CONDOMINIUM OFFERING PLAN
FOR SALE OF RESIDENTIAL UNITS
IN

TIFFANY D CONDOMINIUMS

Location

140 Degraw Street
Brooklyn, New York 11231

Total Purchase Price of Offering (6 Residential Units) $4,645,000.00

Name and Address of Sponsor:	Name and Address of Selling Agent:
140 Degraw St. LLC 131 Union Street Brooklyn, New York 11231	Stribling Marketing Associates, LLC 924 Madison Avenue New York, New York 10021

Date of Acceptance for Filing: September 5, 2007
This Offering Plan May Not Be Used After September 4, 2008 Unless Extended By An Amendment to the Offering Plan.

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

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. (SEE THE SPECIAL RISKS SECTIONS OF THE OFFERING PLAN).

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

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SPECIAL RISKS

1. Upon the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds ninety percent (90%); 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 from the First Unit Closing. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers. See the section of the Offering Plan titled, "Control by Sponsor," located in Part I of the Plan, for further details.

2. 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, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed 4.00% 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 are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B of the Offering Plan or (v) provide for new or additional services from those indicated in Schedule B of the Offering Plan, unless the annual cost of all other services being provided is no greater than the total cost of those provided for in Schedule B. See the section of the Offering Plan titled, "Control by Sponsor," located in Part I of the Plan, for further details.

3. If a Purchaser defaults under his Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. Time is of the essence for the Purchaser to cure any default under the Purchase Agreement within such thirty (30) day period. "Time is of the essence" means that if the default is not timely cured the Sponsor may (but is not obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the downpayment deposit, together with any accrued interest, and any other amounts paid by the Purchaser for any special or custom work shall be paid over to Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void.

If, through no fault of Seller, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date and Seller does not have the right to, or elects not to, cancel the Purchase Agreement as a result of the same, (a) the adjustments for real estate taxes and common charges will be made as of midnight of the day preceding the originally scheduled Closing Date,

regardless of when the closing of title occurs, and (b) Purchaser will be required to pay Seller, as a reimbursement of Seller's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Seller under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date. If, through no fault of Purchaser, Seller postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date. See the section of the Offering Plan titled, "Procedure to Purchase," located in Part I of the Plan, for further details.

Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under the Purchase Agreement, or in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in canceling the Purchase Agreement or otherwise enforcing Seller's rights or Purchaser's obligations thereunder.

4. No bond or other security has been furnished to secure the performance of the Sponsor's obligations. 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. In the event that Sponsor is unable to perform its obligations pursuant to the Offering Plan, Sponsor shall cease all sales activity and amend the Offering Plan to disclose its current financial condition. The amendment will also provide that Purchasers, who are not then in default, will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreement by written notice to Sponsor and be refunded, except as provided for in the Plan, all monies paid thereunder, with any interest earned thereon. However, such rescission, as to Purchaser who first became an occupant of the Building pursuant to a Purchase Agreement, will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Residential Unit within fifteen (15) days thereafter. See the section of the Offering Plan titled "Procedure to Purchase," located in Part I of the Plan for further details.

5. As set forth in part I of the Offering Plan in the section titled "Procedure to Purchase", the Purchase Agreement may be subject to financing. However, (1) the Purchase Agreement shall be subject to financing if and only if Purchaser applies for and obtains a purchase money financing through New York Mortgage Corp. ("NYMC"); and (2) once a written loan commitment from a lending institution has been issued to Purchaser, then any financing contingency which previously existed, is deemed extinguished. Accordingly, notwithstanding anything in the Offering Plan or Purchase Agreement to the contrary, any expiration or revocation or withdrawal of such commitment shall not reinstate any financing contingency, and in such event the Purchase Agreement shall remain in full force and effect and Purchaser must pay the balance of the purchase price at closing or be in default.

In the event Purchaser is unable to obtain financing pursuant to the Purchase Agreement, Sponsor, if it so desires, may secure a mortgage loan commitment for Purchaser from the same, or another lending institution in the same amount at the same or the then prevailing interest rate.

Notwithstanding anything to the contrary contained herein, Sponsor shall have no obligation to secure a mortgage loan for Purchaser from the same or another lending institution.

6. Pursuant to the terms of the Offering Plan and the Purchase Agreement contained in Part II, the Purchaser is required to pay as a closing cost the New York State Real Property Transfer Tax ("deed stamps") and the New York City Real Property Transfer Tax ("NYCRPT"). In condominium transactions, either seller or the purchaser can pay these transfer taxes. The obligation is assumed by the purchaser if such obligation is imposed on the purchaser by the terms of the sale. For purposes of paying this tax with respect to this project, consideration also includes the amount of deed stamps and NYCRPT to be paid for the Unit. See the section of the Offering Plan titled, "Unit Closing Costs and Adjustments," located in Part I of the Offering Plan, for further details.

Under the State Tax Law, Section 1402-a, a tax of one percent (1%) of consideration (or part thereof attributable to the real property being conveyed) is payable by the grantee (Purchaser) on each conveyance of residential real property, including condominium units, where the consideration for the entire conveyance is $1,000,000 or more (the "Mansion Tax"). Residential real property includes a 1-3 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. The Mansion Tax applies to conveyances occurring on or after July 1, 1989 other than conveyances pursuant to binding written contracts entered into on or before February 16, 1989. If applicable, a Purchaser under the terms of the Offering Plan shall be liable for payment of the Mansion Tax at the closing of title of the unit being purchased. For purposes of paying this tax with respect to this project, consideration also includes the amount of New York City Transfer Tax and deed stamps to be paid for the Unit by Purchaser. See the section of the Offering Plan titled, "Unit Closing Costs and Adjustments," located in Part I of the Offering Plan, for further details.

7. It is noted that although the Units are being offered pursuant to the Offering Plan, Sponsor has reserved the right to withhold one or more of the Units from sale. In the event the Sponsor withholds one or more of the Residential Units from sale, Sponsor shall amend the Plan to disclose which Units are being withheld. If Sponsor leases a Unit to a tenant and such Unit is subsequently offered, Sponsor shall amend the Plan, accordingly, if such Unit is offered subject to such tenancy.

Although Sponsor shall make a good faith effort to sell the Residential Units to purchasers who will occupy their Units as their personal residences ("owner-occupants"), prospective purchasers should be aware that the decision to sell, not to sell or rent any Unit shall be made by the Sponsor based upon its evaluation of market conditions and its own financial considerations and, except for the required consent of its construction lender, shall be in the sole discretion of the Sponsor. In the event that Unsold Units are not offered for sale they may be rented at such rents as the Sponsor determines and market conditions allow. Prospective purchasers should also be aware that if the Unsold Units are not offered for sale and/or are subsequently rented, such decision by Sponsor may have an impact on the types of financing available to purchasers, the cost of such financing, and even, perhaps, on the availability of financing. The policy of banks may vary and may involve restrictions in the types and varieties of loan terms available (such as the percentage of financing offered; fixed/variable; term of loan; verification requirements; etc.) to possible unwillingness to provide any

financing. Prospective purchasers are advised to consult with their intended lenders/mortgage brokers with regard to the percentage of units which may be held as Unsold Units, and the lender's policies with regard to same, prior to entering into a contract to purchase a Unit. The decision of Sponsor to withhold Units from sale and/or rent same may continue to apply indefinitely and may have an adverse impact on the ability of a Unit Owner to resell their Unit and/or the price which they are able to obtain for the Unit.

Additionally, because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment on the Sponsor's part to sell more Units than the fifteen percent (15%) necessary to declare the Offering Plan effective and as a result owner-occupants may never gain effective control of the Condominium. Further, pursuant to the terms of the Offering Plan and By-Laws of the Condominium, the Board of Managers has no right to approve or reject the sale of a Unit to a prospective purchaser and therefore there is no limit as to the number of "investor" or "non-occupant owners" of Units in the Building. However, as set forth in Article III, Section 1.(b) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint thereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

See the section of the Offering Plan titled "Introduction," located in Part I of the Plan for further details.

8. Pursuant to the terms of the Offering Plan, Sponsor may declare the Plan effective when a Purchase Agreement has been executed and accepted by Sponsor for the sale of one (1) Unit, which represent a minimum of at least fifteen percent (15%) of the Units offered under the Plan. The availability of financing to Purchasers may be limited based upon such minimum sales. Lenders may require a greater number of sales prior to financing the purchase of a Unit. Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to convert the Building with fewer than the minimum number of sales, if Purchasers counted toward effectiveness do not ultimately purchase a Unit. See the section of the Offering Plan titled, "Effective Date of Plan," located in Part I of the Plan, for further details.

9. 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 for the items not covered by the Condominium's master insurance policy. 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 and/or, including but not limited to, its appliances, fixtures and equipment. For further details, see the section of the Plan titled "Procedure to Purchase," located in Part I of the Plan.

10. Pursuant to the terms of the Offering Plan, the ten percent (10%) downpayment made by Purchaser upon execution of a Purchase Agreement may be increased by the cost of special custom work ordered by the Purchaser and itemized in the Purchase Agreement. All funds received by Sponsor for such custom work will initially be placed in an escrow account. However, subsequent to Sponsor declaring the Plan effective, the escrowed funds for custom work may be released from the escrow account to Sponsor as long as Sponsor uses the additional escrowed funds for custom work. As a result, in the event a Purchaser is entitled to rescind his Purchase Agreement subsequent to the release of the additional escrowed funds, the Purchaser will not receive a refund of any such funds required for the payment of custom work. See the section of the Offering Plan titled, "Procedure to Purchase," located in Part I of the Offering Plan, for further details.

11. The Sponsor will promptly correct any patent defects in the construction of the Building and the Units therein, or in the installation or operation of any mechanical equipment therein, due to substantially improper workmanship or materials substantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to the Unit affected within sixty (60) days from the date of closing of title to such Unit or, with respect to Common Elements, that Sponsor is notified by the Board of Managers within six (6) months from the First Unit Closing. Sponsor will also correct any latent defects in the construction of the Building and the Units therein or in the installation or operation of any mechanical equipment therein due to substantially improper workmanship or material substantially at variance with the architectural plans and specifications, provided it is notified of such defects in writing by the Unit Owner as to such Unit within six (6) months from the closing of title to such Unit or is notified by the Board of Managers with respect to Common Elements within six (6) months after the First Unit Closing. The Housing Merchant Limited Warranty Law applies to this offering. The Sponsor's obligation regardless of any limitations in the offering plan, cannot go below the duty to construct the premises in accordance with all applicable codes, filed plans and specifications and locally accepted building practices for items which are not covered by the relevant codes. See the section of the Plan titled "Rights and Obligations of Sponsor," located in Part I of the Plan, for further details.

12. The Sponsor shall manage the Building and perform all janitorial and maintenance functions until the First Board of Managers meeting subsequent to the first Closing of Title to individual Units. Thereafter, subject to certain limitations set forth in the By-Laws, the Condominium shall decide as to whether it deems it necessary or desirable to employ any individual(s) or firm(s) for the purpose of managing, operating and maintaining the Building. The Sponsor does not anticipate that such expenditures will be necessary and that the Unit Owners will assume such responsibilities themselves. Please consult the section of the Plan titled "Management Agreement and Other Contractual Arrangements" for further discussion.

13. As against all other Unit Owners, the Sponsor, its successor and assigns, shall have the exclusive right to cause any part or all transferable air rights and/or development rights pertaining to

the Property, which Sponsor is herein reserving for itself, its successors and assigns, to be conveyed, transferred or otherwise assigned to any other premises, "zoning lot," "development" or "enlargement" as those prior three terms are now defined in the Zoning Resolution of the City of New York, as amended.

Further, Sponsor has bound itself, its successor and assigns from transferring air rights and/or development rights, if such transfer, assignment or surrender is illegal. Any construction by the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers, shall be made only in accordance with the Condominium's Declaration and By-Laws.

As a result of Sponsor's reservation of transferable air rights and/or development rights, the Building may not be expanded without purchase of said rights from Sponsor. Additionally, the transfer of such development rights to adjoining premises may allow the owner of an adjoining premises to build a bigger and/or taller structure than permitted as of right under the Zoning Resolution and therefore block views of the Units being offered pursuant to the Offering Plan.

At the closing of title to a Unit, Purchasers shall appoint the Sponsor, as their attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or part, of the transferrable air rights and/or development rights which Sponsor has retained for itself, its successors and assigns. See the section of the Offering Plan titled, "Reservation of Air and Development Rights," located in Part I of the Plan, for further details.

14. In accordance with section 71-a(3) of the Lien Law the Sponsor has appointed the law firm of D'Agostino, Levine & Landesman, L.L.P., 345 Seventh Avenue, 23rd Floor, New York, New York, as Escrow Agent to hold all deposits, down payments or advances, other than the deposit for a copy of the Offering Plan, received by it from Purchasers, either directly or through its agents or employees in trust, whether received before or after the date of Consummation of the Plan, in a special segregated escrow account or accounts at the HSBC Bank USA office located at 800 Sixth Avenue, New York, New York, titled "D'Agostino, Levine & Landesman, L.L.P., Escrow Agent for Tiffany D Condominiums," or a similar name within five (5) business days after the Purchase Agreement is executed by all necessary parties. This bank is covered by federal bank deposit insurance to a maximum of $100,000 per individual deposit. If an individual makes a downpayment in excess of $100,000 for the purchase of a Unit, it is a special risk of this offer that such deposit will not be federally insured in excess of $100,000. See the section of the Offering Plan titled, "Procedure to Purchase," located in Part I of the Plan, for further details.

15. Regulations governing disclosure of information regarding Residential Lead Based Paint (the "Regulations"), issued by the US Environmental Protection Agency ("EPA") and the US Department of Housing and Urban Development ("HUD") became effective on September 6, 1996. Such Regulations apply to the sale of Residential Condominium Units, except for studio apartments and open lofts which do not have a child less than six years old in residence.

The Sponsor does not have any actual knowledge of any lead-based paint or lead-based paint hazards in the Residential Units or in the Property. However, the Property was constructed prior to

1978 and therefore either the Property or the Units may contain lead-based paint and lead-based paint hazards. The Sponsor has not undertaken any separate investigation or risk assessment as to the presence of lead-based paint and/or lead-based paint hazards in the Property and/or the Units. See the section of the Offering Plan titled, "Procedure to Purchase," located in Part I of the Plan, for further details.

16. The Unit Owner will be required at Closing, to execute a Power of Attorney which appoints the Sponsor, as attorney-in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions, set forth in the section of the Offering Plan titled, "Power of Attorney," located in Part I of the Plan.

17. The projections of real estate taxes due for each of the Residential Units set forth in Schedule A, located in Part I of the Plan, (i) for the anticipated First Year of Condominium operation, (ii) upon 100% completion of Sponsor's renovations to the Building commencing July 1, 2007, are estimates only. These estimates may vary due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York. In the event such projections for real estate taxes increase due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York, Sponsor shall amend the Plan to set forth the revised estimates. HOWEVER, SAID AMENDMENT SHALL NOT AFFORD ANY PURCHASER THE RIGHT TO RESCIND HIS OR HER PURCHASE AGREEMENT. See Notes 7, 7a and 8 of the Notes to Schedule A, located in Part I of the Plan, for a discussion of Sponsor projections of real estate taxes.

18. The below grade recreation rooms which are part of certain Units may not be used as bedrooms, pursuant to the New York City Zoning Resolution, as amended and the Building Codes of the City of New York, to do so may result in violations being posted against the Building.

19. The attic storage rooms located above the fourth floor of the Building which are part of certain Units may not be used as bedrooms, pursuant to the New York City Zoning Resolution, as amended and the Building Codes of the City of New York, to do so may result in violations being posted against the Building.

20. It is a special risk of this offering that the Units shall be delivered without washers and dryers.

21. The approximate Square Footage of a Unit set forth in column numbered (3) of Schedule A is a gross square footage of the Unit which is obtained by measuring the floor area of the Unit measured to the outside face of the exterior walls of the Building enclosing the Unit to the centerline of the demising walls separating the Unit from other Units and/or the Common Elements. The gross square footage of a Unit is greater than the Approximate Square Footage of a Unit measured by using the legal definition of the Unit which appears in the Declaration of the Condominium in Part II of the Plan. As is customary in New York City, these gross square footages exceed the useable floor area of each Unit.

22. It is a special risk of this Offering Plan that the Board of Managers or the Managing Agent shall retain a pass-key to each Residential Unit. No Residential Unit Owner shall change any lock on any door leading into his Residential Unit without the prior written consent of the Board of Managers. As a condition to obtaining such consent, the Residential Unit Owner must provide the Board of Managers with a key to such changed lock for their use. If a Residential Unit Owner fails to provide the Board of Managers with all keys necessary to gain entrance to such Unit Owner's Unit promptly after such Unit Owner moves into his Unit, then Sponsor shall be automatically released from any obligation it may have for correcting defects in or making repairs to such Unit. If Sponsor or the Board of Managers must gain access to a Residential Unit for emergency purposes and a Residential Unit Owner has not furnished a key to the Board of Managers as provided in this paragraph, then the affected Residential Unit Owner shall be liable and responsible for any damage to the Common Elements or such Residential Unit caused by Sponsor or the Board of Managers in gaining access to such Unit. Furthermore, if the Residential Unit Owner is not personally present to open and permit an entry to his Residential Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

23. The newly constructed fourth floor portion of the Building will contain, in part, sprinklered Lot-Line Windows on the east and west side of the Building. Specifically, the Residential Units 4A and 4B located on the fourth floor and attic level of the Building contain Lot-Line Windows. The location of the Lot-Line Windows in such Units are as follows:

Residential Unit	Location
4A	Kitchenette and Attic Level
4B	Kitchenette and Attic Level

The Lot-Line Windows do not provide the legal light and air required for residential occupancy. Legal light and air which is required for the issuance of the Certificate of Occupancy for the Building, is being provided by the windows on the north and south facades. The Lot-Line Windows provide supplementary light and air only. The subsequent sealing of these Lot-Lined Windows will not affect the validity of the Certificate of Occupancy. As Lot-Line Windows, the view from such windows may be obstructed or completely blocked in the future if a new building or structure is constructed on the adjoining property.

Pursuant to the By-Laws of the Condominium, located in Part II of the Offering Plan, in the event that any or all of the Lot-Line Windows must be sealed, all construction to enclose the windows shall be performed by Sponsor, during the time period that Sponsor controls the Board of Managers of the Condominium, or after such control period, by the Board of Managers of the Condominium.

The cost and expense of such construction shall be the sole responsibility of the Unit Owner or Owners affected and such cost and expense shall be charged to the individual Unit Owners affected as a Special Assessment. The expense of closing the Lot-Line Windows is estimated to be approximately $1,000.00 per window.

The Sponsor, if applicable, or the Board of Managers, their agents, contractors and employees, will have the right to enter any Unit(s) necessary to effect the enclosure of such lot-line windows, should same be necessary. The Unit side of the enclosure will be finished with the same material originally used therein, if available, or if not available, then with such other finish material as will nearly as possible resemble such original material. The material used to close the Lot-Line Windows must be two (2) hour rated assembly. Decoration of the affected area on the Unit side of the enclosure will also be the responsibility of the Unit Owner, at his or her sole expense.

INTRODUCTION

General

140 Degraw St. LLC, hereinafter the "Sponsor," presents this Plan with the intention of setting forth herein all material information relating to the conversion to Condominium ownership of the land and the building (the "Building") located at 140 Degraw Street, Brooklyn, New York. Specifically excluded from such conversion are any transferable air rights and/or development rights pertaining to the land and Building, which rights are being reserved by Sponsor for itself and any successors or assigns. See the section of the Plan titled "Reservation of Air and Development Rights," located in Part I of the Plan. The parcel of land is more particularly described as being rectangular in shape and located on the south side of Degraw Street between Columbia Street and Hicks Street. The aggregate site is approximately 1,950 square feet, with approximately 19.5 feet of frontage on Degraw Street and extending approximately 100 feet into the block.

The land, Building and appurtenances are hereinafter sometimes referred to as the Property and/or the Condominium. The Plan may be amended from time to time to reflect changes in the terms of the offering when such amendment is filed with the New York State Department of Law. The Plan may be declared effective when a Purchase Agreement has been both executed and accepted by Sponsor for the sale of one (1) Residential Unit, which represent a minimum of at least fifteen percent (15%) of the Units offered under the Plan. The Plan must be declared effective when Purchase Agreements have been both executed and accepted by Sponsor for the sale of five (5) Residential Units, which represent a minimum of at least eighty percent (80%) of the Units offered under the Plan. 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 By-Laws have been duly recorded.

All filed amendments will be served on (i) purchasers who have executed and delivered Purchase documents to Sponsor and/or the Selling Agent, and are not in default, (ii) Unit Owners and (iii) any other offeree who is required by law to receive such amendment. Service shall be by 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 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, commonly known as the New York Condominium Act.

The Condominium

The land on which the Building is being rehabilitated and newly constructed is owned by 140 Degraw St. LLC, a New York limited liability company (the "Owner"), which acquired the Property from Hernan Galvis and Alexander Pustylnik, by deed dated October 12, 2005 and recorded on November 18, 2005, in the Kings County Office of the New York City Register as CRFN 2005000643344. Accordingly, the Sponsor is the Owner of the Property and shall be the Sponsor for the Offering Plan.

It is the intention of Sponsor to completely "gut" renovate the existing three (3) story building located at the Property and newly construct a fourth floor and attic level. Sponsor shall also newly construct an extension of the existing building including a new fourth floor and attic level. Sponsor shall submit the Property to the provisions of the Condominium Laws of the State of New York.

The renovated and newly constructed building will consist of four stories plus an attic level and a cellar level. As renovated, the Building shall be comprised of six (6) Residential Units. One (1) Residential Unit will be located on each of floors 2 and 3. Two (2) Residential Units, which will be duplexed Units, will be located on a portion of the ground floor and cellar levels. Two (2) Residential Units which will also be duplexed Units and will be located on the 4th and attic level. Those portions of the roofs of the Building which are not occupied by mechanical equipment and/or other Common Elements and which are adjacent to and directly accessed from a particular Unit shall be private roof terrace areas for the exclusive use of the Owner of the particular Unit. Additionally, any yard area, deck and/or patio adjacent to and directly accessed from a particular Unit shall be private yard areas, decks and/or patios for the exclusive use of the Owner of the particular Unit. The front areaway at the Property shall be a Common Element for the use of all of the Residential Unit Owners. There will be no commercial space in the Building.

Common Elements of the Condominium will include, but shall not be limited to, the common hallways, stairway and the mechanical rooms in the cellar.

There are no parking facilities and no recreation areas at the Property for use by the Residential Unit Owners. Other than as stated herein, the main roofs of the Building are not meant for public use.

There are no public or common laundry facilities at the Property. Each Residential Unit Owner will contain individual plumbing, gas, electrical and ventilation hook-ups which are necessary to provide laundry facilities in the Units. The Sponsor shall not be providing any washer or dryer.

All of the aforementioned Residential Units are intended to be sold as condominium units in accordance with this Plan at the prices noted in Schedule A located in Part I of the Plan. 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. Hereinafter, the Residential Units shall be collectively referred to as the "Units". It is noted that although the Residential Units are being offered pursuant to this Offering Plan, Sponsor is hereby reserving the right to withhold one or more of the Residential Units from sale. In the event the Sponsor withholds one or more of the Residential Units for sale, Sponsor shall amend the Plan to disclose which Units are being withheld. If Sponsor leases a Residential Unit to a tenant and such Residential Unit subsequently is offered, Sponsor shall amend the Plan, accordingly, if such Residential Unit is offered subject to such tenancy.

Although Sponsor shall make a good faith effort to sell the Residential Units to purchasers who will occupy their Units as their personal residences ("owner-occupants"), prospective purchasers should be aware that the decision to sell, not to sell or rent any Unit shall be made by the Sponsor based upon its evaluation of market conditions and its own financial considerations and, except for the required consent of its construction lender, shall be in the sole discretion of the Sponsor. If

Sponsor makes a bulk sale of all or some of its unsold units, the transferee successor sponsor is bound by Sponsor's representations regarding its commitment to sell units. In the event that Unsold Units are not offered for sale they may be rented at such rents as the Sponsor determines and market conditions allow. Prospective purchasers should also be aware that if the Unsold Units are not offered for sale and/or are subsequently rented, such decision by Sponsor may have an impact on the types of financing available to purchasers, the cost of such financing, and even, perhaps, on the availability of financing. The policy of banks may vary and may involve restrictions in the types and varieties of loan terms available (such as the percentage of financing offered; fixed/variable; term of loan; verification requirements; etc.) to possible unwillingness to provide any financing. Prospective purchasers are advised to consult with their intended lenders/mortgage brokers with regard to the percentage of units which may be held as Unsold Units, and the lender's policies with regard to same, prior to entering into a contract to purchase a Unit. The decision of Sponsor to withhold Units from sale and/or rent same may continue to apply indefinitely and may have an adverse impact on the ability of a Unit Owner to resell their Unit and/or the price which they are able to obtain for the Unit.

Additionally, because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment on the Sponsor's part to sell more Units than the fifteen percent (15%) necessary to declare the Offering Plan effective and as a result owner-occupants may never gain effective control of the Condominium. Further, pursuant to the terms of the Offering Plan and By-Laws of the Condominium, the Board of Managers has no right to approve or reject the sale of a Unit to a prospective purchaser and therefore there is no limit as to the number of "investor" or "non-occupant owners" of Units in the Building. However, as set forth in Article III, Section 1.(b) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint thereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

The Plan delivered to prospective purchasers contains all of the material terms of the transaction. Parts I and II of the Plan, including all Schedules, and Parts A, B, C and D of the Exhibits, constitute the entire offer of Sponsor. The Offering Plan, all documents referred to in the Plan and all of the Exhibits will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the on-site sales office at all times such office is open or, in the event there is no on-site office, at the offices of the Selling Agent or the Sponsor. Additionally, the Offering Plan, all documents referred to in the Plan and all of the Exhibits will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the Department of Law, located at 120 Broadway, 23rd Floor, New York, New York. All documents forming a part of this Offering Plan are important. It is suggested that all potential purchasers consult their own attorney or financial advisor before purchasing and provide their attorney with a complete copy of this Offering Plan.

Features of Condominium Ownership

The Purchaser of a Residential Unit, hereinafter referred to either as a "Unit Owner" or "Residential Unit Owner," 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 the 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, limited liability company, corporation, trust, estate, fiduciary, unincorporated association or any other entity permitted to own real property in the State of New York.) The Residential Unit Owner owns the Unit in fee and is entitled to the exclusive possession thereof. He is also the owner, in common with the owners of all other Units, of all remaining parts of the Property except for the Units themselves, including the land upon which the Units are built, the foundations and supports of the Building, the exterior walls and the roofs, (hereinafter called "Common Elements"). Each Unit Owner's proportionate share ("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 Article 9-B of the Real Property Law of the State of New York ("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 private terrace, balcony, yard area, deck and/or patio adjacent to and directly accessed from a particular Unit shall be a Limited Common Element for the exclusive use of the respective Unit Owner, subject to an easement, if any, for fire egress and/or utility easements. Another example of Limited Common Elements are any skylights located above a Residential Unit. These Limited Common Elements shall be for the exclusive use of the respective individual Unit Owners as stated herein. See the section of the Plan titled, "Definitions," located in Part I of the Plan, for a complete description of the Limited Common Elements in the Building.

A Unit Owner is privileged to mortgage his Unit generally on the terms and in such amount as he chooses. With respect to the Residential Units, the By-Laws state that a first mortgage or second mortgage shall be either with an institutional lender, the Sponsor, a family member, business associate or employer, or a selling Residential Unit Owner. Purchasers pursuant to this Plan, however, if they seek mortgage financing, shall be required to follow procedures set forth in the Purchase Agreement in Part II of the Plan. A mortgage may be made with a reputable private lender other than the Sponsor or selling Residential Unit Owner subsequent to the obtaining of the written permission of either the Sponsor, prior to Sponsor's relinquishing control of the Board of Managers, or the Board of Managers. No Residential Unit Owner shall be permitted to encumber his Unit with a third mortgage. His Unit is not subject to the lien of any mortgages placed by other Unit Owners on their Units.

A Residential Unit Owner can sell or lease his Unit to anyone, without restriction or limitation, subject only to a right of first refusal by the Board of Managers of the Condominium (sometimes herein referred to as the "Condominium Board" or the "Board of Managers") at the same price and terms the Owner has been offered. Such right of first refusal is hereinafter described in the section of the Plan titled "Rights and Obligations of Board of Managers/Summary of By-Laws" located in Part I of the Plan. Such right of first refusal does not apply to the Sponsor.

A Unit Owner can alter and decorate the interior of his Unit in any way he desires, subject to local codes, and he 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 the 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 Residential 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(s) owned by him. The Board of Managers of the Condominium will assess against each Unit Owner, in proportion to his respective percentage of Common Interest or Contributing Share, as the case may be, as defined in the section of the Plan titled "Definitions", charges (hereinafter called "Common Charges") for the maintenance of the Common Elements and for the operating costs of the Property (hereinafter called "Common Expenses"), as provided in New York State Real Property Law Section 339-m. Each Unit Owner will pay for all electricity and gas consumed within his own Unit, the charges for which shall be separately metered.

Each Unit Owner is obligated to comply with the Declaration, the By-Laws, the Rules and Regulations and any other requirements of the Board of Managers. Each Unit Owner will 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 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 Board of Managers shall have the duty of obtaining casualty and liability insurance, on behalf of the Condominium, with respect to the Building as a whole.

The Board of Managers of the Condominium shall be elected by the Unit Owners with the number of votes allocated to each Unit Owner determined by their percentage of Common Interest. The Board of Managers 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 Board of Managers/Summary of By-Laws" located in Part I of the Plan for further discussion.

Units may be purchased either by natural persons over the age of 18 years or by a duly formed partnership, limited liability company, or 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.

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

DEFINITIONS

"Appurtenant Interest"	-	With respect to any Unit, the undivided interest of the owner thereof, 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 Interest, (except as otherwise provided in the Declaration or in the By-Laws).
"Board of Managers" or "Condominium Board"	-	The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest.
"Building"	-	The structure known as Tiffany D Condominiums which is being renovated and enlarged at 140 Degraw Street, Brooklyn, New York.
"Common Charges"	-	Each Unit Owner's proportionate share of the Common Expenses (as defined in the Condominium Documents)
"Common Elements"	-	All portions of the Property other than Units. Further, specifically excluded are any transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself and any successors or assigns. Common Elements are comprised of General Common Elements and Limited Common Elements.

"Common Expenses"	-	(a) Expenses of operation of the Property, and (b) All sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.
"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 Offering Plan "Condominium" specifically refers to Tiffany D Condominiums.
"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 By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.
"Consummation of the Plan"	-	Means filing the Declaration of Condominium and the first transfer of title to a condominium unit to at least one purchaser under the Plan following a declaration of effectiveness by the Sponsor and acceptance of the Amendment by the Department of Law confirming or declaring the Plan effective.
"Declaration"	-	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 By-Laws.

"Filing" - Means the issuance of a letter from the Attorney General stating that an Offering Plan or Amendment has been accepted for filing.

"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 licensed engineer or registered architect, and filed in the Register's Office of Kings County simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

"General Common Elements" - The General Common Elements include, without limitation:

(1) The land on which the Building is physically erected, and all other lands comprising the Property except the rear yard, which is a Limited Common Element for the exclusive use of a particular Unit Owner, subject to an easement for fire egress and/or easement purposes in favor of all other Residential Units. Specifically excluded are any transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself and any successors or assigns. Any other yard areas, sidewalks and/or areaways at the Property are General Common Elements for public use, subject to an easement in favor of all Unit Owners for fire egress purposes.

(2) All foundations, columns, beams, supports, bearing walls; those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or, where applicable, those portions of the exterior walls beyond the interior face of the exterior walls; those portions of the walls

and partitions dividing the Units from corridors and the staircase located beyond the unexposed face of the drywalls enclosing the Unit, or, where applicable, the blockwork or concrete work of the interior walls of the Building separating one Unit from another Unit, or from corridors, the staircase or the lobby not within a Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkheads or roof areas which are not part of a Unit or for the exclusive use of a particular Unit or Units; skylights which are not designated as Limited Common Elements; sprinkler systems or parts thereof installed in the common area of the Building, if any, corridors, halls, stairs, and stairway areas, which are not designated Limited Common Elements, located beyond the unexposed face of the dry walls or blockwork or concrete work of the walls enclosing a Unit; mechanical, storage and utility areas which are not part of a Unit or which are not specifically designated as Limited Common Elements, located beyond the unexposed face of the drywalls or blockwork or concrete work enclosing a Unit or the unexposed face of a dry wall enclosing all or part of such Units; all cellar areas which are not included within a particular Unit or which are not specifically designated as a Limited Common Element; the entrances to and exits from the Building to the extent they are no part of a Unit or for the exclusive use of a particular Unit or Units;

(3) The lobby and vestibule to the Building, the mailboxes, the meter rooms, the gas meters and electric meters in the cellar or other parts of the Building; any and all

other cellar or ground floor areas which are not designated as part of a Unit or a Limited Common Element;

4) Any trash storage areas located at the Building;

5) Any piping and/or ductwork, which is necessary for the functioning of the mechanical equipment, if any, which service all of the Units;

6) All installations on the Property outside the Units for services such as gas, power, light, heat, telephone, cable television and water which are not designated as part of a Unit or a Limited Common Element;

7) All sewer pipes and drainage pipes;

8) The wheelchair lift installed at the entrance of the Building;

9) Any tanks, pumps, motors, fans, compressors, ducts and, in general, all apparatus and installations existing for common use which are not designated as part of a Unit or as a Limited Common Element;

10) The street vaults at the cellar level, if any. The charges or fees, if any, due for the use of street vaults shall be a Common Expense;

11) Except as specifically noted, all other apparatus and installations existing in the Building for common use or necessary, convenient to the existence, maintenance or safety of the Building;

"Insurance Trustee" - A bank, a trust company or savings and loan association having an office in the City of New

York which, from time to time, is 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 City and State of New York, and County of Kings as more particularly described in Schedule 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" - Parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners and, unless otherwise specified, the maintenance and repair of which is the responsibility of the Unit Owners or Owners to which the exclusive use has been allocated. In this Plan, the following are Limited Common Elements:

1) Any skylights, existing or installed in the future, that are directly above any Residential Unit, which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owners of such Units.

2) The private roof terrace areas and/or balconies adjacent to and with direct access from a particular Unit, as delineated on the Floor Plans, including any fencing demarcating such area, which shall be for the exclusive use of the particular Residential Unit Owner. Non-structural,

ordinary repairs and maintenance of these balconies or roof areas, including any fencing demarcating such area, shall be the responsibility of the individual Residential Unit Owner;

3) The private garden or yard areas, deck areas or patios, adjacent to and with direct access from a particular Unit, as delineated on the Floor Plans, and including any fencing demarcating such area, which shall be for the exclusive use of the particular Unit Owne r, subject to an easement in favor of all other Unit Owners for fire egress purposes. Nonstructural, ordinary repairs and maintenance of these garden or yard areas, decks or patios including any fencing demarcating such areas, shall be the responsibility of the individual Residential Unit Owner;

"Majority" - Majority of Unit Owners means either (i) more than fifty percent in Common Interest in the aggregate, or (ii) more than fifty percent in number of Units in the aggregate, or (iii) more than fifty percent in the aggregate in both Common Interest and in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in number of Units in the aggregate, or (iii) such percentage in Common Interest and such percentage in number of Units, as may be specified herein or in the Declaration or the By-Laws 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 II, Section 3 of the By-Laws, 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 By-Laws.

"Offering 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. Sometimes herein referred to as the "Plan".

"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, 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 the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine;

(ii) the Sponsor, as attorney- in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney.

(iii) the Sponsor, as attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or part, of the transferable air rights and/or development rights which Sponsor has retained for itself and/or its

		successors and assigns in accordance with Paragraph numbered 19 of the Declaration.
"Property"	-	Means and includes the Land, the Building and all other improvements thereon, (i) owned in fee simple absolute, and all easemen ts, 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.
"Purchaser"	-	Any Person who has entered into an agreement with Sponsor to purchase a Residential Unit and is not in default thereunder.
"Recording officer" and "Recording" or "Recorded"	-	Shall have the meanings stated in section two hundred ninety of the New York State Real Property Law.
"Residential Unit"	-	A designated apartment in the Building comprising the Condominium which is owned in fee simple absolute.
"Residential Units"	-	Collectively, all the apartments in the Building.
"Residential Unit Owner"	-	Means the person, persons or entity owning a Residential Unit in fee simple absolute.
"Rules and Regulations"	-	The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.
"Selling Agent"	-	The entity which will, on behalf of the Sponsor, originate and supervise sales of Units. Stribling Marketing Associates, LLC is the Selling Agent pursuant to the terms of the Offering Plan.

"Sponsor"	-	The promoter of the project and/or Offering Plan to convert a particular parcel of property to Cooperative or Condominium Ownership; 140 Degraw St. LLC is the Sponsor of this Offering Plan.
"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 this 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."
"Unit"	-	Any space in the Building designated as a Unit. Such Units are a part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or Elements leading to a public street or highway, and may include such appurtenances as a balcony, private roof terrace or garden area at the Building. Any heating and hot water systems together with all piping and/or ductwork related thereto located inside or outside the Unit, and/or any other equipment, inside or outside a Unit which only services a particular Unit shall be a fixture which is the personal property of the Unit Owner of the Unit it services. Such Unit Owner shall be responsible for the cost of any maintenance, repair or replacement of such mechanical equipment.
"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.

"Unit Owner"	-	The person or persons, or entity owning a Unit in fee simple absolute. It collectively means the respective owners of the Residential Units.
"Unsold Units"	-	Any Unit owned by Sponsor or its designee at the time in question.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property which consists of one (1) parcel, has an aggregate area of approximately 1,950 square feet with approximately 19.5 feet of frontage on the southwest side of Degraw Street between Hicks Street and Columbia Street. The parcel which represents the land upon which the Condominium will be situated is rectangular in dimension and extends approximately 100 feet into the block.

The Sponsor is completely renovating and enlarging the building situated at the Property. The existing building which was previously a residential building, has three (3) stories plus a cellar. As part of the renovation, the Sponsor shall newly construct an additional floor and attic level at the building and extend the building further into the block (the existing building and newly constructed levels hereinafter being referred to as the "Building"). There will be one staircase bulkhead which will partially extend above the level of the 4th floor and attic roofs.

The renovated and newly constructed building will consist of four (4) stories plus an attic and a cellar level. As renovated, the Building shall be comprised of six (6) Residential Units. One (1) Residential Unit will be located on each of floors 2 and 3. Two (2) Residential Units, which will be duplexed Units, will be located on a portion of the ground floor and cellar levels. Two (2) Residential Units will also be duplexed Units and will be located on the 4th floor and attic level. The Cellar shall contain, in part, mechanical areas and other common areas. Those portions of the roofs of the Building which are not occupied by mechanical equipment and/or other Common Elements and which are adjacent to and directly accessed from a particular Unit shall be private roof terrace areas for the exclusive use of the Owner of the particular Unit. Additionally, any yard area, deck, patio, balcony and/or outside cellar level areaway adjacent to and directly accessed from a particular Unit shall be private yard areas, decks, balconies, patios and/or outside cellar areaways for the exclusive use of the Owner of the particular Unit.

As defined by the New York City Building Code, the building will be new code construction Class I-D. The construction of the Building commenced on July 3, 2006 pursuant to Application #302065850-A1 and completion is expected in August, 2007. 140 Degraw Street will be four (4) stories with an attic and a cellar which will be masonry brick bearing walls and steel joists in the existing portion of the Building. The newly constructed portion of the Building will be reinforced concrete masonry units with a steel beam, metal joist and metal deck-slab assembly. Fire protection provided in accordance with a Class "I-D" fireproof building.

The Building has a cellar level which shall consist of common hallways, gas and electric meter rooms and other mechanical equipment areas. There are no recreational areas or facilities at the Property, other than the recreation rooms on the cellar level of the Building, which are part of certain residential units. Additionally, there are no common parking facilities which are part of the Property and the Building does not have balconies or terraces other than the balconies or terraces described above which are for the exclusive use of the Owner of a particular Residential Unit. There will be

one (1) common stairwell which also functions as a common fire staircase at the Building servicing all of the Units. The staircase services the Building from the cellar to the fourth floor. A ladder at the fourth floor provides access to the main roof of the Building. Additionally, an inclined wheelchair lift is installed at the main entrance of the Building, providing an accessible route from public sidewalk to the first floor of the Building. The main entrance to the Building is located on Degraw Street.

The Existing Building is masonry bearing walls, with steel joists. The new portion will be constructed from reinforced concrete masonry units with a steel beam, metal joist and metal deck assembly.

The windows in the Building will be aluminum clad outside and painted wood inside with thermal pane glass. Lot-Line Windows will be located in the fourth floor units on the east and west side of the Building within units 4A and 4B. The Lot-Line windows shall be individually fire protected with a sprinkler head. The Lot-Line Windows do not provide the legal light and air required for residential occupancy. Legal light and air which is required for the issuance of the certificate of occupancy for the Building, is being provided by the windows on the north and south facades. The Lot-Line Windows provide supplementary light and air only. The subsequent sealing of these Lot-Line Windows will not affect the validity of the certificate of occupancy. As Lot-Line Windows, the view from such windows may be obstructed or completely blocked in the future if a new building or structure is constructed on an adjoining property.

All Building roofs and terraces will be roofed with a single ply waterproof membrane over 2" rigid insulation metal deck, metal joists and 5/8" gypsum board ceiling. This roof will carry a 15 years manufacturer's warranty. Additional fiberglass batt insulation will be provided between the finished ceiling and underside of the roof deck to provide an R-value of 30. There will be internal cast iron roof drains on the roof terraces and on the main roof.

Each unit is provided with its own gas-fired hot-air furnace and boiler located in the utility closet located within each Unit. The heating unit will be sufficient to maintain 68 degrees Farenheit within the dwellings when the outside ambient temperature is 15 degrees Farenheit.

Each Unit is equipped with an independent Central Air Conditioning system including a Rooftop condensing unit (Outdoor Unit) located at the roof accessed from the building's public stair, and will include an Air Handler (Indoor Unit).

Skylights will be installed as required by code if any (bulkheads and shafts). Although the Building is generally ventilated naturally, bathroom and kitchen ventilation ducts will be provided where required by applicable New York City Building Codes.

Gas consumption for heating, hot water, cooking and gas dryers (not provided by Sponsor) in each Residential Unit shall be separately metered and the cost thereof shall be the sole cost and

expense of the individual Unit Owner. Gas consumption in the common areas, if any, shall be collectively metered by one or more meters and such gas consumption shall be a Common Expense.

Each of the Units shall be separately metered for the consumption and cost of electricity. A common meter shall measure the consumption of electricity in the common areas which shall be a Common Expense. Water and sewerage services are provided for by the City of New York. The Residential Units in the Building shall be metered for water usage by one meter. Such water and sewer charges shall be a Common Expense.

There are no public or common laundry facilities at the Property. Individual hook-ups for washer/dryers are provided in each of the Units. The Sponsor shall not provide washing machines or dryers as part of this Offering.

The Sponsor shall provide each kitchen in a Residential Unit with the appliances specifically set forth in the "Description of Property and Building Specifications" located in Part II of the Plan.

Any additional custom work requested by Purchaser shall also be deemed custom work under the Purchase Agreement and the cost thereof is in addition to the total purchase price. The initial downpayment to be made by Purchaser upon execution of a Purchase Agreement shall be increased by the entire cost and expense of the custom work. Pursuant to the terms of the Purchase Agreement, all custom work is to be performed by the Sponsor's contractors at the sole cost and expense of the Purchaser. Although initially deposited in escrow, upon the rescission of a Purchase Agreement by Purchaser, the funds deposited for the extra custom work will not be refunded to the Purchaser to the extent such funds have already been disbursed or are required to pay for the custom work.

The Building is being renovated in accordance with all applicable zoning and buildings laws, regulations, codes and other requirements of the New York City Building Code and applicable zoning requirements.

Sponsor shall obtain a temporary or permanent Certificate of Occupancy for each Residential Unit prior to the closing of title to such Unit which shall allow its use as a private residence. In the event that a permanent Certificate of Occupancy for the Unit has not yet been obtained by such Unit closing, Sponsor is subsequently obligated to obtain same. Please consult the section of the Plan titled "Rights and Obligations of Sponsor" for further discussion.

For further details, please see the "Description of Property and Building Specifications" located in Part II of the Plan.

LOCATION AND AREA INFORMATION

Location and Surrounding Area:

The Property is located on the southwesterly side of Degraw Street between Hicks Street and Columbia Street, in the Cobble Hill West section of Brooklyn, New York City.

A variety of theaters, movie houses, universities, grocery stores, specialty shops, gift and card shops, newspaper outlets, and restaurants offering a diverse selection of cuisines, are within a short distance of the Property by means of public transportation.

Transportation:

Public transportation is convenient. Bus lines are located on Columbia and Cane Street or Irving Street. Subway stops are located at Jay Street and Borough Hall and Court Street and Borough Hall (A, F and G trains) and the (1, 2, 4 and 5 trains). Access to the Brooklyn Battery Tunnel is to the southwest. Access to the Brooklyn Queens Expressway is to the east. The Brooklyn and Manhattan Bridges may be easily accessed to the northwest of the Property. City Hall and the financial district of lower Manhattan are also easily accessible.

Schools:

Public Schools located in the general vicinity are:

Grade School (District 15):

P.S. 29 which is located at 425 Henry Street, Brooklyn, New York.

Junior High School:

I.S. 142 which is located at 610 Henry Street, Brooklyn, New York.

High School:

John Jay High School - 237 7th Avenue, Brooklyn, New York.

Private Schools located in the area include the following:

Grade School:

Sacred Hearts St. Stephens School which is located at 135 Summit Street, Brooklyn, NY.

High School:

Bishop Ford High School located at 500 19th Street, Brooklyn, NY.

The above listing is by no means inclusive. No representation is made that the children of Unit Owners will be entitled to attend any particular school.

Religious:

Churches in the vicinity include the following:

St. Agnes Roman Catholic Church - 417 Sackett Street, Brooklyn

St. Mary's Star of the Sea - 467 Court Street, Brooklyn

Synagogues in the vicinity are:

Brooklyn Heights Synagogue, 131 Remsen Street, Brooklyn, NY 11201
Kane Street Synagogue, 236 Kane Street, Brooklyn, NY 11231

Parks/Recreation:

Red Hook Park (Coffey Playground) is located at King, Richards, Verona, Dwight and Pioneer Streets
Red Hook Recreation Area is located at Otseg, Bay Hicks Lorraine, Court and Halleck Streets.

Public Library:

NY Public Library - Carroll Gardens Branch, 396 Clinton Street (at Union Street),
Brooklyn, NY 11231

Medical:
Cumberland Diagnostic & Treatment Center is located at 100 North Portland Avenue, Brooklyn, NY 11205.
Kings County Hospital on 451 Clarkson Avenue, Brooklyn, NY 11203.

Municipal Services:

Police, fire protection, water, sanitation, snow removal and street maintenance services are provided by the City of New York and all charges are incorporated into the City tax.

The Property is located in the 76th police precinct, the station being located at 191 Union Street. The nearest fire house is Engine Co. No. 204, located at DeGraw Street between Court and Smith Streets.

Postal:

The zip code for the Property is 11231, which is the Red Hook Postal Station located at 615 Clinton Street, Brooklyn, NY.

Zoning:

The Property is located in R-6 zoning district, which is a zone that permits residential occupancies of the type contemplated by this Plan.

Further to the west there is a social club and a live poultry market located on Columbia Street which may lead to obnoxious noise and/or odors.

TIFFANY D CONDOMINIUS 140Plan3 7/11/2007

140 DEGRAW STREET

BROOKLYN, NEW YORK

SCHEDULE A

Offering Prices and Related Information

All Projected Charges are for the Twelve Month Period Commencing July 1, 2007 and Ending June 30, 2008 ("First Year").

Unit (1)	Unit Description: Number of Bedrooms & Baths, Etc. (2)	Approx. Gross Square Footage of Unit (3)	Approx. Sq. Ft. of Balcony(ies) Terrace(s) and/or Yard Area(s)	Offering Price (4)	% of Common Interest (5)	Estimated Annual/ Common Charges (First Year) (6)	Estimated Monthly Common Charges (First Year) (6)	Estimated Annual/ Real Estate Taxes w/out 421-a (First Year) (7)	Estimated Monthly Real Estate Taxes w/out 421-a Benefits (First Year) (7)	Estimated Real Estate Taxes Upon 100% Completion (7A)	Estimated Monthly Real Estate Taxes W/ 421-a Benefits (8)	Estimated Annual/ Carrying Charges w/out 421-a (First Year) (9)	Estimated Monthly Carrying Charges w/out 421-a Benefits (First Year) (9)	Estimated Annual/ Carrying Charges w/421-a 100% Completion (First Year) (10)	Estimated Monthly Carrying Charges w/421-a Benefits Commencing (First Year) (10)	Estimated Annual/ Deductible Carrying Charges w/out 421-a (First Year) (11)	Estimated Monthly Deductible Carrying Charges w/out 421-a Benefits (First Year) (11)	Estimated Monthly Deductible Charges w/ 421-a Benefits Upon 100% Completion (12)
1A	ST/1/PR/RR	919	n/a	$550,000.00	13.2851%	$3,288	$274.01	$1,471.06	$122.59	$373.15	$16.11	$4,759.12	$396.59	$3,481.38	$290.11	$1,471.06	$122.59	$16.11
1B	ST/1/PR/RR/T/Y	1255	520	$975,000.00	21.7391%	$5,380	$448.37	$2,407.17	$200.60	$610.60	$26.36	$7,787.60	$648.97	$5,696.75	$474.73	$2,407.17	$200.60	$26.36
2	2BD/1/PR/T	1041	50	$850,000.00	16.9082%	$4,185	$348.73	$1,872.24	$156.02	$474.91	$20.50	$6,057.02	$504.75	$4,430.78	$369.23	$1,872.24	$156.02	$20.50
3	2BD/1/PR/B	1041	30	$850,000.00	17.3913%	$4,304	$358.70	$1,925.74	$160.48	$488.48	$21.09	$6,230.09	$519.17	$4,557.43	$379.78	$1,925.74	$160.48	$21.09
4A	ST/1/A/T	858	142	$715,000.00	15.7005%	$3,886	$323.82	$1,738.52	$144.88	$440.99	$19.04	$5,624.39	$468.70	$4,114.35	$342.86	$1,738.52	$144.88	$19.04
4B	ST/1/A/B/T	842	130	$705,000.00	14.9758%	$3,707	$308.88	$1,658.27	$138.19	$420.63	$18.16	$5,364.78	$447.07	$3,924.43	$327.03	$1,658.27	$138.19	$18.16
Grand Totals:		5956	872.00	$4,645,000.00	100.00%	$24,750.00	$2,062.50	$11,073.00	$922.75	$2,808.75	$121.25	$35,823.00	$2,985.25	$26,205.12	$2,183.75	$11,073.00	$922.75	$121.25

B denotes balcony(s) A denotes Attic Space.
BD denotes Bedroom(s). ST denotes Studio.
PR denotes Powder Room. N/A denotes not applicable
T denotes Private Terrace(s).
Y denotes Yard Area(s).
RR denotes Recreation Room.

* If applicable the approximate square footage of the Unit includes the approximate square footage of either a Recreation Room or Attic which is part of the Repsective Unit which is not meant for living or spleeping purposes.

NOTES TO SCHEDULE A

Offering Prices and Related Information

1. Set forth in column numbered (1), titled "Unit," is the unit's designation in the Building and the Offering Plan.

2. Set forth in column numbered (2), titled "Unit Description: Number of Bedrooms & Baths, Etc.," is a description of the Unit's layout, including the number of bedrooms and baths. Also set forth is whether a Unit has a private roof terrace, balcony, private garden and/or deck. The number of rooms in each bedroom type Unit is set forth below and is not calculated on the basis of any Industry Standard:

Bedroom Type	Rooms
Studio	2.5
One Bedroom	3.5
Two Bedroom	4.5
Three Bedroom	5.5

Please see the Floor layouts of the Units set forth in Part II of the offering for more information regarding Unit Layouts.

3. The approximate Square Footage of a Unit set forth in column numbered (3) of Schedule A is a gross square footage of the Unit which is obtained by measuring the floor area of the Unit measured to the outside face of the exterior walls of the Building enclosing the Unit to the centerline of the demising walls separating the Unit from other Units and/or the Common Elements. The gross square footage of a Unit is: (1) significantly greater than the actual usable square footage of the Unit and the Approximate Square Footage of a Unit measured by using the legal definition of the Unit which appears in the Declaration of the Condominium located in Part II of the Plan; and (2) is within reasonable tolerances. As is customary in New York City, these gross square footages exceed the actual floor area of each Unit.

Any floor layout, plan or sketch shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit in question. However, any material change will be set forth in an amendment to the Plan, and no material adverse change will be made in the size, configuration, or layout of a Unit for which a Purchase Agreement has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property, and in such event, Sponsor will, in the amendment disclosing such change and delivered to Purchasers, offer the affected Purchaser(s) the right, for at least fifteen (15) days, to rescind their Purchase Agreements and receive a refund of their downpayments, together with all interest earned thereon.

Further, please note that the ceiling heights for the Units and/or Common Element as set forth in the "Description of Property and Building Specifications" in Part II of the Offering Plan are approximate and may vary in certain areas due to field conditions at the Property.

4. The column numbered (4), titled "Offering Price", is the offering price of the Unit to Purchasers.

Sponsor's right to make changes in offering prices is set forth in the section of the Plan titled "Changes in Prices or Units" located in Part I of the Plan. Please note that purchase prices are negotiable, although Sponsor fully expects to receive those amounts set forth in the column titled "Offering Price."

In addition to the purchase price, Purchaser will be responsible at closing of title for certain other expenses as explained in the section titled "Unit Closing Costs and Adjustments" located in Part I of the Plan. Included in these costs is the Purchaser's contribution to the Working Capital Fund in the amount of two months worth of Common Charges for the Unit being purchased at the time of closing, payable to the Board of Managers of the Condominium. While general guidelines to certain expenses of Purchaser are approximated in such section, Sponsor is unable to approximate the total amounts which will be incurred by Purchasers because these will vary according to such factors as the cost and size of a particular Unit, whether mortgage financing is obtained and Purchaser's attorney's fees. Purchasers are advised to consult with their attorney as to the exact closing costs they will incur in purchasing their Unit.

5. As set forth in column numbered (5), the percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. These allocations are made pursuant to Section 339-i 1(iv) of the Real Property Law, which is part of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"). The aggregate Common Interest of all Units equal 100%.

6. These estimates are based upon the "Projected Budget for the First Year of Condominium Operation," which was prepared for the year commencing July 1, 2007 and which appears in Schedule B in the Plan. Included in these charges is the cost of insurance for the Property, repairs & maintenance for the General Common Elements and the cost of electricity for the common areas. It does not include the cost of gas or electric consumption for each Unit, which will be separately metered and billed by the utility company to the individual Unit Owner.

