor Plans as a common terrace or similar designation (collectively, the "Common Terraces"), roof egress stairs, but excluding the rooftop elevator machine room with its enclosing walls, including all frames and finishes, and further excluding rooftop terraces identified on the Floor Plans as a part of or appurtenant to any Unit (collectively, the "Private Terraces"); and

m) All other parts of the Property either existing for the common use of all of the Units or all of the Unit Owners or that are necessary or convenient for the existence, maintenance, operation or safety of the Property, as a whole.

6.3. The Limited Common Elements serve all or some of the Units, collectively and indivisibly, and consist of the following:

a) All mechanical equipment and associated piping and controls which exclusively serve or benefit a Unit or group of Units, but not all Units or Unit Owners;

b) All electrical risers, feeders, lines and equipment, including incoming service, main switch changer and distribution panel boards, conduits, wires, meters, transformers and panel boards

which exclusively serve or benefit a Unit or group of Units, but not all Units or Unit Owners;

c) All plumbing fixtures, equipment for distribution of cold water and equipment for producing and distributing hot water (including pumps, valves, pressure reducers, meters and water heaters) which exclusively serve or benefit a Unit or group of Units, but not all Units or Unit Owners;

d) All storm and sanitary sewer equipment and pipes (including ventlines, ejectors, interceptors, filters and valves) which exclusively serve or benefit a Unit or group of Units, but not all Units or Unit Owners;

e) All electric service rooms, gas and water meter rooms, sprinkler rooms and other service, mechanical and utility rooms (and all of their enclosing walls, including all framing and finishes) exclusively serving or benefiting a Unit or group of Units, but not all Units or Unit Owners;

f) All other facilities of the Building (including shafts, pipes, wiring, ducts, vents, flues, cables, conduits and lines) which exclusively serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of a Unit or group of Units, but not all Units or Unit Owners; and

g) All lighting equipment exclusively serving the Limited Common Elements, including lobbies, vestibules, stairs, corridors, mechanical spaces.

The Condominium Board will operate, manage and control the General Common Elements and the Limited Common Elements.

7. Use of Units.

7.1. The Sponsor or its designee shall have the right, at any time and from time to time, without permission from the Condominium Board or from any Unit Owner or mortgagee, and without payment of a fee, to use any one or more of the Units owned by the Sponsor or its designee (the "Unsold Units") as model units and offices for selling, renting, management, operation and promotion of the Unsold Units owned by it for any other lawful purpose, subject only to compliance with laws, which right includes changing the use of a Unit (i.e., from residential to commercial, and vice-versa) as long as the zoning for the Property and the then existing certificate of occupancy permit the proposed use or Sponsor or its designee

obtains a zoning variance or other zoning relief and/or a new or amended certificate of occupancy to authorize such proposed use. The term "designee" means, with respect to the Sponsor, any principal or affiliate of the Sponsor.

7.2. Any Unit may be used only for residential purposes and, subject to compliance with the Bylaws, for a lawful home occupation. Units may be owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other entity (including, but not limited to, embassies and consulates of foreign governments), and may only be occupied by said individual, or an officer, director, stockholder or employee of such corporation, or a member of said limited liability company, or a partner or employee of such partnership, or said fiduciary (including directors, officers, stockholders or employees of corporate fiduciaries or partners or employees of partnership fiduciaries), or the beneficiary of said fiduciary, or a principal or employee of such other entity, or members of the immediate family or nonpaying guests of any of the foregoing. Units may only be leased in accordance with the Bylaws and the Rules and Regulations. Not more than one family may occupy a Unit at one time.

7.3. Within thirty (30) days after a person, other than a natural person, becomes the owner of a Unit, such non-individual owner shall notify the Managing Agent, in writing, of the name of the individual designated by such owner to occupy its Unit. The non-individual owner may change such designee from time to time by similar written notice to the Managing Agent.

7.4. The limitations contained in Sections 7.2 and 7.3 hereof do not apply to Unsold Units. Such Units may be leased to any persons (whether individuals, corporations, partnerships, fiduciaries, sovereign governments, consulates or other entities, and occupied by any person authorized by such lessee and approved by the owner of such Unsold Units, who is not required to comply with the designation notice requirement set forth in Section 7.2 above.

7.5 No Unit shall be used for illegal, noxious, immoral, obscene or pornographic purposes, or for any sort of commercial sex establishment, or for any nude or semi-nude live performances, or for the sale of any sex magazines or videos, or for any use that is primarily concerned with lewd or prurient sexual activity.

8. Changes in Unsold Units. Except to the extent prohibited by law, Sponsor or its designee shall have the right, at any time and from time to time, without prior notice and without the vote or consent of the Condominium Board or any other Unit Owner or any mortgagee to: (a) make alterations, additions or improvements, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, in, to and upon the Unsold Units; (b) change the layout of, or number of rooms in, any Unsold Unit from time to time; (c) change the size and/or number of Unsold Units by subdividing one or more such Units into two or more separate Units, combining separate Unsold Units (including those resulting from a subdivision or combination or otherwise) into one or more Units, altering any boundary walls between any Unsold Units, and/or incorporating within any Unsold Unit the use of any portion of the

Common Elements adjacent thereto (but only to the extent that such Common Elements are not required to be maintained as Common Elements based upon such alterations); (d) if appropriate, reapportion among the Unsold Units affected by any such change in size or number pursuant to the immediately preceding clause, their percentage interests in the Common Elements; provided, however, that the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the owners of such Units shall consent thereto; (e) change the permitted use of some or all of the Unsold Units; provided, however, that any such alteration, addition, improvement, change, reapportionment or redesignation shall not cause the Property or any portion thereof to not comply with any laws, ordinances and regulations of any governmental authorities having jurisdiction and Sponsor (or such designee) shall hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom.

9. Designation of Agent to Receive Service. The Secretary of State, as agent of the Condominium Board, and any successor to the jurisdiction thereof, is hereby designated to receive service of process in any action which may be brought against the Condominium.

10. Determination of Percentage Interests in Common Elements.

10.1 The percentage interest of the respective Units in the Common Elements has been determined based upon the approximate proportion that the floor area of the Unit at the date of the Declaration bears to the then aggregate floor area of all the Units and reflecting any Limited Common Elements appurtenant to such Unit.

10.2 Each Unit Owner shall, upon demand of Sponsor or its designee or the Condominium Board, execute and deliver a consent to the allocation of tax abatement benefits pursuant to Section 11-243 of Administrative Code of the City of New York (formerly J51-2.5), in accordance with each Unit's percentage interest in the Common Elements.

11. Encroachments. If, after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements, (a) any portion of the Common Elements encroaches upon any Unit or upon any other Common Element, or (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall hereafter occur as a result of (i) settling or shifting of the Building, (ii) any alteration, repair or restoration to the Common Elements in accordance with the terms of this Declaration and the Bylaws made by or with the consent (where required) of the Condominium Board, or made by Sponsor, its designee or the Commercial Unit Owner, or (iii) any alteration, repair or restoration of either the Building (or any portion thereof), any Unit or Common Element which is made in accordance with the terms of this Declaration and the Bylaws, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

12. Easements.

12.1. Subject to the terms of the Bylaws and the Rules and Regulations and the terms of this Declaration, each Unit Owner shall have an easement in common with all other Unit Owners to use any of the Common Elements and all pipes, wires, ducts, cables, conduits, public utility lines and all other utility distribution systems, whether or not Common Elements, located in, over, under, through, adjacent to, or upon any other Unit or the Common Elements to the extent that such Common Elements and utility distribution system serves, or is necessary to the service of, such Unit Owner's Unit, and each Unit and all of the Common Elements shall be subject to such easement. In addition, the Condominium Board shall have an easement and a right of access to each Unit (including Private Terraces) and to the Common Elements to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore or replace the Common Elements contained therein or elsewhere in the Property, and each Unit and the Common Elements shall be subject to such easement and right of access. The easements and the rights of access granted herein shall be exercised in such a manner as will not unreasonably interfere with the use of any of the Units for their permitted purposes or the business of any tenants or occupants of the Commercial Unit. Such entry shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of any "emergency" (i.e., a condition requiring repair or replacement immediately necessary for the preservation or safety of the Building, the safety of occupants of the Building, or other persons, or to avoid the suspension of any necessary service in the Building).

12.2. Subject to the terms of the Bylaws and the Rules and Regulations, the Unit Owners (including Sponsor or its designee, as long as it owns a Unit), all other permitted tenants and occupants of the Building, the Selling Agent, the Managing Agent, the Condominium Board, and all officers, partners, employees, agents, guests, invitees and licensees of the foregoing, shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Common Elements, and the Common Elements shall be subject to such easement. Notwithstanding the foregoing, no person shall use or enjoy the Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other persons to do so. Maintenance of the roof shall remain the obligation of the Condominium, and each of the Unit Owners shall be deemed to hold a proportional interest in the roof as a Common Element, without having a right of access or use thereto except with respect to Common Terraces. Notwithstanding the foregoing, all maintenance of Private Terraces shall be the responsibility of the Unit Owner having exclusive access to and use of each respective Private Terrace.

12.3. Notwithstanding anything to the contrary contained in Section 12.2 hereof, Sponsor and Sponsor's successors, assigns, invitees, licensees, contractors, employees, agents and tenants hall have an easement in, over, under through and upon the Common Elements to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the sale or renting of the Unsold Units. In addition, Sponsor shall have the right, to the extent not prohibited by law, to use one or more portions of the Common Elements, as

designated by Sponsor, in its sole discretion, for sales, rental, or display purposes, which right shall include, without limitation, the right to place "for sale", "for rent" and other signs and promotional materials, of such size and content as Sponsor shall determine, in, on, about and adjacent to the Building (including on the exterior walls thereof) and the Property.

12.4. Sponsor or its designee (for so long as either owns any Unit) reserves for itself, and grants to the Condominium Board on behalf of all Unit Owners, the right to grant such additional electric, gas, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as Sponsor, or its designee, or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, provided, however, that the grant of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with the use of the Units or their permitted purposes.

12.6. Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

12.7 Sponsor and its designee have an easement to use the sidewalks surrounding portions of the Building for purposes permitted by law.

12.8 In addition to the specific easements set forth in this Article 12 hereof, the Property and every portion thereof shall be subject to all easements and rights of access prescribed in the Condominium Act.

13. Power of Attorney to Sponsor and the Condominium Board. Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution,

(a) Sponsor or its designee, to amend this Declaration and/or the Bylaws to effectuate the rights granted to Declarant under the Declaration. This provision shall be self-operative, but each Unit Owner shall execute and deliver to the Declarant, upon demand, any additional powers of attorney reasonably requested for such purpose , and

(b) the members, from time to time, of the Condominium Board, acting jointly,

(i) to acquire, in the name of the Condominium Board or its designee, on behalf of all Unit Owners, any Unit, together with its Appurtenant Interest: (A) whose owner desires to surrender the same to the Condominium Board; (B) that becomes the subject of a

foreclosure or other similar sale; or (C) for the use and occupancy of a superintendent or otherwise, on such terms, including, without limitation, price (with respect to subdivisions (B) or (C) above) as said attorneys-in-fact shall deem proper;

(ii) following due authorization by the Unit Owners, to acquire or lease in the name of the Condominium Board or its designee, on behalf of all Unit Owners, any Unit, together with its Appurtenant Interest, from any Unit Owner desiring to sell, convey, transfer, assign or lease the same, on such terms and conditions, including, without limitation, price or rental, as said attorneys-in-fact shall deem proper;

(iii) to convey, sell, lease, mortgage, or otherwise deal with (but not to vote the interest appurtenant to) any Unit so acquired or to sublease any Unit so leased by them, without the necessity of any further authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorney-in-fact the power to do all things in and to said Unit which the undersigned could do if the undersigned were personally present;

(iv) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to the Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate

(v) to execute, acknowledge, deliver and (if determined to be necessary or desirable by said attorneys-in-fact) cause to be recorded in the City Register's Office: (A) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the Landmarks Preservation Commission, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium; or (B) any agreement, consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

14. Acquisitions of Units by the Condominium Board. If (a) any Unit Owner surrenders his or her Unit, together with the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units therefore acquired by the Condominium Board or the proceeds of the sale or lease thereof and such Unit Owner's interest, if any, in a Limited Common Element, to the Condominium Board pursuant to the terms of the Bylaws or of Section 339-x of the Condominium Act (collectively, the "Appurtenant Interests") or, (b) the Condominium Board, pursuant to the terms of the Bylaws or otherwise, either (i) acquires a Unit together with its Appurtenant Interests, or (ii) purchases a Unit together with its Appurtenant Interests at a foreclosure or other similar sale, then, and in either event, title to such Unit and such Appurtenant Interests shall be held by the Condominium Board or its designee on behalf of all Unit Owners, in proportion to their respective Common Interests. Any lease or sublease of any Unit owned or leased or by the Condominium Board or its designee shall be held by the Condominium Board or its designee on behalf of all Unit Owners, in proportion to their respective Common Interests.

15. Covenants Running with the Land.

15.1. All provisions of this Declaration, the Bylaws and the Rules and Regulations, including, without limitation, the provisions of this Article 15 shall, to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every pan thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon, and inure to the benefit of, the owner of all or any part thereof, or interest therein, and his or her heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the Bylaws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance, or the succeeding to title, or the entering into either a lease for or occupancy of, any Unit shall constitute an agreement that the provisions of this Declaration, the Bylaws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

15.2. If any provision of this Declaration or the Bylaws is invalid under, or would cause this Declaration and the Bylaws 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 Bylaws, 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 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 Bylaws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the Bylaws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the Bylaws, then such provision shall be deemed included as part of this Declaration or the Bylaws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

15.3. Subject to the provisions of Section 15.2, if this Declaration and the Bylaws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the Bylaws shall nevertheless be valid and binding upon, and inure to the benefit of, the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the Bylaws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

16. Amendments to this Declaration.

16.1. Subject to the provisions contained herein or in the Bylaws with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee or any Unsold Units, any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least sixty-six and two-thirds (66-2/3%) percent in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the Bylaws, provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners affected. No such amendment, modification, addition or deletion with respect to this Declaration shall be effective until recorded in the City Register's Office. Subject to the rights of the Sponsor or its designee under Articles 7, 8, 11, 12 and 15 of this Declaration, and subject further to obtaining the consent of Sponsor or its designee, Articles 7, 8, 11, 12, 13 and 15 of this Declaration may not be amended, modified, added to, or deleted unless eighty (80%) percent, both in number and in aggregate Common Interests, of all Unit Owners affected thereby approve such amendment, modification, addition or deletion.

16.2. If the number of rooms in an Unsold Unit is changed, or the size and/or number of Unsold Units is changed (whether as a result of a subdivision or combination of Unsold Units or alteration of boundary walls between Unsold Units, or otherwise) and the appurtenant percentage interest in the Common Elements is reapportioned as a result thereof, all in accordance with this Declaration, the Sponsor or its designee shall have the right to execute, or (upon its request) to require any other Unit Owner or the Condominium Board to execute, and record in the City Register's Office and elsewhere, if required by law, an amendment to this

Declaration (together with such other documents as Sponsor or its designee deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Unit or in the size and/or number of Unsold Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests in the Common Elements resulting therefrom, all without the approval of the Condominium Board or the Unit Owners.

16.3. The provisions of Sections 16.1 and 16.2 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Sponsor or its designee.

17. Termination of Condominium. The Condominium shall continue and shall not be subject to an action for partition until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the Bylaws, or (b) such time as withdrawal of the Property from the provisions of the Condominium Act is authorized by a vote of at least eighty (80%) percent in number and in Common Interest of all Unit Owners. Sponsor or its designee 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 voted in favor of such withdrawal, at which time Sponsor or its designee may choose to vote either in favor of or against withdrawal from condominium ownership, as it sees fit. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of its share of such net proceeds all liens on its Unit, in the order of priority of such liens.

18. 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.

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

20. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision hereof.

21. Certain References.

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

21.2. The terms "herein", "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used.

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

22. Incorporation By Reference. The terms, covenants, conditions, descriptions and other information contained in (i) the description of the Land annexed hereto as Exhibit A, (ii) the description of the Units annexed hereto as Exhibit B, (iii) the Bylaws of the 150 North Fifth Street Condominium (the "Bylaws") annexed hereto as Exhibit C, and (iv) the Floor Plans are, by this reference, each incorporated in and made a part of this Declaration as if the same were set forth at length in the text hereof.

23. Severability. Subject to the provisions of Sections 15.2 and 15.3 hereof, if any provision of this Declaration (including the Exhibits annexed hereto) is invalid or unenforceable as against any person or entity or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other persons or entities or circumstances shall not be affected thereby. Each provision of this Declaration, except as otherwise provided herein, be valid and enforced to the fullest extent permitted by law. Any conflict between any provision of this Declaration (including the Exhibits annexed hereto) and the Condominium Act, or questions regarding the interpretation of this Declaration (or any of the Exhibits annexed hereto), shall be governed by the Condominium Act.

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

150 NORTH FIFTH STREET LLC

By: _____
Name:
Title:

[ACKNOWLEDGMENT ON FOLLOWING PAGE]

ACKNOWLEDGMENT

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

On the ___ day of _____ in the year 200__, before me, the undersigned, a notary public in and for said state, personally appeared_____, personally known to me or proved to me on 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 entity upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

Exhibit A

Description of the Land

ALL NEW YORK TITLE AGENCY, INC.

