THIS PLAN HAS BEEN AMENDED. SEE INSIDE COVER.

CONDOMINIUM OFFERING PLAN

for

THE 203 LUQUER STREET CONDOMINIUM

203 Luquer Street
Brooklyn, New York 11231

Eight Residential Condominium Units and Two Roof Units

OFFERING PRICE FOR 8 RESIDENTIAL UNITS:	$4,500,000.00
OFFERING PRICE FOR 2 ROOF UNITS:	$ 50,000.00
TOTAL OFFERING PRICE:	$4,550,000.00

SPONSOR	SELLING AGENT
203 Luquer LLC **c/o Ultimate Realty** **28 East 14th Street, Unit 2B** **New York, NY 10003**	**The Corcoran Group** **1215 Seventh Avenue** **Brooklyn, NY 11215**

Date of Acceptance for Filing: **March 6, 2008**

The term of the Plan expires on **March 5, 2009**, unless the said date is extended in a duly filed amendment.

SEE PAGE iii FOR SPECIAL RISKS TO PURCHASERS.

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

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

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PART I

SPECIAL RISKS

The Special Risks summarized below are explained more fully in other Sections of this Plan. Prospective Purchasers should therefore read the entire Plan to completely understand these and other material aspects of this offering. See the Section of the Plan entitled "Definitions" for the meaning of capitalized words used in the Section and not defined herein.

1. Purchaser's Defaults

At the time a Purchase Agreement is executed, a Purchaser is required to make a Down Payment in an amount equal to at least ten (10%) percent of the purchase price. In the event a Purchaser defaults under the Purchase Agreement, and does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, with time being of the essence as to Purchaser's obligation to perform at such time, Sponsor may, at its option, either (i) cancel such Purchase Agreement and retain the Down Payment made by the Purchaser, together with interest earned thereon, if any, or (ii) bring an action against such Purchaser for specific performance, in which event Purchaser could be required to complete the transaction.

In addition, if a Purchaser fails to close title to a Unit on the originally scheduled "Closing Date" (defined in the Purchase Agreement as the time and date for the Closing to occur) and Sponsor elects not to cancel the Purchase Agreement, (a) the closing apportionments will be calculated as of midnight of the day preceding the originally scheduled Closing Date, not the actual Closing Date, and (b) the Purchaser will be required to pay to Sponsor an amount equal to ten (10%) percent the purchase price of the Unit for each day that the "Closing" (the transfer of title to a Unit to a Purchaser under a Purchase Agreement) is adjourned.

A Purchaser shall also be obligated to reimburse Sponsor for any legal fees and disbursements incurred in defending or enforcing Sponsor's rights, canceling the Purchase Agreement or otherwise enforcing Purchaser's obligations under the Purchase Agreement. See Section entitled "Procedure to Purchase" on page 30 and the form of Purchase Agreement contained in its entirety at Part II of this Plan for further details.

2. Down Payment Insurance

Down Payments in excess of $100,000 placed in the escrow account will not be federally insured for any amount in excess of $100,000. In addition, while the Down Payment is in the non-interest bearing checking portion of the Master Escrow Account, the Down Payment may not be fully federally insured even if the Down Payment does not exceed $100,000.

3. No Reserve Fund; Working Capital Fund

Sponsor has elected not to provide for a reserve fund to be used for capital replacements or repairs because the Building, upon completion of the construction to be performed by Sponsor as described herein, will be completely renovated. The Condominium Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may decide in the future to create a reserve fund by special assessment or by increases in common charges.

The Condominium's Working Capital Fund is projected to total $4,216.66 and is to be funded by Purchasers as and when they close title to their respective Units. At Closing, Purchaser will pay a sum equal to two (2) month's projected Common Charges in the amount set forth in Schedule A to the Plan for each Unit being purchased toward the Working Capital Fund. If the projected monthly common charges are revised in an amendment to the Plan filed prior to the first closing, the amount to be contributed to the Working Capital Fund will equal such revised amount and the total of the Working Capital Fund will correspondingly change. The Working Capital Fund will be fully funded only if and when all Units are sold and conveyed to Purchasers. See Section entitled "Working Capital Fund" on page 77 for further details.

4. Prohibition Against Assignment

The Purchase Agreement prohibits a Purchaser from assigning the Purchase Agreement or from advertising, offering, promoting or publicizing the availability of the Unit for sale or lease prior to acquiring title to the Unit without the prior written consent of the Sponsor, which consent may be withheld in the Sponsor's sole and absolute discretion. See the Purchase Agreement form on page 2 of Part II of this Plan, Exhibit A.

5. Real Estate Taxes

The real estate tax estimate for each Unit was calculated on the assumption that the real estate taxes will be allocated in proportion to each Unit's percentage interest in the Common Elements set forth on Schedule A on page 14. The New York City tax authorities may, instead, allocate taxes among the Units in proportion to each Unit's purchase price, if so, Units having the same percentage interest may initially pay different real estate taxes and those actual taxes may differ from those projected taxes set forth on Schedule A. Sponsor, at its sole cost and expense, intends to apply for a tax exemption and tax abatement from real estate taxes with respect to the Building pursuant to Section 11-243 of the Administrative code of the City of New York ("Section J51"). There is no guaranty or assurance that the criteria for continued availability of Section J-51 benefits for the Units will be satisfied or that a Final Certificate of Eligibility will be issued by the New York City Department of Housing Preservation and Development ("HPD"). If, for any reason, Sponsor's application for a Final Certificate of Eligibility is not approved, the Units will be subject to full taxation and will receive no benefits under Section J-51. The fact that Section J-51 benefits are ultimately not received shall not be a basis for a Purchaser to rescind a Purchase Agreement or otherwise fail to close title to a Unit. See the Section entitled "Real Estate Taxes" on page 63 for further details.

The Units might not be separately assessed for real estate tax purposes, as separate tax lots, at the time of the first closing under this Plan. Accordingly, until such time as each Unit becomes separately assessed as a separate tax lot, there will be a single tax bill for the entire Condominium and the portion of the monthly common charges allocable to real estate taxes will be put into escrow with the Board of Managers. The Board of Managers will be responsible to pay the taxes to the extent collected from the Unit Owners, including the Sponsor as the holder of unsold Units. As with other Common Charges, the Condominium will have a priority lien against each Unit for real estate taxes until paid, and failure to pay real estate taxes could result in a foreclosure against the Unit whose owner fails to pay taxes. Further, non-payment by any Unit Owner(s) can result in the other Unit Owners having to fund the deficiency to avoid foreclosure against their Units since there is a single tax lot for all Units constituting the Condominium. See the Section entitled "Real Estate Taxes" on page 63 for further details.

6. Sponsor's Common Charges

No bond or other security has been posted by Sponsor to secure its obligation to pay Common Charges, special assessments and real estate taxes with respect to unsold Units. Sponsor represents that it has the financial resources to meet such obligations.

7. Transfer Taxes

Purchasers shall be obligated to pay the NYC Real Property Transfer Tax and NYS Real Property Transfer Tax (Deed Stamps) which by law are the primary obligation of the seller. For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to such tax. See Section entitled "Unit Closing Costs and Adjustments" for further details. If the purchase price of the Unit is $1,000,000 or more, Purchaser shall also be obligated to pay New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax" currently one (1%) percent of the purchase price, which by law is the primary obligation of the Purchaser.

8. Legal Fees

All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's closing attorneys, Meister Seelig & Fein LLP, in connection with the closing of title to Purchaser's Unit: (i) the sum of $1,750.00 to reimburse Sponsor for its legal fees, where the Purchaser does not obtain bank financing, (ii) an additional fee of $250 if the Purchaser obtains bank financing, and (iii) if the Purchaser requests the Closing to occur other than at Meister Seelig & Fein LLP or such other place as Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of $500 for each Closing held within New York County and $700 for each Closing held in any borough outside Manhattan, (iv) See Section entitled "Unit Closing Costs and Adjustments" on page 40 for further details.

9. Limited Common Elements

There is a rear garden dedicated to Unit 1A and Unit 1Brespectively as set forth on the floor plans contained in Part II of this Plan. The garden will become Limited Common Elements to those Unit. The rear garden appurtenant to Unit 1A as described in Schedule A and the floor plans set forth in Part II of the Plan, will be a Limited Common Element for the exclusive use of the Unit Owner of Unit 1A. The Unit Owner of Unit 1A who has access to the rear garden of the Building shall have exclusive use of same, subject to the rights of the Board of Mangers to regulate its use. The rear garden appurtenant to Unit 1B as described in Schedule A and the floor plans set forth in Part II of the Plan, will be a Limited Common Element for the exclusive use of the Unit Owner of Unit 1B. The Unit Owner of Unit 1B who has access to the rear garden of the Building shall have exclusive use of same, subject to the rights of the Board of Mangers to regulate its use. Such Unit Owners shall be responsible for all normal maintenance, repairs and replacement thereto. The rear gardens are subject to an easement for emergency egress from the rear fire escapes in favor of the other Unit Owners.

Sponsor makes no representation as to the level of noise or odors resulting from other occupants of the Building, including other Unit Owners.

10. Roof Units for Sale

The Sponsor is hereby offering for sale, for additional consideration, the right to purchase one of two (2) roof units (collectively, the "Roof Units" and each a "Roof Unit") as more particularly described in Schedule A and the floor plans set forth in Part II of the Plan to all Unit Owners on a first come-first served basis to all Unit Owners. The purchase price attributable to the respective Roof Units is set forth on Schedule A. The Roof Units will become separate Units and a tax lot will be obtained for same. Purchasers of a Roof Unit will be responsible for taxes and common charges associated with said Roof Unit as set forth on Schedule A. In the event that a Roof Unit is not purchased by the Effective Date, the Roof Unit will become a common element to the Condominium and all Unit Owner's percentage of common interest will be increased proportionately by 0.08% in the event only one Roof Unit is purchased and 0.16% in the event both Roof Units are not purchased.

This Offering Plan will become effective at Sponsor's option, but in no event prior to the date upon which there are valid and binding Purchase Agreements, bona fide purchasers, including investors for fifteen (15%) percent in number of the Units which is equal to two (2) Units. Sponsor must, however, declare this Plan effective at such time as Sponsor shall have entered into valid and binding Purchase Agreements for eighty (80%) percent in number of the Units which is equal to seven (7) Units to be included in the Condominium. As such, Sponsor is not obligated to declare this Plan effective until it has entered into Purchase Agreements for eighty (80%) percent in number of the Units to be included in the Condominium; which may not occur for an extended and prolonged period of time. During said passage of time, there may be increases in annual real estate taxes and maintenance payable by Unit Owners. When the Sponsor does declare the Plan effective, in the event the Roof Units are not purchased, each Unit

Owner's real estate taxes and maintenance will be increased as set forth above and said increases would be in addition to yearly increases due to the passage of time.

Currently, the Roof Units are unimproved, not having decking, supports, floor materials, or railings (collectively the "Decking Improvements"). Furthermore, access to the Roof is currently via a ladder and scuttle, with no Unit Owner having direct access to the Roof Units. In order to legally use the Roof Units as terraces, the Roof Unit Owners shall be responsible for (i) the installation of the Deck Improvements and (ii) extending the existing stairway to the roof and building a roof bulkhead access (the "Extended Stairway") (the Extended Stairway, together with the Deck Improvements, collectively the 'Roof Improvements").

The Sponsor estimates that the Deck Improvements would cost approximately $35.00 per square foot per Roof Unit; which cost would be the responsibility of each Roof Unit Owner. In addition, Sponsor estimates that the cost to install a bulkhead and extend the stairway to the roof is approximately $35,000.00. This cost would be shared by the Roof Unit Owners. However, if the Roof Units are purchased by the Unit Owners of Units 4A and/or Unit 4B, those Unit Owners have the option of installing stairways and bulkheads within their Units. Sponsor and the Board of Managers reserve a right of access to the Extended Stairway for access to the Common Elements.

The installation of the Roof Improvements shall at all times comply with all applicable laws, ordinances, rules and regulations of governmental and quasi-governmental authorities having or asserting jurisdiction rules and regulations and the terms and conditions set forth in the By-Laws of the Condominium (including any the Board of Manages may adopt with respect to the foregoing) and shall be made at such times and in such manner as the Board of Managers and Sponsor may from time to time reasonably designate. The Roof Unit Owner(s), at its expense, shall (i) obtain all necessary municipal and other governmental permits, authorizations, approvals and certificates for the commencement and prosecution of such Roof Improvements. The Roof Improvements shall be promptly commenced and completed and shall be performed in such manner so as not to interfere with the occupancy of any other Unit Owners nor delay or impose any additional expense upon the Board of Managers or the Sponsor in the construction, maintenance, cleaning, repair, safety, management, security or operation of the Building or any building equipment; and if any such additional expense shall be incurred by Board of Managers or the Sponsor as a result of such Roof Unit Owner's performance of any Roof Improvements, such Roof Unit Owner shall pay such additional expense upon demand.

The Roof Unit Owners shall be responsible for all normal maintenance, repairs and replacement thereto. However, the costs and expenses of any structural repairs to the Roof Units unless caused by its Unit Owner shall be charged to all Unit Owners as a Common Expense.

11. Common Elements

There are no available air rights or development rights for the building. Cooling towers and other mechanical equipment necessary for the maintenance and operation of the

Building and the Units will be located on the roof. That portion of the Property constituting a Common Element may be used by Sponsor for any lawful purposes including, but not limited to, the purposes of installing, utilizing, operating, maintaining, repairing, altering, rebuilding, restoring and replacing satellite dishes and other communication equipment on the roof and facade of the Building and elsewhere on the Common Elements and the conduit and other facilities relating thereto.

12. **Sponsor's Unconditional Right to Rent Units**

Although Sponsor will endeavor in good faith to sell each of the Units offered for sale in accordance with the terms of this Plan, Sponsor has reserved the right to rent rather than sell the Units. As a result, there is no commitment on the part of Sponsor to sell more than the fifteen (15%) percent necessary to declare the Plan effective and, therefore, Unit Owners may never gain effective control and management of the Condominium. See Section entitled "Effective Date of This Offering Plan" on page 36 for further details.

13. **Sponsor's Control of the Board of Managers**

Sponsor, as owner of unsold Units, will have voting control of the Board of Managers until the earlier to occur of five (5) years from the date of the first closing of title to a Unit, or after the sale of six (6) Units representing, in the aggregate, seventy five (75%) percent of the Common Interests. Accordingly, during such period, Sponsor will be able to control all actions and decisions of the Board of Managers, which actions and decisions may affect, but not limited to, fiscal matters and the day-to-day operation of the Condominium. Following the expiration of such period, Sponsor will no longer be entitled to designate a majority of the members of the Board.

14. **Management**

The building will be self-managed. In the future, if the Board elects to employ a managing agent of its own choice, the cost thereof shall be added to the annual budget and become part of the Common Charges assessed against all of the Unit Owners. No representation is made by Sponsor as to the cost, terms or availability of such management services. At this time, Unit Owners will not be required to provide any Building services. The Board of Managers may, at a future time, require Unit Owners to provide certain services

15. **Construction**

Construction is a complicated process requiring the coordination of numerous tasks, contractors and suppliers and the balancing of complex mechanical and architectural systems. Sponsor estimates substantial construction completion of the Building on or about January 1, 2008. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. During the first year of Condominium operations, construction workers and related personnel will be at the Property from time to time making adjustments and performing various tasks related to the completion of construction. Various systems, including

but not limited to water supply, air conditioning, heating, cooling and ventilating, may require more than a year after any Unit closing to complete and may need to be shut down temporarily. Various other adjustments, to windows and other systems, may require eighteen (18) months or more after the first Unit closing to complete. Sponsor may not fully complete the decoration of the corridors in the Building, including but not limited to installing light fixtures, hanging wall coverings or laying carpeting, until that particular floor is fully occupied by Unit Owners. The Board of Managers may refuse to permit a Unit Owner to perform alterations in a Unit until such times as the Building has been completed and a Permanent Certificate, as hereinafter defined, has been obtained therefore. In addition, certain services, such as cable, computer, and other similar services may be provided by outside suppliers and delays in these services will not be the responsibility of Sponsor. In addition, such suppliers may not provide these services until occupancy in the Condominium has reached certain levels.

16. Certificate of Occupancy

Sponsor is obligated at its own cost and expense to obtain a permanent Certificate of Occupancy for the residential use of the Units at the Property. Sponsor estimates substantial completion of the Building on or about January 1, 2008 although Sponsor cannot guaranty the completion date due to unexpected delays due to unexpected building conditions, work order delays, materials delivery delays and unanticipated events beyond the control of Sponsor. Sponsor may, at is sole option, obtain a temporary Certificate of Occupancy for the Unit being closed. Sponsor shall thereafter perform all the work necessary to obtain the permanent Certificate of Occupancy. The Purchaser of a Unit for which a temporary Certificate of Occupancy is issued shall be obligated to close and may not delay or adjourn the closing because the permanent Certificate of Occupancy has not been issued. A permanent Certificate of Occupancy is required for the permanent residential use of the Unit. The temporary Certificate of Occupancy may only be renewed for a total period of two (2) years from the date of its original issuance, and if it should expire prior to the issuance of the permanent Certificate of Occupancy, residential occupancy of the Unit will be in violation of the Multiple Dwelling Law of the City of New York (the "MDL"), subjecting occupants and the Condominium and the Board of Managers to penalties under the MDL, including, but not limited to, eviction. The Sponsor will be responsible for the payment of any fines or penalties that result from the failure to obtain the permanent Certificate of Occupancy

17. Limited Financing Contingency

The rights and obligations of each Purchaser under a Purchase Agreement are conditioned upon such Purchaser obtaining a commitment for financing in an amount equal to eighty (80%) percent of the Purchase Price (or such lesser as such Purchaser may approve), but only under the terms and conditions more particularly set forth in the "Procedure to Purchase' section of the Plan and the mortgage contingency shall be effective IF AND ONLY IF Purchasers apply for financing through Universal Mortgage (the "Approved Mortgage Banker"), and then only with respect to such application. The Approved Mortgage Banker has an office located at 225 West 34th Street, New York, New York, Suite 1109, New York, New York 10122 (TEL:212-768-0025 FAX: 212-768-0027). Please refer to the Section entitled "Mortgage Financing

Arranged by Sponsor" on page 29 of Part I for further details regarding the limited financing contingency.

Purchaser, at Purchaser's option, may apply for a loan to other lenders directly or through a mortgage broker other than through The Approved Mortgage Banker however, this will not entitle Purchaser to a mortgage contingency and Purchaser's failure to obtain financing through such other lender or mortgage broker will not relieve the Purchaser from any obligations under this Agreement, including Purchaser's obligation to pay the full amount of the Purchase Price at Closing. Please refer to the Section entitled "Mortgage Financing Arranged by Sponsor" on page 29 of Part I for further details regarding the limited financing contingency.

Sponsor cannot and does not represent, assure or guarantee that any Purchaser will be able to obtain mortgage financing or the terms of such financing.

Purchasers should note that the current real estate market, banks and other lenders may be imposing various restrictions on loans. Such restrictions include requiring that a certain percentage (50% or more) of the units in a building be sold before the lender will consider making a loan. Thus it may be possible for a Purchaser to experience difficulty obtaining a loan in a building where the percentage of units purchased is lower than a lender's particular sales minimum. Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to such minimum sales requirements. Purchasers should further note that pursuant to existing Law and regulation, Sponsor may declare the Plan effective upon selling a minimum of fifteen (15%) percent of the Units offered for sale in the Building. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to submit the Property to a condominium regime and convey Units with fewer than the minimum number of sales if purchasers counted towards effectiveness do not ultimately purchase a Unit. Please refer to the Section entitled "Effective Date of This Offering Plan" page 36 in Part I of the Plan for further details and the Section entitled "Mortgage Financing Arranged by Sponsor" on page 29 in Part I of the Plan for further details.

18. <u>Window Guards</u>

It is the responsibility of each Unit Owner to notify the Managing Agent in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. It is the responsibility of each Unit Owner to install, at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without full knowledge of the Managing Agent. Sponsor makes no representations whether Unit Owners will comply with the foregoing obligations. See "Rights and Obligations of Unit Owners and the Board of Managers" on page 54 in Part I of the Plan for further details.

19. Carbon Monoxide Detectors and Smoke Detectors

New York City Local Law 7 of 2004 requires the installation of carbon monoxide detectors by owners of multiple dwellings, including owners of units in residential condominiums. Sponsor intends to provide carbon monoxide detectors in each Unit in accordance with New York City Local Law 7 of 2004. In addition, Smoke detectors will be provided in each Unit in accordance with applicable code. Each Unit Owner will be responsible to keep and maintain the carbon monoxide detectors and smoke detectors in good repair and to replace any carbon monoxide detectors and smoke detectors which have been stolen, removed, found missing or rendered inoperable. Sponsor makes no representations whether Unit Owners will comply with the foregoing obligations. For further details, see Part I of the Plan under the Section "Rights and Obligations of Sponsor" on page 45 in Part I of the Plan for further details.

20. No Board Approval of Prospective Purchasers

The Condominium Board of Managers does not have the right to approve or disapprove prospective purchasers. As a result, there is no limit on the number of Owners who may purchase for investment rather than for personal occupancy and that it is possible that there will always be a substantial number of Unit Owners who are non-residents. Please refer to page 51 of Part I of the Plan for further details.

21. Square Footage of Units.

The square footages and dimensions contained in this Plan are estimates based on the measurements of the square footage of the overall Unit dimensions in accordance with the customary practice in New York City. The square footage of the indoor space of the Unit as shown is taken from points behind the walls enclosing the Unit and thus exceeds the Unit's usable floor area. Room dimensions are taken from the exposed surface of the walls enclosing the room. Please refer to page 14 of Part I of the Plan for further details.

22. Penalty for Adjourned Closings

If, through no fault of Sponsor, a Purchaser fails to close for any reason on the date originally scheduled for closing of title to the Unit, then the Purchaser shall reimburse Sponsor for loss of earnings on the Purchase Price, as a result of the Purchaser's delay, in amount equal to .03% times the Purchase Price of the Unit for each day's delay, starting with the day originally scheduled for closing and including the day immediately prior to the actual closing date. Additionally, the granting of such adjournment shall be upon the condition that all adjustments shall be made as of the date originally fixed for the closing of title. Please refer to page 44 of Part I of the Plan for further details.

23. **Down Payment – Extra Custom Work.**

All funds received by Sponsor for upgrades or extras must initially be placed in the escrow account with the Escrow Agent. However, Purchasers should note that such funds may be released from the escrow account by the Escrow Agent as long as Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, Purchaser will not receive a refund of any funds for upgrades or extras. Please refer to Section entitled "Rights and Obligations of Sponsor" on page 45 of Part I of the Plan for further details.

THE 203 LUQUER STREET CONDOMINIUM

LUXURY CONDOMINIUMS

PLAN OF CONDOMINIUM OWNERSHIP

INTRODUCTION

203 Luquer LLC, a New York limited liability company (the "Sponsor"), with an office at c/o Ultimate Realty, 28 East 14th Street, Unit 2B, New York, NY 10003, presents this Offering Plan (the "Plan") for the establishment of Condominium ownership of the building located at 203 Luquer Street, Brooklyn, New York (the "Building") and the land upon which the Building stands (the "Land"). The Land and Building are owned by Sponsor. Sponsor acquired the Land and Building by deed dated March 19, 2007, and recorded in the Kings County office of the Register of the City of New York. The Land, Building and appurtenances are hereinafter sometimes referred to as the "Property" and/or the "Condominium".