In addition to the aforementioned charges, each Unit Owner will be responsible for paying: (i) mortgage payments under any loan or loans obtained to finance the acquisition of his Unit; (ii) the cost of interior repairs to, and the maintenance, painting and decoration of, his Unit, including, without limitation, the equipment and appliances contained herein; and (iii) the cost of any insurance covering (A) furniture, belongings, equipment and other personal property and (B) liability to others for personal injury or property damage as a result of occurrences in his Unit.

7. The estimates set forth in column numbered (7) are a calculation of real estate taxes due for each Unit for the First Year of Condominium operation commencing July 1, 2007 and ending June 30, 2008 ("First Year"). Therefore, the estimates are based upon twelve (12) months of the 2007/2008 tax year. Estimates of real estate taxes due for the Units are based upon (i) the tentative transitional assessed valuation for the Property for 2007/2008, and (ii) the projected tax rates for the 2007/2008 tax year. The estimated taxable assessed valuations for the Units and the projected tax rates have been projected by the Leitner Group, Inc., 50 East 42nd Street, Suite 900, New York, New York 10017. A copy of the Leitner Group's letter is set forth in Part II of the Plan. The 2007/2008 tentative assessed valuations for the entire Property are as follows:

	Land	Building	Total
Actual Total Assessed Valuation:	$30,690.00	$56,248.00	$86,938.00
Transitional Total Assessed Valuation:	$30,690.00	$56,248.00	$86,938.00

The Actual Total Assessed Valuation, is the amount which, barring a major improvement or alteration to the Property, will be phased in over five (5) years at twenty percent (20%) per year. Since the Property is being newly renovated and constructed into "Class A" apartments, which renovation and construction commenced pursuant to an alteration permit in 2006, it can be expected that the Actual Total Assessed Valuation will be further increased for the 2008/2009 tax year, and subsequent tax years due to such renovation and construction. See Note 8 below for an additional discussion of the total increase in assessed valuation and real estate taxes for the Property due to the renovation and construction to be completed by Sponsor.

It is the Final Transitional Total Assessed Valuation for 2007/2008 of the entire Property, upon which real estate taxes for the twelve (12) months of the First Year of Condominium operation have been based. The 2007/2008 real estate taxes for all the Residential Units as projected by Mr. Leitner are $11,073.00 assuming a tax rate of 12.737% for the 2007/2008 tax year.

As stated above, Sponsor's projection of real estate taxes, without 421-a Benefits, for all of the Units for the First Year of Condominium operation is based, upon a projection letter by the Leitner Group, who has estimated the 2007/2008 total actual assessed valuation and tax rate for the Residential Units.

Real Estate Taxes payable during tax year 2007/2008 by all Units, are projected as follows:

Estimated Actual Assessed Valuation:	$ 86,938.00
Estimated Taxes Payable @ 12.731% Tax Rate:	$ 11,073.00

Real Estate Taxes payable during tax year 2008/2009 by all Residential Units, are projected as follows:

Estimated Actual Assessed Valuation:	$ 262,000.00
Estimated Taxes Payable @12.864% Tax Rate:	$ 33,705.00

It is the projected 2007/2008 Actual Total Assessment of all of the Units upon which real estate taxes, without 421-a Benefits, for the twelve (12) months of the First Year of Condominium operation have been based.

Based upon the above assumptions and the projected assessments and tax rates, the aggregate real estate taxes, without 421-a Benefits, for the Residential Units for the First Year of Condominium operation are projected to be approximately $11,073.00.

Another assumption is that each Residential Unit will be assessed in direct proportion to each Unit's percentage of Common Interest as it bears to the aggregate percentage of Common Interest of all Residential Units. **No warranties are made that the assessments of the individual Units or the distribution of the assessment amongst the Units, will be arrived at in a manner stated above. The Department of Finance of the City of New York may arrive at individual Unit assessments (or the apportionment of the entire value of the Property) which are different from those projected by Mr. Leitner and may use a methodology which varies from that set forth herein. For example, the City of New York may apportion the total tax due for the Property among the individual Unit Owners in proportion to the relative value of each Unit as indicated by the Offering Prices set forth in the initial Offering Plan or any amendment to the Offering Plan. In such event, Sponsor makes no representation as to what Purchase Prices the City would use.**

There can be no assurance that there will not be a further increase in the assessed valuation of the Units comprising the Property and/or an increase in the tax rate above those projected for tax year 2007/2008, 2008/2009 or subsequent years.

If on the date of the First Unit Closing each of the Units shall not have been separately assessed as an independent tax lot, then until such time as said independent tax assessment shall be made and in effect each Residential Unit Owner, including Sponsor, shall be nonetheless responsible for the cost of their proportionate amount of the aggregate real estate tax for the Property as determined by their percentage of Common Interest, multiplied by the aggregate real estate taxes assessed against the entire Property as apportioned to all the Units.

In the event the Units have not been separately assessed as independent tax lots at the First Unit Closing Sponsor shall place in escrow at such time an amount equal to the unpaid real estate taxes for the shorter period of (i) six months from the First Unit Closing or (ii) the period from the First Unit Closing until the Units are separately assessed. Sponsor will pay the real estate taxes from this escrow account as they become due and payable. However, 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 period within which the closing date occurs. 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 actual apportionment, it shall be made at that time. Should tax lots not be apportioned by the end of the tax period in which a Unit closing occurs, Sponsor shall be entitled to reimbursement from the Unit Owner for taxes as they are paid. Such reimbursement shall be per such Unit Owner's percentage of Common Interest.

After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units.

7a. Upon 100% completion of the construction which is assumed to be prior to January 1, 2008 for assessment purposes; and the implementation of the post rehabilitation/construction Actual total assessment of the Property as projected by the Leitner Group, Inc., the estimated annual/monthly real estate taxes for the period July 1, 2008 to June 30, 2009 for each of the Units is set forth in column numbered.

FURTHER, PLEASE NOTE THAT BASED UPON THE PROJECTED AGGREGATE 2007/2008 POST-REHABILITATION/CONSTRUCTION ASSESSMENT FOR ALL THE UNITS OF $262,000.00 AND A PROJECTED TAX RATES OF 12.864% FOR THE RESIDENTIAL UNITS, THE REAL ESTATE TAXES DUE FOR THE ENTIRE 2007/2008, 2009/2009 TAX YEAR WOULD BE APPROXIMATELY $33,705.00 FOR THE RESIDENTIAL UNITS, WHICH ARE SUBSTANTIAL INCREASES IN THE REAL ESTATE TAX ESTIMATES SET FORTH IN COLUMNS NUMBERED (7) AND (8) FOR EACH OF THE UNITS.

8. The figures set forth for the Property in column numbered (8) are based upon the total 2005/2006 aggregate actual assessed valuation for the Property of $11,424.00 which represents the total actual assessed valuation for the entire Property for the tax year prior to the commencement of construction, hereinafter referred to as the "Mini-Tax Assessment". The use of this figure is based upon the current policy of the Department of Finance of the City of New York and the figures set forth in column numbered (8) have been estimated by the Leitner Group, located at 50 East 42nd Street, Suite 900, New York, New York 10017. Sponsor is applying for partial real estate tax exemption benefits for the Property pursuant to Section 421-a of the New York Real Property Tax Law and the Rules and Regulations promulgated thereunder ("RPTL").

Once the anticipated benefits commence, they are projected to be retroactive to July 1, 2007. Accordingly, any retroactive real estate tax exemption benefits covering a particular Unit shall be the property of the Sponsor for the period of time prior to the closing of title of such Unit. Any such benefits covering the period subsequent to the closing of title to such Unit shall be the property of the owner of such Residential Unit. It is not anticipated that the partial tax exemption benefits for the Property pursuant to Section 421-a RPTL will be

reflected in the real estate tax assessment records of the City of New York until July 1, 2007 or thereafter. Accordingly, real estate tax adjustments with Residential Unit purchasers who close title during the year and/or months prior to the commencement of Section 421-a RPTL Partial Tax Exemption Benefits will be adjusting on the basis of the projected real estate taxes for the first year of condominium operation set forth in column numbered 7. Those projections are higher than the projections set forth in column numbered (7) which are based upon the Mini-Tax Assessment and the subsequent commencement of Section 421-a RPTL partial tax exemption benefits. However, since the aforementioned tax exemption benefits, once they commence, shall be retroactive to July 1, 2007, such purchaser will be entitled to a refund of any excess real estate taxes paid or adjusted on, subsequent to such purchaser's closing of title. The refund will be issued from the party receiving the refund for all or any part of tax year 2007/2008, which for those Units closed prior to July 1, 2008 is anticipated to be the Purchasers. The projection assumes that the real estate taxes and exemption benefits will be apportioned to the Units of the Building according to the proportion that each such type of Unit's percentage of Common Interest bears to the aggregate Common Interest of all of the Unit. **No assurances can be given that this method of apportionment of real estate taxes will be used by the City of New York taxing authorities. For example, the City of New York may apportion the total tax due for the Property among the individual Unit Owners in proportion to the relative value of each Unit as indicated by the Offering Prices set forth in the Offering Plan or any amendment to the Offering Plan.** In such event, Sponsor makes no representation as to what Purchase Prices the City would use.

The real estate taxes with 421-a Benefits are also projected by the Leitner Group using tax rates of $12.73 per $100.00 of assessed valuation for the Residential Units which are the projected tax rates for the 2007/2008 tax year. There can be no assurance that the assumed tax rates will remain at these levels for tax years 2007/2008, 2008/2009 or thereafter.

Based upon the above assumptions and the projected assessments and tax rates, the aggregate real estate taxes, with 421-a Benefits, for the Units for the First Year of Condominium operation are projected to be approximately $1,455.00.

NOTE: THE OFFER FOR SALE OF CONDOMINIUM UNITS PURSUANT TO THIS OFFERING PLAN IS NOT CONTINGENT UPON THE PROPERTY RECEIVING 421-A BENEFITS. FURTHER, IN THE EVENT THAT 421-A BENEFITS ARE GRANTED, THE OFFER FOR SALE OF UNITS IS NOT CONTINGENT UPON THE AMOUNT OF BENEFITS GRANTED AND/OR THE COMMENCEMENT DATE OF SUCH BENEFITS. See Note 7 above for an estimate of real estate taxes due for the First Year of Condominium operation without 421-a Benefits and column numbered 7(a) for an estimate of real estate taxes due without 421-a Benefits upon 100% completion of construction.

9. The figures in this column numbered (9) equal the sum of the Estimated Annual/Monthly Common Charges (First Year) and the Estimated Annual/Monthly Real Estate Taxes (First Year).

10. The figures in this column numbered (10) equal the sum of the Estimated Annual/Monthly Common Charges (First Year) and the Estimated Annual/Monthly Real Estate Taxes with 421-a Benefits Upon Completion Commencing July 1, 2007.

11. The figures in this column (11) equal the Estimated Annual/Monthly Real Estate Taxes (First Year). These amounts should change in subsequent years as a result of changes in the assessed valuation of Units, the tax rate or in the method of assessing real property. In the event that any Unit Owner obtains mortgage financing for his Unit the interest paid on such mortgage indebtedness will, in most cases, be deductible for income tax purposes.

12. The figures in this column (12) equal the Estimated Monthly Real Estate Taxes Upon Completion of Construction commencing July 1, 2008. These amounts should change due to changes in the assessed valuation of Units, the tax rate or in the method of assessing real property. In the event that any Unit Owner obtains mortgage financing for his Unit the interest paid on such mortgage indebtedness, under most circumstances, will be deductible for income tax purposes.

SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION BEGINNING JULY 1, 2007

Income

Common Charges (1)	$24,750.00
Total (2)	$24,750.00

Expenses

Salaries, Including Payroll Taxes and Benefits (3)	$ 0.00
Electricity (4)	$ 1,615.00
Gas for Heating and Hot Water (4)	0.00
Water and Sewer (4)	$ 1,785.00
Repairs, Maintenance and Supplies (5)	$ 2,466.40
Service Proposals and/or Contracts (6)	$ 2,620.00
Insurance (7)	$ 5,800.00
Management Fees (8)	$ 0.00
Administrative Expenses (9)	$ 9,600.00
Contingency (10)	$ 716.63
Total Expenses	$24,603.03

raised to $24,750.00
for projection purposes

Note: Sponsor represents that in the event that the commencement date of the First Year of Condominium operation is delayed more than six (6) months from the budget year projected in the Plan, the Plan will be amended to include a revised projected budget. If such amended projections exceed the projections set forth above by twenty-five percent (25%) or more, each Purchaser shall have the right for fifteen (15) days subsequent to the date of mailing or personal delivery of a copy of such amendment to him or her to rescind his or her Purchase Agreement, and, if not otherwise in default, have his or her deposit refunded. Sponsor has attempted to make accurate estimates. However, due to inflation, changes in the economy and unforeseen factors, it is likely that actual expenditures will differ from estimates set forth herein.[1]

The Sponsor may not declare the Plan effective where there are any material changes to the budget if these changes have not been disclosed by a filed amendment to the Plan.

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[1]For purposes of this Budget, the projected First Year of Condominium operation refers to the twelve (12) month period beginning as of the First Unit Closing. As of the Offering Date, the Sponsor anticipates that the Initial Closing will take place on or about July 1, 2007.

NOTES TO SCHEDULE B

1. Common Charges ($24,750.00)

   The Common Charges represent the aggregate of each Residential Unit's proportionate share of the Common Expenses.

2. Total Income ($24,750.00)

   This figure does not include any interest income that may be received by the Board of Managers from investment of the Working Capital Fund to be established at the various Unit Closings. For more information regarding the Working Capital Fund, see the section of the Plan titled, "Working Capital Fund and Reserve Fund," located in Part I of the Offering Plan. It is expected that all or part of the Working Capital Fund will be expended during the first or subsequent years of operation. Accordingly, such interest income cannot be determined with exactitude. For this reason, and for the further reason that such interest income does not reflect normally anticipated income from operations, no interest income has been included in the estimated income for the First Year of Condominium operation.

3. Salaries, Including Payroll, Taxes and Benefits ($0.00)

   The Sponsor shall manage the Building and perform all janitorial and maintenance functions until the First Board of Managers meeting subsequent to the first Closing of Title to individual Units. Thereafter, subject to certain limitations set forth in the By-Laws, the Condominium shall decide as to whether it deems it necessary or desirable to employ any individual(s) or firm(s) for the purpose of managing, operating and maintaining the Building. The Sponsor does not anticipate that such expenditures will be necessary and that the Unit Owners will assume such responsibilities themselves.

4. Below please find the monthly utility costs for electric consumption for the common areas and base building equipment and water and sewer usage for the entire Building. The costs have been calculated by TSF Engineering, P.E., 200 Park Avenue South, New York, NY 10003 using accepted practice. Deviation from these assumptions will cause the utility costs to change with respect to those shown here.

   Methodology and assumptions

   TSF Engineering has estimated average utilities operating costs for the Building. The estimates are based on the following:

   Calculations for the estimated utility usages are based on the following:

   1. Double insulated glass, thermal barrier type windows.
   2. R-30 insulation for roof.

3. R-21 insulation for walls.
4. Cost of Electricty: **$0.19** per KW-hr. ($0.18perKW, plus 4% tax and 3% inflation)
5. Cost of Gas: **$1.34** per therm. ($1.25perKW, plus 4% tax and 3% inflation).
6. Cost of Water: **$1.76** per 100cu.ft. ($1.65 per 100 cu.ft., plus 4% tax and 3% inflation)
7. Cost of Water: **$2.82** per 100 cu.ft. ($2.63 per 100 cu.ft., plus 4% tax and 3% inflation).
8. Heating based on 5026 degree days, 70F space temperature average with 0F outdoor design with 15mph wind.
9. Cooling based on 115 load hours per air conditioning residential season, 72F space temperature with an average EER of 13.
10. One bedroom apartments assume occupancy of two persons.
11. Apartment cooking based on two meals a day.
12. Water usage is estimated at 80 gallons of water per day per person.
13. Each apartment has a gas range.

The above figures are based upon construction complying with the new York State Energy Conservation Code. Costs can vary considerably depending upon actual usage, personal habits and maintenance of equipment in efficient operating conditions as well as thermostat settings. These figures are not intended to be a guarantee.

Common Area Charges

Estimated Electric Consumption/Charges

Item	Usages		Yearly Cost
Lighting	4,500 kwhr per year	4,500 x $.19 =	$855
Mechanical	4,000 kwhr per year	4,000 x $.19 =	$750

Monthly Electric Charges: $1,615/12 = $135/month

Estimated Gas Consumption

No amount is budgeted for gas consumption for heating and hot water. Each Unit is separately metered for gas consumption. Further, each Unit shall be provided with an individual heater/hot water meter. For a projection of the gas consumption within the individual Units, please see Schedule B-1.

Estimated Water Consumption/Charges

The annual water consumption is estimated to be 292,800 gallons of consumption (approximately 38,985 cubic feet).

Water Costs ($1.76 per 100 cu. ft.) = $ 686
Sewer Costs ($2,82 per 100 cu. ft.) = $1,099

Monthly Water Costs: $1,785/12 = $149/month

Each Residential Unit shall be separately metered for electrical and gas consumption within the Unit and each Unit Owner shall be required to pay the bills for electricity and gas consumed or used in his Unit. See Schedule B-1 for projected electrical and gas consumption and costs for each Residential Unit.

All charges for water consumed by the Units and in the Common Elements, together with all related sewer rents arising therefrom, shall be a Common Expense to be paid by the Unit Owners.

The cost of such water consumption, together with all related sewer rents arising therefrom, has been estimated by the office of TSF Engineering, PC.

Pursuant to the By-Laws of the Condominium, any license fees and all periodic taxes and charges for street vaults or other protrusions beyond the lot line, if any, shall be paid by the Board of Managers as a Common Expense. Further, any vault charges due as of the First Unit Closing shall be an adjustment with the Sponsor.

However, please note that as of January 1, 1998, the City of New York repealed the local law which provided for annual vault charges. Therefore, no vault charges have been budgeted for the First Year of Condominium operation.

Water supply and sewage conveyance and disposal will be provided by the City of New York. It should be noted that there have been significant increases in N.Y.C. water and sewer charges in recent years and this trend is likely to continue.

5. Repairs, Maintenance, and Supplies ($2,466.40)

Based upon the fact that the Building is being substantially renovated. The figure does not include maintenance, repairs and supplies within specific Units or which are for the exclusive use of a particular Unit or Units, (which shall be the obligation of the Unit Owner or Owners), but is designated to cover the cost of maintaining the General Common Elements only, as defined in the Declaration of the Condominium. Each Residential Unit Owner will be responsible for the cost of interior maintenance, repairs, decoration and painting of their respective Units.

No provision has been made to cover the cost of any major capital expenditure. Although no such expenditure is expected because the Building has been substantially renovated, each Unit Owner will be obligated to pay his pro rata share of such expenditures in accordance with the By-Laws of the Condominium in the event that any such expenditures are required.

6. Service Proposals and/or Contracts ($2,260.00)

a) Sprinkler system testing service - the sprinkler system is located throughout the Building. The annual cost of monthly inspections of the sprinkler system is projected by Plumbing Work Inc., 372 Columbia Street, Brooklyn, NY 11231 to be $1,500.00 including sales tax. However, this projection does not include any repair costs to the sprinkler system.

b) Exterminator service - A proposal for basic exterminating services for the Building has been provided by Assured Environments, located at 45 Broadway, 8th Floor, New York, NY 10006. The monthly fee is $85.00 per month plus sales tax. $85.00 x 12 = $1,020.00 x 8.5% = $85.43. $1,020.00 + $85.43 = $1,105.43. $1,105.43 has been raised to $1,120.00 for projection purposes.

c) Garbage disposal - garbage collection and disposal for the Residential Units shall be by the Department of Sanitation for the City of New York.

Summary	
Sprinkler	$1,500.00
Exterminator	$1,105.43
Total	$2,620.00

Sponsor has reserved the right, prior to the First Unit Closing, to enter into other service contracts which will be binding on the Board of Managers, provided that such contracts do not materially increase the estimated Common Charges for the First Year of Condominium operation nor bind the Board of Managers for a period of more than three years from the date of the First Unit Closing, unless it is customary for such type of contract to be more than three (3) years.

7. Insurance ($5,800.00)

The following is recommended for the Condominium for the First Year of Condominium operation in a letter from Fairmont Insurance, having an office at 1600 60th Street, Brooklyn, NY 11204.

Property Section: All Risk, Replacement Cost, No Co-Insurance and Agreed Amount:

Building, All risk: $1,750,000
Maintenance Fees: ..... Included
Boiler & Machinery: ..... Included
Deductible: $5,000

Building Ordinance A, B, C: $1,000,000
Flood: $1,000,000
Quake: $1,000,000
Deductible: $25,000

Crime & Fidelity: $100,000
Deductible: $5,000

Liability:
$1,000,000 per Occurrence/$2,000,000 Aggregate
$1,000,000 directors & Officers Liability

Umbrella: $1,000,000 per Occurrence/$1,000,000 Aggregate

Tentative Premium for First Year of Condominium operation - $5,800.00 (premium quoted is subject to rates and underwriting at the time coverage is written). The projected annual premium is based upon a one (1) year policy which would require a total premium of $5,800.00 for the one (1) year of coverage.

The Sponsor represents that it shall initially provide on behalf of the Condominium at the Condominium's expense, to be effective at the First Unit Closing, fire and casualty insurance in the amounts as set forth above. The policy will provide that each Unit Owner will be an additional insured and that there will be no cancellation without notice to the Board of Managers and the Unit Owners. In addition, to the extent permitted by the insurer, the policy will contain a waiver of subrogation, a waiver because of the acts of the insured and Unit Owners and will waive a pro rata reduction if additional Unit Owners obtain coverage.

No coverage is provided for such risks as fire and casualty losses to the contents of each individual Unit, nor does the coverage take into account any future replacements or additions to either the Units or the fixtures and improvements contained therein. In addition, no liability coverage for an individual Unit Owner is included in the coverage provided above. Prospective purchasers should consult their attorney or insurance agent to determine the advisability of obtaining insurance for their own risk of liability and fire and casualty losses. The Sponsor will deliver a fire and liability insurance binder or policy to the Board of Managers prior to or at the First Unit Closing. The cost for such binder or policy will be paid by the Board of Managers and shared by all Unit Owners as a portion of the Common Charges.

8. Management Fees ($0.00)

The Sponsor shall manage the Building and perform all janitorial and maintenance functions until the First Board of Managers meeting subsequent to the first Closing of Title to individual Units. Thereafter, subject to certain limitations set forth in the By-Laws, the Condominium shall decide as to whether it deems it necessary or desirable to employ any

individual(s) or firm(s) for the purpose of managing, operating and maintaining the Building. The Sponsor does not anticipate that such expenditures will be necessary and that the Unit Owners will assume such responsibilities themselves.

Management of the Building entails doing or hiring employees to perform all janitorial and maintenance functions such as cleaning, repairing, altering such items including, but not limited to, electrical, plumbing and carpentry, and complying with local building codes and regulations. Managing the Building also requires the paying or causing to be paid all bills for maintaining and operating the Building, billing for rent and other charges, setting up and keeping in good order a separate, accurate set of books for the Condominium, hiring accountants for preparation of federal, state and other income tax returns required by governmental authorities and generally doing all things reasonably deemed necessary and/or desirable for the proper management of the Property. If the Board of Managers decides to hire a Managing Agent, Common charges will be increased.

9. Administrative Expenses ($9,600.00)

Based on the following itemized projections:

Various Office Supplies, Telephone, Postage and Miscellaneous	$ 500.00
Legal Expense	$3,500.00
Accounting Expense	$4,500.00
Fees, Permits and Filings	$ 750.00
Franchise Taxes	$ 350.00
	$9,600.00

The estimate of legal expense is based upon 10 hours of consultation with an attorney to be retained by the Board of Managers at an approximate rate of $350.00 per hour. Such consultation would include, but not be limited to, issues raised by the Board of Managers in connection with the operation of the Property. Since no separate counsel has been appointed by Sponsor for the Condominium and as it is expected that each Purchaser shall be represented by an attorney in connection with the purchase of a Unit, it is not anticipated that further legal expense shall be required by the Condominium during the First Year of Condominium operation. However, in the event that legal services are required by the Condominium in excess of the first year estimate, then such services would be billed on an hourly rate or monthly retainer rate to be determined and negotiated by the Board of Managers with the attorney to be retained.

The estimate of Accounting Expenses is based upon a fee quotation of $4,500.00 provided by Jay R. Lehn, CPA, located at Boca Raton, FL 33498.

The services to be provided by Mr. Lehn consist of: preparation of year end financial statements; and analysis and review of general ledger accounts, including adjusted entries as necessary and Federal, NYS and NYC income tax returns will also be prepared.

The New York State Department of Taxation & Finance through the issuance of advisory Opinions has taken the position that "unincorporated associations" will be deemed corporations under Article 9A of the Tax Law of the State of New York and the regulations promulgated thereunder. As a result, all condominiums will be required to file annual franchise tax returns and pay any applicable tax. Based upon the fact that it is not anticipated that the Condominium will have net income or other capital assets, a minium amount of tax due has been included as part of the Budget for the First Year of condominium operation. However, in the event that the condominium has net income or capital assets in the future and the amount of tax due is greater than projected, the amount of each Unit's Common Charges shall increase.

10. Contingency Reserve ($716.63)

The contingency reserve provides for possible expenses not included in the projected budget or possible increases in one or more categories of operating expense beyond the projected amounts. It is not intended to be a reserve for capital improvements. If additional funds are required over and above these funds, it may be necessary to increase Common Charges or separately assess all Unit Owners. Sponsor has attempted to make accurate estimates. However, due to inflation, changes in the economy and unforeseen factors, it is likely that actual expenditures will differ from estimates set forth herein.

SCHEDULE B-1

Projected Estimated Average Costs for Electrical for Each Residential Unit in the First Year of Operation

July 1, 2007 - June 30, 2008

1. **Apartment 1A, 1B-Studio Bedroom Units (Ground Floor with Cellar Space; approximately 960-1025sf.)**

Electrical Usage

Item	Usages		Yearly Cost
Lighting & Appliances	3,794 kwhr per year	3,794 x $.19 =	$721
Mechanical	2,444 kwhr per year	2,444 x $.19 =	$464

Monthly Electric Charges: $1,184 = $99/month

Gas Usage

Item	Usages		Yearly Cost
Heating	595 therms per year	595 x $1.34 =	$797
Hot Water	47 therms per year (2)	47 x $1.34 =	$ 63
Cooking	36 therms per year (2)	72 x $1.34 =	$ 48
Clothes Dryer	14 therms per year (2)	14 x $1.34 =	$ 19

Monthly Gas Charges: $927 = $77/month

2. **Apartment 2, 3-Two Bedroom Unit (approximately 1050sf.)**

Electrical Usage

Item	Usages		Yearly Cost
Lighting & Appliances	4,750 kwhr per year	4,750 x $.19 =	$903
Mechanical	2,810 kwhr per year	2,810 x $.19 =	$534

Monthly Electric Charges: $1,437 = $120/month

Gas Usage

Item	Usages		Yearly Cost
Heating	620 therms per year	620 x $1.34 =	$831
Hot Water	47 therms per year (3)	141 x $1.34 =	$189
Cooking	36 therms per year (3)	108 x $1.34 =	$145
Clothes Dryer	14 therms per year (3)	42 x $1.34 =	$ 56

Monthly Gas Charges: $1,221 = $102/month

3. **Apartment 4A, 4B-Studio Unit (4th Floor and Attic Space; approximately 800sf.**

Electrical Usage

Item	Usages		Yearly Cost
Lighting & Appliances	3,650 kwhr per year	3,650 x $.19 =	$694
Mechanical	2,655 kwhr per year	2,655 x $.19 =	$504

Monthly Electric Charges: $1,198 = $100/month

Gas Usage

Item	Usages		Yearly Cost
Heating	612 therms per year	612 x $1.34 =	$820
Hot Water	47 therms per year (2)	47 x $1.34 =	$ 63
Cooking	36 therms per year (2)	36 x $1.34 =	$ 48
Clothes Dryer	14 therms per year (2)	14 x $1.34 =	$ 19

Monthly Gas Charges: $956 = $80/month

Calculations for the estimated utility usages are based on the following:

1. Double insulated glass, thermal barrier type windows.
2. R-30 insulation for roof.
3. R-21 insulation for walls.
4. Cost of Electricty: **$0.19** per KW-hr. ($0.18perKW, plus 4% tax and 3% inflation)
5. Cost of Gas: **$1.34** per therm. ($1.25perKW, plus 4% tax and 3% inflation).
6. Cost of Water: **$1.76** per 100cu.ft. ($1.65 per 100 cu.ft., plus 4% tax and 3% inflation)
7. Cost of Water: **$2.82** per 100 cu.ft. ($2.63 per 100 cu.ft., plus 4% tax and 3% inflation).

8. Heating based on 5026 degree days, 70F space temperature average with 0F outdoor design with 15mph wind.
9. Cooling based on 115 load hours per air conditioning residential season, 72F space temperature with an average EER of 13.
10. One bedroom apartments assume occupancy of two persons.
11. Apartment cooking based on two meals a day.
12. Water usage is estimated at 80 gallons of water per day per person.
13. Each apartment has a gas range.

The above figures are based upon construction complying with the new York State Energy Conservation Code. Costs can vary considerably depending upon actual usage, personal habits and maintenance of equipment in efficient operating conditions as well as thermostat settings. These figures are not intended to be a guarantee.

The cost of electricity for the individual Units was prepared by TSF Engineering, PC. The analysis was based upon standard engineering formulas, historical and data base comparisons, and best information available. Actual usage will be sensitive to the equipment installed and the habits of the Unit Owners, which may vary significantly.

SANDBERG MANAGEMENT CORP.
345 SEVENTH AVENUE, 21st FLOOR, NEW YORK, NY 10001 (212) 268-0494 FAX (212) 268-0397

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i(1)

Tiffany D Condominiums
c/o The Board of Managers
140 Degraw Street
Brooklyn, New York 11231

Re: **Tiffany D Condominiums**
140 Degraw Street
Brooklyn, New York 11231

Gentlemen/Mesdames:

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 has 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.

Our firm is in the real estate management business for a period in excess of twelve (12) years. We currently manage residential brownstone and conventional elevator and non-elevator apartment buildings which are either operated in the cooperative or condominium form of ownership or as rental properties. Some of the properties that we manage are as follows:

1. 305 West 98th Street
   New York, New York

2. 291 Seventh Avenue
   New York, New York

3. 88 Jane Street
   New York, New York

4. 1200 Broadway
   New York, New York

5. 227 Central Park West
   New York, New York

6. 245 West 74th Street
   New York, New York

This firm will not act as either the Selling Agent or the Managing Agent of the Property. We have no beneficial interest in the Sponsor and no interest in the profits of this offering plan other than the fee for this service.

Very truly yours,

Sandberg Management Corp.

By: _____
Louis Sandberg, President

Dated: April 25, 2007

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Attorneys At Law
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COUNSEL
BRUCE H. LEDERMAN*
GEORGE TZIMOPOULOS•

WRITER'S E-MAIL:

* ALSO ADMITTED IN NJ
• ALSO ADMITTED IN CT
• ALSO ADMITTED IN MA

April 25, 2007

140 Degraw St. LLC
278 Clinton Street
Brooklyn, New York 11201

Re: Tiffany D Condominiums
140 Degraw Street
Brooklyn, New York
(the "Condominium")

Gentlemen/Mesdames:

You have requested our opinion regarding the allocation of Common Interests to the Units at the above referenced Condominium as required by NYCRR Section 20.3(y)(5). Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Offering Plan for the referenced project (the "Plan").

In connection with rendering this opinion we have reviewed the allocation of Common Interests as shown on the Schedule A of the Plan and the Declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is based upon the factual determinations made by Sandberg Management Corp., as set forth in its opinion contained in the Plan as required by NYCRR Section 20.3(i). We have no independent investigation of the truth or accuracy of the factual determinations of Sandberg Management Corp.

Based upon our review of the foregoing, we have determined that Common Interests were allocated pursuant to the method set forth in Real Property Law Section ("RPL") 339-(i) (1)(iv), i.e., based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. We note that

in calculating the Common Interests, the square footage allocated to the cellar space which is part of a Residential Unit was discounted.

Accordingly, based on the foregoing it is our opinion that Real Property Law Section 339-i (1) has been complied with in assigning Common Interests to the Units. This opinion, while based upon existing rules of law applied to the facts and documents referred to above, is not a guarantee to Purchasers. In no event will the Sponsor, Sandberg Management Corp. D'Agostino, Levine & Landesman, L.L.P., the Selling Agent or the Condominium Board be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in RPL Section 339 or other applicable law.

The opinion expressed herein is based solely on New York law.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

D'Agostino, Levine & Landesman, L.L.P.

D'Agostino, Levine & Landesman, L.L.P.

DLL:jb

CHANGES IN PRICES AND UNITS

The offering prices set forth in Schedule A may be decreased or increased only by a duly filed amendment to the Offering Plan when the change of price is an across the board change affecting one or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual Purchaser. As set forth in the Notes to Schedule A, offering prices are negotiable. Accordingly, the Sponsor may enter into a Purchase Agreement with a Purchaser to sell one or more Units at prices less than those set forth in Schedule A without filing an amendment before entering the Purchase Agreement. As a result of the negotiability of offering prices and the right to change them, certain Purchasers may pay or may have paid more or less than other Purchasers under this Plan for similar Units. However, no price change will affect the percentage of Common Interest allocated to a Unit as to which the amount of the offering price was changed nor shall it alter the amount of Common Charges payable by such Unit Owner.

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 separate 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 By-Laws. Subject to the terms of the final 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, if any, the Managing Agent, if any, 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 amendment to the Offering Plan and to 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 material change will be made in the size and no material adverse change will be made in the quality of Common Elements unless all Purchasers not in default consent.

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.

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 fully 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, Declaration and/or By-Laws and, in connection therewith, a wall, space or other area forming a part of the Common Elements servicing and benefitting 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.

The Sponsor also reserves the right to substitute for any of the materials specified in either the Altered Building Plans, the Description of Property and Building Specifications, or elsewhere in the Plan materials of equal or better quality. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment described in this Plan and in the architectural plans on file, but, due to unavailability of materials and supplies or for any other reason, Sponsor may substitute materials, fixtures, appliances and equipment of equal or better quality for any of those set forth in the specifications or otherwise in this Plan.

Sponsor reserves the right to negotiate all aspects of the purchase price of Units, including, but not limited to, the terms of the financing contingency, decorating allowances, payment of fees otherwise paid by Purchasers, common charge rebates or subsidies, 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.

INTERIM USE AND OCCUPANCY AGREEMENTS

Subject to all applicable Zoning Laws and pursuant to an issued certificate of occupancy, Sponsor or its designee reserves the right, freely and without restriction, to rent or lease vacant Units to Purchasers and non-Purchasers at any time, both before and after the First Unit Closing. 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 (an "Interim Use and Occupancy Agreement") will be for such use and occupancy fee, but not to exceed the maximum of such fee legally collectible 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 one year after the execution date of the Agreement. In the event this Plan is abandoned, the Purchaser may, at any time at his or her sole option, cancel the Use and Occupancy Agreement and remove from the Building upon (30) day's prior written notice to the Sponsor at the address set forth on the cover page of this Plan. Additionally, in the event of such abandonment, the Purchaser who has entered into an Interim Use and Occupancy Agreement shall continue to be subject to whatever rental laws he or she was subject to prior to such abandonment. 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 apartment no later than that time.

In Paikoff v. Harris, 178 Misc.2d 366, 679 NYS2d 251 (Civ. Ct., Kings County 1998), *modified* NYLJ October 19, 1999, p.32, col. 3 (App. T. 2d Dep't), the Appellate Term in a holdover proceeding, granted a sponsor, as a holder of unsold shares, summary judgment for possession of the sponsor's apartment, and dismissing tenants counter-claims. However, that sponsor and tenant eventually settled their dispute regarding rent arrears and entered into a renewal lease. In its decision, the Appellate Term, contrary to other lower court decisions, stated that the tenant, who had subleased an apartment from a sponsor five years subsequent to the conversion, was in fact a "non-purchasing tenant" as defined by the Martin Act and therefore was entitled to a renewal lease at a rental increase which could not be unconscionable for comparable apartments.

In the event this Plan is abandoned, the Purchaser may, at any time at his or her sole option, cancel the use and occupancy agreement and remove from the Building upon (30) day's prior written notice to the Sponsor at the address set forth on the cover page of this Plan. Additionally, in the event of such abandonment, the Purchaser who has entered into an Interim Use and Occupancy Agreement shall continue to be subject to whatever rental laws he or she was subject to prior to such abandonment. 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 apartment no later than the thirtieth day after the exercised permitted rescission.

An Interim Use and Occupancy Agreement will provide that an uncured default by the Purchaser under a 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 must vacate the Unit within five (5) days after any default under the Purchase Agreement which remains uncured after five (5) days. No portion of the rental paid under an Interim Use and Occupancy Agreement will be credited toward the Unit's purchase price.

Notwithstanding the foregoing, if the Purchaser is given possession of the Affected Unit under an Interim Use and Occupancy Agreement or otherwise prior to the casualty, such Purchaser shall assume the risk of loss to the Unit and the obligation to repair the damage, unless the cause of such loss originated outside his or her Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his or her failure to repair the damage shall not excuse him or her from paying the balance due under his or her Purchase Agreement and accepting title to the Unit.

Sponsor's right and its designee'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 or its designee on the same terms offered to the prospective tenant or occupant.

PROCEDURE TO PURCHASE

A Person desiring to purchase a Unit in the Condominium shall be required to execute in quadruplicate a Purchase Agreement in the form contained in Part II of the Offering Plan and return it to the Sponsor and/or Selling Agent, together with a check in the amount of ten percent (10%) of the purchase price, drawn to the order of D'Agostino, Levine & Landesman, L.L.P., as attorneys or as escrow agent. This deposit may be increased for the entire cost of special custom work ordered by the Purchaser and itemized in the Purchase Agreement. D'Agostino, Levine & Landesman, L.L.P. shall be the "Escrow Agent" pursuant to the Purchase Agreement and Offering Plan.

Purchasers pursuant to this Offering Plan who have not had an opportunity to review the Offering Plan and any filed amendments for at least three (3) business days prior to their executing a Purchase Agreement shall be afforded seven (7) days after delivering an executed Purchase Agreement together with the required deposit to rescind the Purchase Agreement and have the full deposit refunded promptly. Such rescission must be in writing, addressed to the Sponsor, and be postmarked or hand delivered by midnight of the 7th day subsequent to Purchaser's executing and delivering such Agreement. Those Purchasers who execute a Purchase Agreement after having had an opportunity to review the Offering Plan and any filed amendments for not less than three (3) business days prior to their executing a Purchase Agreement shall not be permitted the aforementioned time period to rescind for any reason.

A deposit in the amount of no more than $200.00 payable in check or money order to the Sponsor is required of all prospective purchasers in order to obtain a copy of the Plan. The amount of the deposit will either be credited toward the Down Payment of a Unit for anyone who purchases a Unit or refunded to anyone who does not purchase a Unit if a copy of the Plan is returned undamaged, together with the original receipt, within thirty (30) days of receipt of the copy of the Plan.

Although a Purchaser may obtain financing from a lending institution or any other source, Purchaser's obligation to purchase a Unit pursuant to the Purchase Agreement shall not e contingent on Purchaser obtaining financing for such purchase unless Sponsor and Purchaser execute the Financing Rider annexed to the Purchase Agreement as Schedule B.

In accordance with section 71-a(3) of the Lien Law the Sponsor has appointed the law firm of D'Agostino, Levine & Landesman, L.L.P., 345 Seventh Avenue, 23rd Floor, New York, New York, as Escrow Agent to hold all deposits, down payments or advances, other than the deposit for a copy of the Offering Plan, received by it from Purchasers, either directly or through its agents or employees in trust, whether received before or after the date of Consummation of the Plan, in a special segregated escrow account or accounts at the HSBC Bank USA office located at 800 Sixth Avenue, New York, New York, titled "D'Agostino, Levine & Landesman, L.L.P., Escrow Agent for Tiffany D Condominiums," or a similar name within five (5) business days after the Purchase Agreement is executed by all necessary parties. This bank is covered by federal bank deposit insurance to a maximum of $100,000 per individual deposit. If an individual makes a downpayment

in excess of $100,000 for the purchase of a Unit, it is a special risk of this offer that such deposit will not be federally insured in excess of $100,000. D'Agostino, Levine & Landesman, L.L.P. is located at 345 Seventh Avenue, 23rd Floor, New York, New York 10001, (212) 564-9800. The signatories on this special escrow account authorized to withdraw funds are the partners of D'Agostino, Levine & Landesman, L.L.P. who are John D'Agostino, Michael J. Levine, Wayne R. Landesman, Bettina Miraglia and Jose M. Rivera, all of whom are located at 345 Seventh Avenue, 23rd Floor, New York, New York 10001.

This escrow account will be interest-bearing and unless the Purchaser defaults, interest will be credited to the Purchaser at closing. The interest rate to be earned will be the prevailing rate from this type of account as stated by HSBC Bank USA at the time of the initial deposit and as provided thereafter. Such interest rate as stated in March 2007 by Bank of New York is approximately .75%. Interest will begin to accrue as of the date the deposit of the down payment clears and is posted by HSBC Bank USA to the escrow account. No fees of any kind from the account principal or any interest earned thereon may be deducted. Sponsor shall bear any administrative cost for maintenance of the account.

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

Section 71-a(3) of the Lien Law, as applicable herein, also provides for the following:

(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) As an alternative to depositing down payments in escrow as set forth in (a) above, Sponsor may post a bond or indemnity contract with a licensed surety company ensuring return of such monies, which bond or contract is to be delivered to Purchaser. If Sponsor elects to post a bond or contract pursuant to this paragraph (b), prior to posting a bond or indemnity contract in lieu of depositing any down payments, (i) Sponsor shall submit and have accepted for filing by the Attorney General an amendment to the Plan which complies with the applicable provisions of the Attorney General's Regulations disclosing same; and (ii) the Sponsor shall obtain the approval of the Attorney General's Office as to the application and/or the form of the bond or indemnity contract.

(c) Down payments will be retained in escrow or bonded as set forth above until: (i) Sponsor performs under the terms of the Purchase Agreement or (ii) Purchaser rescinds, if permitted, or defaults in performance, thereby excusing performance by Sponsor or (iii) 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.

(d) The Purchase Agreement shall contain the following:

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

In the event that insufficient funds are raised through the offering or otherwise to effectuate the contemplated transaction, or in the event the Sponsor is unable for any reason to perform in accordance with the terms of the Purchase Agreement, or in the event that the Purchaser has been unable to obtain a written mortgage commitment and the Purchase Agreement has been subsequently terminated as set forth above, such monies will be fully returned to Purchaser with any interest.

As set forth above, the only other time monies received for the purchase of a Unit shall be disbursed from the special account are at the closing of title to a Unit by such Purchaser or 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 this special account or accounts shall be made only upon the written approval by a partner in the firm of D'Agostino, Levine & Landesman, L.L.P., despite the fact that HSBC Bank USA 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.

The Escrow Agent will hold funds in escrow until otherwise directed in (i) a writing signed by both Sponsor and Purchaser; or (ii) 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; (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 attached as Exhibit "A" to the Purchase Agreement in Part II of the Plan. The party applying for a determination must send all other parties a copy of the application.

Pending the determination of the Attorney General to grant or deny the application, the Sponsor, the Purchaser and the Escrow Agent shall abide by any interim directive issued by the Attorney General or as provided for in the regulations.

A copy of the escrow agreement which incorporates the terms of the Attorney General's regulations is contained in the Back-up Documents which have been submitted to the Department of Law as part of this Plan. The Model Form for the Escrow Agreement is also set forth in Part II of the Plan.

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

Subsequent to the date that the Plan has been declared effective, the Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser. The notice shall state the date of the First Unit Closing and set forth the closing date for the respective Unit. Purchasers shall be given not less than thirty (30) days notice of the closing of title on their Units. This notice period may be waived by Purchasers. The notice shall also provide that the balance of the purchase price shall be due at closing of title. The balance of the cash portion of the purchase price must be paid by cash, unendorsed certified, teller's or cashier's check made payable to the order of Sponsor or as otherwise directed by Sponsor. In all cases, all checks are to be drawn on a member bank of the New York Clearing House Association. The notice to Purchaser shall also specify when Common Charges will be due and payable.

If, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date and Sponsor does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes and Common Charges

will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

The notice of closing will be served upon all Purchasers who have executed and delivered a Purchase Agreement for a Unit to the Sponsor or Selling Agent (and whose Purchase Agreements are in effect and not in default). The notice of closing will be served either by personal delivery or sent by registered or certified mail to the address of the Purchaser as set forth in the Purchase Agreement. Notices served by personal delivery shall be deemed complete upon delivery. Service by mailing shall be presumed complete on the fifth day after the date of mailing.

Sponsor anticipates the First Unit Closing to occur on or about July 1, 2007. In the event that the First Unit Closing is delayed twelve (12) months or more beyond July 1, 2007, then all Purchasers who have executed Purchase Agreements and whose Purchase Agreements are still in effect and not in default, will be given the right to rescind their Purchase Agreements.

If Purchaser defaults under the Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he has thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date or thirty (30) days after personal delivery of such written notice, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the monies held by the Escrow Agent, but not more than ten percent (10%) of the purchase price plus any interest earned thereon, shall be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. Notwithstanding the above, Sponsor may receive the actual costs incurred for any special custom work ordered by Purchaser as a part of its liquidated damages even though the total amount of liquidated damages thereby exceeds ten percent (10%) of the purchase price. Sponsor waives any right to seek specific performance in the event of a default by Purchaser.

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. Additionally, in such event, 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 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 or her insurance needs.

Within twenty (20) days of receiving two copies of a Purchase Agreement, both executed by Purchaser, together with the required Downpayment, the Sponsor must either accept the Purchase Agreement by returning to Purchaser a fully executed copy of the Purchase Agreement or reject the Purchase Agreement by returning to Purchaser the Down Payment tendered. If Sponsor takes no action within said twenty (20) day period the Purchase Agreement shall be deemed null and void.

Any conflict between this Offering Plan and the Purchase Agreement will be resolved in favor of the Offering Plan. In no event may the Purchase Agreement contain, or be modified to contain, any provision waiving Purchaser's rights, other than the ability of Purchaser to waive his right to thirty (30) days notice prior to the closing of title to Purchaser's Unit. In no event may the Purchase Agreement contain, or be modified to contain, any provision abrogating Sponsor's obligations under the Offering Plan or under Article 23-A of the General Business Law. Purchase Agreements are not assignable without Sponsor's prior written consent.

At the closing of title to a Unit, and as a condition thereto, the Purchaser shall be required to execute a Power of Attorney to the Board of Managers of the Condominium and to the Sponsor. The Power of Attorney appoints (i) the Board of Managers as attorney-in-fact to acquire, on behalf of all Unit Owners, any Unit the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine; (ii) the Sponsor, as attorney- in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney; and (iii) the Sponsor, as attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or part, of the transferable air rights and/or development rights which Sponsor has retained for itself, and/or its successors and assigns. The Form of Power of Attorney to be executed is set forth in Part II of the Offering Plan. Notwithstanding the foregoing, the failure of Purchaser to comply with the terms of this paragraph shall not be deemed to limit or affect the rights of Sponsor or the Condominium Board under this paragraph.

Sponsor reserves the right to negotiate all aspects of the purchase price of Units, including, but not limited to, the terms of the financing contingency, decorating allowances, payment of fees otherwise paid by Purchasers, common charge rebates or subsidies, 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.

Regulations governing disclosure of information regarding Lead Based Paint (the "Regulations,") issued by the US Environmental Protection Agency ("EPA") and the US Department of Housing and Urban Development ("HUD") became effective on September 6, 1996. Such Regulations apply to the sale of Residential Condominium Units, except for studio apartments and open lofts which do not have a child less than six years old in residence. The Sponsor does not have any actual knowledge of any lead-based paint or lead-based paint hazards in the Residential Units or in the Property. However, the Property was originally constructed prior to 1978 and therefore either the Property or the Units may contain lead-based paint and lead-based paint hazards. The Sponsor has not undertaken any separate investigation or risk assessment as to the presence of lead-based paint and/or lead-based paint hazards in the Property and/or the Units. The Sponsor also does not have any actual knowledge that anyone else has undertaken any such investigation or risk assessment. Pursuant to the Purchase Agreement, the Purchaser will acknowledge that the Sponsor indicated it did not have any reports or records pertaining to lead-based paint or lead-based paint hazards as to the Units or the Property. The regulations require the Sponsor to disclose to the Purchaser that the exposure to lead from lead-based paint may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Purchaser will further recognize and agree pursuant to the Purchase Agreement that the Sponsor does not guaranty the accuracy of Sponsor's disclosure as to lead-based paint or lead-based hazards set forth herein as to the existence (including the magnitude thereof) or nonexistence of lead-based paint hazards in the Units or the Property. Pursuant to the Purchase Agreement, the Purchaser shall assume all risks, if any, as to lead-based paint hazards in the Units or the Property. The Purchaser may undertake his own risk assessment or inspection for possible lead-based paint hazards. If a Purchaser wishes to complete such inspection or risk assessment, it shall be undertaken by Purchaser prior to the execution of a Purchase Agreement. In connection therewith and pursuant to a "Pre-Contract Lead Paint Inspection Agreement," attached to the Purchase Agreement as Exhibit "B" which must be simultaneously executed by the Purchaser with the Purchase Agreement, the Purchaser will either undertake his own inspection or risk assessment or waive his rights to undertake same. The Purchaser will also acknowledge receipt of the lead-based paint hazard information brochure entitled "Protect Your Family From Lead in Your Home" prepared by the EPA, HUD and the Consumer Product Safety Commission.

ASSIGNMENT OF PURCHASE AGREEMENTS

No assignment or transfer of an executed Purchase Agreement shall be permitted without the prior written consent of Sponsor.

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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 By-Laws have been duly recorded.

The Plan may be declared effective when a Purchase Agreement has been both executed, by a bona fide Purchaser, including investors, and accepted by Sponsor for the sale of one (1) Residential Unit, which represents a minimum of at least fifteen percent (15%) of the Units offered under the Plan.

The Plan must be declared effective when Purchase Agreements have been both executed by bona fide Purchasers including investors, and accepted by Sponsor for the sale of five (5) of the Residential Units, which represent a minimum of at least eighty percent (80%) of the Units offered under the Plan.

The Plan may be abandoned, at Sponsor's sole option, at any time before the amendment substantiating effectiveness is filed and before eighty percent of (80%) of the Units have been purchased. The Plan, if abandoned, shall be abandoned by amendment filed with the Department of Law in appropriate form together with a notice of abandonment on form RS-3. 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.

Once a Plan has been declared effective, Sponsor may not abandon it for any reason other than for: (a) a defect in title which cannot be cured without litigation or cannot be cured for less than a cost, which does not exceed an amount equalling one half of one percent (0.5%) of the Total Purchase Price set forth on the front cover of the Plan; or (b) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than a cost which does not exceed an amount equalling one half of one percent (0.5%) of the Total Purchase Price set forth on the front cover of the Plan; or (c) the taking of any material portion of the Property by condemnation or eminent domain. The aforementioned amount set forth above as a basis for abandonment after effectiveness of the Plan shall exclude any title defects, attorneys fees, hazardous or dangerous conditions, work orders or determinations of any authority or regulatory association which exist as of the date the Plan is declared effective and either are known to the Sponsor or are a matter of public record.

The Plan will be declared effective by the mailing or personal delivery of written notice to all purchasers. Within five (5) business days after such notice is given an amendment to the Plan will be submitted by Sponsor stating that the Plan has been declared effective. 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 Plan will not be declared effective based upon Purchase Agreements: (a) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (b) if the Purchaser was either not afforded at least three (3) business days to review the Plan, and all filed amendments thereto prior to executing a Purchase Agreement, or if he was not permitted seven (7) days after delivering an executed Purchase Agreement and deposit to rescind the Purchase Agreement; or (c) with any Purchaser who is the Sponsor/Selling Agent or the Managing Agent or is a principal of the Sponsor/Selling Agent or the Managing Agent or is related to the Sponsor/Selling Agent or the Managing Agent or to any principal of the Sponsor/Selling Agent or Managing Agent by blood, marriage or adoption or as a business associate, an employee or 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 Sponsor submits proof satisfactory to the Department of Law establishing that the Purchaser is a bona fide Purchaser.

TERMS OF SALE

The Units, when sold by the Sponsor, will be sold in fee simple to Purchasers, who may be individuals, a duly formed partnership, limited liability company, 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 located in Part I of the Plan, and will include the respective undivided interests in the Common Elements. Good and marketable title to the Units and their appurtenant interests in the Common Elements will be conveyed 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, 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.

1. Survey made by Carlyle Ian Douglas, LLS, dated February 13, 2004, showing a 3-story building with basement and one (1) story building with basement attached at rear with party walls on both sides and the following:

    (a) Raised concrete.
    (b) Fence atop concrete retaining wall.
    (c) Basement steps.
    (d) Platform.

2. Any additional state of facts which updated and accurate surveys would show, providing such surveys do not render title unmarketable;

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 contemplated structures and use;

4. The Declaration, By-Laws, Maps and Floor Plans of the Condominium to be recorded in the Office of the City Register, 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 and rehabilitation 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 and/or cable television 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, maintenance and union contracts and agreements, if any, in effect on this 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 residential use of the Residential Units at the Property nor prevent the existence of the present structures.

13. Any service contracts to be assumed by the Condominium at the First Unit Closing;

14. 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);

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

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

The Sponsor represents that, until it no longer controls the Board of Managers, the Property will be maintained, repaired, cared for and operated in substantially the same condition and manner as it was on the date of the First Unit Closing, subject to strikes, lockouts, labor difficulties, acts of God, fire or other casualty, storm, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which the Sponsor is reasonably unable to exercise control. If the Sponsor is prevented from so maintaining the Property for any of these reasons other than fire or other casualty, the Sponsor will make any repairs subsequent to the First Unit Closing that it was obligated to make as of the First Unit Closing. As set forth in the section of the Plan titled "Effective Date", in the event of a casualty which cannot be repaired for less than a cost which, inclusive of other costs set forth in such section, exceeds an amount equalling one half of one percent (0.5%) of the Total Purchase Price set forth on the front cover of the Plan (as estimated with respect to the casualty by an insurance adjuster retained by Sponsor) and which occurs prior to the First Unit Closing and the Sponsor elects not to make repairs, then the Sponsor may, at its option, abandon or withdraw this Offering Plan. In such event all Purchase Agreements will be deemed automatically cancelled and Purchasers in good standing will be refunded their deposits with any interest earned thereon. Upon such refund being made, the Condominium and the Sponsor will be relieved and discharged of all liability under the Plan and Purchase Agreements.