Title No. ANY2006-4505AG

SCHEDULE A

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

BEGINNING at a point on the southwesterly side of North 5th Street distant 50 feet southeasterly from the southerly corner of North 5th Street and Bedford Avenue;

RUNNING thence southwesterly parallel with Bedford Avenue, 75 feet;

THENCE southeasterly parallel with North 5th Street, 50 feet;

THENCE southwesterly parallel with Bedford Avenue 125 feet to the northeasterly side of North 4th Street;

THENCE southeasterly along the northeasterly side of North 4th Street, 75 feet;

THENCE northeasterly parallel with Bedford Avenue, 100 feet;

RUNNING thence northwesterly parallel with northeasterly side of North 4th Street, 50 feet;

THENCE running northeasterly parallel with the southeasterly line of Bedford Avenue 100 feet to the southwesterly side of North 5th Street; and

THENCE northwesterly along the southwesterly side of North 5th Street, 75 feet to the point or place of BEGINNING.

FOR
EYANCING
ONLY

The policy to be issued under this report will insure the title to such buildings and improvements erected on the premises which by law constitute real property.

TOGETHER with all the right, title and interest of the party of the first part, of, in and to the land lying in the street in front of and adjoining said premises.

Exhibit B

Description of the Units

Exhibit C

The Bylaws

CONDOMINIUM BYLAWS

TABLE OF CONTENTS

BYLAWS OF THE 150 NORTH FIFTH STREET CONDOMINIUM

Article	Section		Page
1	GENERAL		
	1.1	Purpose	1
	1.2	Applicability of Bylaws	1
	1.3	Principal Office of Condominium	1
2	CONDOMINIUM BOARD		
	2.1	Number, Election and Qualification	1
	2.2	Powers and Duties	2
	2.3	Term of Office of Members of the Board	5
	2.4	Election of Board Members; Rights of Sponsor	6
	2.5	Managing Agent	7
	2.6	First Board	8
	2.7	Resignation and Removal	8
	2.8	Vacancies	8
	2.9	Organizational Meetings of the Board	8
	2.10	Regular Meetings of the Board	8
	2.11	Special Meetings of the Board	9
	2.12	Waiver of Notice	9
	2.13	Determinations by Board; Quorums	9
	2.14	Compensation	9
	2.15	Liability of Board and Unit Owners	9
	2.16	Fidelity Bonds	10
	2.17	Committees	10
	2.18	Principal Office of Board	10
	2.19	Status of Board	11
	2.20	Incorporation of Board	11
	2.21	Board as Agent of Unit Owners	11
	2.22	Prohibited Transactions	11
3	UNIT OWNERS		
	3.1	Annual Meetings	12

3.2 Place of Meetings 12
3.3 Special Meetings 12
3.4 Notice of Meetings and Actions Taken 12
3.5 Lack of Quorum 13
3.6 Adjournment of Meetings 13
3.7 Order of Business 13
3.8 Title of Units 13
3.9 Voting 13
3.10 Majority of Unit Owners 14
3.11 Quorum 14
3.12 Majority Vote 14

4 OFFICERS

4.1 Designation 15
4.2 Election of Officers 15
4.3 Resignation and Removal of Officers 15
4.4 President 15
4.5 Vice President 15
4.6 Secretary 15
4.7 Treasurer 16
4.8 Execution of Documents 16
4.9 Compensation of Officers 16
4.10 Liability of Officers 16

5 NOTICES

5.1 Notices 16
5.2 Waiver of Service of Notice 17

6 OPERATION OF THE CONDOMINIUM

6.1 Determination of Common Expenses and Fixing of Common Charges 17
6.2 Payment of Common Charges 18
6.3 Collection of Common Charges 19
6.4 Default in Payment of Common Charges; Lien for Unpaid Common Charges 20
6.5 Foreclosure of Liens for Unpaid Common Charges 20
6.6 Insurance 21
6.7 Repair or Reconstruction after Fire or Other Casualty 23
6.8 Maintenance and Repairs 24

6.9 Alterations of Units 26
6.10 Alterations to Common Elements 29
6.11 Use of Units 30
6.12 Use of Common Elements 31
6.13 General Provisions as to Use 31
6.14 Right of Access 31
6.15 Rules and Regulations 32
6.16 Real Estate Taxes, Water Charges and Sewer Rents 32
6.17 Electricity 33
6.18 Gas 33
6.19 Remedies for Violations of Bylaws or Rules and Regulations by Unit Owners 33

7 MORTGAGES

7.1 Notice to Board 34
7.2 Notice to Mortgagees of Default and Unpaid Common Charges 34
7.3 Performance by Mortgagees 34
7.4 Examination of Books 34
7.5 Consent of Mortgagees 34

8 SELLING, LEASING AND MORTGAGING OF UNITS

8.1 Sales and Leases of Units 35
8.2 Consent of Unit Owners to Purchase or Lease of Units by the Board 37
8.3 No Severance of Ownership 38
8.4 Release by Board of Right of First Refusal 38
8.5 Certificate of Termination of Right of First Refusal 38
8.6 Financing of Purchase of Units by Board 38
8.7 Exceptions 38
8.8 Gifts and Devises, etc. 39
8.9 Charges Imposed on Sale or Lease of Units 39
8.10 Power of Attorney 39
8.11 Notices Concerning Unit Occupancy 39
8.12 Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in Common 39
8.13 Payment of Assessments 40
8.14 Mortgage of Units 40

9 CONDEMNATION 40

10 RECORDS AND AUDITS

10.1 Records 41

10.2 Audits 41

10.3 Availability of Documents 41

11 ARBITRATION

11.1 General Procedure 41

11.2 Costs and Expenses 41

11.3 Agreement by Parties 42

12 MISCELLANEOUS

12.1 Consents 42

12.2 Waiver 42

12.3 Captions 42

12.4 Certain References 42

12.5 Severability 42

12.6 Insurance Trustee 43

12.7 Successors and Assigns of Sponsor 43

12.8 Covenant of Further Assurances 43

12.9 Definitions 43

13 AMENDMENT TO BY-LAWS

13.1 Amendments by Unit Owners 44

13.2 Amendments Affecting Sponsor or its Designee 44

13.3 Amendments Affecting Permitted Mortgages 44

EXHIBIT A - RULES AND REGULATIONS OF THE CONDOMINIUM

BY-LAWS OF THE 150 NORTH FIFTH STREET CONDOMINIUM

ARTICLE 1. GENERAL

Section 1.1. Purpose. The purpose of these Bylaws is to set forth the rules and procedures concerning the conduct of the affairs of The 150 North Fifth Street Condominium (the "Condominium"). The Condominium covers the property (the "Condominium Property") consisting of approximately 13,750 sq. feet of land (the "Land") which forms a part of Block 2344 on the Tax Map of the Borough of Brooklyn, County of Kings and State of New York, the building and other improvements now or hereafter constructed thereon or therein, as the case may be (hereinafter collectively called the "Building"), including, without limitation, the Units, the Common Elements, and all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of Article 9B of the Real Property Law of the State of New York by the recording of a Declaration (which, as the same may be amended from time to time, is herein called the "Declaration") in the Kings County office of the Register of the City of New York (the "Register's Office"), together with these Bylaws. All terms used herein which are not separately defined herein, have the meanings given to those terms as are contained in the Declaration.

Section 1.2. Applicability of Bylaws. These Bylaws are applicable to the Condominium Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units and their respective employees, invitees and guests, as well as all other persons who may use the facilities located on, or forming a part of, the Condominium Property, are and shall be subject to the Declaration, these Bylaws and the Rules and Regulations (as hereinafter defined). The acceptance of a deed or conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the occupancy of, a Unit shall constitute an agreement that the provisions of these Bylaws, the Rules and Regulations and the Declaration, as the same may be amended from time to time, are accepted, ratified, and will be complied with.

Section 1.3. Principal Office of Condominium. The principal office of the Condominium shall be located either within the Condominium Property or at such other place in the Borough of Brooklyn reasonably convenient thereto, as may be designated from time to time by the Board (as hereinafter defined).

ARTICLE 2. BOARD OF MANAGERS

Section 2.1. Number, Election and Qualification.

2.1.1. As more particularly set forth in Section 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Board"). From and after the holding of the first annual meeting of Unit Owners as

provided in Section 3.1, the Board shall consist of five (5) persons to be elected as provided in subsection 2.1.2 and Section 2.4 below.

2.1.2. Each member of the Board, except for the first Board as provided in Section 2.3, and except as otherwise provided herein, shall be elected at the annual meeting of the Unit Owners and shall serve until the next annual meeting thereof and until his successor has been elected and qualified.

2.1.3. Except for Board members elected or designated by Sponsor or its designee, all members of the Board shall be either: Unit Owners; officers, directors, shareholders, partners, members, trustees, principals, employees or beneficiaries of corporations, partnerships, limited liability companies, trusts, fiduciaries or any other entities which are Unit Owners; family members (as defined in Section 8.7) of any of the foregoing; or individuals designated by a sovereign government, consulate or other similar entity that is a Unit Owner. Other than Board members elected or designated by Sponsor or its designee, no Board member shall continue to serve after he or she ceases to be qualified as set forth above.

2.1.4. In no event shall any Unit Owner be eligible for election to the Board if such Unit Owner is then in default, beyond any applicable grace period, in the payment of Common Charges or any other amounts required by the Board to be paid. In addition, no member of the Board elected by the Unit Owners may continue to participate as a member thereof after the Board has perfected a lien against his or her Unit, for so long as such lien remains unsatisfied.

Section 2.2. Powers and Duties.

2.2.1. The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which by law, the Declaration or these Bylaws may not be delegated to the Board by the Unit Owners). Notwithstanding anything to the contrary contained in these Bylaws, the Board may not until the earlier of (i) five (5) years from the date of the first closing of title to a Unit pursuant to a Purchase Agreement (the "First Closing"), or (ii) the date on which the Sponsor conveys title to the final Unsold Unit, the Condominium Board may not, without Sponsor's or its designees prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit, the foregoing not to include necessary repairs and maintenance work if the cost of such action, when added to all other budgeted operating expenses, shall result in an increase in Common Charges for any year of operation by more than five (5%) in the aggregate of the previous year's Common Charges, (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of the reserve for contingencies provided in Schedule B contained in that certain Condominium Offering Plan for the 150 North Fifth Street Condominium filed in the Office of the Attorney General of the State of New York (as same may be amended, the "Offering Plan"), if the cost of such action, when added to all other budgeted operating expenses, shall result in an increase in Common Charges for any year of operation by more than five (5%) in the aggregate of the previous year's Common Charges, (iii) hire

any employee in addition to or fewer than the employees provided for in Schedule B of the Offering Plan, (iv) enter into any contract for work or services not covered in existence on the date of the First Closing, or otherwise provide services in excess of those contemplated by Schedule B of the Offering Plan or elsewhere in the Offering Plan, (v) borrow money on behalf of the Condominium, or (vi) amend the Declaration. However, the Board may take any of the actions enumerated in sections (i) through (vi) of this paragraph if (a) the cost of such actions, when added to all other budgeted operating expenses, will not result in increasing the Common Charges for any year of operation by more than five (5%) in the aggregate above the prior year's Common Charges, or (b) such action is required to comply with applicable laws or regulations, to remedy any notice of violation, or, to remedy any work order by an insurer.

2.2.2. Subject to the provisions of Section 2.2.1, and without limiting the generality thereof, the Board shall have all powers and duties expressly set forth elsewhere in the Declaration and By-Laws and shall be entitled to make such determinations and take such actions and incur such liabilities as may be required to effectuate the Board's obligations under the Declaration and these By-Laws. The Board shall be entitled to make determinations with respect to the following matters:

(a) Operating, supervising, caring for, keeping up, maintaining, repairing and replacing of the Common Elements, including contracts for utilities, services and supplies;

(b) Determining the amount of "Common Charges" (as hereinafter defined);

(c) Collecting Common Charges from Unit Owners;

(d) Employing and dismissing personnel necessary for the maintenance and operation of the Common Elements;

(e) Adopting, amending or adding to, the Rules and Regulations;

(f) Subject to Section 8.2 of these By-Laws, purchasing, leasing and otherwise acquiring in the name of the Board or its designee, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their owners to the Board;

(g) Purchasing Units at foreclosure or other similar sales, in the name of the Board or its designee, on behalf of all Unit Owners;

(h) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) Units acquired by, and subleasing Units leased by, the Board or its designee, on behalf of all Unit Owners;

(i) Making additions and improvements to, or alterations of, the Common Elements;

(j) Making repairs and restorations of the Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings;

(k) Enforcing obligations of Unit Owners;

(l) Levying fines against Unit Owners for violations of the Rules and Regulations (any such fines shall constitute Common Charges payable by the Unit Owner against which they are levied);

(m) Opening and maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor;

(n) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves the Property or the Common Elements, as set forth in Section 6.2 of these By-Laws;

(o) Borrowing money on behalf of the Condominium, when required in connection with the operation, care, upkeep and maintenance of, or the making of repairs, replacements, restorations or additions to or alterations of, the Common Elements; provided, however, that (i) the consent of Unit Owners owning at least 66-2/3% of Common Interests in the aggregate shall be required for any borrowings in excess of the aggregate amount of $50,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous years), 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 consent of the owner of such Unit. If any sum borrowed by the Board pursuant to the authority contained in this subparagraph (o) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit;

(p) Bringing actions on behalf of the Unit Owners, as their interests may appear, with respect to any cause of action relating to the Common Elements, as the Board deems advisable;

(q) Organizing corporations or limited liability companies to act as designees of the Board with respect to such matters as the Board may determine;

(r) Executing, acknowledging and delivering of (i) any declaration or other instrument affecting the Condominium Property which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Building, or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Board deems necessary or appropriate;

(s) Executing, acknowledging and delivering any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Units for the benefit and on behalf of (i) all Unit Owners, or (ii) for individual Unit Owners, provided that each such Unit Owner indemnifies the Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings;

(t) Preparing, executing and recording, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and/or these By-Laws whenever, in the estimation of the Board, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the Declaration and/or these By-Laws;

(u) Obtaining and reviewing insurance for the Condominium Property, including the Units, pursuant to the provisions of Section 6.4 of these By-Laws;

(v) Purchasing or leasing, in the name of the Board, space for the storage of personal property of Unit Owners, and in connection therewith the promulgation of conditions, rules and regulations for the operation and supervision thereof; and

Imposition of move in fees and charges, and transfer fees in connection with the sale or lease of a Unit, provided that no such fees or charges or any other conditions of transfer or lease may be imposed upon the Declarant.

Section 2.3. Term of Office of Members of the Board.

2.3.1. Until the first annual meeting of the Unit Owners held pursuant to the terms of Section 3.1 hereof, the Board shall consist of two (2) persons designated by Sponsor from time to time. The terms of each such member of the Board shall expire annually and, subject to the other provisions of this Section, Sponsor shall have the right to designate the replacement for each such member, even though such replacement may

be the same person. Within one hundred eighty (180) days after the First Closing, Sponsor shall call a Unit Owners' meeting at which time a new Board shall be elected consisting of five (5) members, subject to Sponsor's designation rights set forth below. The term of office of the two (2) members of the Board so designated by Sponsor prior to the first annual meeting of the Unit Owners held pursuant to Section 3.1 hereof shall expire when the five (5) persons to be elected at such meeting are so elected and qualified.

2.3.2 The number of members of the Board may not be increased without the consent of the owner(s) of the Unsold Units, for so long as there remain at least one Unsold Units.

2.3.3. The term of office of each of the members comprising the Board elected at the first annual meeting of the Unit Owners pursuant to Section 3.1 shall be fixed at such meeting as follows: (a) two (2) of such members shall serve for a term of approximately three (3) years; (b) two (2) of such members shall serve for a term of approximately two (2) years; and (c) one (1) of such members shall serve for a term of approximately one (1) year. Such members' terms shall end on the first regularly scheduled annual meeting of Unit Owners (in the case of the member elected to serve a term of approximately one year), the first anniversary thereof (in the case of the member elected to serve a term of approximately two years) and on the second anniversary thereof (in the case of the member elected to serve three years). The members receiving the highest number of votes shall serve for the longest terms of office, but except as set forth in subsection 2.4.4 hereof, any members elected or designated by Sponsor or its designee pursuant to the terms of subsection 2.4.3 hereof, as the owner of Unsold Units, shall serve for the shortest terms of office. At each annual meeting of the Unit Owners subsequent to the first meeting, the Unit Owners shall elect, pursuant to the terms of Section 2.4 hereof, Board members to replace the Board members whose terms of office are then expiring, each to serve a term of office fixed at three (3) years. Notwithstanding the expiration of the term of office of a member of the Board or anything contained herein to the contrary, such member of the Board shall serve until his or her successor shall be elected and qualified. There shall be no limit on the number of terms of office, successive or otherwise, that a Board member may serve.

Section 2.4. Election of Board Members; Rights of Sponsor.

2.4.1. Subject to the terms of subsections 2.4.3, 2.4.4 and 2.4.5 hereof, all members of the Board to be elected by the Unit Owners shall be determined by plurality of the votes cast by the Unit Owners (including Sponsor or its designee, for so long as Sponsor or such designee shall own two or more Units) who are present (in person or by proxy) and voting at a meeting at which a quorum of all Unit Owners is present.

2.4.2. When voting for members of the Board, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting, the Unit(s) owned by such Unit Owner, the percentage of Common Interest attributable to each Unit owned by such Unit Owner, and, if applicable, the name of the proxy if such ballot is cast by a proxy. Nothing contained in these Bylaws shall be deemed to permit cumulative voting.