The purpose of this Plan is to set forth all the material terms of the offer. The Plan may be amended from time to time by amendment duly filed with the New York State Department of Law and served on all Purchasers and on Unit Owners unless the Department of Law consents to service on a specified class of Offerees.

The Plan, including all Schedules and Exhibits thereto constitute the entire offer of Sponsor. Copies of the Plan and the Exhibits will be available for inspection by prospective Purchasers without charge and for copying at a reasonable charge at the office of Sponsor during normal business hours. In addition, copies of the Plan and Exhibits will be available for inspection and copying at a reasonable charge at the offices of the Department of Law.

The Condominium is planned to comprise of one (1) building currently known as and located at 203 Luquer Street, Brooklyn, New York and containing a total of eight (8) residential Units. Sponsor will be offering for sale pursuant to this Plan eight (8) Units, comprising the first through fourth floor.

Sponsor is also offering for sale, for additional consideration, two (2) Roof Units located on the roof of the Building. The Roof Units will be separate Units and the Roof Unit Owner's will be responsible for taxes and common charges associated with the Roof Unit as set forth on Schedule A. The Roof Units will become separate Units and a tax lot will be obtained for same. Purchasers of a Roof Unit will be responsible for taxes and common charges associated with said Roof Unit as set forth on Schedule A. In the event that a Roof Unit is not purchased by the Effective Date, the Roof

Unit will become a common element to the Condominium and all Unit Owner's percentage of common interest will be increased proportionately by 0.08% in the event only one Roof Unit is purchased and 0.16% in the event both Roof Units are not purchased. This Offering Plan will become effective at Sponsor's option, but in no event prior to the date upon which there are valid and binding Purchase Agreements, bona fide purchasers, including investors for fifteen (15%) percent in number of the Units. Sponsor must, however, declare this Plan effective at such time as Sponsor shall have entered into valid and binding Purchase Agreements for eighty (80%) percent in number of the Units to be included in the Condominium. As such, Sponsor is not obligated to declare this Plan effective until it has entered into Purchase Agreements for eighty (80%) percent in number of the Units to be included in the Condominium; which may not occur for an extended and prolonged period of time. During said passage of time, there may be increases in annual real estate taxes and maintenance payable by Unit Owners. When the Sponsor does declare the Plan effective, in the event the Roof Units are not purchased, each Unit Owner's real estate taxes and maintenance will be increased as set forth above and said increases would be in addition to yearly increases due to the passage of time.

Currently, the Roof Units are unimproved, not having decking, supports, floor materials, or railings (collectively the "Decking Improvements"). Furthermore, access to the Roof is currently via a ladder and scuttle, with no Unit Owner having direct access to the Roof Units. In order to legally use the Roof Units as terraces, the Roof Unit Owners shall be responsible for (i) the installation of the Deck Improvements and (ii) extending the existing stairway to the roof and building a roof bulkhead access (the "Extended Stairway") (the Extended Stairway, together with the Deck Improvements, collectively the 'Roof Improvements"). The Roof Unit Owner(s) will have the exclusive right to use the Roof Unit(s) and other Unit Owners will not have any access to same. The Sponsor estimates that the Deck Improvements would cost approximately $35.00 per square foot per Roof Unit; which cost would be the responsibility of each Roof Unit Owner. Sponsor estimates that the cost to install a bulkhead and extend the stairway to the roof is approximately $35,000.00. This cost would be shared by the Roof Unit Owners. The Roof Improvements may only be performed in accordance with provisions contained in the By-Laws of the Condominium relating to the hours of installation, alteration agreements, insurance and access to the building. The Board of Managers will have the right to approve the work associated with the Roof Improvements to ensure same complies with the By-Laws; which approval shall not be unreasonably withheld, conditioned or delayed..

The site currently consists of a four (4) story building which currently consists of eight residential units. Sponsor will refurbish and renovate the Units in the Building and will also upgrade the common areas, as more particularly described in the Architect's Report contained in Part II of the Plan. All of the Units are not occupied at this time. The entire Building will be subjected to the Condominium Act (Article 9-B of the Real Property Law of The State of New York). The eight (8) Units will be separate Condominium Units. No contracts or agreements, whether written or oral, have been entered into for the sale or transfer of the Units offered hereunder and no deposits or advances of funds have been taken by or on behalf of the Sponsor in connection with the reservation, sale or transfer of the Units of the date the Plan was accepted for filing. The rear gardens appurtenant to Units 1A and 1B will be dedicated to the Unit Owners of Unit 1A and Unit 1B and used exclusively by Unit 1A and Unit 1B respectively. The rear gardens will become Limited Common Elements to Unit 1A and Unit 1B as the case may be. Sponsor is also offering for sale, as additional consideration, two (2) Roof Units located on the roof as more particularly described on Schedule A for additional

consideration on a first come-first served basis. The Roof Units will become Limited Common Elements to the Roof Unit Owners.

A general description of the Units is set forth in Part I of the Plan. Legal descriptions of the Units and the Common Elements may be found in the Declaration contained in Part II. The floor plans showing the approximate layout and dimensions of the Units are also set forth in Part II of this Plan.

The Units are being sold in accordance with the schedule of sales prices contained herein as Schedule A. These prices have been set by Sponsor and are not subject to review or approval by the Department of Law or any other governmental agency.

Although Sponsor will endeavor in good faith to sell each of the Units offered for sale in accordance with the terms of this Plan, Sponsor has reserved the right to rent rather than sell the Units. As a result, there is no commitment on the part of Sponsor to sell more than the fifteen (15%) percent necessary to declare the Plan effective and, therefore, Unit Owners may never gain effective control and management of the Condominium. See Section entitled "Effective Date of Offering Plan" for further details. If Sponsor makes a bulk sale of all or some of its unsold Units, the transferee successor sponsor will be bound by the Sponsor's representation that it will endeavor in good faith to sell each of the Units offered for sale in accordance with the terms of this Plan.

After the Effective Date of this Offering Plan as hereinafter described, Sponsor shall, by Declaration of Condominium recorded in the Kings County office of the Register of the City of New York, subject the Property to Article 9-B of the Real Property Law of the State of New York, as amended (the "Condominium Act"). The proposed Declaration is set forth in Part II of this Plan. After such recording, the Condominium will be subject to and will comply with the Condominium Act.

Sponsor has obtained financing from ACF Park Slope, LLC, a Delaware limited liability company having its principal place of business at 570 Lexington Avenue, 20th Floor, New York, New York 100211 in the amount of $5,400,000.00, together with certain other collateral loan documents. ACF Park Slope, LLC has agreed that after the effective date of the conversion of the Property to condominium ownership, individual Condominium Units will be released from the lien of the Mortgage upon the sale of such Unit provided Sponsor pays ACF Park Slope, LLC the release price for each Unit which is the greater of (i) $515,000.00 for each Unit or (ii) 100% of the net sale proceeds.

Features of Condominium Ownership

A Condominium Unit owner owns his/her Unit similar to the manner in which a private home owner owns a home. He/she owns the Unit outright, in fee, and is entitled to the exclusive possession thereof. The Unit Owner is also the owner, in common with the owners of all the other Units, of all parts of the Property other than the Units themselves (the "Common Elements"). Certain of the Common Elements, however, are not enjoyed by all Unit Owners and are known as Limited Common Elements. The definitions of Common Elements and Limited Common Elements are found in Article 6 of the Declaration, Part II of the Plan.

The owner of a Unit can sell or lease the Unit to anyone, without restriction or limitation, subject only to a right of first refusal in favor of the Board of Managers of the Condominium. The right of first refusal must be exercised by the Board of Managers at the same price the Unit Owner has been offered, and is hereinafter described in the subsection of the Plan entitled "Sale or Lease of Units by Unit Owners".

A Unit Owner is privileged to decorate the interior of the Unit in any way that he or she desires and is obligated to pay the cost of interior decoration and repair after closing. Each Unit Owner is also responsible for maintenance and repairs to the Unit (but not to Unit entrance doors and windows) and to electrical and plumbing installations and fixtures, except that the Board of Managers is responsible for electrical and plumbing pipes, wires and lines to the extent they are located in Common Elements and serve one or more Units. Unit Owners are responsible for repair or replacement of individually controlled heating, ventilating air conditioning servicing the Unit, and are also generally responsible for the maintenance of Limited Common Elements which are appurtenant to their Units.

Each Unit Owner shall be permitted to mortgage the Unit in any amount. The Unit will not be subject to the lien of any mortgages placed by other owners on their Units.

Although the Board of Managers will carry fire insurance covering the Building and public liability insurance, Unit Owners are encouraged to carry insurance covering the insides of their Units, their furniture and furnishings and personal property. The Owners of Units shall be responsible for any increase in insurance costs to the Condominium resulting from their use of such Units.

Each Unit will be taxed as a separate tax lot for real estate tax purposes just like a private home, and a Unit Owner will not be responsible for taxes on other Units. In the opinion of Sponsor's counsel, which opinion is set forth in full in this Plan, under present tax laws a Unit Owner may deduct for income tax purposes, the real estate taxes assessed against the Unit and, in the case of a primary or secondary residence, the interest paid on the mortgage encumbering the Unit. Based on a report from Jerome Mazursky, a tax expert hired by the Sponsor, after year one of ownership, it is estimated that there will be a fourteen year tax abatement from increases in the assessed value attributable to the renovation of the units.

The affairs of the Condominium shall be the responsibility of the Board of Managers. Subject to the rights of Sponsor described in this Plan, the members of the Board of Managers are elected by the Unit Owners. The Board of Managers of the Property will assess against each Unit Owner, in proportion to his/her respective interest in the Common Elements, charges (hereinafter called "Common Charges") for the maintenance of the Common Elements and for the operating costs of the Property (hereinafter called "Common Expenses"). A budget containing estimates of Common Expenses for the first year of condominium operations is incorporated herein as Schedule B. Unit Owners are obligated to pay their Common Charges in accordance with Sections 339(i) and 339(m) of the New York Condominium Act. For the estimated Common Charges payable by each Unit Owner, see Schedule A to the Plan. For further details with respect to assessment and payment of Common Charges, see the section of the Plan entitled "Rights and Obligations of Unit Owners and the Board of Managers".

Unit Owners will pay for all electricity and gas used for cooking consumed within the Units, as measured by their separate electric and gas meters. They will also pay the costs of operating separate air-conditioning equipment contained within their Units. See Schedule B-1 for estimates of such costs. In addition, effective as of November 5 2004, owners of Class A multiple dwellings in New York City, which involve condominiums, must install carbon monoxide detectors. Sponsor will install all such detectors, but individual Unit Owners will be required, in accordance with the law, to maintain the detectors.

The Board of Managers will pay the electric charges and other utilities for the Common Elements as part of the Common Expenses, and each Unit Owner will pay his/her proportionate share as part of the Common Charges. See Schedule B for estimates of common electric costs.

Legal Documents

The agreement to purchase a Unit is called a "Purchase Agreement". The form Purchase Agreement for the Units is set forth in full in Part II of this Plan as Exhibit A.

The Declaration and By-Laws which shall govern the operation of the Condominium are set forth in Part II as Exhibits E and F respectively. They are summarized in Part I in the section entitled "Rights and Obligations of Unit Owners and the Board of Managers".

Copy of the Plan

To accommodate prospective Purchasers who desire to purchase a Unit, a prospective Purchaser may request a copy of the Plan, all documents referred to in the Plan and all Exhibits from the Selling Agent. Such person shall tender a check made payable to the Selling Agent in the amount of $100. The deposit assures the return to such Selling Agent of the copy of the Plan in good condition. If within thirty (30) days after accepting the deposit, a prospective Purchaser enters into a Purchase Agreement or returns such copy of the Plan in good condition to the Selling Agent, the deposit will be refunded. Any such deposit will be treated as non-interest bearing trust funds pursuant to applicable law until the expiration of such thirty (30) day period. After the expiration of such thirty (30) day period, if the copy of the Plan is not returned in good condition or Purchaser has not entered into a Purchase Agreement, then the deposit will be released to Sponsor to keep.

THE PURCHASE OF A CONDOMINIUM UNIT HAS MANY SIGNIFICANT LEGAL AND FINANCIAL CONSEQUENCES AND MAY BE ONE OF THE MOST IMPORTANT FINANCIAL TRANSACTIONS OF YOUR LIFE. THE ATTORNEY GENERAL STRONGLY URGES YOU TO READ THIS OFFERING PLAN CAREFULLY AND TO CONSULT WITH AN ATTORNEY BEFORE SIGNING A PURCHASE AGREEMENT.

DEFINITIONS

Certain words used in this Plan have special meanings for Unit Owners. They are used in accordance with their definitions found in Section 339-e of the New York Condominium Act, with occasional modifications necessary to conform to this Plan. They include the following:

(a) Board of Managers: Subject to the rights of Sponsor as described in the Plan, the Unit Owners elect the Board of Managers, which is responsible for: (1) the affairs of the Condominium, including operation, upkeep, repair and maintenance of the Common Elements and Limited Common Elements; (2) adopting the operating budget and determining the Common Charges; (3) adopting rules and regulations covering activities at the Property; (4) opening bank accounts; and (5) purchasing, leasing or otherwise acquiring Units and selling or mortgaging Units owned by the Board of Managers. The rules governing the size of the Board of Managers, terms of members and election procedures are summarized in the section of the Plan entitled "Board of Managers" and are set forth in full in the By-Laws in Part II of this Plan.

(b) Building: The building known as 203 Luquer Street, Brooklyn, New York which will contain the Units and the Common Elements.

(c) Common Charges: Each Unit's proportionate share of the Common Expenses assessed by the Board of Managers in accordance with the allocations of the Common Interest to each Unit. For the estimated Common Charges payable by each Unit Owner, see Schedule A to the Plan. For further details with respect to assessment and payment of Common Charges, see the section of the Plan entitled "Rights and Obligations of Unit Owners and the Board of Managers".

(d) Common Elements: All parts of the Property other than the Units themselves, including the land upon which the Building is located, the sidewalks, halls, lobbies, cellar, stairways, electric, telephone and meter rooms, installations for services such as electricity, gas, cold water, and the exterior walls and roofs. Unit Owners have a right to the use and enjoyment of the Common Elements other than Limited Common Elements jointly with all other Unit Owners in accordance with the Declaration, By-Laws and Rules and Regulations of the Condominium. Limited Common Elements are hereinafter described in subsection (l). For a more detailed description of Common Elements, see the Declaration set forth as Exhibit E in Part II of this Plan.

(e) Common Expenses: The operating costs of the Condominium, including, but not limited to, the cost for electricity for lighting of public areas and the costs of maintaining the Common Elements. The Common Expenses are paid by Unit Owners in the form of Common Charges. See the Budget for the First Year of Condominium Operations, Schedule B to the Plan, for the details of Common Expenses.

(f) Common Interest: The proportionate undivided fee simple interest of the Unit Owners in the Common Elements, as expressed in the Declaration. In this Plan, Sponsor has allocated Common Interests on the basis of method (iv) contained in Section 339-i of the New York Condominium Act, that is, 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.

(g) Condominium: The Building and underlying Land comprising the Property, which will be submitted to the Condominium Act by the recording of the Declaration and By-Laws and filing of Floor Plans.

(h) Declaration: The instrument which Sponsor will record in the Kings County office of the Register of the City of New York prior to the first conveyance of title to a Unit, to submit the Property to the Condominium Act and legally declare the Property a Condominium, together with duly recorded amendments thereto. A copy of the proposed Declaration is set forth in Part II of this Plan as Exhibit E.

(i) Down Payment: The money that a person desiring to purchase a Unit must deliver at the time such person delivers an executed Purchase Agreement to Sponsor or the Selling Agent.

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

(k) Land: The tract, plot, piece, and parcel of land situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, on which the Building is located.

(l) Limited Common Elements: Common Elements which are appurtenant to particular Unit(s) and are reserved for the exclusive use of the Owner(s) of those Units. The respective responsibilities of such Unit Owners and the Board of Managers for repair and maintenance of such Limited Common Elements are set forth in the Declaration and By-Laws.

(m) Offering Plan: The document, as may be amended from time to time, filed with the New York State Department of Law which describes the Property and the Condominium pursuant to which individual Units are offered for sale.

(n) Person: A natural person, corporation, partnership, association, trustee or other legal entity.

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

(p) Property: The Land, the Building and all other improvements thereon owned by Sponsor, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which shall be submitted to condominium ownership.

(q) Purchase Agreement: The contract of purchase and sale for a Unit in the Condominium.

(r) Purchaser: Any Person who enters into a Purchase Agreement, which agreement is accepted by Sponsor.

(s) Purchase Price: The agreed-upon price for the Unit payable pursuant to a Purchase Agreement.

(t) Residential Unit: Any of the eight (8) residential apartments being offered for sale under the Plan and designated as such in the Declaration, together with its appurtenant Common Interest.

(u) Roof Unit: One of two unimproved units located on the roof of the Building. Sponsor is offering for sale the Roof Units to all unit owners. A Unit Owner who acquires said Roof Unit will be responsible for the installation of improvements to said Unit and for extending the stairway to get access to said Unit.

(v) Selling Agent: The entity which will, on behalf of Sponsor, supervise sales of Units. The Selling Agent is The Corcoran Group.

(w) Unavoidable Delays: Delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of Sponsor), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, war, act of the public enemy, acts of international and/or national terrorism, riot, sabotage, blockade, embargo, shortage of or failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body or lightning, earthquake, fire, storm, hurricane, flood, explosion, act of God or any cause similar to any of the causes hereinabove stated; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause similar to the causes stated above.

(x) Unit: A residential Unit. For the technical description of the Units, see the Declaration set forth as Exhibit E in Part II of this Plan.

(y) Unit Owner: The fee simple owner of a Unit in the Condominium. Unit Owners may be one or more individuals over 18 years old, owning as tenants in common, joint tenants or tenants by the entirety, partnerships, limited liability companies, corporations, trusts, estates, fiduciaries, unincorporated associations, syndicates, joint ventures, governments or any department or agency thereof, or any other legal entity permitted to own real property in the State of New York.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property

The Property is located on the north side of Luquer Street between Smith Street and Court Street. It is rectangularly shaped being 30 feet wide along Luquer Street and 100 feet deep and contains approximately 7,080 square feet of ground area. The Building is approximately 30 feet high from ground to roof. The Property is identified on the tax map of the City of New York as Block 1030, Lot 14.

Construction of the Condominium

The Units and the Building will conform to all applicable rules, regulations, laws and other requirements of all governmental authorities having jurisdiction thereof, including those governing zoning and construction. These authorities are the New York State Building Code as applied and interpreted by the New York State Code Commission and the Building Department of the City of New York, the Board of Fire Underwriters and the Board of Health. Sponsor and all other persons engaged by Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules, regulations and other governmental requirements pertaining thereto. If there is a variation between the plans and specifications and the applicable rules, regulations, laws and other requirements including those governing zoning and construction, said applicable rules, regulations, laws and other requirements of governmental authorities having jurisdiction shall govern and control over the plans and specifications, and the plans and specifications shall be amended accordingly.

The Building, including the individual Units therein, will be substantially completed in accordance with the Plans and Specifications. Following completion of the Building, temporary Certificate of Occupancy for the Units and the Building and/or a permanent Certificate of Occupancy for the Units and the Building will be issued by the Department of Buildings of the City of New York and copies of the Plans and Specifications will be filed with the Department of Buildings of the City of New York.

Under the present construction schedule it is anticipated that, except for finishing work to stairways, hallways and other areas of the Condominium which are not intended for the exclusive use of any particular Unit Owner and work, if any, which Sponsor agrees to perform in individual Units at the request of Purchasers or Unit Owners, the Units will be substantially completed by January 1, 2008, and a first temporary Certificate of Occupancy with respect to portions of the Condominium will be obtained prior thereto, both subject to Unavoidable Delays Sponsor does not, however, warrant or guarantee the foregoing completion or occupancy dates for the Condominium, or any of the constituent Building. The first Temporary Certificate may be issued for some but not all the Units. Sponsor may complete construction on certain Units before others.

Sponsor has engaged AEN Architects ("Sponsor's Architect") having an office at 144 East 44th Street, New York, New York as the architects responsible for production of the architects report. Sponsor's Architect also prepared the Building Plans and submitted the Plans to the City of New York. Mottola Rini Engineers P.C. ("Mottola") is the structural engineer of the Building. Construction of the

Building is being financed by ACF Park Slope, LLC, which financing is secured, among other things, by a first mortgage lien upon the Property.

Sponsor reserves the right to amend or modify the Plans and Specifications in any way not material to this offering or in a manner disclosed in this offering, including, without limitation, changing materials, appliances, equipment, fixtures and other construction and design details set forth therein or in the "Description of Property" set forth in Part II of the Plan and to substitute in their place similar materials, appliances, equipment and/or fixtures of substantially equal or better quality, provided that any necessary approval of any governmental authority having jurisdiction thereof is timely obtained. Any or all of the foregoing shall give rise to no right of rescission on the part of any Purchaser and may be made without prior notice or amendment to the Plan.

The Building

The Building will consist of eight (8) Units located on the first the fourth floor. All eight (8) Units are being offered for sale hereby. The Building will also contain two (2) Roof Units which Sponsor is offering for sale on a first come first serve basis to all Unit Owners for additional consideration, which Roof Unit will become a separate Unit and such Roof Unit Owner will be responsible for taxes and common charges as set forth in Schedule A. The Building contains approximately 7,080 aggregate square feet of space.

The Units

The Units will consist of eight (8) luxury Units.

The Units and the Building will conform to all applicable rules, regulations, laws and other requirements of all governmental authorities having jurisdiction thereof, including those governing zoning and construction. These are the New York State Building Code as applied and interpreted by the New York State Code Commission and the Buildings Department of the City of New York, the Board of Fire Underwriters and the Board of Health. Sponsor and all other persons engaged by Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules, regulations and other governmental requirements pertaining thereto.

Schedule A "Prices of Units and Related Information" describes each Unit in accordance with its layout and number of rooms as constructed and does not reflect the unauthorized reconfigurations and layouts.

Part II sets forth a description of the Building and Units, including the equipment supplied by Sponsor that is included in the Purchase Price. Purchasers should review the general description and outline of the specifications for the Building and the Units which appears in Part II as Exhibit D, "Description of Property and Building Condition".

Building Services and Facilities

Staffing: At this time, the Building will not be staffed.

Telephone Services: Sponsor will provide each Unit with telephone outlets in kitchen, living room and each bedroom which will permit Unit Owners, at their option, to install a telephone. Unit Owners will contract individually with private companies to install and provide such service.

Cable: Cable service will be available for all Units. All charges for cable television service will be paid by each Unit Owner, who subscribes directly to the cable TV company. In each Unit, a cable TV outlet will be provided in living room and each bedroom.

Trash Removal: Unit Owners' trash will be picked up on a scheduled basis from a reserved space in front of the building, inside the iron fence.

Mailboxes: The mailboxes for the Units will be located in the lobby of the Building. A U.S. Postal Service employee will deliver incoming mail.

Fire Protection and Security: Smoke detectors will be provided in each Unit in accordance with applicable code.

Washer & Dryer: A laundry closet will be installed in each Unit. The closet will have electric and plumbing connections for the installation of stackable, electric, vent-less, washers and dryers (which are not supplied by the Sponsor).