In the event the Sponsor elects to repair and restore the damage to the Building from a casualty occurring before the First Unit Closing, or if the casualty occurs after the First Unit Closing, but before the closing of the damaged Unit, then the following shall be applicable:

The term "Affected Unit" means a Unit that has been directly damaged in the casualty (other than minor damage not rendering the Unit uninhabitable) or is without such essential services as gas, electricity and heat, or no longer has a reasonably adequate means of ingress and egress to the street;

The Purchase Agreements for all Units, other than "Affected Units" (as previously defined), shall remain in full force and effect and the Purchasers thereunder shall pay the full purchase price at the closing. Such Purchasers shall not be entitled to adjourn the closing nor be allowed any abatement in the purchase price, nor credit against same, nor retain (in escrow or otherwise) any portion of such purchase price pending restoration and repair of the damage to the Building and the Affected Units.

Except as provided in the next paragraph, a Purchaser of an Affected Unit shall not be required to pay the balance due under the Purchase Agreement unless and until (i) the damage to his or her Affected Unit has been substantially repaired as near as reasonably possible to its condition immediately prior to the casualty and (ii) his or her essential services (such as gas, electricity or heat) and a reasonable means of ingress and egress to the street have been restored.

Notwithstanding the foregoing, if the Purchaser is given possession of the Affected Unit under an Interim Use and Occupancy Agreement or otherwise prior to the casualty, such Purchaser shall assume the risk of loss to the Unit for items not covered by the Condominium's master insurance policy and the obligation to repair the damage, unless the cause of such loss originated outside his or her Unit and did not result from the acts of Purchaser or other occupants of the Unit

or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his or her failure to repair the damage shall not excuse him or her from paying the balance due under his or her Purchase Agreement and accepting title to the Unit.

The Sponsor and/or the Condominium will in no event be liable to Purchasers under this Plan, and the Sponsor will not be liable to the Condominium, in the event of any delay in repairing the damage.

All personal property located within the Unit on the date the Purchase Agreement is signed that is owned by the Sponsor is included in the conveyance to the Unit Purchaser. 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.

At the time of the First Unit Closing each mortgagee will (a) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Units; (b) subordinate the lien of its mortgage to the Declaration of Condominium; (c) release its lien on the Condominium Unit being conveyed.

CLOSING ADJUSTMENTS WITH THE CONDOMINIUM BOARD

Immediately prior to the First Unit Closing, Sponsor shall apportion the following items with the Condominium Board as of midnight of the day immediately preceding such closing:

(a) Any Common Charges which are Sponsor's obligation for the period from the First Unit Closing to the end of the month in which same occurs;

(b) employees' wages, vacation and severance pay, pension and welfare benefits and all other payments or obligations relative to the employees of the Building, if any;

(c) fees for assignable permits and licenses, if any;

(d) charges for gas or oil, whichever is applicable, for the Common Elements, for which Sponsor shall obtain readings;

(e) charges for electricity for the Common Elements, for which Sponsor shall obtain a reading;

(f) charges under service and maintenance contracts and concession agreements, if any;

(g) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed or on the basis of meter readings if applicable, which Sponsor shall obtain;

(h) supplies on hand at Sponsor's cost (plus sales tax);

(i) premiums for transferable insurance policies, provided that the amount and the extent of coverage conforms to the disclosures in this Plan in Schedule B located in Part I of the Plan;

(j) vault charges, if any;

(k) such other items as are customarily included in closing adjustments in the City of New York;

The Condominium Board shall reimburse the Sponsor in full for any electric, utility or other utility construction deposits paid by Sponsor. Such items are not items for closing adjustment.

At the time of the first closing of title to each Unit to a bona fide Purchaser, such Purchaser shall pay into the Working Capital Fund of the Condominium the sum equal to two (2) months of Common Charges for the Unit being purchased at the time of the closing. This fund is to be used for payment by the Board of Managers of any net closing adjustment expenses owed to Sponsor at

the First Unit Closing. The amount of the net closing adjustment owed to Sponsor will be paid to Sponsor by the Board of Managers, without interest, by applying the contribution to Working Capital paid by each Purchaser at the closing of title to each Unit to the terms of a non-interest bearing note due on the first anniversary of the First Unit Closing to be executed by the Board of Managers at the First Unit Closing. Sponsor is hereby authorized to endorse the Working Capital contribution checks payable to the Board of Managers over to Sponsor and to apply such payments without any further action of the Board of Managers until the promissory note is paid in full. If the promissory note is not fully paid by the due date from such payments, the Board of Managers will pay the note in full from its general funds. The Board of Managers will be entitled to repay the note, in full only, at any time and without penalty. Sponsor will waive any net adjustments in its favor which would reduce the Working Capital Fund below zero after making provision for the amount of monies that would be generated by the payment of Working Capital contribution for each Unit in the Building. If the result of the closing adjustment is a net credit in favor of the Condominium, or if any amounts remain after the promissory note has been fully paid, such amounts in the Working Capital Fund may be held or used at any time for working capital, to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as well as determined by the Board of Managers in its sole discretion.

No provision has been made for any Reserve Fund or for any Working Capital Fund other than as set forth above.

CLOSING OF TITLE TO UNITS

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 and the Sponsor will deliver to the Purchaser a bargain and sale deed for that Unit with covenants against grantors acts. The form of Unit Deed is set forth in Part II of the Plan.

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

(1) The issuance of a temporary or permanent Certificate of Occupancy for the Building, or, alternatively, the issuance of a temporary or permanent Certificate of Occupancy for the Unit closed. Sponsor shall complete construction and obtain a permanent Certificate of Occupancy for the entire project within two (2) years subsequent to the First Unit Closing or at such sooner time as the temporary Certificate of Occupancy, as same may be renewed, replaced or extended, expires. If, at the time of closing of title to a Residential Unit Sponsor has only obtained a temporary "Class A" residential Certificate of Occupancy covering such Unit, then Sponsor shall place in escrow with its attorney an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover the cost for such Unit of obtaining a permanent "Class A" residential Certificate of Occupancy covering that Unit. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent "Class A" residential Certificate of Occupancy covering such Unit. Alternatively, the Sponsor shall have the option of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond in the amount so determined.

(2) The recordation in the King's County Office of the Register of the City of New York of the Declaration, the By-Laws and the filing in said office of a set of as-built 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 required by Section 339-p of Article 9-B of the Real Property Law of the State of New York certifying that the plans fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units as built;

(3) The discharge of all duly recorded liens affecting the Unit to be closed and its undivided Common Interest and the recording of 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;

(4) The serving by personal delivery or registered or certified mail to the Purchaser written notice of the closing date not less than thirty (30) days prior to closing of title, unless Purchaser elects to waive the thirty (30) day requirement; and the affording to Purchaser of an opportunity to inspect the Unit and the Common Elements; and

(5) The amending of the Offering Plan by Sponsor with an amendment substantiating that the Plan has been declared 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 titled "Closing of Title to Units".

At the closing of title to a Unit, Sponsor will execute and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed within such Unit. The Board of Managers shall simultaneously execute and deliver to the Purchaser of such Unit an authorization to enforce such warranties on its behalf. At the First Unit Closing, Sponsor will execute and deliver to the Board of Managers an instrument assigning to the Board of Managers any manufacturer's warranties with respect to equipment and appliances installed in Common Elements. A copy of any manufacturer's warranties, to the extent available, will be delivered to the Board of Managers at the First Unit Closing or promptly thereafter.

UNIT CLOSING COSTS AND ADJUSTMENTS

1. 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 of the cost of fee title insurance, if Purchaser elects to obtain title insurance. Sponsor recommends that Purchaser order such insurance from All New York Title Agency, Inc., (Tel. No. 212-579-1944) as agent for First American Insurance Company of New York. Obtaining title insurance from this company shall facilitate the closing and avoid unnecessary delays. However, notwithstanding anything herein to the contrary, a Purchaser may elect to obtain title insurance and/or a title report from any other title insurance company and/or abstract company. Purchasers are advised that obtaining title insurance from another title insurance company and/or abstract company may cause a delay of the closing of title to the Unit. Fee title insurance rates as quoted by All New York Title Agency, as of the date of this Plan are as follows: a base rate of $402.00 for the first $35,000.00 in coverage; $6.67 per thousand dollars of purchase price in excess of $35,000.00 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 $500,000.00 up to $1,000,000.00; plus $3.66 per thousand dollars of purchase price in excess of $1,000,000.00 to $5,000,000.00; plus $3.25 per thousand dollars of purchase price in excess of $5,000,000.00 to $10,000,000.00.

b. Recording fee for recording the deed, power of attorney and RP5217 of approximately $360.00;

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

1. Legal fees of the lending institution's attorney;

2. 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 All New York Title Agency, Inc., as of the date of this Plan are as follows: a base rate of $344.00 for the first $35,000.00 in coverage; $5.55 per thousand dollars of coverage in excess of $35,000.00 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 up to $5,000,000.00; plus $2.71 per thousand dollars of coverage in excess of $5,000,000.00 up to $10,000,000.00. Please note that if a mortgage title policy is purchased simultaneously with a fee insurance policy and through the same company, insurance coverage rates shall be discounted;

3. A mortgage recording tax of one and eight tenths percent (1.80%) of the first ten thousand dollars ($10,000.00) of the amount of the mortgage executed by the Purchaser and a mortgage recording tax of two and five one hundredths percent (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. For mortgages of $500,000.00 or more the rate is 2.175%. Please note the discussion of Mortgage Tax Credit below. Institutional Lenders are required to pay one quarter of one percent of the two and five one hundredths percent (2.05%) tax, thereby reducing Purchaser's cost to one and eight tenths percent (1.80%) less $30.00, for mortgages less than $500,000.00 and 1.925% less $30.00 for mortgages of $500,000.00 or more.

4. Recording fee of approximately $650.00 for recording of the Purchaser's mortgage, the partial release of mortgage, termination of any Uniformed Commercial Code Statement related to the Unit and any underlying mortgage, construction or otherwise, previously obtained by Sponsor and any ACRIS preparation service fees.

5. 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 one percent (1%) of the purchase price with respect to the Residential Units which are sold for less than $500,000.00 and which has been increased to 1.425% where the consideration is equal to or greater than $500,000.00. It is 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.

In condominium transactions, either the seller or the Purchaser can pay these transfer taxes. The obligation is assumed by a purchaser if such obligation is imposed on the purchaser by the terms of the sale. Under the 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.

e. New York State Real Estate Transfer Taxes (deed stamps), which are currently at the rate of $2.00 per each $500.00 of consideration or part hereof. 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 deed stamps to be paid for the Unit.

f. Contribution to the Working Capital Fund in the amount equal to two months of Common Charges for the Unit being purchased at the time of the closing, payable to the Board of Managers;

g. Legal fee of Sponsor's attorneys in the amount of $1,500.00 per Unit, payable to D'Agostino, Levine & Landesman, L.L.P., provided that an additional fee of $500.00 per closing shall be due for closings which occur outside the office of Sponsor's attorneys.

Furthermore, a legal fee of $350.00 shall be payable to Sponsor's attorneys for the work involved in processing any assignment of a purchase agreement or contract of sale. It is noted that no such assignments are permitted without the prior written consent of Sponsor. A legal fee of $350.00 shall be payable for the work involved as a result of any adjournment by a Purchaser beyond that permitted under any right of adjournment set forth in the Offering Plan. Finally, a legal fee in the amount of $350.00 shall be paid by Purchaser to Sponsor's attorney's for each cancellation and/or release if prepared by such firm pertaining to other than a termination relating to the Mortgage Financing Contingency.

h. 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.

i. Under the State Tax Law, Section 1402-a, a tax of one percent (1%) of consideration (or part thereof attributable to the real property being conveyed) is payable by the grantee (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 ("the Mansion Tax"). Residential real property includes a 1-3 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. The Mansion Tax applies to conveyances occurring on or after July 1, 1989 other than conveyances pursuant to binding written contracts entered into on or before February 16, 1989. If applicable, a Purchaser under the terms of the Offering Plan shall be liable for payment of the Mansion Tax at the closing of title of the Unit being purchased. For purposes of paying this tax with respect to this project, consideration also includes the amount of New York City Transfer Tax and deed stamps to be paid for the Unit by Purchaser.

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, fees of Purchaser's attorney and fees of the attorney representing Purchaser's lending institution, Sponsor suggests that Purchaser review their closing costs with an attorney.

The Purchaser will be required to pay to the Board of Managers Common Charges allocable to his Unit monthly in advance. Common Charges assessed during the month in which title 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.

Notwithstanding anything herein to the contrary, if, through no fault of Sponsor, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date and Sponsor does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes and Common Charges will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault to Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

Water and sewer charges shall be adjusted between the Sponsor and the Condominium as of 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 July 1, 2007, Sponsor will have paid the real estate taxes for the Property through December 31, 2007. Sponsor shall place in escrow in the name of the Board of Managers at the First Unit Closing money sufficient to pay the real estate taxes for six months subsequent to the date of the First Unit Closing. If the real estate taxes have already been paid for part of this six month period, then this six month period shall be reduced by the amount of time subsequent to the First Unit Closing for which the taxes have been paid. For example, if the First Unit Closing occurs on July 1, 2007 and real estate tax have been paid through December 31, 2007, then Sponsor shall only have to place into escrow with the Condominium Board of Managers an amount to cover six (6) months of real estate taxes. Sponsor shall have the right to reduce this

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 percentage of Common Interest, to cover (i) the period for which real estate taxes have not been paid for such Unit up to six (6) months from the First Unit Closing, or (ii) an amount necessary to pay the amount of allocated taxes for the Unit which will be due on the next payment date (which in New York City is either July 1st or January 1st). At the Sponsor's option, this funding can occur either by Purchaser paying such funds to its mortgagee or by paying such monies into the escrow held by the Board of Managers. Sponsor shall pay the real estate taxes from this escrow account when they are next due and shall be entitled to reimbursement from any Unit Owner who either did not pay any money into escrow or paid less than was required to cover the real estate taxes attributable to such Unit for the time Purchaser owned the Unit.

Subsequent to this six (6) month period, until a separate assessment for each Unit has occurred, each Unit Owner or its mortgagee 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, an amount determined by multiplying such Unit Owner's percentage of Common Interest by the aggregate real estate taxes assessed against the tax lot comprising the Property for the six month time period. 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 percentage Common Interest and adjustment on the basis of actual apportionment, it shall be made at that time.

2. 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 of 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."

If Sponsor has paid a mortgage recording tax for a construction loan and/or blanket mortgage on the Property and in the event that a mortgage tax credit becomes available pursuant to the above Section of the New York Real Property Law, then it is specifically understood that such credit shall inure to the benefit of the Sponsor. 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. At closing the Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

The entire contents of this Paragraph "2" as well as those in Paragraph 1 above, as same may be revised or amended, shall be deemed to be incorporated into the Purchase Agreement for each Unit.

A numerical example for the costs set forth in this section of the Offering Plan for a typical Residential Unit with a purchase price of $700,000.00 and a mortgage of $525,000.00 are estimated as set forth below. Tax, insurance and recording rates are subject to change.

1. Title insurance for fee and mortgage, including the simultaneous fee discount $3,476.00 ($2,818.00 fee) ($658.00 mortgage);

2. recording costs for deed and power of attorneys $360.00;

3. mortgage recording tax (including payment to Sponsor pertaining to mortgage tax credit, if any) $10,106.25;

4. recording cost of mortgage, partial release and UCC-3 Termination Statement of approximately $650.00;

5. New York City Real Property Transfer Tax $10,157.04;

6. New York State Real Estate Transfer Taxes (deed stamps) $2,852.00;

7. New York State Mansion Tax $0.00;

8. legal fee of Sponsor's attorney (assuming the closing takes place in the borough of Manhattan, no assignment and no unauthorized delay in closing by Purchaser) $1,500.00;

9. real estate tax escrow -

For a closing occurring on July 1, 2007, 1st half 2007/2008 real estate taxes will have been paid. Therefore, for 2nd half 2007/2008 real estate taxes, due January 1, 2008, six months of real estate tax escrow would be picked up. For example, for Unit 2, this amount would be estimated at $4,480.68 based upon the estimated real estate taxes for the Unit as set forth in Schedule A in Part I of the Plan. It is also noted that a July 1, 2007 closing where the 1st half of 2007/2008 real estate taxes are paid would mean the Purchaser would have to reimburse Seller for six (6) months of real estate taxes. For Unit 2, based upon the estimates in Schedule A, this amount would equal approximately $4,480.68 for six (6) months.

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.

The projected closing costs referred to above are approximate and are not guaranteed.

RIGHTS AND OBLIGATIONS OF SPONSOR

No bond or other security has been furnished to secure the performance of the Sponsor's obligations. 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. In the event that Sponsor is unable to perform its obligations pursuant to the Offering Plan, Sponsor shall cease all sales activity and amend the Offering Plan to disclose its current financial condition. The amendment will also provide that Purchasers will be given, for fifteen (15) days after the presentation of the amendment, a right to rescind their Purchase Agreement by written notice to Sponsor and be refunded all monies paid thereunder, with any interest earned thereon. However, such rescission, as to Purchaser who first became an occupant of the Building pursuant to a Purchase Agreement, will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Residential Unit within fifteen (15) days thereafter. The project is being financed from Sponsor's own funds and construction loan financing provided by North Fork Bank. The construction loan closing occurred on September 15, 2006.

Although Sponsor shall make a good faith effort to sell the Residential Units to purchasers who will occupy their Units as their personal residences ("owner-occupants"), prospective purchasers should be aware that the decision to sell, not to sell or rent any Unit shall be made by the Sponsor based upon its evaluation of market conditions and its own financial considerations and, except for the required consent of its construction lender, shall be in the sole discretion of the Sponsor. If Sponsor makes a bulk sale of all or some of its unsold units, the transferee successor sponsor is bound by Sponsor's representations regarding its commitment to sell units. In the event that Unsold Units are not offered for sale they may be rented at such rents as the Sponsor determines and market conditions allow. Prospective purchasers should also be aware that if the Unsold Units are not offered for sale and/or are subsequently rented, such decision by Sponsor may have an impact on the types of financing available to purchasers, the cost of such financing, and even, perhaps, on the availability of financing. The policy of banks may vary and may involve restrictions in the types and varieties of loan terms available (such as the percentage of financing offered; fixed/variable; term of loan; verification requirements; etc.) to possible unwillingness to provide any financing. Prospective purchasers are advised to consult with their intended lenders/mortgage brokers with regard to the percentage of units which may be held as Unsold Units, and the lender's policies with regard to same, prior to entering into a contract to purchase a Unit. The decision of Sponsor to withhold Units from sale and/or rent same may continue to apply indefinitely and may have an adverse impact on the ability of a Unit Owner to resell their Unit and/or the price which they are able to obtain for the Unit.

Additionally, because the Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment on the Sponsor's part to sell more Units than the fifteen percent (15%) necessary to declare the Offering Plan effective and as a result owner-occupants may never gain effective control of the Condominium. Further, pursuant to the terms of the Offering Plan and By-Laws of the Condominium, the Board of Managers has no right to approve

or reject the sale of a Unit to a prospective purchaser and therefore there is no limit as to the number of "investor" or "non-occupant owners" of Units in the Building. However, as set forth in Article III, Section 1.(b) of the By-Laws of the Condominium which are set forth in Part II of the Offering Plan, subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint thereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, pursuant to the By-Laws any owner-occupant shall be entitled to one (1) seat on the Board of Managers. Sponsor shall seek the consent of its lender, if any, prior to renting any Unsold Units.

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

1. The Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction of the Units and Common Elements for the authorized and proper work performed and fixtures, material and equipment supplied or installed in said construction.

2. The Sponsor will diligently, expeditiously and at Sponsor's own cost, complete the construction of the Units and Common Elements substantially in accordance with the plans and specifications described herein. If any work still remains to be done to complete such work, provided such work will not prevent the issuance of a permanent Certificate of Occupancy, Sponsor, at Sponsor's own cost and expense, will perform or cause all such work to be performed and will supply or cause all material therefor to be supplied and will pay for such work and materials and discharge or bond all mechanics' liens which may be filed as a result of the construction of the Units or Common Elements.

   Prior to the closing of the Unit, Sponsor must assign any manufacturer's warranties with respect to equipment and appliances installed in the Unit to the Unit Owner and assign any warranties with respect to equipment and appliances installed in the common elements to the Board of Managers.

   The Sponsor reserves the right to substitute for any of the materials or any of the construction procedures specified in either the Altered Building Plans, the Description of Property and Building Specifications or elsewhere in the Plan, materials of equal or better quality and design and/or construction procedures which are of equal or better custom for the industry in which the Property is located as determined by Sponsor's general contractor or architect or engineer, in their sole discretion. The Sponsor's intention is to use the materials, fixtures, appliances and other equipment and procedures described in this Plan and in the architectural plans on file, but, due to the possible unavailability of materials and supplies or for any other reason, Sponsor may substitute materials, fixtures, appliances and equipment of equal

or better quality and design and/or similar construction procedures for any of those set forth in the specifications or otherwise in this Plan.

The Sponsor also reserves the right, without altering the total amount of space contained in the Building, to change the size, interior layout and location of any Unit or the number of Units, provided such changes are made in accordance with the Section of the Plan titled "Changes in Prices or Units" located in Part I of the Plan.

Changes will be made in the size or number of Units, their respective percentage of Common Interest, or in the amount or quality of Common Elements, except as otherwise provided herein, only with the consent of all Unit Owners directly affected, and by amendment to the Plan and also by amendment to the Declaration if the Declaration was filed prior to such change. To be directly affected the change in the size of a Unit must be to such Unit Owner's Unit or the change must be to his or her percentage of Common Interest or in the amount or quality of Common Elements which he or she is entitled to use. However, Sponsor shall not be obligated to obtain consent of any Unit Owner for changes made prior to the execution of a Purchase Agreement for the affected Unit or Units, provided such changes are made by amendment to the Offering Plan and to the Declaration.

Changes to the size, layout or percentage of Common Interest of a Unit for which a Purchase Agreement has been executed by Purchaser and Sponsor and delivered to the Purchaser or changes in the amount or quality of Common Elements directly affecting or servicing a Unit for which a Purchase Agreement has been executed by Purchaser and Sponsor and delivered to Purchaser shall be made only with the written consent of the Purchaser of such Unit, provided, however, that such Purchaser's consent shall only be required if the Purchaser is not then in default. Notwithstanding the foregoing, such changes may be made, provided all directly affected Unit Owners consent in writing to such change and all directly affected Purchasers who are still contract vendees and who are not then in default either consent in writing to such changes or are given the right to rescind and receive from Sponsor a return of any deposit or downpayment for fifteen (15) days from the date of mailing or personal delivery of written notice from Sponsor.

3. The Sponsor, at Sponsor's sole cost and expense, will obtain, prior to the closing of a particular Unit, the issuance of a temporary or permanent Certificate of Occupancy for the Unit closed. Sponsor shall complete construction and obtain a permanent Certificate of Occupancy for the entire project within two (2) years subsequent to the First Unit Closing or at such sooner time as the temporary Certificate of Occupancy, as same may be renewed, replaced or extended, expires. If, at the time of closing of title to a Residential Unit Sponsor has only obtained a temporary "Class A" residential Certificate of Occupancy covering such Unit, then Sponsor shall place in escrow with its attorney an amount, as determined by an architect chosen by Sponsor, which is sufficient in such architect's opinion to cover the cost for such Unit of obtaining a permanent "Class A" residential Certificate of Occupancy covering that Unit. Such escrow amount shall be released to Sponsor or its designee upon the obtaining of a permanent "Class A" residential Certificate of Occupancy covering such

Unit. Alternatively, the Sponsor shall have the option of either depositing with an escrow agent an unconditional, irrevocable letter of credit in the amount determined by Sponsor's architect or posting a surety bond in the amount so determined.

4. 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 of the Plan titled "Closing Costs and Adjustments," and will pay or have paid, except as otherwise provided in the Plan, all selling expenses of Sponsor, including, but not limited to, advertising and printing costs, architect's fees, attorneys' fees, organization costs, brokerage commissions, engineers' fees, appraisal and any surveying fees and costs.

5. The Sponsor will pay all Common Charges, real estate taxes, special Assessments and other expenses allocable to any Units owned by the Sponsor, so long as Sponsor shall continue to own the same. As set forth in Part I of the Plan, however, Sponsor, where Purchaser has caused an unauthorized delay in closing of title, shall be entitled to certain reimbursement of real estate taxes, Common Charges and interest. 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. If this source proves insufficient Sponsor shall seek funds from the construction lender, if any, or another lender.

   Until title to all Units has been conveyed, the By-laws of the Condominium provide that the Sponsor or its designee as owner of any Unsold Units, may, at Sponsor's or Sponsor's designee's sole option and discretion, pay in lieu of payment of all the Common Charges due for the Unsold Units, an aggregate amount equal to the difference between the Common Charges due for all sold Units and the total cost necessary to operate the Condominium with the services to be provided under this Plan.

6. Prior to the First Unit Closing, all liens affecting the Property shall be paid and satisfied or bonded or the Units being conveyed and their appurtenant Common Interest shall be released therefrom by partial release duly recorded.

7. The Sponsor will promptly correct any patent defects in the construction of the Building and the Units therein, or in the installation or operation of any mechanical equipment therein, due to substantially improper workmanship or materials sub-stantially at variance with the architectural plans and specifications, provided Sponsor is notified of such defects in writing by the Unit Owner as to the Unit affected within sixty (60) days from the date of closing of title to such Unit or, with respect to Common Elements, that Sponsor is notified by the Board of Managers within six (6) months from the First Unit Closing. If any defect in the Common Elements can only be detected after said period by occupancy of a particular Unit, Sponsor will correct said defect in the construction of the Common Elements, or in the installation or operation of any mechanical equipment therein due to improper workmanship or materials substantially at variance with the architectural plans and specifications, if notified by the Board of Managers within sixty (60) days from closing of title to or first leasing of that

particular Unit. Sponsor will also correct any latent defects in the construction of the Building and the Units therein or in the installation or operation of any mechanical equipment therein due to substantially improper workmanship or material substantially at variance with the architectural plans and specifications, provided it is notified of such defects in writing by the Unit Owner as to such Unit within six (6) months from the closing of title to such Unit or is notified by the Board of Managers with respect to Common Elements within six (6) months after the First Unit Closing. Sponsor, in its sole discretion, shall select the method of correcting any defect. On three (3) days' notice from Sponsor, the Board of Managers and/or the Unit Owner in question shall allow Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question on any weekday which is not celebrated as a federal or state holiday to inspect and/or correct such defect. The quality of construction shall be comparable to local standards customary in the particular trade and in accordance with the plans and specifications.

Sponsor shall be deemed to have discharged any obligation it may have with respect to patent or latent defects, as the case may be, if (i) Sponsor is not notified within the time periods specified herein or (ii) the Board of Managers and/or the Unit Owner in question prevents Sponsor, Sponsor's contractors and/or the Managing Agent access to the Building or the Unit in question as provided herein, or (iii) Sponsor shall have corrected the defect in accordance with the practice of the industry as determined by Sponsor's general contractor or architect or engineer, in their sole discretion. Sponsor makes no warranties as to kitchen appliances, except that it will assign to the Purchaser any manufacturer's warranties thereon and any manufacturer's warranties existing for other items in Purchaser's Unit to the extent same are assignable.

Notwithstanding the foregoing, Sponsor will not be responsible for correcting or repairing any latent defects of construction or defects in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen, or others, are assigned to the Board of Managers or Unit Owners. **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 and cracking on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in formica, marble, stone or porcelain surfaces, bath and kitchen tile grouting, adjustment of any bi-fold or sliding doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in 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, marks, 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 marble or stone used in bathrooms or cracks, variations in tone, finish or color of vanity tops or other marble or stone aggregate 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 formica, stone and porcelain surfaces, which repair shall be made by filling the formica or refinishing the porcelain or marble or grinding the stone, but Sponsor shall not be obligated to replace such formica or surfaces.

Except as expressly set forth herein, Sponsor has no obligation to correct or repair any other defect or conditions in the Units, Common Elements or the Building and all other installations, apparatus, fixtures and appurtenances. The foregoing sets forth the entire obligation of Sponsor to correct any defects and none other shall be implied. Sponsor shall have no obligation to repair or replace any defect resulting from the failure by the appropriate Unit Owner or the Board of Managers to properly service or maintain a particular item or items. Additionally, Sponsor shall have no obligation to repair or replace any defect resulting directly or indirectly from work done by any individual or entity retained by the Board of Managers or any Unit Owner(s).

Notwithstanding any provision to the contrary herein, Sponsor shall not be obligated to correct, and shall not be liable to any Purchaser as a result of, (i) any insubstantial variations from the plans and specifications or the description of the Building or a Unit set forth in the Offering Plan or (ii) variations from the plans and specifications or description of the Building or a Unit set forth in the Offering Plan which are neither in violation of applicable building codes, nor require approval of any governmental authority having jurisdiction, provided such variations are of equal or better quality.

The Housing Merchant Limited Warranty Law applies to this offering. The Sponsor's obligation, regardless of any limitations in the offering plan, cannot go below the duty to construct the premises in accordance with all applicable codes, filed plans and specifications and locally accepted building practices for items which are not covered by the relevant codes.

8. The Sponsor represents that, until it no longer controls the Board of Managers, the Property will be maintained, repaired, cared for and operated in substantially the same condition and manner as it was on the date of the First Unit Closing, subject to strikes, lockouts, labor difficulties, acts of God, fire or other casualty, storm, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which the

Sponsor is reasonably unable to exercise control. If the Sponsor is prevented from so maintaining the Property for any of these reasons other than fire or other casualty, the Sponsor will make any repairs subsequent to the First Unit Closing that it was obligated to make as of the First Unit Closing.

As set forth in the section of the Plan titled "Effective Date," in the event casualty which cannot be repaired for an aggregate cost, together with possible expenses for other items stated in such section of the Plan, of less than an amount equalling one half of one percent of the Total Purchase Price set forth on the front cover of the Plan (as estimated by an insurance adjuster retained by Sponsor), occurs prior to the First Unit Closing and the Sponsor elects not to make repairs, then the Sponsor may, at its option, abandon or withdraw this Offering Plan. In such case all Purchase Agreements will be deemed automatically cancelled and Purchasers in good standing will be refunded their deposits with any interest earned thereon. Upon such refund being made, the Condominium and the Sponsor will be relieved and discharged of all liability under the Plan and Purchase Agreements.

In the event the Sponsor elects to repair and restore the damage to the Building from a casualty occurring before the First Unit Closing, or if the casualty occurs after the First Unit Closing, but before the closing of a damaged Unit, then the following shall be applicable:

The Purchase Agreements for all Units, other than "Affected Units" (as previously defined in the section of the Plan titled "Terms of Sale"), shall remain in full force and effect and the Purchasers thereunder shall pay the full purchase price at the closing. Such Purchasers shall not be entitled to adjourn the closing nor be allowed any abatement in the purchase price, nor credit against same, nor retain (in escrow or otherwise) any portion of such purchase price pending restoration and repair of the damage to the Building and the Affected Units.

Except as provided in the next paragraph, a Purchaser of an Affected Unit shall not be required to pay the balance due under the Purchase Agreement unless and until (i) the damage to his or her Affected Unit has been substantially repaired as near as reasonably possible to its condition immediately prior to the casualty and (ii) his or her essential services (such as gas, electricity or heat) and a reasonable means of ingress and egress to the street have been restored.

Notwithstanding the foregoing, if the Purchaser is given possession of the Affected Unit under an Interim Use and Occupancy Agreement or otherwise prior to the casualty, such Purchaser shall assume the risk of loss to the Unit and the obligation to repair the damage, unless the cause of such loss originated outside his or her Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his or her failure to repair the damage shall not excuse him or her from paying the balance due under his or her Purchase Agreement and accepting title to the Unit.

The Sponsor and/or the Condominium will in no event be liable to Purchasers under this Plan, and the Sponsor will not be liable to the Condominium in the event of any delay in repairing the damage.

9. Sponsor shall deliver to The Board of Managers a set of architectural plans upon completion of the project.

10. Sponsor shall procure on behalf of and at the expense of the Condominium, prior to the First Unit Closing, the insurance policy(ies) provided for in Schedule B of Part I of the Plan.

11. 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.

12. 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 last Unit closing.

13. In the event of the dissolution or liquidation of the Sponsor or the transfer of ten (10) or more Units or twenty percent (20%) or more of the total number of Units in the Condominium, whichever is less, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations.

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 or rehabilitation of buildings.

15. During the time the principal of the Sponsor controls the Board, 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. The Sponsor, its successors, assigns or designees, may offer all or any Unsold Units, for lease. Purchasers of any such leased Units will be purchasing Units that have been previously occupied. Sponsor will notify purchasers of Units that have been previously occupied prior to the execution of a Purchase Agreement of such occupancy and will set forth the condition in which such Unit will be delivered (including outstanding warranties, if any.) There shall be no obligation of Sponsor or any other offeror of such Unit to decorate, refurbish or in any way repair such Unit.

Each of the obligations of the Sponsor contained in this section shall be enforceable by any Unit Owner as to his 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. Sponsor makes no other representation or warranties except as provided above. 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 the Offering Plan.

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

Sponsor, 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, Sponsor-designees and any partner of any entity affiliated directly or indirectly with Sponsor agrees to repair damage directly attributable to and caused by Sponsor, Sponsor-designees and 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 subject to filed amended plans and/or specifications, and consistent with the terms of this Plan.

MANAGEMENT AGREEMENT AND OTHER CONTRACTUAL ARRANGEMENTS

Management Agreement

The Sponsor shall manage the Building and perform all janitorial and maintenance functions until the First Board of Managers meeting subsequent to the first Closing of Title to individual Units. Thereafter, subject to certain limitations set forth in the By-Laws, the Condominium shall decide as to whether it deems it necessary or desirable to employ any individual(s) or firm(s) for the purpose of managing, operating and maintaining the Building. The Sponsor does not anticipate that such expenditures will be necessary and that the Unit Owners will assume such responsibilities themselves.

Management of the Building entails doing or hiring employees to perform all janitorial and maintenance functions such as cleaning, repairing, altering such items including, but not limited to, electrical, plumbing and carpentry, and complying with local building codes and regulations. Managing the Building also requires the paying or causing to be paid all bills for maintaining and operating the Building, billing for rent and other charges, setting up and keeping in good order a separate, accurate set of books for the Condominium, hiring accountants for preparation of federal, state and other income tax returns required by governmental authorities and generally doing all things reasonably deemed necessary and/or desirable for the proper management of the Property. If the Board of Managers decides to hire a Managing Agent, Common charges will be increased.

Other Contractual Agreements

It is anticipated that a non-resident, part-time superintendent will be retained by the Condominium subsequent to the First Unit Closing. Projected wages and other benefits are set forth in Schedule B in Part I of the Plan.

Sponsor has reserved the right, prior to the First Unit Closing, to modify, renew and replace any existing agreements and to enter into new agreements that will be binding on the Condominium Board, provided that there will be no material increase in the estimated Common Charges for the "Projected Budget for the First Year of Condominium Operation."

The current service contracts which are anticipated to be effective at the date of the First Unit Closing or service contract projections pertaining to the Building are as follows:

a) Heating system and hot water maintenance service - no amount for heating and hot water heating maintenance service has been budgeted for the First Year of Condominium operation since each Unit Owner is individually responsible for the maintenance and repair of the heating and hot water equipment servicing the Unit.

b) Air-Conditioning system maintenance service - no amount for air-conditioning maintenance service has been budgeted for the First Year of Condominium operation

since each Unit Owner is individually responsible for the maintenance and repair of the air-conditioning equipment servicing the Unit.

c) Sprinkler system testing service - the sprinkler system is located throughout the Building. The annual cost of monthly inspections of the sprinkler system is projected by Plumbing Work Inc., located at 372 Columbia Street, Brooklyn, NY 11231 to be $1,500.00 including sales tax. However, this projection does not include any repair costs to the sprinkler system.

d) Exterminator Service - Assured Environments, having an office at 45 Broadway, 8th Floor, New York, NY 10006 has estimated that pest control services for all portions of the Building shall be $1,120.00, including tax, for the First Year of Condominium operation. This amount is based upon a rate of $85.00 plus sales tax per month. The cost and expense of exterminator service of the Building shall be a Common Expense to be paid by all Unit Owners.

e) Garbage disposal - garbage collection and disposal for the Residential Units shall be by the Department of Sanitation for the City of New York.

Recent amendments to the high-rise facade safety statute (formerly known as Local Law 10 of 1980) (presently known as Local Law 11/98) passed by the City Council and signed by the Mayor of New York City require professional engineers or registered architects to advise the Buildings Department of the City of New York and the owner of a property of any unsafe condition in a building's exterior walls revealed during a Local Law 10 inspection. The amendments also subject all exterior walls to be inspected; previously, only walls fronting on a street were affected by the law.

The revised law also calls for a certification by the registered professional that a wall is either safe or unsafe; the latter declaration by the professional means that an immediately hazardous condition exists and must be corrected within 30 days with the option of a 90 day extension upon application to the Buildings Department. A building is considered either safe with no further action necessary, or fit, but in a condition that warrants a repair and/or maintenance program. In the latter case, the condition must be corrected during the five-year period between mandatory inspections. As a result of the additional floors, the completed Building will require regular 5-year inspections in accordance with Local Law 11/98. The first inspection will be required five (5) years after the issuance of the first temporary certificate of occupancy for the Building. Thereafter, the Building much be inspected in accordance with NYC Local Law 11/98's five (5) year cycle.

Although not budgeted for the First Year of Condominium operation, the cost of any future additional inspections, if any, required by Local Law 11 and any amendments thereto, shall be a Shared Expense of all Unit Owners.

CONTROL BY SPONSOR

Title to all Units which have not been sold by the time of the First Unit Closing will remain with the Sponsor or its designee(s) until such Units shall thereafter be sold to bona fide purchasers. Such sales do not require a right of first refusal to the Board of Managers. Until the first annual meeting of the Condominium, the Board of Managers shall consist of three persons designated by Sponsor. Accordingly, until such first annual meeting, Sponsor will have absolute voting control of the Board of Managers and will thus have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners. 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 ninety percent (90%) or (ii) five (5) years after the First Unit Closing. However, Sponsor will call for the first annual meeting of the Unit Owners to elect a new Condominium Board consisting of three (3) managers, within thirty (30) days after the earlier of (i) the closing of title to Units whose percentage of Common Interest equals, in the aggregate, at least ninety (90%) percent or (ii) two years after the First Unit Closing. Sponsor, during the time there are Unsold Units, may 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. Subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint hereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board Members, then, in such event, any owner-occupant shall be entitled to one (1) seat on the Board of Managers.

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, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed 4.00% 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 are insufficient) or (iv) increase the number or change the type of employees from that described in Schedule B of the Offering Plan or (v) provide for new or additional services from those indicated in Schedule B of the Offering Plan, unless the annual cost of all other services being provided is no greater than the total cost of those provided for in Schedule B. 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 these By-Laws so as to in any way adversely affect the Sponsor or its designees or (ii) interfere with: the offer and sale or leasing of Units at the Property; the operations of sales or leasing offices at the Property;

actions necessary for construction, 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. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to expenses described in Schedule B or expenses required to (i) comply with applicable laws or regulations; (ii) to remedy any notice of violation; or (iii) to remedy any work ordered by an insurer.

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.

Except for a member of the Board of Managers designated by Sponsor or a Sponsor-designee, a member 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 Common Interest in excess of fifty percent (50%) of the Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee may only be removed 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 in Common Interest in excess of fifty percent (50%) of the Common Interest 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.

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

RIGHTS AND OBLIGATIONS OF UNIT OWNERS

Sale or Lease of Unit

Each Unit Owner is free to sell or lease his Unit, except that a Residential Unit Owner must first give to the Board of Managers, on behalf of all other Unit Owners, an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered by the proposed purchaser or lessee, as more specifically provided for in Article VIII, Section 1 of the By-Laws of the Condominium. Any such lease of a Residential Unit shall be substantially in the form for apartment leases prepared by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., except as otherwise provided in the By-Laws and except for such changes thereto as are recommended by counsel to the Board of Managers.

Notwithstanding the foregoing, the Sponsor, its designee or a mortgagee acquiring title to a Unit in foreclosure or by deed in lieu of foreclosure, shall have the right to sell or lease Units owned by the Sponsor, its designee or such mortgagee without any requirement that the same be offered to the Board of Managers prior to such sale or lease as required pursuant to the aforementioned Article and Section of the By-Laws. The Board of Managers shall be required to cooperate in providing appropriate physical access to any such Unit and related Common Elements, as well as all financial information regarding same.

The Sponsor also hereby reserves the right to lease a Unit to the Purchaser of said Unit prior to the conveyance of title. In addition, Sponsor reserves the right to lease Units to non-purchasers without limitation as to the rental to be charged therefor except such rents shall not be in violation of any applicable law. If, in fact, prior to the sale of a Unit, the Sponsor leases such Unit to any person or entity who does not purchase, the initial purchaser thereof will be purchasing a Unit that has been previously occupied. In all such cases Sponsor will deliver title to such Units at closing free and clear of any tenancy or occupancy. No amount paid as either rent or security under the lease will be credited towards the purchase price. Sponsor also reserves the right to use license agreements in lieu of or in addition to the leases.

Each purchasing 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 of the section of the Plan titled "Power of Attorney," 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.

Each Conveyance of 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 By-Laws, are paid and satisfied at or prior to closing.

The Condominium Board may not discriminate against any person for a reason proscribed by the laws of the State of New York, including but not limited to, a Purchaser's sexual orientation.

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

No residential lease shall be entered into by Sponsor having a commencement date which is prior to the issuance of a temporary or permanent Certificate of Occupancy for the Building, or, alternatively, the issuance of a temporary Certificate of Occupancy for the Unit which permits lawful use of the leased Unit.

No portion of a Unit other than the entire Unit may be leased.

Mortgage of Units

Each Unit Owner is free to mortgage his Unit, provided that any mortgage encumbering a Residential Unit shall be a first mortgage or second mortgage made to a bank, trust, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender, the Sponsor, Sponsor-designee, or to the Seller of such Unit(s). Purchasers pursuant to this Plan, however, if they seek mortgage financing, shall be required to follow procedures set forth in the Purchase Agreement in Part II of the Plan. A mortgage encumbering a Unit may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval shall be in the sole and absolute discretion of Sponsor or the Board of Managers as the case may be. Such restrictions do not apply to Unsold Units. NOTWITHSTANDING THE FOREGOING, IF ANY INITIAL PURCHASER WHO PURCHASES PURSUANT TO THIS OFFERING PLAN SEEKS MORTGAGE FINANCING, SUCH PURCHASER SHALL BE REQUIRED TO FOLLOW THE PROCEDURES FOR MORTGAGE FINANCING SET FORTH IN THE OFFERING PLAN AND THE PURCHASE AGREEMENT. Prior to or simultaneously with the closing of any mortgage transaction, the Unit Owner must satisfy all arrearage for any unpaid Common Charges and assessments owed by such Unit Owner and discharge any liens therefor.

Easements and Right of Access

Each Unit Owner shall have an easement in common with the Owners of other Units to use and maintain all pipes, ducts, cables, wires, conduits, public utility lines or other Common Elements located in other Units and serving his Unit. In addition, each Unit Owner shall have an easement for the continuance of any encroachment by the Unit on any adjoining Unit or on any Common Element, now existing or which may come into existence hereafter as a result of the settling or

shifting of the Building, or as a result of restoration of the Building or a Unit after damage by fire or other casualty, or as a result of condemnation or eminent domain proceedings, or by reason of any alteration made by the Board of Managers to the Common Elements so that any such encroachment may remain undisturbed so long as the Building stands. The Board of Managers, through a designated manager, managing agent, or their employees or other designee shall have a right of access to each Unit to inspect and make repairs to the Unit to prevent damage to the Common Elements, Limited Common Elements or any other Unit.

Use of Units

The Residential Units may be used only as a private residence, except that a Residential Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential 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. In the event that any Residential Unit shall be used for home occupation or professional purposes in conformity with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any public hallway. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, nonilluminated, not larger than the size permitted by the Board of Managers. The recreation rooms which are part of the ground floor Residential Units are not meant for living or sleeping purposes. The attic areas which are part of the fourth floor Residential Units are not meant for living or sleeping purposes.

Except as set forth above and herein, 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 Residential 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 Residential Unit therein or adjoining Common Elements, nor shall any Residential Unit be rented for transient, hotel or motel purposes. The right 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 and/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(s). 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 any portion of the Common Elements without regard to size. Sponsor or its designee shall be responsible for installing and removing such signs.

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

Unless expressly authorized by the Board of Managers in each instance, not less than eighty percent (80%) of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material.

No window guards or other window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Board of Managers or the Managing Agent, if any, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surfaces of any windows at the Property be colored or painted.

No exterior shades, window guards, awnings, ventilators, fans or air-conditioning devices or units shall be used or installed in or about any Residential Unit without the prior written approval of the Board of Managers, which approval may be granted or refused in the sole discretion of the Board of Managers, nor shall anything be projected out of any window of any Residential Unit without similar approval.

No exterior of any Residential Unit, including the balconies and roof terraces, if any, or the windows or doors thereof, patios, if any, or any other portions of the Common Elements shall be painted or decorated by any Owner in any manner, without prior written consent of the Board of Managers or except as provided in the By-Laws.

Plantings on any balcony or roof terrace, if any, 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 balcony or roof terrace 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 wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the wall, 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 balcony or roof terrace, if any, but shall stand on supports at least two inches above such surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. There shall be no blockage of drainage on any balcony or roof terrace, if any, by a Residential Unit Owner. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings. The size of such plantings shall be subject to the consent of the Board of Managers.

No personal articles (including, but not limited to, garbage cans, bottles or mats) and no furniture, artwork, equipment or doormats shall be placed or stored in entrances, hallways, stairways, or other Common Elements which are not limited to the exclusive use of a specific Residential Unit Owner. No Residential Unit Owner shall change or alter in any way the design, layout, color scheme or furnishings in entrances, hallways, stairways or other Common Elements, which are not limited to the exclusive use of a specific Residential Unit Owner. Notwithstanding the foregoing, a Residential Unit Owner has the right to change the lock on the door to his Unit or to add an additional lock, provided that such lock conforms in color with the other lock or locks and a copy of the new key is provided to the Board of Managers.

No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or its appurtenant Limited Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Residential Unit Owner's Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential 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.

Each Unit Owner shall keep his 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. No clothes, sheets, blankets, or other articles of any kind shall be hung or shaken from any doors, windows, open terraces, or placed upon the window sills of the Building.

Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of the Building, except such as shall have been approved in writing by the Board of Managers, nor shall anything be projected out of any window of the Building without similar approval.

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. Each Unit Owner shall comply with all requirements of law and regulations of the Board of Managers regarding recycling of trash. All Unit Owners shall separate their trash into "recyclable" and "nonrecyclable" materials. The Board of Managers may designate from time to time the types of materials which must be separated for recycling, the types of containers or binding to be used by the Unit Owner for the disposal of designated recyclable materials and the locations where designated recyclable materials shall be deposited. The Board of Managers may also establish other regulations regarding recycling of trash. Any costs incurred by the Board of Managers in the enforcement against the Unit Owner of recycling requirements imposed by law or by the Board of Managers, including (but not limited to) legal fees and fines or penalties imposed on the Board of Managers by any governmental agency shall be payable by the Unit Owner as additional Common Charges.

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.

Except for Sponsor and/or a Sponsor designee, no bird, reptile, or animal, other than one (1) domesticated dog or cat, shall be permitted, raised, bred, kept, or harbored in the Units unless, in each instance, the same shall have been expressly permitted in writing by the Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal, including, but not limited to, domesticated dogs and cats, be permitted on any public portions of the Building, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building. However, notwithstanding the above, no Unit Owner shall be permitted to have a pit bull terrier or similar type dog which has shown vicious propensities without express prior written permission of the Board of Managers. The individual Unit Owners who keep an animal in their Unit shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in their Unit. All Unit Owners shall be responsible for immediately cleaning up any droppings from their pets.

Except as provided in the Declaration and By-Laws, no radio or television aerial or satellite dish shall be attached to or hung from the exterior of the Building without written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television or satellite service to the Units.

All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

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, By-Laws, or Rules and Regulations of the Condominium.

No Unit Owner or any visitor, guest, patient, employee or any client of a Unit Owner shall be allowed in any common heating, electrical or mechanical equipment area 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 lighting apparatus which is part of the Common Elements and not part of the Unit Owner's Unit.

No Unit Owner shall use or permit to be brought into the Building any inflammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the written consent of the Board of Managers.

Except as provided above, the Unit Owner shall not be allowed to put his name 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, Unit Owner's family members, 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 of adjoining Units; nor shall any nuisance or immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

Certain parts of the Common Elements are intended for use for the purpose of affording pedestrian movement within the Condominium and of 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; 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.

Except as otherwise provided for in the Condominium Declaration and/or By-Laws, the sidewalks, entrances, passages, public halls, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a family member of a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Building by another vehicle.

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.

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

The Condominium Board or the Managing Agent, if any, may, from time to time, curtail or relocate any portion of the General Common Elements devoted to storage, recreation, service or other purposes in the Building.

Nothing shall be done or kept in any Residential 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 Board of Managers. 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.

The agents of the Board of Managers or the Managing Agent, if any, and any contractor or workman authorized by the Board of Managers or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

The Board of Managers or the Managing Agent, if any, shall retain a pass-key to each Residential Unit. No Residential Unit Owner shall change any lock on any door leading into his Residential Unit without the prior written consent of the Board of Managers. As a condition to obtaining such consent, the Residential Unit Owner must provide the Board of Managers with a key to such changed lock for their use. If a Residential Unit Owner fails to provide the Board of Managers with all keys necessary to gain entrance to such Unit Owner's Unit promptly after such Unit Owner moves into his Unit, then Sponsor shall be automatically released from any obligation it may have for correcting defects in or making repairs to such Unit. If Sponsor or the Board of Managers must gain access to a Residential Unit for emergency purposes and a Residential Unit Owner has not furnished a key to the Board of Managers as provided in this paragraph, then the affected Residential Unit Owner shall be liable and responsible for any damage to the Common Elements or such Residential Unit caused by Sponsor or the Board of Managers in gaining access to such Unit. Furthermore, if the Residential Unit Owner is not personally present to open and permit an entry to his Residential Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, if any, then the Board of Managers or Managing Agent, if any, 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, if any,) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential 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, if any, 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, if any, shall be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

No Unit Owner or other occupant of the Building shall use any employee of the Condominium or of the Managing Agent, if any, for private business or send any employee of the Condominium or of the Managing Agent out of the Building on any private business without the written consent of the Condominium Board except as a real estate broker for the sale or lease of a Unit.

Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, if any, 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 By-Laws. The Rules and Regulations govern the use of the Units and Common Elements and may be amended from time to time by the Board of Managers. However, no amendment of the Rules and Regulations shall be applicable to any Unsold Unit unless agreed to by Sponsor or a Sponsor-designee, as the case may be.

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

Determination of and Liens for Nonpayment of Common Charges

Each Unit Owner shall have an obligation to pay Common Charges, Assessments and Special Assessments or other expenses when due. Common Charges for each Residential 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, Projected Budget for First Year of Condominium operation," 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 VI, Section 1 of the By-Laws 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 VI, Section 1 of the By-Laws, impose Assessments as it deems necessary, to meet unanticipated or extraordinary expenses, including, but not limited to, expenses incurred for major capital improvements. The Assessment to be paid by each Unit Owner shall also be determined in accordance with the Unit Owner's percentage of Common Interest. A Special Assessment with respect to repair or reconstruction after a fire or other casualty, as set forth in Article VI, Section 3 of the By-Laws, is also determined in accordance with the Unit Owner's percentage of Common Interest.

Under the provisions of Section 339-z 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 for unpaid

Common Charges assessed by the Board of Managers. The Sponsor will cause the Board of Managers to file a lien for unpaid Common Charges for any Unit in which Sponsor is more than thirty (30) days in arrears while Sponsor control the Board. Such Common Charge 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 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 (6) years from the date of filing (unless foreclosure of such lien is started within such six (6) 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.

Section 339-kk of the Real Property Law

On July 22, 1998, the Governor of the State of New York signed Real Property Law Section 339-kk, allowing a condominium's Board of Managers the right to collect rents directly from a "Non-Occupying Owner's rental tenant" ("Tenant"), if the Non-Occupying Unit Owner is not current on his or her common charges, assessments or late fees. In order to collect rents directly from the Tenant, the Unit Owner must fail to make the payment of common charges, assessments or late fees within sixty (60) days of the earliest expiration of any grace period. Prior to collecting the rents the Board shall provide written notice to the Tenant and Unit Owner providing that, commencing immediately and until such time as all payments for all charges, assessments or late fees are made current, all rental payments are to be made directly to the Condominium Association at the address provided in the notice. Once all charges, assessments or late fees are current the Board shall then within three (3) business days, provide notice to the Tenant and Unit Owner of such and that thereafter all future rental payments should be made to the Unit Owner. Should a Unit Owner wish to contest the Board's claim to rental payments he or she shall be entitled to present his or her supporting facts at the next scheduled Board meeting (which must be held within 30 days of the Board receiving notice of contest). Section 339-kk also allows the Board the option to forgo collecting rents directly from the Tenant so long as a majority of the Board has been elected by and from among the Occupying Unit Owners.

Upon the failure of a Unit Owner to pay Common Charges for the Unit within fifteen 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 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 Unit subsequent to a sale, transfer, or other conveyance made by him of his Unit, with appurtenant Common Elements, in accordance with the Declaration and By-Laws.

All Unit Owners shall be required to comply with the Declaration, By-Laws, 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, ordinary or extraordinary, and to the doors (except painting the exterior side of a Unit entrance door), windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating and hot water fixtures and air conditioning units together with any piping and/or ductwork related thereto, within the Unit or outside the Unit, or belonging to the Unit Owner shall be at the Unit Owner's expense, excepting as otherwise specifically provided in the By-Laws. Additionally, the replacement of heating and hot water fixtures and air-conditioning units together with any piping and/or ductwork related thereto within the Unit or outside the Unit or belonging to the Unit Owner shall be at the Unit Owner's sole cost and expense. Further, individual Unit Owners shall be responsible for the cost of any permits required in connection with the operation of their individual mechanical equipment.

All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, 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 Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Common Expense, if such Limited Common Element is for the exclusive use of all of the Residential Unit Owners or if it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of a particular Unit Owner, having direct and exclusive access thereto), or (ii) by the Unit Owner, having direct and exclusive access thereto at his or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, or (iii) by the Board of Managers at the sole cost and expense of the individual Unit Owner, having exclusive use of such Limited Common Element if involving structural repairs or replacements, or (iv), at the election of the Board of Managers, by the Board of Managers or the individual Unit Owner, but at the sole cost of such Unit Owner, where such maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect. The City of New York has no responsibility to maintain the Common Elements of the Condominium.

Additions, Alterations and Improvements

A non-structural alteration to a Residential Unit that does not affect the exterior of the Building or the value of other Units may be made by any Residential Unit Owner without consent

of the Board of Managers. Notwithstanding the above to the contrary, Sponsor or its designee may also make non-structural alterations in any Unit owned by it without prior 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 non-structural alteration which affects the exterior of the Building or the value of other Units without prior written approval of the Board of Managers. The Sponsor or its designee needs no such consent for any of their Units. No Unit Owner other than the Sponsor, or its designee, as a holder of Unsold Units, may make a structural alteration in a Unit, without the prior written approval of the Board of Managers. The Sponsor, or its designee, needs no such consent for any of their 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 (a certificate for which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions 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/engineer consulted in connection with the request by a Unit Owner for approval of a structural alteration.