2.4.3. Notwithstanding anything contained in these Bylaws to the contrary:

2.4.3.1 Sponsor shall have the right to designate three (3) members of the Board during the period (the "Initial Control Period") which ends on that date which is the first to occur of (i) five (5) years from the date of the First Closing, or (ii) conveyance of title to Residential Units representing seventy-five (75%) percent of the Common Interests, in the aggregate, of the Residential Units.

2.4.3.2 So long as the Sponsor continues to own at least one Unit (based on Common Interest), Sponsor shall be entitled to designate one (1) member of the Board.

2.4.3.3 Sponsor shall have the right to vote all of the Common Interests attributable to the Units owned by Sponsor in Sponsor's sole discretion. Whenever Sponsor has the right to designate members of the Board, such members may be officers, employees, relatives or affiliates of Sponsor.

2.4.3.5 Any vacancy on the Board created by the resignation, removal or any other reason of any Board member designated or elected as such by Sponsor (or its designee) shall be filled only by Sponsor (or its designee).

2.4.3.6 There shall be no restriction on the right of the Unsold Unit Owners (including Sponsor) to vote for members of the Board who are not related to or affiliated with Sponsor, its designee or other Unsold Unit Owners.

2.4.4. In the event that after notice of an annual meeting of Unit Owners is given to all Unit Owners in the manner prescribed by Section 3.4 of these Bylaws, the Unit Owners present in person or by proxy at such annual meeting constitute less than a quorum, and consequently new members of the Board to replace those whose terms expire as of such annual meeting cannot be elected, the remaining members of the Board shall fill any resulting vacancies at a special meeting of the Board held for that purpose promptly thereafter even though the members present at such meeting may themselves constitute less than a quorum. The Board shall request the Unit Owners present (in person or by proxy) at the annual meeting to express their preferences for the Board members to have been elected at such annual meeting, but such expression of preferences shall be non-binding on the Board. Any person so elected by the Board shall be a member of the Board until the next annual meeting of Unit Owners, when a successor shall be elected for the remainder of the two (2) year term.

Section 2.5. Managing Agent. With respect to matters the determinations concerning which the Board is entitled to make, the Board may employ a managing agent or a property manager (either one being hereinafter referred to as the "Managing Agent") at compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to such Managing Agent other powers granted to the Board by these By-Laws, except the powers set forth in subparagraphs (b), (e), (i), (k), (l), (o), (q), (r) and (t) of Section 2.2.2 of these By-Laws.

Section 2.6. First Board. The Board shall initially consist of the two (2) persons designated by Sponsor to initially comprise the Board. The Board members shall be deemed to have been "elected" as members of the Board for the purposes of these By-Laws. Within one hundred eighty (180) days after the date of the First Unit Closing, the Board will call for the first annual meetings of Unit Owners for the purpose of electing a new Board in accordance with the provisions of Section 3.1. The terms of each Board member shall expire annually.

Section 2.7. Resignation and Removal.

2.7.1. Any Board member may resign at any time by written notice delivered personally or sent by certified mail, return receipt requested, to the President or Secretary of the Condominium, and, with respect to members of the Board designated as such or elected by Sponsor (or its designee), by also giving such written notice to such party. Any such resignation shall take effect at the time specified in such notice and, unless specifically requested, acceptance of such resignation shall not be necessary for the effectiveness thereof.

2.7.2. Subject to the provisions of Sections 2.3 and 2.4, and except as provided in the following sentence, any Board member elected thereto by the Unit Owners or by the Board pursuant to the terms of Sections 2.4 or 2.6 hereof, respectively, may be removed from office, with or without cause, by a Majority of Unit Owners (as hereinafter defined).

Section 2.8. Vacancies. Subject to the provisions of Sections 2.3 and 2.4, any vacancy on the Board for whatever reason shall be filled by the members of the Board then in office, at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the Board until the next annual meeting of Unit Owners when a successor shall be elected for the remainder of the term of the member creating such vacancy. However, any vacancy on the Board created by the resignation, removal or any other reason of any Board member designated or elected as such by Sponsor (or its designee) shall be filled only by Sponsor (or its designee).

Section 2.9. Organizational Meeting of Board. The first meeting of the Board shall be held within ten days after the first annual meeting of Unit Owners, at such time and place in the Borough of Brooklyn as shall be fixed by a majority of the members thereof, and no notice shall be necessary to the newly elected Board members in order to legally constitute such meeting, provided that a majority of the members of the Board shall be present thereat.

Section 2.10. Regular Meetings of Board. Regular meetings of the Board may be held at such time and place in the Borough of Brooklyn as shall be determined from time to time by a majority of the members thereof, provided that at least four such meetings shall be held during each fiscal year of the Condominium. Notice of regular

meetings shall be given to each member thereof, by personal delivery, mail, telecopy or telegram, at least five business days prior to the day named for such meeting.

Section 2.11. Special Meetings of Board. Special meetings of the Board may be called by the President or Vice President of the Condominium by giving five business days' prior notice to each member of the Board, by personal delivery, mail, telecopy or telegram, which notice shall state the time, place (in the Borough of Brooklyn) and purpose of the meeting. In addition, the President shall call a special meeting upon the written request of two (2) or more members of the Board.

Section 2.12. Waiver of Notice. Any Board member may at anytime waive notice of any Board meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver of notice by such member of the time and place thereof. If all the members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 2.13. Determinations by Board; Quorums.

2.13.1. Except as otherwise set forth in subsection 2.11.3, all determinations of the Board shall be made at a meeting of the Board at which a quorum thereof is present. At any Board meeting, a majority of the members thereof shall constitute a quorum and the votes of a majority of such members present shall constitute the decision of the Board.

2.13.2. If at any Board meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.13.3. Members of the Board may participate in a meeting thereof by means of a conference telephone call or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of the Board may be taken without a meeting if all members of the Board consent thereto in writing.

Section 2.14. Compensation. No member of the Board shall receive any compensation.

Section 2.15. Liability of Board and Unit Owners.

2.15.1. To the extent permitted by applicable law, no member of the Board shall have any personal liability with respect to any contract, act or omission of the Board or of any managing agent or manager in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by the Board or by the Managing Agent shall state that it is made by the Board or the

Managing Agent, only as agent for all Unit Owners, that the Board members or the Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners) and may also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium shall be limited to such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners and, to the extent permitted by applicable law, such Unit Owner's interest in its Unit and its appurtenant Common Interest, so that such Unit Owner shall have no personal liability for such contract, act or omission. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges. Any such contract may also provide that it covers the assets, if any, of the Board. To the extent permitted by applicable law, Board members shall have no liability to Unit Owners, except that a Board member shall be liable for his or her own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Board member against any liability or claim, except for those claims and liabilities arising out of such Board member's own bad faith or willful misconduct. The Board may contract or effect any other transaction with any Board member, any Unit Owner, Sponsor, Sponsor's designee or any affiliate of any of them without incurring any liability for self-dealing, except in cases of bad faith or willful misconduct.

2.15.2. Neither the Board nor any member thereof shall be liable for (i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Board or to be paid for as a Common Expense except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of the Board or any member thereof, or (ii) any injury, loss or damage to any individual or property occurring in or upon either a Unit or any Common Element, except when caused by the acts of bad faith or willful misconduct of the Board or any such member.

Section 2.16 Fidelity Bonds. The Board shall obtain or ensure maintenance of fidelity bonds or insurance, in amounts deemed appropriate by it, for all of its members, officers and employees and for the Managing Agent, if any, employed by it, and the premiums on such bonds or insurance shall constitute Common Expenses.

Section 2.17. Committees. The Board may, subject to such limitations and exceptions as the Board may prescribe, appoint an Executive Committee and such other committees as the Board may deem appropriate, each to consist of one or more members of the Board. Each such committee, to the extent provided in the resolution which creates it, shall have and may exercise all the powers of the Board during the intervals between the meetings of the Board insofar as may be permitted by law.

Section 2.18. Principal Office of Board. The principal office of the Board shall be located within the Condominium Property or at such other place in the Borough of Brooklyn reasonably convenient thereto, as may be designated from time to time by the Board.

Section 2.19. Status of Board. In addition to the status conferred upon the Board under or pursuant to the provisions of the Condominium Act, the Board shall, to the extent permitted by applicable law, be deemed to constitute a separate unincorporated association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation of the Board pursuant to the provisions of Section 2.17, the provisions of this Section 2.16 shall no longer be applicable to the Board.

Section 2.20. Incorporation and Organization of Board. To the extent and in the manner provided in the Condominium Act, the Board may, by action of the Board as provided in this Article 2, be organized as a limited liability company or incorporated under the applicable statutes of the State of New York. In the event that the Board so incorporates or organizes, it shall have, to the extent permitted by applicable law, the status conferred upon it under such statutes in addition to the status conferred upon the Board under or pursuant to the provisions of the Condominium Act. The certificate of incorporation and bylaws of any such resulting corporation or the articles of organization of such limited liability company, as the case may be, shall conform as closely as practicable to the provisions of the Declaration and these Bylaws, and the provisions of the Declaration and these Bylaws shall control in the event of any inconsistency or conflict between the provisions thereof and the provisions of such certificate of incorporation and bylaws or articles of organization.

Section 2.21. Board as Agent of Unit Owners. In exercising its powers and performing its duties under the Declaration and these Bylaws, the Board shall act as, and shall be, the agent of the Unit Owners, subject to and in accordance with the provisions of the Declaration and these Bylaws.

Section 2.22. Prohibited Transactions. Each member of the Board shall perform his or her duties, and shall exercise his or her powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by applicable law, no contract or other transaction between the Board and either: (i) any of its members, or (ii) any corporation, partnership, fiduciary, firm, limited liability company, association or other entity in which any of the members of the Board are officers, directors, shareholders, employees, partners, fiduciaries, beneficiaries, members or principals, or are otherwise interested (whether such interest be pecuniary or otherwise), shall be deemed either void or voidable because either: (a) any such member of the Board was present at the meeting or meetings of the Board during which such contract or transaction was discussed, authorized, approved or ratified, or (b) the vote of any such member was counted for such purpose; provided, however, that either: (1) the fact thereof is disclosed to, or known by, the Board involved in such contract or transaction or a majority of the members thereof or noted in the minutes thereof, and the Board shall authorize, approve or ratify such contract or transaction in good faith by a vote of a majority of the entire Board, less the number of such members involved in such contract or transaction; or (2) the fact thereof is disclosed to, or known by, a majority of Unit Owners and a majority of Unit Owners shall in good faith authorize, approve or ratify such contract or transaction; or (3) the contract or transaction is commercially reasonable to the Board at the time the same is authorized, approved, ratified, executed or otherwise consummated. Any such members

of the Board may be counted in determining the presence of a quorum of any meeting of the Board which authorizes, approves or ratifies any such contract or transaction, but no such member shall be entitled to vote thereat in order to authorize, approve or ratify such contract or transaction.

ARTICLE 3. UNIT OWNERS

Section 3.1. Annual Meetings. Within one hundred eighty (180) days after the First Closing, the first annual meeting of Unit Owners shall be held. At such meeting, the incumbent Board shall resign and a new Board shall be elected (as provided herein) consisting of five (5) members. Thereafter, annual meetings of Unit Owners shall be held within four (4) weeks after the anniversary of such first meeting in each succeeding year on a date to be set by the Board. At such meetings, the Unit Owners shall elect successors to the members of the Board whose terms of office expire on the day of such meeting and there shall also be transacted such other business as may properly come before such meeting.

Section 3.2. Place of Meetings. Meetings of Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the Borough of Brooklyn as may be designated from time to time by the Board.

Section 3.3. Special Meetings. The President of the Condominium shall call a special meeting of Unit Owners if so directed by resolution of the Board or upon a petition signed and presented to the Secretary of the Condominium by not less than 25% in Common Interest of Unit Owners. Each such resolution or petition shall state, in reasonable detail, the purposes for calling such meeting.

Section 3.4. Notice of Meetings and Actions Taken. Notice of each annual or special meeting of Unit Owners shall be given by the Secretary of the Condominium to all Unit Owners of record entitled to vote thereat at their address at the Condominium or at such other address as any Unit Owner has designated by notice in writing to the Secretary of the Condominium at least ten business days prior to the giving of notice of the applicable meeting. Each such notice shall state the purposes of the meeting and the time and place where it is to be held, and no business shall be transacted at such meeting except as stated in the notice. All notices hereunder shall be given by personal delivery, mail or telecopy, at least ten business days prior to the date fixed for the meeting, with a duplicate copy given at least five business days prior to the date fixed for the meeting. In addition, copies of such notice shall be posted in the lobbies, elevators or other public places in the Building at least five business days prior to the date fixed for the meeting. However, if the business to be conducted at any meeting of the Unit Owners shall include consideration of a proposed amendment to the Declaration or to these Bylaws, the notice of such meeting shall be given to all Unit Owners as provided above at least 30 days prior to the date fixed for such meeting and such notice shall be accompanied by a copy of the text of such proposed amendment.

Section 3.5. Lack of Quorum. If any meeting of Unit Owners cannot be held because a quorum is not present, the Unit Owners who are present at such meeting, either in person or by proxy, may, by majority vote, decide to adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting, or to hold an informal meeting for the purpose of expressing to the Board their preferences on the business to have been transacted at the meeting.

Section 3.6 Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, a majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

Section 3.7. Order of Business. The order of business at all regular meetings of Unit Owners shall be as follows:

(a) Roll Call;

(b) Proof of Notice of Meeting;

(c) Reading of Minutes of Preceding Meeting;

(d) Reports of Officers;

(e) Reports of Members of the Board;

(f) Reports of Committees;

(g) Election of Members of Board when so required;

(h) Unfinished Business; and

(i) New Business.

Section 3.8. Title to Units. Title to Units may be taken by any individual, corporation, partnership, limited liability company, association, trust or other entity, or any two or more of such owners as joint tenants, tenants in common or tenants by the entirety, as may be appropriate, but not as owners in severalty.

Section 3.9. Voting.

3.9.1. Each Unit Owner, or a person designated by such Unit Owner to act as proxy on its behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit or Units as set forth herein at all meetings of Unit Owners. The designation of any such proxy shall be made in a signed and dated writing to the Secretary of the Condominium and shall be revocable at any time by written notice actually delivered to the Secretary of the Condominium by the Unit Owner so designating, provided, however, that no designation to act as a proxy shall be effective

for a period in excess of six months (except for a designation of a Permitted Mortgagee to act as the proxy of its mortgagor).

3.9.2. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity.

3.9.3. If two or more persons or entities own a Unit, they shall designate one person or entity amongst them to vote the Common Interest appurtenant to their Unit in a writing given to the Secretary, and the vote of such designee shall be binding upon such Unit co-Owners. Failing such a designation, all of such persons or entities shall mutually vote such Common Interest under one ballot, without division, and the concurrence of such persons or entities shall be conclusively presumed if any one of them purports to vote such Common Interest without protest being made contemporaneously to the party presiding over the meeting at which such vote is taken. If protest is made, the Common Interest appurtenant to such Unit shall be counted solely for determining whether a quorum is present for such voting.

3.9.4. Neither the Board nor its designee shall be entitled to vote the interest appurtenant to any Unit owned by the Board or such designee, and the Common Interest of such Unit shall be excluded from the total Common Interests when computing the interests of Unit Owners for quorum and voting purposes.

3.9.5. Subject to the terms of 2.1.2, and except asset forth in 3.9, at all meetings of Unit Owners, each Unit Owner (or its proxy) entitled to vote thereat (including Sponsor or its designee with respect to Unsold Units) shall be entitled to cast one vote for each .01% (rounded off to the nearest .01%) of Common Interest attributable to its Unit or Units per member to be elected.

Section 3.10. Majority of Unit Owners. Except as may otherwise be provided by law, as used in these Bylaws and in the Declaration, the term "Majority of Unit Owners" means those Unit Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the provisions of Section 3.8), who are present in person or by proxy and voting at a duly constituted meeting at which a quorum is present.

Section 3.11. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Unit Owners owning Units to which more than 50% of the aggregate Common Interests appurtenant shall constitute a quorum at all meetings of Unit Owners.

Section 3.12. Majority Vote. Except where otherwise provided by law, the Declaration or these Bylaws, at all meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

ARTICLE 4. OFFICERS

Section 4.1. Designation. The principal officers of the Condominium shall be a President, Vice President, Secretary and Treasurer thereof, all of whom shall be elected by the Board. The Board may appoint an Assistant Treasurer, Assistant Secretary and such other officers as in its judgment may be desirable. None of the officers of the Condominium need be Unit Owners or have any interest therein nor be Board members until the first organization meeting of the Board after the first annual meeting of Unit Owners. Thereafter, the President and Vice President of the Condominium must be members of the Board.

Section 4.2. Election of Officers. The officers of the Condominium shall be elected annually by the Board at the organization meeting thereof and shall serve at the pleasure of the Board; except that the initial officers of the Condominium shall be elected by the initial Board and shall hold office at the pleasure of such Board and until their successors are elected.

Section 4.3. Resignation and Removal of Officers. Any officer may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

Section 4.4. President. The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all meetings of Unit Owners and of the Board. The President shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among Unit Owners from time to time as the President, in his or her discretion, may decide are appropriate to assist in the conduct of the affairs of the Condominium.

Section 4.5. Vice President. The Vice President of the Condominium shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If both the President and the Vice President of the Condominium are unable to act, the Board shall appoint some other member of the Board to act in the place of the President and Vice President on an interim basis. The Vice President shall also perform such other duties as, from time to time, shall be imposed by the Board or by the President.