Intercom and Door Monitoring System: Each Unit will be equipped with a video intercom providing 2-way private voice and video communication from the Unit to the Lobby.

Roof Units: See section entitled "Roof Units" for further details.

Garden: The rear garden of the Building will be reserved for the exclusive use of the Unit Owner of Unit 1A and Unit 1B respectively.

LOCATION AND AREA INFORMATION

Location

The Condominium is located within the Park Slope area of Brooklyn, New York. This neighborhood is considered part of the "Brownstone Belt" of Brooklyn which includes: Brooklyn Heights, Cobble Hill, Carroll Gardens, Cobble Hill and Boreum Hill. Park Slope is known for the beautiful architecture of its brownstones and townhouses many of which have front gardens. The area is roughly bounded by Flatbush Avenue to the north, 17th Street to the south, Prospect Park South to the east and 4th Avenue to the west.

The extended surrounding area, like a large percentage of Brooklyn, is almost entirely residential in character. The blocks surrounding the subject are built up with brownstones, townhouses and low-to-mid-rise apartment buildings. Most of this construction is 75 to 100 years of age. The condition of these buildings varies. Since the mid-1970's, Park Slope's housing has been undergoing renovations as people purchase the townhouses and convert them from multi-units back to 1-3 family units. There has been minimal new construction in the area given the lack of development sites. Most of the construction has involved renovation of existing product. However, new construction has occurred on the site immediately west and adjacent to the subject property where two, 3-unit condominium townhouses were constructed.

Education and Health Care

The neighborhood has many private and parochial schools. The Condominium is also located within the P.S. 321 school district which is located less than 5 blocks away on 2nd Street and 7th Avenue. Hospitals include: Kings County Hospital located at 451 Clarkson Avenue, Brooklyn, NY 11203 which is approximately 4 miles from the Condominium, the Lutheran Medical Center located at 5421 Second Avenue, Brooklyn, NY 11220 which is approximately 3 miles from the Condominium, and Methodist Hospital located at 263 Seventh Avenue, Brooklyn, New York 11215 which is approximately 1.3 miles from the Condominium.

Retail

The main retail thoroughfares within Park Slope are 7th Avenue and 5th Avenue. 7th Avenue is home to numerous local shops and restaurants. In addition, new large-scale retail development is located nearby at the Atlantic Terminal at Atlantic Avenue and Flatbush. It is anchored by a consumer retailer, Target and includes such tenants as Chuck E. Cheeses, the Gap, Children's Place and Bath & Body Works.

Cultural and Recreation

For recreation, residents can take advantage of over 6,000 acres of parkland throughout Brooklyn, New York, including the world-famous Prospect Park. Other recreational areas include many acres of beaches, the amusement area of Coney Island, and the Brooklyn Botanical Gardens.

Additionally, there are several small parks and playgrounds with ball fields, basketball, handball and tennis courts.

For cultural activities the people of Brooklyn can enjoy concerts and live performances at the Brooklyn Academy of Music (BAM), view artwork at the Brooklyn Museum, or enjoy special events at dozens of local community centers. The summer long Brooklyn festival held in Prospect Park attracts many residents and tourists each year.

Fire and Police

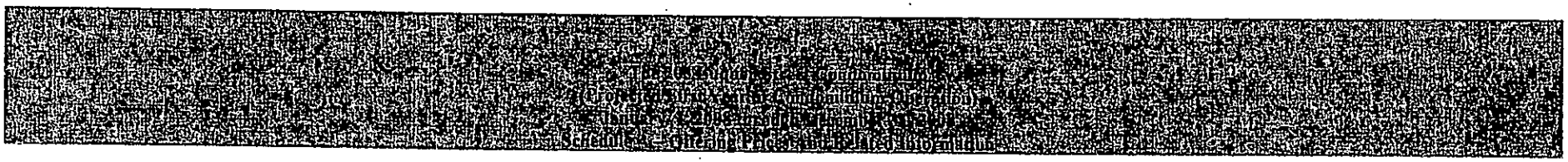
The nearest police station is Brooklyn Fifth Precinct located at 191 Union Street, Brooklyn, New York and is approximate one half mile from the Building. The closest fire station is Fire House Engine Co. located at 29 Richards Street, Brooklyn, New York and is also approximate one half mile from the Building.

Transportation

The subject location has good access to public transportation. Cross-town buses travel along 4th Avenue, 5th Avenue, 6th Avenue and 7th Avenue. Subway service is provided by the F train at 9th Street and 4th Avenue. In addition, the R and M trains are all located within walking distance at Union Street.

Zoning

The Property is located in an R6-B zone which permits residential uses. Please refer to the Description of Property in Part II of the Plan for further details.



Unit	Status	Indoor Space	Outdoor Space	Total Space	Bath/ Bedroom	Percentage Of Common Interest (2)	Offering Price (3)	Projected Annual Common Charges (4)	Projected Monthly Common Charges (4)	Projected Annual Real Estate Charges With J51 Abatement (6)	Projected Monthly Real Estate Taxes with J51 Abatement (6)	Projected Annual Real Estate Taxes Without J51 Abatement (5)	Projected Monthly Real Estate Taxes Without J51 Abatement (5)	Projected Total Annual Carrying Charges With J51 Abatement	Projected Total Monthly Carrying Charges With J51 Abatement	Projected Total Annual Carrying Charges Without J51 Abatement	Projected Total Monthly Carrying Charges Without J51 Abatement
1A	Vacant	804	506	1310	1bd/1bth	13.84%	$575,000	$ 3,501.52	$291.80	$0.00	$0.00	$1,057.36	$88.12	$ 3,501.52	$291.80	$4,558.90	$379.91
1B	Vacant	804	506	1310	1bd/1bth	13.84%	$575,000	$ 3,501.52	$291.81	$0.00	$0.00	$1,057.36	$88.12	$ 3,501.52	$291.81	$4,558.90	$379.91
2A	Vacant	856		856	1bd/1bth	11.84%	$550,000	$2,995.52	$249.62	$0.00	$0.00	$904.58	$75.38	$2,995.52	$249.62	$3,900.10	$325.00
2B	Vacant	856		856	1bd/1bth	11.84%	$550,000	$2,995.52	$249.62	$0.00	$0.00	$904.58	$75.38	$2,995.52	$249.62	$3,900.10	$325.00
3A	Vacant	823		823	1bd/1bth	11.84%	$550,000	$2,995.52	$249.62	$0.00	$0.00	$904.58	$75.38	$2,995.52	$249.62	$3,900.10	$325.00
3B	Vacant	921		921	1bd/1bth	11.84%	$550,000	$2,995.52	$249.62	$0.00	$0.00	$904.58	$75.38	$2,995.52	$249.62	$3,900.10	$325.00
4A	Vacant	823		823	1bd/1bth	11.84%	$575,000	$2,995.52	$249.62	$0.00	$0.00	$904.58	$75.38	$2,995.52	$249.62	$3,900.10	$325.00
4B	Vacant	921		921	1bd/1bth	11.84%	$575,000	$2,995.52	$249.62	$0.00	$0.00	$904.58	$75.38	$2,995.52	$249.62	$3,900.10	$325.00
Subtotal		6808	1012	7820			$4,500,000										
Roof Unit 1[1]	Vacant		746	746	n/a	.64%[2]	$25,000	$161.92	$13.50	$0.00	$0.00	$48.90	$4.07	$161.92	$13.50	$210.82	$17.57
Roof Unit 2[1]	Vacant		667	667	n/a	.64%[2]	$25,000	$161.92	$13.50	$0.00	$0.00	$48.90	$4.07	$161.92	$13.50	$210.82	$17.58
Total		6808	2425	9233		100%	$4,550,000	$25,300	$2,108.33	$0.00	$0.00	$7,640.00	$636.66	$25,300	$2,108.33	$32,940.04	$2,744.97

[1] With the purchase of a Roof Unit, the Roof Unit will become a separate Condominium Unit to the purchasing unit and incur the additional monthly charges associated therewith.

[2] In the event a Roof Unit is not purchased by the Effective Date, the Roof Unit shall become a Common Element to the Condominium and all Unit Owner's percentage of common interest shall be increased by .08%. In the event both Roof Units are not purchased, the common percentage of interest shall increase by .16%. This Offering Plan will become effective at Sponsor's option, but in no event prior to the date upon which there are valid and binding Purchase Agreements, bona fide purchasers, including investors for fifteen (15%) percent in number of the Units. Sponsor must, however, declare this Plan effective at such time as Sponsor shall have entered into valid and binding Purchase Agreements for eighty (80%) percent in number of the Units to be included in the Condominium. As such, Sponsor is not obligated to declare this Plan effective until it has entered into Purchase Agreements for eighty (80%) percent in number of the Units to be included in the Condominium; which may not occur for an extended and prolonged period of time. During said passage of time, there may be increases in annual real estate taxes and maintenance payable by Unit Owners. When the Sponsor does declare the Plan effective, in the event the Roof Units are not purchased, each Unit Owner's real estate taxes and maintenance will be increased as set forth above and said increases would be in addition to yearly increases due to the passage of time.

FOOTNOTES TO SCHEDULE A

THE 203 LUQUER STREET CONDOMINIUM

(1) Floor plans for Units are set forth in Part II of the Plan. Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the dimensions of the Unit.

The approximate indoor floor area of each Unit has been measured from the exterior side of the façade or exterior Building walls or glass windows at the Building line and/or Property line enclosing the Unit, or from the midpoint of the interior party walls separating the Unit from another Unit, or from the public side of the interior party walls separating the Unit from the public corridors or public stairs, or from the mechanical space side of interior party walls separating the Unit from mechanical equipment space or any other Common Elements. Columns and mechanical pipes and chases (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit. The floor area occupied by any Common Elements bordering or within a Unit (such as the Building's façade or exterior walls, vents, chase walls or areas, conduits, ducts, shafts or pipes) have been included in the computation of the floor area of the Unit, but such Common Elements are not part of the Unit. The configuration, fenestration and dimensions (collectively, "Unit Layout") are approximate. The square footages and dimensions are estimates based on an extrapolation of the square footage of overall Unit dimensions in accordance with the customary practice in New York City. The square footage shown of the indoor space of the Unit is taken from points behind the walls enclosing the Unit and thus exceed the Unit's usable floor area. Room dimensions are taken from the exposed surface of the walls enclosing the room. The Sponsor states that minor inaccuracies between a floor plan and the actual square footage, and inaccuracies in the Unit layout or room dimension, will not excuse a Purchaser from completing the purchase of a Unit without abatement in price and without recourse against the Sponsor.

(2) The allocation of Common Interests is based upon method (iv) contained in Section 339-i(1) of the New York Condominium Act, that is, 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.

(3) These offering prices have been set by Sponsor. Prices are not subject to the approval of any governmental agencies. For an explanation of conditions affecting these prices, see the section of the Plan entitled "Changes in Prices and Units". For closing costs payable by Purchasers (in addition to the Purchase Price) and adjustments at closing, see the section of the Offering Plan entitled "Unit Closing Costs and Adjustments".

(4) The Projected Common Charges are based upon the "Budget For the First Year of Condominium Operations" contained herein as Schedule B. The figures shown do not include the cost of electricity and gas consumed within the Units for air conditioning, lighting and appliances, the cost of telephone or cable television service or the costs to maintain the interior of the Unit. See Schedule B-1 for projected individual utility costs. A Unit Owner who obtains a mortgage loan to purchase a Unit will also pay principal and interest costs on that mortgage.

(5) Assuming the Property does not receive any abatement from real estate taxes, it is estimated that the aggregate real estate taxes attributable to all Unit Owners during the first year of condominium operation will total approximately $7,640.00, based on an opinion prepared by Jerome Mazursky dated March 28, 2007, which assumes a projected assessed valuation of $44,724.00 for the period of 9/01/07-6/30/08 at a tax rate of $12.90 per $100 of assessed valuation multiplied by 0.83 representing the partial tax year plus a projected assessed valuation of $130,000.00 for the portion of the tax period representing 7/1/08-8/31/08 at tax rate of $12.90 per $100 of assessed valuation multiplied by 0.83 representing the remainder of the year. Mr. Mazursky estimates that the taxes in the second year of condominium operation will increase to $16,984.00. Such estimate assumes a projected valuation of $130,000.00 for the last part 9/01/08 – 6/30/09 at a tax rate of $12.90 per one hundred multiplied by 0.83 representing the one-third plus a projected valuation of $140,000.00 for the last part of 7/11/09-08/31/09 at a tax rate of $12.90 per one hundred multiplied by 0.17 representing the remainder of the year. SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL NOT BE CHANGED.

Sponsor will adjust taxes with Unit Owners based upon the actual taxes assessed by the City of New York.

(6) Sponsor intends to apply for J-51 exemptions from real estate taxes with respect to the Building pursuant to Section 11-243 of the Administrative code of the City of New York. The J-5I Benefits will most likely not be granted in the first year of condominium operation and will most likely start before July 1, 2009.

It is estimated that with J51 exemption benefit granted, the tax will be $0.00 based on the Mazursky Letter, it being estimated that such benefits will not be granted in the first year of Condominium operations. The calculations for the benefits are based on the assumption that (a) assessed valuations that will be applicable to the property will be $140,000.00 minus (b) the estimated maximum abatement of $80,000.00 and (c) a projected tax rate of $1.29 per $100 of assessed valuation (d) less the Estimated Annual Abatement (Est CRC $120,000.00 x 8.333%). Only an estimated $7,740.00 will be needed to eliminate the tax. The remaining amount may be used to reduce future taxes for a period of up to twenty (20) years.

The real estate tax estimates for each Unit were calculated on the assumption that the real estate taxes for the residential portion of the Building payable with respect to each Unit for the first year of Condominium operation will be allocated in proportion to each Unit's Common

Interests as set forth on Schedule A. Upon determination of individual tax lots and individual Unit assessments, the New York City tax authorities may allocate taxes between the Units in proportion to each Unit's purchase price rather than its Common Interest, and, if so, Units having the same or similar percentage interest may pay different real estate taxes and taxes may differ from those set forth on Schedule A. After the Condominium is divided into individual tax lots and separately assessed, 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. Until the Units are separately assessed, the Board of Managers will pay all real estate taxes with respect to the property and will allocate the cost thereof among all Unit Owners in proportion to each Unit's Common Interest. See the Section of the Plan entitled "Real Estate Taxes" for further discussion.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) regarding the method to be employed by the New York City tax assessor in allocating individual Unit assessments; (ii) of the assessed values of the individual Units during the first year of Condominium operation, (iii) of the tax rates for the first year of Condominium operation, or (iv) that the Building will qualify for or receive benefits under the J-51 Program.

See the Section entitled "Income Tax Deductions to Unit Owners and Tax Status of Condominium" and the Attorney's Income Tax Opinion in Part I of the Plan for a discussion concerning the deductibility of real estate taxes paid with respect to a Unit.

SCHEDULE B

THE 203 LUQUER STREET CONDOMINIUM

Budget For The First Year Of Condominium Operation
Estimated to Begin on January 1, 2008

Schedule B – Budget	Annual	Monthly
Projected Receipts		
Common Charges (1)	$25,300.00	$2,108.33
Projected Expenses		
Payroll, Pension, Benefits (2)	$0.00	$0.00
Heating (3)	$8,250.00	$687.50
Electricity (4)	$2,250.00	$187.50
Water / Sewer (5)	$2,500.00	$208.33
Repairs & Maintenance (6)	$1,500.00	$125.00
Supplies (7)	$500.00	$41.66
Service Contracts (8)	$0.00	$0.00
Insurance (9)	$6,000.00	$500.00
Cleaning (10)	$0.00	$0.00
Management Fee (11)	$0.00	$0.00
Legal & Accounting (12)	$2,000.00	$166.66
Contingency @ 10% (13)	$2,3000.00	$191.66
Total Expenses	$25,300.00	$2,108.33

FOOTNOTES TO SCHEDULE B

THE 203 LUQUER STREET CONDOMINIUM

(1) COMMON CHARGES

The expenses for the projected first year of Condominium operations were allocated among the Units based on the percentage interest in the Common Elements apportioned to each. The Common Charges projected herein are based upon estimated expenses for the twelve (12) month period commencing January 1, 2008.

If the actual or anticipated date of commencement of Condominium operations is to be delayed by more than six (6) months from the budget year projected in the Offering Plan, the Plan will be amended to include a revised budget disclosing the then current projections. If such amended projections exceed the original projections by twenty-five (25%) percent or more, Sponsor will offer all Purchasers the right, for a specified, reasonable period of time of not less than fifteen (15) days, to rescind their Purchase Agreements and have their deposits refunded.

(2) PAYROLL, PENSION AND BENEFITS $0

Based on the needs of the Condominium, there will be no employees retained at the Building.

In the future, if the Board elects to employ a building staff of its own choice, the cost thereof shall be added to the annual budget and become part of the Common Charges assessed against all of the Unit Owners. No representation is made by Sponsor as to the cost, terms or availability of such services. . At this time, Unit Owners will not be required to provide any Building services. The Board of Managers may, at a future time, require Unit Owners to provide certain services.

(3) HEATING $8,250.00

The projected costs of heating under this Budget item are based mostly upon projections of AEN Architects ("AEN"), having an address at 144 East 44th Street, Eighth Floor, New York, New York 10017-4008 in a letter dated June, 2007 (the "AEN Letter"), AEN projects the cost to provide heat to the Common Elements as follows:

Heating is provided by the Building steam boiler for each apartment through steam radiators. The cost per year of heating the Building is equal to the Building heat loss per hour (450,000 btu/h max 1 day) times indoor temperature minus average outdoor temperature times 5350

NYC degree days divided by 68 degree inside outside temperature difference and 85% efficiency.

Gas

Each apartment has a gas range for cooking. Usage is based on three meals a day.

Gas consumption is measured at $1.05 per therm (100,000) btu/h therm including delivery charges.

Hot Water

Hot water is supplied by the Building steam boiler supplying domestic hot water for showers, washing machines and sinks in each apartment. The cost of heating the hot water is equal to heating up to 200 gallons of water to 140 degrees (100 degree temperature rise) multiplied by 4 units times 10 gram per hour for 8 hours per day at 85% efficiency.

It is believed that the projected figure should be sufficient to cover any reasonable increases in the cost of providing heat during the first year of operations. Fuel shortages and other factors may raise the cost of electricity higher than current rates. It is believed that the projected figure should be sufficient to cover any reasonable increases in the cost of electricity during the first year of operations. However, no warranty is made that the projection for Heating will be in accordance with the actual cost of the same during the first year of Condominium operations.

(4) ELECTRICITY $2,250.00

Includes the cost of electricity for the Common Electric. It does not include the cost of electricity to individual Units, each of which is separately metered. Each Unit Owner will be responsible for electricity to his/her own Unit. The Board of Managers will be responsible only for payment of the electric meter(s) covering the Common Elements each month.

The projected costs of electricity under this Budget item are based mostly upon projections of AEN contained in the AEN letter. AEN projects the costs to provide electricity for light and general power to the Common Elements as follows:

The following costs are based upon service classification No. 9 (Large Non-Residential):

Electricity will be used for the common hall lighting, cellar lighting, stair lighting. Electric consumption is estimated at 12,500 KWH per year at an average cost of $0.18 per KWH average.

This amount includes taxes and fuel adjustments.

However, no warranty is made that the projection for electricity will be in accordance with the actual cost of the same during the first year of Condominium operations.

(5) WATER AND SEWER - $2,500.00

Water

Based upon meeting of the estimated water consumption of 300 gallons per day per unit (300 gall x 4 units = approximately 1200 gallons x 365 days = 438,000 gallons by 7.45 = 60,000 cubic feet, using the rate of $1.6 per 100 cubic feet of water).

Sewer

Based upon meeting of the estimated water consumption of 1200 gallons per day, the sewer cost is at the rate of 159% of total water cost or at the rate of $2.5 per 100 cubic feet of water.

(6) REPAIRS AND MAINTENANCE $1,500.00

Does not include repairs, painting, maintenance, or supplies for individual Units, all of which are the responsibility of the individual Unit Owners. The budgeted figure is based upon an estimate of repairs to the Common Elements. No amount is included for items covered by construction warranties or to cover the cost of any major capital expenditure in the Building. The budgeted amount is based on the managing agent's experience in operating buildings of comparable size and quality.

(7) SUPPLIES $500.00

Supplies include such items as cleaning supplies and materials, lubricants, bulbs, public fixtures, general and hardware supplies. The budgeted amount is based on the Managing Agent's experience in operating buildings of comparable size and quality.

(8) SERVICE CONTRACTS $0.00

There are no service contracts at this time.

Sponsor, at Sponsor's sole cost and expense, reserves the right to enter into a Boiler contract for a term of one (1) year. Such contract will not increase first year's Common Expenses.

Sponsor has reserved the right to enter into service, maintenance, employment, concessionaire and other agreements that will be binding on the Condominium on commencement of operations. However, Sponsor may not enter into any binding service or maintenance contract that will materially increase the first year's Common Expenses or that would be binding on the Condominium for more than two (2) years, unless disclosed in this Plan or in an amendment thereto. For further details, see the section of the Plan entitled "Management Agreement, Contracts and Leases".

(9) INSURANCE $6,000.00

Insurance costs are projected on the information provided by Carbone & Molloy Insurance, having an office at 346 Maple Avenue, Westbury, NY 11590. The individual policies are as follows.

Section I: Property up to $1,500,000/ All Risk Form based upon an Agreed Amount with a $5,000.00 deductible.

Section II: Liability Insurance Comprehensive coverage subject to a limit of $2,000,000 per occurrence and $1,000,000 Annual Aggregate for Bodily Injury, Personal Injury and Property Damage.

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

The insurance figures provided are adequate and acceptable to the insurance carrier in order to provide the Agreed Amount Clause which meets the co-insurance requirement.

Unit Owners are advised to obtain insurance at their own cost to cover such risks as fire and casualty losses to Unit contents, replacements, additions, upgraded fixtures and improvements, and liability coverage for occurrences within the Unit.

See the Subsection of the Offering Plan entitled "Insurance," in the Section entitled "Rights and Obligations of the Unit Owners and the Board of Managers".

(10) CLEANING $0.00

It is not anticipated that there will be any cleaning expenses at this time.

(11) MANAGEMENT FEE $0.00

The building will be self-managed.

For further details as to the responsibilities of the managing agent, see the section of the Plan entitled "Management Agreement, Contracts and Leases".

In the future, if the Board elects to employ a managing agent of its own choice, the cost thereof shall be added to the annual budget and become part of the Common Charges assessed against all of the Unit Owners. No representation is made by Sponsor as to the cost, terms or availability of such management services.

(12) LEGAL AND ACCOUNTING $2,000.00

All Condominium Unit Owners are entitled to receive annually from the Condominium at the Condominium's expense an annual audited financial statement prepared by an independent certified public accountant, the cost of which is included as an accounting expense. The amount set aside for this service is based on an estimate provided by Cavalcante & Company, Certified Public Accountants, 8804 Fourth Avenue, Brooklyn, New York 11209. The services of the accountant also include the preparation of tax returns for the Condominium. Legal includes general business matters as well as any special collection matters that are not normally handled under the management agreement.

Accounting	$2,000
Legal	$ 0
Total	**$2,000**

(13) CONTINGENCY FUND $3,201.00

Contingency fund, if any, is intended to provide for unanticipated expenses or unanticipated increases in projected expenses.