The Board of Managers and/or the manager or managing agent, if any, shall have a right of access to any Unit for the purpose of inspection, making any repairs or replacements to any of the 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 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 By-Laws.

Insurance

The insurance policies obtained by the Board of Managers shall provide that each Unit Owner shall be an additional insured. These policies shall provide fire and casualty insurance for the Building, liability insurance, water damage legal liability insurance, Board of Managers and officers liability coverage and if applicable, Workers Compensation and New York State Disability insurance. The specific amounts of coverage other than Workers Compensation and New York Disability Insurance, are noted in footnote numbered 7 in the section titled "Schedule B" located in Part I of the Plan.

The insurance coverage does not include any coverage for losses either due to fire, theft or other casualty to the personal property of a Unit Owner contained within the Unit or a Limited

Common Element or the cost of living elsewhere if a Unit is greatly damaged. Nor does it include liability coverage for a Unit Owner for occurrences within a Unit or a Limited Common Element appurtenant to a particular Unit. Unit Owners should consult their insurance agent as to the availability of this insurance and any additional coverage which might be recommended.

Miscellaneous

In certain instances the Sponsor or its designee as the holder of Unsold Units are not required to obtain the approval of the Board of Managers or meet requirements imposed upon other Unit Owners. Included among these are the right to use Units as models and display "For Sale", "For Rent" or "For Lease" signs, or similar signs, the right to transfer or lease a Unit without offering the Board of Managers the right of first refusal, the right to alter a Unit without obtaining the prior consent of the Board of Managers, but only in accordance with the other terms of this Plan, and the right to amend the Declaration without a vote for the sole purpose of filing the Floor Plans as required by Section 339-p of the Real Property Law. For as long as the Sponsor or its designee owns title to one or more Units, the Rules and Regulations of the Condominium, By-Laws or Declaration may not be amended in a manner which would, in the sole discretion of Sponsor or its designee, adversely affect the Sponsor or its designee in any way, unless the Sponsor or its designee gives its written consent to such an amendment.

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RIGHTS AND OBLIGATIONS OF BOARD OF MANAGERS AND SUMMARY OF BY-LAWS

Principal provisions of the By-Laws are summarized herein. It is suggested that Purchasers make reference to the full By-Laws, a copy of which is set forth in Part II of the Plan.

Board of Managers

Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of three (3) persons. 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 .0001% of interest in the Common Elements attributable to their Unit(s) 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 .0001% of Common Interest attributable to his Unit per member to be elected, and (ii) shall not have the right to cumulate his votes in favor of any one or more members to be elected. If 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.

The Board of Managers of the Condominium for the period terminating upon the earlier of (i) the closing of title to Units whose percentage of Common Interest equals, in the aggregate, at least ninety (90%) percent or (ii) two years after the First Unit Closing, shall be selected by the Sponsor. During this period the Board of Managers will be individuals appointed by Sponsor. The initial Board of Managers designated by the Sponsor shall be Alexander Pustylnik, Hernán Galvis and Tomer Yogev. Alexander Pustylnik, Hernán Galvis and Tomer Yogev are all Members of the Sponsor. These individuals will resign as board members upon the termination of the aforesaid period and will call for the first annual meeting of the Unit Owners to elect a new Condominium Board consisting of three (3) Managers, within thirty (30) days after the expiration of the aforementioned period. Thereafter, elections to the Condominium Board will be held at the regular annual meeting of Unit Owners. The calling of the first annual meeting to elect a Condominium Board does not require Sponsor to surrender control of the Board. Sponsor control provisions are set forth in the next paragraph. The 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.

Each of the members of the three 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, Managers may be removed from office, with or without cause, by the affirmative vote of Unit Owners owning, in the aggregate, a percentage of Common Interest in excess of fifty percent of the

Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee may only be removed 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 in Common Interest in excess of fifty percent (50%) of the Common Interest 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.

As long as the Sponsor or a Sponsor designee shall continue to own: (i) Units representing ten percent (10%) or more in Common Interest, the Sponsor or Sponsor-designee shall have the right to elect at least two of three members of the Board of Managers or in any event a majority of the members of the Board of Managers for up to five years subsequent to the First Unit Closing; or (ii) at least one Unit but less than ten percent (10%) in Common Interest, the Sponsor or Sponsor-designee shall have the right to elect at least one of the three members of the Board of Managers and in any event the right to elect a number of members of the Board which equals one less than a majority of the Board. Subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint hereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board members, then, in such event, any owner-occupant shall be entitled to one (1) seat on the Board of Managers. The Unit Owners may transact such other business at such meetings as may properly come before them. 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 By-Laws. 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, for a reserve fund for capital replacements 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 for the Condominium, a Managing Agent on such terms as the Board of Managers may deem proper. As set forth in the Plan, in the section titled "Management Agreement and other Contractual Arrangements," at the First Unit Closing and for two (2) years thereafter, the Building will be managed by Sponsor.

The Sponsor will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law on Units in which Sponsor is more than 30 days in arrears of Common Charges while Sponsor is in control of the Board of Managers.

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, negligence, or otherwise, except for willful misconduct 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 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: The President, the Vice-President, if necessary, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. Other than an officer designated by the Sponsor or Sponsor's designee, the President and the Vice President, if necessary, each must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. Other officers need not be either a Unit Owner, principal or officer of a Unit Owner or the spouse of a Unit Owner or a member of the Board of Managers. The Board of Managers may appoint an Assistant Treasurer and an Assistant Secretary, and such other officers as in its judgment may be necessary. All officers 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 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.

Repairs

All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors, (except painting the exterior side of a Unit entrance door) windows (except painting exterior side

of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating and hot water fixtures and air conditioning equipment, including all piping and/or ductwork related thereto inside or outside the Unit or belonging to the Unit Owner shall be at the Unit Owner's expense, except as otherwise specifically provided in the By-Laws. Additionally, the replacement of heating and hot water fixtures and air-conditioning units together with any piping and/or ductwork related thereto within the Unit or outside the Unit or belonging to the Unit Owners shall be at the Unit Owner's sole cost and expense. Further, individual Unit Owners shall be responsible for the cost of any permits required in connection with the operation of their individual mechanical equipment.

All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and windows shall be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, 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 Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Common Expense, if such Limited Common Element is for the exclusive use of all of the Residential Unit Owners or if it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of a particular Unit Owner, having direct and exclusive access thereto), or (ii) by the Unit Owner, having direct and exclusive access thereto at his or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, or (iii) by the Board of Managers at the sole cost and expense of the individual Unit Owner, having exclusive use of such Limited Common Element if involving structural repairs or replacements, or (iv), at the election of the Board of Managers, by the Board of Managers or the individual Unit Owner, but at the sole cost of such Unit Owner, where such maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect. The City of New York has no responsibility to maintain the Common Elements of the Condominium.

Recent amendments to the high-rise facade safety statute (formerly known as Local Law 10 of 1980) (presently known as Local Law 11/98) passed by the City Council and signed by the Mayor of New York City require professional engineers or registered architects to advise the Buildings Department of the City of New York and the owner of a property of any unsafe condition in a building's exterior walls revealed during a Local Law 10 inspection. The amendments also subject all exterior walls to be inspected; previously, only walls fronting on a street were affected by the law.

The revised law also calls for a certification by the registered professional that a wall is either safe or unsafe; the latter declaration by the professional means that an immediately hazardous condition exists and must be corrected within 30 days with the option of a 90 day extension upon application to the Buildings Department. A building is considered either safe with no further action necessary, or fit, but in a condition that warrants a repair and/or maintenance program. In the latter case, the condition must be corrected during the five-year period between mandatory inspections. As a result of the Building being more than six stories or the completed Building will require regular 5-year inspections in accordance with Local Law 11/98. The first inspection will be required five

(5) years after the issuance of the first temporary certificate of occupancy for the Building. Thereafter, the Building much be inspected in accordance with NYC Local Law 11/98's five (5) year cycle.

The Board of Managers and Managing Agent, if any, shall have a right of access to any Unit for the purpose of making any repairs or replacements to any of the Common Elements contained in such Unit or elsewhere in the Building, or to remedy any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage encumbering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof.

Insurance

The Board of Managers shall be required to obtain and maintain the following insurance: Fire insurance with extended coverage, insuring the Building, 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. All such policies shall provide that adjustment of loss, if over $25,000.00, shall be made by the Board of Managers with approval of the Insurance Trustee, if any. Additionally, the net proceeds of such adjustment, if $25,000.00 or less, shall be payable to the Board of Managers, and if more than $25,000.00 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 $1,750,000.00. Said coverage shall be maintained while Sponsor is in control of the Board of Managers.

The Board of Managers shall have the right to select an Insurance Trustee as such term is defined in Article XII, Section 5 of the By-Laws of the Condominium.

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 such policies may not be cancelled 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: (i) worker's compensation insurance for Condominium employees, if any, (ii) boiler and machinery insurance; (iii) 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 provide that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

In the event of a fire or other casualty which destroys or substantially damages less than seventy-five percent (75%) of the Building the insurance proceeds shall be dedicated to the repair and/or renovation of the Building and the Units, but not the repair or replacement of any improvements made by individual Unit Owners. If the cost of such repair exceeds the insurance proceeds available the excess cost shall constitute a Common Expense and Unit Owners may be accordingly assessed an amount which shall be in proportion to their respective Common Interests.

In the event of a fire or other casualty in which more than seventy-five percent (75%) 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 seventy-five percent (75%) 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.

Notice of Meetings; Reports to Unit Owners

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.

Severance of Ownership Prohibited

Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed, his undivided interest in the Common Elements, together with his 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 By-Laws, all of which are interests appurtenant to his 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 not owned by Sponsor or its designee, 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 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 Board of Managers 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 Board of Managers 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 Board of Managers the title or lease shall be held by the 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 Board on behalf of all Unit Owners in proportion to their percentage of Common Interests. Such Unit, while owned or leased by the Board of Managers, 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.

Each Unit Owner, at the closing of title to his Unit, shall be required to execute an instrument in the form of that contained in Part II in the section of the Plan titled "Power of Attorney", designating the Board of Managers and their successors, as his 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.

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 attributed to a Unit, and all apportioned expenses incurred in connection with obtaining such refund, shall belong to and be incurred by the Unit Owner receiving said refund. Any refund covering a period prior to the First Unit Closing and all expenses incurred in connection with the obtaining of such refund, shall belong to and be incurred by the Sponsor alone.

Amendments to Condominium Declaration and By-Laws

The By-Laws of the Condominium may be modified or amended by the affirmative vote of Unit Owners owning not less than sixty-six and two-thirds percent (66 2/3%) of the Units and whose percentage of Common Interest, in the aggregate, equals or exceeds sixty-six and two-thirds percent. However, for as long as Sponsor or its designee owns title to one or more Units, the By-Laws, including the Rules and Regulations of the Condominium, may not be amended in a manner which would adversely affect the Sponsor or its designee in any way, in the sole discretion of Sponsor or its designee, unless the Sponsor or its designee gives its written consent to such an amendment. The Condominium Declaration may be amended by an affirmative vote at a duly held meeting by Unit Owners owning not less than sixty-six and two-thirds (66 2/3%) percent of the Units and whose percentage of Common Interest equals, in the aggregate, at least sixty-six and two thirds percent (66 2/3%), provided, however, that (i) no such amendment shall adversely affect the lien of any mortgage without the written consent of the mortgagee; (ii) no such amendment may increase the percentage of Common Interests allocated to any Unit or Units without the written consent of the mortgagee of such Unit, or Units, if any; (iii) no amendment may change the percentage of Common Interests allocated to any Unit, or Units, without the written consent of such Owner; and (iv) no amendment shall adversely affect the Sponsor or its designee, without the prior written consent of Sponsor or such designee, as the case may be.

Termination

The Condominium may be terminated by withdrawing the Property from the provisions of the New York Condominium Act, by an affirmative vote of not less than eighty percent (80%) of Unit Owners in number and whose percent of Common Interest equals, in the aggregate, not less than eighty percent (80%). The Sponsor shall not cast the votes of any Unsold Units it holds for such withdrawal unless votes equalling eighty percent (80%) in number and of the Common Interest have been so cast or unless at least eighty percent (80%) in number and in Common Interest of all other

Unit Owners have voted to terminate. If the Unit Owners vote to terminate the Condominium the Property shall be subject to an action for partition by any Unit Owner or lienor and the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided that no Unit Owner shall receive any payment until there has first been paid out of such Unit Owner's share of the net proceeds all liens on his Unit.

REAL ESTATE TAXES

Each Unit will be taxed as a separate tax lot for real estate tax purposes. No Unit Owner will be responsible for the payment of, nor will his or her Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. The City of New York subdivides tax lots into separately assessed lots as of July 1st of every year. Accordingly, depending upon when the Declaration and By-Laws are recorded, there can be a delay of up to a year and several months until a separate assessment can be obtained.

If on the date of the First Unit Closing each of the Units shall not have been separately assessed as an independent tax lot, then until such time as said independent tax assessment shall be made and in effect each Unit Owner, including Sponsor, shall be nonetheless responsible for the cost of their proportionate amount of the aggregate real estate tax for the Property as determined by their percentage of Common Interest, multiplied by the aggregate real estate taxes assessed against the entire Property as apportioned to all the Units.

In the event the Units have not been separately assessed as independent tax lots at the First Unit Closing, Sponsor shall place in escrow at such time an amount equal to the unpaid real estate taxes for the shorter period of (i) six (6) months from the First Unit Closing or (ii) the period from the First Unit Closing until the Units are separately assessed. Sponsor will pay the real estate taxes from this escrow account as they become due and payable. However, 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 period within which the closing date occurs. 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 actual apportionment, it shall be made at that time. Should tax lots not be apportioned by the end of the tax period in which a Unit closing occurs, Sponsor shall be entitled to reimbursement from the Unit Owner for taxes as they are paid. Such reimbursement shall be per such Unit Owner's percentage of Common Interest.

The Sponsor's estimate of the project real estate taxes for the Units to be levied by New York City during the First Year of Condominium operation is based on an estimate provided by the Leitner Group, Inc., and information available to the Sponsor at the date of this Plan.

The estimates set forth on Schedule A in Part I of the Plan for real estate taxes due for each Unit for the First Year of Condominium operation without 421-a Benefits commencing July 1, 2007 and ending June 30, 2008 ("First Year"), are based upon twelve (12) months of the 2007/2008 tax year. Estimates of real estate taxes due for the Units are based upon (i) the tentative transitional assessed valuation for the Property for 2007/2008, and (ii) the projected tax rates for the 2007/2008 tax year. The estimated taxable assessed valuations for the Units and the projected tax rates have been projected by The Leitner Group, Inc., 50 East 42nd Street, Suite 900, New York, New York 10017. The 2007/2008 tentative assessed valuations for the entire Property were as follows:

	Land	Building	Total
Actual Total Assessed Valuation:	$30,690.00	$56,248.00	$86,938.00
Transitional Total Assessed Valuation:	$30,690.00	$56,248.00	$86,938.00

The Actual Total Assessed Valuation, is the amount which, barring a major improvement or alteration to the Property, will be phased in over five (5) years at twenty percent (20%) per year. Since the Property is being newly renovated and constructed into "Class A" apartments, which renovation and construction commenced pursuant to an alteration permit in 2006, it can be expected that the Actual Total Assessed Valuation will be further increased for the 2008/2009 tax year, and subsequent tax years due to such renovation and construction. See Note 8 below for an additional discussion of the total increase in assessed valuation and real estate taxes for the Property due to the renovation and construction to be completed by Sponsor.

It is the Transitional Total Assessed Valuation for 2007/2008 of the entire Property, upon which real estate taxes for the twelve (12) months of the First Year of Condominium operation have been based. The 2007/2008 real estate taxes for all the Residential Units and Storage Units as projected by Mr. Leitner are $11,073.00 assuming a tax rate of 12.37% for the 2007/2008 tax year.

As stated above, Sponsor's projection of real estate taxes, without 421-a Benefits, for all of the Units for the First Year of Condominium operation is based upon a projection letter by The Leitner Group, who has estimated the 2007/2008 total actual assessed valuation and tax rate for the Residential Units.

Real Estate Taxes payable during tax year 2007/2008 by all Units, are projected as follows:

Estimated Actual Assessed Valuation:	$ 86,938.00
Estimated Taxes Payable @ 12.731% Tax Rate:	$ 11,073.00

Real Estate Taxes payable during tax year 2008/2009 by all Residential Units, are projected as follows:

Estimated Actual Assessed Valuation:	$262,000.00
Estimated Taxes Payable @ 12.731% Tax Rate:	$ 33,705.00

It is the projected 2007/2008 Actual Total Assessment of all the Units upon which real estate taxes, without 421-a Benefits, for the twelve (12) months of the First Year of Condominium operation have been based.

Based upon the above assumptions and the projected assessments and tax rates, the aggregate real estate taxes, without 421-a Benefits, for the Residential Units for the First Year of Condominium operation are projected to be approximately $11,073.00.

Another assumption is that each Residential Unit will be assessed in direct proportion to each Unit's percentage of Common Interest as it bears to the aggregate percentage of Common Interest

of all Residential Units. **No warranties are made that the assessments of the individual Units or the distribution of the assessment amongst the Units, will be arrived at in a manner stated above. The Department of Finance of the City of New York may arrive at individual Unit assessments (or the apportionment of the entire value of the Property) which are different from those projected by Mr. Leitner and may use a methodology which varies from that set forth herein. For example, the City of New York may apportion the total tax due for the Property among the individual Unit Owners in proportion to the relative value of each Unit as indicated by the Offering Prices set forth in the initial Offering Plan or any amendment to the Offering Plan. In such event, Sponsor makes no representation as to what Purchase Prices the City would use.**

There can be no assurance that there will not be a further increase in the assessed valuation of the Units comprising the Property and/or an increase in the tax rate above those projected for tax year 2007/2008, 2008/2009 or subsequent years.

NO REPRESENTATION OR WARRANTY IS MADE AS TO THE AMOUNT OF THE ASSESSED VALUATION OF THE PREMISES OR AN INDIVIDUAL CONDOMINIUM UNIT OR THE TAX RATE THAT WILL BE IN EFFECT AT ANY TIME OR THE AMOUNT OF REAL ESTATE TAXES WHICH SHALL BE DUE. There is also no assurance that the New York City property taxing authority will allocate taxes among Units in proportion to their respective Common Interests or consistently on some other basis. If they are not so allocated, Units Owners having the same Common Interests may pay different amounts of real estate taxes.

A Unit Owner who feels that the assessed valuation for his or her Unit is excessive, shall have the right to apply directly to the appropriate municipal agency or court for review of such assessed valuation. Such proceedings shall be at the sole cost and expense of the Unit Owner electing to undertake the same and the results from abatement proceedings may or may not affect the assessed valuation of any other Unit which is not the subject of such proceeding.

The Condominium Board, if necessary, will execute any documents and papers required for such proceedings, provided that: (a) the Unit Owner indemnifies the Condominium Board against all claims, costs and expenses (including attorneys fees and disbursements); (b) the Condominium Board has not already commenced such proceeding on behalf of all Unit Owners; and (c) such Unit Owner is current on all his or her Common Charges and Special Assessments.

The Condominium Board is authorized to act as agent for Unit Owners (who have given appropriate written authorization) to commence, pursue and settle proceedings to reduce real estate tax assessments on behalf of such Unit Owners. Any Unit Owner authorizing the Condominium Board to act on his or her behalf must indemnify the Condominium Board against all costs, claims and expenses (including attorneys fees) resulting from such proceedings.

Neither the Sponsor, nor any other party associated with this offering makes any assurance, representation or warranty that such application for review, if undertaken, shall result in a modification of the tax assessment, or if such modification is granted, as to the amount thereof.

The projections of real estate taxes due for each of the Units set forth in Schedule A, located in Part I of the Plan, (i) for the anticipated First Year of Condominium operation without 421-a Benefits, (ii) with 421-a Benefits for the First Year of Condominium operation (as discussed below), and (iii) without 421-a Benefits upon 100% completion of Sponsor's construction of the Building, are estimates only. These estimates may vary due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York. In the event such projections for real estate taxes increase due to future changes in the assessment guidelines and procedures of the Department of Finance of the City of New York and future increases in the tax rates for the City of New York, Sponsor shall amend the Plan to set forth the revised estimates. HOWEVER, SAID AMENDMENT SHALL NOT AFFORD ANY PURCHASER THE RIGHT TO RESCIND HIS OR HER PURCHASE AGREEMENT. *It should be noted that the Property's real estate tax burden for the First Year of Condominium Operation will not be based on a fully constructed or complete Building but instead on a partially completed Building. It is assumed for projection purposes that the Property will be fully assessed for the 2008/2009 tax year.* Upon 100% completion of the construction by Sponsor, which is assumed to be prior to January 5, 2008 for assessment purposes, and the implementation of the post construction actual total assessment of the Property, the post construction actual assessed valuations for all of the Residential Units have been projected by Joel M. Leitner, MAI, of Leitner Group, Inc., Sponsor's Real Estate Tax Consultant, as $262,000.00. The projected actual total assessed valuations for all of the Units is assumed to be effective as of July 1, 2008. Further, Mr. Leitner has projected the 2008/2009 tax rate for the Units to be 12.846% for the Residential Units. **BASED UPON THE PROJECTED AGGREGATE 2008/2009 POST-CONSTRUCTION ACTUAL TOTAL ASSESSMENT FOR ALL OF THE RESIDENTIAL UNITS OF $262,000.00 A PROJECTED TAX RATE OF 12.846% FOR THE RESIDENTIAL UNITS, THE REAL ESTATE TAXES DUE WITHOUT 421-A BENEFITS FOR THE ENTIRE 2008/2009 TAX YEAR WOULD BE APPROXIMATELY $33,705.00 FOR THE RESIDENTIAL UNITS, WHICH, WHEN COMPARED ON AN ANNUALIZED BASIS, ARE SUBSTANTIAL INCREASES IN THE REAL ESTATE TAX ESTIMATES SET FORTH IN COLUMNS NUMBERED (7) AND (8) OF SCHEDULE A LOCATED IN PART I OF THE OFFERING PLAN FOR EACH OF THE UNITS.** See Notes 7, 7a and 8 of the Notes to Schedule A, located in Part I of the Offering Plan, for a discussion of Sponsor projections of real estate taxes.

For a detailed discussion of projected real estate taxes upon 100% completion, see Note 7a of the section of the Plan titled, "Notes to Schedule A," located in Part I of the Plan.

421-a Partial Tax Exemption Benefits

The Sponsor shall use its best efforts to obtain, at its own cost and expense, partial tax exemption for the Condominium pursuant to Section 421-a of the Real Property Tax Law of the State of New York, Section 11-245 of the Administrative Code of the City of New York and the Regulations issued pursuant thereto by the City of New York ("RPTL").

Under Section 421-a, new multiple dwellings erected on land which was vacant, predominantly vacant, under-utilized or improved with a non-conforming use thirty-six(36) months prior to the commencement of construction and which are not concurrently receiving exemption benefits under any other law, will be entitled to partial tax exemption from real property taxes during the period of construction (not to exceed three years) and for fifteen years following completion of construction, provided that construction commenced prior to December 31, 2007. If construction is completed and a Certificate of Occupancy for all Residential Units is issued prior to the taxable status date (January 5th) of a given year, the post-construction exemption period will begin the following tax year, which commences July 1. The exemption applies to any increase in assessed valuation resulting from the new construction.

Section 11-245 of the Administrative Code of the City of New York provides that 421-a tax exemption benefits shall not be available for construction commenced after November 29, 1985 if the property is located in the therein described geographic exclusion area. The Property is located within that geographic exclusion area. However, Section 11-245 also provides that 421-a Benefits shall be available in the geographic exclusion area under certain circumstances, which are described below. The Property is not within the geographic exclusion area which is in effect as of the date hereof.

Section 6-8 of the 421-a Rules and Regulations are entitled "Affordable Housing Construction Requirements". This section provides the guidelines for qualifying a project for 421-a tax exemption benefits where the building is located in the geographic exclusion area and where construction commenced after November 29, 1985. Section 6-08(m) of the Rules and Regulations provides that the Department of Housing Preservation and Development ("HPD") of the City of New York shall issue Negotiable Certificates certifying that Affordable Units have been created pursuant to a written agreement in compliance with §6-08 of such Regulations. Such Negotiable Certificates will provide that a specified number of dwelling units in the geographic exclusion area are entitled to receive 421-a Benefits.

Based upon (i) the declaratory ruling from the new York City Department of Housing, Preservation and Development, and (ii) Sponsor's representation that it will construct the Building in accordance with the approved Altered Building Plan, the Building as constructed will qualify for 421-a Benefits. A copy of HPD's Declaratory Ruling is located in Part I of the Offering Plan.

The application for the Preliminary Certificate of Eligibility for 421-a Benefits must be filed with HPD after the commencement of construction but prior to completion of construction. Such application must include the Negotiable Certificates issued by HPD, if required. Since the Project will be owned as a condominium, the application for a Final Certificate of Eligibility must be filed with HPD prior to the first taxable status date following completion of construction. The final application must be completed within 90 days of the issuance of a Permanent Certificate of Occupancy or a Temporary Certificate of Occupancy covering all residential space in the Project. Both the Preliminary and Final Certificates of Eligibility must be filed with Real Property Assessment Bureau of the New York City Department of Finance prior to the commencement of benefits.

Sponsor will keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits, which can result in the reduction or revocation of benefits if proper documentation is not provided. Upon closing Sponsor will make all tax benefit documents available to the Board of Managers for inspection and copying for the life of the benefits.

Briefly, the statute and regulations promulgated thereunder by HPD provide that a Property which qualifies for the benefits shall receive one hundred percent (100%) exemption on any increase in assessed valuation in effect during the tax year preceding commencement of construction for the period of construction (but for no more than a three year construction period) and fifteen tax years thereafter. The real estate taxes on the Project will be partially exempted in declining percentages during the ten years following completion of construction as set forth below:

Year Following Completion of Construction	Percentage of Value Which is Exempt
1-11	100%
11-12	80%
12-13	60%
13-14	40%
14-15	20%
16	0%

These percentages of exemption will be diminished to the extent that the commercial, community facility and accessory use space ("Accessory Use Space") exceeds twelve percent (12%) of the aggregate floor area of the Project. In the event the Accessory Use Space exceeds twelve percent (12%) of the aggregate floor area of the Project, the exemption will be diminished by that percentage by which the Accessory Use Space exceeds twelve percent (12%) of the aggregate floor area. Based upon calculations provided by N.D. Architecture and Design, P.C., it is anticipated that there will be no "excess" percentage. It is anticipated that the Property shall receive such benefits as of July 1, 2007 and that such benefits will be retroactive to July 1, 2007 based upon the aggregate 2005/2006 actual assessed valuation for the Property.

Since the first tax year subsequent to the commencement of construction will begin on July 1, 2007, and if tax exemption benefits pursuant to Section 421-a have not yet started, any benefits obtained by Sponsor for the period of construction must be obtained from the City of New York by remission. Accordingly, Sponsor shall be entitled to any such benefits by remission for the period during which it owns the Property and for that portion of the benefits by remission allocated to the Units of the Building owned by Sponsor or its designees during the time period Sponsor or its designee owns such Units. Each respective Unit Owner will be entitled to any benefits by remission allocated to the Unit owned by such Unit Owner during the period which the Unit was owned by the particular Unit Owner. Sponsor is under no obligation to seek such benefits by remission. Accordingly, any projections appearing in the Plan do not anticipate remission benefits.

In addition, the estimates of real estate taxes to be paid by each Unit Owner are based on the projection that the exemption will commence on July 1, 2007. The estimates are based on the further assumption that the exemption when apportioned amongst the individual condominium tax lots will be apportioned to the Units in accordance with the proportion that each Unit's percentage of Common Interest bears to the aggregate Common Interest of all the Residential Units. **However, no assurance can be given that this method of apportionment of real estate taxes will be the final method used by the City of New York taxing authorities in establishing real estate taxes. For example, the City of New York may apportion the total tax due for the Property among the individual Unit Owners in proportion to the relative value of each Unit as indicated by the Offering Prices set forth in the Plan or as amended.** The estimates are also based upon the projection of Joel M. Leitner, MAI, of Leitner Group, Inc. that the final actual and taxable total assessed valuation for the Property upon one hundred percent (100%) completion of the construction of the improvements will be $262,000.00 for all of the Residential Units. However, no representation or warranties are herewith given by the Sponsor that the actual assessed valuations of the Property will not exceed or be less than those amounts or that the City of New York will use any assumed method of apportionment.

NOTE: THE OFFER FOR SALE OF CONDOMINIUM UNITS PURSUANT TO THIS OFFERING PLAN IS NOT CONTINGENT UPON THE PROPERTY RECEIVING 421-A BENEFITS.

Veteran Property Tax Exemption

In accordance with Section 458(a) of the New York State Real Property Tax Law, a Unit Owner who is also a qualified veteran, the spouse of qualified veteran or the unmarried surviving spouse of a qualified veteran may be entitled to an exemption on the general municipal portion of their real estate taxes.

Other Abatement And Exemption Benefits Available To Eligible Unit Owners

The following abatement and exemption benefits are presently available to qualified Residential Unit Owners who meet the eligibility requirements of Sections 425 and 467-a of the RPTL.

Since its enactment in 1996, RPTL Section 467-a (Coop/Condo Abatement) has provided partial tax abatement to owners of residential units held in a cooperative or condominium ownership, to the extent of 17 1/2 percent of the net property taxes due on eligible dwelling units with an average assessed valuation greater than $15,000.00, after deduction of any abatement received pursuant to RPTL Section 489 ("J-51 benefits"), if any. In order to have qualified for these benefits for tax year 2008/2009, the following requirements must have been met: (1) eligible units must have been used primarily for residential purposes, and may not have been owned by a sponsor or any unit owner who owned more than three dwelling units in the Condominium as of January 5, 2008; (2) the Board of Managers must have filed a complete application, for the entire premises, with the Commissioner of Finance of the City of New York by February 15, 2008. The burden of proof is on the applicant to show that the requirements for granting a Coop/Condo Abatement have been met.

NOTE: **The foregoing discussion of Section 467a of the RPTL is for informational purposes only, as this statute contains a "sunset provision" which presently provides benefits through June 30, 2007. The New York State Legislature would have to extend the legislation after that date in order for purchasers of Residential Units to obtain the tax benefits of the statute. Sponsor does not represent, assure or guarantee that the statute will be extended or (if it is) whether the tax benefits will be the same. Prospective purchasers are advised not to rely upon obtaining these tax benefits. In addition, this statute is unavailable to any residential unit owners who obtain partial 421-a tax exemption benefits. Therefore, in the event that 421-a tax exemption is obtained by Sponsor for the Property, the Property will not be eligible for the Coop-Condo Abatement.**

Section 425 of the RPTL (school tax relief (STAR) exemption) provides a partial exemption from real estate tax assessment which presently amounts to approximately $1,710 for an eligible Condominium unit located within the City of New York, assuming the unit owner is less than 65 years of age. The benefit is enhanced for senior citizens, and is only available to units which serve as the primary residence of one or more of the owners thereof. A qualified Unit Owner must file an application with the local assessor on or before the applicable tax status date (January 5, 2008) for tax year 2008/2009.

INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF 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 D'Agostino, Levine & Landesman, L.L.P., counsel to the Sponsor, in Part I of this Plan (the "Tax Opinion"), under present law, a Residential Unit Owner will, for Federal income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid under sections 163 and 164.* 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 Residential Unit Owner's liability for the alternative minimum Federal income tax. Each individual Residential 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 during the taxable year.

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.

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

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:

(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 (60%) or more of the gross income of the condominium management association for the taxable year must consist of assessments from residential unit owners ("Exempt Function Income");

(iii) Ninety percent (90%) of the expenditures of the condominium management association for the taxable year 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;

(v) The Condominium Management Association must annually elect to be treated as a Condominium Management Association; and

(vi) Substantially all (at least eighty-five percent (85%)) of the square footage of the units must be used for residential purposes.

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.

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 thirty percent (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 includible 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 RESIDENTIAL UNIT OWNERSHIP.

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COUNSEL'S INCOME TAX OPINION LETTER

April 25, 2007

The Board of Managers of
Tiffany D Condominiums
140 Degraw Street
Brooklyn, New York 11231

Re: **Offering Plan for Condominium Ownership of Premises 140 Degraw Street Brooklyn, New York**

Gentlemen/Mesdames:

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 non-residents) to persons who purchase Residential Units for private residential use ("Residential 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.

The condominium units of "Tiffany D Condominiums" will be organized under the laws of the State of New York for the purpose of providing for the management, maintenance and care of a multistory residential building to be renovated at 140 Degraw Street, Brooklyn, New York. The renovated buildings will contain six (6) Residential Units. The By-Laws of the Condominium provide that in addition to the status conferred upon the Condominium Board pursuant to the provision of the New York Condominium Act, to the extent permitted by applicable law, the Condominium Board is deemed to constitute an unincorporated association for all purposes under the provisions of the General Association Law of the State of New York.

In this connection, we have reviewed the Plan, relevant sections of the Internal Revenue Code of 1986, as amended ("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 and that the Residential Unit Owner will be reporting income on a cash basis.

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, pursuant to the 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 Residential 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 provided that (a) the indebtedness is incurred in acquiring, constructing or improving the Unit, (b) the indebtedness is secured by the Unit, (c) the indebtedness does not exceed $1 million, or $500,000.00 in the case of a married individual filing a separate return, and (d) the Unit is a "qualified residence." Interest paid on indebtedness that refinances indebtedness incurred to acquire, construct or improve a Unit is similarly deductible. A Unit will be a "qualified residence" if it is either (i) the Owner's "principal residence" within the meaning of Code Section 121 or (ii) a residence as defined by Code Section 280A(d)(1) that the Owner selects 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 addition, an individual may deduct interest on an additional $100,000 of indebtedness in excess of $1,000,000.00 limit mentioned above as interest on home equity indebtedness.

In our opinion, a Residential Unit Owner who itemizes his deductions and 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 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 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 Residential Unit Owner.

It is also our opinion that each Residential Unit Owner will, for New York State and New York City income tax purposes, be entitled to the same deduction which is allowed for Federal income tax purposes for the mortgage interest and real estate taxes paid during the taxable year. Section 615 of the New York State Tax Law; Section 11.1715 of the Administrative Code of the City of New York. However, in the case of a Residential Unit Owner whose New York State or New York City adjusted gross income exceeds $100,000.00, the amount of such deduction will be reduced by up to twenty five percent (25%) of such deduction.

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. Section 55 of the 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.

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, added to the Code by the Tax Reform Act of 1976, 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. However, because of certain tests for qualification, including the composition of the Condominium Board's receipts and expenditures, and because of certain ambiguities in the language of Section 528 which are not clarified by the legislative history, rulings or regulations, it is not presently possible to determine the application of Section 528 to the Condominium.

However, if the Condominium qualifies as a condominium management association within the meaning of Section 528 of the Code, it may elect not to be subject to Federal income tax on amounts received as membership dues, common charges, fees or assessments from Residential Unit Owners. However, even if the election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve funds (less expenses directly connected with the production of such income).

To qualify as a condominium management association, the Condominium must meet all of the following conditions: (1) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (2) at least sixty percent (60%) of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from Residential Unit Owners, (3) ninety percent (90%) or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property. (4) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership dues, fees, or assessments), (5) the Condominium must annually elect to be treated as a condominium management association, and (6) at least eighty five percent (85%) of the total square footage of all Units within the Condominium must be used by individuals for residential purposes. See Treasury Regulation §1.528-4(b). The qualification of an organization under the provisions of Section 528 is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless, qualify in one or more future years.

Based on the information contained in Schedule A to the Plan and assuming that the Residential Units are used by individuals for residential purposes under Treasury Regulation §1.528-4, at least eighty five percent (85%) of the total square footage of all Units of the Condominium will be used by individuals for residential purposes. Based upon the foregoing and assuming (i) actual gross income and expenditures of the Condominium for

its taxable year ending June 30, 2008 (the "First Year") are the same (or, are in the same proportions) as estimated gross income and expenditures for the Condominium's First Year of operations, as set forth in Schedule B to the Plan, (ii) the Condominium otherwise operates in accordance with the terms of the Plan and the Plan documents, and (iii) there are no changes in the facts and/or the relevant provisions of current law, the Condominium will be eligible to elect to be treated as a homeowners association under Section 528 of the Code commencing on Condominium's First Year of operation.

Even if the Condominium Board were 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 By- Laws 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, Rev. Rul. 75-370, 1975-2 Cum. Bull. 25, or because the assessed Common Charges are deemed to be nontaxable contributions to the capital of the association. Rev. Rul. 75-371, 1975-2 Cum. Bull. 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 this connection, it should be noted that if the Condominium Board is determined to be a separate taxable entity for federal income tax purposes, it is possible that the limitations of Section 277 may be found to apply. If this were the case, the Condominium Board's income from sources other than Unit Owners, if any, could not be offset by the Condominium Board's expenses incurred in the provision of services to Unit Owners. It is unclear how interest or other income earned on the investment of a required reserve fund would be treated for this purpose; if such income were treated as not derived from the Unit Owners in consideration of services rendered them by the Condominium Board, then such income may not be reduced by the Condominium Board's operating expenses with respect to the property and may result in a liability for taxes.

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); Rev. Rul. 74-75. 1974-1 Cum. Bull. 19; Rev. Rul. 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 Residential Unit in connection with the Residential 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 Residential 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 Residential 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, Residential 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 Internal Revenue Service rulings 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,

D'AGOSTINO, LEVINE & LANDESMAN, L.L.P.

D'Agostino, Levine & Landesman L.L.P.

The City of New York

DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
SHAUN DONOVAN, Commissioner

Office of Development
DIVISION OF HOUSING INCENTIVES
100 GOLD STREET, NEW YORK, N.Y. 10038

MIRIAM COLÓN, Assistant Commissioner

May 21, 2007

Jared Van Vleet, Esq.
D'Agostino, Levine & Landesman, L.L.P.
345 Seventh Avenue, 23rd Floor
New York, NY 10001
Phone: (212) 564-9800; Fax: (212) 564-9802

Re: 140 DeGraw Street
Block 330, Lot 17
Borough of Brooklyn
Declaratory Ruling No. 1840 (§421-a)

Dear Mr. Van Vleet:

I am writing in response to your request dated January 3, 2007, as supplemented by later submissions, for a declaratory ruling pursuant to §6-05(g) of Chapter 6 of Title 28 of the Rules of the City of New York (the "Rules") regarding the eligibility of a construction project (the "Project") at the above referenced site (the "Site") for tax benefits pursuant to §421-a of the Real Property Tax Law ("§421-a"), §11-245 and §11-245.1 of the Administrative Code ("§11-245"), and the Rules.

As described in your submissions, the Project involves the construction of a new Multiple Dwelling consisting of one entirely new story and attic above three floors of a pre-existing three-story residential building that will be retained and converted to residential use. The entire roof, the interior of the pre-existing building, including floor joists, and substantial portions of the northerly wall from the first floor through the roof level, will be demolished. The pre-existing building will be expanded horizontally and new pilings and floor joists, as well as a new interior, a new roof, new mechanical systems, and a new elevator, will be installed for construction of the

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Project.[1] The Project will consist of six Class A condominium dwelling units. Each Class A dwelling unit will be owned as an individual condominium unit on a separate tax lot.

I. Eligibility Requirements

To be eligible for §421-a tax benefits, the Project must comply with each of the eligibility requirements set forth in §421-a and the Rules. The application of these requirements to the Project is discussed in detail below. Capitalized terms not defined herein have the respective meanings given in the Rules.

A. Location Requirements

1. Geographic Exclusion Area Limitation

Sections 6-02(b)(2) and 6-02(c)(10) of the Rules provide that a project in the Geographic Exclusion Area is eligible for §421-a tax benefits only if carried out with Substantial Governmental Assistance or if Affordable Units are created in accordance with the requirements of §6-08 of the Rules.

The Project is not located in the Geographic Exclusion Area and, therefore, is not subject to these limitations.

2. Public and Private Park Limitation

Paragraphs (5) and (6) of §6-02(c) of the Rules bar §421-a benefits for projects situated on land mapped as a public park (with certain exceptions) or utilized for ten (10) or more consecutive years immediately prior to October 1, 1971 as a private park (as defined in §6-02(c)(6) of the Rules). You state and we assume that the Site does not fall within either category.

B. Site Requirements

Section 6-02(f) of the Rules states that for a project to be eligible for §421-a benefits, the land on which it is located must have been "vacant, predominantly vacant, under-utilized, or improved with a non-conforming use on the operative date." "Operative Date" means, in the case of the Project, thirty-six (36) months prior to the Commencement of Construction.

[1] You have submitted an affidavit from Nataliya Donskoy, a registered architect, sworn to on December 20, 2006, in support of your statements regarding the construction of the Project and its eligibility as a new Multiple Dwelling for purposes of §6-02(b) of the Rules. See also, paragraph I.C.1, below.

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Under §6-02(f)(3) of the Rules, vacant land is land which contains no enclosed, permanent improvement. Fences, sheds, garage attendant's booths, piers, bulkheads, lighting fixtures, and similar items or any improvement having an Actual Assessed Valuation of less than $2,000 do not constitute enclosed, permanent improvements.

You indicate that the Commencement of Construction occurred on July 3, 2006 in the 2006/2007 fiscal year.[2] Accordingly, the Operative Date occurred on July 3, 2003 in the 2003/2004 fiscal year.

You have submitted a certified printout of Department of Finance records showing that the Actual Assessed Valuation of improvements on lot 17 in the 2003/2004 fiscal year was $1,024, which is less than $2,000. Accordingly, the Site qualifies as vacant for the purposes of the Rules.

C. Project Requirements

1. New Multiple Dwelling

Section 6-02(b) of the Rules provides that a project is eligible for §421-a benefits only if it is a "new multiple dwelling." Section 6-02(c)(2) states that Multiple Dwellings resulting from the conversion or rehabilitation of a building or structure are ineligible for benefits, and §6-01 of the Rules (in the definition of "Commencement of Construction") provides that:

> construction shall not commence prior to issuance by the Department of Buildings of either (i) a building or alteration permit for the construction of an entirely new multiple dwelling, the footprint of which consisted entirely of vacant and unimproved land upon such date, or (ii) an alteration permit for the construction of a new multiple dwelling above, and on an entirely separate tax lot from, one or more existing structures which are to be retained, provided that only the floor area attributable to the new multiple dwelling, and any eligible commercial, community facility or accessory use space within such new structure shall be eligible for benefits under the Act.

In addition, §421-a(1)(c), which defines a "Multiple Dwelling," provides that, with certain exceptions not pertinent here, a new Multiple Dwelling shall include new residential construction and the concurrent conversion, alteration or improvement of a pre-existing building or structure provided that no more than forty-nine percent (49%) of the Aggregate Floor Area ("AFA") of the Multiple Dwelling consists of the pre-existing building or structure.

[2] Fiscal year refers to the 365 day New York City year for budget and tax purposes from July 1 through June 30. For example, both September 27, 2006 and February 25, 2007 fall in fiscal year 2006/2007.

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You state and we assume that the Project will be carried out pursuant to an alteration permit for construction of a new Multiple Dwelling. You have provided the affidavit of Nataliya Donskoy, R.A., sworn to on December 20, 2006. Ms. Donskoy states and we assume that the AFA of the pre-existing building was 3,200 square feet and that upon completion the Project will contain an AFA of 6,602 square feet. Ms. Donskoy concludes that the AFA of the pre-existing building or structure is equal to forty-eight and five tenths percent (48.5%) of the Project's AFA. Therefore, no more than forty-nine percent (49%) of the Project will consist of the pre-existing building or structure that was converted, altered or improved, and the Project constitutes a new Multiple Dwelling for purposes of §6-02(b) of the Rules. We assume that certificate of occupancy, permits, and the plans approved by the Department of Buildings submitted with the §421-a application will confirm these representations. Accordingly, the Project will meet the requirements set forth above.

2. Not Used as a Hotel or for Single Room Occupancy

Paragraphs (3) and (4) of §6-02(c) of the Rules deem any building or portion thereof which is used as a Hotel or for Single Room Occupancy ineligible for §421-a benefits. You state and we assume that no such use of the Project will occur.

D. Construction Requirements

1. Number of Rooms

Section 6-02(e)(2) of the Rules requires that in a project containing more than one hundred (100) dwelling units, not less than ten percent (10%) of the dwelling units shall contain at least 4½ rooms and, in addition, not less than fifteen percent (15%) of the dwelling units shall contain at least 3½ rooms. The number of rooms shall be computed in accordance with the definition of "Room Count" in §6-01(c) of the Rules.

You state and we assume that the Project will consist of six (6) dwelling units. Accordingly, the Project is not subject to this requirement.

2. Class A Unit Replacement

Section 6-02(e)(3) of the Rules requires that a project with more than twenty (20) dwelling units contain at least five (5) dwelling units for each Class A dwelling unit in existence one month prior to the Commencement of Construction.

Because the Project will consist of fewer than twenty (20) dwelling units, the Project will not be subject to this requirement.

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E. Limitation on Other Real Estate Tax Benefits

Section 421-a(2)(c)(i) provides that a Multiple Dwelling shall be eligible for tax benefits pursuant to that section only if "exemption from taxes is not availed of concurrently under any other law." Section 6-02(c)(1) of the Rules provides a limited exception for condominium units which are not taxed by reason of the exempt status of the owner.

You state and we assume that the Project will comply with this requirement and that the Project will not receive real estate tax benefits under any other State or local law.

F. Timing Requirements

1. Project Commencement

Sections 6-02(b)(1) and 6-02(b)(3) of the Rules require that Commencement of Construction occur before December 31, 2007. You state and we assume that Commencement of Construction occurred on July 3, 2006. Therefore, the Project has complied with this requirement.

2. Application Timing

Sections 6-05(b) and 6-05(d) of the Rules impose specific timing requirements for filing applications for preliminary and final certificates of eligibility. You state and we assume that the Project will comply with these requirements.

G. Condominium/Cooperative Requirement

Section 6-05(d)(1)(iii) of the Rules requires that if a project is to be owned as a cooperative or a condominium, the owner must provide a statement that if the prospective cooperative or condominium plan has not been declared effective for filing at a time fifteen months after the issuance of a final certificate of eligibility, such owner will register these rental units with the New York State Division of Housing and Community Renewal within fifteen days after such fifteen month period, or if the building is not occupied, an affidavit stating that the owner shall register all units as they become occupied. You state that the Project will be owned as condominiums and we assume that it will comply with this requirement.

H. Community Board Notice Requirement

Section 6-03 of the Rules requires that a §421-a application for a project containing more than twenty (20) dwelling units be submitted to the community board in the area in which the project is located. Since the Project will contain only six (6) dwelling units, the Project is not subject to this requirement.

5/31/07

I. Rent Limitations

Section 6-04 of the Rules imposes a cap on the initial monthly rent which may be charged in a project receiving §421-a benefits. You indicate that the residential units will be owned as condominiums. Therefore, this rental cap requirement will not pertain to the Project provided that the condominium plan is declared effective for filing within fifteen months after the issuance of a final certificate of eligibility.

II. Duration of Tax Benefits

Section 6-02(d) of the Rules establishes the duration of the §421-a partial tax exemption.

Section 6-02(d)(5) of the Rules states that a twenty-five (25) year post-construction exemption (as more particularly described therein) is available in all boroughs (except in Manhattan south of or adjacent to 110th Street) if a project is (i) located in (A) a Neighborhood Preservation Program Area (as determined by the Department as of June 1, 1985), (B) a Neighborhood Preservation Area (as determined by the New York City Planning Commission as of June 1, 1985), (C) an area eligible for mortgage insurance provided by the Rehabilitation Mortgage Insurance Corporation (REMIC) as of May 1, 1992, or (D) an area receiving funding for a neighborhood preservation project pursuant to the Neighborhood Reinvestment Corporation Act (42 U.S.C. §180 et seq.) as of June 1, 1985 or (ii) (A) is constructed with Substantial Governmental Assistance, or (B) is a building where the Department has imposed a requirement or has certified that 20 percent (20%) of the units are affordable to persons of Low and Moderate Income.

We confirm that the Project is located in an area eligible for mortgage insurance provided by the Rehabilitation Mortgage Insurance Corporation (REMIC) as of May 1, 1992. Accordingly, the Project will be eligible for a twenty-five (25) year post-construction partial tax exemption pursuant to §6-02(d)(5) of the Rules.

III. Reduction of Benefit for Excess Commercial, Community Facilities, and Accessory Use Space

Section 6-06(b) of the Rules provides that the tax exemption granted by §421-a will be reduced if the Project's Floor Area of Commercial, Community Facilities, and Accessory Use Space exceeds twelve percent (12%) of Aggregate Floor Area.

The Project's Floor Area of Commercial, Community Facilities, and Accessory Use Space and a resulting decrease in benefits, if any, will be determined in accordance with the Rules based on the building plans for the Project as built.

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IV. Conclusion

Based on the information provided by you and the assumptions stated herein, we conclude that the Project will be eligible for a construction period partial tax exemption and a twenty-five (25) year post-construction partial tax exemption, as provided by §421-a.

V. Scope of this Letter

Except as specifically stated herein, this letter is based solely upon the information provided by you and the assumptions stated herein, and we have not verified any of your statements or claims or investigated the accuracy of our assumptions. The Project must satisfy all statutory and regulatory requirements of §421-a in effect at the time of issuance of the certificate of eligibility in order to be eligible for benefits, and we cannot render a final determination regarding eligibility until all documentation required for a certificate of eligibility has been provided to us, reviewed and approved.

This letter relates only to the Project and the specific facts and circumstances thereof. It may not be used or relied upon in connection with any other application or project.

Each page of this letter is imprinted with the Tax Incentives raised seal, which is initialed and dated in blue ink.

In order to expedite processing, please include a copy of this letter when you apply for §421-a benefits.

Very truly yours,

Lisa S.J. Yee
Director, Tax Incentive Programs

cc: Nancy Batterman, Deputy General Counsel
Christopher Boltinghouse, Declaratory Rulings Analyst
Ronald Sinacori, 421 Program Director

5/11/07

WORKING CAPITAL FUND AND RESERVE FUND

At the time of the first closing of title to each Unit to a bona fide Purchaser, such Purchaser shall pay a sum equal to two (2) months Common Charges for the Unit being purchased, to the Board of Managers for its working capital (the "Working Capital Fund"). This fund is to be used for payment by the Board of Managers of any net closing adjustment expenses owed to Sponsor at the First Unit Closing. The amount of the net closing adjustment owed to Sponsor will be paid to Sponsor by the Board of Managers, without interest, by applying the two (2) months Common Charges paid by each Purchaser at the closing of title to each Unit to the terms of a non-interest bearing note due on the first anniversary of the First Unit Closing to be executed by the Board of Managers at the First Unit Closing. Sponsor is hereby authorized to endorse the two (2) months Common Charge checks payable to the Board of Managers over to Sponsor and to apply such payments without any further action of the Board of Managers until the promissory note is paid in full. If the promissory note is not fully paid by the due date from such payments, the Board of Managers will pay the note in full from its general funds. The Board of Managers will be entitled to prepay the note, in full only, at any time and without penalty. Sponsor will waive any net adjustments in its favor which would reduce the Working Capital Fund below zero after making provision for the amount of monies that would be generated by the payment of the two (2) months Common Charges for each Unit in the Building. If the result of the closing adjustments is a net credit in favor of the Condominium, or if any amounts remain after the promissory note has been fully paid, such amounts in the Working Capital Fund may be held or used at any time for working capital, to make repairs or for such other appropriate purposes permitted under the Declaration and the By-Laws as will be determined by the Board of Managers in its sole discretion.

No provision has been made for any Reserve Fund or for any Working Capital Fund other than the above. If additional funds are required for capital expenditures such as renewal or replacement of building components or systems or to remedy major building defects, it may be necessary to increase Common Charges or make Assessments on Unit Owners.

For such period as Sponsor retains control of the Board of Managers, the Working Capital Fund shall not be used to reduce estimated Common Charges.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF EITHER THE WORKING CAPITAL FUND OR THE RESERVE FUND.

IDENTITY OF PARTIES

Sponsor

The Sponsor of the Offering Plan is 140 Degraw St., LLC, a limited liability company formed pursuant to the laws of the State of New York on February 26, 2007. The Sponsor's principal office is located at 131 Union Street, Brooklyn, New York 11231. Each of the members of the Sponsor also maintains an office at that address. The four (4) active principals and managers of Sponsor are as follows:

Marshall Sohne, who is an attorney authorized to practice law in the State of New York and a real estate developer, operator and investor. Mr. Sohne is a resident of [redacted] and has an office at 131 Union Street, Brooklyn, New York 11231. Other than this Offering Plan, Marshall Sohne is currently the sponsor or the principal of the sponsor or the holder of unsold units of the following condominium offering plans.

- 19 Bond Street Condominium
  17-19 Bond Street, New York, New York CD870380.

- The Grand Crosby
  129 Grand Street, New York, New York CD980115.

- The Leonard Lispenard Condominium
  27 Leonard Street, New York, New York CD990076.

- Tiffany Cobble Condominiums
  42 Tiffany Place, Brooklyn, New York CD020128.

- 60 Tiffany Condominiums
  60 Tiffany Place, Brooklyn, New York CD05-0183.

- West 19th Street Owners Corp.
  453 West 19th Street, New York, New York C8770193.

Except as stated above, Marshall Sohne has not been the sponsor or a principal of the sponsor of a condominium, cooperative, homeowner's association offering and/or time shares offering either within or outside the State of New York which was initially offered during the preceding five (5) years.

Alexander Pustylnik, who is a real estate developer, operator and investor. Mr. Pustylnik is a resident of [redacted] and has an office at 131 Union Street, Brooklyn, New York 11231. Mr. Pustylnik has not been the Sponsor or a principal of Sponsor in cooperative or condominium offering plans within the State of New York.

Hernán Galvis, is a real estate developer, operator and investor. Mr. Galvis is a resident of [redacted] and has an office at 131 Union Street, Brooklyn, New York 11231. Mr. Galvis has not been the sponsor or a principal of the sponsor of any condominium, cooperative, homeowner's association offering and/or time shares offering either within or outside the State of New York.

Tomer Yogev, is a real estate developer, operator and investor. Mr. Yogev is a resident of [redacted] and has an office at 131 Union Street, Brooklyn, New York 11231. Mr. Yogev has not been the sponsor or a principal of the sponsor of any cooperative or condominium offering plans within the State of New York.

140 Degraw St. LLC, has never been the sponsor or the principal of the sponsor of a condominium offering, cooperative offering, homeowners' association offering or time shares offering either within or outside the State of New York.

There have been no prior convictions, injunctions, or judgments against the Sponsor or the principals or officers thereof that may be relevant or material to the Offering Plan or any offering of securities generally. The sponsors of the 19 Bond Street Condominium, The Grand Crosby, The Leonard Lispenard Condominium, Tiffany Cobble Condominiums, 60 Tiffany Condominiums and the West 19th Street Owners Corp., are current in all of their financial obligations to those condominiums.