Section 4.6. Secretary. The Secretary of the Condominium shall keep the minutes of all meetings of Unit Owners and of the Board. The Secretary shall have charge of such books and papers as the Board shall direct and, in general, shall perform all of 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 4.7. Treasurer. The Treasurer of the Condominium shall have the care and custody of the funds and securities of the Condominium, and shall be responsible for keeping full and accurate financial records and books of account thereof showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Board (or in the name of the managing agent or manager appointed by the Board) in such depositories as may from time to time be designated by the Board and shall in general perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 4.8. Execution of Documents. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by the President or Vice President, acting alone, or by any other two officers thereof or by such other person or persons as may be designated by the Board. If, for any reason whatsoever, one member refuses to countersign such an expenditure which has been authorized, the Board shall designate and authorize another Board member to countersign the expenditure.

Section 4.9. Compensation of Officers. Except as otherwise provided by the Board, no officer shall receive any compensation for acting as such.

Section 4.10. Liability of Officers.

4.10.1. To the extent permitted by applicable law, no officer shall have any personal liability with respect to any contract, act or omission of the officers in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners). To the extent permitted by applicable law, officers shall have no liability to Unit Owners except that an officer shall be liable for his or her own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each officer against any liability or claim except those arising out of such officer's own bad faith or willful misconduct.

4.10.2. None of the officers of the Condominium shall be liable for either (i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, any such officer or to be paid for as a Common Expense, except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of such officer, or (ii) any injury, loss or damage to any individual or property, occurring in or upon any Common Element; except when caused by the acts of bad faith or willful misconduct of any such officer.

ARTICLE 5. NOTICES

Section 5.1. Notices. All notices required or desired to be given hereunder to the Board shall be in writing and either delivered in person or sent by certified mail or by reputable overnight courier service with receipt confirmed to the principal office of the

Board or to such other address as the Board may designate from time to time by notice in writing to all Unit Owners and to all Permitted Mortgagees, and a duplicate shall be sent in like manner to the Managing Agent. Except as otherwise provided herein, all notices to any Unit Owner shall be in writing and either delivered in person or sent by certified mail or by reputable overnight courier service with receipt confirmed to the address at the Condominium Property of such Unit Owner or to such other address as may have been designated by such Unit Owner from time to time in writing to the Board. All notices to Permitted Mortgagees shall be in writing and either delivered in person or sent by certified mail or by reputable overnight courier service with receipt confirmed to their respective addresses, as designated by them from time to time in writing to the Board. All notices shall be deemed to have been given when delivered in person or three days after deposit in a depository maintained by the U.S. Postal Service in a postage prepaid sealed wrapper or the first business day after deposit with an overnight courier service, as the case may be, except that notices of change of address shall be deemed to have been given when received.

Section 5.2. Waiver of Service of Notice. Whenever any notice is required to be given by law or by the Declaration or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 6. OPERATION OF THE CONDOMINIUM

Section 6.1. Determination of Common Expenses and Fixing of Common Charges.

6.1.1. From time to time, but at least once per year, the Board will prepare a budget for setting forth its projection of Common Expenses and will allocate the Common Expenses among the Units. Unit Owners will be assessed Common Charges to meet the Units' respective allocated shares of Common Expenses. The Common Charges payable by each Unit Owner will be in proportion to the percentage of Common Interests appurtenant to said Unit compared to the total of all Common Interests. The Board shall advise all Unit Owners promptly in writing of the amount of Common Charges payable by each of them and shall furnish copies of each budget on which such Common Charges are based to all Unit Owners and, if requested, to Permitted Mortgagees thereof.

6.1.2. The Board may, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners, and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof, however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination. However, a prior period's deficit may be included in Common Charges for a subsequent period or paid from a Special Assessment levied against all Unit Owners.

6.1.3. The failure or delay of the Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

6.1.4. In addition to the foregoing duty to determine the amount of and assess Common Charges, the Board shall have the right to levy special assessments to meet the Common Expenses. All special assessments shall be levied against all Unit Owners in proportion to their respective Common Interests. The Board shall have all rights and remedies for the collection of special assessments as are provided herein for the collection of Common Charges.

6.1.5. The excess of all rents, profits and revenues derived from the rental or use of any space or facility forming part of or included in any General Common Element or Limited Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by the Board, as agent for and on behalf of the Unit Owners, and shall constitute income of the Unit Owner. Notwithstanding any provision contained in these Bylaws or in the Declaration to the contrary, in no event shall any rent, profit or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

6.1.6. Notwithstanding anything contained to the contrary above in this Section 6.1, the Board shall not reduce the Common Charges payable during any year occurring within the Initial Control Period solely as a result of either reducing the number of employees of the Condominium below that necessary to provide the superintendent, and concierge and coverage specified in the Offering Plan, or eliminating or reducing any service or reducing the insurance coverage below that described in the Offering Plan, except with the concurrence of a majority of the members of the Board elected by Unit Owners other than Sponsor or its designee.

Section 6.2 Payment of Common Charges.

6.2.1. All Unit Owners shall be obligated to pay Common Charges assessed by the Board pursuant to the provisions of Section 6.1 at such time or times (but not less than monthly) as the Board determines. Unless otherwise determined by the Board, Common Charges shall be payable monthly, in advance, on the first day of each month.

6.2.2. No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against its Unit subsequent to a permissible sale, transfer or other conveyance by it (made in accordance with these Bylaws) of such Unit, together

with its appurtenant Common Interest. Any Unit Owner may, subject to the terms and conditions of these Bylaws, convey its Unit, together with its appurtenant Common Interest, without consideration, to the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and in such event (except as hereinafter set forth), be exempt from Common Charges thereafter accruing, provided that: (a) such Unit is free and clear of liens and encumbrances other than the statutory lien for unpaid Common Charges (provided that no amounts are owing under any such lien); and (b) no violation of any provision of the Declaration, these Bylaws or the Rules and Regulations then exists with respect to such Unit. However, in no event may a Unit Owner exempt itself from liability for Common Charges by waiving use of any of the Common Elements or by abandonment of its Unit. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to its acquisition of such Unit, except that (i) a mortgagee acquiring title to a Unit at a foreclosure sale, or (ii) to the extent permitted by applicable law, a purchaser of a Unit at a foreclosure sale of a mortgage shall not be liable for, and such Unit shall not be subject to a lien for, the payment of Common Charges assessed against such Unit subsequent to the recording of such mortgage and prior to the acquisition of title to such Unit by such mortgagee or purchaser. Prior to any permissible sale, transfer or other conveyance of a Unit, any seller or purchaser of a Unit shall be entitled to a statement from the Board, dated as of the date of the closing of title pursuant to any such sale, transfer or other conveyance, setting forth the amount of unpaid Common Charges accrued against the Unit. However, in the event of a foreclosure of a Unit by the Board of its lien on any Unit for unpaid Common Charges, if the proceeds of the foreclosure sale actually received by the Board shall be insufficient for the payment of such unpaid Common Charges, or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale.

6.2.3 All liens provided for in Section 6.2.2, to the extent permitted by applicable law, shall be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the Unit.

6.2.4. The Board shall promptly provide any Unit Owner who so requests with a written statement of all unpaid Common Charges due to it from such Unit Owner.

6.2.5 Notwithstanding Section 6.2.2, neither the seller nor the purchaser of a Unit shall be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set forth in a written statement from the Board.

Section 6.3 Collection of Common Charges. The Board shall take prompt action to collect any Common Charges due which remain unpaid for more than thirty days after the due date for payment thereof, and may take any action for the collection of such charges, including, without limitation, the institution of such actions and the recovery of interest and expenses as provided in this Article 6.

Section 6.4. Default in Payment of Common Charges; Lien for Unpaid Common Charges.

6.4.1. The Board shall take prompt action to collect any Common Charges which remain unpaid for more than 30 days after the due date for payment thereof, including, without limitation, the institution of such actions and the recovery of interest and expenses as provided in this Article 6.

6.4.2. Except to the extent prohibited by law, the Board, on behalf of all Unit Owners, shall have a lien for Common Charges unpaid by any Unit Owner, together with interest thereon, on all Units owned by such Unit Owner, in proportion to their respective Common Interests. Such liens shall be subordinate only to liens for real estate taxes and prior recorded Permitted Mortgages on such Unit.

6.4.3. In the event any Unit Owner fails to make payment of Common Charges, the Unit Owner shall be obligated to pay (a) a "late charge" equal to the greater of $150.00 or one (1%) percent of such amounts which remain unpaid for more than ten days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid) and (b) interest at the rate of 1.5% per month (but in no event in excess of the maximum rate permitted by law) on such unpaid amounts (less any "late charges" theretofore collected on such amounts) computed from the due date thereof, together with expenses, including, without limitation, attorneys' fees paid or incurred by the Board or by any managing agent in any proceeding brought to collect such unpaid Common Charges or in an action to foreclose the lien on such Unit arising from said unpaid Common Charges, whether, in the case of Common Charges, as provided in Section 339z of the Condominium Act, in the manner provided in Section 339aa thereof, or, in any event, in any other manner permitted by law. In addition, if the Board shall bring an action to foreclose such lien, the defaulting Unit Owner shall be required to pay a reasonable rental for the use and occupancy of its Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. All such "late charges", interest, expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

6.4.4. If a non-occupying Unit Owner rents his Unit to a rental tenant and then fails to make payments due for Common Charges, Assessments or late charges within 60 days of the expiration of the grace period after they are due, the Board shall provide written notice to the tenant and non-occupying Unit Owner providing that, until such payments are made current, all rental payments are to be made payable to the Condominium. Where a majority of the Board has been elected by Unit Owners in occupancy, the Board may elect not to require that rental payments be made payable to the Condominium.

Section 6.5. Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of such Unit Owner's Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Board, acting on

behalf of all Unit Owners, shall have the power to purchase any such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey or otherwise deal with such Unit (but not to vote the votes appurtenant to such Unit). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit.

Section 6.6. Insurance.

6.6.1. The Board shall be required to obtain and maintain, to the extent obtainable and to the extent determined by the Board to be appropriate, the following insurance:

(a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings, decorations, appliances or other personal property not constituting a part of such Unit), together with all service machinery contained therein, and covering the interests of the Condominium, the Board and all Unit owners, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings) without deduction for depreciation;

(b) rent insurance in an amount equal to Common Charges for one year;

(c) workers' compensation insurance and New York State disability benefits insurance;

(d) boiler and machinery insurance;

(e) plate glass insurance, to the extent, if any, determined by the Board;

(f) water damage insurance, to the extent, if any, determined by the Board;

(g) elevator liability and collision insurance;

(h) fidelity insurance covering all officers, Board members, directors and employees of the Condominium and of the Managing Agent who handle funds of the Condominium;

(i) directors' and officers' errors and omissions insurance; and

(j) such other insurance as the Board may determine from time to time.

Each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each Permitted Mortgagee, as its interests may appear, subject, however, to the loss payment provisions hereinafter set forth. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a Common Expense and shall be allocated among the Units on the basis of Common Interests.

6.6.2. All such policies shall provide that adjustment of loss shall be made by the Board. Insurance proceeds with respect to any loss shall be payable to the Board or to the Unit Owners entitled to adjust such loss, as aforesaid, except that the proceeds of all policies of physical damage insurance, if in excess of $1,000,000.00, shall be payable to a New York City bank or trust company designated by the Board as Insurance Trustee pursuant to the provisions of Section 12.6.

6.6.3. The amount of fire insurance and all risk extended coverage to be maintained with respect to the Condominium (including each Unit, but excluding such items noted in subsection 6.4.1 to be excluded) until the first Board meeting following the first annual meeting of Unit Owners shall be at least $7,500,000.

6.6.4. All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) coinsurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of liability of the insurer as a result of any insurance carried by Unit Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten days' prior written notice to all of the insureds, including all Unit Owners who have requested the same from the Board in writing. Duplicate originals or certificates of insurance of all policies of physical damage insurance and of all renewals thereof, if obtainable, together with proof of payment of premiums, shall be delivered to all Unit Owners who have requested the same from the Board in writing. Renewals shall be obtained at least ten days prior to the expiration of the then current policies.

6.6.5. The Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Condominium Property, in such amounts as from time to time are carried by prudent owners of comparable properties in the City of New York, and in such limits as the Board, from time to time, may determine, covering (i) the Board, the Managing Agent, each Board member, each officer and employee of the Condominium, and (ii) each Unit Owner and their agents if any, except that such policy will not cover liability of a Unit Owner arising from occurrences within its own Unit or within the Common Elements, if any, exclusive to its Unit. The Board shall review such limits once each year. Until the first meeting of the

Board following the first annual meeting of Unit Owners, such liability insurance shall be at least $1,000,000 with respect to any occurrence, with umbrella coverage of at least $10,000.000, and at no time and in no event shall such comprehensive general liability insurance afford protection to the limit of less than such amounts. The Board shall also be required to obtain and maintain fidelity insurance covering the Board, the Managing Agent, each Board member and each officer and employee of the Condominium in respect of the maintenance and/or operation of the Building or any part thereon. The insurance required in accordance with this subsection 6.4.5 shall also cover cross-liability claims of one insured against another.

6.6.6. Any insurance maintained by the Board may provide for such deductible amounts as the Board determines.

6.6.7. The Board is not required to obtain or maintain any insurance with respect to any personal property contained in a Unit or any liability with respect to occurrences in or about a Unit. Unit Owners shall not be prohibited from carrying other insurance for their own benefit, at their own expense, and the Board shall not be prohibited from carrying additional insurance, provided that any such policies shall contain waivers of subrogation, and further provided that the liability of the carriers issuing insurance obtained by the Board shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Section 6.7. Repair or Reconstruction after Fire or Other Casualty.

6.7.1. In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, subject to the provisions of Section 6.5.2 hereof, the Board will arrange for the prompt repair and restoration thereof (including each Unit, but excluding appliances, fixtures, furniture, furnishings or other personal property not constituting a part of such Unit), and the Board or the Insurance Trustee (as defined in Section 12.6 below), as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments.

6.7.2. If (i) 75% or more of the Building is destroyed or substantially damaged, and (ii) the holders of an aggregate of at least 75% of Common Interests of all Unit Owners do not duly and promptly resolve to proceed with the repair or restoration thereof, then and upon the occurrence of both of said events, the Building will not be repaired and the Condominium Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of its share of such funds, such amounts as may be necessary to discharge all unpaid liens on its Unit in the order of the priority of such liens. As used in this Section 6.5, the phrase "promptly resolve" means not more than 60 days from the date of such damage or destruction.

6.7.3. Any dispute between the Unit Owners, or between any Unit Owner and the Board, arising under this Section 6.5 shall be determined by Arbitration.

Section 6.8. Maintenance and Repairs.

6.8.1. Except as otherwise provided in the Declaration or these Bylaws:

(a) all painting, decorating, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, and all maintenance, repairs and replacements of all plumbing, heating and lighting fixtures, heating and air conditioning units and appliances which are:

(i) in or to any Unit (excluding Common Elements included therein except as otherwise provided in these Bylaws) and the interior side of entrance doors thereto shall be made by the owner of such Unit at such Unit Owner's sole cost and expense; provided that, in each instance that any such work is to be done within a Unit (other than Unsold Units), the Unit Owner thereof will utilize only such contractors, workers and suppliers as are on the approved list of the Managing Agent, which list may change from time to time in the Managing Agent's or the Board's sole discretion;

(ii) in or to the General Common Elements shall be made by the Board and the cost and expense thereof shall be charged as a Common Expense to the Unit Owners; and

(iii) in or to the Limited Common Elements shall be made by the Board and the cost and expense thereof shall be shared by all Unit Owners in proportion to their respective Common Interests; and

(b) a Unit Owner shall not be responsible for the cost of painting, decorating, maintenance, repairs or replacements on or to any Unit other than to its own Unit (and any Limited Common Elements included in any such Unit) and the Common Elements.

6.8.2. Notwithstanding the provisions of subsection 6.6.1:

(a) In the event that any painting, decorating, maintenance, repairs or replacements to the Condominium Property or any part thereof is necessitated by the negligence, misuse,

neglect or abuse of (i) any Unit Owner, the entire cost thereof shall be borne by such Unit Owner, or (ii) the Board, the entire cost thereof shall be charged to all Unit Owners as a Common Expense, except to the extent in either case that such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

(b) The interior and exterior glass surfaces of all windows located in any Unit shall not be colored or painted. All exterior glass surfaces shall be washed and cleaned by the respective Unit Owners, as required by the Board from time to time, at the Unit Owners' cost and expense. Any replacement of glass windows in any Unit because of breakage or otherwise shall be made by the Board, at the expense of all Unit Owners, as a Common Expense (unless such breakage is caused by a Unit Owner, in which event such replacement of glass windows shall be done by the Board, at the expense of such Unit Owner).

6.8.3. Each Unit and all portions of the Common Elements shall be kept in first class condition (and, with respect to any roof or other part of the Condominium Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Board, as the case may be, shall promptly make or perform or cause to be made or performed, all maintenance work, repairs and replacements necessary in connection therewith. In addition, the public areas of the Building and those areas which are exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by: (a) the Board, with respect to such parts of the Building required to be maintained by it; and (b) each Unit Owner, with respect to the windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to its Unit.

6.8.4. In the event that any Unit Owner, after receipt of written notice from the Board, fails or neglects in any way to perform any of its obligations with respect to the painting, decorating, maintenance, repair or replacement of its Unit as provided in this Article 6, or of any Common Element for which such Unit Owner is responsible under the Declaration or these By Laws, the Board may perform or cause to be performed such painting, decorating, maintenance, repair or replacement, unless such Unit Owner, within five days after receiving notice of such default by the Board, cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement in such Unit Owner's Unit or to any such Common Element for which such Unit Owner is responsible as aforesaid, together with interest thereon at the rate of 2% per month (but in no event in excess of the maximum rate permitted by law), shall be immediately payable by such

Unit Owner to the Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

Section 6.9. Alterations of Units.