In the opinion of the Corcoran Group (set forth in the section titled "Certification of Sponsor's Expert Concerning Adequacy of Budget" in Part II of this Offering Plan), the projected receipts appear reasonable and adequate based on present prices (adjusted to reflect continued inflation and present levels of demand for comparable Units similarly situated) to meet the estimated expenses for the first year of Condominium operations, assuming such first year to be the year commencing January 1, 2008. The foregoing budget, however, is not intended and should not be taken as a guarantee or warranty by anyone that the annual Common Charges or other receipts or expenses for the first or any subsequent year of Condominium operations of will be as set forth in said Condominium budget. It is likely that the actual expenses for the first year of Condominium operations will vary from the amounts shown in the budget.

SCHEDULE B-1
BUDGET FOR INDIVIDUAL ENERGY COSTS

THE 203 LUQUER STREET CONDOMINIUM

The 203 Luquer Street Condominium
Schedule B-1 - Individual Unit Energy Budget[3]

Apartment	Electric/year[4]	Gas/year[5]
Unit 1A	$1,200.00	$480.00
Unit 1B	$1,200.00	$480.00
Unit 2A	$1,200.00	$480.00
Unit 2B	$1,200.00	$480.00
Unit 3A	$1,200.00	$480.00
Unit 3B	$1,200.00	$480.00
Unit 4A	$1,200.00	$480.00
Unit 4B	$1,200.00	$480.00

Natural Gas

First 6 Therms or less	$22.02/Therm
Next 24 Therms	$1.062/Therm
Next 70 Therms	$0.910/Therm
Over 100 Therms	$0.785/Therm

Electric

Winter:	First 250 KWH	$0.182/KWH
	Over 250 KWH	$0.187/KWH
Summer:	First 250 KWH	$0.188/KWH
	Over 250 KWH	$0.194/KWH

[3] Includes electricity charges for appliances, light and power and includes gas charges for individual heating of the Units.

[4] This amount includes taxes and inflation adjustments.

[5] This amount includes taxes and fuel adjustments.

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i

corcoran
corcoran group real estate

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p: 718.499.3700
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corcoran.com

203 Luquer LLC
c/o Ultimate Realty LLC
141 West 36th Street
9th Floor
New York, NY 10018

Re: ***The 203 Luquer Street Condominium***
Brooklyn, New York

Gentlemen:

Please be advised that in consultation with you, we have determined the percentages of Common Interest to be allocated to each of the Condominium Units in 203 Luquer, Brooklyn, New York. The percentages of interest of the Units in the Common Elements have been determined in accordance with Real Property Law Section 339-(i)(1)(iv), to wit, such Common Interest 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 projected percentages are to be incorporated into the Declaration as and when recorded in compliance with the Condominium Act.

Corcoran Realty has been involved in the sale of hundreds of cooperatives and condominiums in the greater New York metropolitan area. Corcoran Realty has been engaged in the sales of cooperative, commercial and rental properties for more than 15 years.

Corcoran Realty has no financial interest in the Sponsor, the condominium or any other party interested in this transaction or in the land or building covered by the Condominium Offering Plan.

Very truly yours,

CORCORAN REALTY

By: _____
Name: Adam Placenti
Title: Vice President

Sworn to before me this 24th
day of May, 2007

_____
Notary Public

MARY E. MURPHY
Notary Public, State of New York
No. 01MU6127945
Qualified in Kings County
Commission Expires May 31, 2009

Owned and operated by NRT Incorporated.

ROOF UNITS

The Sponsor is hereby offering for sale, for additional consideration, the right to purchase one of two (2) Roof Units as more particularly described in Schedule A and the floor plans set forth in Part II of the Plan to all Unit Owners on a first come-first served basis. The purchase price attributable to the respective Roof Units is set forth on Schedule A. The Roof Units will have separate tax lots associated therewith and Roof Unit Owners will be responsible for real estate taxes and common charges as set forth on Schedule A. In the event that the Roof Units are not sold by the Effective Date, the Roof Units will become a Common Element of the Building and Sponsor will allocate the percentage of common interests that were previously allocated to the Roof Units to all Unit Owners proportionally.

This Offering Plan will become effective at Sponsor's option, but in no event prior to the date upon which there are valid and binding Purchase Agreements, bona fide purchasers, including investors for fifteen (15%) percent in number of the Units. Sponsor must, however, declare this Plan effective at such time as Sponsor shall have entered into valid and binding Purchase Agreements for eighty (80%) percent in number of the Units to be included in the Condominium. As such, Sponsor is not obligated to declare this Plan effective until it has entered into Purchase Agreements for eighty (80%) percent in number of the Units to be included in the Condominium; which may not occur for an extended and prolonged period of time. During said passage of time, there may be increases in annual real estate taxes and maintenance payable by Unit Owners. When the Sponsor does declare the Plan effective, in the event the Roof Units are not purchased, each Unit Owner's real estate taxes and maintenance will be increased as set forth above and said increases would be in addition to yearly increases due to the passage of time

Currently, the Roof Units are unimproved, not having decking, supports, floor materials, or railings (collectively the "Decking Improvements"). Furthermore, access to the Roof is currently via a ladder and scuttle, with no Unit Owner having direct access to the Roof Units. In order to legally use the Roof Units as terraces, the Unit Owner who purchases such Roof Unit would be responsible for (i) the installation of the Deck Improvements and (ii) extending the existing stairway to the roof and building a roof bulkhead access (the "Extended Stairway") (the Extended Stairway, together with the Deck Improvements, collectively the 'Roof Improvements"). The Sponsor estimates that the Deck Improvements would cost approximately $35.00 per square foot per Roof Unit; which cost would be the responsibility of each Roof Unit Owner. Sponsor estimates that the cost to install a bulkhead and extend the stairway to the roof is approximately $35,000.00. This cost would be shared by the Roof Unit Owners. However, if the Roof Units are purchased by the Unit Owners of Units 4A and/or Unit 4B, those Unit Owners have the option of installing stairways and bulkheads within their Units. Sponsor; while in control of the Board and the Board of Managers, reserves a right of access to the Extended Stairway for access to the Common Elements located on the roof.

The installation of the Roof Improvements shall at all times comply with all applicable laws, ordinances, rules and regulations of governmental and quasi-governmental authorities having or asserting jurisdiction rules and regulations and the terms and conditions set forth in the By-Laws of the Condominium (including any the Board of Manages may adopt with respect to the foregoing) and shall be made at such times and in such manner as the Board of Managers and Sponsor may from time to

time reasonably designate. The Roof Unit Owner(s), at its expense, shall (i) obtain all necessary municipal and other governmental permits, authorizations, approvals and certificates for the commencement and prosecution of such Roof Improvements.

The Roof Improvements shall be promptly commenced and completed and shall be performed in such manner so as not to interfere with the occupancy of any other Unit Owners nor delay or impose any additional expense upon the Board of Managers or the Sponsor in the construction, maintenance, cleaning, repair, safety, management, security or operation of the Building or any building equipment; and if any such additional expense shall be incurred by Board of Managers or the Sponsor as a result of such Roof Unit Owner's' s performance of any Roof Improvements, such Roof Unit Owner shall pay such additional expense upon demand.

The Roof Unit Owners shall be responsible for all normal maintenance, repairs and replacement thereto. However, the costs and expenses of any structural repairs to the Roof Units unless caused by its Unit Owner shall be charged to all Unit Owners as a Common Expense.

CHANGES IN PRICES AND UNITS

The prices for these Condominium Units may be changed from those set forth in this Offering Plan so that Purchasers may pay different prices for similar Units. However, no price change will be made except pursuant to a duly filed amendment to this Plan if such change constitutes:

(a) an across-the-board change in price or affects one or more lines or types of Units;

(b) an advertised price change;

(c) a price increase.

Sponsor will abide by any regulations concerning price changes promulgated by the Department of Law. Sponsor also reserves the right to negotiate with Purchasers all aspects of the price of each Unit, including but not limited to: (i) renovations or improvements to the Unit or the fixtures or equipment contained therein or credits or allowances therefore; (ii) reduced Down Payments towards the Purchase Price; (iii) amounts of financing, terms of loans and lenders to which applications are made; (iv) payment of all or part of the Purchaser's closing costs such as attorneys, fees, transfer taxes, financing costs, origination fees and/or commitment fees; (v) extensions of time periods provided for in the Plan and (vi) any and all other costs related to the costs of acquiring title to the Unit. Furthermore, Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms.

Notwithstanding the foregoing, Sponsor is not obligated to offer for sale any Unit irrespective of whether such Unit is listed on Schedule A, nor is Sponsor obligated to change the current use of any Unit.

Sponsor reserves the right to (i) change the layout of or number of rooms in any Unit, (ii) change the number of Unit types, (iii) reverse the layout of a Unit from that shown on the Floor Plans and (iv) change the size and/or number of Units, including subdividing one or more Units into separate Units (and creating additional Common Elements if necessary), combining separate Units into one or more Units or altering the boundary walls of Units (provided, in each case, that the approval of all governmental authorities having jurisdiction is first obtained). In such event, Sponsor shall have the right to reapportion among the Units affected by such change, subdivision, combination or alteration, their appurtenant interest in the Common Elements, provided that unless the affected Purchaser consents, no material change will be made in the Unit size, layout or percentage of Common Interest allocated to any Unit for which a Purchase Agreement has been accepted and is not then in default. Unless all Purchasers consent, no material change will be made in the size and no materially adverse change will be made in the quality of Common Elements without the consent of all affected Purchasers. Provided Purchaser's consent is not required, a Purchaser will not be excused from purchasing his Unit and will not have a claim against Sponsor as a result of any such change and will not affect a Purchaser's obligations under the Purchase Agreement or the Plan. If a Purchaser's consent is required as a result of such change and Purchaser refuses to consent, then in such event, Purchasers not otherwise in default will have the right to rescind the Purchase Agreement within fifteen (15) days after the date of the right to rescind. Sponsor's sole obligation shall be to refund to Purchaser the deposit it made under the Purchase Agreement and any interest earned thereon. Any of the above changes (other than the alteration of interior partitions) shall be reflected by a duly filed amendment to this Plan, and, if applicable, by a duly recorded amendment to the Declaration with the consent of all Unit Owners directly affected if the Declaration was recorded prior to such change.

Sponsor reserves the right to make changes in any and all architectural, structural, mechanical or electrical plans and specifications provided that prior approval is first obtained from the municipal agencies having jurisdiction, and further provided that any such changes are made with the approval of an architect or professional engineer, and are reflected by a duly filed amendment to this Plan. Again, unless the Purchaser consents, no such change shall be made with respect to any Unit for which a Purchase Agreement has been accepted and not in default. Notwithstanding the above, the dimensions of the Units shown on the Floor Plans are approximate and may vary slightly from the actual measurements.

INTERIM LEASES

Sponsor reserves the right to rent or lease Units in the Building. The leases ("Interim Leases") will be for such rent and upon such other terms as may be mutually agreed upon by Sponsor and the leasing parties. No portion of the rent paid under such Interim Leases will be credited towards the Purchase Price of the Unit. The Interim Leases shall be prepared on a form which will be available for inspection at the office of Sponsor. The term of each such Interim Lease shall expire on the earlier to occur of (i) the Closing Date of the Unit (assuming the tenant under the Interim Lease is the Purchaser of the Unit); (ii) the date of closing under such tenant's Purchase Agreement (if the tenant under the Interim Lease is the Purchaser of the Unit); (iii) the date fixed on the Interim Lease for the expiration of its term; (iv) the date upon which the Interim Lease is terminated at the option of Sponsor by reason of a default by Tenant under the Interim Lease or a casualty or condemnation affecting the Unit; and (v)

the date upon which the Interim Lease is terminated by tenant as provided below. Except as provided below, the tenant shall be required to vacate the Unit within thirty (30) days after the date of termination of the Interim Lease. If the tenant under the Interim Lease described herein, has entered into a Purchase Agreement under the Plan and if the Plan is abandoned by Sponsor, the tenant may, at its option, terminate the Interim Lease at any time thereafter as of the last day of any month during the term of the Interim Lease, upon not less than thirty (30) days prior written notice, personally delivered or mail by certified mail, return receipt requested to Sponsor. The tenant shall be required to deliver to Sponsor possession of the Unit on the date of termination of the Interim Lease in vacant, broom clean condition. If a tenant under an Interim Lease has entered into a Purchase Agreement under the Plan and the tenant exercises any rights to rescind the Purchase Agreement as provided in the Plan then, as a condition of such rescission, the tenant's Interim Lease shall be terminated and the tenant shall deliver possession of the Unit to Sponsor in vacant, broom clean condition. It shall be a default under the Interim Lease if the tenant fails to comply with all his/her obligations under the Purchase Agreement or other Interim Leases. Before the Sponsor may utilize a default under an Interim Lease to declare a default under the Purchase Agreement, either (a) the Sponsor must obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the tenant or (b) the tenant must have vacated the Unit. If Sponsor cancels a Purchase Agreement, Sponsor may retain any money paid thereunder (but not exceeding the sum of ten (10%) percent of the Purchase Price, plus all costs for any special work ordered by Purchaser) together with interest earned thereon, if any, without prejudice to any other rights or remedies at law, or in equity or under the Interim Lease, which Sponsor, the Condominium or any other party may have by reason of such default.

MORTGAGE FINANCING ARRANGED BY SPONSOR

Sponsor is obligated to satisfy or release each Unit from any building loan or other mortgage encumbering the Property before the closing of title to such Unit.

Sponsor has not secured a commitment from any lending institution for the permanent financing of any Unit. Any Purchaser of a Unit who requires financing, must make his/her own arrangements with a lender of his/her own choosing to finance the purchase of such Unit. All expenses and costs in obtaining such financing are to be borne by the Purchaser and are not included in the Purchase Price of the Unit. NO REPRESENTATION IS MADE BY SPONSOR AS TO THE AVAILABILITY OR COST OF SUCH FINANCING. SPONSOR SHALL HAVE NO LIABILITY OR RESPONSIBILITY TO ANY APPLICANT IF HIS/HER APPLICATION FOR FINANCING IS NOT ACCEPTED.

The rights and obligations of each Purchaser under a Purchase Agreement are conditioned upon such Purchaser obtaining a commitment for financing in an amount equal to eighty (80%) percent of the Purchase Price (or such lesser as such Purchaser may approve), but only under the terms and conditions more particularly set forth in the "Procedure to Purchase' section of the Plan and the mortgage contingency shall be effective IF AND ONLY IF Purchasers apply for financing through Universal Mortgage (the "Approved Mortgage Banker"), and then only with respect to such application. The Approved Mortgage Banker has an office located at 225 West 34th Street, New York,

New York, Suite 1109, New York, New York 10122 (TEL: 212-768-0025 FAX: 212-768-0027). See Exhibit A of Part II for further details regarding the limited financing contingency.

Purchaser, a Purchaser's option, may apply for a loan to other lenders directly or through a mortgage broker other than through The Approved Mortgage Banker however, this will not entitle Purchaser to a mortgage contingency and Purchaser's failure to obtain financing through such other lender or mortgage broker will not relieve the Purchaser from any obligations under this Agreement, including Purchaser's obligation to pay the full amount of the Purchase Price at Closing.

Sponsor cannot and does not represent, assure or guarantee that any Purchaser will be able to obtain mortgage financing or the terms of such financing.

NO REPRESENTATION IS MADE BY SPONSOR AS TO THE AVAILABILITY OR COST OF SUCH FINANCING. SPONSOR SHALL HAVE NO LIABILITY OR RESPONSIBILITY TO ANY APPLICANT IF HIS/HER APPLICATION FOR FINANCING IS NOT ACCEPTED.

Purchasers should note that in the current real estate market, banks and other lenders may be imposing various restrictions on loans. Such restrictions include requiring that a certain percentage (50% or more) of the units in a building be sold before the lender will consider making a loan. Thus it may be possible for a Purchaser to experience difficulty obtaining a loan in a building where the percentage of units purchased is lower than a lender's particular sales minimum. Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to such minimum sales requirements. Purchasers should further note that pursuant to existing Law and regulation, Sponsor may declare the Plan effective upon selling a minimum of fifteen (15%) percent of the Units offered for sale in the Building. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to submit the Property to a condominium regime and convey Units with fewer than the minimum number of sales if purchasers counted towards effectiveness do not ultimately purchase a Unit. Please refer to the Section entitled "Effective Date" in Part I of the Plan for further details.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit will be required to execute in triplicate the Purchase Agreement in the form set forth in Part II of this Plan, and to return it to the Selling Agent at their office together with a check for the required down payment drawn on a New York City bank to the order of "Meister Seelig & Fein LLP, as Escrow Agent." The down payment must be in an amount equal to ten (10%) of the Purchase Price of the Unit. When accepted in writing by Sponsor, the Purchase Agreement will be binding upon Sponsor, subject to Sponsor's rights to abandon this Offering Plan, as set forth in the section of this Plan entitled "Effective Date of this Offering Plan." Sponsor shall have fifteen (15) days within which to accept or reject such Purchase Agreement, at which time Sponsor will either return to Purchaser a fully executed counterpart of the Purchase Agreement or a refund of the down payment previously tendered, without interest. Failure by Sponsor to act within this fifteen (15) day period shall be deemed a rejection of the Purchase Agreement.

Purchasers must have received the Offering Plan and all filed amendments at least three (3) business days before executing a Purchase Agreement, or alternatively, they may rescind their Purchase Agreements at any time during the seven (7) day period following the delivery of an executed Purchase Agreement to the Selling Agent. A Purchaser who wishes to rescind must personally deliver a written notice of rescission to the Selling Agent during such seven (7) day period, or mail the notice of rescission to the Selling Agent during such seven (7) day period and Sponsor will, within twenty (20) days after receipt of such notice, refund any monies paid by such person pursuant to the Purchase Agreement, without interest. Upon the refund of these monies, all rights and obligations under the Purchase Agreement shall terminate.

Any notice or other communication required or permitted to be given under the Purchase Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or registered mail, return receipt required. All such notices and communications shall be deemed to have been received on the date of personal delivery or on the fifth (5th) day after mailing.

The rights and obligations of each Purchaser under a Purchase Agreement are conditioned upon such Purchaser obtaining a commitment for financing in an amount equal to eighty (80%) percent of the Purchase Price (or such lesser as such Purchaser may approve), but only under the terms and conditions more particularly set forth in the "Procedure to Purchase' section of the Plan and the mortgage contingency shall be effective IF AND ONLY IF Purchasers apply for financing through Universal Mortgage (the "Approved Mortgage Banker"), and then only with respect to such application. The Approved Mortgage Banker has an office located at 225 West 34th Street, New York, New York, Suite 1109, New York, New York 10122 (TEL: 212-768-0025 FAX: 212-768-0027). See Exhibit A of Part II for further details regarding the limited financing contingency. Purchaser, a Purchaser's option, may apply for a loan to other lenders directly or through a mortgage broker other than through The Approved Mortgage Banker however, this will not entitle Purchaser to a mortgage contingency and Purchaser's failure to obtain financing through such other lender or mortgage broker will not relieve the Purchaser from any obligations under this Agreement, including Purchaser's obligation to pay the full amount of the Purchase Price at Closing.

Upon the closing of title, the Purchaser will be required to (i) pay the balance of the cash portion of the Purchase Price of the Unit and (ii) execute a power of attorney in favor of the Board of Managers in the form contained in Part II of the Plan (the "Power of Attorney"). The Purchaser will then receive a bargain and sale deed with covenants against grantor's acts, encumbrances, and title exceptions referred to in this Plan in the form set forth in Part II. At closing, or at such earlier time as Purchaser enters into possession of the Unit pursuant to written agreement with Sponsor, risk of loss from fire or other casualty will pass from Sponsor to the Purchaser. Sponsor is under no obligation to allow a Purchaser to take possession prior to closing.

If the Purchaser (i) does not pay the balance of the Purchase Price when due or execute the Power of Attorney to the Board of Managers or (ii) fails to perform any other obligation under the Purchase Agreement, and if, within thirty (30) days after written notice to the Purchaser, any such default is not remedied, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. In such event, the down payment with interest, if any, shall be paid over to Sponsor as and for liquidated damages and thereafter the Purchase Agreement shall become null and void.

After the acceptance for filing of the amendment to this Plan disclosing the declaration of the Plan's effectiveness, Sponsor or the Selling Agent will send written notices to all Purchasers stating the date of the first Unit closing and fixing their closing dates, which shall be at least thirty (30) days thereafter unless such period is waived in writing by the Purchaser. The notice of closing date may also state when Common Charges will begin to be due and payable. Sponsor may adjourn and reset a closing date upon ten (10) days prior written notice.

Neither Sponsor nor the Selling Agent shall have any liability or responsibility to Purchasers, nor will any Purchaser be relieved of its obligations under a Purchase Agreement, by reason of any minor inaccuracy or error in the floor plans for or square footage of the Units. Each Purchase Agreement contains an acknowledgment by the Purchaser that the sizes, dimensions and layout of Units set forth in this Plan and the floor plans are approximations, and that he or she is purchasing the Unit without relying upon any warranties or representations as to its size, dimensions or other physical characteristics.

The Purchase Agreement will also provide that the Purchaser is purchasing the Unit without relying upon any warranties or representations as to financial data or estimated income tax deductions, except as specifically represented in this Offering Plan and the Exhibits hereto.

After the Plan has been declared effective, Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed. Sponsor will serve notice to Purchaser stating the date of the first closing and setting such Purchaser's closing date. Such notice shall be served upon each Purchaser not less than thirty (30) days before the date set for the Closing of such unit.

Sponsor expects the first closing of a unit to occur on or about January 1, 2008. If such is delayed by twelve (12) months or more, Purchaser will be offered a right to rescind his/her contract.

The risk of loss or damage to a Unit by fire or any other cause shall remain with Sponsor until the earlier of: a) the delivery of the deed to Purchaser or b) the time Purchaser takes possession of the unit pursuant to an Interim Lease or other written agreement.

Finally, the Purchase Agreement provides that if after the effective date of this Plan, as hereinafter described, title to a Unit has not been conveyed to a Purchaser within one (1) year after the closing date which Sponsor sets forth in the closing notice as set forth above (except where such failure is due to the default of Purchaser) or any adjourned date which has been agreed upon by both Sponsor and Purchaser, then the Purchaser shall have the right, for a period of thirty (30) days from the expiration of the aforementioned one (1) year period or the adjourned date, to cancel the Purchase Agreement. A Purchaser desiring to so cancel must tender during that thirty (30) day period, thirty (30) days written notice to Sponsor, and the Purchase Agreement will be deemed canceled at the end of the notice period (unless Sponsor is ready, willing and able to close title within such thirty (30) day period). Upon such cancellation, Sponsor shall return any monies paid under the terms of the Purchase Agreement, with interest if earned. (See the Section of the Plan entitled "Escrow Funds").

Sponsor has reserved the right for itself and its designee, without prior notice or amendment to the Plan, to use any unsold Units as sales offices and/or model Units. In the event Sponsor or its designee thereafter elects to sell any such unsold Units, Sponsor or its designee may require the Purchaser thereof to purchase all or any of the furnishings, equipment or decorations therein and pay an additional charge for such items which shall be set forth in a Rider to the Purchase Agreement. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model Unit imply or represent that any Unit will contain such furniture, furnishings, equipment or decorations upon delivery except pursuant to a separate agreement with Sponsor.

The Offering Plan will be incorporated by reference in the Purchase Agreement. Any inconsistency between the Purchase Agreement and this Offering Plan shall be resolved in favor of the Offering Plan.