Selling Agent

Stribling Marketing Associates, LLC with its principal office located at 924 Madison Avenue, New York, New York is the Selling Agent. Stribling Marketing Associates, LLC is a licensed real estate broker and has served and/or is currently serving as Selling Agent for a number of New York condominium and cooperative offerings. Stribling Marketing Associates, LLC and its predecessors have been engaged in the sale of condominium and cooperative apartments in New York City for more than 10 years.

The Selling Agent, and/or the principals or officers thereof, have no financial interest in the Property or the Sponsor, except that they are to be paid a fee for their services. There have been no prior convictions, injunctions, or judgments against the Selling Agent or the principals or officers thereof that may be relevant or material to the Offering Plan or any offering of securities generally.

Architect

The Architect for the project is the firm of ND Architecture and Design P.C., Architects, located at 66 Knickerbocker Avenue, Brooklyn, New York 11237.

Nataliya Donskoy, R.A., a registered architect in the State of New York, and a principal of ND Architecture and Design P.C. prepared the report which Sponsor has adopted as Sponsor's "Description of Property and Specifications." ND Architecture and Design P.C. has previously

prepared architectural reports for Sponsors for inclusion in cooperative and/or condominium Offering Plans which are new construction and/or rehabilitation projects. The Architect has no financial interest in the Property, the Sponsor or the Selling Agent, or any other party interested in this transaction, except for his fees for services rendered in connection with such report and other architectural services. The Architect or principals thereof have been providing architectural services in excess of ten (10) years.

Counsel to Sponsor

The Sponsor has retained the law firm of D'Agostino, Levine & Landesman, L.L.P., 345 Seventh Avenue, 23rd Floor, New York, New York 10001, to represent it in the preparation and consummation of the Offering Plan. Jose M. Rivera, Esq., a Partner of the Firm, drafted the Declaration, the By-Laws, this Plan, the form of Purchase Agreement, the form of 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 Offering.

D'Agostino, Levine & Landesman, L.L.P., and/or the members thereof, have no financial interest in the Property, the Sponsor or the Selling Agent, except that they are to be paid a fee for their services.

Managing Agent

The Sponsor shall manage the Building and perform all janitorial and maintenance functions until the First Board of Managers meeting subsequent to the first Closing of Title to individual Units. Thereafter, subject to certain limitations set forth in the By-Laws, the Condominium shall decide as to whether it deems it necessary or desirable to employ any individual(s) or firm(s) for the purpose of managing, operating and maintaining the Building. The Sponsor does not anticipate that such expenditures will be necessary and that the Unit Owners will assume such responsibilities themselves.

REPORTS TO UNIT OWNERS

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

(a) The financial statement of the Condominium prepared by a certified public accountant or public accountant 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;

(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. While the Sponsor is in control of the Board of Managers, it shall be Sponsor's obligation to deliver to all Unit Owners a proposed annual budget which shall be certified as to its adequacy by an expert experienced in the management of condominium, cooperative and/or rental properties.

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. The Sponsor shall, at the time of the First Unit Closing, deliver to the Board of Managers a copy of all documents filed with the appropriate recording office.

GENERAL

A. Each Unit Owner shall be required to comply with and abide by the Declaration, the By-Laws and the Rules and Regulations of the Condominium made in accordance therewith and to pay the Common Charges levied by the Board of Managers. Such obligations shall be enforceable by the Board of Managers by foreclosure of the statutory lien against the Unit for the amount of any such unpaid Common Charges or by suit to collect the same by action for damages, by injunction or by other appropriate relief.

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

C. To the best of Sponsor's knowledge, the building located at 140 Degraw Street was not the subject of a prior public offering.

D. The Declaration and By-Laws of the Condominium are made part of this Offering Plan.

E. Annexed to the By-Laws are the Rules and Regulations of the Condominium which shall apply until amended by the Board of Managers.

F. This Plan contains an accurate summary of the pertinent provisions of the various documents referred to herein and copies thereof are on file with the Sponsor for inspection purposes. Any information, data, or representation not referred to in this Plan and not contained in the various documents mentioned herein, must not be relied upon. This Plan does not omit any material fact or contain any untrue statement of a material fact. No person has been authorized by the Sponsor to make any representation which is not expressly contained herein.

G. Sponsor hereby represents that neither it, nor any of its agents, will refuse to sell or offer, or will otherwise discriminate against any person or persons by reason of their race, religion, color or place of national origin in the sale, transfer or lease of Units described in this Plan.

H. This Plan may not be changed or modified orally.

I. 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 the case of an uncured default, nor unilaterally change the purchase price or the payment terms contained in such a 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 Agreement by written notice to Sponsor and be refunded, except as provided for in the Plan, all monies paid thereunder, with any interest earned thereon. However, such rescission, as to a Purchaser who first became an occupant of the Building pursuant to a Purchase Agreement, will be conditioned on the cancellation of any interim use and occupancy agreement and surrender of possession of his Residential Unit within fifteen (15) days thereafter.

RESERVATION OF AIR AND DEVELOPMENT RIGHTS

As against all other Unit Owners, their successors, assigns and/or legal representatives, the Board of Managers of the Condominium and any mortgagees thereof, the Sponsor, its successors and assigns, shall have the exclusive right to cause any part or all transferable air rights and/or development rights pertaining to the Property, which Sponsor is herein reserving for itself, its successors and assigns, to be conveyed, transferred or otherwise assigned to any other premises, "zoning lot," "development" or "enlargement" as those prior three terms are now defined in the Zoning Resolution of the City of New York, as amended, and Sponsor hereby binds itself, its successors and assigns from conveying, transferring, assigning, or surrendering in whole or part any transferable air rights and/or development rights, if such conveyance, transfer, assignment or surrender shall make illegal the erection, existence or restoration or use of the Building at the time of the recordation of the Condominium Declaration or as will allow any party, including Sponsor as the holder of Unsold Units, to build on or directly above the Land, except the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers, and in any event, any construction above the Land, shall be made only in accordance with the Condominium's Declaration and By-Laws. As used herein, "transferable air rights and/or development rights" shall be defined to include all such rights which exist under the current Zoning Resolution of the City of New York, as amended, and any further rights which result from future amendments to the Zoning Resolution. As stated above, the Sponsor will not build any further on or above the Property.

Based upon the approved New Building Plans for the renovation of the Building, currently there are no excess transferable air rights and/or development rights pertaining to the Property. However, if the floor area ratio for the zoning district in which the Building is located changes in the future, such change may create additional excess transferable development rights and/or air rights pertaining to the Property at that time. Until such time the floor area ratio for the applicable zoning district changes, it is not possible for Sponsor to represent the maximum amount of additional excess development rights and/or air rights that would be generated from the Property or how many stories that may be added to adjoining properties based upon such additional excess development rights and/or air rights.

The Sponsor, its successors and assigns, herein have the right to cause the Board of Managers and all of the Unit Owners and their successors and/or assigns, to take such action and execute, acknowledge, deliver and record, at the sole cost and expense of Sponsor, and/or its successors and assigns, in the Register's Office of Kings County in the City of New York and elsewhere, if required by law, such instruments and documents, including, but not limited to (i) deed(s), lease(s), zoning lot agreement(s), declaration(s), lot line window declaration(s) and/or grant(s) of such Unit Owner's and such Board's interests, if any, in the Property with respect only to any transferable air rights and/or development rights, for the purpose of confirming the ownership of Sponsor, Sponsor's designee and/or their successors and assigns therein and/or for the purpose of effectuating the conveyance, transfer, assignment or surrender of such rights by Sponsor, Sponsor's designee and/or their successors and assigns; and (ii) any amendment to the Condominium Declaration which the Sponsor, Sponsor's designee and/or their successors and assigns deems necessary or appropriate to

effectuate their rights hereunder.

Failure of the Unit Owners and Board of Managers to comply with the terms of the Condominium Declaration shall result in liquidated damages payable by the Board of Managers to the Sponsor, and/or its successors and assigns, as the case may be, in an amount equal to the purchase price to be paid to Sponsor and/or its successors and assigns for the transfer, assignment or surrender of such transferable air rights and/or development rights.

As a result of Sponsor's reservation of transferable air rights and/or development rights, the Building may not be expanded without the purchase of said rights from Sponsor. Additionally, the transfer of such development rights to adjoining premises may allow the owner of an adjoining premises, including Sponsor or principals of Sponsor, to build a bigger and/or taller structure than permitted as of right under the Zoning Resolution and therefore block views of the Units being offered pursuant to the Offering Plan.

SPONSOR'S STATEMENT OF BUILDING CONDITION

GENERAL

Sponsor represents that, to the best of its knowledge, the Description of Property and Specifications hereinafter set forth in Part II of the Plan, which Sponsor hereby adopts, accurately summarizes the general nature of the systems, materials, equipment, appliances and fixtures to be contained in the Building on completion of construction. However, Sponsor reserves the right to substitute in place thereof, without prior notice or amendment to the Plan, systems, materials, equipment, appliances and fixtures of equal or better quality. Sponsor further reserves the right to make all decisions relative to construction methods, practices and designs. In addition, Sponsor will, by the First Unit Closing or within a reasonable period thereafter, cure or cause to be cured all violations of record against the Property as set forth in the Plan.

The Description of Property and Specifications set forth in Part II of the Plan was prepared by ND Architecture and Design, P.C., Architects, and is included in this Plan in reliance upon the expertise of such firm.

PART II

THIS DOCUMENT IS A LEGALLY BINDING DOCUMENT AND SHOULD BE READ CAREFULLY BY EACH PROSPECTIVE PURCHASER AND SHOULD BE REVIEWED BY EACH PROSPECTIVE PURCHASER'S ATTORNEY BEFORE EXECUTING IT.

PURCHASE AGREEMENT ("Agreement")
TIFFANY D CONDOMINIUMS ("Condominium")

Purchaser's Name:_____

Social Security No.:_____

Address:_____

Telephone No.:_____

Additional Purchaser's Name:_____

Social Security No.:_____

Address:_____

Telephone No.:_____

Unit Number:_____

Percentage Interest in Common Elements: Residential Unit ___%

*Aggregate Down Payment (not including any custom work) $_____

Balance Due at Closing (Unfinanced) $_____

Total Purchase Price $_____

Name(s) and manner in which

title will be taken: _____

* Additional Downpayment for any custom work $_____

Statement of Seller

140 Degraw St. LLC, with an address at 131 Union Street, Brooklyn, New York 11231, a New York limited liability company ("Sponsor" or "Seller"), has promulgated a Plan of Condominium Ownership of Tiffany D Condominiums ("the Plan") pursuant to which the land with appurtenances and the Residential Units ("the Units") being constructed or renovated thereon by Seller, located at 140 Degraw Street, Brooklyn, New York, will be declared to be a condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

Statement of Purchaser

Purchaser acknowledges as follows:

I have received and read a copy of the Plan and all filed amendments thereto. Said Plan, which includes the Declaration to be made by the Seller and to be recorded in the Office of the Register of the City of New York, Kings County, the Schedules, By-Laws and Rules and Regulations attached thereto, are incorporated herein by reference and made part of this Agreement with the same force and effect as if fully set forth herein.

AFTER DELIVERING AN EXECUTED AGREEMENT, TOGETHER WITH THE REQUIRED DEPOSIT, I WILL BE AFFORDED SEVEN (7) DAYS TO RESCIND THIS PURCHASE AGREEMENT AND HAVE THE FULL DEPOSIT REFUNDED TO ME PROMPTLY, PROVIDED THAT I HAVE NOT HAD AN OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR AT LEAST THREE (3) BUSINESS DAYS PRIOR TO SUCH DELIVERY. SUCH RESCISSION MUST BE BY WRITTEN NOTICE, ADDRESSED TO SPONSOR, AND BE POSTMARKED OR HAND DELIVERED NO LATER THAN MIDNIGHT OF THE 7TH DAY SUBSEQUENT TO MY DELIVERING THE EXECUTED PURCHASE AGREEMENT. IF I HAVE HAD AN OPPORTUNITY TO REVIEW THE OFFERING PLAN AND ANY FILED AMENDMENTS FOR NOT LESS THAN THREE (3) BUSINESS DAYS PRIOR TO MY MAKING THE AFORESAID DELIVERY, I SHALL NOT BE PERMITTED THE AFOREMENTIONED SEVEN (7) DAY TIME PERIOD TO RESCIND THIS PURCHASE AGREEMENT.

The seven (7) day rescission period is (delete whichever does not apply): applicable; not applicable.

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"), prepared by N.D. Architecture and Design ("the Architect").

Purchaser is desirous of purchasing the above-numbered Unit, as designated in the Declaration and on the floor plans filed or to be filed in the aforesaid Register's Office, together with an undivided interest in the Common Elements appurtenant thereto (the above-numbered Unit and the undivided interest being hereinafter collectively called the "Unit");

Agreement Between Seller and Purchaser

For good and valuable consideration, receipt of which is hereby acknowledged, Seller and Purchaser mutually agree as follows:

1. **Payment for Unit**. Seller hereby agrees to sell and Purchaser hereby agrees to purchase the Unit for the Total 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 (together with the proceeds of the mortgage loan referred to in Paragraph 8 hereof, if any) shall be payable at the closing of title, as hereinafter provided in Paragraph 2, by unendorsed certified or cashier's check of Purchaser drawn on a bank or trust company which is a member of the New York Clearing House Association to the order of Seller or as otherwise directed by Seller.

2. **Closing of Title**. The closing of title shall take place on no less than thirty (30) days' prior written notice to Purchaser at such place as Seller may designate, at an hour and on a date (hereinafter called the Closing Date) to be specified by Seller. Such date shall be no earlier than thirty (30) days after the date on which written notice is given to Purchaser that the Plan has been declared effective (unless Purchaser and Seller shall agree on an earlier Closing Date). Seller shall have the right, from time to time, to adjourn the Closing Date on written notice to Purchaser. If adjourned, Seller shall fix a new date and time for the closing of title to the Unit and shall give Purchaser not less than five (5) days written notice of the newly scheduled Closing Date. Purchaser shall be entitled to one reasonable adjournment of up to fifteen (15) days, on no less than five (5) days written notice by Purchaser to Seller, provided that Purchaser may not seek an adjournment of any kind based upon any provision set forth in Paragraph number 18(i) herein. If, through no fault of Seller, Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date as rescheduled pursuant to any adjournment authorized hereunder, and Seller does not have the right to, or elects not to, cancel this Agreement as a result of the same, (a) the adjustments for real estate taxes and common charges will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the closing of title occurs, and (b) Purchaser will be required to pay Seller, as a reimbursement of Seller's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Seller under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Seller postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

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

Simultaneously with the delivery of the deed, Purchaser (i) shall cause the proceeds of any mortgage loan to be transferred to the Seller on account of the Total Purchase Price, (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 and (iii) shall deliver the Balance Due at Closing.

Title to the Unit will close only after or concurrently with the occurrence of the events set forth in the Section of the Plan entitled "Closing of Title to Units".

3. **Power of Attorney to Board of Managers**. At the closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the power of attorney to the Board of Managers and the Sponsor in the form contained in Part II of the Plan. Purchaser agrees to deliver such power of attorney to Seller at the closing of title for recording and to pay the recording fee.

4. **Binding Effect of Declaration, By-Laws, Plan, Rules and Regulations**. Purchaser hereby agrees to be bound by the Declaration, the By-Laws, the Rules and Regulations and the Plan.

5. **Condition of Title**. Seller agrees to convey to Purchaser title in fee simple to the Unit free and clear of all liens and encumbrances other than those set forth in the Plan, specifically in Part I thereof in the section titled "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 of any kind at the time of title closing shall not constitute an objection to title, provided that a reputable title insurance company licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the property, not provided for in the Plan or this Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

6. **Expenses of Closing and Closing Adjustments**. Purchaser will pay the closing costs and expenses referred to in the Section of the Plan (as same may be amended to date) entitled "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 lender to obtain same, recording fees for recording the Deed, Power of Attorney and any Partial Release and/or UCC-3 Termination Statement for the Unit related to Sponsor's construction financing, real estate taxes, New York City Real Property Transfer Tax, New York State Transfer Tax, 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 $1,300.00 will be payable by Purchaser to D'Agostino, Levine & Landesman, L.L.P., if rendered by such firm, provided that an additional fee of $500.00 per closing shall be due and payable for any Unit closing which occurs outside the office of the Seller's attorneys. If Purchaser elects to obtain title insurance and/or a title report from a title insurance company and/or abstract company, other than All New York Title Agency, Inc., the Purchaser's title company shall be recognized by Sponsor provided Purchaser pays Sponsor's additional legal fee of $500.00 for clearing title with such other company. See the section of the Offering Plan titled. A further fee of $350.00 dollars shall be payable by Purchaser to Seller's attorneys for the work involved for each assignment of a purchase agreement or contract. Assignments are permitted only with prior written consent of Sponsor. Finally, a legal fee in the amount of $350.00 shall be paid by Purchaser to Sponsor's attorneys for each cancellation and or

release if prepared by such firm pertaining to other than a termination relating to the mortgage financing contingency. Purchaser will also pay to the Board of Managers the sum equal to two months of Common Charges for the Unit being purchased as Purchaser's contribution to the Working Capital Fund of the Condominium. Except as otherwise provided in this agreement, 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 Plan. Any such expenses or adjustments payable to Seller in excess of $500.00 will be paid by certified check or bank check drawn on a bank or trust company which is a member of the New York Clearing House Association or any successor organization.

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, on 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. **Mortgage Financing Contingency**. In the event Purchaser and Sponsor execute the Financing Rider annexed hereto as Exhibit C, to this Agreement shall be contingent upon financing in accordance with the terms of said Financing Rider. In the event Purchaser and Sponsor do not execute the Financing Rider, the terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Total Purchase Price (or any portion thereof) and Purchaser understands and agrees that his failure to obtain such financing will not relieve him of his obligations hereunder. Purchaser further understands and agrees that even if this Agreement is contingent upon financing and Purchaser chooses to finance his purchase of the Unit through a lending institution and obtains a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, nor any change in his financial status or condition shall release or relieve him or her of his or her obligations pursuant to this Agreement.

9. **Default by Purchaser**. If Purchaser shall fail to pay any portion of the balance of the purchase price when due, fail to close title on the date, hour and place specified by Seller pursuant to Paragraph 2 hereof or fail to perform any of Purchaser's other obligations hereunder (including without limitation the obligation to furnish Sponsor and/or any lender promptly with such information as Sponsor and/or such lender may require, and the obligation to accept a loan commitment on the terms set forth in this Agreement), such failure shall constitute a default by Purchaser. Seller shall notify Purchaser in writing of such default and advise Purchaser that he has

thirty (30) days from the mailing date or thirty (30) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THIS AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD. If such default is not cured within thirty (30) days from the mailing date or thirty (30) days after personal delivery of such written notice, Seller has no obligation to extend the time to cure and may (but shall not be obligated to) elect to cancel the Purchase Agreement. If Sponsor elects to cancel the Purchase Agreement, Sponsor shall notify Purchaser in writing of said cancellation and the Down Payment and any other amounts paid by Purchaser for any special or custom work shall be paid over to Seller as and for liquidated damages and thereafter the Purchase Agreement shall become null and void. In the event that Seller shall elect so to cancel this Agreement, Seller shall certify to its attorneys, D'Agostino, Levine & Landesman, L.L.P., that title has not closed because of Purchaser's default, that a notice to cure was delivered to Purchaser and Purchaser has failed to cure the default within thirty (30) days from the mailing date or within thirty (30) days from personal delivery of such notice and that Seller has elected to cancel this Agreement by reason thereof, and D'Agostino, Levine & Landesman, L.L.P. shall thereupon pursuant to Paragraph 16 hereunder, cause to have paid over to Seller as liquidated damages the Down Payment (and the actual cost incurred by Seller for any special work in the Unit ordered by Purchaser) and any interest earned thereon, and upon such payment being made each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. However, if there is no written agreement between the Purchaser and Sponsor to release the escrowed funds, D'Agostino, Levine & Landesman, L.L.P. will not pay the funds to the Sponsor until D'Agostino, Levine & Landesman, L.L.P. 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. A form of application to the Attorney General for a determination on the disposition of downpayments appears as Exhibit A to the Purchase Agreement. D'Agostino, Levine & Landesman, L.L.P. shall have the right to continue to hold the Down Payment deposit pending resolution of such dispute (judicial or otherwise) or pay the Down Payment deposit into court. Seller shall reimburse D'Agostino, Levine & Landesman, L.L.P. insofar as it is acting in its capacity as Escrow Agent for its reasonable cost and expenses, including attorney's fees and the fair value of legal services rendered by the Escrow Agent to itself incurred as a result of any dispute or litigation concerning the right to the Down Payment. Sponsor shall not seek the remedy of specific performance in connection with Purchase Agreements as to which there has been a default by Purchaser. 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. D'Agostino, Levine & Landesman, L.L.P. may rely upon the truth and accuracy of the facts contained in Seller's certification and the authority of the person or persons executing the same and shall have no liability as a result of such reliance.

10. **Agreement May Not be Assigned; Advertising**. Purchaser shall have no right to assign this Agreement without the prior consent in writing of Seller and any purported assignment of this Agreement in violation hereof shall be voidable at the option of Seller. In the event Sponsor consents to the assignment of this Agreement, Purchaser shall pay D'Agostino, Levine & Landesman, L.L.P. the legal fee of Sponsor's attorneys for reviewing the assignment agreement.

Such fee shall be approximately $350.00, plus disbursements. Prior to the closing of title to the Unit, Purchaser shall not advertise or otherwise offer, promote or publicize the availability of such Unit for sale.

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 _____) and to Seller at 131 Union Street, Brooklyn, New York 11231 (with copy to D'Agostino, Levine & Landesman, L.L.P., 345 Seventh Avenue, 23rd Floor, New York, New York 10001) or at such other address as either party may hereafter designate to the other in writing. All such notices and communications shall be deemed to have been received on the date of personal delivery or on the fifth day after mailing.

12. **No Representation**. Except as herein or in the Plan specifically set forth, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's Counsel 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 or amenities, the estimated Common Charges and expenses allocable to the Unit or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the Building are not accurate or correct, provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specifications for the Building and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from his obligations hereunder by reason of any minor inaccuracy or error.

13. **Recording of Deed and Power of Attorney**. At the closing of title, Purchaser will deliver the executed deed received from Seller and the executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the Register of the City of New York, Kings County. Such deed and power of attorney will be in the form set forth in the Plan.

14. **Binding Effect**. This Purchase Agreement shall not be effective or binding on Seller until a counterpart hereof is executed by Seller and delivered to Purchaser. Subject to the provisions hereof, this Purchase Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and permitted assigns.

15. **Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel**. This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior to its being declared effective and before eighty percent (80%) of the Residential Units have been purchased. Seller also reserves the right to abandon the Plan after it has been declared effective pursuant to other provisions of the Offering Plan as set forth in the

section titled "Effective Date of Plan". Additionally, the Plan shall be abandoned and deemed abandoned if it has not been declared effective within the time prescribed by the Plan. If the Plan is abandoned or does not become effective this Purchase Agreement shall be deemed canceled, and the 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 Plan. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth in Paragraph 2 hereof or in the Plan, for any reason other than Purchaser's default, then, at Purchaser's option, upon prior written notice sent by Purchaser to Seller within fifteen (15) days subsequent to the end of the scheduled closing date, after permitted adjournments, this Purchase Agreement shall be deemed 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 and both shall be released from all obligations.

Seller may cancel this Purchase Agreement by forwarding its check in the full amount paid by the Purchaser, together with a notice in writing, addressed to the Purchaser at his address hereinabove set forth in the event of the occurrence of any of the following: (a) that any governmental bureau, department or subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of materials necessary in the construction of residential housing and such restrictions shall prevent the Seller from obtaining such materials from its regular suppliers or from using same in the construction and/or completion of the dwellings; or (b) that the Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements, national emergencies, acts of God or if the installation of public utilities is restricted or curtailed.

16. **Monies to be Held in Trust; Payment of Purchase Price; Notice of Closing.** The required downpayment pursuant to this Agreement will be ten percent (10%) of the purchase price for the Unit set forth in the Plan, as amended, which Down Payment shall be increased by special custom work or materials, if any, offered by Seller and ordered by Purchaser as itemized in this Agreement. All monies received by Seller through its agents or employees pursuant to this Agreement will be deposited with The Bank of New York, in an account or accounts titled "D'Agostino, Levine & Landesman, L.L.P., Escrow Agent for Tiffany D Condominiums or similar name, with the name of Purchaser and Unit number added to the title of the account at the HSBC Bank USA office located at 800 Sixth Avenue, New York, New York, which account or accounts shall be interest bearing in accordance with Section 71-a(3) of the Lien Law. Such funds will be deposited 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, and Regulations promulgated pursuant to said Section 352-e(2-b) by the Department of Law. Such funds will be disbursed only upon written instructions of a representative of Seller and a member of D'Agostino, Levine & Landesman, L.L.P., Seller's attorneys, as follows: (i) to Seller or as directed by Seller, if the Plan is declared effective and title closes hereunder or if Purchaser defaults hereunder; or (ii) to Purchaser if the Plan is

abandoned or withdrawn or title does not close because of Seller's default, or this Agreement is canceled (without default by either party) in accordance with its terms. Down Payments, with any accumulated interest, shall remain the property of the Purchaser except as provided by law.

Down Payments will be retained in the special escrow account as set forth above until: (i) Seller performs under the terms of the Purchase Agreement or (ii) Purchaser rescinds or defaults in performance, thereby excusing performance by Seller or (iii) release or discharge of Seller's liability to refund such Down Payment or (iv) upon 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 Plan entitled "Procedure to Purchase" which is incorporated herein by reference.

As an alternative to depositing Down Payments in escrow as set forth above, Seller may post a bond or indemnity contract with a licensed surety company ensuring return of such monies, which bond or contract is to be delivered to Purchaser.

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

In the event of an uncured default by Purchaser in his obligations under the Purchase 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 Purchase Agreements 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 and/or the Consummation of the Plan.

The balance of the Total Purchase Price will not be payable until closing of title to the Unit.

Following the declaration of effectiveness of the Plan, Purchaser will be given at least thirty (30) days prior written notice of the closing date for his Unit, which notice will also remind him of his obligation to pay the balance of the purchase price at that time and will state when Common Charges will be due and payable.

17. **Equipment and Furnishings**. Seller will provide Purchaser only with the fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in the purchase price of the Unit. Furnishings, equipment, appliances and decorations in any model unit or sales office not referred to in the Plan are excluded from this sale unless specifically included by a rider to this Purchase Agreement. The cost of any such items will be added to the purchase price of the Unit.

18. **Acceptance of Condition of Unit; Risk of Loss.**

(i) Purchaser shall accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit, including custom work, if any, or the Building or (b) other Units or (c) any recreation facilities or (d) the landscaped areas or (e) other portions of the Common Elements have not been completed. Minor details referred to in (a) above shall include but not be limited to any items which Purchaser may set forth or which are set forth on the Punchlist Inspection Statement, appearing in Part II of the Plan.

(ii) Prior to the closing of title to a Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Seller or the Selling Agent. 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 or the Selling Agent. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the closing of title thereto.

(iii) Purchaser represents to Seller that he has examined the Unit and agrees that his execution of this Purchase Agreement shall constitute acceptance of the Unit and the Building and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein, in their present condition on the date of this Purchase Agreement, subject to reasonable use, wear, tear and natural deterioration between the date of this Purchase Agreement and the Closing Date and subject to any other obligations of Seller under the terms of the Plan.

(iv) 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. 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 (i) bear the risk of loss or other casualty with respect to the Unit, and (ii) 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 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 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 OR HER INSURANCE NEEDS.

19. **Possession of Unit Prior to Closing**. It is expressly understood and agreed that the Purchaser shall in no event take possession of the Unit prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Purchase Agreement, and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove him from the Unit as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder at the option of the

Seller, and if the Seller so elects, the Seller may cancel this Agreement and the amount deposited hereunder shall belong to the Seller as liquidated damages deemed earned hereunder. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to Purchaser whether same is delivered to the property before, on or after the closing of title herein.

20. **Limitation of Seller's Liability**. The Seller's liability under this Purchase Agreement for failure to complete and/or deliver 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, the Seller shall not be required to bring any action or proceeding or otherwise incur any expense to render the title to the Unit marketable or to cure any objection to title.

21. **Definitions**. The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasers, in which case their obligations shall be deemed joint and several. The terms used herein shall have the same meanings as ascribed thereto in the Plan.

22. **Gender**. The use of the masculine gender in this Purchase Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

23. **Other Agreements**. This Purchase Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them and no oral representations or statements shall be considered a part hereof.

24. **Amendment of Purchase Agreement**. This Purchase Agreement may not be amended, altered or discharged except by agreement in writing signed by the party sought to be charged therewith or by his, her or its duly authorized agent.

25. **Brokerage**. Purchaser represents and warrants to Seller that Stribling Marketing Associates, LLC and _____, as co-broker, is/are the only broker(s) or sales agent with whom Purchaser has dealt in connection with this transaction, hereinafter the "Broker." Seller agrees to pay the commission earned by Broker pursuant to a separate agreement between Seller and Broker. Purchaser agrees that should any claim be made against Seller for commissions by any broker, other than the aforementioned Broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Seller free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this paragraph 25 shall survive the closing of title.

26. **Governing Law**. This Purchase Agreement shall be governed by and construed in accordance with the law of the State of New York.

27. **Jury Waiver**. Purchaser hereby waives trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with this

Purchase Agreement or the relationship of the parties as Purchaser and Seller, or the right of Purchaser to any statutory relief or remedy.

28. **Costs of Enforcing and Defending Agreement.** Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor'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 Seller's rights or Purchaser's obligations hereunder.

29. **Acceptance by Seller**. Within twenty (20) days after delivery to Seller or its Agent by Purchaser of this Purchase Agreement, executed by Purchaser, together with the required Down Payment, Seller will either:

(a) accept this Agreement and cause to be returned to Purchaser a fully executed counterpart thereof or

(b) reject this Agreement offer and refund the Down Payment tendered by Purchaser.

If Seller takes no action within said twenty (20) day period this Purchase Agreement shall be deemed null and void and Seller will return Purchaser's Down Payment within twenty (20) days.

30. **Transfer Tax Returns**. At closing, Purchaser will duly complete and sign before a Notary Public the transfer tax return required to be filed with the City of New York and the appropriate New York State form (TP-584 or its successor) required to be filed with the Kings County Register's office. This transfer tax return and TP-584 form 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 officer.

31. **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, a New York limited liability company, will furnish to Purchaser a non-foreign certification at closing, thereby complying with FIRPTA and relieving Purchaser from any withholding obligations.

32. **Custom Work.** Purchaser acknowledges and agrees that all custom work ordered by Purchaser is to be performed by Sponsor's contractors. The cost of such custom work will be in addition to the total purchase price for the Unit and will be at the sole cost and expense of Purchaser. The initial downpayment for the purchase of the Unit will be increased by the total cost of the custom work. Although initially deposited in escrow, upon the rescission of a Purchase Agreement by Purchaser, the funds deposited for the extra custom work will not be refunded to the Purchaser to the extent such funds have already been disbursed or are required to pay for the custom work.

33. **Lead-Based Paint Warning.**[1] Regulations governing disclosure of information regarding Residential Lead Based Paint (the "Regulations"), issued by the US Environmental Protection Agency ("EPA") and the US Department of Housing and Urban Development ("HUD") became effective on September 6, 1996. Such Regulations apply to the sale of Residential Condominium Units, except for studio apartments and open lofts which do not have a child less than six years old in residence. The Sponsor does not have any actual knowledge of any lead-based paint or lead-based paint hazards in the Unit or in the Property. However, the Property was constructed prior to 1978 and therefore either the Property or the Unit may contain lead-based paint and lead-based paint hazards. The Sponsor has not under taken any separate investigation or risk assessment as to the presence of lead-based paint and/or lead-based paint hazards in the Property and/or the Unit. The Sponsor also does not have any actual knowledge that anyone else has undertaken any such investigation or risk assessment. The Purchaser hereby acknowledges that the Sponsor indicated it did not have any reports or records pertaining to lead-based paint or lead-based paint hazards as to the Unit or the Property. The Regulations require the Sponsor to disclose to the Purchaser that the exposure to lead from lead-based paint may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Purchaser further recognizes and agrees that the Sponsor does not guaranty the accuracy of Sponsor's disclosure as to lead-based paint or lead-based hazards set forth herein as to the existence (including the magnitude thereof) or nonexistence of lead-based paint hazards in the Unit or the Property. The Purchaser hereby assumes all risks, if any, as to lead-based paint hazards in the Unit or the Property. The Purchaser may undertake his or her own risk assessment or inspection for possible lead-based paint hazards. It is hereby agreed if Purchaser wishes to complete such inspection or risk assessment, it shall be undertaken by Purchaser prior to the execution of this Purchase Agreement. In connection therewith and pursuant to a "Pre-Contract Lead Paint Inspection Agreement," attached hereto as Exhibit "B" which shall be simultaneously executed by the Purchaser with this Agreement, the Purchaser has either undertaken its own inspection or risk assessment or waived its rights to undertake same. Also the Purchaser hereby acknowledges receipt of a copy of the lead-based paint hazard information brochure entitled "Protect your Family From Lead in Your Home" prepared by the EPA, HUD and the Consumer Product Safety Commission.

34. **Survival**. The closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom. All representations under the Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Plan which are to be performed subsequent to the Closing will survive delivery of the deed.

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

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[1]Paragraph 34 at the option of the Sponsor may be deleted for studio apartments and open lofts to the extent the Regulations do not apply to studio apartments or open lofts.

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

Dated: _____, New York

_____

_____L.S.

_____Purchaser

_____L.S.

_____Purchaser

Accepted:

140 Degraw St. LLC

By: _____

Dated: _____

ESCROW AGENT:
D'Agostino, Levine & Landesman, L.L.P.

By: _____

Dated: _____

PURCHASE AGREEMENT EXHIBITS

ETF-1 **APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWNPAYMENTS** Exhibit A

[Send this application to the reviewing attorney assigned to the subject plan.]

Re:_____
Address of Building or Name of Project

File Number:_____

Application is made to the Attorney General to consider and determine the disposition of downpayments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application.

1. **Name of Applicant**_____

2. **Address of Applicant**_____

3. **Name, Address, and Telephone Number of Applicant's Attorney (if any)** _____

_____

4. **This is an application for**
   - [ ] **return of downpayment.**
   - [ ] **forfeiture of downpayment.**
   - [ ] **other:** _____

5. **The project is**
   - [ ] **a conversion of occupied premises.**
   - [ ] **newly constructed or rehabilitated.**
   - [ ] **vacant (as is).**

6. **The project is structured as**
   - [ ] **a cooperative.**
   - [ ] **a condominium.**
   - [ ] **a homeowners association.**
   - [ ] **a timeshare.**
   - [ ] **other:**_____

7. **Name and Address of Sponsor:**_____

_____

8. **Name and Address of Escrow Agent:**_____

_____

9. **If down payments are maintained in an escrow account:**

   (a) **Name of Account** _____

   (b) **Name and Address of Bank**_____

   (c) **Account Number (if known)**_____

   (d) **Initial Interest Rate (if known)**_____

10. **If downpayments have been secured by bonds:**

   (a) **Name and address of bond issuer or surety:** _____

   _____

   (b) **Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND). If not included, explain:**

   _____

   _____

11. **If downpayments have been secured by a letter of credit:**

   (a) **Name and Address of Bank which issued the letter of credit:** _____

   _____

   (b) **Date of expiration of the letter of credit, if known:**_____

   _____

12. Plan information:

(a) Date of filing of Plan: _____

(b) Plan

[ ] has been declared effective. Approximate date: _____
[ ] has not been declared effective.

(c) If effective, the Plan

[ ] has closed or the first unit has closed. Approximate date: _____
[ ] has not closed.
[ ] don't know.

(d) Downpayments are secured by

[ ] escrow account.
[ ] bonds.
[ ] letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

(e) Names and Address of subscribers or purchasers affected by this application:

_____

_____

_____

_____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

_____

_____

_____

_____

15. I am contemporaneously sending a copy of this application to the following persons:

_____

_____

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdeameanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ **Date:** _____

Name (Printed): _____

Telephone: (Home) _____ **(Business)** _____

Mailing Address: _____

_____

EXHIBIT B
TO PURCHASE AGREEMENT

PRE-CONTRACT LEAD PAINT INSPECTION AGREEMENT

_____ ("Prospective Purchaser") is considering the purchase of Residential Unit ____ (the "Unit") at 140 Degraw Street, Brooklyn, New York 11231 (the "Premises") from 140 Degraw St. LLC ("Prospective Seller").

The parties acknowledge that applicable Federal regulations, specifically 24 CFR Part 35 and 40 CFR Part 645, require (among other things) with respect to the Unit"... that the Purchaser has received a 10-day opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based hazards (unless the parties have mutually agreed to a different period of time) before becoming obligated under the contract to purchase the Unit. Alternatively, a purchaser who chooses to waive the risk assessment or inspection opportunity must do so indicate in writing.

In accordance with the foregoing requirement (cross out and initial (a), (b) or (c) below, whichever does not apply):

(a) The Prospective Purchaser hereby chooses to waive any risk assessment or inspection opportunity for lead paint with respect to the Unit or Premises; or

(b) The parties hereto hereby agree to reduce the 10-day opportunity to inspect to a period not to exceed 5 business days;

(c) The parties have agreed that Prospective Purchaser shall have the opportunity to inspect the Unit and Premises during the period beginning _____, 20___, through and including _____ 20___. If Prospective Purchaser elects to make an inspection, he or she shall comply with the following requirements:

(i) Prospective Purchaser hereby indemnifies and holds harmless Prospective Seller from any and all claims, liabilities, causes of action, losses, damages, costs and expenses (including reasonable attorneys fees) resulting from the inspection;

(ii) Initially, Prospective Purchaser shall use only such inspection methods as do not require any removal of any wallpaper, paint or any item permanently affixed to the Unit or Premises. If Prospective Purchaser deems it necessary to remove paint or wallpaper or any other item permanently affixed to the Unit or Premises, no removal may occur until the specific location of the work is identified to Prospective Seller, Prospective Purchaser agrees to

repair and restore the Unit and Premises to the same condition that currently exists immediately following the inspection, and Prospective Purchaser delivers into escrow to be held by Prospective Seller's attorneys an amount agreed between the parties to be sufficient to complete such repair and restorations, which amount shall be held and applied as invoices are presented.

Prior to undertaking any such inspection, the Prospective Seller may require the contractor performing such inspection to add the Prospective Seller as an additional insured party on such contractor's comprehensive general liability insurance policy and to provide evidence of such coverage.

Prospective Purchaser hereby acknowledges that he or she has not been pressured or coerced by Prospective Seller or any other person to waiver or limit the 10-day opportunity to inspect.

The parties agree that this document does not constitute a contract for the sale of the Unit, and does not bind either of the parties or in any way except as it relates to the right and manner of conducting an inspection for lead paint in the Unit. Whether or not the Prospective Purchaser desires to undertake a lead-based paint inspection, the Prospective Seller reserves the right to continue to market the Unit to other Prospective Purchasers and to enter into a Purchase Agreement with another Prospective Purchaser during or after pendancy of the inspection period.

Dated: ____, 20__

_____
PROSPECTIVE PURCHASER

_____
PROSPECTIVE PURCHASER

140 Degraw St. LLC

By: _____
PROSPECTIVE SELLER

_____
BROKER

The broker signing above is a real estate broker duly licensed in the State of New York who provided this form to the parties and who has received a fully executed copy of the Pre-Contract Agreement on the _____ day of _____, 20___. Broker acknowledges that he or she is not entitled to a commission solely based upon the execution and delivery of this Pre-Contract Lead Paint Inspection Agreement.

Exhibit C

Rider to Purchase Agreement

This Rider is made as of _____, 200__ between Sponsor and Purchaser.

Re: Unit No. _____
140 Degraw St. LLC
Brooklyn, NY

I. Mortgage Contingency.

A. The obligations of the Purchaser under the Purchase Agreement are conditioned upon issuance on or before a date which is thirty (30) days from the date the Purchase Agreement is accepted by Seller and returned to Purchaser (the "Commitment Date") of a written commitment (the "Commitment") from any Institutional Lender (defined below) pursuant to which such Institutional Lender agrees to make a loan, other than a VA, FHA or other governmentally insured loan to Purchaser, at Purchaser's sole cost and expense of $ (%) of the Purchase Price of the Unit, or such lesser sum as Purchaser shall be willing to accept, at the prevailing fixed rate or adjustable rate of interest for a term of at least thirty (30) years and on other customary commitment terms, whether or not conditioned upon any factors other than an appraisal satisfactory to the Institutional Lender, secured by a first mortgage on the Unit together with its undivided interest in the Common Elements (the "Mortgage Loan").

1.2 Purchaser shall:

1. make a prompt application to an Institutional Lender for the Mortgage Loan through _____, having an address at _____ _____(___) ___-____, Attn. _____ (the "Mortgage Broker") within five (5) days of the date of this Rider;

2. furnish truthful, accurate and complete information, data and documents on Purchaser and members of Purchaser's family, as required, and promptly submit such further information, data and documents requested by the Institutional Lender and the Mortgage Broker;

3. pay all fees, points and charges required in connection with such application and Mortgage Loan;

4. pursue such application with diligence;

5. cooperate in good faith with the Institutional Lender and the Mortgage Broker to the end of securing the Mortgage Loan;

6. promptly give notice to Seller of the name and address of the Institutional Lender to which Purchaser has made such application; and

7. comply with all requirements of the Commitment (or of any Commitment accepted by Purchaser) and furnish Seller with a copy thereof promptly after receipt.

The obligations of Purchaser set forth in (a) through (g) above are collectively referred to herein as the "Financing Obligations." Purchaser agrees to diligently comply with all of the Financing Obligations.

1.3 At the sole option of Seller, if the Institutional Lender to which Purchaser has applied pursuant to Paragraph 1.2 above refuses to issue a Commitment to Purchaser for any reason, Purchaser shall (a) make prompt application through the Mortgage Broker to another Institutional Lender determined by the Mortgage Broker for the Mortgage Loan within seven (7) business days from the date Purchaser is notified that the first Institutional Lender refuses to issue a Commitment to Purchaser, in which event the Commitment Date shall be deemed extended for an additional thirty (30) days from such date, and (b) otherwise comply with all of the other Financing Obligations set forth in Paragraph 1.2 above.

1.4 If a Commitment is not issued on or before the Commitment Date pursuant to Paragraphs 1.2 or 1.3 above, then unless Purchaser has accepted a Commitment that does not comply with the requirements set forth in Paragraph 1.1 above, Purchaser may cancel the Purchase Agreement by giving notice to Seller (the "Cancellation Notice") within five (5) business days after the Commitment Date, "time being of the essence", in which case the Purchase Agreement shall be deemed canceled and thereafter neither party shall have any further rights against, or obligations or liabilities to, the other by reason of the Purchase Agreement, except that the Deposit, together with any interest earned thereon, shall be refunded to Purchaser within ten (10) business days thereafter. The Cancellation Notice shall be accompanied by a copy of any loan refusal letter or non-complying Commitment, as the case may be, issued by the Institutional Lender, if available, or if not available, provided promptly after receipt. If Purchaser fails to give the Cancellation Notice or if Purchaser shall accept a Commitment that does not comply with the requirements of set forth in Paragraph 1.1 above, then Purchaser shall be deemed to have waived Purchaser's right to cancel the Purchase Agreement and to receive a refund of the Deposit by reason of the contingency contained in this Rider.

1.5 The term "Institutional Lender" shall mean a commercial bank, savings bank, trust company, savings and loan association, an insurance company, an mortgage banker, pension or retirement fund, credit union to which Purchaser is a member.

II. Definitions.

All capitalized terms in this Rider not defined herein shall be deemed to have the same meaning given to them in the Purchase Agreement or in the Plan.

III. Conflicts.

In the event of any inconsistency between the provisions of this Rider and those contained in the Purchase Agreement, the provisions of this Rider shall govern.

IN WITNESS WHEREOF, Purchaser has executed this Rider the date and year first above written.

PURCHASER

_____

_____

AGREED TO AND ACCEPTED:

Sponsor

140 Degraw St. LLC

By: _____

Authorized Member

FORM OF UNIT DEED

THIS INDENTURE made the _____ day of _____, 20__, between 140 Degraw St. LLC, a New York limited liability company, having an office at 131 Union Street, Brooklyn, New York 11231, "Grantor", and _____, "Grantee",

WITNESSETH:

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

The Unit(s) known as Residential Unit No._____ in the Building known as Tiffany D Condominiums, located at 140 Degraw Street in the Borough of the Brooklyn, Kings County, City and State of New York and also designated and described as Unit No.___ in the Declaration establishing Tiffany D Condominiums (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 _____, 20__, and recorded in the New York County Office of the Register of the City of New York, on the _____ day of _____, 20__, as CRFN #_____ (hereinafter called the "Declaration"), which Unit is also designated as Block No. _____, Tax Lot No. _____ on the Floor Plans and Site Plan (the "Floor Plans") of the Building, certified by N.D. Architecture and Design, P.C., and filed in the Real Property Assessment Department of the City of New York on the _____ day of _____, 20__, as Plan No. _____ and filed simultaneously with said Declaration in the said Office of the Register of the City of New York, Kings County, as Condominium Plan No. _____, CRFN #_____ (hereinafter called the "Unit"). The land area of the Property is described as follows:

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 SOUTHERLY side of DeGraw Street distant 189 feet 6 inches EASTERLY from the SOUTHEASTERLY corner of Columbia Street and DeGraw Street;

RUNNING THENCE EASTERLY along the SOUTHERLY side of DeGraw Street 19 feet 6 inches;

THEN SOUTHERLY on a line parallel with columbia Street and part of the distance through a party wall, 100 feet;

THENCE WESTERLY on a line parallel with DeGraw Street 19 feet 6 inches;

THENCE NORTHERLY on a line parallel with Columbia Street and part of the distance through a party wall, 100 feet to the SOUTHERLY side of DeGraw Street, the point or place of BEGINNING.

SAID PREMISES being known as and by the street address 140 Degraw Street, Brooklyn, New York.

TOGETHER with all right, title and interest, if any, to any interior strips or gores adjoining the above described premises on any sides thereof.

TOGETHER with the following undivided percent interest in the common elements of the Property described in said Declaration (hereinafter called the "Common Elements");

Percentage Interest in
General Common Elements

Residential Unit _____%

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;

TOGETHER with and SUBJECT TO EASEMENTS, rights of way, restrictions and encumbrances created by the Declaration for Tiffany D Condominiums recorded in the Kings County Office of the Register of the City of New York on the _____ day of _____, 20__ as CRFN #_____.

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;

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; this deed was authorized at a duly called meeting of the members of Grantor;

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

The Unit is intended to, and, subject to and by the terms of the Declaration, is to be used as a Residential Unit.

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 clause 17 of the Declaration shall control.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund 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 Grantee accepts and ratified the provisions of the Declaration and the By-Laws and the Rules and Regulations of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the office of the New York City Register, Kings County.

This conveyance has been made with the consent of a majority of the members of the party of the first part entitled to vote thereon at a meeting duly called.

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

Grantor:

140 Degraw St. LLC

By:_____
Marshall Sohne, Member

_____
Grantee

_____
Grantee

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

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

_____
Notary Public

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

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

_____
Notary Public

POWER OF ATTORNEY

The undersigned, _____ the Owner of Unit No. _____ located at 140 Degraw Street in the Condominium known as Tiffany D Condominiums, 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 _____, 20__, and recorded in the Kings County office of the Register of the City of New York on _____, 20__ as CRFN #_____ and on the Floor Plans on file in said office as CRFN #_____, do hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of Tiffany D Condominiums 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 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 Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact shall 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.

The undersigned do hereby nominate, constitute and appoint 140 Degraw St. 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.

The undersigned do further nominate, constitute and appoint Sponsor as attorney-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to execute any document on behalf of the undersigned, if same is necessary, to effectuate the transfer, assignment or conveyance by Sponsor, in whole or in part, of the transferable air rights and/or development rights which Sponsor has retained for itself, its successors and assigns in accordance with Paragraph 19 of the Declaration. This power of attorney shall in no way be construed to grant any interest in such transferable air rights and/or development rights to the undersigned.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this day of _____, 20__.

_____

_____

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

On the _____ day of _____, in the year 20__, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

DESCRIPTION OF PROPERTY AND SPECIFICATIONS AND ASBESTOS REPORT

July 6, 2007

ND Architecture and Design P.C.

IN THE MATTER OF THE CONDOMINIUM OFFERING FOR
140 DEGRAW STREET, BROOKLYN, NEW YORK 11231

Description of Property and Specifications per Part 20 of Title 13
NYCRR Section 20.7 (a)-(cc)

(a) Location and use of property

1. The property is located on the south-west side of Degraw Street, 131'-0" north-west of the corner formed by the intersection of Hicks Street and Degraw Street in the borough of Brooklyn.

2. The address of the condominium is 140 Degraw Street, located in Block 330, Lot 17.

3. The property is located within Zoning District R6 under the Zoning Resolution of The City of New York, which permits the proposed residential uses "as of right". The immediate areas bordering the site are generally R6 residential zoning districts permitting all housing; commercial overlays are located along Columbia Street, which provide for a wide range of essential local and retail services in a commercial overlay zone of C1-3

4. The property will comply with all zoning and use requirements and will also comply with local law 58/87 for handicapped access and design.

(b) Status of Construction

The existing (3) three-story and cellar structure was built circa 1900. The new (1) one story and attic addition, and the (4) four story with attic and cellar rear

extension will be New Construction. The new (1) one story and attic addition will be supported on the existing structure which has sufficient capacity to support the additional load. The rear extension will be supported with an independent structure with no effect on the existing building.

2. The existing (3) three-story and cellar building was built under combustible old code residential construction classification, with perimeter brick walls to remain and wood joists to be replaced with a steel beam, Metal joist and Metal deck slab assembly. The newly constructed rear extension portion will be reinforced Concrete masonry units with a steel beam, Metal joist and Metal deck slab assembly. After construction is complete the entire building, including existing and new portions will comply with new code non-combustible construction class I-D. All Installations shall be new unless otherwise stated.

3. No Certificate of Occupancy is available for the existing structure, a new Certificate of Occupancy will be obtained for the property after construction. Sponsor shall obtain a Temporary Certificate of Occupancy prior to the first Unit closing. Completion of all work is expected on August 2007.

4. The proposed alteration and new construction will include a complete gut renovation to the existing residential structure, the erection of a rooftop addition including (1) residential story and attic and the construction of a rear extension totaling (4) four stories, cellar and attic. The N.Y.C. Department of Buildings approved and permitted the Building Plans on July 7, 2006 under ALT Type I

application #. 302065850, including the both the gut renovation of the existing structure, and the construction of the new extensions. Plans being filed with the Attorney General's Office will be copies of the approved plans.

(c) Site

1. The size of the property is approximately 1,950 square feet and is a single orthogonal shaped tax lot, measuring 19'-6" wide by 100'-0" deep.

2. There is (1) one building on site, which will front and have entrances on Degraw Street. The building will consist of a cellar, first, second, third, fourth and an attic, including a total of six (6) residential units, mechanical rooms / areas at the cellar level.

3. The are no Streets owned or maintained by the project

4. The first floor of the building covers approximately 64% of the lot, thereon up 58 % in compliance with the zoning requirement for this district of up to 60%. The remaining areas of the lot at ground or cellar level are concrete paved at the front of the building or paved with planting areas at the back. The paved areas are sloped as required to shed water into an Area Drain.

   There is a concrete sidewalk bordering the North-east side of the property owned by the City of New York but maintained by the Project. The sidewalks are concrete slabs in fair condition, and currently will be repaired or replaced as required to comply with all applicable codes.

(d) Utilities

1. WATER: Water mains exist in the City Street. Service will be provided by the City of New York, distributed through a 3" combined Water and Sprinkler copper/ iron piping to two meters in the building for residential use. Each individual condominium unit will pay for their water through common charges.

2. ELECTRIC: Provided by ConEdison. Each condominium unit will be individually metered and billed directly by ConEdison. An independent meter will be provided for electrical requirements for the lobby and stair lighting, exterior residential entrance lighting, operation of exhaust fans, and other common area needs and will be a part of the common charges.

3. TELEPHONE/DSL: Verizon will provide Telephone and DSL service, and each condominium unit will be billed directly by Verizon for activation and for monthly service, as contracted for by the individual unit owner. Each residential unit will be provided with telephone / DSL wiring and jacks / connections in (1) one location inside each condominium.

4. SEWAGE SYSTEM: There are four (4) common waste stacks serving the residential condominium units, connecting to the sewage main in the cellar level. This sewage main will connect to the public sewer line beneath Degraw Street. All costs for the sewage connection are contained within the water and sewage taxes and are paid proportionally by each unit in the common charges of the Condominium. Storm (controlled flow on roof) discharges into the existing combined sewer located on Degraw Street.

5. GAS: Provided by Keyspan. The service will be distributed through Schedule 40 Black Steel piping. Size to be Determined by Utility Company . Each unit will be individually metered and billed directly by Keyspan.

(e) Sub-Soil Conditions

1. A visual inspection of the exterior building surfaces of adjoining buildings resulted in no evidence of uneven settling or cracks that would indicate the presence of subsurface soil instabilities.

2. Signs of subsurface moisture were present in the test borings. Test borings were taken by a licensed engineer to determine the bearing value and classification of the sub-soil. The installation of helical piles is required to achieve a minimum bearing capacity of two tons per square foot, which would be sufficient to support the proposed four story, attic and cellar building. No piles are required / proposed under the existing Structure since the existing side walls to remain, bear on settled soil over the past 100 years and presented no evidence of cracking or displacement. Furthermore the proposed One story and Attic vertical addition including the replacement of all existing floor joists, is constructed of light gauge metal assemblies, thus not increasing the overall dead load on the side bearing walls herein described. The cumulative loads for the wall do not exceed the allowable stress for the wall nor the soil bearing capacity. Soil borings indicated a suitable soil, consisting of a sand mixture (Classification. 8-65) from an elevation of 6'-0" below curb level thru an elevation of approximately 28'-0" below curb level. There was evidence of the water

table elevation at a level of 10'-0" below grade, which is below the existing/proposed cellar floor elevation. The proposed cellar slab will be installed over a gravel bed with a polyurethane membrane. Wood sleepers will be provided between the cellar's concrete slab and the finished floor. This assembly matches the original building configuration which indicated no sign of moisture damage.

3. There are no nearby sources of water that pose a threat of flood.

The cellar stone foundation walls as existing should have no moisture seepage, and the cellar floor slab is concrete in good condition.

4. Access to the backyard for the installation of helical piles will be obtained thru a temporary opening at the front wall of the building at the cellar level. The temporary opening will be supported by a composite steel lintel (Thru wall bolted , Back to back Steel Channels). A temporary ramp will be installed at the front area way connecting the cellar and curb elevations to provide machinery and equipment access.