6.9.1. Except as otherwise provided in the Declaration, no Unit Owner (other than Sponsor or its designee as the owner of Unsold Units) shall make any alteration, addition, improvement or repair in or to its Unit if the same would affect the structure or systems of the Building without the prior written approval of the Board, which approval will not be unreasonably withheld. Prior to, and as a condition of, the granting of its consent to the making of any such alteration, addition, improvement or repair in or to a Unit, the Board, at its option, may require the Unit Owner to execute an agreement, in form and substance satisfactory to the Board, setting forth the terms and conditions under which such Alteration (as defined below) may be made.

6.9.2. All repairs which would affect the structure or systems of the Building and all alterations, additions and improvements (all of the, foregoing, collectively, "Alterations") to any Unit shall be made in accordance with plans and specifications, which plans and specifications shall be subject to review and approval by the Board. All Alterations shall be performed:

(i) at the Unit Owner's sole cost and expense;

(ii) in a manner which will not interfere with, or cause any labor disturbances or stoppages in, the work of Condominium employees or other contractors or subcontractors employed in the Units or the Building;

(iii) during only such days and hours as may be specified by the Board in its reasonable judgment;

(iv) only after obtaining such insurance, naming the Board and the Managing Agent, as the Board or the Managing Agent may require;

(v) employing such architects, engineers, contractors, subcontractors, suppliers and other laborers who are on the Managing Agent's then approved list, as such list may change from time to time, in the sole discretion of the Board or the Managing Agent; and

(vi) in compliance with the Declaration, these Bylaws, the Rules and Regulations, the overall Building standards and all applicable laws, ordinances, orders, rules, regulations and requirements of all governmental and quasi governmental authorities, including, without limitation, the requirements of the New York City Department of Buildings, and the boards of fire underwriters having

jurisdiction thereof (all such laws, ordinances, orders, rules, regulations and requirements being sometime hereinafter collectively referred to as "Legal Requirements").

The Unit Owner performing or causing, permitting or suffering such Alterations to be performed shall, if required by the Board, pay the cost of (x) any necessary amendment of the Declaration and the floor plans of the Condominium, if appropriate, to reflect any such Alterations, (y) obtaining all necessary governmental permits, authorizations, certificates and licenses for the commencement and completion of any Alterations (and copies thereof shall be delivered to the Board promptly after the issuance thereof and prior to the commencement of any alterations, additions, improvements or repairs), and obtaining any amendment to the Certificate of Occupancy for such Unit, if necessary, and (z) any architectural, engineering and legal fees incurred by the Board in connection with such work. Neither the Board nor any Unit Owner (other than the Unit Owner making or causing, permitting or suffering any Alterations to be made in or to its Unit) shall incur any liability, cost, or expense either: (a) in connection with the preparation, execution, or submission of the applications referred to above; (b) to any contractor, subcontractor, supplier, architect, engineer or laborer on account of any Alterations made or caused, permitted or suffered to be made by any Unit Owner; (c) to any person or entity asserting any claim for personal injury or property damage arising therefrom; or (d) arising out of a Unit Owner's failure to obtain any permit, authorization, certificate or license, or to comply with the Declaration, these Bylaws, the Rules and Regulations and the provisions of any Legal Requirements insofar as the same relates to Alterations. A Unit Owner making or causing, permitting or suffering any tenant or occupant to make, any Alteration shall be deemed to have agreed to, and shall, hold the Board, the Managing Agent and all other Unit Owners harmless from and against any liability, loss, cost, or expense (including, but not limited to, attorneys' fees and disbursements), damage or injury, whether direct, indirect or consequential, resulting from, arising out of, or in any way connected with, such Alteration.

6.9.3. Any application to any department of the City of New York or to any other governmental authority having jurisdiction thereof for a permit to make an Alteration in or to any Unit so approved by the Board shall, if required by law or such department or authority, be executed by the Board, provided that the Board shall not incur any liability, cost or expense in connection with such application or to any contractor, subcontractor, supplier, architect or engineer on account of such Alteration or to any person having any claim for injury to person or damage to property arising therefrom.

6.9.4. Notwithstanding anything to the contrary contained in this Section 6.7 (but subject to all Legal Requirements), Sponsor and its designee shall have the right, pursuant (and subject) to the terms of the Declaration, and without the approval of the Board, to: (i) make any alterations, additions, improvements and repairs in or to any Unsold Units, whether structural or nonstructural, interior or exterior, ordinary or extraordinary; and (ii) subdivide, combine and change the boundary walls of Unsold Units. Additionally, an initial purchaser of an Unsold Unit shall have the right, without

the approval of the Board, to make any Alterations in or to its Unit, provided that Sponsor or its designee has consented to the same in writing at or prior to the closing of title to such Unsold Unit, and that such purchaser complies with all of the other requirements of this Section 6.7.

6.9.5. In addition to the requirements set forth above in this Section 6.7, until a permanent Certificate of Occupancy is obtained for the Building, no Unit Owner shall make any Alterations in or to its Unit without first notifying Sponsor of the same in writing and complying with Sponsor's reasonable requirements with respect to the same. Such requirements may include, but need not be limited to, the requirements that:

(i) such Alteration not include any change that would result in a delay in obtaining a temporary or permanent Certificate of Occupancy for the Building, or any amendment to, or extension of, the same if theretofore issued;

(ii) the Unit Owner posts a bond or other similar security that is reasonably acceptable to Sponsor in an amount sufficient (in Sponsor's reasonable judgment) to insure the diligent completion of the Alteration and the filing of any required notices or certificates with respect to such Alteration and the completion of the same with all governmental authorities having jurisdiction;

(iii) such Alteration not be commenced until the Unit Owner causes all required plans, specifications, notices and/or certifications to be filed with all governmental authorities having jurisdiction, procures all required permits and licenses with respect to the same, and delivers copies of all such plans, specifications, notices, certifications, permits and licenses to Sponsor;

(iv) such Alteration be diligently prosecuted to completion in compliance with a plans, specifications, notices and/or certifications and in conformity with all permits and licenses;

(v) Sponsor and its representatives shall be given reasonable opportunity, from time to time, to inspect such Alteration as it progresses;

(vi) promptly after the completion of such Alteration, all necessary inspections and approvals of the same shall be obtained, all necessary notices and/or certifications shall be filed with the appropriate governmental authorities and Sponsor shall be given a copy of all such inspections, approvals, notices and certifications;

(vii) the Unit Owner shall indemnify and hold Sponsor harmless from any cost, expense, claim, or liability arising, directly or indirectly, from such Alteration, including, without limitation, any cost, expense, claim, or liability incurred or suffered by Sponsor due to any violation of a Legal Requirement or due to any delay in obtaining a temporary or permanent Certificate of Occupancy for the Building (or any amendment to, or extension of, the same if theretofore issued) as a result of such Alteration or the failure to make all appropriate governmental filings in connection with the same; and

(viii) all contractors shall be duly licensed to the extent required by applicable Legal Requirements and, if required under any contract with any union whose members are performing services at the Building (including, without limitation, services directly or indirectly at the behest, for the benefit, or for the account of Sponsor, any other Unit Owner, or the Board), such work shall be performed solely by union members.

If any Unit Owner commences any Alteration in violation of the foregoing terms and conditions, or fails to comply with the reasonable requirements of Sponsor in connection with the same, Sponsor shall be entitled to cause such Alteration by the Unit Owner to be halted, including, without limitation, to cause the Managing Agent to deny access to the Building to the Unit Owner's workers and suppliers, until the Unit Owner complies with the same. During the period until such Unit Owner is permitted hereunder to resume its work on such Alteration, Sponsor shall have the right to perform any and all work in and to such Unit Owner's Unit as shall be necessary, in Sponsor's sole judgment, in order to avoid any delay in obtaining a temporary or permanent Certificate of Occupancy for the Building (or any amendment to, or extension of, the same if theretofore issued), whether or not such work shall be in compliance with the plans and specifications for the work theretofore performed by, or on behalf of, such Unit Owner. The cost and expense of any such work performed by Sponsor shall be borne by such Unit Owner and shall be paid to Sponsor within fifteen (15) days of Sponsor's written demand therefor.

Section 6.10. Alterations to Common Elements. Except as otherwise provided in the Declaration or these Bylaws, all alterations, additions, improvements or repairs in or to any General Common Element shall be made by the Board and the cost thereof shall be charged to all Unit Owners as a Common Expense; and alterations, additions, improvements or repairs in or to any Limited Common Elements will be made by the Board, and the cost thereof will be shared by all Unit Owners in proportion to their respective Common Interests. Whenever, in the judgment of the Board, the cost of any such alterations, additions, improvements and repairs would exceed $100,000 in the aggregate in any calendar year, then the same shall not be made unless first approved by a Majority in Interest of the Unit Owners required to bear the cost and expense thereof in

accordance with their Common Interests, unless the same is necessary to comply with applicable laws or regulations, or to remedy any violation imposed against the Condominium Property, or to comply with a proper work order of an insurer of the Condominium Property, or for the health or safety (but not the general comfort or welfare) of the residents or occupants of the Condominium Property. In any such event, the Board may, in its discretion, assess each Unit Owner liable therefor for its prorata share of the cost of such alterations, additions, improvements and repairs, according to its percentage of Common Interests, as part of the Common Charges. Any additions, alterations, improvements and repairs costing $100,000 or less, in the aggregate, in any calendar year may be made by the Board without the approval of the Unit Owners.

Section 6.11. Use of Units. A Unit may be used only as a residence and, subject to compliance with these Bylaws, for a lawful home occupation. A Unit may only be occupied by (i) any individual who is a Unit Owner or permitted lessee, (ii) any officer, director, stockholder or employee of any corporation which is a Unit Owner or permitted lessee, (iii) any partner or employee of any partnership which is a Unit Owner or permitted lessee, or (iv) the fiduciary or beneficiary of any fiduciary of which is a Unit Owner or permitted lessee and member and/or nonpaying guests of any of the forgoing.

Section 6.12. Use of Common Elements.

6.12.1. Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.12.2. The Unit Owner(s) of any one or more Unit(s), which Unit(s) is (are) the only Unit(s) serviced or benefited by any Common Element adjacent or appurtenant thereto (for example, that portion at the end of any hallway which is directly adjacent to any such Unit(s) located on opposite sides of such hallway) and not affecting access or service (including, without limitation, heating, ventilating and air conditioning) to any other Unit or to any other portion of the Common Elements, shall have, to the extent permitted by applicable law and with the consent of the Board (which consent shall not be unreasonably withheld or delayed and shall not be required if the Unit Owner or Owners shall be Sponsor or its designee), the exclusive right to use that portion of the Common Elements as if it were a part of such Unit(s) (including the right, in the above example of a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of Common Interests shall be made by reason thereof, provided, however, that such Unit Owner(s), at its (their) sole cost and expense, shall (a) be responsible for the operation, maintenance and repair of that portion of the Common Elements for so long as such Unit Owner(s) exercise such exclusive right of use, and (b) restore that portion of the Common Elements to its original condition, reasonable wear and tear excepted, after such Unit Owner(s) cease to exercise such exclusive right of use. The holders of Unsold Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board.

Section 6.13. General Provisions as to Use.

6.13.1. No nuisance shall be allowed in the Condominium Property nor shall any use or practice be allowed in the Condominium Property which interferes with the peaceful possession or proper use of the Condominium Property by its occupants. No immoral, improper, offensive or unlawful use shall be made of the Condominium Property or any portion thereof. All laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Condominium Property, shall be complied with at the sole expense of whichever of the Unit Owners or the Board shall have the obligation to maintain or repair such portion of the Condominium Property.

6.13.2. The Board, in its discretion, may grant permission for the use of a Unit for any other purpose (including use as a home office), provided such use is permitted by law, does not violate the then existing Certificate of Occupancy for such Unit, and the Unit Owner thereof complies with all applicable governmental regulations. Such permission by the Board shall be in writing and shall be personal to the Unit Owner. Any successor in title to such Unit shall be required to obtain the prior written approval of the Board before using such Unit for any purpose other than those expressly set forth above.

6.13.3. No portion of a Unit (other than the entire Unit) may be sold, conveyed, leased or subleased.

6.13.4. Sponsor or its designee, without the permission of the Board, may (a) use or grant permission for the use of any Unsold Unit for any purpose (including, without limitation, use for a home occupation), provided such use is permitted by law, does not violate the then existing Certificate of Occupancy for such Unit, and the user of such Unit complies with all applicable governmental regulations; (b) use any one or more Unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to compliance with applicable governmental laws and regulations; and (c) lease and show Unsold Units to any party(ies).

Section 6.14. Right of Access.

6.14.1. Each Unit Owner shall grant a right of access to its Unit and to its garden and/or rooftop terrace (as applicable) to the Board, the Managing Agent and/or any other person authorized by any of the foregoing, any reasonable purpose, including, but not limited to: (i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Condominium Property; (ii) curing defaults hereunder or under the Declaration or Rules and Regulations by such Unit Owner or correcting any conditions originating in its Unit and threatening another Unit or all or any part of the Common Elements; (iii) performing maintenance, installations, alterations, repairs or replacements to the mechanical or electrical services or other portions of the Common Elements within its Unit or elsewhere in the Building; (iv) reading, maintaining or replacing utility meters relating to the

Common Elements, its Unit or any other Unit in the Building; or (v) correcting any condition which violates the provisions of any Permitted Mortgage covering another Unit. Such right of access is conditioned upon the following: (a) requests for entry to any Unit shall be made not less than one day in advance, and (b) any such right shall be exercised in such a manner as will not unreasonably interfere with or with the use of the other Units for their permitted purposes. In case of an "emergency" (i.e., a condition requiring repairs, replacements or installations immediately necessary for the preservation or safety of all or any portion of the Condominium Property or for the safety of occupants of the Building or other persons, or required to avoid the suspension of any necessary service in the Building or with respect to all or any portion of the Condominium Property), such right of entry shall be immediate, without advance notice, and may be exercised whether or not the Unit Owner is present.

6.14.2. Each Unit Owner shall grant a right of access to its Unit and/or terrace (as applicable), and the Board shall grant rights of access to the Common Elements, to Sponsor and its contractors, subcontractors, agents and employees, for the purpose of fulfilling Sponsor's obligations as set forth in the Offering Plan, provided that access thereto shall be exercised by Sponsor, with respect to any Unit, in such a manner as will not unreasonably interfere with the use of the Unit for its permitted purposes.

Section 6.15. Rules and Regulations. Annexed hereto as Exhibit A and made a part hereof are rules and regulations (the "Rules and Regulations") concerning the use of the Units and Common Elements. The Board may from time to time modify, amend or add to such Rules and Regulations, except that (a) a Majority of Unit Owners may overrule the Board with respect to any such modification, amendment or addition, and (b) no modification, amendment or addition affecting the Unsold Units may be made unless agreed to, in writing, by Sponsor or its designee and by all the owners of such Units who are affected by such modification, amendment or addition. Copies of any newly adopted, or any modifications, amendments or additions to, the Rules and Regulations shall be furnished by the Board or Unit Owner responsible therefor to each affected Unit Owner not less than 30 days prior to the effective date thereof.

Section 6.16. Real Estate Taxes, Water Charges and Sewer Rents.

6.16.1. Water for the Building shall be supplied by The City of New York. Unless and until water charges and sewer rents are billed directly to Unit Owners by the proper authority, the Board shall promptly pay such charges and rents as a Common Expense, and the Unit Owners shall be required to reimburse the Board, as a Common Charge, for their proportionate share of such charges and rents.

6.16.2. Until the Units are separately assessed and billed for real estate tax purposes, the Board will pay all real estate taxes with respect to the Condominium Property to the Department of Finance of The City of New York (or directly to Sponsor if Sponsor has paid such taxes) and allocate the cost thereof among all Units as follows: The Board shall allocate such share among the individual Units in each in the ratio of the percentage of Common Elements held by each Unit Owner. Each Unit Owner will then reimburse the Board for his or her allocated share. Such reimbursement shall be payable

as if it were a Common Charge. Such taxes will be paid in a timely manner so that no lien will be placed on the Condominium Property or any Unit. If Sponsor fails to pay real estate taxes attributable to any Unsold Unit in a timely manner and as a result of such failure a lien is placed on the Condominium Property and/or any other Unit, Sponsor will immediately cause such lien to be removed at its sole cost and expense. A Unit Owner will not be responsible for the payment of, and will not be subject to any lien arising from, the nonpayment of real estate taxes assessed against any other Units.

6.16.3. In the event of a proposed sale of any Unit, the Board (so long as the Board is still collecting and paying such real estate taxes and/or water charges and sewer rents), upon the written request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit (or to such purchaser's title company) a letter agreeing to promptly pay all such taxes, charges and rents affecting such Unit to the date of the closing of title to such Unit.

6.16.4. In the event any Unit Owner individually seeks to have the assessed valuation of its Unit reduced by bringing a separate certiorari proceeding, the Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing, such reduction, provided that such Unit Owner indemnifies the Board from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

Section 6.17. Electricity. Electricity for each Unit shall be supplied through separate electric meters. Each Unit Owner shall be required to pay bills for electricity consumed or used in its Unit to the utility company.

Section 6.18 Gas. Gas for cooking facilities, space heating and domestic hot water in the Units shall be supplied through one or more separate meters therefor and the cost thereof will be paid by the Board and will be borne by the Unit Owners as a Common Expense.