Neither the Plan nor the Purchase Agreement shall contain or be modified to contain any provision waiving Purchaser's rights, other than the ability of Purchaser to waive his/her right to thirty (30) days written notice prior to closing of title to the Unit, or abrogating Sponsor's obligations under the offering Plan or under Article 23-A of the New York General Business Law.

ESCROW FUNDS

All funds received by Sponsor as deposits, downpayments or advances under the Purchase Agreements will be handled in accordance with the provisions of Section 352-h and 352-e(2)(b) of the General Business Law and Section 2.03(o)(2) of the Title 13 NYCRR. Said monies must be deposited by Sponsor within five (5) business days after receipt of such funds along with the fully executed Purchase Agreements in triplicate.

Funds will be deposited in subaccounts for each Purchaser in an account entitled Meister Seelig & Fein LLP Escrow Account maintained at Citibank, N.A., 666 Fifth Avenue, 5th Floor, New York, New York 10103 (the "Escrow Account"). Said subaccounts shall be interest bearing with interest credited to the Purchaser either (1) unless the Purchaser defaults and the Plan is consummated or (2) until Sponsor elects to place the funds in a noninterest bearing "Interest On Lawyers Account" ("IOLA") pursuant to Judiciary Law Section 497. The interest earned will be the prevailing rate for such accounts which rate is currently approximately 0.5%. Neither Sponsor nor Escrow Agent makes any representation as to the amount of interest that will be earned on such accounts. No fees of any kind will be deducted from the account principal or any interest earned on such deposits. Sponsor shall bear the administrative cost of maintaining such accounts.

All funds received from Purchasers, whether in the form of checks, drafts, money orders, wire transfers or other instruments shall be made payable to the order of "Meister Seelig & Fein LLP as Escrow Agent". The signatories on such accounts will be Stephen Meister, Matthew Kasindorf, Benjamin Fein, Scott Newmark, and Stuart Rich. The signatories can be found c/o Meister Seelig & Fein LLP, 2 Grand Central Tower, 140 East 45th Street, 19th Floor, New York, New York 10017. Their telephone number is (212) 655-3500. Neither Sponsor nor any principal of Sponsor will be a signatory on the account. Sponsor and Escrow Agent will enter into a written escrow agreement, a

copy of which is attached hereto as an Exhibit to the Plan. The escrow agreement provides for the obligations discussed above and contains an indemnification of Escrow Agent by Sponsor for costs incurred by Escrow Agent in carrying out its obligations under the Agreement. In addition, the Agreement provides for Escrow Agent's discharge from liability upon the disbursements of funds and interest in accordance with applicable law. Escrow Agent reserves the right to represent Sponsor in any lawsuit or dispute regarding the Plan or any other matter.

Within ten (10) business days after tender of a downpayment submitted with the Purchase Agreement in triplicate, Escrow Agent will notify the Purchaser that such funds have been deposited in the bank disclosed in the Offering Plan and shall provide the Purchaser with the account number and the initial interest rate on the date of such deposit. If the Purchaser does not receive such notice of deposit within fifteen (15) business days after the tender of the deposit, he/she may cancel the purchase and rescind the Purchase Agreement within ninety (90) days after the tender of the deposit or may apply to the Attorney General for relief. Rescission may not be afforded to a Purchaser where proof satisfactory to the Attorney General is provided by Escrow Agent establishing that the escrow funds were timely deposited and requisite notice was timely made. Escrow funds will not be transferred to a new account, nor shall Escrow Agent be replaced unless and until an amendment is filed containing the name and address of the new account and/or the new Escrow Agent.

A bond, letter of credit or other security may be substituted for the Escrow Account only after the Department of Law approves in writing the use of such alternate form of security.

Release Of Funds

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

Escrow Agent shall be obligated to hold all funds received in escrow until otherwise directed: (a) in writing signed by both Sponsor and the Purchaser; (b) by a determination of the Attorney General; (c) by a Judgment or Order of a court of competent jurisdiction, or (d) 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 Purchaser has already made application to the Department of Law pursuant to the Attorney General's dispute resolution procedures and has so notified Escrow Agent.

Sponsor shall not object to the release of escrowed funds to: (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan; or (b) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

Escrow Disputes

In the event there is a dispute over escrowed funds, either the Purchaser, Sponsor or Escrow Agent must apply to the Attorney General for a determination of the disposition of the downpayment and any interest earned thereon. A Form application for this purpose is set forth in Part II of this Plan as Exhibit I and also available from the Department of Law. The party applying shall contemporaneously send to all other parties a copy of such application.

Pending the determination of the Attorney General of such application, Sponsor, the Purchaser and Escrow Agent shall abide by any interim directive by the Attorney General. If an application permitting a release of the funds is granted, the deposit and any interest earned thereon shall be disbursed in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief may be granted. The Attorney General is required to act on any application within thirty (30) days after its submission to the Department of Law. If the application seeking release of funds is denied, Escrow Agent shall continue to hold the deposit and any interest earned thereon until: (a) both Sponsor and the Purchaser direct payment in accordance with a written direction signed by both parties; (b) a Judgment or Order of a court of competent jurisdiction is served upon Escrow Agent; or (c) Escrow Agent deposits the disputed amount into court.

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

Escrow Agent will maintain all records concerning the Escrow Account for seven (7) days after the release of funds.

Prior to the transfer of any funds to a new Escrow Account, or if the Escrow Agent is replaced, the Plan must be amended to provide the same full disclosure with respect to the new account, the Escrow Agent and the Escrow Agreement as originally provided herein.

Any provision of any contract or agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding the trust funds is absolutely void.

ASSIGNMENT OF PURCHASE AGREEMENTS

Purchase Agreements are not assignable by Purchasers without the prior written consent of Sponsor, which may be granted or withheld in Sponsor's sole discretion for any or no reason.

EFFECTIVE DATE OF THIS OFFERING PLAN

All Purchase Agreements are contingent upon the Plan being declared effective in compliance with the time periods and conditions set forth herein.

This Offering Plan will become effective at Sponsor's option, but in no event prior to the date upon which there are valid and binding Purchase Agreements, bona fide purchasers, including investors for fifteen (15%) percent in number of the Units. Sponsor must, however, declare this Plan effective at such time as Sponsor shall have entered into valid and binding Purchase Agreements for eighty (80%) percent in number of the Units to be included in the Condominium. For purposes of this Offering Plan, a Purchase Agreement shall be valid and binding if executed by both Purchaser and Sponsor. Although Sponsor will endeavor in good faith to sell each of the Units offered for sale in accordance with the terms of this Plan, Sponsor has reserved the right to rent rather than sell the Units. As a result, there is no commitment on the part of Sponsor to sell more than the fifteen (15%) percent necessary to declare the Plan effective and, therefore, Unit Owners may never gain effective control and management of the Condominium.

For purposes of effectiveness, Purchase Agreements will not be included in the count if they were (i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; (ii) signed by any Purchasers not afforded at least three (3) business days to the Plan and all filed amendments as required by Section 20.3(o)(15) of the Attorney General's Regulations; or (iii) signed by Purchasers who are the Sponsor, the Selling Agent or a principal of any of them, or are related to Sponsor, the Selling Agent or to a principal of any of them by blood, marriage or adoption or as a business associate, employee, shareholder or partner. Notwithstanding the foregoing, such a Purchaser other than Sponsor or a principal of Sponsor may be included if Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is a bona fide purchaser.

The Offering Plan will be declared effective by the mailing or personal delivery of written notice to all Purchasers, which notice shall state the effectiveness date, the percentage used to declare the Plan effective and a list of Units being counted to meet the minimum percentage required to declare the Plan effective. Within five (5) business days after such notice is given, an amendment to the Offering Plan will be submitted by Sponsor or Sponsor's designee stating that the Offering Plan has been declared effective. No closings shall occur until the Plan is declared effective and the amendment confirming the effectiveness has been accepted for filing by the Department of Law.

This Offering Plan may be abandoned by Sponsor at any time prior to either being declared effective or obtaining valid and binding Purchase Agreements for eighty (80%) percent of the Units. If the Plan is abandoned, all Purchasers will be promptly notified, and within twenty (20) days thereafter all monies paid by them under their respective Purchase Agreements will be returned to them, with interest if earned. Sponsor shall then promptly submit to the Department of Law an amendment confirming such abandonment and file a notice of abandonment on form RS-3 or such other form as the Department of Law may require, explaining the reason for the abandonment and the disposition of all funds received.

If requested by the Department of Law, Sponsor will submit to the Department of Law copies of all Purchase Agreements and any amendments or modifications thereto, within five (5) business days after the request is made.

Sponsor may not abandon the Offering Plan after it has been declared effective for any reason other than (i) a defect in title which cannot be cured without litigation or which cannot be cured for less than one-half of one (.5%) percent of the total amount of the offering; (ii) substantial damage or destruction of any portion of the Building by fire or other casualty which cannot be repaired for less than one-half of one (.5%) percent of the total amount of the offering; or (iii) the taking of any material portion of the Property by condemnation or eminent domain.

TERMS OF SALE

The closing of title to each Unit will take place only after or concurrently with the following events:

1. Declaration of the Plan's effectiveness by notice to all Purchasers;

2. Amendment of the Plan by Sponsor incorporating the notice of effectiveness and confirming that the Units have been and are being constructed in accordance with applicable plans and specifications as more fully described in the Section of the Plan entitled "Description of Property and Improvements";

3. Recording of the Declaration and the By-Laws in the Kings County office of the Register of the City of New York;

4. Release of the Unit to be closed and its undivided Common Interest as required by Section 339-r of the New York Condominium Act from the liens of all mortgages except the Purchaser's mortgage, if any, and free and clear of all other liens and encumbrances except those described in this Plan and in the proposed Unit deed;

5. Issuance of a partial, temporary or permanent Certificate of Occupancy for the subject Unit;

6. Service on Purchaser of written notice of the closing date no less than thirty (30) days in advance of closing (unless such time period is waived by Purchaser), giving Purchaser the opportunity to inspect the Unit and the Common Elements prior to closing, provided that Purchaser shall be obligated to make an inspection appointment with the Selling Agent and shall be accompanied at all times by a representative of Sponsor or the Selling Agent;

7. Delivery to Purchaser of a Bargain and Sale Deed with Covenants against Grantor's Acts, in proper form for recording and containing the provisions set forth in subdivision 5 of Section 13 of the Lien Law;

8. Assignment to Purchaser of any manufacturer's warranties with respect to equipment and appliances installed in the Unit, if any, and assignment to the Board of Managers of any warranties with respect to equipment and appliances installed in Common Elements;

9. The execution by the Purchaser of a Power of Attorney in the form contained in Part II, designating the Board of Managers as his/her attorneys-in-fact, coupled with an interest, for the purposes of: a) managing, selling, mortgaging, leasing, voting or otherwise dealing with any Units acquired by the Board of Managers on behalf of all Unit owners; b) authorizing the Board of Managers to apply for a reduction in the assessed valuation of the Unit as part of a single application on behalf of all Unit Owners; and c) prosecuting and settling any action relating to the Condominium.

10. The closing of the Purchaser's mortgage loan, if any.

In the event that all or a substantial part of the Unit is damaged or destroyed by fire or other casualty prior to the closing date, Sponsor may elect to terminate the Purchase Agreement and refund the down payment to the Purchaser, with interest if any has been earned. If Sponsor does not elect to terminate the Purchase Agreement, or if less than a substantial part of the Unit is damaged or destroyed, the Purchase Agreement will remain in full force and effect and Sponsor shall restore the Unit to its condition existing immediately before such damage or destruction.

Except as otherwise provided herein or in the Purchase Agreement and except for personal property used in connection with Sponsor's offer and sale of the Units, all personal property owned by Sponsor which is located within a Unit on the date a Purchase Agreement is accepted by Sponsor will be included in the conveyance of the Unit, and all personal property owned by Sponsor which is affixed to or located within the Common Elements on the date the Declaration of Condominium is recorded will become the property of the Condominium upon the recording of the Declaration.

At or prior to the first conveyance of a Unit, each holder of a mortgage on the Property will either: (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; or (c) release its lien on the Unit being conveyed.

The Purchaser's obligation for payment of the Common Charges and expenses applicable to his/her Unit will begin to accrue on the date on which title is closed.

STATUS OF TITLE AT CLOSING

The deed conveying ownership of the Unit to the Purchaser will contain the provisions set forth in subdivision 5 of Section 13 of the Lien Law and will convey title free and clear of all liens and encumbrances other than:

1. the state of facts which an accurate survey would show provided such additional facts do not prohibit the use of the Units as described herein;

2. 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 Building;

3. the Declaration, By-Laws, Maps and Floor Plans to be recorded and filed in the Kings County office of the Register of the City of New York, as the same may be amended from time to time and the terms, covenants and conditions of this Offering Plan and amendments thereto;

4. an easement in favor of adjoining Units and of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction of the Building, or which 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 adjoining Unit or 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 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;

5. easements in favor of the Board of Managers, its agents, contractors or employees to have a right of access to the Unit and to the Common Elements to inspect, maintain or repair or to make repairs to the Unit to prevent damage to the Common Elements or any other Units, to make repairs to the Common Elements, including without limitations to any wires, pipes, conduits or telecommunication system servicing any of the Units or to make repairs to any other Unit;

6. easements in favor of those Units having restricted use to portions of the Common Elements;

7. easements for the continuance of encroachments on the Unit and on the common Elements by other Unit or portions of the Common Elements, now existing by reason of the construction of the Units, or hereafter occurring by reason of the settling or shifting of the Units, or by reason of the repair and/or restoration by the Board of Managers of the Units or such other Units or such Common Elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration to the Common Elements made by the Board of Managers, so that any such encroachments may remain as long as the Units stand;

8. any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, cable television 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;

9. standard printed exceptions to the NYBTU and ATLA policies of title insurance;

10. covenants, conditions, easements, leases, agreements of record; and

11. franchise taxes, if any, provided the title company issuing a policy of title insurance to the Purchaser will insure that such taxes cannot be collected from the Unit.

The Title Company will affirmatively insure that none of the aforementioned easements or agreements will interfere with the projected use of the premises as a condominium.

UNIT CLOSING COSTS AND ADJUSTMENTS

Estimated Closing Costs

The estimated closing costs to be borne by each Purchaser of a Unit are set forth below. Recording charges, title costs and taxes are based on rates in effect on the date of the Plan and are subject to change without notice:

(a) The premium for fee title insurance if ordered from Metropolitan Abstract Corporation, as agent for First American Title Insurance Company of New York (the "Title Company") will be based on the New York State Title Insurance Rates, effective November 5, 2001.

Based on these rates, examples of the fee title insurance are as follows:

Fee Amount	Premium
$ 63,000	$ 573
$ 100,000	$ 774
$ 500,000	$ 2,518

If policy is above $500,000.00:

	Fee	Mortgage
Minimum Insurance	$402	$3,444.00
For each $1,000.00 or part thereof		
35,001-50,000	$6.67	$5.55
50,0001-100,000	$5.43	$4.54
100,001-500,000	$4.36	$3.64
500,000-1,000,000	$3.98	$3.31
1,000,001-5,000,000	$3.66	$3.05
5,000,001-10,000,00	$3.25	$2.71
10,000,000-15,000,000	$3.07	$2.55
Over $15,000	$2.76	$2.31

(b) The Premium on the amount of the loan policy is also based on the New York State Title Insurance Rates effective November 5, 2001, examples of these rates are as follows and see above if policy is above $500,000:

Loan Amount	Premium
$35,000.00	$344.00
$50,000.00	$427.00
$100,000.00	$654.00
$500,000.00	$2,110.00

The fee title and mortgage title policy premiums and the recording charges set forth above are those in effect as of the date of this Offering Plan. If said premium, charges, rates, or taxes are subsequently revised by the Title Company, the State, or Municipality, each Purchaser shall be required to pay the title policy premiums, recording charges and taxes in effect as of the date of the closing of title to his/her Unit.

The Title Company is most familiar with title to the Property, and therefore best able to facilitate Purchaser's closing. Purchaser is not required to obtain a title report or insurance (if Purchaser elects to obtain a title report or insurance) from the Title Company. Purchaser may choose any title company that Purchaser may prefer. However, Sponsor strongly recommends that Purchasers choose Title Company.

(c) Recording fee for recording the deed, power of attorney, mortgage and other documents of $37.00 for each instrument plus $5.00 per page, and a service charge to the Title Company of approximately $10.00 per instrument.

(d) New York State Transfer Tax, which is currently .4% of the Purchase Price, but when paid by the Purchaser is increased to approximately .4016% since the shifting of the obligation from Sponsor as a seller of real property to the Purchaser is deemed additional consideration to Sponsor.

(e) New York City Real Property Transfer Tax, which is currently at the rate of 1% of the Purchase Price where the Purchase Price is $500,000 or less, but when paid by the Purchaser is increased to approximately 1.01% since the shifting of the obligation from Sponsor as a seller of real property to the Purchaser is deemed additional consideration to Sponsor. The rate is 1.425% of the Purchase Price where the Purchase Price is more than $500,000 (1.445% when paid by Purchaser), plus a filing fee to the City of $50.00.

(f) New York State Mansion Tax, which is applicable where a Purchase Price exceeds $1,000,000, and is equal to 1% of said Purchase Price, as increased by the New York State and New York City transfer taxes payable by the Purchaser.

(g) In the event a Purchaser obtains a mortgage, the Purchaser shall pay all costs in connection with the mortgage. Such mortgage costs may include, but may not be limited to, the following:

(1) Loan origination fee or "points";

(2) Charge for appraisal service and credit check;

(3) Legal fees of lender's attorney;

(4) Mortgage title policy, the rates for which are as indicated in subsection (b) above if the Purchaser elects to obtain fee title and mortgage title insurance simultaneously from the Title Company;

(5) Mortgage recording tax, currently at the rate of 2.05% of the mortgage amount for those mortgages of less than $500,000, 2.175% percent of the mortgage amount for the mortgages equal to or greater than $500,000 for a Unit, in each case, less $30. Sponsor shall be entitled to receive the benefits of any mortgage tax credit allowable under Section 339-ee of the Real Property Law by check payable by the Purchaser to Sponsor at closing;

(6) Recording charges to record mortgage;

(7) Private mortgage insurance premium, if required by the lender; and

(8) The mortgage on the Unit may provide that the mortgagor shall deposit monthly with the mortgagee one-twelfth (1/12th) of the estimated annual real estate taxes assessed or to be assessed against the Unit, and at the closing of title Purchaser may be required to deposit with the mortgagee a portion of the annual real estate taxes assessed against the Unit for the forthcoming period. It must be noted, however, that as per a privately commissioned third-party investigation by Moseson & Associates (contained within), after year one of ownership, it is estimated that real estate tax abatements will reduce property taxes to zero for the following fourteen years.

(h) The following closing fees of Meister Seelig & Fein LLP, attorneys for Sponsor:

(1) Basic fee for closing of sale without bank financing=$1,750.00

(2) Additional fee for sale with bank financing=$250.

(3) Additional attendance fee in the event that closing does not occur at Meister Seelig & Fein LLP $500.

(4) Additional attendance fee in the event that the closing occurs outside the Borough of Manhattan =$700.

(5) Additional fee if closing is adjourned for any reason other than at Seller's request=$500.

The costs described above are cumulative to the extent applicable to an individual closing. If any of the costs in (a) through (h) above are advanced by Sponsor, the Purchaser will reimburse Sponsor for same at the closing.

(i) At the closing of title, each Purchaser will be required to pay to the Board of Managers a sum equal to two (2) months Common Charges as an initial, non-reimbursable contribution to the Working Capital Fund of the Condominium. Said payment shall be in addition to and not in lieu of monthly payments of Common Charges required to be made by Purchaser on the Closing Date.

(j) At the closing of title, each Purchaser will be required to deposit with the managing agent the sum of $500.00 as a refundable deposit to be used to repair any damage resulting from said Purchaser taking occupancy of the Unit being purchased.

(k) Each Purchaser of a Unit will be responsible for the fees and expenses of his/her own attorney, if any.

The following table illustrates the projected closing costs (based on current rates) for the purchase of Unit 2B at a Purchase Price of $550,000.00, assuming such Purchaser finances seventy (70%) percent (i.e., $385,000.00) of the Purchase Price:

Fee Title Insurance	$	2,189.00
Fee for recording Unit Deed (7 pages) and Unit Owner's Power of Attorney (5 pages)	$	154.00
Mortgage Loan Closing Costs		
- recording mortgage (assuming 20 pages)	$	147.00
- mortgage recording tax	$	7,862.50
- mortgage title insurance	$	1,820.50
- other bank charges (assuming "points" of 1% of mortgage amount, and appraisal fee of $275 and legal fees of $550 and assuming further that the lender does not require Purchaser to deposit funds to establish a real estate tax escrow)	$	4,675.00
New York City Real Property Transfer Tax (plus $50.00 filing fee) and New York State Deed Stamps	$	10,270.65
Working Capital Payment (approximate)	$	694.84
Refundable Move In Deposit	$	500.00

Sponsor's Legal Fee (assuming the closing occurs at the offices of Sponsor's counsel)		$ 2,000.00
	Total	$ 30,313.49

The projected closing costs referred to above are approximate and are not guaranteed. Purchasers are advised that they are responsible for all mortgage loan closing costs which vary widely among different lenders and also will vary depending on the loan program chosen.

Estimated Adjustments

Purchasers will be required to pay to the Board of Managers Common Charges allocable to their Units monthly in advance. Common Charges assessed during the month in which title closes shall be adjusted with Sponsor as of the closing date.

Real estate taxes for each Unit for the tax year in which title closes will be apportioned between Sponsor and the Purchaser as of the date of closing of title. In the event that Units have not been separately assessed for real estate tax purposes prior to the first closing of title to a Unit, Sponsor will (i) place in escrow in the name of the Board of Managers an amount equal to the estimated real estate taxes for the six (6) month period following the first closing of title, (ii) pay the real estate taxes from this escrow account when they become due and payable, and (iii) receive reimbursement from Purchasers at closing of title based upon the assessment for the Land and the Building comprising the Condominium and the percentage of the Common Elements appurtenant to the Unit. It must be noted, however, that as per a privately commissioned third-party investigation by Jerome Mazursky (contained within), the property may receive a 14 year tax exemption from increases in the assessed value attributable to renovation of the units and there would be a full exemption for such increases for 10 years, after which the exemption would decline at the rate of 20% per year for the next year.

Each Purchaser will be required to reimburse Sponsor, at closing, such Purchaser's pro rata share of the Condominium's insurance policy (as described in the footnotes to Schedule B) for the first year of operations of the Condominium, the premium for which will be prepaid by Sponsor prior to the first closing of title to a Unit. The amount of reimbursement will vary depending on the Unit's percentage interest in the Common Elements and the date of closing of title to the Unit. The actual reimbursement will be determined by multiplying the amount of prepaid premium by the Unit's percentage interest in Common Elements, and then multiplying the resulting per diem rate by the number of days remaining in the relevant covered period.

Rent or Interim Leases if any will be adjusted at Closing.

Penalty for Adjourned Closings

If, through no fault of Sponsor, a Purchaser fails to close for any reason on the date originally scheduled for closing of title to the Unit, then the Purchaser shall reimburse Sponsor for loss of earnings on the Purchase Price, as a result of the Purchaser's delay, in amount equal to .03% times the

Purchase Price of the Unit for each day's delay, starting with the day originally scheduled for closing and including the day immediately prior to the actual closing date. Additionally, the granting of such adjournment shall be upon the condition that all adjustments shall be made as of the date originally fixed for the closing of title.