(f) Landscaping and enclosures

All open areas will be planted areas or paved with concrete, and will be pitched in order to provide adequate storm water runoff. Leaders shall collect roof runoff and ground water runoff shall be collected in drains located in areas abutting the building. A 2'-6" high decorative steel rail will be provided at the front lot line surrounding the buildings front open area. The fence will have an operable gate to provide access to the cellar mechanical rooms, and refuse storage area.

(g) Building size

1. When completed, the building will be Approximately 55'-0" in height, measured from the sidewalk to the Attic roof ridge.
2. There are no crawl spaces.
3. There is a full cellar under the existing building and new rear extension footprint
4. When completed, there will be four (4) floors, an Attic, and a cellar. The floor to ceiling height is Approximately 8'-4" for the cellar, Approximately 8'-4" for the first floor, Approximately 9'-6" for the second and third floors, Approximately 9'0" for the forth floor and a sloping roof with heights varying between 9'0" and 6'-0" at the Attic level.
5. There will be accessory recreation spaces to the first floor residential units 1A, and 1B and Storage Attics in conjunction with units 4A and 4B which are not to be used as living space; doing so is a violation of the Certificate of Occupancy and may result in violations being issued against the building, electrical meter closet, sewer water / gas meter room and a house trap, in the cellar. Mechanical rooms in each apartment shall consist of a combination Boiler and hot water heater and connections only for a stackable laundry unit.
6. The proposed roof parapet projects Approximately 42" above the roof terrace elevation. Fronting on Degraw Street.
7. When Completed, the building will be Approximately 18'-0" taller than the buildings neighboring on both sides, each with a height of three (3) stories plus cellar.

(h) Structural System

1. EXCAVATION

a. Excavation is limited to the installation of footings and pile caps for the new rear extension's bearing walls. This excavation will consist of the removal of all substances which would be encountered to reach the proper elevations for footings / grade beams. All material removed for this process will be removed from site.

b. In general, footings, Pile Caps and 8" to 12" thick foundation walls, are to be formed to determined depths based on the existing / proposed cellar elevation, and are to be located a minimum of 4'-0" below adjacent grade and if exposed to the elements.

2. FOUNDATION

a. Concrete foundation and pile Caps of varying sizes to be poured reinforced concrete.

b. All concrete shall be in accordance with RS 10-3 of the New York City Building Code.

c. New Steel Helical Piles are provided under the new rear extension.

d. The concrete Slab at the cellar level is in good condition and will be replaced where required. The new slab – or where replaced - will be 5" reinforced concrete.

3. BUILDING SUPER-STRUCTURE

The building structure consists partially of existing brick bearing walls in good condition, presenting no evidence of cracks or settlement, and new reinforced Concrete masonry units or Poured concrete walls with steel beams, Metal joists and metal deck and cement board. Concrete masonry Unit walls will also be reinforced vertically and horizontally with steel bars as per approved plans, to comply with minimum requirements of the N.Y.C. Earthquake Code.

4. EXTERIOR OF BUILDING

a. Exterior walls are in part existing masonry and newly constructed Concrete masonry Unit walls or built with metal studs with Gypsum Wall Board and stucco finish, as per approved plans, to comply with minimum requirements of the N.Y.C. Earthquake Code. Insulation to be provided between metal studs with 3½" full thickness fiberglass insulation (R-19). All non-rated partitions to be 2½" or 3 5/8" metal studs or equal. Perimeter masonry walls either existing or new and when exposed to the elements shall be insulated with 3-1/2" Batt insulation between 3-5/8" metal studs with (1) one layer of 5/8" Gypsum Wall board. NYC Local Law 11 is not applicable to the building's façade given is does not exceed or equal (6) six stories.

b. Perimeter walls will be 2-hour rated, with 8" minimum concrete or stone walls in the cellar.

c. The windows in the building will be all new aluminum clad outside, painted wood inside, with insulated thermal double glazed pane glass, manufactured by

Bonneville window company, custom sized "copper line", or approved equal. There are lot line windows proposed in the building abutting the East and West side property lines within units 4A and 4B. Whether the lot line windows are operable or not, these shall be individually fire protected with a sprinkler head above them. None of the proposed lot line windows are required for Light and Air Calculations within the Unit, and shall be subject to all requirements as defined by the By Laws of the Condominium. All windows are to have a thermal break per minimum requirements of New York State Energy Code. These windows are warranted against failure or defect by the manufacturer for 10 years.

d. Windows and doors will be framed with metal stud or steel headers and posts.

e. New steel lintels are installed at the masonry walls throughout the building to provide for doorways, access or window openings.

f. The building has no Landmark status.

5. INTERIOR PARTITIONS

a. Partitions separating apartments from stair hall and other apartments and partitions enclosing mechanical ducts shall be two hour fire rated walls.

b. All other partitions within apartments to be 2½" or 3 5/8" metal studs at 16" on center with ½" gypsum board each side (non- rated) or equal.

c. All partitions in bathrooms to receive (1) One layer of 5/8" Aqua-tough USG Fiberock at shower and bathtubs locations.

d. All partitions in cellar are of non-combustible construction

6. PARAPETS AND COPINGS

a. New metal copings are to be installed in the building and will be firmly secured to the buildings parapet or curb.

b. All parapets in the building are new and firmly secured to the buildings superstructure. Parapets are located at the Attic level roof terraces fronting on Degraw Street and the rear yard of the building (North and South Elevations).

7. CHIMNEYS AND CAPS

a. No chimneys for incinerators, compactors or fireplaces are installed inside the building. A vertical

b. Each mechanical room shall contain one (1) fresh air inlet/outlet duct. Duct enclosures to be fire rated as per N.Y.C. Building Code. All ducts to be a minimum of 28 gauge. All ducts to terminate at outside air.

8. BALCONIES AND TERRACES

a. Roof terraces at first, second and Attic floors are provided with 16" x 16" or 8" x 16" plastic pavers. Balconies will have broom finished concrete or ceramic tiled floors.

b. Balconies to be of steel deck and concrete construction (2" concrete slab) with steel beam framing. Balcony guardrails to be 3'-6" high decorative steel rails, of childproof design.

c. The underside and fascia of the balconies will be covered with Gypsum Wall Board and stucco.

d. Balcony and terrace doors will be by Bonneville Window Company Model FR-50 or Equiv. for swing operation or Model B-50 or Equiv. for Sliding operation and will be of aluminum clad construction outside and painted wood inside. All windows and doors will be weather stripped from factory and caulked. These Window-Doors are warranted against failure or defect by the manufacturer for 10 years.

9. EXTERIOR ENTRANCES

a. Front entrance and Vestibule doors to buildings vestibule is to be swing type of Anodized Aluminum type by Kawneer and Alcoa Company, with a sidelight at the building's entry door and an overhead transom at the vestibule's door, with integral weather stripping. Door to be fitted with a cylinder lock or latch and will to comply with New York State Energy Code.

b. An existing exterior stoop and railings will be repaired as follows, the treads, risers and landings will be resurfaced with concrete and will be provided with 2'-8" high decorative iron rail. An additional exterior stair of steel construction with steel handrails will be provided at the rear yard communicating the first floor open porch and cellar in unit 1B with the rear yard.

c. Mailboxes will be provided in the residential vestibule, in accordance with US Postal Service Rules and Regulations. Mailboxes shall be US Postal Service approved cluster type boxes (or equal). Entrance lighting, interior and exterior will be provided per New York City Code requirements.

d. Lighting shall be installed adjacent to building entry door. Lighting fixtures to be provided and selected by sponsor and to meet requirements of the N.Y.C. Building Code. See Lighting fixture schedule on paragraph (o) 2b below.

10. SERVICE ENTRANCES

There are no separate service entrances to the Building.

11. ROOF AND ROOF STRUCTURES

a. The existing Roof over the (3) three story structure was removed in its entirety.

b. Roofs over the cellar, first and second floors to be constructed as follows: Two-Ply Heat welded Modified Bitumen Smooth Surfaced Roofing System by John Manville MEA # 159-96-M-2, over 2" rigid insulation, metal Deck, metal joists (See building Structure), and 5/8" Suspended Gypsum Board Ceiling. The Attic roof will be of similar assembly as described above over sloped metal rafters.

c. Except for a change in material as per the Architect's drawings, this roof will carry a 15-year manufacturer's warranty.

d. Additional fiberglass batt insulation will be provided between the finished ceiling and underside of the roof to provide an R-value of 30.

e. All penetrations of chimneys, ducts, pipes, etc. to be properly flashed with Galvanized Sheet-metal type flashing.

f. Metal work at roofs including leaders, gutters, base and Cap Flashing will be galvanized Sheet-metal type.

g. There will be roof retention drains on all roof terraces. Roof drain downspouts

will be internal and external per approved plan.

h. One skylight is provided over the buildings public stair. The skylight will be of galvanized sheet metal with plain glass, venting hip and metal mesh in compliance with NYC Building Core Regulations.

i. One (1) metal access hatch with hinges by Bilco, model "The Versa mount" is provided at the uppermost portion of the building's stair to access the Attic roof. This hatch shall provide maintenance access.

j. Roof Terrace areas will be provided with solid parapets and/ or steel railings with a minimum height of 42" above finished floor.

12. FIRE ESCAPES:

No Fire Escapes required or provided in the building

13. YARDS AND COURTS

a. The new rear building wall is setback from the rear lot line approximately 30'-0" at the first floor and approximately 36'-0" thereon up The proposed Open area (including planting and paved areas) will be accessed from Unit 1B at the cellar and first floor. The Rear Yard is not accessible to the building residents other than by Unit 1B.

b. A paved front Yard of approximately 5'-0" exists and will be maintained in the new addition. The front yard will open directly into the public sidewalk and will be located at intermediate elevation between the cellar and grade elevation The front yard will be accessible to the residential portion of the building.

14. INTERIOR STAIRS

There is One (1) mean of egress via stairs, since the building is of fireproof construction (See paragraph (b)2 Above) and Approximately 55'-0" tall. First thru Fourth floors egress through internal fire stairs and lead through a corridor on the ground floor directly to the front of the building. The Cellar floor will have an independent egress corridor leading to the front of the building and the attic level will exit thru the fourth floor via non-combustible stairs within the fourth floor units. Construction of the interior Public Stairs will be closed riser, with painted steel stringers and concrete pan treads with porcelain tile finish. Handrails for stair and railings including balustrade within stairwell to be of steel construction and with a minimum 2'-8" height. The stair enclosure will be 2 hour rated with metal stud framing and (2) layers of Gypsum Wall Board each side. Stairwell Walls will be painted.

15. INTERIOR DOORS AND FRAMES

a. Swing type interior doors will be solid core paint grade wood doors on metal frames with paint finish. These will be typical for all rooms and spaces within Units, solid wood doors have no label and are not fireproof.

b. Closet doors will be solid core , swing type and in metal frames. They have no label and are not fireproof.

c. Public Stair Doors, Apartment entry Doors, Mechanical Room doors will be hollow metal on metal frames, with swing operation, CL. `A' One and a half

(1.5) hour fire rated and self-closing in compliance with NYC Building Code. Apartment entry doors will have chain and peephole.

16. ELEVATOR

No elevator is required nor Proposed in the building.

An inclined Wheelchair Lift By National Wheel-O-Vator, Model Pegasus, Distributed by Mobility Elevator & Lift Co. or Approved Equal is installed at the main entrance of the building, providing an accessible route from the public sidewalk to the First floor of the building in compliance with Local Law 58 and NYC Building Code. The proposed Lift will have a 32" x 48" power fold-up platform, with a capacity of 525 lbs.

17. ELEVATOR CAB

See (16) Above

(i) Auxiliary Facilities

1. LAUNDRY ROOMS

Individual laundry closets will be provided at each apartment unit, equipped with a stackable washer/dryer Hook-Up only. There will be no Washers/Dryers provided.

2. REFUSE DISPOSAL

Residential Unit Owners will have a fenced refuse storage area in the front yard of the building between the front wall and front property line accessed from the public sidewalk for floor collection. Refuse will be picked up on the sidewalk in

front of the building by the New York City Sanitation Department. Unit Owners will be required to collect trash from the refuse rooms and transport to the sidewalk. Owners will be required to comply with NYC Sanitation Department regulations on recycling, and storing refuse within their units/ refuse rooms until regularly scheduled pickup days.

(j) Plumbing and drainage

All domestic water, fire protection, gas, storm drainage, waste and vent piping will be new as described below.

1. WATER SUPPLY

a. A metered 3" diameter Combined Water/ Sprinkler iron pipe will be connected to the New York City street main on Degraw Street. to provide common domestic water supply for the building. Service is metered in the cellar and will be a part of the common charges. Water pressure is maintained by street pressure, and no pump is required or installed for domestic water supply. All water connections to each residential unit will comply with the City of New York requirements.

b. Water service piping within the property line shall be of type "L" or "K" copper tube varying between ¾" and 1-1/2" Diameter.. Type "K" copper tube shall be used for all buried water piping within the building.

2. FIRE PROTECTION SYSTEM

a. One 3" diameter Combined Water/ Sprinkler iron pipe is connected to the New York City street main on Degraw Street (See (j) 1a Above) , for sprinkler service

with double check valve and bypass meter. An independent 3" Fire Department connection line is provided to feed the sprinkler system from a Siamese connection located at the street level. Residential occupancy type hazard sprinkler heads are located throughout the building.

b. Off-site hydrants are located in the city streets along the curb for fire protection.

c. Automatic sprinklers are provided throughout the entire building, as required by the Building Code. The system shall consist of iron and/or CPVC piping or as approved per New York City Department of Buildings and approved type sprinkler heads as per approved plans.

d. The sprinkler system is supplied from the city supply system. Water pressure should be adequate at the fourth floor from the city mains.

e. No standpipe is required for this type of construction.

3. WATER STORAGE TANK AND ENCLOSURE

Condominium Units are not required/Proposed to have water storage tanks.

4. WATER PRESSURE

Water pressure is provided by adequate street water main pressure as required by The New York City Building Code.

5. SANITARY SEWAGE SYSTEM

The Sanitary Sewage System for the condominium will consist of four (4) common waste stacks serving the building units connected to a common house trap and then fed through the sanitary main into the public combined sewer beneath Degraw Street.

The waste stacks are cast iron, 'no hub'; plumbing pipes to be 3" & 4" soil and 2" & 3" vent, all complying with the New York City Building Code.

6. PERMITS

See paragraph (u) below.

7. STORM DRAINAGE SYSTEM

The first floor of the building covers approximately 64% of the lot, thereon up 58 %, there are drains from all roof terraces connected to the storm drain. The storm water run-off of the site will be collected in the yard drain and roof leader and will drain into the storm drain, which in turn will be connected to the existing combined sewer located in the public street, all in accordance with plans approved by the City of New York and the Department of Water Resources. Storm flow will be controlled through a controlled flow drain system.

(k) Heating

1. Each dwelling unit will have a combination gas-fired Boiler and Water Heater, located in each apartment's utility closet, and shall be AGA and MEA approved. The heating system will be thermostatically controlled. This system will maintain an inside temperature of 68 degrees F. with an outside temperature of 15 degrees F. with an allowance of 3 degrees F. swing. Hot air will be distributed thru metal ductwork above the suspended ceiling or soffit , utilizing the Indoor Unit described on paragraph 2 below. Such Indoor units will have a hot water coil.

2. Domestic hot water for each unit will be supplied by a gas-fired combination boiler

and hot water heater located in each apartment's utility closet. Heating units to be installed are as follows or with equal:

EQUIPMENT	MODEL	INPUT	APPROVAL
Baxi Luna	HT-330	126,000 BTU	MEA 351-05-E

3. Natural gas used to fire the furnaces will be supplied by Keyspan. Boiler and hot water heaters are vented at the roof and provided with combustion air via ducts, to the outside air.

4. There is no oil tank on the premises.

(l) Gas supply

1. Natural gas from Keyspan for space heating, hot water and cooking.

2. Units are individually metered and the meters are located in the cellar. A main iron pipe will be connected to the street main on Degraw Street. Size of main to be determined by the Utility Company.

3. Piping for gas shall be black iron type and pressure tested within the requirements of the New York City Plumbing Code. Distribution piping within the building varies between 1-1/4" and ¾" diameter.

(m) Central Air Conditioning

Each condominium units is equipped with an independent Central Air Conditioning system including a Rooftop condensing unit (Outdoor Unit) located at the roof accessed from a steel ladder and roof hatch from the fourth floor landing of the building's public stair, or at the rear yard for unit 1B, including an Air Handler (Indoor Unit) as described below.

Outdoor Unit

UNIT	EQUIPMENT	MODEL	TONS	APPROVAL
1A – 2 – 3	Carrier	38BRC-030	2.5 Ton	MEA 471-91-E
1B	Carrier	38BRC-024	2.0 Ton	MEA 471-91-E
4A – 4B	Daikin	RXYMQ36-MVJU	3.0 Ton	MEA 102-04-E

Indoor Unit

UNIT	EQUIPMENT	MODEL	APPROVAL
1A - 1B	Carrier	FK4DNF002	MEA 471-91-E
2 - 3	Carrier	FK4DNB003	MEA 471-91-E
4A – 4B	Daikin	FXSQ18 MVJU	MEA 102-04-E
	Daikin	FXAQ18MVJU	MEA 102-04-E

(n) Ventilation

1. Kitchen: Each condominium unit will have a 110 cfm exhaust fan connected to a common exhaust duct leading to a common roof vent.

2. Bathrooms: Each condominium unit will have a Combination Heater, Light and 70 cfm exhaust fan connected to a common exhaust duct leading to a common roof vent, by Broan, Model 655C or Equiv.

3. Ventilation systems to be manufactured by " Broan" " Fantech " or approved equal with the minimum capacities described above.

(o) Electrical system

1. SERVICE

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

   b. The electric system described above is fully adequate for modern usage including

Air conditioners, dishwasher & Washer Dryer (Gas Dryer). The 100-amp panel with twenty four (24) circuits provided to each apartment is adequate for the build-out of a modern residential dwelling. A custom build-out utilizing an excessive amount of dedicated circuits for lighting systems may require the addition of another sub-panel to the service panel provided for additional circuits at the sole cost and expense of the respective unit Owner.

c. Service to the building section to be underground and to be supplied by Con Edison. Each unit contains 120/240-volt single-phase circuits.

d. Meters to be located in the cellar of the building, subject to the approval of the utility company. The meters ultimate placement shall comply with utility company requirements.

2. OUTLETS AND LIGHTING FIXTURES

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

b. All electrical wall outlets are duplex receptacles. In all rooms where there are no ceiling fixtures, one duplex outlet will be wired to a switch. All fixtures in each unit will be as per Builder's Fixture Samples. Lighting fixtures are to be located in the following areas: in ceiling kitchen, hall areas, any walk-in closets, utility rooms, mechanical rooms and meter rooms.

Lighting Fixtures, approved Equal or better, are to be provided as follows:

Location	Make
Front entry of building	E-Conolight, E-MT4A101G or equal,100 watt incandescent wall lantern, or Equal
Entry Hallways	Recessed Incandescent fixtures by "Commercial Electric" Model HBR2000B Housing, or Equal
Stairwell	"Exitronix" Model LL6-18-T3A2W Emergency Lighting, or Equal
Bathroom Ceiling Mounts	Combination Heater, Fan, Celing by Broan, Model 655C, or Equiv.
Apartment Foyer	Recessed Incandescent fixtures by "Commercial Electric" Model HBR2000B Housing, or Equal
Balcony - Terrace	E-Conolight, E-MT4A101G or equal, 100 watt incandescent wall lantern.

c. Except as specified above, other light fixtures provided will be incandescent exposed lamps in a ceramic base type, or will be provided with a metal cap over the junction box, located at unit and building mechanical rooms, common hallway spaces, walk in closets, cellar recreation spaces, kitchen counters and Living Rooms.

d. Each Utility Room containing Hook-ups for Stackable Washer and Dryer will be equipped with a Single phase, 208 Volt outlet for future Electrical Dryers.

3. METER

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

4. TELEVISION RECEPTION AND HIGH SPEED INTERNET FACILITIES

Each residential unit will be provided with cable television wiring and jacks to at least one living space within the unit. Each residential unit will be wired to be ready to accept high speed DSL or Cable Internet access.

5. CERTIFICATE

Certificate of Compliance to be obtained for the electrical work from the City of New York, Bureau of Electrical Control.

(p) Intercommunication and surveillance system

A video intercom system by "Aiphone" Model GF – Direct Select GF-1MDK or Equal, with ability to trigger an electronic door lock on the lobby / Vestibule door will be provided to each unit.

(q) Public Area Lighting

Adequate Incandescent lighting as required by the New York City Building code will be provided outside the residential entrance, inside the lobby, at each landing inside the fire stairs, and any other common building space. Fixture model chosen and installed by builder in accordance with N.Y.C. Electrical code (See lighting fixture schedule on (o) 2b, 2c above). Individual unit owners at their own cost and expense are responsible for having any additional lighting, and power, as needed.

(r) Garages and Parking areas

No garages or parking areas proposed in the building.

(s) Swimming Pools

No swimming pools are allowed / proposed in the building

(t) Tennis courts, playgrounds and recreation facilities.

No Tennis courts, playgrounds and recreation facilities are required / provided in the building

(u) Permits

Before starting any work, builder to obtain a work permit from the Department of Buildings, City of New York. The following permits are required for the completion of the project, and will be obtained in the course of the work:

- General Construction permit (Alt type I)
- Structural (Alt type II)
- Mechanical, Plumbing, Sprinkler,(Alt type II)
- Electrical, Fire Alarm
- Builders Pavement Plan
- Elevator Permit (Wheelchair Lift)

(v) Violations

As of the date of this report, there are no violations against this property from the NYC Fire Department. As of the date of this report, there are no violations against this property from the NYC Department of Highways. As of this date of this report, there are open ECB / DOB violations against the property. The sponsor will remove all outstanding and any future

violations should these arise prior obtaining a Permanent Certificate of Occupancy.

(w) Unit Information

All required maintenance that may be needed for each unit shall be provided by that unit owner. Condominium units each of varying size and design, as designated on the floor plans provided.

1. OCCUPANCY

(a) The condominium will consist of (6) residential units located on the first thru fourth floors with cellar and attic, each of varying size as designated on the floor plans provided. The cellar will contain meter and mechanical rooms in addition to (2) two recreation spaces to be used in conjunction with the first floor uses. The cellars are not intended as living spaces. Portions of the Attic will contain accessory storage for the fourth floor units. Areas with headroom less than 8'-0" are not intended as living spaces.

(b) The total number of residential rooms can be calculated by using the following formula:

Living/ Dining Room	= 1.0
Kitchen/kitchenette	= 1.0
Bedroom	= 1.0
Bathroom	= 0.5

2. UNIT DESCRIPTION

(a) Cellar – First Floor

Unit 1A: 0 Bedroom (Studio), 1.5 Bathroom Duplex Unit with a Gross floor area of Approx. 918.5 sf, (including Approx. 456.4 sf at the first

floor plus Approx. 462.1 at the Cellar level). The unit's mechanical room is located within the apartment and is provided with a Washer & Dryer hook-up only. The apartment will have a kitchenette, Foyer, a Living/Dining/Sleeping Room with a Bay Window and a cellar recreation Space. Ceiling Height of Unit at cellar and first floor excluding soffits is Approx. 8'-4".

Liv/ Din/ Sleeping Room	= 1.0
Kitchen/kitchenette	= 1.0
Bedroom	= 0.0
Bathroom	= 1.0
Total Room Count	= 3.0

Unit 1B: 0 Bedroom (Studio), 1.5 Bathroom Duplex Unit with a Gross floor area of Approx. 1,255.4 sf, (Approx. 577.8 sf at the first floor plus Approx. 677.6 at the Cellar level) the units will have direct access to an Approx 450 sf Rear Yard from the cellar level and from the first floor thru an Approx. 70sf open porch (limited Common Element). The unit's mechanical room is located within the apartment and is provided with a Washer & Dryer hook-up only. The apartment will have a kitchenette, Foyer, a Living/Dining/Sleeping Room and a cellar recreation Space. Ceiling Height of Unit at cellar and first floor excluding soffits is Approx. 8'-4".

Liv/ Din/ Sleeping Room	= 1.0
Kitchen/kitchenette	= 1.0
Bedroom	= 0.0
Bathroom	= 1.0

Total Room Count	= 3.0

(c) Second Floor:

Unit 2: 2 Bedroom, 1.5 Bathroom Simplex Unit with a Gross Area of Approx. 1,041.2 sf, plus an Approx. 50 sf Roof Terrace (Limited Common Element). The unit's mechanical room is located within the apartment and is provided with a Washer & Dryer hook-up only. The apartment will have a kitchenette, Foyer and a Living/Dining Room with a Bay window. Ceiling Height within Unit is Approx. 9'-6" excluding soffits.

Living/ Dining Room	= 1.0
Kitchen/kitchenette	= 1.0
Bedroom	= 2.0
Bathroom	= 1.0
Total Room Count	= 5.0

(d) Third Floor

Unit 3: 2 Bedroom, 1.5 Bathroom Simplex Unit with a Gross Area of Approx. 1,041.2 sf, plus an Approx. 30 sf Balcony (Limited Common Element). The unit's mechanical room is located within the apartment and is provided with a Washer & Dryer hook-up only. The apartment will have a kitchenette, Foyer and a Living/Dining Room with a Bay Window. Ceiling Height within Unit is Approx. 9'-6" excluding soffits.

Living/ Dining Room	= 1.0
Kitchen/kitchenette	= 1.0

Bedroom	= 2.0
Bathroom	= 1.0
Total Room Count	= 5.0

(e) Fourth Floor - Attic level:

Unit 4A: 0 Bedroom (studio), 1 Bathroom Duplex Unit with a Gross Area of Approx 857.9 sf (including Approx. 531.2 sf at the fourth floor plus Approx 326.7 at the Attic level), plus an Approx. 142 sf Roof terrace (Limited Common Element). The unit's mechanical room is located within the apartment and is provided with a Washer & Dryer hook-up only. The apartment will have a kitchenette, Foyer and a Living/Dining/Sleeping Room with a bay window. Ceiling Height within Unit is Approx. 9'-0" at the fourth floor and a sloping roof with heights varying between Approx 9'-0" and Approx. 6'-0" at the Attic level, excluding soffits..

Living/ Dining Room	= 1.0
Kitchen/kitchenette	= 1.0
Bedroom	= 0.0
Bathroom	= 0.5
Total Room Count	= 2.5

Unit 4B: 0 Bedroom (studio), 1 Bathroom Duplex Unit with a Gross Area of Approx. 841.6 sf (including Approx 482.2 sf at the fourth floor plus Approx. 359.4 at the Attic level), plus an Approx. 100 sf Roof terrace and an Approx 30 sf balcony (Limited Common Element). The unit's mechanical room is located within the

apartment and is provided with a Washer & Dryer hook-up only. The apartment will have a kitchenette, Foyer and a Living/Dining/Sleeping Room. Ceiling Height within Unit is Approx. 9'-0" at the fourth floor and a sloping roof with heights varying between Approx. 9'-0" and Approx. 6'-0" at the Attic level, excluding soffits.

Living/ Dining Room	= 1.0
Kitchen/kitchenette	= 1.0
Bedroom	= 0.0
Bathroom	= 0.5
Total Room Count	= 2.5

TOTAL RESIDENTIAL ROOMS = 21.0

3. FINISHES

(a) Residential Units.

The residential units will have finished hardwood flooring on all bedrooms, Living/Dining Rooms, Kitchenettes, foyers, and closets unless otherwise specified. Accessory cellar recreation rooms for units 1A and 1B will have hardwood floors unless otherwise specified. All bedrooms, bathrooms and closets will be provided with primed & painted gypsum board walls and ceilings. Each unit will be provided with a minimum of (1) bathroom. The construction of the interior Stairs within duplex condominiums will be open riser stairs, with natural steel stringers and wood treads to match apartment flooring. Handrails for stair and railings including balustrade around

stairwell to be of natural steel construction and of childproof design, and minimum 2'-8" high. Swing type interior doors will be solid core paint grade wood doors on metal frames with painted finish. Window Screens and Window Child-Guards are to be provided and installed by Unit Owners at their own expense. Bay windows within Units 1A, 2,3, and 4A will have an Approx. 24" high sill.

Kitchen finishes

Kitchens and Kitchenettes will have Quartz Countertops, Lacquer finished cabinets and hardwood floor to match the units finish flooring. The sink will be of stainless steel fabrication by Cascade model 2318 or Equal. All kitchen fixtures supplied by builder to be as follows: Bosch gas range model Evolution Series 700 or Equal, Bosch Stainless Steel Dishwasher model Integra Series 300 or Equal, Bosch Refrigerator Model Evolution Series 500 or Equal and Bosch Microwave Model HMV9305 or Equal. Sponsor will not supply stackable washer/dryer units but will provide connections for same as required by New York City Building Code.

Bathroom finishes

Master Bathroom (Units 1A, 1B, 2, 3, 4A, 4B)

Master Bathrooms will have porcelain tile floors and full height marble tiled walls surrounding tub areas and painted GWB at other walls. A wall mounted mirror will be provided. The vanity will have a Quartz countertop

with Ebonized Oak base, The sink will be a ceramic Toto model LT 931 or approved equal; The bathtub will be a Vita Bath Venetian – Fiberglass 32x60 or approved Equal. The toilet will be a 1-pc Toto Supreme MS864114-01 or approved equal. No toilet accessories (curtain rods, paper holder, towel bars, etc) are provided by the sponsor.

Powder Room (Units 1A, 1B, 2, 3)

Powder Room will have marble tile floors with a 4" Base and painted GWB walls. A wall mounted mirror will be provided. The vanity will have a Quartz countertop with Ebonized Oak base, The sink will be a ceramic Deca model UL701-17 or approved equal, The toilet will be a 1-pc Toto Supreme MS864114-01 or approved equal. No toilet accessories (paper holder, towel bars, etc) are provided by the sponsor.

Mechanical Room finishes:

Mechanical Rooms inside the Units will have ceramic tile floor with 4" Base and primed & painted Gypsum Wall Board Walls and ceilings.

(x) Finish Schedule of Spaces other than units

a. Cellar Areas used for meter rooms and building utilities shall have ceramic tiled

floors and painted concrete, stone or Gypsum Wall Board walls. .

b. The internal common area egress stairs will have ceramic tiled concrete pan treads and landings with painted gypsum board walls.

c. The floor of the building lobby will have ceramic tile. The walls will be painted gypsum board walls and painted gypsum board ceilings.

d. The cellar meter and mechanical rooms will have concrete floors, painted block or gypsum board walls and painted gypsum board ceilings.

(y) Safety and Warning Devices

Hard-wired combination smoke & carbon monoxide detectors by Sielectric, Inc, Model USI-7795 or Equiv. will be provided on each level of each unit, and installed as per Local Law 62/81 and R.S. 17 and as per Section 28-02 of the New York City Building Code Emergency lighting with battery back up will be provided in all fire stairs and in the building lobby.

(z) Miscellaneous

1. The building is not served by or required to have an incinerator.
2. The building is not served by or required to have a trash compactor.
3. The building is not served by any fireplaces.
4. Handicapped Accessibility- The two (2) First Floor Units within the building are required to comply with Handicap Accessibility regulations in accordance with Local law 58 and the N.Y.C. Building Code.
5. All common areas are heated by electric wall heaters, 200 Watts rated by "Marley" C-

Series, B-Model or "Marley" FZL Series or approved Equal, and will be a part of the common charges.

6. New York City water pressure available on site, base on NYC DEP Hydrant Flow Test at the time of filing, has sufficient capacity for providing adequate water pressure to all plumbing fixtures at all floors of the building.

(aa) All Conditions of the building are adequately evaluated by visual examination.

(bb) Further Development

No further Development is intended by the sponsor.

(cc) Asbestos Disclosure

This statement is to disclose that there will be no asbestos made products, partially or in whole, specified for the construction of this condominium as per approved plans.

(dd) Lead-based Paint

There are no existing surfaces, which pose a threat of lead paint

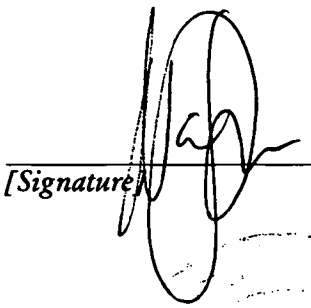
(ee) Certification

The building and units will be constructed in accordance with the Building Code and Regulations of the City of New York Zoning Resolutions, New York State Energy Code and any other applicable authority, and in accordance with the plans and specifications filed with

the Department of Buildings. With reference to the preparation of such material, the Sponsor consulted with the registered architects who prepared the plans and specifications.

The Sponsor will obtain from the NYC Department of Buildings a Temporary Certificate of Occupancy and then a Final Certificate of Occupancy for the proposed work. The Department of Air Resources will issue a Certificate of Operation for all boilers. There are no specific certificates for the plumbing and sprinkler work. The Bureau of Electrical control will issue a certificate for completion of the electrical work.

Nataliya Donskoy R.A.
Principal



[Signature]

[Architect's Seal]

ANTHONY GENNARO, P.E., P.C.
Consulting Engineers
14 BEENA WAY, MANALAPAN, N.J. 07726
Office: (732) 972-8496
Fax: (732) 972-7562
Email: AGENNAROPE@AOL.COM

140 DeGraw Street LLC
140 DeGraw Street
Brooklyn, N.Y. 11231

June 18, 2007

Attn: Mr. Hernan Glavis

Gentlemen;

In connection to the Alteration at 140 Degraw Street, Brooklyn, NY the following parameters and concepts were taken in consideration for the proposed vertical and horizontal extensions.

The Vertical (2) Two story addition erected over the existing structure, is built with light gage steel studs bearing walls and joist assemblies, this proposed assembly, contributed with the reduction of dead loads throughout the building, at both existing and proposed new areas as all existing wood joists were replaced. The cumulative dead loads on the existing side walls of the building did not exceed the allowable stress for such walls, nor did exceed the allowable soil bearing capacities for the linear load condition.

The Horizontal extension at floors 1 thru 4, Cellar and Attic, was designed with Concrete Masonry Unit bearing walls and Light gage Steel Joists. This assembly represented an increased dead load, thus the installation of piles or a matt foundation were necessary, provided the newly disturbed soil could not be expected to be settled as it was underneath the existing structure.

The height of the proposed vertical addition in relation to its neighbors did not impose a specific concern with regard to lateral force design, as the proposed structure with reduced dead load, is exposed to design winds not exceeding 20 psf as the buildings overall height is 55 feet.

As of date, the superstructure of the building has been in place for over 6 months and there is no evidence of soil settlement or wall cracks or negative effects over the neighboring buildings.

Very truly yours,

STATE OF NEW YORK
ANTHONY GENNARO
LICENSED PROFESSIONAL ENGINEER

Anthony Gennaro, P.E.

S. SCHWARTZ ENGINEERING, PLLC

June 18, 2007

To Whom It May Concern:

Re: **140 Degraw Street, Brooklyn, NY**
BLOCK # 330
LOT: 17

Gentlemen:

We are engineers of record for the above referenced building.

The building is 4 stories with basement. The building height is 55 feet from the basement to roof.

The Hydrant flow test was done by NYC on 05-04-2005 with the following results:
Static pressure-62 PSI
Flow-500 GPM
Residual pressure-60 PSI.

The require water pressure on the top floor is 20 PSI.
The water pressure losses are:

Backflow prevention device	-8 PSI
Static rise	-24 PSI
Friction losses	-5 PSI

Available pressure on the top floor -25 PSI

If you have any further questions please feel free to call us.

Very truly yours

Simon Schwartz, P.E.

STATE OF NEW YORK ★ SIMON S. SCHWARTZ ★ 67550 ★ LICENSED PROFESSIONAL ENGINEER

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Email: AGENNAROPE@AOL.COM

July 18, 2007

140 DeGraw Street LLC
140 DeGraw Street
Brooklyn, N.Y. 11231

Attn: Mr. Hernan Galvis

Gentlemen;

Please be advised that our calculations, in accordance with NYC Building Code 27-561 (a)(3), have concluded that the adjacent roof structure has sufficient load bearing capacity to support the additional snow loads resulting from drift accumulations.

Very truly yours,

Anthony Gennaro, P.E.



FOR OFFICIAL USE ONLY
302065850
DEPT. OF BLDGS.
ACP 5 Fee $_____

ONL TYPEWRITTEN FORMS WILL BE ACCEPTED

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION
Asbestos Control Program
59-17 Junction Boulevard, 8th Floor, Corona, NY 11368-5107

NOT AN ASBESTOS PROJECT

When submitting this form at the NYC Department of Buildings, the original form and three (3) copies with original signature and seal are required. Submittal at the NYCDEP requires one copy of the form with original signature and seal.

2. Facility Address 140 Degraw Street Borough Brooklyn Zip 11231

AKA _____ 3. Block 330 4. Lot 17

5. Building Owner 140 Degraw Street LLC Tel. # (646) 519-1261

6. Address 60 Tiffany Place, Brooklyn State NY Zip 11231

7. Contact Person Hernan Galvis 8. Tel. # (646) 519-1261

9. Description of the Entire Scope of Work
INTERIOR RENOVATION OF EXISTING BUILDING

10. Est. Start Date _____ ☑ As soon as permit approved Est. Completion Date _____ of the Entire Scope of Work.

11. I, Carl Lashley (Name of Certified Asbestos Investigator), have conducted an asbestos investigation on 12/15/05 (Date) in accordance with Sections 1-16 and 1-27 of the NYC DEP Asbestos Control Program Rules and declare that at said facility address, the

- ☐ a. premise to be demolished is free of any asbestos containing material (ACM).
- ☐ b. premise to be demolished contains 10 square feet or less or 25 linear feet or less of ACM.
- ☑ c. cumulative surfaces of structure(s) affected by the work are free of ACM.
- ☐ d. cumulative surfaces of structure(s) affected by the work contain 10 square feet or less or 25 linear feet or less of ACM
- ☐ e. normally non-friable ACM shall be disturbed/removed. Specify amount: _____ square feet
- ☐ f. ACM will not be disturbed during the scope of work. Specify amount of ACM present: _____ square feet _____ linear feet

All ACM specified in "b", "d", or "e" must be removed in accordance with the DEP Asbestos Rules or NYS DOL ICR56.*

12. **RESULTS OF BUILDING SURVEY AND HAZARD ASSESSMENT:**

FLOOR (including cellar and basement)	DESCRIBE SECTION OF FLOOR (e.g. entire, east wing, room #, boiler room, lobby, etc.)	ALL MATERIALS ASSUMED TO CONTAIN ACM AND/OR SAMPLED	NUMBER OF SAMPLES ANALYZED	ASBESTOS PRESENT YES	ASBESTOS PRESENT NO	ASSUMED ACM
Basemen	Work area	wall board			✓	
1st	Entire	wall board	1		✓	
2nd	Entire	wall board	1		✓	
3rd	Entire	wall board	1		✓	

13. Analytical Laboratory Ameri Scl

14. ELAP # 11480 (NYS DOH CERTIFICATION) 15. Date(s) Samples Analyzed 12/17/05 _____

16. **I hereby declare the information provided herein is true and complete.**

_____ (NYC DEP Certified Asbestos Investigator's Signature) 98347 (Certificate Number) 12/18/05 (Date) (718) 812-4862 (Daytime Telephone Number)

Any modification or deviation from information provided on this form must be reported immediately in writing directly to the NYCDEP. The requirements of the Asbestos Control Program Rules may not be lawfully avoided or lessened through the performance of work in incremental or piecemeal fashion.

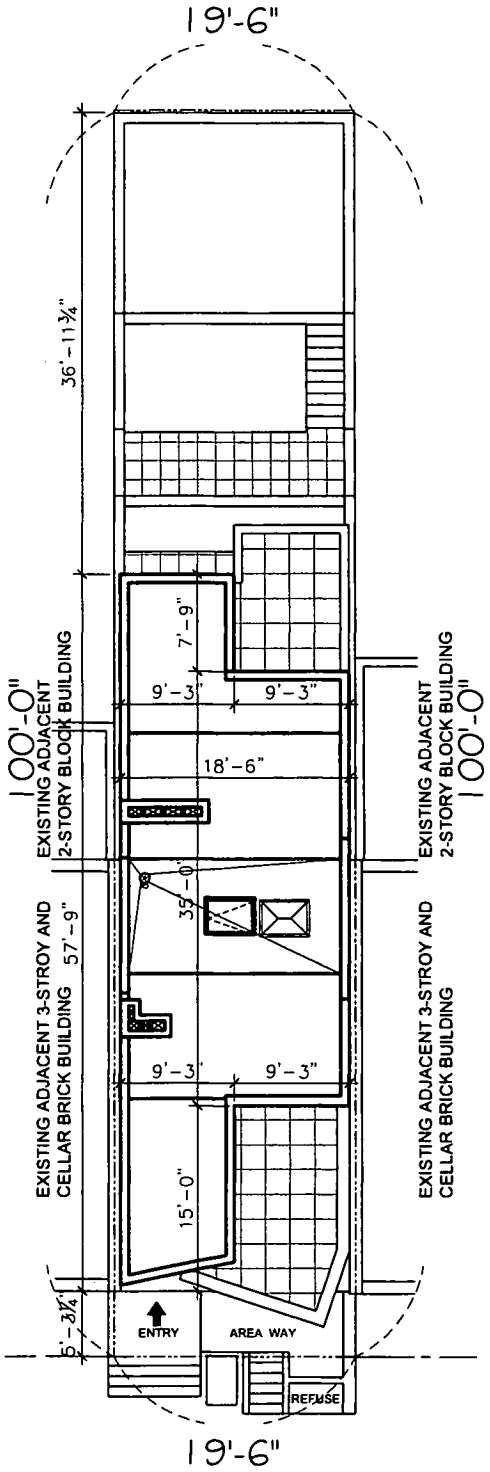
* In-plant operations, as defined in §56-3.1 of ICR56, are not permitted in New York City.

SEAL OF THE NYC DEP CERTIFIED ASBESTOS INVESTIGATOR

CITY OF NEW YORK CARL LASHLEY CERTIFIED ASBESTOS INVESTIGATOR

ACP5 2/2001

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



DEGRAW STREET

WIDTH 60'-0"

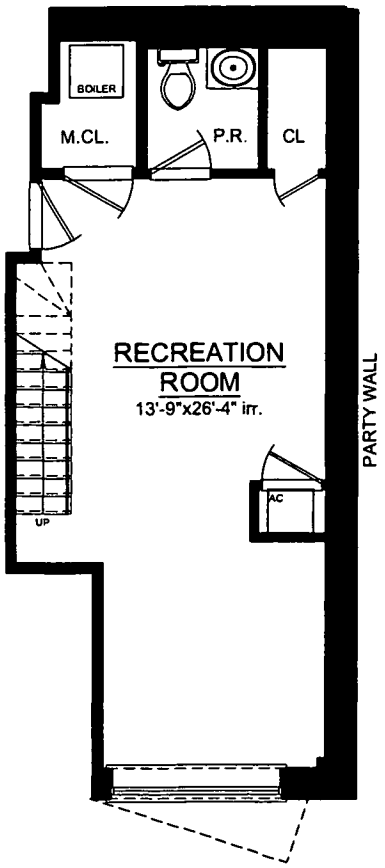
ND ARCHITECTURE AND DESIGN P.C.
66 KNICKERBOCKER AVE, BROOKLYN , NY 11237
Phone (718) 456-2289 Fax (718) 456-2534

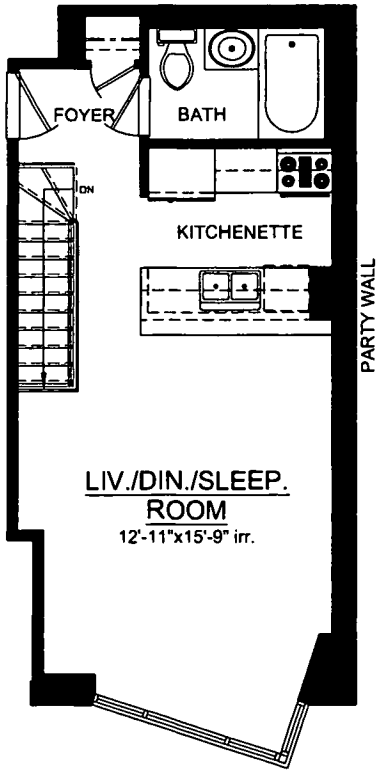
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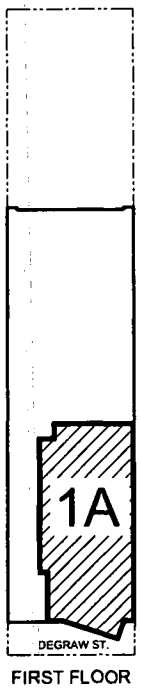
140 DEGRAW ST., BROOKLYN, NY 11231

SP

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





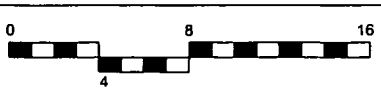


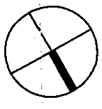
FIRST FLOOR

LOWER LEVER
462.1 SF

UPPER LEVER
456.4 SF

APT. 1A - STUDIO DUPLEX
918.5 SF





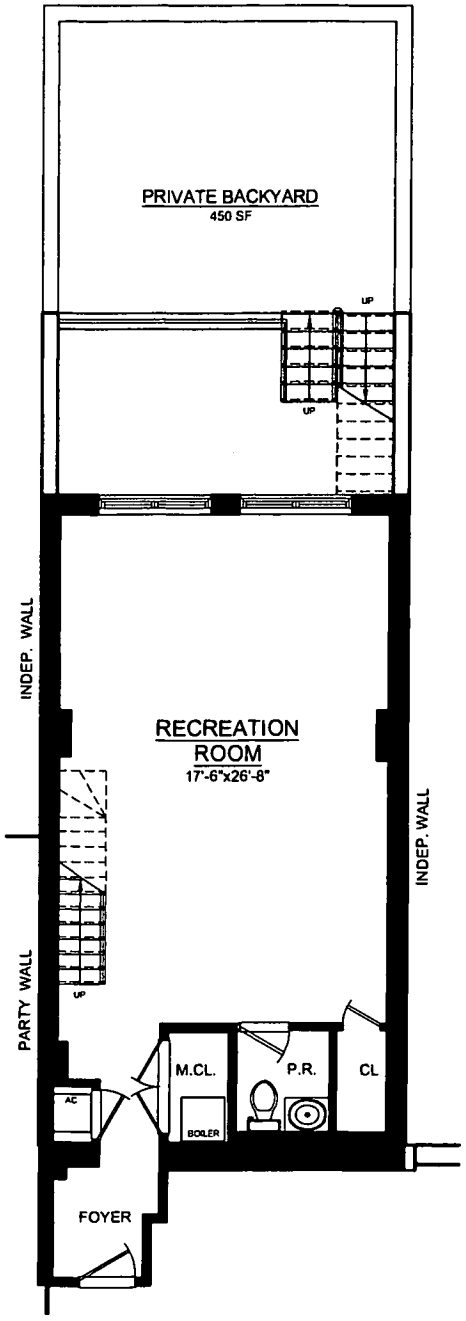
ND ARCHITECTURE AND DESIGN P.C.
66 KNICKERBOCKER AVE. BROOKLYN , NY 11237
Phone (718) 456-2289 Fax (718) 456-2534

APARTMENT **1A**

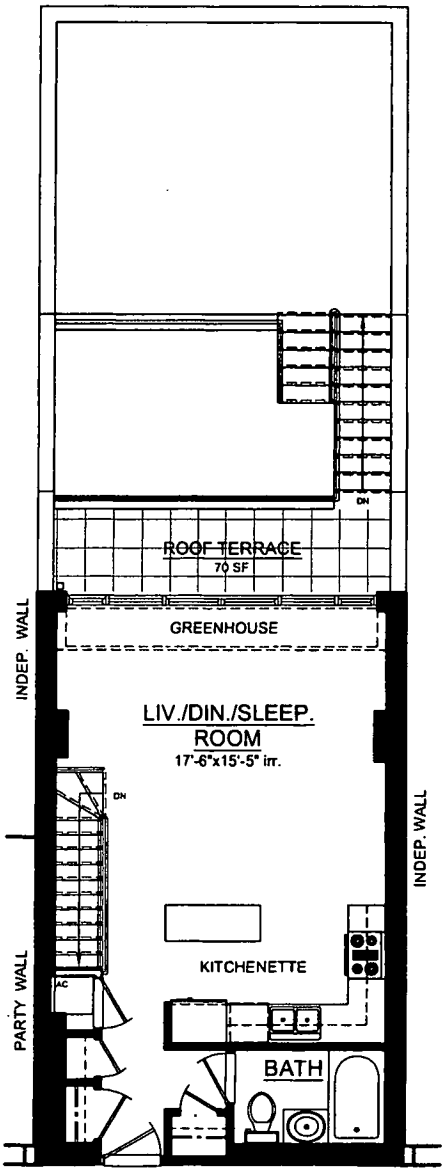
140 DEGRAW ST., BROOKLYN, NY 11231

1A

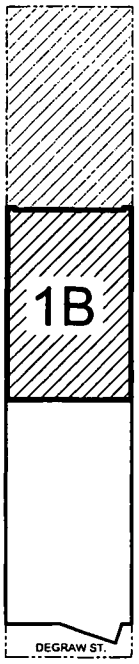
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LOWER LEVER
677.6 SF

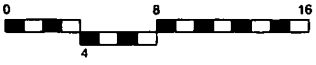


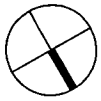
UPPER LEVER
577.8 SF



FIRST FLOOR

APT. 1B - STUDIO DUPLEX
1,255.4 SF





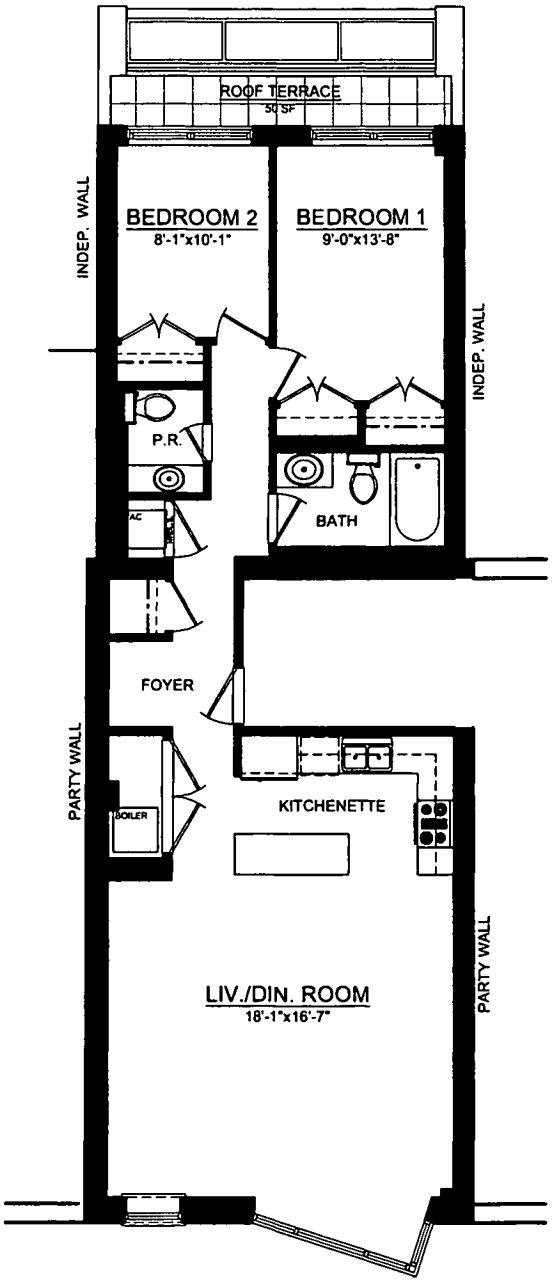
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66 KNICKERBOCKER AVE, BROOKLYN, NY 11237
Phone (718) 456-2289 Fax (718) 456-2534

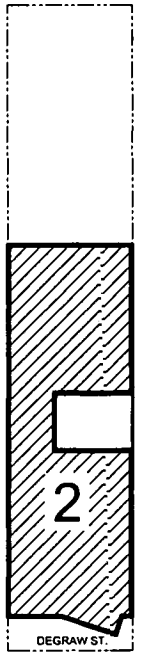
APARTMENT **1B**

140 DEGRAW ST., BROOKLYN, NY 11231

1B

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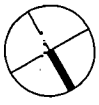




SECOND FLOOR

APT. 2 - 2 BEDROOM
1,041.2 SF





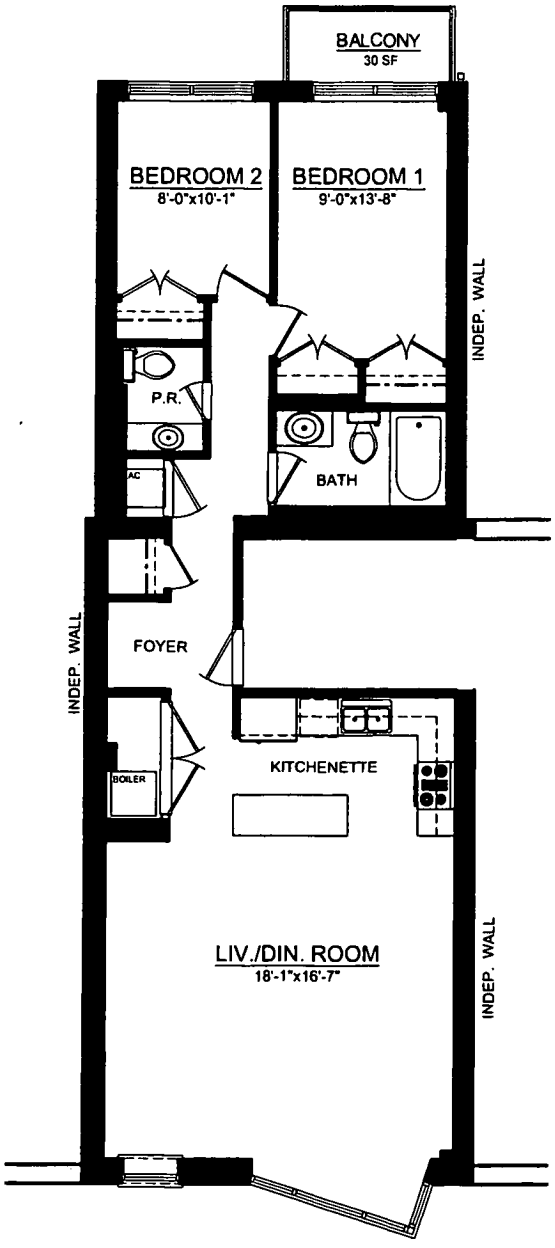
ND ARCHITECTURE AND DESIGN P.C.
66 KNICKERBOCKER AVE, BROOKLYN , NY 11237
Phone (718) 456-2289 Fax (718) 456-2534

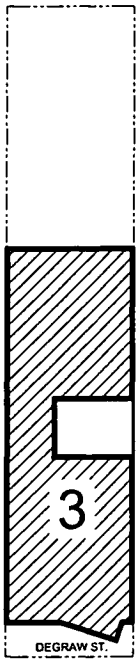
APARTMENT **2**

140 DEGRAW ST., BROOKLYN, NY 11231

2

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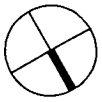




THIRD FLOOR

APT. 3 - 2 BEDROOM
1,041.2 SF





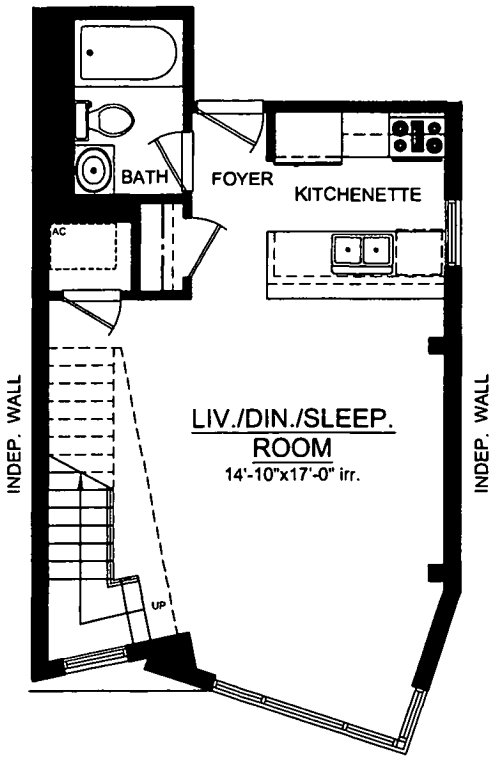
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66 KNICKERBOCKER AVE, BROOKLYN , NY 11237
Phone (718) 456-2289 Fax (718) 456-2534

APARTMENT 3

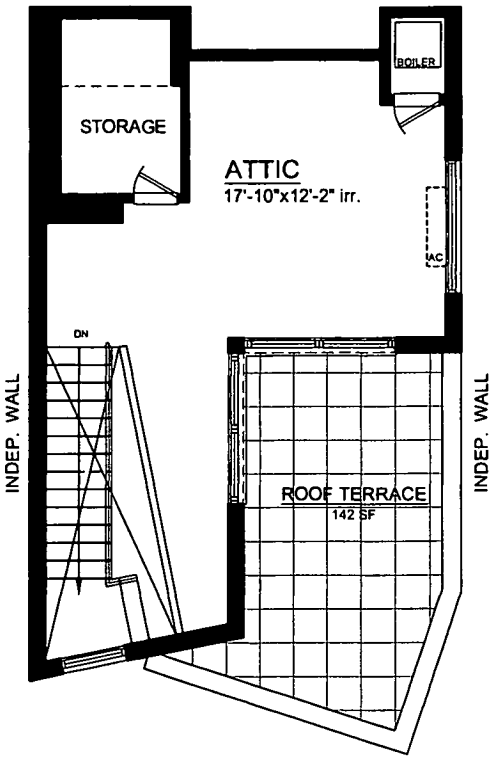
140 DEGRAW ST., BROOKLYN, NY 11231

3

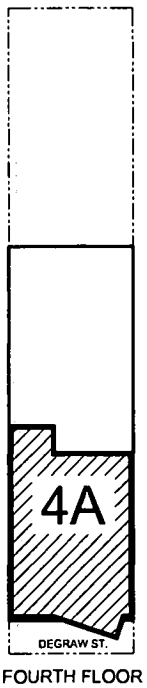
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LOWER LEVER
531.2 SF

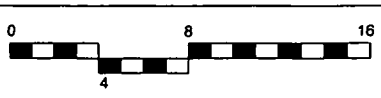


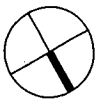
UPPER LEVER
326.7 SF



FOURTH FLOOR

APT. 4A - STUDIO DUPLEX
857.9 SF





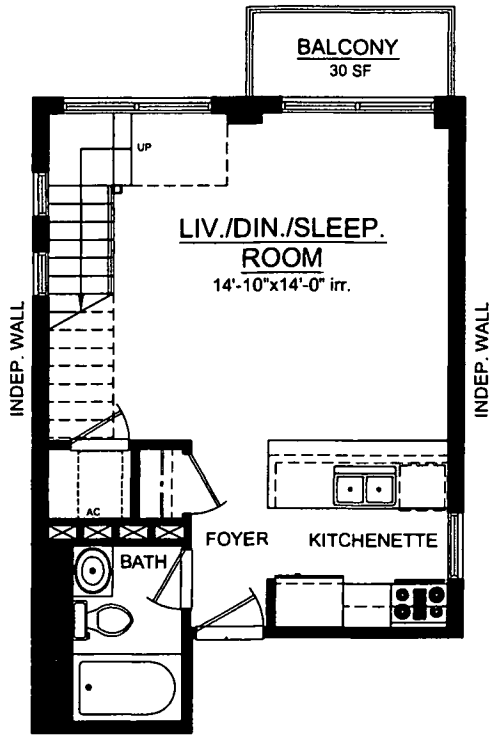
ND ARCHITECTURE AND DESIGN P.C.
66 KNICKERBOCKER AVE, BROOKLYN , NY 11237
Phone (718) 456-2289 Fax (718) 456-2534

APARTMENT **4A**

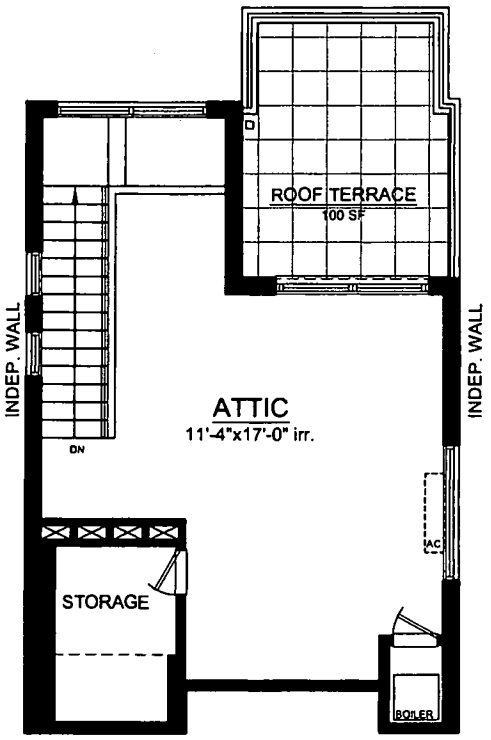
140 DEGRAW ST., BROOKLYN, NY 11231

4A

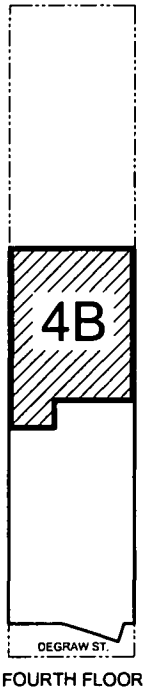
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LOWER LEVER
482.2 SF

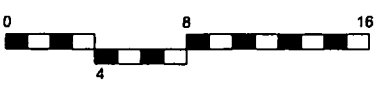


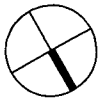
UPPER LEVER
359.4 SF



FOURTH FLOOR

APT. 4B - STUDIO DUPLEX
841.6 SF





ND ARCHITECTURE AND DESIGN P.C.
66 KNICKERBOCKER AVE, BROOKLYN , NY 11237
Phone (718) 456-2289 Fax (718) 456-2534

APARTMENT **4B**

140 DEGRAW ST., BROOKLYN, NY 11231

4B

DECLARATION

Establishing a Plan for Condominium Ownership of Premises located at 140 Degraw Street, Kings County, City and State of New York Pursuant to Article 9-B of the Real Property Law of the State of New York.