Section 6.196. Remedies for Violations of Bylaws or Rules and Regulations by Unit Owners.

6.19.1. The violation of any of the Rules and Regulations or the breach of any Bylaw, or the breach of any provision of the Declaration, shall give the Board the right, in addition to any other rights set forth in these Bylaws or the Declaration, (i) to enter any Unit or Common Elements in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and the Board shall not thereby be deemed guilty or liable in any matter of trespass, and/or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach, provided that the Board gives the Unit Owner notice (which may be by telephone or telegram) that such violation exists, that repairs or replacements are necessary and that the Board will complete such repairs or replacements in the event the Unit Owner does not promptly act or complete the repairs

or replacements, and/or (iii) to levy such fines and penalties as the Board may deem appropriate, and the Board shall have the same remedies for nonpayment of such fines and penalties as for nonpayment of Common Charges.

6.19.2. The violation or breach of any of the provisions of these Bylaws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Sponsor or its designee shall give to Sponsor and its designee the right, in addition to any other rights set forth in these Bylaws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

ARTICLE 7. MORTGAGES

Section 7.1. Notice to Board. A Unit Owner who mortgages its Unit or the holder of such mortgage, shall notify, the Board of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Board, and such Unit Owner shall, prior to the making of such mortgage, satisfy all unpaid liens against its Unit. A Unit Owner who satisfies a mortgage covering its Unit shall so notify the Board and shall file a conformed copy of the satisfaction or mortgage with the Board.

Section 7.2. Notice to Mortgagees of Default and Unpaid Common Charges. Whenever so requested in writing by a mortgagee of a Unit, the Board shall promptly report to such mortgagee any default in the payment of Common Charges or any other default by the Unit Owner of such Unit under any of the provisions of the Declaration or these Bylaws which, to the Board's knowledge, may then exist. The Board, when giving notice to a Unit Owner of any such default, shall also send a copy of such notice to any mortgagee thereof, if so requested. However, the Board shall have no liability for any failure, through oversight or negligence, in notifying a mortgagee of such default by its mortgagor, provided that the Board shall advise such mortgagee of the default promptly after discovering such failure.

Section 7.3. Performance by Mortgagees. The Board shall accept payment of any sum of money or performance of any act by any mortgagee of a Unit Owner required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these Bylaws or the Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner.

Section 7.4. Examination of Books. Each Unit Owner shall be permitted to examine the books of account of the Condominium upon reasonable prior notice, at reasonable times on business days, but not more frequently than three times in any calendar year.

Section 7.5. Consent of Mortgagees. Except as otherwise expressly provided in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Board or any Unit Owner, provided, however, that

nothing contained herein shall be deemed to limit or affect the rights of any, mortgagee against its mortgagor.

ARTICLE 8. SELLING, LEASING AND MORTGAGING OF UNITS

Section 8.1. Sales and Leases of Units. Each Unit Owner may sell its Unit or lease its Unit, provided that the Unit Owner complies with all of the conditions set forth in this Section 8.1.

8.1.1. (a) Any contract to sell a Unit together with its appurtenant Common Interest, or any lease of a Unit (collectively, the "Sale Agreement or Lease") shall contain the following provision:

> *This Agreement, and the rights and obligations of the parties hereunder, are hereby expressly subject to the right of first refusal of the Board of Managers of The 150 North Fifth Street Condominium in respect of the transaction described herein, pursuant to the terms of Article 8 of the Bylaws of the 150 North Fifth Street Condominium.*

A Unit Owner who has entered into a Sale Agreement or Lease with respect to a Unit is herein referred to as the "Offeree Unit Owner" and the prospective purchaser or tenant is herein referred to as the "Outside Offeror".

(b) Promptly after a Sale Agreement or Lease has been fully executed, the Offeree Unit Owner shall send written notice thereof to the Board, by certified or registered mail, return receipt requested, or by reputable overnight courier; such notice shall be accompanied by a fully executed duplicate original of the Sale Agreement or Lease, containing all of the terms offered in good faith by the Outside Offeror. The giving of such notice to the Board shall constitute an offer by the Offeree Unit Owner to sell its Unit, together with its appurtenant Common Interest, or to lease its Unit, as the case may be, to the Board, or its designee, corporate or otherwise, on behalf of all Unit Owners, upon the same terms and conditions as contained in such Sale Agreement or Lease, and shall also constitute a representation and warranty by the Offeree Unit Owner to the Board, on behalf of all Unit Owners, that such Sale Agreement or Lease is bona fide in all respects and contains the complete terms of the transaction. The Offeree Unit Owner shall submit in writing such further information with respect thereto as the Board may reasonably request. Not later than 20 days after receipt of such notice, together with such further information as may have been requested by the Board, the Board may elect, by sending written notice, by certified or registered mail, return receipt requested, or by reputable overnight courier, to such Offeree Unit Owner before the expiration of said 20-day period, to purchase such Unit, together with its appurtenant Common Interest, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all Unit Owners, upon the same terms and conditions as contained in the Sale Agreement or

Lease and as stated in the Offeree Unit Owners response(s) to requests by the Board for further information, as provided for above.

8.1.2. In the event the Board shall timely elect to purchase such Unit, together with its appurtenant Common Interest, or to lease such Unit, as the case may be, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Board, in accordance with the terms of the Sale Agreement or Lease within 60 days after the giving of notice by the Board of its election to accept such offer; provided, however, that in the event that the closing date of the purchase or the commencement date of the term of the lease, as the case may be, set forth in the Sale or Lease Agreement shall be later than 60 days after the giving of notice by the Board of its election to accept the aforesaid offer, the Board shall be required to perform or cause to be performed all of the terms of the Sale Agreement or Lease (except as otherwise expressly set forth in this Article 8), including, but not limited to, payment of a downpayment or advance rentals and security deposits, or closing of title or acceptance of occupancy, as the case may be, and such closing of title or the commencement of the term of the Lease shall be on the date set forth in the Sale Agreement or Lease as the intended closing date or commencement date, as the case may be. If, pursuant to such Sale Agreement or Lease, the Outside Offeror was to assume or take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, in the case of a sale, the Board may purchase the Unit and assume or take title to the Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Unit (together with its appurtenant Common Interest) is to be sold, shall convey the same to the Board, or its designee, corporate or otherwise, on behalf of all Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York. Real estate taxes (including, water charges and sewer rents, if separately assessed), mortgage interest, if applicable, Common Charges and rent, if applicable, shall be apportioned between the Offeree Unit Owner and the Board, or its designee, corporate or otherwise, as of the closing date. In the event such Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Board, or its designee, corporate or otherwise, a lease between the Offeree Unit Owner, as landlord, and the Board, or its designee, corporate or otherwise, as tenant, covering such Unit, for the rental and term contained in the Lease.

8.1.3. In the event the Board or its designee shall fail to accept such offer within 20 days after receipt of notice, or waives such election in writing, as aforesaid, the Offeree Unit Owner shall have an additional 90 days after the earlier of the expiration of such 20-day period or waiver in writing by the Board, to consummate the transaction set forth in the Sale Agreement or Lease. In the event the Offeree Unit Owner shall not, within such 90 day period, so consummate the transaction, or should the terms of the Sale Agreement or Lease be amended or modified in any way (whether orally, in writing or by a side agreement) to be on terms less favorable to the Offeree Unit Owner, then the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1.

8.1.4. Any deed to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the provisions

of the Declaration, these Bylaws, the Rules and Regulations, in each case, as the same may be amended from time to time, and, in the absence of such express language, the same shall be conclusively deemed to have been included therein.

8.1.5. Any Lease to an Outside Offeror shall be consistent with these Bylaws and shall provide that it may not be modified, amended, extended or assigned without the prior consent in writing of the Board, that the tenant shall not assign its interest in such Lease or sublet the demised premises or any part thereof without the prior consent in writing of the Board and that the Board shall have power to terminate such Lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of (i) a default by the tenant in the performance of its obligations under such Lease or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York or otherwise. Such Lease shall also provide that it is and shall be subject and subordinate to these Bylaws and the Rules and Regulations.

8.1.6. Except as hereinbefore set forth the form and substance of any such Lease executed by the Board or an Outside Offeror shall be the then current form of lease approved by the Board (as the same may be changed from time to time). Any Lease executed by the Board as tenant shall provide that the Board may enter into a sublease of the demised premises without the consent of the landlord and without paying to the landlord any portion of the rent received from the subtenant.

8.1.7. If a Unit Owner is a corporation, any sale, assignment, transfer or other disposition of any of its stock other than through any recognized national securities exchange or "over-the-counter" market, or if a Unit Owner is a partnership, limited liability company or other entity, any sale, assignment, transfer or disposition of any interest in such partnership, company or other entity shall also subject the Unit owned by such entity to the requirement that the Unit first be offered to the Board, as described in Section 8.1.

8.1.8. Any purported sale or lease of a Unit in violation of this Section 8.1 shall be voidable at the election of the Board and if the Board shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board to institute legal proceedings to eject or evict the purported purchaser or tenant, as the case maybe, in the name of said Unit Owner as the purported seller or landlord, as the case may be. Said Unit Owner shall reimburse the Board for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

Section 8.2. Consent of Unit Owners to Purchase or Lease of Units by Board. The Board shall not exercise any option herein above set forth to purchase or lease any Unit without the prior approval of a Majority of Unit Owners with respect to a sale and the affirmative vote of a majority of the members of the Board for a lease. However, the Board shall have the right to release or waive such option without the prior approval of a Majority of Unit Owners.

Section 8.3. No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to its Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant Common Interest of any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interests are appurtenant, or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests of Units. Nothing in this Section 8.3 shall prohibit the lease of any Unit without the simultaneous lease of its appurtenant Common Interest.

Section 8.4. Release by Board of Right of First Refusal. The right of first refusal contained in Section 8.1 may be released or waived by the Board only in the manner provided in Section 8.5. In the event the Board shall release or waive its right of first refusal as to any Unit, such Unit, together with its appurtenant Common Interest, may be sold, conveyed or leased in accordance with the Sale Agreement or Lease and the other information supplied by the Offeree Unit Owner to the Board pursuant to Section 8.1 hereof. The Board may establish reasonable fees for the consideration as to the waiver of any right of first refusal, which fees shall be payable by the selling or leasing Unit Owner (but not Sponsor or its designee), as the case may be, to the Managing Agent.

Section 8.5. Certificate of Termination of Right of First Refusal. A certificate executed and acknowledged by the Secretary or any other officer of the Condominium, or the Managing Agent, if any, stating that the provisions of 8.1 have been satisfied by a Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the Board and that, as a result thereof, the rights of the Board thereunder have terminated, shall be conclusive upon the Board and the Unit Owners in favor of all persons who rely on such certificate in good faith.

Section 8.6. Financing of Purchase of Units by Board. The purchase of any Unit, together with its appurtenant Common Interest, by the Board or its designee, corporate or otherwise, on behalf of all liens against their Units, other than Permitted Mortgages.

Section 8.7. Exceptions. The provisions of Section 8.1 shall not apply to the lease, sale or conveyance of any Unit, together with its appurtenant Common Interest, by: (a) the Unit Owner thereof to his or her spouse, adult children, parents, adult siblings or to any combination of them, or to a trust for the benefit of any one or more of them and/or any one or more minor children of any of them (collectively, "family members"), or to any affiliate (as defined below) of the Unit Owner thereof or the owner of any interest in a Unit Owner which is a corporation, partnership, limited liability company or other entity; (b) Sponsor or its designee with respect to Unsold Units; (c) the Board; (d) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure; or (e) a Mortgagee, its nominee, or a purchaser who has acquired title to any Unit at any

foreclosure sale of its Mortgage or by deed in lieu of such foreclosure delivered in a bona fide transaction; provided, however, that each succeeding Unit Owner shall be bound by, and its Unit shall be subject to, all of the provisions of this Article 8. The term "affiliate" shall be deemed to be any individual or entity that owns 50% or more of the legal and beneficial interest of such Unit Owner or owner of an interest in a Unit Owner, as the case may be, (with respect to a Unit Owner which is not an individual or any entity with respect to which such Unit Owner or owner of an interest in a Unit Owner, as the case may be, (individual or otherwise) owns 50% or more of the legal and beneficial interest.

Section 8.8. Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer his or her Unit by gift, or may devise his or her Unit by will, or have his or her Unit pass by intestacy, without complying with the provisions of Section 8.1, provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit will be subject to, the provisions of this Article.

Section 8.9 Charges Imposed on Sale or Lease of Units. If permitted by law, the Board shall be entitled to fix by resolution and collect, before any sale or lease of a Unit is consummated, a reasonable charge to cover its expenses, and any fees due the Managing Agent (if one has been employed by the Board), or any attorney retained by the Board, in connection with the sale or lease. If such charge is adopted, it shall be added to, and constitute a portion of, Common Charges payable by the selling or leasing Unit Owner. The aforementioned charge shall not apply to the lease of a Unit to Declarant or its designee, to the sale or lease of Unsold Units by Declarant or its designee, or to the sale or lease of Unsold Units by a Permitted Mortgagee of Declarant that acquires title to Unsold Units.

Section 8.10 Power of Attorney. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and make arrangements for recording in the City Register's Office, the Power of Attorney required by Article 16 of the Declaration.

Section 8.11 Notices Concerning Unit Occupancy. Within five (5) days following acquisition of a Unit or the commencement of a lease relating thereto, the new Unit Owner or lessor, as the case may be, shall notify the Board or, if one has been employed by the Board, the Managing Agent, of the name of the purchaser or lessee and the names of the individuals, as permitted by these By-Laws, who will be using or occupying the Unit. The individuals so designated may be changed by the purchaser or lessor, from time to time, by further notice to the notify the Board or, if one has been employed by the Board, the Managing Agent

Section 8.12. Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common. In the event that any Unit shall be acquired by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, as tenants-in-Common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit and the entire Condominium Property as herein provided.

Section 8.13. Payment of Assessments. Unit Owners shall not be permitted to sell, convey, mortgage, pledge, hypothecate or lease their Units unless and until they shall have paid in full to the Board all unpaid Common Charges and other amounts required by the Board to be paid and theretofore assessed by the Board against such Units and until such Unit Owners shall have satisfied all unpaid Assessments.

Section 8.14. Mortgage of Units. Subject to Article 7 and Section 8.13, each Unit Owner shall have the right to mortgage such Unit Owner's Unit to a Permitted Mortgagee, provided that, with respect to any mortgage covering a Unit, the Unit Owner making such mortgage shall notify the Board in writing of the making of such mortgage.

ARTICLE 9.CONDEMNATION

In the event of the taking in condemnation or by eminent domain of all or any part of the Common Elements, then, subject to the provisions set forth below, the Board will arrange for the prompt repair and restoration of the part of the Common Elements so taken. The award made for any such taking shall be payable to the Board, provided, however, that if any such award exceeds $2,500,000, such award shall be payable to the Insurance Trustee (as defined in Section 12.6 hereof) and shall be disbursed to the contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed, the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be (a) borne and shared by all Unit Owners with respect to any taking of the Common Elements pro rata in accordance with their Common Interests, and (b) borne and shared by all Unit Owners with respect to any taking of the Limited Common Elements pro rata, in accordance with their Common Interests; provided, that the amount of any surplus payable to any Unit Owner shall be lessened by such amounts as may be necessary to reduce unpaid liens on any such Unit in the order of the priority of such liens. Notwithstanding any provisions contained herein to the contrary, if seventy-five (75%) percent or more of the Limited Common Elements and/or Common Elements, in the aggregate, are so taken, such repairs or restorations shall not be made unless seventy-five (75%) percent or more of all Unit Owners (including Sponsor or its designee, if Sponsor or such designee shall then own any Units), both in number and in aggregate Common Interests, shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the repairs and restoration shall be performed as set forth above. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the repairs and restoration shall not be performed and the Condominium 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 the resulting sale, and the net proceeds of any such award with respect to the taking shall be divided among 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 out of its share of such funds, such amounts as may be necessary to reduce all unpaid liens on his Unit in the order of the priority of such liens. As used in this Article 9, the words "promptly resolve" means not more than 60 days from the date of such taking.

ARTICLE 10. RECORDS AND AUDITS

Section 10.1. Records. The Board or the Managing Agent for the Condominium shall keep detailed records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Unit Owners, and financial records and books of account with respect to the activities of the Board, including a listing of all receipts and expenditures. In addition, the Board shall keep a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges and other amounts required by the Board to be paid in respect of such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

Section 10.2. Audits. Within four months after the end of each fiscal year, an annual report of receipts and expenditures, prepared and certified by an independent certified public accountant, shall be submitted by the Board to all Unit Owners, and, if so requested, to any Permitted Mortgagee. The cost of such report submitted by the Board shall be paid by the Unit Owners as a Common Expense.

Section 10.3. Availability of Documents. Copies of the Declaration, these Bylaws, the Rules and Regulations and the Floor Plans (as such term is defined in the Offering Plan), as the same may be amended from time to time, shall be maintained at the office of the Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours, upon reasonable prior notice.

ARTICLE 11. ARBITRATION

Section 11.1. General Procedure. Any arbitration provided for in these Bylaws or the Declaration shall be conducted before one arbitrator in New York City by the American Arbitration Association or any successor organization thereto, in accordance with its rules then in effect, and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. Notwithstanding the foregoing, any arbitration held pursuant to the Declaration or these Bylaws with respect to a dispute which arose prior to the first annual meeting of Unit Owners, shall not be binding. In the event that the American Arbitration Association shall not then be in existence and has no successor, any arbitration hereunder shall be conducted in New York City before one arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of Kings. The decision of the arbitrator so chosen shall be given within ten days after his or her appointment. Any arbitrator appointed or selected in connection with any arbitration hereunder shall be a member of a law firm whose principal office is in the City of New York and which has at least five members.