RIGHTS AND OBLIGATIONS OF SPONSOR

1. Subject to the terms and conditions of the Plan, Sponsor shall have the following rights and obligations and all Purchasers upon execution of their respective Purchase Agreements will be deemed to have accepted, approved and agreed to abide and be bound by the following:

(a) Sponsor will diligently, expeditiously and at its sole cost and expense, perform or cause to be performed such work, and will supply or cause to be supplied all materials, necessary to complete renovation and construction of the Building substantially in accordance with the Plans and Specifications. Sponsor shall not be obligated to correct and will not be liable to any Purchaser as a result of any insubstantial variations from the Plans and Specifications or the description of the Building or a Unit set forth in the Plan. Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures and other construction details), provided, however, that:

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

(ii) Sponsor shall not materially change the size or location of the Units or Common Elements or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement is in effect, except as more specifically provided in the Section entitled "Changes in Prices and Units".

Under the present construction schedule, it is anticipated that, except for finishing work to stairways, hallways and other areas of the Building which are not intended for the exclusive use of any one Unit Owner and specified work, if any, which Sponsor agrees to perform in individual Units at the request of Unit Owners, the Units will be substantially completed and a first temporary Certificate of Occupancy issued by August 1, 2007 subject to Unavoidable Delays. Sponsor, however, makes no warranty or representation as to the date of the issuance of the temporary Certificate of Occupancy or the date of substantial completion.

(b) Sponsor will obtain a temporary or permanent Certificate of Occupancy for the Building. A permanent Certificate of Occupancy is required for permanent residential use of the Building and the Units. Temporary residential use of the Building is permitted upon the issuance of a temporary Certificate of Occupancy, but if a temporary Certificate of Occupancy, which may be extended up to a total of two years, expires prior to obtaining a permanent Certificate of Occupancy, residential occupancy of the condominium will be in violation of the Multiple Dwelling Law, subjecting the occupants of the Building, the Unit Owners and the

Board of Mangers to penalties under the Multiple Dwelling Law, including possibly, the eviction of occupants. Sponsor makes no representation or guarantee that the Department of Buildings will issue a permanent Certificate of Occupancy within two (2) years after issuance of the first temporary Certificate of Occupancy. In the event that Sponsor does not obtain a permanent Certificate of Occupancy for the Building, the Board of Managers will be obligated to obtain the permanent Certificate of Occupancy and any costs associated therewith could be assessed against all Unit Owners as a Common Expense.

(c) If Sponsor fails to obtain a temporary Certificate of Occupancy for the Property prior to the first closing, Sponsor will be obligated to : (i) direct the Escrow Agent to hold and maintain those monies received pursuant to all Purchase Agreements (see the Section entitled "Procedure To Purchase") which would otherwise be payable to Sponsor in the special trust account required by the General Business Law of the State of New York, Sections 352-e(2)(b) and 352(h), provided, however, that if Sponsor's Architect certifies that a lesser amount than the amount held in the special trust account is reasonably necessary to complete all alterations and improvements needed to obtain a permanent Certificate of Occupancy, then the amount exceeding the sum so certified by Sponsor's Architect shall be released from the special escrow account to Sponsor; or (ii) Sponsor shall deposit with Escrow Agent an unconditional, irrevocable letter of credit, deposit cash or post a surety bond, or provide other collateral acceptable to the Department of Law, in an amount Sponsor's Architect, from time to time, certifies is reasonably necessary to complete the work needed to obtain the permanent Certificate of Occupancy. Any amount held in escrow, in excess of the amount certified as reasonably necessary to complete the work needed to obtain the permanent Certificate of Occupancy, can be released from escrow upon the receipt by Escrow Agent of a request by Sponsor.

(d) Each Unit and the fixtures and personal property contained therein are being sold and delivered as described in the Plan, at the time of transfer of title to such Unit, unless Sponsor and Purchaser otherwise agree. Sponsor will maintain each Unit, and the fixtures and personalty contained therein, up to the time of the transfer of title to the Unit in question. The Purchaser of a Unit shall have the right to inspect such Unit prior to the Closing Date. However, the failure of Sponsor to complete "punch list" type work shall not be a ground for Purchaser delaying the Closing provided that Sponsor agrees to complete such work promptly after Closing.

(e) Sponsor will pay or cause to be paid all contractors, subcontractors and materialmen and all others involved in the construction and equipping of the Building in accordance with the New York Lien Law, for the authorized and proper work performed and fixtures, material and equipment supplied or installed during construction thereof and will cause any and all mechanics' liens arising out of such construction and equipping, if any, to be discharged by bonding, or otherwise, promptly after the filing of any such liens.

(f) Following the recording of the Declaration, Sponsor will deliver, assign or otherwise grant to Board of Managers, on behalf of all Unit Owners, the right to proceed under any assignable warranties and other undertakings received by Sponsor from contractors,

materialmen or others in connection with the construction and equipping of the Building, except that warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in the Unit of a Purchaser shall be assigned to such Purchaser on the date of closing of title to the Unit. Purchasers should be aware that warranties vary in length, depending partly on when the appliances, equipment and fixtures covered by such warranties are first installed. Sponsor makes no representation as to which, if any, of the warranties will continue to remain in force upon the Closing Date of any particular Unit.

Sponsor and its contractors, subcontracts, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan and performing certain alterations and repairs in or about the unsold Units. Sponsor will use reasonable efforts in order to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes. If reasonable care under the circumstances is exercised to safeguard the Unit Owner's property, such entry shall not render Sponsor or its authorized agents liable for any damage to the Unit or to the personalty or fixtures contained therein.

Sponsor has obtained construction financing for the project as more fully set forth in the Section of the Plan entitled "Description of Property and Improvements".

2. Sponsor will defend any suits or proceedings against the Condominium arising out of Sponsor's acts or omissions, or representations made by Sponsor in this Offering Plan, and it will indemnify the Board of Managers and the Unit Owners against liability imposed as a result of such suits or proceedings provided no settlement or compromise is made without Sponsor's consent.

3. All representations by Sponsor under this Plan, obligations of Sponsor under this Plan which are to be performed subsequent to the closing of title to a Unit and all other Sponsor obligations under the General Business Law, shall survive delivery of the deed.

4. Pending the first closing after the filing of the declaration of effectiveness of this Plan, Sponsor will pay the indebtedness secured by any mortgage on the Property and will comply with all of the other terms and provisions of such mortgage and the note which is secured thereby. Prior to or simultaneously with the closing of title to each Unit, the Unit to which title is being conveyed and its appurtenant interest in the Common Elements shall be released from the lien of said mortgage. Prior to or simultaneously with the closing of title to the first Unit, Sponsor will obtain from such mortgagee an agreement subordinating such mortgage to the Declaration of Condominium. In addition, before closing of title to the first Unit, all liens affecting the Property shall be paid, bonded or satisfied or, prior to or simultaneously with the closing of title to, the Unit being conveyed and its appurtenant Common Interest shall be released therefrom by a partial release in recordable form.

5. Sponsor reserves the right to make modifications of layout or design, as more fully set forth in the section entitled "Changes in Prices and Units," provided, however, that Sponsor may not change the size or layout of Units, other improvements or Common Elements if such changes affect the percentage of Common Interest or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect, unless all affected Unit Owners consent in writing to such change and all affected contract vendees are given the right to rescind and

receive back any deposit or down payment. In addition, if Sponsor elects to subdivide any Units, the Sponsor will construct a common hallway or vestibule providing access to all Units on the same floor. In such event said common hallway or vestibule will become a Common Element without reducing the aggregate Common Interest attributable to said Units.

6. The Condominium and not Sponsor is required to maintain and manage the Building, to keep the Common Elements therein clean and properly lighted, to keep structural and mechanical equipment in good working order, and to repair those portions of the Building which are not required to be maintained by the Unit Owners.

7. After completion of construction and prior to the transfer of control of the Board of Managers to the Unit Owners, Sponsor shall provide to the Board of Managers a copy of such "as built" architectural plans.

8. Sponsor will pay all Common Charges, real estate taxes, special assessments and other expenses allocable to any Units owned by Sponsor, so long as Sponsor shall continue to own the same. Sponsor has the financial resources to meet its obligations with respect to unsold Units. In the first instance, these obligations will be funded from projected sales proceeds. However, no bond or other security has been furnished to secure the performance of Sponsor's obligations. The ability of Sponsor to perform its obligations will depend upon its financial condition at the time it is called upon to perform. No representation can be made as to its financial ability to perform any such obligations. Sponsor reserves the right to sell Units to investors who intend to rent and not occupy their Units personally.

9. Sponsor is retaining the unconditional right to rent rather than sell Units. In order to declare the Plan effective, Sponsor must have accepted Purchase Agreements from at least fifteen (15%) percent of the Units on the date the Plan is declared effective. The Condominium By-Laws provide that after the expiration of the Initial Control Period, a majority of the members of the Board of Managers must be owner occupants or members of the household of an owner occupant. It is not a requirement that each Purchaser delivering a Purchase Agreement which is counted toward the fifteen (15%) percent actually close on his or her purchase. Accordingly, Purchasers may, for an indeterminate period of time, be living in a building occupied by an indeterminate number of tenants of other Unit Owners (including Sponsor), which tenants can be expected to remain in occupancy for shorter periods on average than owner-occupants, thereby creating or perpetuating a transient population in the Building. This situation could also have an adverse effect on the ability of Unit Owners to refinance due to owner occupancy underwriting requirements of lenders.

Because the Plan may be declared effective based on sales of fifteen (15%) percent of the Units on the date the Plan is declared effective, Purchasers may be living in a mixed/owner-occupied building for an indeterminate period of time and owner-occupants may not control the Condominium Board or the operation of the Property until the expiration of the Initial Control Period. Further, the existence of tenants with a right of continued occupancy may slow the process of the sale of the Units. There may be inherent conflicts on how the Condominium should be managed because of the different interests of Unit Owners who purchase for their own occupancy and those who purchase (or retain) Units as an investment.

10. Sponsor shall initially procure, on behalf of the Condominium, fire and casualty insurance pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance. The cost of such insurance shall be a Common Expense. See the Budget for the First Year of Condominium Operations, Schedule B to the Offering Plan, and the footnote relating to insurance.

11. Pursuant to Section 352-e(9) of the General Business Law, copies of this Offering Plan and all Exhibits or documents referred to herein and all Exhibits submitted to the Department of Law in connection with the filing of the Plan are and will be kept on file at the office of Sponsor, which is set forth on the cover page hereof for six (6) years from the first closing of title to a Unit for examination without charge and copying at a reasonable charge, during normal business hours, upon reasonable notice, by prospective Purchasers and any person who has purchased a Condominium interest offered by this Plan or otherwise has participated in this offering.

Copies of the specifications and of the architect's plans are also on file in Sponsor's office and will be available for examination by any prospective Purchaser.

12. Sponsor may dissolve or liquidate itself, or its principals may transfer their ownership interest at any time, provided, however, that in the event of the dissolution or liquidation of Sponsor, Sponsor will provide a financially responsible entity or entities or individuals (the "Substitute Sponsor"), which will assume the status and all of the obligations of Sponsor for those Units under the Offering Plan, applicable laws and regulations.

13. Sponsor has obtained financing from ACF Park Slope, LLC, a Delaware limited liability company having its principal place of business at 570 Lexington Avenue, 20th Floor, New York, New York 100211 in the amount of $5,400,000.00, together with certain other collateral loan documents. ACF Park Slope, LLC has agreed that after the effective date of the conversion of the Property to condominium ownership, individual Condominium Units will be released from the lien of the Mortgage upon the sale of such Unit provided Sponsor pays ACF Park Slope, LLC the release price for each Unit which is the greater of (i) $515,000.00 for each Unit or (ii) 100% of the net sale proceeds.

14. If any work still remains to be done to complete the Condominium, including the Units and Common Elements, Sponsor shall be obligated to repair any damages caused by it or its employees, contractors or subcontractors in the process of such completion of construction. During such time, Sponsor shall use its best efforts not to unreasonably interfere with the use of the Property by the Unit Owners.

15. Other than in the case of a Unit subject to an Interim Lease, in the event that all or a substantial part of a Unit is damaged or destroyed by fire or other casualty prior to the closing date, Sponsor may elect to terminate the Purchase Agreement and refund the down payment to the Purchaser, with interest, if earned. If Sponsor does not elect to terminate the Purchase Agreement, or if less than a substantial part of the Unit is damaged or destroyed, the Purchase Agreement will remain in full force and effect and Sponsor shall restore the Unit to its condition existing immediately before such damage or destruction.

16. Sponsor agrees to warrant the material and/or workmanship of each Unit and Limited Common Elements as set forth in Housing Merchant Implied Warranty Law (Section 777-a) and the New York General Business Law.

Sponsor makes no representations or warranties except as provided in this Offering Plan and none should be implied nor will any survive delivery of the deed, which states, in part, a housing merchant implied warranty is implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

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

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

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

A copy of the Housing Merchant Implied Warranty Law is included in Part II of the Plan.

17. When completed, Sponsor agrees to deliver a set of "as-built" plans to the Board of Managers.

Each of the obligations of Sponsor contained in this Offering Plan 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. Sponsor has no obligation to make any repair to the Units or Common Elements except as set forth in this Plan and as required by law.

No bond or other security will be posted to ensure performance of Sponsor's obligations under this Section. The representations contained in this Section shall survive delivery of the deed.

CONTROL BY SPONSOR

Title to each unsold Unit will remain with Sponsor until such Unit is sold and a deed is delivered to a Purchaser. Such sales do not require the approval of, or a first offer to, the Board of Managers. No fee or cost of any kind may be imposed by the Condominium upon Sponsor or the Purchaser in connection with such sale.

Sponsor, as owner of unsold Units, will have voting control of the Board of Managers, except that Sponsor may not control the Board of Managers for more than five (5) years from the date of the first closing of title to a Unit, or after the sale of Units representing, in the aggregate, seventy five (75%) of the Common Interest, whichever occurs first. While in control of the Board of Managers, Sponsor shall designate three (3) member Board. The first annual meeting of Unit Owners will be held

within thirty (30) days following the first anniversary of the conveyance of title to the first Unit. In accordance with the terms of the By-Laws of the Condominium, except for members designated by the Sponsor or its designee, all other members shall be Unit Owners or spouses of Unit Owners, or, in the case of partnership owners, shall be members or employees of such partnership, or in the case of corporate owners, shall be officers, directors, stockholders or employees of such corporations, or in the case of fiduciary owners or mortgagees, shall be the fiduciaries or officers or employees of such fiduciaries or mortgagees.

Notwithstanding anything to the contrary contained in this Plan, a special meeting of Unit Owners shall be held, within thirty (30) days of either the fifth (5th) anniversary of the date of the first closing of title to a Unit, or the sale of Units representing, in the aggregate, seventy-five (75%) percent or more of the Common Interest, whichever first occurs. At such meeting, all the members of the Board of Managers shall resign and a new Board of Managers shall be elected by the Unit Owners.

After Sponsor has turned over control of the Board of Managers to the Unit Owners, and assuming a three (3) member Board of Managers, so long as Sponsor or its designee owns one (1) or more Units, Sponsor or its designee shall be entitled to designate one (1) member of the Board of Managers. If at any time it is determined to increase or decrease the size of the Board of Managers, the representation of Sponsor shall be changed proportionately.

During its period of control, Sponsor will have control of maintenance, facilities and services to be provided, and will determine the Common Charges to be paid by all Unit Owners, including Sponsor.

Notwithstanding anything in this Plan to the contrary, so long as Sponsor or its designee shall own Units representing at least twenty five (25%) percent of the Common Interest, but not longer than fifteen (15) years from the first closing of title to a Unit, the Board of Managers may not, without Sponsor's or such designee's prior written consent: (i) make any addition, alteration or capital improvement to the Common Elements or to any Unit costing cumulatively more than $5,000 except those required by law; (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of 5% of the estimated expenses for the projected year of operations; (iii) hire any employees in addition to or enter into any service or maintenance contract for work not required by law or contemplated by the Budget For the First Year of Condominium Operations set forth in the Plan; (iv) borrow money on behalf of the Condominium; or (v) amend the Declaration or By-Laws of the Condominium, except as specifically permitted by such document. However, Sponsor may not veto expenses described in Schedule B or any expenses required to comply with applicable laws or regulations, to remedy any notice of violation or to remedy any work order of an insurer.

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. Other than members designated by Sponsor or its

designee, all members of the Board of Managers must be Unit Owners, spouses of Unit Owners or officers, directors or principals of a Unit Owner.

The first Board of Managers will consist of the following three (3) persons designated by Sponsor:

Isaac Mishan	-	Designee of Sponsor
Jeanette Sabbagh	-	Designee of Sponsor
Joseph Sabbagh	-	Designee of Sponsor

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: (a) determining the Common Charges; (b) adopting rules and regulations covering the details of the Property; (c) borrowing funds; (d) opening bank accounts; (e) purchasing, leasing or otherwise acquiring Units; (f) selling or mortgaging Units owned by the Board of Managers; (g) applying to the Tax Commission of the City of New York for a reduction in the assessed valuation of Units; and (h) and applying, as necessary, for construction, alteration or other approvals to any and all municipal authorities having jurisdiction over the Property.

The Unit Owners shall hold annual meetings at each of which they shall elect members of the Board of Managers. The first annual meeting will be held within thirty (30) days following the first anniversary of the conveyance of title to the first Unit. Each Unit Owner (including Sponsor) shall be entitled to cast one vote for each 1% of the Common Interest attributable to the Unit or Units owned by him/her on all matters put to a vote at all meetings of the Unit Owners. The presence, in person or by proxy, of a majority of Unit Owners shall constitute a quorum at all meetings of Unit Owners and unless otherwise provided, 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. If Units are owned by more than one person as joint tenants, tenants by the entirety or as tenants in common, the persons owning said Unit shall agree among themselves to cast the votes for their Units as a block. For a discussion of the votes required to amend the Declaration and By-Laws, see the subsection entitled "Amendments to Condominium Documents" in the section entitled "Rights and Obligations of the Unit Owners and the Board of Managers".

In accordance with the terms of the By-Laws of the Condominium, except for members designated by the Sponsor or its designee, a majority of the Board of Managers must be Unit Owners or Members of a Unit Owner's household who are unrelated to the Sponsor or its principals, after the end of the initial Sponsor control period.

Special meetings of Unit Owners will be called by the President if directed by resolution of the Board of Managers or upon petition by Unit Owners representing a majority of the Common Interests, in each case upon at least five (5) days notice.

Starting with the first meeting of Unit Owners after the Sponsor has relinquished control of the Board of Managers, the Board of Managers will consist of three (3) members. The terms of the members shall be two (2) years. At the expiration of the initial term of office of each member of the Board of Managers, his/her successor shall be elected to serve for a term of two (2) years.

Members of the Board of Managers shall serve without compensation, and Sponsor has agreed that the By-Laws will not be amended to provide otherwise while Sponsor is in control of the Board of Managers.

Members of the Board of Managers may be removed for cause at any time by the Unit Owners. Members of the Board of Managers who are not designated by Sponsor may also be removed without cause by the Unit Owners. Successors may be elected at any regular meeting of the Board of Managers or any special meeting called for such purpose, provided that successors to members designated by Sponsor may not be removed without cause except by Sponsor or its designee.

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. All officers shall serve without compensation from the Condominium.

Liability of Board of Managers and Unit Owners

In order to limit the liability of Unit Owners, members of the Board of Managers and managing agents, any contract or other commitment made by the Board of Managers, or a managing agent shall state that it is made by the Board of Managers or the managing agent, as the case may be, only as agent for the Unit Owners, and that the members of the Board of Managers or the managing agent, as the case may be, shall have no personal liability on any such contract or commitment (except in their capacity as a Unit Owners), and that 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.

As provided in the By-Laws, no member of the Board of Managers or officer of the Condominium shall have any personal liability to the Condominium or to any Unit Owner for damages for any breach of duty in his/her capacity as a member or officer of the Board of Managers, provided that this provision does not eliminate or limit the liability of a member of the Board of Managers or officer if a judgment or other final adjudication adverse to him/her establishes (a) that his/her acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that he/she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

The Condominium shall indemnify to the fullest extent permitted by law any Unit Owner or any member or officer of the Board of Managers serving in any capacity at the request of the Condominium, who is made a party to any action or proceeding by reason of the fact that he was a member or officer of the Board of Managers provided that no indemnification may be made to or on behalf of any member of the Board of Managers or officer if a judgment or other final adjudication adverse to the member of the Board of Managers or officer establishes that his/her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled. The liability of each indemnifying Unit Owner on account of

the indemnification described in this paragraph 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.

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

Sale or Lease of Units by Unit Owners

Subject to the right of first refusal hereinafter described and more fully set forth in Article VIII Section 1 of the By-Laws, each Unit Owner is free to sell or lease his/her Unit to anyone, without restriction or limitation. Any Purchaser or lessee of a Unit shall be bound by, and his/her Unit shall be subject to, the Declaration and By-Laws, including the foregoing restrictions.

With respect to the right of first refusal, the By-Laws of the Condominium require that, with certain exceptions, a Unit Owner desiring to sell or lease a Unit must first give the Board of Managers, on behalf of all Unit Owners, an opportunity to purchase or lease such Unit at the same price or rental and on the same terms (including financing provisions, if applicable) as offered by the proposed purchaser or lessee. The Board of Managers will have the right to request information from and interview the proposed purchaser or lessee.

Upon receipt of a notice from a Unit Owner regarding a proposed sale or lease, the Board of Managers will initially request an application and accompanying information from the proposed purchaser or lessee. Within twenty (20) days after receipt of a completed application and information package, the Board of Managers may request an interview and/or further information. Any interview will be scheduled within fifteen (15) days of the request therefor. Within ten (10) days after the interview or receipt of the additional information requested, whichever is later, the Board of Managers must notify the Unit Owner whether it elects to exercise the right of first refusal. If the Board of Managers (i) waives its right of first refusal; (ii) does not respond within the ten (10) day period following the interview and receipt of additional information; or (iii) takes no further action within the twenty (20) day period following receipt of the initial completed application and information package the Unit Owner will be free to sell or lease the Unit to the proposed purchaser or lessee within sixty (60) days of the Board of Managers' waiver or the end of the aforesaid ten (10) or twenty (20) day period, as the case may be, on terms and conditions no more favorable to the proposed purchaser or lessee than those set forth in the Unit Owner's original notice. The Board of Managers must purchase or lease the Unit within forty-five (45) days after the giving of a notice by such Board of Managers of its election to exercise its right of first refusal.

The right of first refusal with respect to sales or leases of Units, as described above, is not applicable to sales or leases of Units by or to Sponsor or its designee, or sales of such Units at foreclosure sales. A Unit Owner may sell or lease his unit to his spouse or to any of his children or his parent or parents or to his brothers or sisters, or to any one or more of them, without first offering to sell or lease such Unit to the Board of Managers.

Funds for the acquisition of Units by the Board of Managers, or its designee, on behalf of all Unit Owners, may be derived from the working capital and/or Common Charges in the hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner, as a Common Charge, and/or the Board of Managers, in its discretion, may borrow money to finance the acquisition of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit to be acquired by the Board of Managers, together with the appurtenant interest of such Unit in the Common Elements.