NAME: TIFFANY D CONDOMINIUMS

Located at

140 Degraw Street
Brooklyn, NY 11231

SPONSOR

140 Degraw St. LLC
131 Union Street
Brooklyn, New York 11231

DATE OF DECLARATION: _____, 20__.

The land affected by the within instrument lies in Block 319, Formerly Known As Lot 17 and Now Known As Lots ____ to ____ on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York.

Record and Return:

D'AGOSTINO, LEVINE & LANDESMAN, L.L.P.
Attorneys for Sponsor
345 Seventh Avenue, 23rd Floor
New York, New York 10001
(212) 564-9800

Declaration Establishing a Plan for Condominium Ownership of Premises to be known as Tiffany D Condominiums, located at 140 Degraw Street, Borough of Kings, County of Kings, City and State of New York, Pursuant to Article 9-B of Real Property Law of the State of New York.

140 Degraw St. LLC, a limited liability company organized and existing under the laws of the State of New York, with an office situated at 131 Union Street, Brooklyn, New York 11231 hereinafter referred to as "the Sponsor," does hereby declare:

1. **Submission of Property**: Sponsor hereby submits the land hereinafter described, together with the building and improvements thereon erected (the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York. Specifically excluded from this submission are transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself and any successors or assigns.

2. **Area and Location of Land**. The land ("Land") has an area of approximately 1,950 square feet and consists of all that certain tract, plot, piece and parcel of land situate, lying and being in Kings County, City and State of New York, more particularly described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Sponsor in fee simple absolute.

3. **Name of Condominium**. The Condominium shall be known as Tiffany D Condominiums.

4. **Description of the Building**. The Sponsor is completely renovating and enlarging the building situated at the Property. The existing building which was previously a residential building, has three (3) stories plus a cellar. As part of the renovation, the Sponsor shall newly construct an additional floor and attic level at the building and extend the building further into the block (the existing building and newly constructed levels hereinafter being referred to as the "Building"). There will be one staircase bulkhead which will partially extend above the level of the 4th floor and attic roofs.

   The renovated and newly constructed building will consist of four (4) stories plus an attic and a cellar level. As renovated, the Building shall be comprised of six (6) Residential Units. One (1) Residential Unit will be located on each of floors 2 and 3. Two (2) Residential Units, which will be duplexed Units, will be located on a portion of the ground floor and cellar levels. Two (2) Residential Units will also be duplexed Units and will be located on the 4th floor and attic level. The Cellar shall contain, in part, mechanical areas and other common areas. Those portions of the roofs of the Building which are not occupied by mechanical equipment and/or other Common Elements and which are adjacent to and directly accessed from a particular Unit shall be private roof terrace areas for the exclusive use of the Owner of the

particular Unit. Additionally, any yard area, deck, patio, balcony and/or outside cellar level areaway adjacent to and directly accessed from a particular Unit shall be private yard areas, decks, balconies, patios and/or outside cellar areaways for the exclusive use of the Owner of the particular Unit.

As defined by the New York City Building Code, the building will be new code construction Class I-D. 140 Degraw Street will be four (4) stories with an attic and a cellar which will be masonry brick bearing walls and steel joists in the existing portion of the Building. The newly constructed portion of the Building will be reinforced concrete masonry units with a steel beam, metal joist and metal deck-slab assembly. Fire protection provided in accordance with a Class "I-D" fireproof building.

The Building has a cellar level which shall consist of common hallways, gas and electric meter rooms and other mechanical equipment areas. There are no recreational areas or facilities at the Property other than the recreation rooms on the cellar level of the Building which are part of certain residential units. Additionally, there are no common parking facilities which are part of the Property and the Building does not have balconies or terraces other than the balconies or terraces described above which are for the exclusive use of the Owner of a particular Residential Unit. There will be one (1) common stairwell which also functions as a common fire staircase at the Building servicing all of the Units. The staircase services the Building from the cellar to the fourth floor. A ladder at the fourth floor provides access to the main roof of the Building. Additionally, an inclined wheelchair lift is installed at the main entrance of the Building, providing an accessible route from the public sidewalk to the first floor of the Building. The main entrance to the Building is located on Degraw Street.

The Existing Building is masonry bearing walls, with steel joists. The new portion will be constructed from reinforced concrete masonry units with a steel beam, metal joist and metal deck assembly.

The windows in the Building will be aluminum clad outside and painted wood inside with thermal pane glass. Lot-Line Windows will be located in the fourth floor units on the east and west side of the Building within units 4A and 4B. The Lot-Line windows are operable and these windows shall be individually fire protected with a sprinkler head above them. None of the Lot-Line Windows do not provide the legal light and air for residential occupancy. Legal light and air which is required for the issuance of the certificate of occupancy for the Building, is being provided by the windows on the east and west facades. The Lot-Line Windows provide supplementary light and air only. The subsequent sealing of these Lot-Line Windows will not affect the validity of the certificate of occupancy. As Lot-Line Windows, the view from such windows may be obstructed or completely blocked in the future if a new building or structure is constructed on an adjoining property.

All Building roofs and terraces will be roofed with a single ply waterproof membrane over 2" rigid insulation metal deck, metal joists and 5/8" gypsum board ceiling. This roof will carry a 15 years manufacturer's warranty. Additional fiberglass batt insulation will be provided between the finished ceiling and underside of the roof deck to provide an R-value of 30. There will be internal cast iron roof drains on the roof terraces and on the main roof.

Each unit is provided with its own gas-fired hot-air furnace and boiler located in the utility closet located within each Unit. The heating unit will be sufficient to maintain 68 degrees Farenheit within the dwellings when the outside ambient temperature is 15 degrees Farenheit.

Each Unit is equipped with an independent Central Air Conditioning system including a Rooftop condensing unit (Outdoor Unit) located at the roof accessed from the building's public stair, and will include an Air Handler (Indoor Unit).

Skylights will be installed as required by code if any (bulkheads and shafts). Although the Building is generally ventilated naturally, bathroom and kitchen ventilation ducts will be provided where required by applicable New York City Building Codes.

Gas consumption for heating, hot water, cooking and gas dryers (not provided by Sponsor) in each Residential Unit shall be separately metered and the cost thereof shall be the sole cost and expense of the individual Unit Owner. Gas consumption in the common areas, if any, shall be collectively metered by one or more meters and such gas consumption shall be a Common Expense.

Each of the Units shall be separately metered for the consumption and cost of electricity. A common meter shall measure the consumption of electricity in the common areas which shall be a Common Expense. Water and sewerage services are provided for by the City of New York. The Residential Units in the Building shall be metered for water usage by one meter. Such water and sewer charges shall be a Common Expense.

There are no public or common laundry facilities at the Property. Individual hook-ups for washer/dryers are provided in each of the Units. The Sponsor shall not provide washing machines or dryers as part of this Offering.

The Building is being renovated in accordance with all applicable zoning and buildings laws, regulations, codes and other requirements of the New York City Building Code and applicable zoning requirements.

Sponsor shall obtain a temporary or permanent Certificate of Occupancy for each Residential Unit prior to the closing of title to such Unit which shall allow its use as

a private residence. In the event that a permanent Certificate of Occupancy for the Unit has not yet been obtained by such Unit closing, Sponsor is subsequently obligated to obtain same.

5. **The Units**. Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: unit designation; tax lot number; percentage interest in the Common Elements, approximate area of the Unit and its exclusive Limited Common Elements, if any; location; number of rooms and baths; and the portion of the Common Elements, including Limited Common Elements, to which the Unit has immediate access. The location of each Unit is more clearly designated on the Floor Plans (as hereinafter defined) and reference should be made thereto for the statement of the location of each Unit.

As shown on the Floor Plans of the Building (the "Floor Plans"), certified by N.D. Architecture and Design, P.C., and intended to be filed in the Kings County Office of the Register of the City of New York, simultaneously with the recording of this Declaration, the approximate physical dimensions of each Residential Unit consists of the area measured horizontally by either the unexposed face of the drywalls when located at the exterior walls of the Building or, where there are no drywalls, the interior exposed face of the masonry or brick exterior walls of the Building and by the centerline of the dry walls and/or interior exposed masonry walls dividing the Units from the corridors, stairs, other Common Elements or other Units. Vertically, each Residential Unit consists of the space between the upper face of either the subfloor, or concrete floor, and the upper face of the dry wall ceiling above or the underside of the floor above, as the case may be. Doors and windows which open from or form a border of a Residential Unit shall be deemed part of the Unit. Any heating and hot-water systems located inside or outside the Unit together with any piping and/or ductwork attached thereto, and/or any other equipment which only services an individual Residential Unit, shall be deemed a fixture and part of the individual Residential Unit.

Any Common Elements located within a Unit will not be considered a part of such Unit. Any staircase which is only interior to a particular Unit or provides access to the particular Unit shall be considered part of the Unit.

6. **Common Elements**. The Common Elements of the Condominium consist of the entire Property, including all parts of the Building and improvements thereon other than the Units or unless otherwise specified. Common Elements are comprised of General Common Elements and Limited Common Elements. They include, without limitation, the following:

A. General Common Elements:

(1) The land on which the Building is physically erected and all other lands comprising the Property except the rear yards and/or side yards, sidewalks at the cellar level which are Limited Common Elements for the exclusive use of a particular Unit Owner, subject to an easement for fire-egress purposes in favor of all other Residential Units. Specifically excluded are any transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself and any successors and assigns. Any other yard areas, sidewalks and/or areaways at the Property are General Common Elements for public use, subject to an easement in favor of all Unit Owners for fire egress purposes.

(2) All foundations, columns, beams, supports, bearing walls; those portions of the exterior walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or, where applicable, those portions of the exterior walls beyond the interior face of the exterior walls; those portions of the walls and partitions dividing the Units from corridor and the staircase located beyond the unexposed face of the dry walls enclosing the Unit, or, where applicable, the blockwork or concrete work of the interior walls of the Building separating one Unit from another Unit, or from corridors, the staircase or lobby not within a Unit; subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkheads or roof areas, which are not part of a Unit or for the exclusive use of a particular Unit or Units; skylights which are not designated as Limited Common Elements; sprinkler systems or parts thereof installed in common areas of the Building, if any, corridors, halls, stairs, and stairway areas, which are not designated Limited Common Elements, located beyond the unexposed face of the dry walls or blockwork or concrete work of the walls enclosing a Unit; mechanical, storage and utility areas which are not part of a Unit or which are not specifically designated as Limited Common Elements, located beyond the unexposed face of the drywalls or blockwork or concrete work enclosing a Unit or the unexposed face of a dry wall enclosing all or part of such Units; all cellar areas which are not included within a particular Unit or which are not specifically designated as a Limited Common Element; the entrances to and exits from the Building to the extent that they are not part of a Unit or for the exclusive use of a particular Unit or Units;

(3) The lobby and vestibule to the Building, the mailboxes, the meter rooms, the gas meters and electric meters in the cellar or other parts of the Building; any and all other cellar or ground floor areas which

are not designated as part of a Unit or a Limited Common Element;

(4) The trash storage areas located at the Building;

(5) Any piping and/or ductwork which is necessary for the functioning of the mechanical equipment, if any, which service all of the Units;

(6) All installations on the Property outside the Units for services such as gas, power, light, cable television, heat, telephone and water, which are not designated as part of a Unit or a Limited Common Element;

(7) All sewer pipes and drainage pipes;

(8) The wheelchair lift installed at the entrance of the Building;

(9) Any tanks, pumps, motors, fans, compressors, ducts and, in general, all apparatus and installations existing for common use which are not designated as part of a Unit or as a Limited Common Element;

(10) The street vaults at the cellar level, if any. The charges or fees, if any, due for the use of the street vaults shall be a Common Expense;

(11) Except as specifically noted, all other apparatus and installations existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building;

B. **Limited Common Elements**. The following portions of the Common Elements will be Limited Common Elements:

1) Any skylights, existing or installed at some future date, that are directly above any Residential Unit which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owners of such Units;

2) The balconies and/or private roof terrace areas adjacent to and with direct access from a particular Unit, as delineated on the Floor Plans, and including any fencing demarcating such area, which shall be for the exclusive use of the particular Residential Owner. Nonstructural, ordinary repairs and maintenance of these balconies or roof areas, including any fencing demarcating such areas, shall be the responsibility of the individual Residential Unit Owner;

3) The private garden or yard areas, deck areas or patios adjacent to and

with direct access from a particular Unit, as delineated on the Floor Plans, and including any fencing demarcating such area, which shall be for the exclusive use of the particular Unit Owner, subject to an easement in favor of all other Unit Owners for fire egress purposes. Nonstructural, ordinary repairs and maintenance of these garden or yard areas, decks, patios or cellar level areaways, including any fencing demarcating such areas, shall be the responsibility of the individual Residential Unit Owner;

7. **Use of Units**. Each of the Residential Units may be used only as a private residence, except that a Residential Unit Owner may use his Residential 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 Residential 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. Notwithstanding the foregoing, the Sponsor or its designee may, without the permission of the Board of Managers, retain ownership of one or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units. The recreation rooms which are part of the ground floor Residential Units are not meant for living or sleeping purposes.

8. **Determination of Percentages in Common Elements**. The percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

9. **Encroachments**. If any portion of the Common Elements now encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers, or (c) as a result of repair or restoration of the Building or a Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings; a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand.

10. **Easements**.

A. Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners

of all other Units to use the pipes, ducts, cables, wires conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to all General Common Elements, to each Unit and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations therefrom and/or to maintain, repair or replace the Common Elements contained within a particular Unit or elsewhere in the Building. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit and in favor of other Units and the Common Elements.

B. The Sponsor and its designees, their successors, assigns, invitees, licensees, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, installation and development thereon of recreation facilities, and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility lines for the benefit of the recreation facilities, if any, and (ii) construction and installation of, whether on the interior or exterior of the Building, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables necessary for the use of its Units, and (iii) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

C. The Sponsor, its designees and their successors, assigns, invitees, licensees, contractors, employees and tenants (i) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of the Offering Plan for the Property, as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements and (ii) reserve the right to establish, grant and create easements for any additional underground or roof-top electric transformer, amplifier, gas, cable television, telephone, telecommunication equipment, water, storm drainage, sewer or other utility lines and appurtenances in, under, over and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Sponsor or designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the

general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, or users of the recreation facilities, if any, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Residential Units for dwelling purposes or home occupation purposes. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right of access is exercised in such a manner as to not unreasonably interfere with the use of the Units.

D. In addition, each Unit shall have an easement for the exclusive use, alone or in common with one or more other specified Units, of its Limited Common Elements.

E. All Unit Owners, their servicemen, consultants and/or repairmen, shall have an easement by means of the shortest distance and/or route from the service entrances to the Building and through the public staircases in, on, over and across the main roof or other applicable roofs of the Building or yard or courtyard areas of the Building for the sole purpose of maintaining, repairing and/or replacing any mechanical equipment, including, but not limited to, air-conditioning equipment, located on the roofs or in the yards or courtyards of the Building which services one or more of the Units.

F. Sponsor, its assignee or designee, their respective successors, assigns, invitees, licensees, contractors, employees and agents shall have such rights of access, storage and use necessary to fulfill Sponsor's obligations under the Plan and/or to effectuate the right of such parties to make alterations, additions, improvements or repairs to Units owned by each, respectively, including without limitation the right to (i) use the stairs and other Building facilities during customary industry practice construction hours; (ii) maintain roll-off refuse containers on the Property and dumpsters adjacent to the Property; (iii) store and maintain tools and materials on the Property; (iv) connect to and use the Building's common electricity, water and other utility services and facilities with the cost thereof being a Common Expense paid by all Unit Owners as part of their Common Charges; (vi) compel Unit Owners to facilitate penetration and entry into Units to permit the extension and provision of Building services to space under construction or to work, and (vii) erect and maintain hoists, sidewalk sheds, sidewalk fences and temporary walkways, construction shacks and trailers in the street adjacent to and on the Property.

G. The user of any easement granted by subparagraphs A, B, C, D, E and F of

this Paragraph 10 shall have the responsibility of repairing any damage resulting therefrom. No fee or charge may be imposed by the Board of Managers for any right or easement granted herein.

11. **Power of Attorney to Board of Managers**. Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired or to sublease any Unit so leased by the Board of Managers. Each Unit Owner, their successors and/or assigns, shall also grant to the Sponsor or its designee, an irrevocable power of attorney, coupled with an interest to exercise Sponsor's or Sponsor designee's rights hereunder, including but not limited to, the Sponsor's or Sponsor designee's rights set forth in Paragraph numbered 19 hereinafter. The form of Power of Attorney to the Board of Managers and Sponsor is attached hereto as Schedule D.

12. **Acquisition of Units by Board of Managers**. In the event any Unit Owner shall surrender his Unit, together with: (i) the undivided interest in the Common Elements, general and limited, appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium; (hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Real Property Law of the State of New York, or in the event the Board of Managers shall purchase from any Unit Owner who has elected to sell the same, a Unit, together with the Appurtenant Interests, pursuant to Section 1 of Article VIII of the By-Laws, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. The lease covering any Unit leased by the Board of Managers, or its designee, corporate or otherwise, shall be held by the Board of Managers, or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interests.

13. **Person to Receive Service**. For the period during which Sponsor is in control of the Board of Managers, 140 Degraw St. LLC, with an office at 131 Union Street, Brooklyn, New York 11231 is hereby designated to receive notice of process in any action which may be brought against the Condominium. After Sponsor relinquishes control of the Board of Managers notice of process in any action which may be brought against the Condominium shall be served on the President of the

Condominium at the Office of the Condominium, at 140 Degraw Street, Brooklyn, New York 11231. In addition, the Secretary of State of the State of New York, as agent of the Board of Managers, and any successor to the jurisdiction thereof, is hereby designated to receive service of process in any action that may be brought against the Condominium.

14. **Units Subject to Declaration, By-Laws and Rules and Regulations**. All present and future Owners, tenants, subtenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The initial By-Laws and the Rules and Regulations of the Condominium are attached hereto as Schedule E. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

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

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

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

(c) No amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against Sponsor, its designee, or any Unsold Unit until Sponsor or such designee, as the case may be, shall consent thereto in writing.

The Sponsor hereby reserves to itself and its designee(s) the right to amend this Declaration at any time without the requirement of a vote and without the approval

or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by the New York Real Property Law Section 339-p for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p.

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

16. **Changes in Unsold Units**. For any Unit owned by the Sponsor or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Sponsor or its designee(s) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (i) make alterations, additions, or improvements in, to and upon the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and (iv) reapportion among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that the Sponsor or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

In connection with the foregoing as it relates to the (i) Unsold Units, the Sponsor or its designee shall cause the Declaration to be amended, if necessary. Sponsor or its designee, as applicable, shall have the right pursuant to the Powers of Attorney granted by Unit Owners to amend and record any amendment to the Declaration on behalf of the Condominium and all Unit Owners as required to reflect the foregoing without any further consent of the Condominium Board, Unit Owners or Permitted Mortgagees. Sponsor or its designee, as applicable, shall each have the right, upon its request, to require any other Unit Owners or the Condominium Board or its officers to execute, file and/or record any amendment to the Declaration, together with any application, documents or instruments as they deem appropriate to effectuate the same, or any application, documents or instruments required by any governmental or quasi governmental agency having or asserting jurisdiction in connection with the foregoing, or any application, documents or instruments necessary in connection with any change, addition, decoration, alteration, improvement, repair or subdivision of any Units owned by said parties or any operation of any Unit owned by said parties, at which time, the requesting party shall

indemnify and hold the Condominium Board and the other Unit Owners and Sponsor or its designee harmless from any expense or liability by virtue of the execution of any of such applications, document or instruments. As an alternative, Sponsor or its designees, as applicable shall have the right pursuant to the Powers of Attorney granted by Unit Owners to execute, file and/or record any such applications, documents or instruments on behalf of the Condominium Board and all Unit Owners. For purposes of recording any amendment to the Declaration or executing, filing or recording any applications, documents or instruments, Sponsor or its designee may rely on the authority contained in the Power of Attorney and no further consent of the Board or the Unit Owners or Permitted Mortgagees is required.

In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. The provisions of this paragraph 16 may not be added to, amended or deleted without the prior written consent of the Sponsor or its designees(s).

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

17. **Invalidity.**

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

(b) Subject to the terms of paragraph (a) of this clause 17, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration or the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

18. **Termination of Condominium**. The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners that own not less than eighty percent (80%) in number and in Common Interest of the Units. Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty percent (80%) in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such net proceeds all liens on his Unit, in the order of priority of such liens.

19. **Sponsor's Retention of Transferable Air Rights and/or Development Rights.**

(a) As against all other Unit Owners, their successors, assigns and/or legal representatives, the Board of managers of the Condominium and any mortgagees thereof, the Sponsor, its successors and assigns, shall have the exclusive right to cause any part or all transferable air rights and/or development rights pertaining to the Property, which Sponsor is herein reserving for itself, its successors and assigns, to be conveyed, transferred or otherwise assigned to any other premises, "zoning lot", "development" or "enlargement" as those prior three terms are now defined in the Zoning Resolution of the City of New York, as amended, and Sponsor hereby binds itself, its successors and assigns from transferring, assigning, or surrendering in whole or in part any transferable air rights and/or development rights, if such transfer, assignment or surrender shall make illegal the erection, existence or restoration or use of the Building at the time of the recording of the Condominium Declaration or as will allow any party, including Sponsor

as the holder of Unsold Units, to build on or directly above the land, except the Board of Managers of the Condominium subsequent to Sponsor relinquishing control of the Board of Managers, and in such event, any construction shall be made only in accordance with the Condominium's Declaration and By-Laws. As used herein, "transferable air rights and/or development rights" shall be defined to include all such rights which exist under the current Zoning Resolution of the City of New York, as amended, and any further rights which result from future amendments to the Zoning Resolution. As stated above, the Sponsor will not build any further on or directly above the Property. Based upon the approved Alteration Plans for the renovation of the Building, currently there are no usable excess transferable air rights and/or development rights.

(b) The Sponsor, its successors and assigns, herein have the right to cause the Board of Managers and all of the Unit Owners to take such action and execute, acknowledge, deliver and record, at the sole cost and expense of Sponsor, and/or its successors and assigns, in the Register's Office of the County of Kings in the City of New York and elsewhere, if required by law, such instruments and documents, including, but not limited to (i) deed(s), lease(s), zoning lot agreement(s), declaration(s), lot-line window declaration(s) and/or grant(s) of such Unit Owner's and such Board's interests, if any, in the Property with respect only to any transferable air rights and/or development rights for the purpose of confirming the ownership of Sponsor and/or its successors and assigns in such rights and/or for the purpose of effectuating the transfer, assignment or surrender of such rights by Sponsor and/or its successors and assigns; (ii) any amendment to this Declaration which the Sponsor and/or its successors and assigns deems necessary or appropriate to effectuate the purpose of this Paragraph 19.

(c) Failure of the Unit Owners and Board of Managers to comply with the terms of this Paragraph 19 shall result in liquidated damages payable by the Board of Managers to the Sponsor, and/or its successors and assigns, as the case may be, in an amount equal to the purchase price to be paid to Sponsor and/or its successors and assigns for the transfer, assignment or surrender of such transferable air rights and/or development rights.

(d) If any provision that is necessary to effectuate the purposes of this Paragraph 19 is missing, then such provision shall be deemed included as part of Paragraph 19, including, but not limited to, any provision required by law to limit the reservation of the contingent rights as set forth herein. Any term of limitation, if required to be measured, may be determined by the use of the life of Sponsor or any principal thereof or any children of any principal plus 21 years.

20. **Common Expense**. Common Expenses of the Condominium mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, the Declaration or the By-Laws.

21. **Covenant of Further Assurances.**

(a) Any person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of the Board of Managers, an officer of the Condominium, or otherwise, shall, at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person, such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

(b) If any Unit Owner or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledgment, or deliver any instrument, or fails or refuses, within 10 days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Board of Managers is hereby authorized as attorney-in-fact for such Unit Owner or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(c) If any Unit Owner or the Board of Managers or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within 10 days after request therefor, to take any action that the Board of Managers, Unit Owner, or other Person is required to take pursuant to this Declaration at the request of Sponsor, then the Sponsor is hereby authorized as attorney-in-fact for the Board of Managers, such Unit Owner, or other Person, which power shall be deemed to be coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers, such Unit Owner, or other Person, and such document or action shall be binding on the Board of Managers, such Unit Owner, or other Person, as the case may be.

22. **Definitions**. All capitalized terms used in this Declaration that are not defined herein shall have the meanings set forth in Schedule C to this Declaration. Each of the capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

23. **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.

24. **Captions**. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision thereof.

25. **Gender**. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, the party has caused this Declaration to be executed by its duly authorized representative this _____ day of _____, 20__.

Sponsor:

140 Degraw St. LLC

By:_____

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

On the _____ day of _____, in the year 20____, before me, the undersigned, a Notary Public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

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

On the _____ day of _____, in the year 20____, 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

SCHEDULE A
TO THE DECLARATION
OF CONDOMINIUMS OF THE PREMISES
KNOWN AS
TIFFANY D CONDOMINIUMS

140 DEGRAW STREET
BROOKLYN, NEW YORK

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York bounded and described as follows:

BEGINNING at a point on the southerly side of DeGraw Street distant 189 feet 6 inches easterly from the southeasterly corner of Columbia Street and DeGraw Street;

RUNNING then easterly along the southerly side of DeGraw Street, 19 feet 6 inches;

THENCE southerly on a line parallel with Columbia Street and part of the distance through a party wall, 100 feet;

THENCE westerly on a line parallel with DeGraw Street, 19 feet 6 inches;

THENCE northerly on a line parallel with Columbia Street and part of the distance through a party wall, 100 feet to the southerly side of DeGraw Street, the point or place of BEGINNING.

SCHEDULE B
TO THE DECLARATION OF
TIFFANY D CONDOMINIUMS
140 DEGRAW STREET
BROOKLYN, NEW YORK

140ScheduleB1
07/10/2007

Unit	Tax Lot Number	Percentage Interest In Common Elements	Approximate Square Foot Area of Unit*	Approximate Square Foot Area Roof Terrace, Private Garden and/or Balcony Which is a Limited Common Element	Location	Rooms/Baths/ Powder Rooms	Common Elements To Which Unit Has Immediate Access
1A	TBD	13.2851%	808	n/a	first floor	2/1/1	Public Hall & Stairs
1B	TBD	21.7391%	1112	520	first floor	2/1/1	Public Hall & Stairs
2	TBD	16.9082%	900	50	second floor	4/1/1	Public Hall & Stairs
3	TBD	17.3913%	900	30	third floor	4/1/1	Public Hall & Stairs
4A	TBD	15.7005%	789	142	fourth floor	2/1/1	Public Hall & Stairs
4B	TBD	14.9758%	786	130	fourth floor	2/1/1	Public Hall & Stairs
							Public Hall & Stairs
Totals:		100.00%	5,295	872			

SCHEDULE C
TO THE DECLARATION
OF CONDOMINIUMS OF THE PREMISES
KNOWN AS

TIFFANY D CONDOMINIUMS
140 DEGRAW STREET
BROOKLYN, NEW YORK

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 Interest, (except as otherwise provided in the Declaration or in the By-Laws).
"Board of Managers" or "Condominium Board"	-	The governing board of the Condominium composed of representatives elected by Unit Owners voting in accordance with their respective percentages of Common Interest.
"Building"	-	The structure known as Tiffany D Condominiums which is being renovated and enlarged at 140 Degraw Street, Brooklyn, New York.
"Common Charges"	-	Each Unit Owner's proportionate share of the Common Expenses (as defined in the Condominium Documents)

"Common Elements"	-	All portions of the Property other than Units. Further, specifically excluded are any transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself and any successors or assigns. Common Elements are comprised of General Common Elements and Limited Common Elements.
"Common Expenses"	-	(a) Expenses of operation of the Property, and (b) All sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or the By-Laws.
"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 Offering Plan "Condominium" specifically refers to Tiffany D Condominiums.
"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 By-Laws, the Rules and Regulations, the Floor Plans, form of Unit Deed and the form of Unit Owners Power of Attorney.
"Consummation of the Plan"	-	Means filing the Declaration of Condominium and the first transfer of title to a condominium unit to at least one purchaser under the Plan following a declaration of effectiveness by the Sponsor and

acceptance of the Amendment by the Department of Law confirming or declaring the Plan effective.

"Declaration" - 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 By-Laws.

"Filing" - Means the issuance of a letter from the Attorney General stating that an Offering Plan or Amendment has been accepted for filing.

"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 licensed engineer or registered architect, and filed in the Register's Office of Kings County simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

"General Common Elements" - The General Common Elements include, without limitation:

(1) The land on which the Building is physically erected, and all other lands comprising the Property except the rear yard, which is a Limited Common Element for the exclusive use of a particular Unit Owner, subject to an easement for fire egress and/or easement purposes in favor of all other Residential Units. Specifically excluded are any transferable air rights and/or development rights pertaining to the Land and Building, which rights are being reserved by Sponsor for itself and any successors or assigns. Any other yard areas, sidewalks and/or areaways at the Property are General Common Elements for public use, subject to an easement in favor of all Unit Owners for fire egress purposes.

(2) All foundations, columns, beams, supports, bearing walls; those portions of the exterior

walls and any insulation or framing beyond the unexposed face of the dry wall at the exterior face of the Building, or, where applicable, those portions of the exterior walls beyond the interior face of the exterior walls; those portions of the walls and partitions dividing the Units from corridors and the staircase located beyond the unexposed face of the drywalls enclosing the Unit, or, where applicable, the blockwork or concrete work of the interior walls of the Building separating one Unit from another Unit, or from corridors, the staircase or the lobby not within a Unit; the subfloors and framing joists, if any, including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkheads or roof areas which are not part of a Unit or for the exclusive use of a particular Unit or Units; skylights which are not designated as Limited Common Elements; sprinkler systems or parts thereof installed in the common area of the Building, if any, corridors, halls, stairs, and stairway areas, which are not designated Limited Common Elements, located beyond the unexposed face of the dry walls or blockwork or concrete work of the walls enclosing a Unit; mechanical, storage and utility areas which are not part of a Unit or which are not specifically designated as Limited Common Elements, located beyond the unexposed face of the drywalls or blockwork or concrete work enclosing a Unit or the unexposed face of a dry wall enclosing all or part of such Units; all cellar areas which are not included within a particular Unit or which are not specifically designated as a Limited Common Element; the entrances to and exits from the Building to the extent they are no part of a Unit or for the exclusive use of a particular Unit or Units;

(3) The lobby and vestibule to the Building, the mailboxes, the meter rooms, the gas

meters and electric meters in the cellar or other parts of the Building; any and all other cellar or ground floor areas which are not designated as part of a Unit or a Limited Common Element;

(4) Any trash storage areas located at the Building;

(5) Any piping and/or ductwork, which is necessary for the functioning of the mechanical equipment, if any, which service all of the Units;

(6) All installations on the Property outside the Units for services such as gas, power, light, heat, telephone, cable television and water which are not designated as part of a Unit or a Limited Common Element;

(7) All sewer pipes and drainage pipes;

(8) The wheelchair lift installed at the entrance of the Building;

(9) Any tanks, pumps, motors, fans, compressors, ducts and, in general, all apparatus and installations existing for common use which are not designated as part of a Unit or as a Limited Common Element;

(10) The street vaults at the cellar level, if any. The charges or fees, if any, due for the use of street vaults shall be a Common Expense;

(11) Except as specifically noted, all other apparatus and installations existing in the Building for common use or necessary, convenient to the existence, maintenance or safety of the Building;

"Insurance Trustee" - A bank, a trust company or savings and loan association having an office in the City of New York which, from time to time, is 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 City and State of New York, and County of Kings as more particularly described in Schedule 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" - Parts of the whole which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners and, unless otherwise specified, the maintenance and repair of which is the responsibility of the Unit Owners or Owners to which the exclusive use has been allocated. In this Plan, the following are Limited Common Elements:

1) Any skylights, existing or installed in the future, that are directly above any Residential Unit, which shall be for the exclusive use of such Unit Owner. The maintenance, repair and replacement of such skylights shall be the responsibility of the individual Unit Owners of such Units.

2) The private roof terrace areas and/or balconies adjacent to and with direct access from a particular Unit, as delineated on the Floor Plans, including any fencing demarcating such area, which shall be for the exclusive use of the particular

Residential Unit Owner. Non-structural, ordinary repairs and maintenance of these balconies or roof areas, including any fencing demarcating such area, shall be the responsibility of the individual Residential Unit Owner;

3) The private garden or yard are as, deck areas or patios, adjacent to and with direct access from a particular Unit, as delineated on the Floor Plans, and including any fencing demarcating such area, which shall be for the exclusive use of the particular Unit Owner, subj ect to an easement in favor of all other Unit Owners for fire egress purposes. Nonstructural, ordinary repairs and maintenance of these garden or yard areas, decks or patios including any fencing demarcating such areas, shall be the responsibility of the individual Residential Unit Owner;

"Majority" - Majority of Unit Owners means either (i) more than fifty percent in Common Interest in the aggregate, or (ii) more than fifty percent in number of Units in the aggregate, or (iii) more than fifty percent in the aggregate in both Common Interest and in number of Units, as may be specified herein or in the Declaration or the By-Laws with respect to any matter or matters. Any specified percentage of Unit Owners means (i) such percentage in Common Interest in the aggregate, or (ii) such percentage in number of Units in the aggregate, or (iii) such percentage in Common Interest and such percentage in number of Units, as may be specified herein or in the Declaration or the By-Laws 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 II, Section 3 of the By-Laws, 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 By-Laws.

"Offering 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. Sometimes herein referred to as the "Plan".

"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, 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 the Unit Owner of which wishes to sell or abandon together with the Appurtenant Interests thereto and to deal with any such Units so acquired as they may determine;

(ii) the Sponsor, as attorney- in-fact, to amend the Declaration, the By-Laws, and the Rules and Regulations of the Condominium or any of said documents under certain conditions set forth in the Power of Attorney.

(iii) the Sponsor, as attorney-in-fact, to execute any document to effectuate the transfer, assignment or conveyance by Sponsor, in whole or part, of the transferable air rights and/or development rights which Sponsor has retained for itself and/or its successors and assigns in accordance with Paragraph numbered 19 of the Declaration.

"Property"	-	Means and includes the Land, the Building and all other improvements thereon, (i) 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.
"Purchaser"	-	Any Person who has entered into an agreement with Sponsor to purchase a Residential Unit and is not in default thereunder.
"Recording officer" and "Recording" or "Recorded"	-	Shall have the meanings stated in section two hundred ninety of the New York State Real Property Law.
"Residential Unit"	-	A designated apartment in the Building comprising the Condominium which is owned in fee simple absolute.
"Residential Units"	-	Collectively, all the apartments in the Building.
"Residential Unit Owner"	-	Means the person, persons or entity owning a Residential Unit in fee simple absolute.
"Rules and Regulations"	-	The rules and regulations of the Condominium, which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.
"Selling Agent"	-	The entity which will, on behalf of the Sponsor, originate and supervise sales of Units. Stribling Marketing Associates, LLC is the Selling Agent pursuant to the terms of the Offering Plan.
"Sponsor"	-	The promoter of the project and/or Offering Plan to convert a particular parcel of property to Cooperative or Condominium Ownership; 140 Degraw St. LLC is the Sponsor of this Offering Plan.

SCHEDULE D
TO THE DECLARATION OF CONDOMINIUMS
OF THE PREMISES KNOWN AS
TIFFANY D CONDOMINIUMS
140 DEGRAW PLACE
BROOKLYN, NY

POWER OF ATTORNEY

The undersigned, _____ the Owner of Unit No. _____ located at 140 Degraw Street in the Condominium known as Tiffany D Condominiums, 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 _____, 20__, and recorded in the Kings County office of the Register of the City of New York on _____, 20__ as CRFN #_____ and on the Floor Plans on file in said office as CRFN #_____, do hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of Tiffany D Condominiums 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 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 Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact shall 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.

The undersigned do hereby nominate, constitute and appoint 140 Degraw St. 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.

The undersigned do further nominate, constitute and appoint Sponsor as attorney-in-fact for the undersigned, their successors, assigns and/or heirs, coupled with an interest, with power of substitution, to execute any document on behalf of the undersigned, if same is necessary, to effectuate the transfer, assignment or conveyance by Sponsor, in whole or in part, of the transferable air rights and/or development rights which Sponsor has retained for itself, its successors and assigns in accordance with Paragraph 19 of the Declaration. This power of attorney shall in no way be construed to grant any interest in such transferable air rights and/or development rights to the undersigned.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this day of _____, 20__.

_____

_____

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

On the _____ day of _____, in the year 20__, 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

SCHEDULE E
TO THE DECLARATION OF CONDOMINIUMS OF THE PREMISES KNOWN AS TIFFANY D CONDOMINIUMS 140 DEGRAW STREET BROOKLYN, NEW YORK

BY-LAWS

OF

THE CONDOMINIUMS OF THE PREMISES

KNOWN AS

TIFFANY D CONDOMINIUMS

140 DEGRAW STREET
BROOKLYN, NEW YORK

Borough of Brooklyn

Kings County, City and State of New York

D'AGOSTINO, LEVINE & LANDESMAN, L.L.P.
ATTORNEYS FOR SPONSOR
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BY-LAWS
OF
THE CONDOMINIUMS OF THE PREMISES
KNOWN AS

TIFFANY D CONDOMINIUMS
140 DEGRAW STREET
BROOKLYN, NEW YORK

ARTICLE I

PLAN OF UNIT OWNERSHIP

Section 1. **Unit Ownership**. The property, located in the borough of Brooklyn, Kings County, City and State of New York at 140 Degraw Street, Brooklyn, New York (hereinafter called the "Property") has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the Kings County Office of the Register of the City of New York, simultaneously herewith. The Condominium thereby created shall hereinafter be known as Tiffany D Condominiums and are sometimes referred to as the "Condominium" or "Condominiums."

Section 2. **Applicability of By-Laws**. The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Building and all other improvements thereon (including the Units, the Common Elements and Limited Common Elements), but excluding any transferable air rights and/or development rights pertaining to the land and building which rights are being reserved by Sponsor for itself and any successors or assigns, owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The Condominium Units are hereinafter sometimes referred to as "Unit" or "Units."

Section 3. **Application**. All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations attached hereto as Addendum To The By-Laws.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupancy of a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations

and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

Section 4. **Definitions**. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Schedule C to the Declaration, unless the context in which the same are used shall otherwise require. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforedescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

Section 5. **Office**. The office of the Condominium and of the Board of Managers shall be located at the Property.

ARTICLE II

BOARD OF MANAGERS

Section 1. **Status of the Board of Managers**. Unless and until the Board of Managers shall incorporate in accordance with the terms of Section 3 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Board of Managers shall incorporate in accordance with the terms of Section 3 hereof, the Board of Managers shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Board of Managers shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

Section 2. **Number and Term**. The number of Managers which shall constitute the whole Board shall be three (3). Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose, Managers need not be Unit Owners; thereafter, all Managers, other than a representative of Sponsor, shall be Unit Owners, the principal or officer of a Unit Owner or the spouse of a Unit Owner. The number of Managers elected at the first such meeting shall be three (3). Thereafter, within the limits above specified, the number of Managers shall be determined by the Unit Owners at their annual meetings. The Managers shall be elected at the annual meeting of the members. There shall always be an odd number of Managers. The Managers shall hold office until their successors have been elected and hold their first meeting. But, in any event, the terms of the members of the Board of Managers shall expire annually.

Section 3. **Powers and Duties**. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board

of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

a. Contracting for the necessary services for operation, care, upkeep and maintenance of the Common Elements.

b. Determination of the Common Expenses and Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.

c. Collection of the Common Charges and expenses of the Condominium from the Unit Owners.

d. Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements.

e. Adoption and amendment of Rules and Regulations covering the details of the operation and use of the Property subject to a right of the Unit Owners to overrule the Board (See Article VI, Section 16).

f. Opening of bank accounts on behalf of the Condominium and designating the signatories required therefor.

g. Purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Managers.

h. Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners.

i. Acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, as described in the Declaration and these By-Laws.

j. Selling, leasing, mortgaging (but not voting the votes appurtenant to), or otherwise dealing with Units acquired by, and subleasing Units leased by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners.

k. Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners.

l. To incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (i) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (ii) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and by-laws;

m. Obtaining and reviewing of insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof.

n. Making of repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

o. Negotiation and settlement of all claims and actions relating to the Condominium.

p. Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of a sixty-six and two-thirds of all Unit Owners shall be required for the borrowing of any sum in excess of $5,000 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Unit Owner. If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph (p) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

q. Levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property and levying late payment charges against Unit Owners for late payment of their Common Charges, including Assessments and Special Assessments.

r. Notwithstanding anything to the contrary contained in these By-Laws, so 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 closing of title to the first Unit ("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 except that Sponsor will consent to replacements to any contingency fund and/or capital replacement reserve 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 4.00% 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 are insufficient) (iv) increase the number or change the type of employees from that described in Schedule B of the Offering Plan or (v) provide for new or additional services from those indicated in Schedule B of the offering Plan, unless the annual cost of all other services being provided is no greater than the total cost of those provided for in Schedule B. 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 these By-Laws so as to in any way adversely affect the Sponsor or its designees or (ii) interfere with the offer and sale or leasing of Units; (iii) interfere with the operation of general or sales and leasing offices at the Property or the actions necessary for construction, 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 the provisions of this Section 3r, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulation or to remedy any notice of violation, or to remedy any work order by an insurer.

Section 4. **Managing Agent and Manager**. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to the manager or managing agent, all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (k), (l), (o), (p) and (q) of Section 3 of this Article II. Except with respect to Sponsor or Sponsor's designee, the managing agent or manager may not be a member of the Board of Managers.

Section 5. **First Board of Managers**. The first Board of Managers shall consist of persons designated by the Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first meeting of Unit Owners called for the purpose of electing Managers. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 7 of this Article.

Section 6. **Removal of Members of the Board of Managers**. At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor or a Sponsor-designee, may be removed with or without cause by an affirmative vote of Unit Owners whose aggregate Common Interest exceed fifty percent (50%) of the Common Interest of the Condominium, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. A member of the Board of Managers designated by the Sponsor or a Sponsor-designee may only be removed 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 in Common Interest in excess of fifty percent (50%) of the Common Interest 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. If a member of the Board of Managers ceases to be a Unit Owner, the principal or officer of a Unit Owner or the spouse of a Unit Owner, unless such member is a designee of the Sponsor or a Sponsor-designee, such Board Member shall be deemed to have resigned effective as of the date such ownership interest ceased.

Section 7. **Vacancies**. Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until a successor shall be elected at the next annual meeting of the Unit Owners to serve the remaining term. Notwithstanding the foregoing, vacancies of members designated by the Sponsor or a Sponsor-designee shall be filled only by the Sponsor or the Sponsor-designee, as the case may be.

Section 8. **Organization Meeting**. The first meeting of the members of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Managers elected at the meeting at which they shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Managers in order legally to constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

Section 9. **Regular Meetings**. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least two such meetings shall be held during each fiscal year. Notice of

regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or telegraph, at least five (5) business days prior to the day named for such meeting.

Section 10. **Special Meetings**. Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers, given by mail, telegraph or personal delivery to the Unit owned by such member of the Board of Managers, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Managers.

Section 11. **Waiver of Notice**. Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 12. **Quorum of Board of Managers**. At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If at any meeting of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board or the committee.

Section 13. **Fidelity Bonds**. The Board of Managers shall, in its discretion, obtain fidelity bonds in the amount of $25,000.00 or more for all officers and employees of the Condominium handling or responsible for Condominium funds and for the managing agent, if any. The premiums on such bonds shall constitute a Common Expense.

Section 14. **Compensation**. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 15. **Liability of the Board of Managers**. The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or

of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers who are members of the Sponsor to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 16. **Executive Committee**. The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of two (2) or more members of the Board of Managers, at least one of whom shall be a member designated by the Sponsor or Sponsor-designee so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the managing of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to determine the Common Charges and expenses required for the affairs of the Condominium, (b) to determine the Common Charges payable by the Unit Owners to meet the Common Charges and expenses of the Condominium, (c) to adopt or amend the Rules and Regulations covering the details of the operation and use of the Property or (d) to exercise any of the powers set forth in subdivisions (g), (h), (i) and (p) of Section 3 of Article II.

Section 17. **Other Committees**. The Board of Managers may by resolution create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be designated by the Sponsor or a Sponsor-designee, so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board, shall be appointed by the President of the Condominium. The members of any such committee need not be a member of the Board of Managers, but must be eligible to be elected to the Board of Managers. Such committee shall not have power to do any act which the Executive Committee may not do under subsections (a)-(d) of Section 16 of Article II.

ARTICLE III
UNIT OWNERS

Section 1. **Annual Meetings.**

(a) Within thirty (30) days after the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds ninety percent (90%) or (ii) two (2) years from the First Unit Closing, or such earlier time as Sponsor deems to be in the best interest of the parties the Sponsor shall call a special Unit Owners meeting for the purpose of electing a Board of Managers. At such meeting the Board of Managers shall resign and a new Board shall be elected by the Unit Owners. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings, there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

(b) Sponsor's Right to Elect Members of the Board of Managers. So long as the Sponsor or a Sponsor-designee shall continue to own: (i) Units representing ten percent (10%) or more in Common Interest, the Sponsor or Sponsor-designee shall have the right to elect at least two (2) of the three (3) Board of Managers and in any event a majority of the Board of Managers for up to five years subsequent to the First Unit Closing; or (ii) at least one Unit but less than ten percent (10%) in Common Interest, the Sponsor or Sponsor-designee shall have the right to elect at least one of the three members of the Board of Managers and in any event the right to elect a number of members of the Board which equals one less than a majority of the Board. Members of the Board of Managers shall serve for a term of one year. The Unit Owners may transact such other business at such meetings as may properly come before them. Upon the earlier of (i) the closing of title to Units whose aggregate Common Interest exceeds ninety percent (90%) , 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.

(c) Subsequent to the date that the Sponsor, including any designee thereof, relinquishes control of the Board of Managers, all Board members, other than those members which the Sponsor or its designee have the right to appoint hereunder, must be owner-occupants of the Condominium who are not related to Sponsor or the principals of Sponsor. In the event that the number of owner-occupants of the Condominium is insufficient to establish a majority of the Board members, then, in such event, any owner-occupant shall be entitled to one (1) seat on the Board of Managers,

Section 2. **Place of Meetings**. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 3. **Special Meetings**. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners as defined in Section 9 of this Article III having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. **Notice of Meetings**. It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the building or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least ten (10) days prior to such meeting. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. **Adjournment of Meetings**. If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6. **Order of Business**. The order of business at all meetings of the 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. Report of Board of Managers;

f. Reports of committees;

g. Election of inspectors of election (when so required);

h. Election of members of the Board of Managers (when so required);

i. Unfinished business;

j. New business.

Section 7. **Title to Units**. Title to Units may be taken in the name of an individual or in the names of two (2) or more persons, as tenants in common or as joint tenants or as tenants by the entirety or in the name of a corporation, limited liability company or partnership, or in the name of a fiduciary or trust, estate, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. The above shall not constitute consent or condonation of any activity not permitted under the Declaration and these By-laws or under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 8. **Voting**. The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on his or their behalf and who need not be an Owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of the Unit Owners. The Owners of each Unit (including the Sponsor or a Sponsor-designee, if the Sponsor or its designee shall then own one or more Units) shall be entitled to cast one vote for each .0001% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to a vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Unit Owner: (i) shall be entitled to one vote for each .0001% of Common Interest attributable to his Unit per member to be elected, and (ii) shall not have the right to cumulate his votes in favor of any one or more members to be elected. If Units are owned by more than one person as joint tenants, tenants by the entirety or as tenants in common or by a partnership, limited liability company, corporation or other entity, the persons owning said Unit shall agree among themselves and cast the votes for their Unit. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee shall not be entitled to vote.