Section 11.2. Costs and Expenses. The fees, costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to a dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of its counsel and expert witnesses. All costs and expenses paid or incurred by the Board

in connection with any arbitration held hereunder (including, without limitation, the fees and expenses of counsel and expert witnesses) shall constitute Common Expenses.

Section 11.3. Agreement by Parties. The parties to any dispute required or permitted to be submitted to arbitration hereunder may, by mutual agreement between them, vary any of the provisions of Section 11.1 with respect to the arbitration of such dispute, or may agree to resolve their dispute in any other manner, including without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes".

ARTICLE 12. MISCELLANEOUS

Section 12.1. Consents. Wherever the consent, approval or satisfaction of Sponsor or its designee is required under these Bylaws or the Declaration, such consent, approval or satisfaction shall not be required when there are no remaining Unsold Units.

Section 12.2. Waiver. No provision contained in these Bylaws or the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches thereof which may occur.

Section 12.3. Captions. The index hereof and 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 Bylaws nor the intent of any provision hereof.

Section 12.4. Certain References.

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

12.4.2. The terms "herein", "hereof" or "hereunder" or similar terms used in these Bylaws refer to these entire Bylaws and not to the particular provision in which the terms are used.

12.4.3. Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these Bylaws.

Section 12.5. Severability. Subject to the provisions of the Declaration, if any provision of these Bylaws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these Bylaws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these Bylaws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by law. In the event any provision of these

Bylaws or the Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

Section 12.6. Insurance Trustee. The Insurance Trustee shall be a bank or trust company having an office located in The City of New York, designated by the Board and having a capital surplus and undivided profits of $500,000,000 or more. In the event the Insurance Trustee resigns or is replaced by the Board, the Board shall appoint a new Insurance Trustee which shall be a bank or trust company having an office located in The City of New York and having a capital surplus and undivided profits of $500,000,000 or more. The Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense. The Insurance Trustee shall hold all such proceeds in accordance with Section 254(4) of the Real Property Law of the State of New York.

Section 12.7. Successors and Assigns of Sponsor. The rights and/or obligations of Sponsor or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Sponsor or its designee or, with the consent of Sponsor or its designee, any transferee of all of the then Unsold Units. Subject to the foregoing, Sponsor or its designee shall have the right, at any time, in its sole discretion, to assign or otherwise transfer its interests herein, whether by merger, consolidation, lease, assignment or otherwise.

Section 12.8. Covenant of Further Assurances.

12.8.1. Any party which is subject to the terms of these Bylaws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request, to effectuate the provisions of these Bylaws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

12.8.2. If any Unit Owner or any other party which is subject to the terms of these Bylaws fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action which such Unit Owner or other party is required to execute, acknowledge and deliver or to take pursuant to these Bylaws, then the Board is hereby authorized, as attorney-in-fact, coupled with an interest, for such Unit Owner or other party, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other party, and such instrument or action shall be binding on such Unit Owner or other party, as the case may be.

Section 12.9. Definitions. Except where otherwise herein defined, all capitalized terms contained herein have the same meanings ascribed to them as are contained in the Declaration.

ARTICLE 13. AMENDMENTS TO BYLAWS

Section 13.1. Amendments by Unit Owners. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee, any Unsold Units, any provision of these Bylaws or the Rules and Regulations affecting (a) only the Units or the Common Element or the Unit Owners may be amended, modified, added to or deleted by the affirmative vote of at least 66 2/3% in number and in Common Interest of all Unit Owners provided, however, that the use of Units or the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners affected thereby. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Sponsor or its designee, any Unsold Units, any such amendment, modification, addition or deletion shall be executed by the Board, as attorney-in-fact, coupled with an interest, for the Unit Owners. Each duly adopted amendment, modification, addition or deletion to these Bylaws shall be effectuated by an instrument recorded in the City Register's Office.

Section 13.2. Amendments Affecting Sponsor or its Designee. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition to or deletion of these Bylaws, the Declaration or the Rules and Regulations shall be effective in any way against (a) Sponsor or its designee, for so long as Sponsor is the owner of one or more Units, or any Unsold Unit, unless Sponsor has given its prior written consent thereto, or (b) the holder of any present or future mortgage, pledge or other lien or security interest covering any Unsold Unit unless such holder has given its prior written consent thereto.

Section 13.3 Amendments Affecting Permitted Mortgagees. Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to Article 7 or Sections 6.1, 6.6, 6.2.2, 6.2.3, 8.7(d) or (e), or 8.9 shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

Exhibit A

RULES AND REGULATIONS OF THE 150 NORTH FIFTH STREET CONDOMINIUM

1. The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of the Building shall not be obstructed or used for any other purpose than ingress to and egress from the Units.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors, stairways or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows or roofs or placed upon the window sills of the Building.

3. Neither occupants nor their guests shall play in the entrances, passages, public halls, elevators, vestibules, corridors, stairways or fire towers of the Building.

4. No public hall or public elevator vestibule of the Building shall be decorated or furnished by any Unit Owner in any manner.

5. Each Unit Owner shall keep such Unit Owner's Unit and any Limited Common Elements appurtenant thereto (including the surface and drains of any terrace or balcony appurtenant to a Unit) in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance. Any determination as to what constitutes a good state of preservation and cleanliness for any Unit Owner's terrace or balcony shall be within the sole but reasonable discretion of the Board.

6. No window guards, window shades or window decorations shall be used in or about any Unit, unless otherwise required by law, except such as shall have been approved in writing by the Board or the managing agent. No clothes, sheets, blankets, laundry or other articles of any kind shall be hung on or out of a Unit or its appurtenant Limited Common Elements. No window frames or mullions may be removed, altered or replaced without the written consent of the Board.

7. No radio, television aerial, satellite dish or similar device shall be attached to or hung from the exterior of the Building and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any door or window or other part of the Building except such as are permitted pursuant to the Declaration or the By-Laws or shall have been approved in writing by the Board or the managing agent, nor shall anything be projected from any door or window of the Building without similar approval, except as may otherwise be required by law.

8. No heat, ventilator or air conditioning device or window fan shall be installed in any Unit without the prior written approval of the Board, which approval may be granted or refused in the sole discretion of the Board.

9. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Unit Owner's Unit.

10. No velocipedes, bicycles, scooters or similar vehicles shall be allowed in any elevator unless designated by the Board or the managing agent for that purpose, and no baby carriages or any of the above-mentioned vehicles or other equipment, furniture or other personal articles shall be allowed to stand in the passages, public halls, vestibules, corridors or other public areas of the Building.

11. No Unit Owner shall make or permit any disturbing noises or activity in the Building, or do or permit anything to be done therein, which will interfere with the rights, comfort or convenience of other Unit Owners or the tenants or occupants of the Building. No Unit Owner shall play or suffer to be played any musical instrument, or practice or suffer to be practiced vocal music, or operate or permit to be operated a phonograph, radio, television, stereo or other loud speaker in such Unit Owner's Unit between 11:00 P.M. and the following 7:00 A.M., if the same shall disturb or annoy other occupants of the Building, unless the same shall have the prior written consent of the Board. No construction or repair work or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency or unless such work is performed by Sponsor or Declarant.

12. No pets other than seeing-eye dogs shall be permitted, kept or harbored in a Unit without the same in each instance having been expressly permitted in writing by the Board or the managing agent and such consent, if given, shall be revocable by the Board in its sole discretion, at any time. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Building or on the sidewalk or street adjacent to the Building.

13. No Unit Owner or any visitor, guest, patient, employee or any client of a Unit Owner shall be allowed in the heating, electrical or mechanical equipment areas without the express permission of the Board of Managers.

14. All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid by the Unit Owner responsible for the presence of such article.

15. No refuse from the Units shall be sent to the below grade levels of the Building except at such times and in such manner as the Board or the managing agent may direct.

16. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the Owner of such Unit.

17. No occupant of any Unit shall send any employee of the Condominium or of the managing agent out of the Building on any private business.

18. The agents of the Board or the managing agent, and any contractor or worker authorized by the Board or the managing agent, may enter any room or Unit at any reasonable hour of the day, on at least one day's Prior written 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 manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

19. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

20. The Board or the managing agent may retain a passkey to each Unit. If any lock is altered or a new lock is installed, the Board or the managing agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to such Unit Owner's Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws and has not furnished a key to the Board or the managing agent, then the Board or the managing agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Board 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 under the circumstances is given to such Unit Owner's property).

21. No vehicle belonging to a Unit Owner or to a member of the family guest, tenant or employee of a Unit Owner shall be parked in such manner as to or prevent ready access to any entrance to or exit from the Building by another vehicle.

22. Complaints regarding the services of the Building shall be writing to the Board or to the managing agent.

23. Any consent or approval given under these Residential Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole

discretion of the Board at any time by resolution of the Board. Further, any such consent or approval of the discretion of the Board, be conditional.

24. Unit Owners will faithfully observe all Laws regarding recycling of refuse then imposed by governmental agencies having jurisdiction thereover and observing any additional recycling rules established by the Condominium Board.

25. Except as permitted under the Declaration and By-Laws, Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

26. Unit Owners, their guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Units or any public portions of the Building.

27. No Unit Owner or any of such Unit Owner's agents, servants, employees, licensees, tenants, sublessees or visitors shall at any time bring into or keep in such Unit Owner's Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

28. If any key or keys are entrusted by a Unit Owner or by any member of such Unit Owner's family or by such Unit Owner's agent, servant, employee, tenant, sublessee, licensee or visitor to an employee of the Board or the managing agent, whether for such Unit Owner's Unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Board nor the managing agent shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

29. Nothing shall be done or kept in any Unit or in the Common or Limited Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in such Unit Owner's Unit or in the Common or Limited Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any law. No waste shall be committed in the Common or Limited Common Elements.

30. The Board shall have the right from time to time to relocate any portion of the Common Elements devoted to storage or service purposes.

31. No group tour or exhibition of any Unit or its contents shall be conducted, nor shall any auction sale be held in any Unit, without the prior consent of the Board or the managing agent.

32. In the event that any Unit is used for home occupation purposes which are permitted by law and the By-Laws, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

33. There will be no barbecuing in the Units in the Limited Common Elements (including terraces and balconies), or in the Common Elements, except for those areas (if any) specifically designated for barbecuing by the Board.

34. The Board reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Condominium when, in the reasonable judgment of the Board, the Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Condominium, or the preservation of good order therein, or the operation or maintenance of the Building, or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Building. No rescission, alteration, waiver or addition of any rule or regulation in respect of one Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Unit Owner or other occupant.

35. No article, including, but not limited to, bicycles and similar vehicles, shall be stored or allowed to stand on terraces or balconies, other than furniture of the kind usually maintained in outdoor areas.

36. Plantings shall not be permitted outside any windows.

37. 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 the Common Elements any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or Common Elements.

DECLARATION OF CONDOMINIUM

Establishing a Plan for Condominium Ownership
of the Premises known as
150 North Fifth Street
Brooklyn, New York 11211

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

Name: **THE 150 NORTH FIFTH STREET CONDOMINIUM**

Sponsor/Declarant: **150 NORTH FIFTH STREET LLC**
169 Wythe Avenue, Suite 102
Brooklyn, New York, New York 11211

Date of Declaration: _____, 200_

The land affected by the within instrument lies in
Section __, Block 2344, Lot _____on the Tax Map of the
Borough of Brooklyn, County of Kings, City and State of New York

Record and Return to:

SEIDEN & SCHEIN, P.C.
570 Lexington Avenue
New York, New York 10022
Attention: Alvin Schein, Esq.

APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON
THE DISPOSITION OF DOWN PAYMENTS

APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWN PAYMENTS

(Send this application to the reviewing attorney assigned to the subject plan.)

Re: 150 North Fifth Street
Brooklyn, New York 11211

Name of Project: 150 North Fifth Street Condominium

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 down payment.
[ ]forfeiture of down payment.
[ ] other: _____

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

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

7. Name and Address
of Sponsor: 150 North Fifth Street LLC, 169 Wythe Avenue, Suite 102, Brooklyn, New York, New York 11211

8. Name and Address
of Escrow Agent: Seiden & Schein, P.C., 570 Lexington Avenue, 14th Floor, New York, New York 10022.

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

(a) Name of account: Seiden & Schein, P.C. Attorney Escrow Account

(b) Name and address
of bank: North Fork Bank, 643 Lexington Avenue, New York, New York .

(c) Account number (if known): To be determined

(d) Initial interest rate (if known): To be determined

10. If down payments have been secured by bonds:

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

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

_____
_____
_____
_____
_____

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

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

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

12. Plan information:

(a) Date of filing of Plan:_____

(b) The Plan:

[ ] has been declared effective.
Approximate date:_____

[ ] has not been declared effective.

(c) If effective, the Plan:

[ ] has closed or the first unit has closed.
Approximate date:_____

[ ] has not closed.

[ ] don't know.

(d) Down payments are secured by:

[ ] escrow account.

[ ] bonds.

[ ] letter of credit.

13. Contract information:

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

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

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

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

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

_____

_____

_____

_____

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

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

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

_____

_____

_____

_____

_____

_____

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

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawfiil 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: _____

_____

_____

LETTER FROM TAX EXPERT AS TO REAL ESTATE TAX PROJECTIONS

METROPOLITAN VALUATION SERVICES

REAL ESTATE CONSULTING AND APPRAISAL

January 26, 2007

150 North Fifth Street LLC
169 Wythe Avenue
Suite 102
Brooklyn, NY 11211

re: **MVS # 06-0236**
Post-Completion Real Estate Tax Assessment and Analysis
150 North Fifth Street
150 North 5th Street
Brooklyn, NY
Kings County Block 2344 Lot 5

Greetings:

You have requested us to estimate the prospective real estate tax assessment for the to-be-developed apartments (herein referred to as the 'subject property') at 150 North 5th Street, Brooklyn, NY assuming its initial year of operation as residential condominium units commencing approximately January 1, 2008. The improvements will be developed on a site bounded by Bedford Avenue to the west, North 5th Street to the north, Driggs Avenue the east and North 4th Street to the south in the Greenpoint section of Brooklyn.

Upon completion of the proposed construction, the improvements are scheduled to consist of a 4-story structure with 2 wings containing 31 apartments and common areas. Per material reviewed, the gross building area has been estimated at approximately 40,501 square feet. The building area will be employed in the estimate of total real estate tax assessment. The distribution of the real estate tax liability among the apartments will be based on their respective common area interest percentage allocation set forth in the Schedule A of the offering plan.

It has been the practice of the Real Property Assessment Department of the City of New York to review the assessed valuation of newly constructed buildings for condominium use. While there is a formula, which has been utilized by the Real Property Assessment Department in reassessing such properties in the past, it has not been employed consistently, and it is therefore not possible to estimate or determine the post-completion assessed valuation of this property with any degree of certainty. However, the estimates presented below are based upon current policies and practices of that department.

All prospective purchasers are advised that although the estimate of assessed valuation upon completion of construction is a good-faith estimate, such assessed valuation, when actually made, may be less or greater than as estimated herein.

You have advised us of the following facts regarding this project:

The proposed improvements are scheduled to contain a multi-story elevatored residential apartment building that will be operated as a condominium. The improvements will be a conversion and addition to an existing 2- and 3-story through-block former manufacturing building.

The residential mix will feature 31 apartment units, comprised of Studio-, 1- , 2- and 3-bedroom apartments, some of which will feature a home occupation room, and/or private outdoor area.

The following analysis addresses the estimate of prospective real estate tax assessment and liability for the apartments within the subject property.

This letter only addresses the prospective tax assessment for the initial year of the subject property's operation as condominium. The projected completion date is January 1, 2008.

The subject property will be converted to condominium ownership. Condominium ownership, as defined by the Appraisal Institute in The Dictionary of Real Estate Appraisal, 3rd Edition Chicago, Illinois, is a form of fee ownership of separate units or portions of multi-unit buildings that provides for formal filing and recording of a divided interest in real property, and/or a multiunit structure of property in which persons hold fee simple title to individual units and an undivided interest in common areas.

The following analysis addresses the estimate of prospective real estate tax assessment and liability for the apartments within the subject property both assuming participation in the 15-year partial real estate tax exemption benefits program ("421-a") and assuming the facility does not receive such 421-a benefit.

Per the rules for 421-a benefit calculation, the 2005/06 tax year assessment would form the basis for the post-development tax liability. As such, the 2005/06 assessed value, or $339,158 will form the basis for the subject property's post-development tax liability assuming 421-a program participation.

The subject property apartments will be classified for real estate tax assessment purposes as a Class II category (All residential real property). The Class II tax rate for the 2002/03 fiscal year was $12.517 per $100.00 of assessed value, demonstrating a significant 15.98% increase over the previous year. The tax rate for the 2003/04 fiscal year was noted as $12.620 per $100.00 of assessed value, a nominal 0.8% increase from the 2002/03 fiscal year rate. The tax rate for the 2004/05 fiscal year was $12.216 per $100.00 of assessed value, demonstrating a retreat from the record high 2002/03 tax rate. The tax rate for the 2005/06 fiscal year is $12.396 per $100.00 of assessed value, posting a nominal 1.05% increase from the prior year. The rate for the 2006/07 tax year is $12.737 per $100.00 of the date of assessed value, equating to a 2.78% increase from the prior year.

General concerns for further large rate increases may be mitigated as the local economy continues to improve.