All Units acquired or leased by the Board of Managers or its designee, corporate or otherwise, will be held by it on behalf of all Unit Owners in proportion to the interest in the Common Elements appurtenant to their Units. No such Units held by the Board of Managers will carry voting rights. In the event that any Unit is acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners will be deemed to have waived all rights of partition with respect to such Unit. The proceeds from the sale of any Unit acquired by the Board of Managers will be disposed of at the discretion of the Board of Managers.

The Board of Managers may establish reasonable fees for the processing of sale or lease applications from Unit Owners, which shall be payable by the selling or leasing Unit Owner, as the case may be, to the managing agent.

The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law, in its sale or lease of any Unit which it acquires.

Each Unit Owner, on the closing of title to his/her Unit, shall be required to execute a Power of Attorney in the form contained in Part II of this Plan constituting the Board of Managers and their successors, his/her attorneys in fact, coupled with an interest, for the purpose of 1) managing, selling, conveying, mortgaging, leasing, subleasing (but not voting the votes of) or otherwise dealing with Units acquired by the Board of Managers or its designee, on behalf of all Unit Owners, 2) authorizing the Board of Managers to apply for a reduction in the assessed valuation of the Unit as part of a single application on behalf of all Unit Owners, 3) prosecute and settle any such action and 4) otherwise acting in accordance with the Condominium's Declaration and By-Laws.

Each conveyance of a Unit by a Unit Owner shall include as part of the property to be conveyed, his/her undivided interest in the Common Elements, together with his/her 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.

Mortgaging of Units by Unit Owners

Each Unit Owner is free to mortgage his/her Unit, provided that the Unit Owner notifies the Board of Managers. Prior to or simultaneously with the closing of any such mortgage, the Unit Owner must satisfy all arrearages of unpaid Common Charges and discharge any liens therefor. If a Unit Owner wishes to sell the Unit, he or she may take back a purchase money mortgage.

Common Charges and Assessments

The Board of Managers shall, from time to time but at least once a year, prepare a budget for the Condominium. The budget may provide for the accumulation of reserves for capital expenditure, but the size of reserves is subject to the veto of Sponsor, as described in the section entitled "Control by Sponsor" Copies of such budget shall be furnished to the Unit Owners and, if requested, to their mortgagees. The Common Charges to be paid monthly by each Unit Owner in accordance with his/her Unit's Common Interest shall be based upon such budget. Until all Units are constructed and title thereto has been conveyed, the Board of Managers may reduce the amount of Common Charges allocated to the Units and payable by Unit Owners (including Sponsor as owner of unsold Units). Any such reduction shall be in proportion to each Unit Owner's Common Interest. During its period of control of the Board of Managers, Sponsor may postpone commencement of the collection of monthly Common Charges to a date during such first year of operations subsequent to the first closing of title to a Unit.

Each of the financial estimates appearing in Schedule B to this Plan has been prepared by Sponsor based upon historical expenses at the Property and its experience in construction, management and operation of residential properties or in reliance upon the opinions of experts. Sponsor believes these estimates to be dependable, but because actual expenditures may differ from the estimated expenditures and because of possible changes in the future income and expenses of the Property, such expenses are not intended nor should they be considered as representations, guarantees or warranties of any kind whatsoever.

Sponsor believes that subject to the foregoing contingencies and assumptions, the projected Common Charges are adequate to meet the estimated normal operating expenses enumerated on Schedule B for the first year of operations of the Condominium.

The Board of Managers shall be authorized to impose a reasonable late charge for late payment of Common Charges, which shall be added to the applicable Unit Owner's Common Charges due on the first day of the following month, and which shall be a lien upon such Unit Owner's Unit if not paid.

The Declaration and By-Laws of the Condominium authorize the Board of Managers to specifically allocate expenses or specific expense items and apportion Common Charges between and among the Units resulting from changes in use or from changed circumstances.

Liens for Nonpayment of Common Charges

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, shall have a lien on each Unit for unpaid Common Charges assessed against such Unit by the Board of Managers. Such lien, however, shall be subordinate to liens for taxes on the Units and any sums unpaid on a first mortgage of record on such Units. Any lien for unpaid Common Charges against a Unit shall become effective from and after the filing of a notice thereof in the Kings County office of the Register of the City of New York and shall remain effective until all sums secured thereby with interest at the highest legal rate thereon shall have

been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six (6) year period), whichever shall be sooner. 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 a mortgage on real property, as provided in Section 339-aa of the Real Property Law. Unit Owners against whom proceedings are brought to collect unpaid Common Charges with interest thereon, shall also be responsible for the expenses of the proceeding, including attorneys' fees.

While Sponsor is in control of the Board of Managers, it will cause the Board of Managers to file a lien as provided for in Section 339-aa of the Real Property Law against Units with respect to which Sponsor or its designee is in arrears of Common Charges by more than thirty (30) days.

Repairs and Maintenance

All maintenance of and repairs to any Unit, ordinary or extraordinary (but not to Unit entrance doors and windows), to individual equipment providing heat, ventilation and air conditioning within the Unit, to kitchen appliances, and to electrical and plumbing installations and fixtures within 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. Unit Owners are also generally responsible for the maintenance of Limited Common Elements which are appurtenant to their Units.

All normal maintenance, repair and replacements of any terrace or balcony appurtenant to a particular Unit, including the Roof Unit, shall be made by the Unit Owner having access to same, at such Unit Owner's own cost and expense, but any structural repairs to such terrace, Roof Unit or balcony (including any leaks which are not caused by the negligence or misconduct of the Unit Owner having access to same) will be made by the Board of Managers and the cost thereof will be charged to all Unit Owners. Any Unit having access to a terrace or balcony shall keep it free of snow, ice and accumulation of water. In accordance with the By-Laws, no Unit Owner shall install any plantings or any objects, including, but not limited to, radio or television antenna or satellite dish or other similar device on any terrace or balcony without the prior written approval of the Board of Managers.

All maintenance, repairs and replacements to the Common Elements of the Property as defined in the Declaration, including but not limited to exterior walls, stairs, sidewalks adjacent to the Building's entrances (including removal of snow and ice therefrom), roof and roof members, as well as all maintenance, repairs and replacements of Unit entrance doors and windows, of any pipes, wires, risers, conduits and public utility lines, any portion of which is located in one Unit and serves another Unit or more than one Unit or so much of any pipes, wires, risers, conduits and public utility lines as are located in the Common Elements but serve one or more Units, will be made by the Board of Managers, and the cost thereof shall be charged to all Unit Owners as a Common Expense. However, maintenance, repairs and replacements to all such items shall be charged to a Unit owner if it can be established that such expense was necessitated by the negligence, misuse or neglect of such Unit Owner or his lessees, invitees, licensees or agents.

The Board of Managers and/or the managing agent, and persons acting at their direction, 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 reasonable provisions of any mortgage covering another Unit, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof.

In the event of damage to or destruction of the Building as a result of fire or other casualty, unless seventy-five (75%) percent or more of the Building is destroyed or substantially damaged and seventy-five (75%) percent or more in number and in Common Interest of the Unit Owners 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 (excluding any damaged Units, and any kitchen or bathroom fixtures, but not including any wall, ceiling, or floor decorations or coverings or other furniture, furnishings, fixtures or other personal property or equipment installed in the Units by the Unit Owners or a tenant of a Unit Owner), and the Board of Managers shall disburse the proceeds of all insurance policies in appropriate progress payments to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the net insurance proceeds shall constitute a Common Expense and the Board of Managers shall assess all the Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Building is destroyed or substantially damaged and seventy-five (75%) percent or more in number and in Common Interest of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Building will not be repaired and 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 shall be divided by the Board of Managers among all the Unit Owners in proportion to their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Additions, Alterations and Improvements

Except to the extent prohibited by law, Unit Owners shall have the right, without the requirements of consent of the Board of Managers, the other Unit Owners or anyone else to make non-structural alterations, additions, improvements whether interior or exterior, ordinary or extraordinary, to and upon the Units or any Limited Common Elements appurtenant thereto provided (i) that the nature and location of such installation does not interfere materially with the use then being made of any other Unit or any Common Element and (ii) that the then Owner of the Unit shall comply with zoning requirements and all other laws, ordinances and regulations of all governmental authorities having jurisdiction.

No Unit owner shall make any structural addition, alteration or improvement in or to his/her Unit or any Limited Common Element without the prior written approval of the Board of Managers. The Board of Managers shall be required to answer any written request by a Unit Owner for approval of such proposed structural additions, alterations and improvements within thirty (30) days after a) receipt of a complete set of documents and information as to the proposed addition, alteration or improvement, and b) independent architectural or engineering review, if deemed necessary by the Board of Managers in its sole discretion. Failure by the Board of Managers to respond within the

stipulated time shall constitute a denial by the Board of Managers to the proposed addition, alteration or improvement.

No Unit Owner shall make any structural addition, alteration or improvement in or to any Unit or any Limited Common Element (including the Roof Unit), without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe and providing the Board of Managers with a certificate of insurance prior to the commencement of the work, (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board of Managers, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done and (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board of Managers, its members and officers, the managing agent and all Unit Owners from and against any liability, cost, damage or expense arising out of or connected to such work. In the event the Board of Managers chooses to have the proposed addition, alteration or improvement reviewed by an independent architect or engineer, the Unit Owner shall pay the charges of such architect or engineer. The Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from his/her alterations, additions and improvements.

The Board of Managers may establish reasonable fees for the processing of applications by Unit Owners for consent to alterations, which fees shall be payable to the managing agent.

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 completed by the Unit owner and executed by the Board of Managers. By its execution of such application, neither the Board of Managers nor the Condominium shall be deemed to be liable 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.

These provisions shall not apply to Units owned by Sponsor or its designee until such Units shall have been initially sold by Sponsor or such designee to a third party.

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

Whenever, in the judgment of the Board of Managers, the Common Elements shall require additions, alterations or improvements costing in excess of $150,000 in the aggregate in any calendar year, the making of such additions, alterations or improvements and source of funds therefore must be approved by a majority of the Unit Owners present and voting at a meeting of which a quorum is present. When and if the required approvals of the Unit Owners and mortgagees are received, the Board of Managers may with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense.

Any additions, alterations or improvements costing in the aggregate $150,000 or less in any calendar year may be made by the Board of Managers without approval of the Unit Owners or mortgagees and the cost thereof shall constitute part of the Common Expenses.

Insurance

The Board of Managers shall obtain, and maintain to the extent obtainable, fire insurance with extended coverage normal for a condominium of this type, vandalism and malicious mischief endorsements, insuring the Building including all of the Units and the equipment installed therein on the date of recordation of the Declaration or installed thereafter by Sponsor or replacements thereof, partitions, floors and ceilings within the Unit, together with all service and other machinery contained therein (but not including wall, ceiling or floor decorations or coverings or furniture, furnishings or other personal property supplied or installed by Unit Owners or tenants of Unit Owners), 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 amount equal to the agreed upon replacement value of the Building or such other amount as shall be adequate to prevent the Condominium from becoming a co-insurer in the event of casualty loss (exclusive of the cost of excavations and foundations) without deduction for depreciation.

All such policies shall provide that adjustment of loss shall be made by the Board of Managers and that the net proceeds thereof, shall be payable to the Board of Managers to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners. No portion of the insurance proceeds shall be applied to the payment of the mortgage indebtedness of any Unit Owner unless the Unit Owners decide not to repair, restore or rebuild the Building.

All policies of physical damage insurance shall contain waivers of subrogation and of any defense based on co-insurance and of pro-rata reduction of 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 canceled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. The standard mortgagee loss payable clause shall be attached to all policies.

The Board of Managers shall also be required to obtain, and maintain to the extent obtainable: (1) public liability insurance covering each member of the Board of Managers, any managing agent 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 one occurrence in the Common Elements; (2) workers' compensation insurance for the Condominium's employees; (3) boiler and machinery insurance. Until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners, such public liability insurance carried by the Board of Managers shall be at least a single limit of $2,000,000.00. The public liability insurance shall cover cross liability claims of one insured against another but said policy does not cover the liability of a Unit Owner arising from occurrences within his/her own Unit.

The cost of all such insurance shall be paid by the Board of Managers and shall constitute a Common Expense. However, if the cost of insurance on the Building is increased because of the particular use of a Unit, then such insurance cost increase shall be repaid to the Condominium by the Unit Owner whose use has caused the increase. Within thirty (30) days after the increased cost has been determined by the Board of Managers, written notice shall be given by the Board of Managers to the Unit Owner whose use has caused the increase, who shall pay same as an additional Common Expense with ten (10) days after such notice.

The Board of Managers shall review all insurance carried by the Condominium once each year.

Unit Owners are encouraged to carry other insurance for their own benefit, provided that all such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by Unit Owners. It is advisable for insurance obtained by Unit Owners to cover such risks as fire and casualty losses to Unit contents, replacements, additions, fixtures and improvements and Unit Owners' liability coverage for occurrences within the Unit, and, where applicable, on Limited Common Elements.

Restrictions on Occupancy and Use

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

(a) The Units shall be used only as residences, with not more than two (2) adults or one family occupying a Unit at one time, except that any Unit may be used for any lawful home occupation (as such term is defined in the New York City Zoning Resolution), provided (i) such use does not violate zoning regulations or the Certificate of Occupancy, for the Building, and (ii) the prior consent of the Board of Managers is obtained or, in the case of initial Purchasers from Sponsor or its designee, written notice of such use is given to the managing agent.

Notwithstanding the foregoing or anything else contained in this Plan, Sponsor or its designee may, without the permission of the Board of Managers or anyone else, retain ownership of one or more Units for use as models, and sales, leasing, business or administration offices and may place signage of any size and in any location on the Property as it may determine in its sole discretion in connection with the sale and/or rental of Units in the Condominium.

(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.

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

(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 remedied, by and at the sole expense of Unit Owners or the Condominium, whichever shall have the obligation to maintain or repair such portion of the Property.

(e) No portion of a Unit (other than the entire Unit) may be rented, and no transient tenants may be accommodated therein.

(f) Dogs, cats or other common household pets, not to exceed two (2) per Unit, may be kept in Units, subject to the rules and regulations adopted by the Board of Managers, including any which may pertain to the size of a pet and the permitted level of noise. In no event shall any dog be permitted in any portion of the Common Elements unless carried or on a leash.

Compliance with Declaration, By-Laws, Rules and Regulations

Pursuant to Section 339-j of the New York Condominium Act, 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. Failure to comply is grounds for an action for damages or injunctive relief or both. The obligation to pay Common Charges shall also be enforceable by the Board of Managers by suit to collect the same, or by foreclosure of its statutory lien against the Unit for the amount of any such unpaid Common Charges. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law or any provision of the Declaration, shall give the Board of Managers the right to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation breach. A Unit Owner may also be fined for such violations or breaches. Failure to comply with the Declaration, By-Laws and Rules and Regulations of the Condominium issued thereunder or to pay the Common Charges levied by the Board of Managers may be an event of default under the terms of the Unit Owner's mortgage.

Amendments to Condominium Documents

The Declaration or By-Laws may be modified or amended by the vote of 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 by written amendment, provided that: (i) any amendment which alters the allocation of Common Interest appurtenant to any Unit shall only be made with the consent of the affected Unit Owner; (ii) no amendment which shall adversely affect the lien of any mortgage may be made without the written consent of the affected mortgagee; and (iii) no amendment may be made which adversely affects Sponsor or its designee so long as Sponsor or such designee owns any Units.

Notwithstanding the preceding paragraph, Sponsor hereby reserves the right to record, and (on request of Sponsor or its designee) to require the Board of Managers to duly execute and record, in the Kings County office of the City of New York, an amendment to the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owner or mortgagee for the

purposes of (i) changing the designation, the approximate square foot area and the number of rooms in an unsold Unit and (ii) making insubstantial changes to the Declaration.

No Partition of Common Elements

As provided in Section 339-i(3) of the Real Property Law, the Common Elements shall remain undivided and no right shall exist to partition or divide any portion thereof except as otherwise provided therein and in this Plan, in the event of condemnation, destruction of more than seventy-five (75%) percent of the Building, or termination of the Condominium.

Termination of Condominium

The Condominium shall continue (unless terminated by casualty loss or by condemnation) until such time as the Property shall be withdrawn from the provisions of Article 9-B of the Real Property Law of the State of New York as a result of the vote to do of so at least eighty (80%) percent in number and in Common Interest of the Unit Owners. In such event, the Property shall be subject to an action for partition by any Unit Owner or any lienor. The net proceeds of the partition sale shall be divided among all Unit Owners in proportion to their respective Common Interests, after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his/her Unit, in order of the priority of such liens. Sponsor shall not vote its interest to terminate the Condominium unless seventy-five (75%) percent of Unit Owners other than Sponsor so vote.

REAL ESTATE TAXES

After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes by the City of New York. A Unit Owner will not be responsible for unpaid taxes on other Units, nor will his/her Unit be subjected to any lien arising from the non-payment of taxes on other Units.

The value of a property for real estate tax purposes is determined annually by the Property Division of the Department of Finance of The City of New York. Each year the Property Division fixes the "actual" assessment of a property based upon its market value. Under Article 18 of the Real Property Assessment Tax Law, changes in a property's actual assessed value from one year to another attributable to changes in its market value other than those due to new construction or alteration are phased in over five (5) years in equal annual increments or decrements of twenty (20%) percent per year, resulting in a "transitional" assessment for the property which is also determined each year. For any given year, taxes are based on the lower of the "actual" or "transitional" assessed value.

Assuming the Property does not receive any abatement from real estate taxes, it is estimated that the aggregate real estate taxes attributable to all Unit Owners during the first year of condominium operation will total approximately $7,640.00, based on an opinion prepared by Jerome Mazursky dated March 28, 2007, which assumes a projected assessed valuation of $44,724.00 for the period of 9/01/07-6/30/08 at a tax rate of $12.90 per $100 of assessed valuation multiplied by 0.83 representing the partial tax year plus a projected assessed valuation of $130,000.00 for the portion of the tax period

representing 7/1/08-8/31/08 at tax rate of $12.90 per $100 of assessed valuation multiplied by 0.83 representing the remainder of the year. Mr. Mazursky estimates that the taxes in the second year of condominium operation will increase to $16,989.00. Such estimate assumes a projected valuation of $115,000.00 for the last part 9/01/08 – 6/30/09 at a tax rate of $12.90 per one hundred multiplied by 0.83 representing the one-third plus a projected valuation of $130,000.00 for the last part of 7/11/090-08/31/09 at a tax rate of $12.90 per one hundred multiplied by 0.17 representing the remainder of the year. SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL NOT BE CHANGED.

Sponsor, at its sole cost and expense, intends to apply for a tax exemption and tax abatement from real estate taxes with respect to the Building pursuant to Section 11-243 of the Administrative Code of the City of New York (Section J51 benefits), however, the J51 Benefits will most likely not be granted in the first year of Condominium operation and will most likely be granted in the second year. Please see Section entitled J51 Benefits on the following page.

Schedule A allocates the projected real estate taxes payable by Unit Owners according to each Unit's percentage of Common Interest. However, it is possible that the tax assessor of the City of New York may allocate assessments on a basis that differs from the allocation of interests in the Common Interest.

Separate Assessment of Units

It is intended that Units will be separately assessed on their closing date. In the event that Units have not been separately assessed for real estate tax purposes prior to the first closing of title to a Unit, Sponsor will place in escrow in the name of the Board of Managers an amount equal to the unpaid real estate taxes which it is estimated will be levied against the Property for the six (6) month period following the first closing of title or until the Units are separately assessed, whichever is shorter. The Board of Managers shall pay the real estate taxes from this escrow account when they become due and payable, and Sponsor shall receive reimbursement from Unit Owners at closing of title, until the Units are separately assessed. Such reimbursement shall include the amount remaining in the escrow fund which is allocable to the particular Unit's Common Interest.

To provide for the possibility that Units may still not be separately assessed for real estate tax purposes at the end of the six (6) month period referred to above, Purchasers shall be required at closing to enter into an agreement with Sponsor whereby they will agree to deliver to Sponsor within ten (10) days after request therefor, a check payable to the appropriate taxing authority in the amount necessary to cover the Purchaser's percentage of taxes due after the six (6) month period and prior to separate assessment. Sponsor's request shall contain a copy of the relevant tax bill, and the calculation of the Purchaser's portion. In the event the Purchaser is obtaining a mortgage loan to finance the purchase of his/her Unit and the mortgage provides for an escrow to cover real estate taxes, then the Purchaser must execute at closing an authorization to the mortgagee, and the mortgagee must enter into an agreement with Sponsor at closing, obligating such mortgagee to make the tax payments described above, if necessary, until Units are separately assessed.

The review of real estate tax assessments will be the responsibility of the Board of Managers of the Condominium.

J-51 Benefits

Sponsor intends to apply to the Department of Housing Preservation and Development (HPD), for real estate tax abatement benefits with respect to the Building pursuant to the Section 11-243 of the Administrative Code of the City of New York ("Section J51").

There is no guaranty or assurance that the criteria for continued availability of J-51 abatement benefits for the Units will be satisfied or that a Final Certificate of Eligibility will be issued by HPD. If, for any reason, Sponsor's application for a Final Certificate of Eligibility is not approved, the Units will be subject to full taxation and will receive no tax abatement benefits from the J-51 program. See Schedule A for projected monthly real estate taxes for each Unit with and without J-51 benefits.

Under Section J51, eligible property is subject to a tax exemption and abatement from any increase in the Building's assessed valuation resulting from the conversion, alteration or improvement of Building's structure. If granted, the property may receive a 14 year tax exemption from increases in the assessed valuation attributable to the alteration of the residential units. There would be a full exemption for such increase for 10 years, after which the exemption would decline at a rate of 20% per year for the next 4 years. The J51 program also provides a tax abatement of the Certified Reasonable Cost ("CRC") of the alteration. The CRC is amortized at 8.333% per year over a period of 10.8 years, until 90% has been used to lower the property's tax.

Prospective Purchasers should note that J51 Benefits can be granted only for what HPD considers major capital improvements. To be eligible, the work must be signed off in a timely manner, no later than three (3) years from the issuance of the permit.

It is estimated that with J51 exemption benefit granted, the tax will be $0.00 based on the Mazursky Letter, it being estimated that such benefits will not be granted in the first year of Condominium operations. The calculations for the benefits are based on the assumption that (a) assessed valuations that will be applicable to the property will be $140,000.00 minus (b) the estimated J51 Exemption of $50,000.00 and (c) a projected tax rate of $1.29 per $100 of assessed valuation (d) less the Estimated Annual Abatement (Est CRC $120,000.00 x 8.333%). Only an estimated $7,740.00 will be needed to eliminate the tax. The remaining amount may be used to reduce future taxes for a period of up to twenty (20) years.

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 recording of the Condominium Declaration, Sponsor will make all tax benefit documents available to the Board of Managers for inspection and copying for the life of the benefits and Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits. Please refer to the opinion of Jerome Mazursky for further details regarding the real estate tax assessment for the Property.

TAXES DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

Sponsor has been advised by Meister Seelig & Fein LLP that each Unit Owner who itemizes deductions will be entitled under present law to deduct for Federal and New York State income tax purposes the real estate taxes assessed against his/her Unit and paid by him/her, and the amount paid by the Unit Owner on account of interest on any mortgage indebtedness covering the Unit, if the Unit is his/her primary or secondary residence. The deductions are subject to certain exceptions and limitations which are more particularly discussed in the Opinion of Counsel which follows.