Section 9. **Majority of Unit Owners**. As used in these By-Laws the term "majority of Unit Owners" shall mean those Unit Owners having greater than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 8 of this Article III.

Section 10. **Quorum**. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 11. **Majority Vote**. The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where, in the Declaration or these By-Laws or by law, a higher percentage vote is required.

Section 12. **Action Without Meeting**. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or applicable law consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV

OFFICERS

Section 1. **Designation**. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an assistant treasurer, an assistant secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Managers.

Section 2. **Election of Officers**. The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected.

Section 3. **Removal of Officers**. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

Section 4. **President**. The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to the power to appoint members of committees created by the Board of Managers from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

Section 5. **Vice President**. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers is to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

Section 6. **Secretary**. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general perform all the duties incident to the office of

secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. **Treasurer**. The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 8. **Agreements, Contracts, Deeds, Checks, etc**. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9. **Compensation of Officers**. No officer shall receive any compensation from the Condominium for acting as such.

Section 10. **Liability of Officers**. The officers of the Condominium shall have the same rights and liabilities as the members of the Board of Managers under Article II Section 15 of these By-Laws.

ARTICLE V

NOTICES

Section 1. **Definition**. Whenever, under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any manager, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, such manager or Unit Owner or mortgagee at such address as appears on the books of the Condominium. Members of the Board of Managers may be given notice in writing personally delivered to them.

Section 2. **Service of Notice Waiver**. Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI

OPERATION OF THE PROPERTY

Section 1. **Determination of Common Expenses and Fixing of Common Charges**. The Board of Managers shall from time to time, at least annually, prepare a budget for the Condominium, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners according to their respective percentage of Common Interest. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article VI and the fees and disbursements of the Insurance Trustee, if any. The Common Expenses shall also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium for a general operating reserve, and for a reserve fund for replacements, to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale, together with such amounts as may be necessary to maintain such Unit(s).

The Board of Managers shall also, where necessary, impose an Assessment or additional Common Charge in order to meet any unanticipated Common Expense. All such Assessments or additional Common Charges shall be levied against all Unit Owners in proportion to their respective Common Interest. Assessments may be payable either in one lump sum or in installments, as the Board of Managers shall determine, provided, however, that the Board of Managers shall give each Unit Owner not less than 15 days written notice prior to the date upon which such Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purposes thereof. The Board of Managers shall have all rights and remedies for the collection of Assessments as are provided herein for the collection of Common Charges, such Assessments constituting a Common Charge. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such charges are based, to all Unit Owners and to their mortgagees, if so required.

The Condominium Board shall advise all Unit Owners in writing promptly after same are determined of the amount of Common Charges payable by each of them and, not later than ten (10) days next preceding the date upon which the first installment of newly determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees.

The Condominium 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 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.

The Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide purchaser. Until title to all Units has been conveyed, the Sponsor or its designee as owner of any Unsold Units, may, at Sponsor's or Sponsor's designee's sole option and discretion, pay in lieu of payment of all the Common Charges due for the Unsold Units, an aggregate amount equal to the difference between the Common Charges due for all sold Units and the total cost necessary to operate the Condominium with the services to be provided under the Offering Plan.

Section 2. **Insurance**. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (a) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including furniture, furnishings, or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount to be determined by the Board of Managers but in no event to be less than eighty 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; each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee, if any, as herein provided; (b) worker's compensation insurance, if the Condominium has employees; (c) a fidelity bond or bonds in sufficient amounts, to fully protect the interest of the Condominium, shall be carried on each member of the Board of Managers, officers of the Condominium, managing agent and managers, including any person or persons handling or responsible for funds of the Condominium; (d) disability benefits insurance if the Condominium has employees; and (e) such other insurance as the Board of Managers may determine. All policies of physical damage insurance shall provide that adjustment of loss shall be made by the Board of Managers (with the approval of the Insurance Trustee, if any, if more than $25,000.00), and that the total proceeds thereof, if $25,000.00 or less, shall be payable to the Board of Managers and if more than $25,000.00 shall be payable to the Insurance Trustee, if any.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and the individual Unit Owners as well as the Condominium shall be primary insured to the extent as their interests shall also appear.

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. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies if so requested in writing by them.

In the event that the damage resulting from a fire or other casualty loss shall (a) render one or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (b) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such casualty loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a family member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Board of Managers with respect to such Unit.

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

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

The insurance policy for the Condominium obtained by the Board of Managers should require the insurer to notify in writing the Board of Managers (or insurance trustee) and each first mortgage holder named in the mortgage clause at least ten days before it cancels or substantially changes the Condominium's coverage.

If, by reason of the occupancy or use of a 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.

Section 3. **Repair or Reconstruction After Fire or Other Casualty**. In the event of damage to or destruction of the Building containing the Units as a result of fire or other casualty, unless seventy-five percent (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five (75%) in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Board of Managers shall arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by the Sponsor, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, if any, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. If the cost of such repair and restoration is in excess of the insurance proceeds, the Board of Managers shall levy a Special Assessment against all Unit Owners, for the amount of such deficiency in proportion to their respective Common Interests and all proceeds of such Special Assessment shall become part of the trust funds to be disbursed by the Insurance Trustee, if any, or the Board of Managers, as the case may be.

If seventy-five percent (75%) or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five percent (75%) in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, if any, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first payment out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Whenever in this Section the words "promptly repair" are used it shall mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notified the Board of Managers and the Unit Owner or Unit Owners that it shall hold proceeds of insurance funds sufficient to pay the estimated costs of such work; or not more than ninety (90) days after Insurance Trustee notified said Board of Managers and Unit Owner or Owners that such funds are insufficient to pay said estimated costs and advising them of the amount of the required completion bond, if necessary. If there is no Insurance Trustee then the aforementioned sixty (60) and ninety (90) day periods shall be from the date of notification by an insurance adjustor retained by the Board of Managers. Wherever the words, "promptly resolve" are used it shall also mean not more than sixty (60) days from the date of receipt of said insurance funds.

Section 4. **Payment of Common Charges**. All Unit Owners shall be obligated to pay the Common Charges, including Assessments, assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine.

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

Section 5. **Collection of Common Charges and Assessments**. The Board of Managers shall assess Common Charges against the Unit Owners from time to time at least annually and shall take prompt action to collect any Common Charge due from any Unit Owner which remains unpaid for more than 30 days from the due date for payment thereof. The Board of Managers shall also take prompt action to collect any Assessment due from any Unit Owner which remains unpaid for more than 30 days from the due date thereof. Common Charges shall be paid by the fifth day of the month in which they are due or they shall be deemed to be late.

Section 6. **Default in Payment of Common Charges or Assessments**. In the event of default by any Unit Owner in paying to the Board of Managers the Common Charges or any Assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the highest legal rate on such Common Charges or Assessments from the due date thereof, together with all expenses, including late fees charged by the Board of Managers and attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or Assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges or Assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339aa thereof. A Unit Owner defaulting in payment of Common Charges or Assessments shall not be permitted to vote at any regular or special meeting of Unit Owners.

Pursuant to Real Property Law Section 339-kk, the Board of Managers ("Board") has the right to collect rents directly from a "Non-Occupying Owner's rental tenant" ("Tenant"), if a Non-Occupying Unit Owner is not current on his or her common charges, assessments or late fees. In order to collect rents directly from the Tenant, the Non-Occupying Unit Owner must fail to make the payment of common charges, assessments or late fees within sixty (60) days of the earliest expiration of any grace period. Prior to collecting the rents the Board shall provide written notice to the Tenant and the Non-Occupying Unit Owner providing that, commencing immediately and until such time as all payments for all charges, assessments or late fees are made current, all rental payments are to be made directly to the Condominium at the address provided in the notice. Once all charges, assessments or late fees are current the Board shall then within three (3) business days, provide notice to the Tenant and Unit Owner of such and that thereafter all future rental payments should be made to the Non-Occupying Unit Owner. Should a Unit Owner wish to contest the Board's claim to rental payments he or she shall be entitled to present his or her supporting facts at the next scheduled Board meeting (which must be held within 30 days of Board receiving notice of contest). The Board shall have the option to forgo collecting rents directly from the Tenant so long as a majority of the Board has been elected by and from among the Occupying Unit Owners.

Section 7. **Foreclosure of Liens for Unpaid Common Charges**. In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage (but not to vote the votes appurtenant to), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same.

Section 8. **Statement of Common Charges and Assessments**. The Board of Managers, managing agent or manager shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid Common Charges, including Assessments, due from such Unit Owner.

Section 9. **Abatement and Enjoinment of Violations by Unit Owners**. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; and (c) in any event

charge the Unit Owner with the cost of reasonable legal and other fees and costs incurred in enjoining, abating or remedying such violation.

Section 10. **Maintenance and Repairs.**

a. All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except painting exterior side of Unit entrance door), windows (except painting exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating and hot water fixtures and air conditioning equipment, or any other mechanical equipment, including all piping and/or ductwork related thereto, inside or outside the Unit or belonging to the Unit Owner which only service an individual Unit shall be at the Unit Owner's expense, excepting as otherwise specifically provided herein. Additionally, the replacement of heating and hot water fixtures and air-conditioning units together with any piping and/or ductwork related thereto, within the Unit or outside the Unit or belonging to the Unit Owner shall be at the Unit Owner's sole cost and expense. Further, individual Unit Owners shall be responsible for the cost of any permits required in connection with the operation of their individual mechanical equipment.

b. All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting and decorating of the exterior side of Unit entrance doors and Unit windows 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.

c. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (i) by the Board of Managers as a Common Expense, if such Limited Common Element is for the exclusive use of all of the Residential Unit Owners or if it involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, the repair of any leaks that are not caused by the acts or omissions of a particular Unit Owner, having direct and exclusive access thereto), or (ii) by the Unit Owner, having direct and exclusive access thereto at his or their sole cost and expense, if involving nonstructural, ordinary maintenance, repairs or replacements, or (iii) by the Board of Managers at the sole cost and expense of the individual Unit Owner, having exclusive use of such Limited Common Element if involving structural repairs or replacements, or (iv), at the election of the Board of Managers, by the Board of Managers or the individual Unit Owner, but at the sole cost of such Unit Owner, where such

maintenance, repair or replacements result from the Unit Owner's negligence, misuse or neglect. The City of New York has no responsibility to maintain the Common Elements of the Condominium.

d. Promptly upon obtaining knowledge thereof, each Unit Owner shall report in writing delivered by mail to the Board of Managers or to the Managing Agent any defect or need for repairs for which the Board of Managers is responsible pursuant to the terms hereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall (i) comply with all applicable law and building codes; (ii) shall not unreasonably disturb or interfere with any Unit Owners or tenants and occupants of any Units; and (iii) shall not affect the structural integrity of the Building.

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

Section 11. **Restrictions on Use of Units**. In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

a. The Residential Units shall be used for a private residence, except that a Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Any Residential Unit may also be used as a professional office by a resident thereof provided

such professional use does not violate zoning law, regulations or ordinance and provided further, that the prior consent of the Board of Managers to such professional use is obtained. The recreation rooms which are part of the ground floor Residential Units are not meant for living or sleeping purposes. The attic areas which are part of the fourth floor Residential Units are not meant for living or sleeping purposes.

b. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units. In addition, no furniture, doormats, packages, or objects of any kind shall be placed in the lobbies, public halls, public stairways or any other part of the Common Elements (except for those areas designated as storage areas, if any) without the prior written consent of the Board of Managers. The lobbies, public halls and public stairways shall be used only for normal passage through them.

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

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

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

f. No portion of a Unit or other Limited Common Elements appurtenant thereto (other than the entire Unit, including the Limited Common Elements appurtenant thereto) may be rented.

The terms of sub-paragraph (b) of this Section 11 shall not apply to Sponsor or its designee for so long as there are any Unsold Units. So long as Sponsor owns any Unit, Sponsor or its designee shall have the right, without charge or limitation, to: (i) erect and maintain signs of any size or content

determined by Sponsor or such designee, on or about any portion of the Common Elements chosen by Sponsor or such designee, including, without limitation, on the exterior walls of the Building or adjacent to any entrance thereof; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including the use of the Common Elements, to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to the Building expressly undertaken by Sponsor and to comply with Sponsor's obligations under the Offering Plan.

Section 12. **Additions, Alterations or Improvements by Board of Managers**. Subject to the provisions of Section 3 of Article II of these By-Laws, whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements (but not maintenance) costing in excess of $5,000.00, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Charge. Any additions, alterations or improvements costing $5,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

Section 13. **Additions, Alterations or Improvements by Unit Owners**. Except as provided below, no Unit Owner shall make any structural addition, alteration or improvement in or to his Unit, or a structural or non-structural addition, alteration or improvement which affects the exterior of the Building or the value of other Units, without prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer in writing any written request by a Unit Owner for approval of a proposed structural addition, alteration or improvement in such Unit Owner's Unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent, either affirmatively or by its inaction, to any structural addition, alteration or improvement to be made by a Unit Owner, the consent shall provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (certificate 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 area 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, addition or improvement, or due to improper design or construction of the structural alteration, addition or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers 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, addition or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work.

The provisions of this Section 13 which require the consent of the Board of Managers in connection with a structural addition, alteration or improvement or a structural or non-structural addition, alteration or improvement which affects the exterior of the Building or the value of other Units shall not apply to Units owned by the Sponsor or its designee. Neither the Sponsor or its designee shall need such consent. All other provisions of this Section 13 shall apply to all Units.

For example, with respect to any structural addition, alteration or improvement to a Sponsor or a Sponsor-designee owned Unit, such work shall be at the sole cost and expense of the Sponsor and/or its designee, and be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances. All work must be done by reputable contractors with adequate liability, property damage and workmen's compensation insurances (certificates for which shall be delivered to the Board of Managers prior to the commencement of construction). Any such additions, alterations or improvements, shall be maintained in their entirety by said Sponsor or its designee, who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by any structural alteration, addition or improvement, or due to improper design or construction of any structural alteration, addition or improvement. Additionally, the Sponsor and/or its designee shall reimburse the Board of Managers any out-of-pocket expenses incurred by the Board of managers in connection with any services provided to such alteration, addition or improvement.

Notwithstanding anything to the contrary contained in this Section 13, however, Sponsor, any Sponsor-designee, or any partner of any entity affiliated directly or indirectly with Sponsor or a Sponsor-designee shall have the right, pursuant to the terms of Paragraphs 16 and 17 of the Declaration, without the approval of the Board of Managers and without paying any cost or charge to the Board of Managers to (i) make any alterations, additions, improvements, or repairs in or to any Units owned by any of them whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of Units owned by any of them.

Non-structural alterations and improvements to Units that do not affect the exterior of the Building or the value of other Units may be made without the prior approval of the Board of Managers.

Section 14. **Use of Common Elements and Facilities**. A Unit Owner shall not place or cause to be placed in the public halls and stairways or other common areas or common facilities, any furniture, packages or objects of any kind. The lobbies, public halls and stairways or other common areas shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-designee shall have the right to use the Common Elements, without charge, for the purposes set forth in Section 11 of this Article VI.

The Owner or Owners of any two or more Units, which Units are the only Units serviced or benefitted by any General or Limited Common Element adjacent or appurtenant to such Units (for example, the portion at the end of any hallway that is directly adjacent to any such Units located on opposite sides of such hallway will, with the consent of the Board of Managers (which consent will not be unreasonably withheld or delayed), have the right to use such General or Limited Common Elements exclusively, as if it were a part of such Units (including the right, in the example of a portion of a hallway, to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests will be made by reason thereof. In such an event, however, such Owner or Owners shall, at his or their sole cost and expense, both (i) operate, maintain and repair such General or Limited Common Element for so long as such Owner or Owners exercise such exclusive right of use and (ii) restore such General or Limited Common Element to its original condition, reasonable wear and tear excepted, after such Owner or Owners cease to exercise such exclusive right of use.

Section 15. **Right of Access**. A Unit Owner shall grant a right of access to his Unit, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided in this Section 15, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI.

Section 16. **Rules of Conduct**. Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. A majority vote of Unit Owners at a meeting may overrule the Board. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers, are annexed hereto and made a part hereof as Schedule A. Notwithstanding this provision, for as long as Sponsor or its designee remains the Owner of one or more Units, the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect Sponsor or its designee without Sponsor's prior written consent.

Section 17. **Water Charges and Sewer Rents**. Water shall be supplied to all of the Units and the Common Elements on the basis of one or more meters for the Building or pursuant to a frontage charge. The Board of Managers shall pay, as a Common Expense, all charges for water consumed in the Residential Units and in the Common Elements, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. Any water and sewer bills received by a Residential Unit Owner shall immediately be rendered to the Board of Managers for payment. In no event shall the Board of Managers be responsible for loss of service to any Residential Unit, interest or penalties, due to a delay in paying such bills resulting from a Residential Unit Owner not tendering a bill. Any interest or penalties due for such late payments will be an additional assessment to be paid by the Residential Unit Owner who failed to timely tender any bill. In the event of a proposed sale of a Residential Unit by the Owner thereof, the Board of Managers, on request of the selling Residential Unit Owner, shall execute and deliver to the purchaser of such Residential Unit or to the purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Residential Unit as of the date of closing of title to such Residential Unit promptly after such charges shall have been billed.

Section 18. **Electricity and Gas**. Electricity and gas shall be supplied by the public utility company serving the area directly to each Unit through separate meters. Each Unit Owner shall be required to pay the bills for electricity and gas consumed or used in his Unit to the public utility.

The electricity, and gas, if any, serving the Common Elements shall be metered by one or more meters, and the Board of Managers shall pay the bills for such consumption as a Common Expense.

Section 19. **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 attributed to a Unit, and all apportioned expenses incurred in connection with obtaining of such refund, shall belong to and be incurred by the Unit Owner receiving said refund. 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.

Section 20. **Vault Charges.** All license fees and all periodic taxes and charges for street vaults, if any, or other protrusions beyond the lot lines of the Building shall be paid by the Board of Managers as a Common Expense.

ARTICLE VII

MORTGAGES

Section 1. **Notice to Board of Managers**. A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

Section 2. **Notice of Unpaid Common Charges**. The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

Section 3. **Notice of Default**. The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

Section 4. **Examination of Books**. Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on reasonable notice to the manager, managing agent or Board of Managers on business days.

ARTICLE VIII

SALES, LEASES AND MORTGAGES OF UNITS

Section 1. **Sales and Leases**. No Unit Owner other than the Sponsor or a Sponsor-designee may sell or lease his Unit or any interest therein except by complying with the provisions below. Sponsor or a Sponsor-designee need not comply with such provisions. Sponsor or a Sponsor-designee shall have the right, without the payment of any fees or charges to the Board of Managers or the Managing Agent, to sell its Unit(s) or lease its Unit(s), without the Board of Managers having any right of first refusal to purchase or lease such Unit, and all sale and/or rental proceeds shall belong solely to such Sponsor or Sponsor-designee, as the case may be. However, any deed or lease made by a Sponsor or a Sponsor-designee with respect to a Unit as grantor or lessor, in the Building, shall provide that acceptance thereof by the grantee or lessee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as same may be amended from time to time.

Except as provided immediately above, any Unit Owner who receives a bona fide offer for the sale of his Unit together with: (i) the undivided interest of the Common Elements and any

Limited Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration, (hereinafter collectively called the "Appurtenant Interests"); or a bona fide offer for a lease of his Unit; (hereinafter called an "Outside Offer"), which he intends to accept, shall give notice by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or its designee, corporate or otherwise, on behalf of the Owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within twenty (20) days after receipt of such notice, the Board of Managers may elect, by notice given within five (5) days after making such election, and in any event, within said twenty (20) day period, to such Unit Owner, by certified or registered mail, to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Condominium in accordance with the terms of such offer but in no event less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner, if such Unit, together with the Appurtenant Interests, is to be sold, shall convey the same to the Board of Managers, or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall execute and deliver to the Board of Managers, or to its designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or its designee, as tenant, covering such Unit, for the rental and term contained in such Outside Offer.

In the event the Board of Managers or its designee fail to notify the offering Unit Owner of its decision to accept such offer within twenty (20) days after receipt of notice as aforesaid or notify the offering Unit Owner within said period of its decision not accept such offer, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, within thirty (30) days after the expiration of the twenty (20) day period in which the Board of Managers or its designee might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such deed to any Outside Offeror shall provide that

acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned, without the prior consent in writing of the Board of Managers, and that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, and that the Board of Managers shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. Except as hereinbefore set forth, the form of any such lease for Units shall be the then current form of lease recommended by Julius Blumberg, Inc., or The Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Board of Managers. In the event the offering Unit Owner shall not, within such thirty (30) day period, contract to sell such Unit together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell or lease his Unit within such thirty (30) day period, but such sale or lease shall not be consummated pursuant to the terms of such contract, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another Outside Offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VIII.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board of Managers.

Section 2. **Consent of Unit Owners to Purchase or Lease of Units by Board of Managers**. The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners.

Section 3. **No Severance of Ownership**. No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

Section 4. **Release by Board of Managers of Right of First Refusal**. The right of first refusal contained in Section 1 of this Article VIII may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold, conveyed, or leased, free and clear of the provisions of such section.

Section 5. **Certificate of Termination of Right of First Refusal**. A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VIII have been met by a Unit Owner, or have been duly waived by the Board of Managers and the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers in favor of all persons who rely thereon in good faith. Such certificates shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VIII or in respect to whom the provisions of such section have been waived, upon request.

Section 6. **Financing of Purchase of Units by Board of Managers**. Acquisition or lease of Units by the Board of Managers, or its designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy a Special Assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his ownership in the Common Elements, as a Common Charge, which Assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article VI, or, the Board of Managers, in its discretion, may borrow money to finance the acquisition or lease of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired by the Board of Managers. Notwithstanding the above, no Assessment may be levied under this Section 6 against any mortgagee who has acquired title to a Unit, whether by foreclosure or deed in lieu thereof.

Section 7. **Exceptions**. The provisions of Section 1 of this Article VIII shall not apply with respect to the right of first refusal pertaining to any sale or conveyance or lease by a Unit Owner of his Unit, together with the Appurtenant Interests, to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one or more of them, or to any Unit owned by the Sponsor or a Sponsor-designee, or to the acquisition or sale of any Unit, together with the Appurtenant Interests, by a mortgagee herein authorized who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. However, the provisions of this section shall apply with respect to any purchaser of a Unit from a mortgagee.

Section 8. **Gifts and Devises, etc**. Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy, without restriction.

Section 9. **Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or its Designee, on Behalf of All Unit Owners as Tenants in Common**. In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 10. **Payment of Common Charges and Assessments**. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he shall have paid in full to the Board of Managers all unpaid Common Charges and Assessments theretofore

assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

Section 11. **Mortgage of Units**. No Residential Unit Owner shall mortgage his Unit, except by a first and/or second mortgage made to a bank, trust, trust company, insurance company, federal savings and loan association, pension fund or other institutional lender or a purchase money mortgage made to the Sponsor, a Sponsor-designee, or to the seller of the Unit. Any such mortgage shall be substantially in the form on file with the Board of Managers, except for such changes or additions as may be required in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers. A mortgage encumbering a Residential Unit may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval shall be in the sole and absolute discretion of Sponsor or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or assessments and discharge any liens therefor.

Section 12. **Fees and Charges**. The Board of Managers shall have the right to require the Residential Unit Owner who is selling or is a prospective lessor to pay a fee to the Board of Managers and/or the Managing Agent to cover reasonable legal and other expenses of the Board of Managers and the Managing Agent in connection with the sale or lease of a Residential Unit pursuant to the provisions of this Article VIII except such charges and fees shall not apply to a sale or lease of any Unit by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor or a Sponsor-designee. Any other fees in connection with the sale or lease of a Residential Unit may only be enacted by action of Unit Owners, except any such fee shall not apply to a sale or lease of any Unit by Sponsor, any Sponsor-designee or any partner of any entity affiliated directly or indirectly with Sponsor or a Sponsor-designee.

ARTICLE IX

CERTAIN REMEDIES

Section 1. **Self Help**. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, including, without limitation, any breach of his obligation to paint, decorate, maintain, repair, or replace his Unit or its appurtenant Limited Common Elements pursuant to the terms of Article VI hereof, and shall fail to cure such violation or breach within five (5) days after receipt of written notice of the same from the Board of Managers, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five (5) day period and, thereafter, to prosecute such cure with due diligence to completion), the Board of Managers shall have the right to enter such Unit Owner's Unit and/or its appurtenant Limited

Common Elements and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Board of Managers shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Board of Managers may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

Section 2. **Abatement and Enjoinment.**

a. In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, the Board of Managers shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

b. The violation or breach of any of the terms of the Condominium Documents with respect to any of the rights, easements, privileges, or licenses granted to Sponsor or its designee shall give to Sponsor or such designee the right to enjoin, abate, or remedy the continuation or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

Section 3. **Remedies Cumulative.** The remedies specifically granted to the Board of Managers or to the Sponsor or its designee in this Article IX or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Board of Managers or Sponsor or such designee, as the case may be. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

Section 4. **Costs and Expenses.** All sums of money expended, and all costs and expenses incurred, by (i) the Board of Managers in connection with the abatement, enjoinment, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 1 or paragraph (a) of Section 2 hereof or (ii) Sponsor in connection with any abatement, enjoinment, or remedy of any violation or breach of the Condominium Documents pursuant to the terms of paragraph (b) of Section 2 hereof, shall be immediately payable by such Unit Owner to the Board of Managers in the event set forth in subparagraph (i) hereof or by the offering party (i.e., the Board of Managers or the Unit Owner) to Sponsor, in the event set forth in subparagraph (ii) hereof, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two percent per month, but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law. All sums payable by a Unit Owner to the Board of Managers pursuant to the terms of this Section 4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE X

CONDEMNATION

Section 1. **Condemnation**. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to $25,000.00 or less, and to the Insurance Trustee, if any, if such award amounts to more than $25,000.00. If seventy-five percent (75%) or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, if any, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, if any, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five percent (75%) or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Element, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

If a portion of any Unit shall be taken in condemnation or by eminent domain and the Condominium shall not be terminated, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Limited Common Elements after such taking bears to the total floor area of such Unit and its appurtenant Limited Common Elements prior to such taking. The Board of Managers shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest of such Unit, and, in the event of a taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Board of Managers and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

ARTICLE XI

RECORDS

Section 1. **Records and Audits**. The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial

records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. In addition, it is the obligation of the Board of Managers of the Condominium to give to all Unit Owners annually, the following:

(a) The financial statement of the Condominium prepared by a certified public accountant or, public accountant by March 15th of each calendar year for the prior fiscal year;

(b) Prior notice of the annual Unit Owner's meeting;

(c) A copy of the proposed annual budget, if any, of the Condominium, within ten (10) days prior to the date set for adoption thereof by the Board of Managers.

ARTICLE XXII

MISCELLANEOUS

Section 1. **Invalidity**. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

Section 2. **Captions**. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 3. **Gender**. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

Section 4. **Waiver**. No restriction, condition, obligation, or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 5. **Insurance Trustee**. The Insurance Trustee, if selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of 4 or more Unit first mortgages). In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of 3 or more Unit first mortgages). The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense of the Condominium.

Section 6. **"Definition of "Mortgagee"**. As used in these By-Laws, the term "mortgagee" or "holder of a first mortgage" shall include the holder of any construction loan mortgage which shall be a lien on a Unit.

Section 7. **Lot-Line Windows**

(a) The newly constructed portions of the east and west elevation of the Building will contain Lot-Line Windows. The Lot-Line Windows do not provide the legal light and air required for residential occupancy. Legal light and air which is required for the issuance of the certificate of occupancy for the Building, is being provided by the windows on the north and south facades. The Lot-Line Windows provide supplementary light and air only. The subsequent sealing of these Lot-Line Windows will not affect the validity of the certificate of occupancy. As Lot-Line Windows, the view from such windows may be obstructed or completely blocked in the future if a new building or structure is constructed on an adjoining property.

(b) In the event that any or all of the Lot-Line Windows must be sealed, all construction to enclose the windows shall be performed by the Sponsor, during the time period that Sponsor controls the Board of Managers of the Condominium, or after such control period, by the Board of Managers of the Condominium. The cost and expense of such construction shall be the sole responsibility of the Unit Owner or Owners affected and such cost and expense shall be charged to the individual Unit Owners affected as a Special Assessment.

(c) The Sponsor, if applicable, or the Board of Managers, their agents, contractors and employees, will have the right to enter any Unit(s) necessary to effect the enclosure of such lot-lined windows, should same be necessary. The Unit side of the enclosure will be finished with the same material originally used therein, if available, or if not available, then with such other finish material as will nearly as possible resemble such original material. Decoration of the affected area on the Unit side of the enclosure will also be the responsibility of the Unit Owner, at his or her sole expense.

ARTICLE XIII

AMENDMENTS TO THE BY-LAWS

Section 1. **Amendment to By-Laws**. These By-Laws may be modified or amended by the vote of 66 2/3% in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose. However, for as long as Sponsor or its designee remains the Owner of one or more Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect Sponsor or its designee, in the sole discretion of Sponsor or its designee, as the case may be, without the prior written consent of Sponsor or its designee.

ARTICLE XIV

CONFLICTS

Section 1. **Conflicts**. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

ARTICLE XV

ARBITRATION

Section 1. **Procedure.** Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a preceding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in the City of New York before one arbitrator appointed, upon the application of any party, by any Justice of the highest court of appellate jurisdiction then located in the City of New York. The decision of the arbitrator so chosen shall be given within ten (10) days after his selection or appointment. Any arbitrator appointed or selected in connection with any arbitration to be conducted hereunder shall be a member of a law firm having at least five (5) members whose principal office is located in the City of New York.

Section 2. **Variation by Agreement.** The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 3. **Binding Effect.** The decision in any arbitration conducted pursuant to the terms of Sections 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4. **Costs and Expenses.** The fees, costs and expenses of the arbitrator shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

ADDENDUM TO THE BY-LAWS OF THE CONDOMINIUMS OF THE PREMISES KNOWN AS TIFFANY D CONDOMINIUMS 140 DEGRAW STREET BROOKLYN, NEW YORK

RULES AND REGULATIONS

1. The Residential Units may be used only as a private residence, except that a Residential Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Such Residential 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. In the event that any Residential Unit shall be used for home occupation or professional purposes in conformity with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any public hallway. No illuminated or other sign may be used in connection with the aforementioned use, excepting only a professional sign, nonilluminated, not larger than the size permitted by the Board of Managers. The recreation rooms which are part of the ground floor Residential Units are not meant for living or sleeping purposes. The attic areas which are part of the fourth floor Residential Units are not meant for living or sleeping purposes.

2. Except as set forth above and herein, 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 Residential 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 Residential Unit therein or adjoining Common Elements, nor shall any Residential Unit be rented for transient, hotel or motel purposes. The right 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 and/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(s). 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 any portion of the Common Elements without regard to size. Sponsor or its designee shall be responsible for installing and removing such signs.

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

4. Unless expressly authorized by the Board of Managers in each instance, not less than eighty percent (80%) of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting, or equally effective noise-reducing material.

5. No window guards or other window decorations shall be used in or about any Residential Unit, except such as shall have been approved in writing by the Board of Managers or the Managing Agent, if any, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surfaces of any windows at the Property be colored or painted.

6. No exterior shades, window guards, awnings, ventilators, fans or air-conditioning devices or units shall be used or installed in or about any Residential Unit without the prior written approval of the Board of Managers, which approval may be granted or refused in the sole discretion of the Board of Managers, nor shall anything be projected out of any window of any Residential Unit without similar approval.

7. No exterior of any Residential Unit, including the balconies and roof terraces, if any, or the windows or doors thereof, patios, if any, or any other portions of the Common Elements shall be painted or decorated by any Owner in any manner, without prior written consent of the Board of Managers or except as provided in the By-Laws.

8. Plantings on any balcony or roof terrace, if any, 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 balcony or roof terrace 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 wall, plantings may be contained in masonry or hollow tile walls which shall be at least three inches from the wall, 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 balcony or roof terrace, if any, but shall stand on supports at least two inches above such surface. It shall be the responsibility of the Residential Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. There shall be no blockage of drainage on any balcony or roof terrace, if any, by a Residential Unit Owner. Such Residential Unit Owner shall pay the cost of any repairs rendered necessary, or damage caused, by such plantings. The size of such plantings shall be subject to the consent of the Board of Managers.

9. No personal articles (including, but not limited to, garbage cans, bottles or mats) and no furniture, artwork, equipment or doormats shall be placed or stored in entrances, hallways, stairways, or other Common Elements which are not limited to the exclusive use of a specific Residential Unit Owner. No Residential Unit Owner shall change or alter in any way the design, layout, color scheme

or furnishings in entrances, hallways, stairways or other Common Elements, which are not limited to the exclusive use of a specific Residential Unit Owner. Notwithstanding the foregoing, a Residential Unit Owner has the right to change the lock on the door to his Unit or to add an additional lock, provided that such lock conforms in color with the other lock or locks and a copy of the new key is provided to the Board of Managers.

10. No Residential Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or its appurtenant Limited Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Residential Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Residential Unit Owner's Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Residential Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Residential 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.

11. Each Unit Owner shall keep his 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. No clothes, sheets, blankets, or other articles of any kind shall be hung or shaken from any doors, windows, open terraces, or placed upon the window sills of the Building.

12. Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of the Building, except such as shall have been approved in writing by the Board of Managers, nor shall anything be projected out of any window of the Building without similar approval.

13. 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. Each Unit Owner shall comply with all requirements of law and regulations of the Board of Managers regarding recycling of trash. All Unit Owners shall separate their trash into "recyclable" and "nonrecyclable" materials. The Board of Managers may designate from time to time the types of materials which must be separated for recycling, the types of containers or binding to be used by the Unit Owner for the disposal of designated recyclable materials and the locations where designated recyclable materials shall be deposited. The Board of Managers may also establish other regulations regarding recycling of trash. Any costs incurred by the Board of Managers in the enforcement against the Unit Owner of recycling requirements imposed by law or by the Board of Managers, including (but not limited to) legal fees and fines or penalties imposed on the Board of Managers by any governmental agency shall be payable by the Unit Owner as additional Common Charges.

14. 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.

15. Except for Sponsor and/or a Sponsor designee, no bird, reptile, or animal, other than one (1) domesticated dog or cat, shall be permitted, raised, bred, kept, or harbored in the Units unless, in each instance, the same shall have been expressly permitted in writing by the Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal, including, but not limited to, domesticated dogs and cats, be permitted on any public portions of the Building, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building. However, notwithstanding the above, no Unit Owner shall be permitted to have a pit bull terrier or similar type dog which has shown vicious propensities without express prior written permission of the Board of Managers. The individual Unit Owners who keep an animal in their Unit shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in their Unit. All Unit Owners shall be responsible for immediately cleaning up any droppings from their pets.

16. Except as provided in the Declaration and By-Laws, no radio or television aerial or satellite dish shall be attached to or hung from the exterior of the Building without written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television or satellite service to the Units.

17. 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.

18. 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, By-Laws, or Rules and Regulations of the Condominium.

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

20. 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.

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

22. No Unit Owner shall use or permit to be brought into the Building any inflammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the written consent of the Board of Managers.

23. Except as provided above, the Unit Owner shall not be allowed to put his name 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.

24. Any damage to the Building or equipment caused by Unit Owners, Unit Owner's family members, their guests, visitors, clients, patients or employees shall be repaired at the expense of the said Unit Owner.

25. 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.

26. No Unit shall be used or be occupied in such manner as to obstruct or interfere with the enjoyment of occupants or owners of adjoining Units; nor shall any nuisance or immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

27. Certain parts of the Common Elements are intended for use for the purpose of affording pedestrian movement within the Condominium and of 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; 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.

28. Except as otherwise provided for in the Condominium Declaration and/or By-Laws, the sidewalks, entrances, passages, public halls, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a family member of a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from, the Building by another vehicle.

29. 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.

30. There shall be no playing or lounging in the entrances, passages, public halls, corridors, stairways of the Building, except in recreational areas or other areas designated as such in the Declaration or by the Board of Managers.

31. The Condominium Board or the Managing Agent, if any, may, from time to time, curtail or relocate any portion of the General Common Elements devoted to storage, recreation, service or other purposes in the Building.

32. Nothing shall be done or kept in any Residential 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 Board of Managers. 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.

33. The agents of the Board of Managers or the Managing Agent, if any, and any contractor or workman authorized by the Board of Managers or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

34. The Board of Managers or the Managing Agent, if any, shall retain a pass-key to each Residential Unit. No Residential Unit Owner shall change any lock on any door leading into his Residential Unit without the prior written consent of the Board of Managers. As a condition to obtaining such consent, the Residential Unit Owner must provide the Board of Managers with a key to such changed lock for their use. If a Residential Unit Owner fails to provide the Board of Managers with all keys necessary to gain entrance to such Unit Owner's Unit promptly after such Unit Owner moves into his Unit, then Sponsor shall be automatically released from any obligation it may have for correcting defects in or making repairs to such Unit. If Sponsor or the Board of Managers must gain access to a Residential Unit for emergency purposes and a Residential Unit Owner has not furnished a key to the Board of Managers as provided in this paragraph, then the affected Residential Unit Owner shall be liable and responsible for any damage to the Common Elements or such Residential Unit caused by Sponsor or the Board of Managers in gaining access to such Unit. Furthermore, if the Residential Unit Owner is not personally present to open and permit an entry to his Residential Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, if any, then the Board of Managers or Managing Agent, if any, 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, if any,) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Residential Unit Owner's property).

35. 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, if any, 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, if any, shall be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

36. No Unit Owner or other occupant of the Building shall use any employee of the Condominium or of the Managing Agent, if any, for private business or send any employee of the Condominium or of the Managing Agent out of the Building on any private business without the written consent of the Condominium Board except as a real estate broker for the sale or lease of a Unit.

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

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

PUNCHLIST INSPECTION STATEMENT

Date: _____

140 Degraw St. LLC
131 Union Street
Brooklyn, New York 11231

RE: TIFFANY D CONDOMINIUMS
Unit # _____, Building Address: 140 Degraw Street
Brooklyn, New York

Gentlemen:

As a result of my/our final inspection, please be advised that the following items need either completion, adjustment or repair:

ITEM

1. _____
2. _____
3. _____
4. _____
5. _____

I/we understand that certain items, as set forth in the Offering Plan, are not the responsibility of Sponsor. I/we also understand that to prevent pilferage certain items such as medicine cabinet doors, shower heads, toilet seats and bifold door knobs,

_____
_____
_____
_____

will be installed just prior to my/our date of moving.

_____Purchaser's signature

_____Purchaser's signature

_____
Seller's Representative

ETF-3

ATTORNEY GENERAL
OF THE STATE OF NEW YORK
MODEL FORM
FOR ESCROW AGREEMENT

AGREEMENT made this 23rd day of Apr. 1, 2007, between 140 Degraw St. LLC ("SPONSOR") as sponsor of the offering plan and D'Agostino, Levine & Landesman, L.L.P. ("ESCROW AGENT") as escrow agent.

WHEREAS, 140 Degraw St. LLC is the sponsor of an offering plan to convert to condominium ownership the premises located at 140 Degraw Street, Brooklyn, New York which premises are known as Tiffany D Condominiums; and

WHEREAS, D'Agostino, Levine & Landesman, L.L.P. is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers and subscribers, pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. **ESTABLISHMENT OF THE ESCROW ACCOUNT**

1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow account has been opened with HSBC Bank USA at its branch located at 800 Sixth Avenue, New York, NY 10001. The account number is _____.

1.2 The name of the account is D'Agostino, Levine & Landesman, L.L.P., Escrow Agent for Tiffany D Condominiums Escrow Account or similar name.

1.3 ESCROW AGENT is the sole signatory on the account.

1.4 The escrow account shall be an interest-bearing account as disclosed in the offering plan.

1.5 The escrow account is/is not an IOLA established pursuant to Judiciary Law § 497.

2. **DEPOSITS INTO THE ESCROW ACCOUNT**

2.1 All funds received from prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser or subscriber to the order of D'Agostino, Levine & Landesman, L.L.P. as escrow agent for Tiffany D Condominiums offering plan. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five (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 subscription or purchase agreement, ESCROW AGENT shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan, provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or purchaser.

3. **RELEASE OF FUNDS**

3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.

3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent

jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or amendment to the plan or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

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

4. **RECORDKEEPING**

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven (7) years after release of the funds.

4.2 Upon the dissolution of a law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon his request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. **GENERAL OBLIGATIONS OF ESCROW AGENT**

5.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

6. **RESPONSIBILITIES OF SPONSOR**

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. **TERMINATION OF AGREEMENT**

7.1 This Agreement shall remain in effect unless and until it is cancelled, by either:

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(c) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

8. SUCCESSOR 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 an governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION

10.1 SPONSOR agrees that ESCROW AGENT'S compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under the circumstance.

11. SEVERABILITY

11.1 If any provision of this Agreement or the application thereof to any person or circumstances 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 to the day and year first written above.

ESCROW AGENT:

D'Agostino, Levine & Landesman, L.L.P.

By:_____
John D'Agostino

SPONSOR:

140 Degraw St. LLC

By:_____
HERMAN J. GALVIS

LEITNER GROUP INC.
50 EAST 42ND STREET, SUITE 900
NEW YORK, NY 10017
PHONE: (212) 682-0400
FAX: (212) 682-2233

February 2, 2007

140 Degraw Street LLC
378 Columbia Street
Brooklyn, NY 11231

Re: Post Construction Real Estate Tax Projection
140 Degraw Street
Block 330, Lot 17
Borough of Brooklyn
City and State of New York

Gentlemen:

You have requested that we project the real estate tax liability of the above referenced premises for the first year of condominium operation commencing June 2007, after the condominium declaration has been filed. It should be noted that the subject property's real estate tax burden for the 2007/2008 tax year will be based on an interim assessment as a partially completed property. We have also provided an opinion of the subject property's tax burden for the year 2008/2009, based on its future assessment as a completed newly constructed property; and we have provided an opinion of the subject property's tax burden inclusive of 421(a) tax benefits.

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 or rehabilitated buildings. 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-construction 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 on the following pages.

You have advised us of the following facts regarding this project:

1. The property consists of a proposed four-story plus cellar and attic property containing 6 residential units.

2. The total gross square footage above grade of the subject property, including residential lobby area, common area hallways, elevator shafts, etc., will be approximately 5,240± square feet upon completion.

3. It has been reported to us that construction, as defined by the 421(a) program, commenced in October 2006. A Temporary Certificate of Occupancy for the entire structure is projected to be obtained by June 1, 2007.

Methodology

There are three recognized appraisal methods which 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 material and labor ("hard") costs, and financing, engineering, architectural, testing and professional fees, construction period taxes ("soft") 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 a competing investment, yields a close estimate of the market value of the property.

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. However, the addition of sales price of individual units may not be the basis for arriving at the assessed valuation of a residential condominium or cooperative housing corporation. The standard for assessment for residential cooperative and condominium structures is set forth in Real Property Tax Law 581. In the case of condominiums, the method of assessment of the individual units is set forth in Real Property Law Section 339-Y. 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 apartment building as an entity and the sale of a condominium unit are not the measure of value for assessment purposes.

Since the tax year 1982/83, 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 five-year period in equal 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 into the taxable assessed valuation without the five-year phase-in. The "actual assessment" is the target value which will be reached at the end of the five-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.

In arriving at the assessed valuation for each unit in the Condominium, the building is first assessed as an entity. This overall assessment is then apportioned among the respective units,

each of which will be assigned a tax lot designation once the Condominium Declaration has been recorded and the floor plans are filed with the Office of the City Registrar. The New York City Department of Finance has historically apportioned assessed value among units based primarily upon the proportion the projected selling price presented in the Offering Plan for each residential unit bears to the total offering price for all residential units available for purchase in the project ("proportionate valuation"). The Department of Finance may also apportion assessed value based upon each unit's percentage of overall common interest, or based upon relative square footage. We have allocated our projected assessed valuation based upon the percentage of common interest assigned to each condominium unit. We make no representations that the Department of Finance will use any particular method of apportioning assessed valuation among the units.

Current Assessments

The tentative target (actual), and transitional assessed valuations for the subject's block and lot for the tax year 2007/2008 are set forth as follows:

Actual Land	Actual Total	Transitional Land	Transitional Total	Taxable Total
$30,690	$86,938	$30,690	$86,938	$86,938

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. The total taxable assessment amounts to $86,938.

The property's current assessments are based on its status as a partially completed property as of the taxable status day January 5, 2007. Again, it should be noted that a full assessment will be placed on the subject property for the tax year 2008/2009.

Tax Rates

The subject property is assessed within Tax Class 2 (Residential). The Class 2 tax rate for tax year 2006/2007 is $12.797 per hundred of assessed value. The tax rates for 2007/2008 and future tax years have not yet been announced. The chart below illustrates historical tax rates in each class since 1996/1997.

REAL ESTATE TAX RATES, NEW YORK CITY
1996/1997 TO 2005/2006

Year	Class 1	Class 2	Class 3	Class 4
1996/1997	10.785%	11.056%	7.840%	10.252%
1997/1998	10.849%	11.046%	8.282%	10.164%
1998/1999	10.961%	10.739%	8.800%	10.236%
1999/2000	11.167%	10.851%	9.398%	9.989%
2000/2001	11.255%	10.847%	10.540%	9.768%
2001/2002	11.609%	10.792%	10.541%	9.712%
First-Half 2002/2003	11.936%	10.564%	10.607%	9.776%
Second-Half 2002/2003	14.160%	12.517%	12.565%	11.580%
2003/2004	14.550%	12.620%	12.418%	11.431%
2004/2005	15.094%	12.216%	12.553%	11.558%
2005/2006	15.746%	12.396%	12.309%	11.306%
2006/2007	16.118%	12.737%	12.007%	10.997%

Source: New York City Department of Finance

Prior to 2002/03, the tax rates had remained fairly stable for most of the 1990's, with a declining trend between 1998 and 2002. The 2002/2003 tax rates reflect the across-the-board property tax increases put in place by the Bloomberg administration to deal with the City's recent severe budget crisis. The New York City Council passed a bill increasing the real estate tax rates for the City of New York by 18.49%. The 2003/2004 through 2006/2007 tax rates have reflected increases more in line with historical trends.

It is our belief that the 2002/2003 tax increase was a one-time measure enacted to close the budget gap, and that future increases will continue to be moderate. However, Leitner Group, Inc. makes no representations or warranties with respect to the projected tax rates for the 2007/2008 or subsequent tax years to be adopted by the New York City Council.

We have assumed, for the purpose of this tax projection, that tax rates will remain flat for 2007/2008 and increase at 1% per annum for future tax years. The first year of condominium operation is projected to begin in June 2007 and end in May 2008. Taxes payable during the first year of condominium operation will be comprised predominately of the taxes due for the 2007/2008 tax year, which commences in July 2007. The projected Class 2 tax rate for the first year of condominium operation amounts to $12.737 per $100 of assessed value.

Future Assessment and Tax Projections Excluding 421(a) Benefits

A review of 2007/2008 valuations of comparable, recently renovated, rehabilitated or newly constructed buildings in the vicinity of the subject, justifies an overall assessed valuation of $50 per square foot of gross area above grade for the subject property, excluding any terraces/patios or roof space upon completion. This amounts to an assessment of $262,000 for the 2008/2009 tax year.

Taxes payable for the subject property in the first two years of condominium operation are computed as follows:

ESTIMATED TAX LIABILITY
2007/2008 AND 2008/2009 TAX YEAR
EXCLUDING 421(A) TAX BENEFITS

2007/2008 Assessment		$86,938
Projected 2007/2008 Tax Rate	x	12.737%
Projected 2007/2008 Taxes		$11,073
Projected 2008/2009 Assessment		$262,000
Projected Tax Rate	x	12.864%
Projected 2008/2009 Taxes		$33,705

We estimate that the tax burden will amount to $11,073 for the first year of condominium operation and we estimate that the tax burden will amount to $33,705 for the 2008/2009 tax year. These estimates exclude any exemptions or abatements for which the subject property may qualify.

The tax liability of a particular unit, assuming the overall actual assessment as estimated above and tax rates as estimated above, may be estimated as follows for the first year of condominium operation:

PROJECTED TAXES PER UNIT
EXCLUDING 421(A) TAX BENEFITS

First Year of Operation (June 2007 to May 2008):	$11,073 x Common Interest Percentage
2008/2009 Tax Year:	$33,705 x Common Interest Percentage

Future Assessment and Tax Projections Including 421(a) Benefits

It is our understanding that the sponsor is seeking 421(a) real estate tax exemption benefits. You have advised us that construction, as defined by 421(a) rules and regulations, commenced in October 2006. If granted, the 421(a) benefits provide a varied exemption of increases in assessed value over the 2005/2006 base tax year. There may be up to a 100% exemption during the construction period (not to exceed three years) and the first 11 years of operation. In the 12th year, the exemption decreases to 80%; in 13th year, it is reduced to 60%; in the 14th year, it is reduced to 40%; and in the 15th year it is reduced to 20%. After the 15th year, the property will be fully taxed.

The Real Property Tax Law requires that taxes shall be paid in each tax year during which 421(a) benefits are received in an amount equal to the assessed value of the land and any improvements thereon during the tax year preceding the commencement of construction, this amount being referred to as the "mini tax."

140 DEGRAW STREET LLC
FEBRUARY 2007

MINI-TAX ESTIMATE INCLUSIVE OF 421(A) BENEFITS
FIRST YEAR OF CONDOMIMIUM OPERATION

2005/2006 Assessment		$11,424
Projected Tax Rate	x	12.737%
Projected Taxes		$1,455

The total taxable assessed valuation for the project site for the 2005/2006 tax year was $11,424. We estimate that the tax burden will amount to $1,455 for the first year of condominium operation inclusive of tax benefits.

The tax liability of a particular unit, assuming the overall actual assessment as estimated above and tax rates as estimated above, and including 421(a) tax benefits, may be estimated as follows for the first year of condominium operation:

PROJECTED TAXES PER UNIT
INCLUDING 421(A) TAX BENEFITS

First Year of Operation (June 2007 to May 2008): $1,455 x Common Interest Percentage

This letter was prepared at the request of 140 Degraw Street LLC. 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 Offering Plan, and offer no warranties of the amount of any liability for any period.

The opinions expressed above are based on our interpretation of the Real Property Tax Law, 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. 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 interpretation 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 newly renovated properties held in condominium 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.

[illegible] STREET LLC
[illegible] 2007

We hereby consent to the inclusion of this letter in the Offering Plan.

Sincerely,

Joel Leitner, MAI, CRE, FRICS
Principal
State Certified General Appraiser #46-3011

[illegible] INC.

**CERTIFICATION OF SPONSOR
PURSUANT TO SEC. 20.4(b)
OF THE REGULATIONS ISSUED PURSUANT
TO GENERAL BUSINESS LAW, ARTICLE 23-A,
AS AMENDED**

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

Att: Real Estate Financing Bureau

Re: Tiffany D Condominiums
140 Degraw Street
Brooklyn, New York

The undersigned certifies as follows:

We are the members of 140 Degraw St. LLC which is the Sponsor of the condominium Offering Plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable

expectation or unwarranted by existing circumstances; and

(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 representations or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Sworn to before me this
3rd day of April, 2007

Notary Public

140 Degraw St., LLC

By: _____
Marshall Sohne, Member

Sworn to before me this
3rd day of April, 2007

Notary Public

Marshall Sohne

Sworn to before me this
3rd day of April, 2007

Notary Public

Herman Galvis

Sworn to before me this
3rd day of April, 2007

Notary Public

Tomer Yogev

Sworn to before me this
3rd day of April, 2007

Notary Public

Alexander Pustylnik

140-D-15

PAULINE LIU TANG
NOTARY PUBLIC, STATE OF NEW YORK
No. 01TA6067073
QUALIFIED IN NEW YORK COUNTY
MY COMMISSION EXPIRES DEC. 3, 2009

ND Architecture and Design, P.C.
66 Knickerbocker Avenue, Brooklyn, New York 11237
Phone (718) 701-2638

CERTIFICATION OF SPONSOR'S ARCHITECT PURSUANT TO SEC. 20.4(c) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

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

Att.: Real Estate Financing Bureau

Re: Tiffany D Condominiums
140 Degraw Street
Brooklyn, New York

The Sponsor of the Offering Plan to convert the captioned Property to condominium ownership has retained our firm, N.D. Architecture and Design, P.C., to prepare a report describing the construction and/or renovation of the Property (the "Report"). On April 16,2007, we examined the building plans and specifications prepared by us dated December 5, 2005. On June 12, 2007, we visually inspected the existing portions of the property to be renovated and prepared the Report dated July 6, 2007, and a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely on the Report. We are registered architects in the state in which the Property is located.

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 this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This Certification is made for the benefit of all persons to whom this offer is made. We certify that the Report:

i. sets forth in narrative form the description and/or physical condition of the entire Property as it will exist upon completion of renovation and/or construction provided that renovation and/or construction is in accordance with the plans and specifications that we examined;

ii. in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the Property as it will exist upon completion of renovation and/or construction, provided that renovation and/or 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 representations 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 this Report is not contingent on the conversion of the Property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the Property.

Nataliya Donskoy, R.A.

Sworn to before me this 6th day of July, 2007

Notary Public

SALLY LOVE
NOTARY PUBLIC, State of New York
No. 01LO5071767
Qualified in Queens County
Commission Expires Jan. 21, 20 11

Seal

SANDBERG MANAGEMENT CORP.
345 SEVENTH AVENUE, 21st FLOOR, NEW YORK, NY 10001 (212) 268-0494 FAX (212) 268-0397

CERTIFICATION BY EXPERT OF THE ADEQUACY OF SCHEDULES B AND B-1 PURSUANT TO SECTION 20.4(d) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED.

July 25, 2007

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

Re: Tiffany D Condominiums
140 Degraw Street
Brooklyn, New York

The Sponsor of the condominium offering plan for the captioned property retained our firm, Sandberg Management Corp., to review Schedules B containing projections of income and expenses for the revised first year of condominium operation.

Our firm is in the real estate management business for a period in excess of twelve (12) ears. We currently manage and in the past have managed residential brownstone and conventional elevator and non-elevator apartment buildings which are either operated in the cooperative or condominium form of ownership or as rental properties. We also manage commercial property. Some of the properties that we manage or have managed are as follows:

1. 305 West 98th Street
New York, New York

2. 291 Seventh Avenue
New York, New York

3. 88 Jane Street
New York, New York

4. 1200 Broadway
New York, New York

5. 227 Central Park West
New York, New York

6. 245 West 74th Street
New York, New York

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to Schedules B and B-1.

We have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedule 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 representations or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

Sandberg Management Corp.

By: _____
Louis Sandberg, President

Sworn to before me this
25 day of July, 2007.

_____
Notary Public

TERESA L. JONES
Notary Public, State of New York
No. 01JO6025884
Qualified in Bronx County
Commission Expires 06/01/~~2001~~ 2011

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