There are three recognized appraisal methods that are employed by the Real Property Assessment Department to determine the full market value of income producing real property. These methods are the original cost method, capitalization of income approach, and the sales price comparison method.

The original cost method is based on the theory that the value of a given property is reflected by its cost of construction plus the acquisition cost of the underlying land. This method of valuation is considered a highly significant indicator of value with respect to new buildings. Relevant data used in the cost method include, but may not be limited to, material and labor costs.

The capitalization of income method is based upon the proposition that the annual net income generated by a property, when divided by the rate of return an investor at a given time would accept for his money in competing investment, yields a close estimate of the market value of the property. This is considered a superior approach for apartment rental investment properties.

The sales price comparison method is founded upon the belief that value can be ascertained by surveying market prices. Market value has been defined as that price which a property would bring in a competitive and open market, wherein both buyer and seller are acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus.

The standard for assessment for residential cooperative and condominium structures is set forth in Real Property Tax Law 581. In essence, the standard of assessment prescribed by statute for cooperative and condominium structures is that these buildings are to be assessed in the same manner as are rental apartment buildings. Further, the statutes provide that the sale price of a cooperative building as an entity and/or the sale of condominium units are not the measure of value for assessment purposes.

In arriving at the assessed valuation, elements germane to traditional valuation methodologies were employed. This process examines development costs and land values; and, extrinsic indicia of value, including local inflation rates, location qualities, square footage, functionality of the improvements, scheduled amenities, net income producing potential and comparability to like-kind rental investment properties and recently constructed facilities converted to condominium.

Reconciliation of the three approaches to valuation discussed above included review of actual 2004/05 and 2005/06 assessment valuations for comparable condominium development in the immediate and surrounding vicinity of the subject, which justifies an overall prospective assessed valuation for the facility averaging $55.00 per square foot of gross building area. This equates to a total actual assessment of approximately $2,227,555 as the post-completion assessment for the subject property ($55.00 per Sq. Ft. of Building Area × 40,501 Sq. Ft. of Building Area). This derived prospective aggregate assessed value is deemed appropriate for the subject property.

Since the1982/83 tax year, Real Property Tax Law Section 1805 (3) provides for the creation of a transitional assessment system within the City of New York. Under the transitional assessment system, any increase in the assessed value of a property is phased in over a 5-year period in equal annual installments. However, the statute requires the Finance Department to include all physical (new construction, renovation, rehabilitation or addition of square footage to existing structures) changes directly in the taxable assessed valuation without the 5-year phase-in. The "actual assessment" is the target value, which will be reached at the end of the 5-

year period, assuming the assessment is not increased in the interim. Pursuant to Real Property Tax Law Section 1805, the taxable assessment is determined to be the lesser of the actual assessed valuation or the transitional assessed valuation.

Understanding that occupancy for the entire structure is projected for the beginning of January 2008, the subject building may only have an interim assessed value and may not be fully assessed until the 2008/09 tax year (the New York City fiscal tax year runs from July 1 through the following June 30 and assessments are tentatively set mid-January prior to the fiscal tax year), at which time the post-construction assessed valuation for the entire premises would be established by the assessor. As such, the 2008/09 fiscal tax year has been selected for the post-completion assessment analysis herein. In the event completion of construction is delayed for any reason, it is possible that the actual assessed valuation for the 2008/09 tax year may be lower than as estimated herein.

Upon completion, the subject property residential units will be classified as a Tax Class II property and subject to that tax rate for the prevailing tax year. We have assumed, for the purpose of this tax projection that the Class II rate will remain somewhat static, with a 2.0% annualized inflation applied to project the 2008/09 tax year rate. This equates to a projected Class II tax rate of $13.252 per $100.00 of assessed value for the 2008/09 tax year.

Real property taxes are payable semi-annually, on July 1, and January 1 (as previously stated, the City operates on a fiscal year commencing July 1 and ending June 30). Taxes payable during calendar year 2008 will be comprised of the tax due for the second-half 2007/08 and the first-half 2008/09 tax year.

For budgeting purposes for the initial year's operation as condominium, however, taxes payable are estimated as coincident with the stated 2008/09 New York City real property tax year. The tax liability is paid by the individual condominium unit owners.

RESIDENTIAL UNITS

With 421-a partial real estate tax exemption program benefit

Based on the 421-a program guidelines, the prospective aggregate annual tax liability is $44,945.22 ($339,158 base-year assessed value × $13.252 per $100.00 of assessed value). This equates to an aggregate $3,745.44 monthly liability.

Without 421-a partial real estate tax exemption program benefit

Based on the prospective assessed value, the aggregate annual tax liability is $295,195.59 ($2,227,555 post-completion assessed value × $13.252 per $100.00 of assessed value). This equates to an aggregate $24,599.63 monthly liability.

- Prospective purchasers are advised that this valuation estimate assumes that the taxing authority is assessing a post-conversion occupied building ***and is not intended to reflect any "progress" or interim valuation.***

POST-CONSTRUCTION PROJECTION OF REAL ESTATE TAX LIABILITY

Unit	Estimated Annual RE Tax without 421-a	Estimated Annual RE Tax with 421-a	Estimated Monthly RE Tax without 421-a	Estimated Monthly RE Tax with 421-a	Unit	Estimated Annual RE Tax without 421-a	Estimated Annual RE Tax with 421-a	Estimated Monthly RE Tax without 421-a	Estimated Monthly RE Tax with 421-a
N-1A	$7,940.76	$1,209.03	$661.73	$100.75	S-2I	$7,438.93	$1,132.62	$619.91	$94.39
N-1B	$9,682.42	$1,474.20	$806.87	$122.85	S-2J	$9,092.02	$1,384.31	$757.67	$115.36
N-1C	$6,405.74	$975.31	$533.81	$81.28	S-2K	$10,066.17	$1,532.63	$838.85	$127.72
N-1D	$8,147.40	$1,240.49	$678.95	$103.37	N-3A	$12,900.05	$1,964.11	$1,075.00	$163.68
N-1E	$9,328.18	$1,420.27	$777.35	$118.36	N-3D	$8,767.31	$1,334.87	$730.61	$111.24
S-1F	$7,084.69	$1,078.69	$590.39	$89.89	N-3E	$9,446.26	$1,438.25	$787.19	$119.85
S-1G	$7,881.72	$1,200.04	$656.81	$100.00	S-3F	$9,800.49	$1,492.18	$816.71	$124.35
S-1H	$8,973.95	$1,366.33	$747.83	$113.86	S-3G	$7,025.66	$1,069.70	$585.47	$89.14
S-1I	$7,261.81	$1,105.65	$605.15	$92.14	S-3H	$8,117.88	$1,235.99	$676.49	$103.00
S-1K	$7,438.93	$1,132.62	$619.91	$94.39	S-3I	$10,597.52	$1,613.53	$883.13	$134.46
N-2A	$10,243.29	$1,559.60	$853.61	$129.97	S-3J	$12,191.58	$1,856.24	$1,015.97	$154.69
N-2C	$9,800.49	$1,492.18	$816.71	$124.35	S-3K	$10,538.48	$1,604.54	$878.21	$133.71
N-2D	$8,914.91	$1,357.35	$742.91	$113.11	N-4A	$14,080.83	$2,143.89	$1,173.40	$178.66
N-2E	$9,475.78	$1,442.74	$789.65	$120.23	N-4B	$12,722.93	$1,937.14	$1,060.24	$161.43
S-2G	$10,154.73	$1,546.12	$846.23	$128.84	S-4G	$15,556.80	$2,368.61	$1,296.38	$197.37
S-2H	$8,117.88	$1,235.99	$676.49	$103.00					
					TOTAL	**$295,195.59**	**$44,945.22**	**$24,599.63**	**$3,745.44**

This letter was prepared at the sponsor's request. Certain figures set forth herein are approximations derived from material submitted by the sponsor and are subject to variation.

We have not passed upon the accuracy of any figures or estimates contained within the Plan, and offer no warranties of the amount of any liability for any period. The opinions expressed above are based on our interpretations of the RPTL, Administrative Code of the City of New York, and the applicable rules and regulations of the Department of Finance in effect as of the date hereof. While we believe our opinions are well founded, they are not intended, and should not be construed as representations or warranties or as opinions at law.

You should be aware that the laws, regulations and practices of the Department of Finance upon which this opinion is predicated may in the future be revised in a manner adverse to your interests, or that there may be an adverse interpretations of the law or regulations by one or more agencies of the City of New York, or Courts of competent jurisdiction.

The foregoing analysis is based upon our experience with the Real Property Assessment Department and the Tax Commission of the City of New York, and their assessment policies regarding non-rehabilitated properties held in cooperative ownership. Application of a particular approach to valuation by an individual assessor may yield a different result. This would necessitate commencement of real property tax review proceedings at the Tax Commission or Supreme Court level to bring the assessment in line with the estimates presented herein.

We hereby consent to the inclusion of this letter in its entirety in the Offering Plan.

Very truly yours,

METROPOLITAN VALUATION SERVICES, INC.



By: Steven J. Schleider, MAI
President
For the firm

CERTIFICATE OF APPRAISAL

I, Steven J. Schleider, MAI certify that to the best of my knowledge and belief that:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and have no personal interest or bias with respect to the parties involved.

I have no personal interest with respect to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

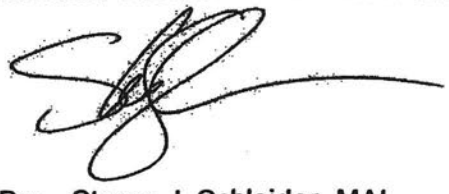
My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.

Steven J. Schleider has not made a personal inspection of the property that is the subject of this report but has reviewed salient construction plans. Steven J. Schleider has extensive experience in the appraisal of similar properties.

No one provided significant professional assistance to the person signing this report.

Steven J. Schleider has been duly certified to transact business as a Real Estate General Appraiser (New York State certification #46000016498).

METROPOLITAN VALUATION SERVICES, INC.



By: Steven J. Schleider, MAI
President

BASIC ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report is subject to the following assumptions and limiting conditions:

- No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

BASIC ASSUMPTIONS AND LIMITING CONDITIONS (Continued)

- Possession of this report, or a copy thereof, does not carry with it the right of publication.

- The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval of the appraisers.

- The appraisers have inspected the subject property with the due diligence expected of a professional real estate appraiser. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment.

- The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

- The appraiser is authorized by the client to disclose all or any portion of this report and the related data to appropriate representatives of the Appraisal Institute, or other professional organizations of which the appraiser is a member or affiliate, if such disclosure is required to enable the appraiser to comply with bylaws and regulations of such organizations.

- All values rendered within this report assume marketing times of twelve months or less unless otherwise indicated.

- The American with Disabilities Act (ADA) became effective January 26, 1992. The appraisers have not made a specific compliance survey and analysis of the subject property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the subject property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect upon the value of the property. Since the appraisers have no direct evidence relating to this issue, they did not consider possible non-compliance with the requirements of ADA in estimating the market value of the subject property.

STEVEN J. SCHLEIDER, MAI
PRESIDENT - METROPOLITAN VALUATION SERVICES

STEVEN J. SCHLEIDER Co-founded Metropolitan Valuation Services, Inc. to serve a broad-base of clients developed over his career in real estate.

As director for a national valuation and due diligence firm, the vast majority of appraisal assignments relating to the post-recession wave of major residential construction, development and re-adaptive use projects in the New York area were conducted under his supervision. Additionally, the significant large-scale multi-family complexes in the region for FannieMae and FreddieMac loan portfolios were appraised by his team.

Mr. Schleider's experience in real estate is broad and his assignments have included development strategies, valuation and/or feasibility studies for market-rate and subsidized rental facilities, nursing home, age-restricted and assisted-living residences, cooperative and condominium apartment buildings, development projects in various stages of approval; and, valuation modeling and consulting for various lower- and moderate-income housing programs involving LIHTCs and low floater rate tax exempt revenue bond financing. Mr. Schleider's experience with HUD-based programs includes numerous section 8 facilities, MAP, and rent comparability surveys. These activities have been conducted on behalf of investment firms, international and domestic pension funds, major industrial corporations, leading foreign and domestic financial institutions, individual investors and leading law firms. Additionally, Mr. Schleider has developed and conducted seminars relating to multi-family valuation issues for the New York State Housing Finance Agency.

Mr. Schleider is a designated member of the Appraisal Institute (MAI) and is certified by the State of New York and State of New Jersey as a real estate General Appraiser. Mr. Schleider received his Bachelor of Arts degree from Berklee College and has completed numerous graduate courses in finance and economics at the Bernard M. Baruch School of Business, City University of New York. He has served as President of the Associate and Affiliate Members Organization of the New York Metropolitan Chapter of the Appraisal Institute, and currently serves on the Chapter's Board of Directors and has chaired both the Admissions and Education Committees. Mr. Schleider is a member of the Real Estate Board of New York and currently serves on its Housing Committee and its Appraisal Committee.

CERTIFICATIONS

CERTIFICATION OF SPONSOR AND PRINCIPALS OF SPONSOR PURSUANT TO PART 20 OF THE REGULATIONS ISSUED UNDER GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

New York State Department of Law
120 Broadway
23rd Floor
New York, New York 10271
Attention: Investment Protection Bureau

Re: Condominium Offering Plan
The 150 North Fifth Street Condominium
150 North Fifth Street, Brooklyn, New York 11211

Gentlemen:

The undersigned certify as follows:

We are the Sponsor and the principals of the Sponsor of the Condominium Offering Plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for making this certification. We jointly and severally certify that the Offering Plan does, and that all 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.

SPONSOR: **150 NORTH FIFTH STREET LLC**

By: Toros Hovivian
Toros Hovivian, Manager

Sworn to before me this
22 day of January, 2007

Nancy A Rossi
Notary Public

NANCY A ROSSI
Notary Public, State of New York
Registration #01RO6157000
Qualified In Kings County
Commission Expires Dec. 4, 2010

PRINCIPALS OF SPONSOR:

Toros Hovivian
Toros Hovivian, Individually

Sworn to before me this
22 day of January, 2007

Nancy A Rossi
Notary Public

NANCY A ROSSI
Notary Public, State of New York
Registration #01RO6157000
Qualified In Kings County
Commission Expires Dec. 4, 2010

Marianne Hovivan
Marianne Hovivan, Individually

Sworn to before me this
22 day of January, 2007

Nancy A Rossi
Notary Public

NANCY A ROSSI
Notary Public, State of New York
Registration #01RO6157000
Qualified In Kings County
Commission Expires Dec. 4, 2010

CERTIFICATION OF SPONSOR'S ARCHITECT / ENGINEER PURSUANT TO PART 20 OF THE REGULATIONS ISSUED UNDER GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

New York State Department of Law
120 Broadway
23rd Floor
New York, New York 10271
Attention: Investment Protection Bureau

Re: Condominium Offering Plan
The 150 North Fifth Street Condominium
150 North Fifth Street, Brooklyn, New York 11211

Gentlemen:

The Sponsor of the offering to convert the captioned property (the "Property") to condominium ownership retained our firm to prepare a report describing the construction and renovation of the Property (the "Report"). We examined the building plans and specifications that were prepared by our office, dated February 9, 2005, revised August 11, 2005 and the Report, dated April 3, 2007, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

The undersigned is an architect registered in New York State.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

(i) sets forth in narrative form the physical condition of the entire Property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that we have examined;

(ii) in our professional opinion, affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the Property as it will exist upon completion of construction, provided that

construction is in accordance with the plans and specifications that we examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth; or
(d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the Sponsor and that our compensation for preparing the Report is not contingent on the conversion of the Property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the Property.

GENE KAUFMAN ARCHITECT PC

By: _____
Name: Gene Kaufman, R.A.
Title:

Sworn to before me this
3rd day of April, 2007

_____
Notary Public

NANCY A ROSSI
Notary Public, State of New York
Registration #01RO6157000
Qualified In Kings County
Commission Expires Dec. 4, 2010

CERTIFICATION BY SPONSOR'S EXPERT
AS TO ADEQUACY OF BUDGET
PURSUANT TO PART 20 OF THE REGULATIONS ISSUED
UNDER GENERAL BUSINESS LAW ARTICLE 23-A, AS AMENDED

The New York State Department of Law
120 Broadway, 23rd Floor
New York, NY 10271
Attention: Investment Protection Bureau

RE: Condominium Offering Plan
The 150 North Fifth Street Condominium
150 North Fifth Street, Brooklyn, New York 11211

Gentlemen:

American Building Management, Inc. has been in the real estate management business for 25 years, and currently manages more than seventy (70) cooperative and condominium apartment houses throughout Brooklyn New York

The Sponsor of the condominium Offering Plan for the captioned property retained our firm, American Building Management to prepare **Schedule B** to the Offering Plan, containing projections of income and expenses for the first year of condominium operation.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to **Schedule B**.

We have reviewed **Schedule B** and investigated the facts set forth in **Schedule B** and the facts underlying them with due diligence in order to form a basis for this certification. We have also relied upon our firm's experience in managing residential buildings.

We certify that the projections in **Schedule B** appear reasonable and adequate under existing circumstances and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that **Schedule B**:

(i) sets forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representation or statements made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

AMERICAN BUILDING MANAGEMENT, INC.

By: _____
Name:
Title:

Sworn to before me this
14 day of March, 2007

_____
Notary Public

[illegible] GARCIA
Notary Public, State of New York
No. 24 4986[illegible]
Qualified in Kings [illegible]
Commission Expires 9 30, 2009

Printed by:
The Mirell Company
(212) 629-4070