With respect to the taxability of the Condominium, Section 528 of the Internal Revenue Code provides that condominiums are taxable in a manner similar to corporations except to the extent that their income is received as membership dues, fees or assessments from the Owners of the Units and provided that substantially all of the expenditures are for management, maintenance and care of the condominium property. Since the Condominium would qualify under said section of the Internal Revenue Code as set forth in the Attorney's Income Tax Opinion of Meister Seelig & Fein LLP, if it elects to be covered thereby, only income from the sale or lease of Units owned by the Condominium or its designee on behalf of all Unit Owners and income from sources which do not qualify as membership dues, fees or assessments will be subject to tax. However, it is not clear whether the Association will qualify as a "homeowners association" under Section 528 in any subsequent taxable year as that qualification will inevitably be dependent upon facts and circumstances only determinable in the future. If the Condominium is required to pay taxes, the amount thereof will be additional Common Expenses, assessed to all Unit Owners as part of the Common Charges.

Schedule A contains estimates of the amount of real estate taxes that may be assessed against a Unit. A Unit Owner may be entitled to deduct some or all of such taxes actually paid for Federal and New York State income tax purposes under present law. In calculating individual tax deductions, each Purchaser should add if applicable, the interest portion of his/her monthly mortgage payment. It must be noted, however, that as per a privately commissioned third-party investigation by Jerome Mazursky (contained within), after year one of ownership, it is estimated that real estate tax abatements will reduce property taxes to zero for the following fourteen years.

No warranties are made that either the Internal Revenue Service or the New York State Department of Taxation and Finance will continue to allow the aforementioned deductions for real estate taxes and/or mortgage interest to Unit Owners. Sponsor and Meister Seelig & Fein LLP shall in no event be liable if it shall be held that the Unit Owners are no longer entitled to such income tax deductions for real estate taxes and/or mortgage interest, as aforesaid, by reason of changes in fact, statutory or decisional law or amendment to any law which could not be foreseen or expected to be foreseen. The opinion of Meister Seelig & Fein LLP is limited to the state of the law existing on the date this Plan was filed with the Department of Law.

REAL ESTATE TAX OPINION OF JEROME MAZURSKY

The Mazursky Group, inc.
Real Estate Tax Consultants and Appraisers

March 28, 2007

203 Luquer LLC
c/o Ultimate Realty
28 East 14th Street, #2B
New York, N.Y. 10003

Attention: Mr. Isaac Mishan

Re: 203 Luquer Street, Brooklyn, New York

I, JEROME MAZURSKY, CERTIFY:

THAT I am a real estate appraiser and have many years of experience in the assessment of real estate for tax purposes both as an Assessor in the Borough of Manhattan and as the Department of Finance's Assistant Commissioner of the Real Property Assessment Division;

THAT I have been retained by the sponsor, to estimate for inclusion in an Offering Plan to be submitted to the Attorney General, the assessed valuation of the above-captioned property after completion of its renovation;

THAT in estimating the assessed valuation of the property, I am aware of the renovation costs, rental values and offering prices of the units;

THAT I have consulted with personnel in the Property Division of the Department of Finance regarding the current practice in assessing newly renovated condominiums. Specifically, discussions centered around appropriate land and building factors and income projections for properties similar to the subject in type and location.

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I have discovered the following:

1) The subject property is a 4-story, 8-unit walk-up (C1) located at 203 Luquer Street in the Carroll Gardens section of the borough of Brooklyn. According to city records, the building (30' x 70') was constructed in 1931 and contains 7,080 square feet of gross building area. The sponsor has filed plans to gut-renovate the building. After completion of the renovation and the establishment of a condominium, the building will contain eight residential units.

The site has 30' frontage on the northerly side of Luquer Street and extends 100' in depth. It is rectangularly shaped and contains approximately 3,000 square feet of ground area. The property is identified on the city's tax records as Block 470 Lot 34.

2) After completion of construction, scheduled for August 2007, the building will contain the following approximate square foot areas and uses:

FLOORS	AREA	USE
Cellar	1,800	Oil Tank Room, Meters, Mechanical Room, Storage Room and Common Area
1	1,800	2-1BR Apartments
2	1,800	2-1BR Apartments
3	1,800	2-1BR Apartments
4	1,800	2-1BR Apartments

3) The property is currently assessed in Tax Class 2B, which is comprised of primarily residential buildings containing 7-10 units. After completion of the gut-renovation and conversion to condominium status, the units will be assessed in Tax Class 2C under the classification system adopted by the State Legislature in its revision of the Real Property Tax Law (Section 305, Article 1802, and Section 581, applicable to the assessment of cooperative apartments and condominiums).

Tax Class 2C consists of primarily residential cooperatives or condominiums with no more than ten units. The City's assessment ratio policy for both tax classes is to assess the property at 45% of its market value based upon the value as an income-producing property. Increased values, other than for physical reasons, are limited to 8% per year or 30% over a five year period. Recent legislation limits increases for renovations to 15% of the increase in value attributable to the improvement.

The 2006/07 Tax Class 2B and 2C tax rates are $12.737 per $100. I estimate the tax rates for the 2007/08, 2008/09 and 2009/10 tax years at $12.90 per $100 for Tax Classes 2B and 2C.

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4) The recent history of assessed valuation of 203 Luquer Street is as follows:

2006/07	Land	Total
Actual:	$ 7,529	$ 41,412
Transitional:	$ 7,529	$ 41,412

2007/08	Land	Total
Actual:	$ 3,169	$ 44,724
Transitional:	$ 3,169	$ 44,724

5) It is my judgment that after the renovation is completed, the property will be increased by $85,276, of which, $80,000 may be eligible for J-51 exemption. The assessed values in tax years 2008/09 and 2009/10 are estimated as follows:

2008/09	Land	Total
Actual:	$ 6,500	$ 130,000
Transitional:	$ 6,500	$ 130,000

2009/10	Land	Total
Actual:	$ 15,000	$ 140,000
Transitional:	$ 15,000	$ 140,000

6) In the first year of the operation of the condominium, I estimate the condominium's real estate taxes, without J-51 benefits at $ 7,640. The calculations are as follows:

First Year of Operation without J-51 Tax Exemption

9/01/07 - 6/30/08

$ 44,724 [1] x .129 [2] x .83 [3] = **$ 4,789**

7/1/08 - 8/31/08

$ 130,000 [4] x .129 [2] x .17 [3] = **2,851**

TOTAL: $ 7,640

Each unit will be given a separate tax lot number. The tax liability for each unit may be estimated by apportioning the total tax among the unit owners in proportion to the relative value of their space as indicated by the Offering Plan prices.

1. Estimated 2007/08 Taxable Assessed Value
2. Estimated 2007/08, 2008/09 and 2009/10 Class 2B and 2C tax rates
3. Part of the year.
4. Estimated 2008/09Taxable Assessed Value

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6) cont'd.

In the second year of the condominium's operation, I estimate the taxes without J-51 benefits at $ 16,989. The calculations are:

Second Year of Operation without J-51 Tax Exemption

9/01/08 - 6/30/09

$ 130,000[4] x .129[2] x .83[3] = **$ 13,919**

7/1/09 - 8/31/09

$ 140,000[5] x .129[2] x .17[3] = **3,070**

TOTAL: $16,989

7) It is my understanding that the sponsor intends to file for J-51 exemption and abatement benefits with the Department of Housing Preservation and Development. If granted, it is not likely that the benefits will begin before July 1, 2009. I estimate that the tax, with J-51 benefits, will be eliminated. The calculations are as follows:

Estimated Real Estate Taxes with J-51 Exemption and Abatement Benefits

7/1/09 - 6/30/10

($ 140,000[5] - $80,000[6]) x .129[2] - $7,740[7] = **$ 0**

8) The co-op/condominium real estate tax abatement law, that over the past few years has had a favorable effect on the real estate tax burden of residential co-op and condominium unit owners, was recently extended by the State Legislature. The Legislature indicated its intention in passing this law was to address the disparity between the tax burden of one to three family homeowners and that of residential co- op and condominium unit owners. If the abatement to this condominium is granted, the law will allow up to a 17.5% abatement of the real estate tax bill of a unit owner who will own fewer than four units on the city's taxable status date of January 5, 2007. Excluded from receiving the abatement benefits are co-ops and condominiums that receive tax exemption benefits.

5. Estimated 2009/10 Taxable Assessed Value
6. Estimated J-51 Exemption
7. Estimated Maximum Annual Abatement is $10,000 (Est. CRC: $120,000 x .08333). Only an estimated $7,740 will be needed to eliminate the tax. The remaining amount may be used to reduce future taxes for a period of up to twenty years.

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9) This estimate of the assessed valuation has been prepared for inclusion in the Offering Plan, and I consent to its use for this purpose.

Although the aforesaid estimate of the Actual Assessed Valuation is a good-faith estimate, it is not possible to estimate same with any degree of certainty. Assessed valuations, when actually made, may be lesser or greater based on our interpretation of the administrative code and the applicable rules and regulations of the City of New York. Although I believe my opinions are well-founded, they are not intended, and should not be construed as warranties as to future assessed valuations of the property under discussion.

In no event will this firm, the Sponsor, the Sponsor's counsel or any other person be liable if the assessed valuation, when actually made, is lesser or greater than that estimated above, or if the administrative code and the applicable rules and regulations of the City of New York are changed in the future, or if the facts as represented prove to be untrue.

Jerome Mazursky, MAI, CAE

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			203 Luquer Street				
			Brooklyn, New York				
							Estimated
		Estimated	Estimated	Estimated	Estimated	Estimated	Monthly
		1st Year's	Monthly	2nd Year's	Monthly	R.E Taxes	R.E Taxes
	Percentage	R.E Taxes	R.E Taxes	R.E Taxes	R.E Taxes	with J-51	with J-51
	of Value	w/o J-51	w/o J-51	w/o J-51	w/o J-51	7/1/09-6/30/10	7/1/09-6/30/10
Units:							
1 Left	12.68%	$ 968.90	$ 80.74	$ 2,154.54	$ 179.54	$ -	$ -
1 Right	12.68%	$ 968.90	$ 80.74	$ 2,154.54	$ 179.54	$ -	$ -
2 Left	12.13%	$ 926.78	$ 77.23	$ 2,060.86	$ 171.74	$ -	$ -
2 Right	12.13%	$ 926.78	$ 77.23	$ 2,060.86	$ 171.74	$ -	$ -
3 Front	12.68%	$ 968.90	$ 80.74	$ 2,154.54	$ 179.54	$ -	$ -
3 Rear	12.55%	$ 958.79	$ 79.90	$ 2,132.06	$ 177.67	$ -	$ -
4 Front	12.68%	$ 968.90	$ 80.74	$ 2,154.54	$ 179.54	$ -	$ -
4 Rear	12.46%	$ 952.05	$ 79.34	$ 2,117.07	$ 176.42	$ -	$ -
Totals:	**100.00%**	**$ 7,640.00**	**$ 636.67**	**$ 16,989.00**	**$ 1,416.75**	**$ -**	**$ -**

The Mazursky Group, inc.
Real Estate Tax Consultants and Appraisers

JEROME MAZURSKY, MAI, CAE
President

NYS Certified General R.E. Appraisers
46000001594

QUALIFICATIONS

EDUCATION

N.Y.U. School of Commerce - B.S.
Real Estate Courses

Appraising I, II	CUNY
Advanced Assessing	Cornell University
Appraising Problems	University of Connecticut
Computerized Mass Assessing	I.A.A.O.
Various Appraisal Courses	Appraisal Institute

PROFESSIONAL DESIGNATIONS EARNED

MAI	(Member of the Appraisal Institute)
CAE	(Certified Assessment Evaluator, IAAO)
IAO	(Institute of Assessing Officers, NYSAA)

EMPLOYMENT

1973-1980	Assessor - Manhattan
1978	Interim Acting Tax Commissioner for Staten Island
1981-1982	Assistant Commissioner (in charge of the Real Property Assessment Division of the Department of Finance)
1983- Present	Real Estate Tax Consultant/Fee Appraiser

MEMBERSHIPS HELD IN PROFESSIONAL ORGANIZATIONS

International Association of Assessing Officers
N.Y.S. Association of Assessors
Appraisal Institute
American Arbitration Association

ARTICLES PUBLISHED

"The Future of Assessed Valuations in New York City"
Assessment Digest, July 1979
The Valuer's Line, May 1980

Book Review of "You Can Get Your Real Estate Reduced"
Real Estate Review, Spring 1980

"Reflections of an Acting Tax Commissioner"
Real Values, September 1978

"Real Estate Taxes and the Review Process"
C.P.A. Journal, July 1981

"The New Real Estate Tax in New York City"
C.P.A. Journal, July 1982

"Battling Taxes From a Different Vantage Point"
Real Estate Weekly, December 28, 1988

"Forecast of Real Estate Taxes in NYC"
Real Estate Weekly, January 1990

"Real Estate Tax Burden Shifting in New York"
REW - Review & Forecast, July 25, 1990

SCOPE OF APPRAISAL EXPERIENCE

Over a period of twenty-five years, I have valued thousands of properties of almost every conceivable type in New York City. Some of the more notable properties for which I have performed tax projections for offering plans are:

The Plaza Hotel Condominium
500 West End Avenue
350 West 42nd Street
The Corinthian Condominium
Trump Parc Condominium
The Stanhope Condominium
330 East 72nd Street
823 Park Avenue
123 West 44th Street

ATTORNEY'S INCOME TAX OPINION OF

MEISTER SEELIG & FEIN LLP

MEISTER SEELIG & FEIN LLP

2 Grand Central Tower
140 East 45th Street, 19th Floor
New York, NY 10017
Telephone (212) 655-3500
Facsimile (212) 655-3535

March 6, 2008

203 Luquer LLC
c/o Ultimate Realty
28 East 14th Street
Unit 2B
New York, NY 10003

Re: Condominium Offering Plan (the "Plan")
The 203 Luquer Street Condominium ("Condominium")

Ladies and Gentlemen:

We are counsel to Sponsor for the proposed Condominium. You have requested our opinion concerning (i) deductibility for Federal, New York State and New York City income tax purpose of real estate taxes and interest on loans secured by mortgages paid by purchasers of Units in said Condominium; and (ii) the qualification of the Condominium as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended to date (the "Code") and the treatment of the receipt by the Condominium of membership dues, fees and assessments from Unit Owners (as defined in the Plan). Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Plan.

This opinion does not address the tax consequences of the ownership of Units by corporations, other entities or foreign persons. Furthermore, this opinion does not address the tax consequences of (i) ownership of the Unsold Units, any Unit that is used for commercial or mixed residential/commercial purposes or any Units other than the Units, (ii) any rebates or other payments that may be made, or benefits provided, to owners of Units, or (iii) ownership of any rights with respect to any storage bins, vault space, or any other storage space in or appurtenant to the Condominium.

In connection with rendering this opinion, we have reviewed the Plan and the documents set forth therein, including the Declaration of Condominium. We have also reviewed the relevant sections of the 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. In rendering this opinion, we have assumed that: (a) the Plan is the document pursuant to which Unit Owners will acquire their Units; (b) such Unit Owners will use such Units exclusively for residential purposes; and (c) the

relevant facts are as set forth in the Plan.

Pursuant to the Plan, the purchaser of a Unit will receive legal title in fee simple to his or her Unit, coupled with ownership of an undivided interest in the appurtenant Common Elements held in common with other Unit Owners. Such purchaser will have the right to place an individual mortgage on his or her separate Unit and will be liable to the local tax authority for the tax assessment with respect to his or her interest in the Property. Under these circumstances, the Internal Revenue Service (the "IRS") has ruled that the owner of a residential condominium unit may deduct interest paid on his or her mortgage indebtedness and the real estate taxes assessed and paid on his or her interest in the property. Rev. Rul. 64-31, 1964-1 (Part I) C.B. 300.

Accordingly, based upon the foregoing assumptions and assuming the Condominium is validly created pursuant to Article 9-B of the Real Property Law of the State of New York, we are of the opinion that under present law, each Unit Owner of the Condominium who itemizes deductions on his/her income tax return and who uses his or her Unit as a personal residence may deduct for both Federal and New York State Income Tax purposes all real estate taxes assessed against a Unit and paid by him/her in the year in which such taxes are paid and may likewise deduct all "qualified residence interest" paid by him/her on any mortgage indebtedness covering the Unit in the year in which such interest is paid. (Revenue Ruling 64-31, 1964-1 C.B. 300). The authority for the deduction for Federal income tax purposes for interest paid with respect to a principal and one secondary residence (a "qualified residence) is found in Code Section 163(h)(3). Such deduction is limited to the interest attributable to indebtedness which is secured by a qualified residence and which is (i) incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt) ("acquisition indebtedness"), up to a maximum of $1,000,000 for any period ($500,000 in the case of a married individual filing a separate return), or (ii) any indebtedness other than acquisition indebtedness, up to the excess of the fair market value of any one qualified residence over the amount of acquisition indebtedness with respect to such residence ("home equity indebtedness"), but not to exceed $100,000 ($50,000 in the case of a married individual filing a separate return) in the aggregate for all qualified residences of the taxpayer in any period. Accordingly, an owner of a Unit who itemizes deductions and uses his or her Unit as a qualified residence will be entitled, under current law, to deduct from his or her gross income for Federal income tax purposes (subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code), interest paid or accrued by him or her on (i) acquisition indebtedness incurred with respect to his or her Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with respect to a second qualified residence (if any), does not exceed $1,000,000 ($500,000 in the case of a married individual filing a separate return) and (ii) home equity indebtedness with respect to his or her Unit to the extent that such indebtedness, when added to the amount of home equity indebtedness incurred with respect to a second qualified residence (if any), does not exceed $100,000 ($50,000 in the case of a married individual filing a separate return). Since the rules and limitations regarding the deductibility of home mortgage interest are complex, purchasers are urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regards the deductibility of interest with respect to their Units for Federal alternative minimum tax purposes (which, as more fully described below, is presently subject to rules different than those described above for regular income tax purposes). In addition, owners of Units should consult their tax advisers regarding potential limitations

on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

Each owner of a Unit who uses his or her Unit as a residence will generally be entitled to the same deduction for mortgage interest and real estate taxes paid or accrued with respect to his or her Unit for New York State and New York City income tax purposes as is allowed for Federal (regular) income tax purposes. However, under New York State and New York City income tax law, itemized deductions, such as interest and real estate tax deductions, are subject to reduction by as much as 50% in the case of individuals having income exceeding certain prescribed levels. Furthermore, purchasers should consult their tax advisers to determine the application, if any, of the New York State and New York City minimum taxes to the deduction for mortgage interest and real estate taxes with respect to their Units.

It should be noted that under Section 55 of the Code, a non-corporate taxpayer (including individuals) may be subject to an alternative minimum tax on his/her alternative minimum taxable income (AMTI) in lieu of the regular income tax. AMTI means the taxpayer's adjusted gross income for the taxable year, plus tax preference items described in Section 57 of the Code, minus certain specified deductions including, but not limited to, qualified housing interest (incurred to buy, build or rehabilitate the taxpayer's principal residence or a qualified dwelling used by the taxpayer or any member of his family). Certain deductions allowed with respect to the regular income tax, such as real estate taxes, are not deductible for purposes of determining the alternative minimum tax. New York State also imposes a minimum tax based on certain Federal tax preference items, including "adjusted itemized deductions." See Sections 601-A and 622 of the Tax Law of the State of New York.

Section 528 of the Code provides that a Condominium Management Association ("Association") may elect to be treated as a "homeowners association" and therefore be exempt from Federal income tax on amounts received as membership fees, dues or assessments collected from Unit owners if it meets the following requirements:

1. The Association must be organized and operated to provide for the acquisition, construction, management, maintenance and care of Association property, which includes property held by the Association and property commonly held by the members of the Association;

2. 60% or more of the Association's gross income must consist of assessments from Unit Owners ("exempt function income");

3. 90% of the Association's expenditures must be for the acquisition, construction, management, maintenance and care of the Association property;

4. No part of the net earnings can inure to the benefit of private individuals;

5. The Association must elect to be treated as a homeowners association; and

6. Substantially all units (defined as at least 85% of the total square footage of all units) must be used as residences.

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 subsequent taxable years.

In order for a Condominium Management Association meeting the above requirements to obtain the aforementioned tax benefits provided by Section 528 of the Code, it must elect to have said Section apply for the taxable year of the Association. The election may be made by filing Form 1120-H, U.S. Income Tax Return for Homeowners Associations, within the time provided for filing Federal income tax returns for the year for which the election is made, including any extensions. A condominium meeting the requirements of Section 528 of the Code and electing to be exempt from Federal income tax on exempt function income would be taxable at corporate rates, with some minor modifications, on the amount by which its non-exempt function income exceeds the amount of allowable deductions which are directly connected with the production of such income. Any tax paid on non-exempt function income would be a common expense of the Condominium.

Based on the information contained in the Plan, including Schedule A to the Plan, indicating that more than 85% of the total square footage of all units in the Condominium will be used for residential purposes and assuming that (i) the income and expenditures of the Association are as projected in Schedule B to the Plan, (ii) the Association makes a timely and proper election to be treated as a homeowners association under Section 528 of the Code, and (iii) the Condominium otherwise operates in accordance with the terms of the Plan and the Plan Documents, and (iv) there are no changes in the facts and/or relevant provisions of current law, it is our opinion that The 203 Luquer Street Condominium will qualify as a "Condominium Management Association" under Code Section 528I(2) and that the receipts from the Unit Owners which qualify as dues and assessments will be "exempt function income" for the taxable year for such Association. However, we are unable to express an opinion as to whether the Association will qualify as a "homeowners association" under Section 528 in any subsequent taxable year as that qualification will inevitably be dependent upon facts and circumstances only determinable in the future.

Absent the application of Code Section 528, the present state of Federal law is unclear as to the precise tax status of the Condominium. An entity classification regime was adopted in regulations issued by the United States Treasury Department on December 17, 1996 and there is no authority addressing the application of those entity classification regulations to condominiums. Because the By-Laws of the Condominium provide that the Board of Managers will each act as the agent of the Unit Owners represented by each such Board, the Board of Managers may take the position that the Condominium is not a separate entity and accordingly is not subject to the classification regime. In such case, the Unit Owners would, in the aggregate, include in their gross income and be taxed on all income earned by the Condominium (which income may include interest or similar income earned from interim investments of the amounts assessed and collected from the Unit Owners), reduced by the expenses incurred in earning such income. For this purpose, the Common Charges would not be considered income earned by the Condominium through the Board of Managers collecting such charges. If, however, the Condominium is considered a separate entity it is unclear whether the Condominium would be taxable as a corporation or treated as a partnership for Federal income tax

purposes. If the Condominium is taxable as a corporation, it would be considered a separate taxpayer with respect to income and deductions and return filing requirements and would be subject to Federal corporate income tax. If the Condominium is treated as a partnership, the partnership would not be subject to an entity level tax, the items of income and deduction of the partnership would generally be passed through to the Unit Owners in accordance with the provisions of Subchapter K of the Code, and the partnership would be required to file information returns.

The precise tax status of the Condominium for New York State and New York City tax purposes is also unclear. The relevant New York State and New York City laws incorporate by reference federal entity classification provisions which, as discussed above, do not specifically address the treatment of condominiums. If the Condominium is properly treated as a separate entity that is an association taxable as a corporation for Federal income tax purposes, it appears likely that the Condominium would be subject to the New York State Corporation Franchise Tax and the New York City General Corporation Tax. If the Condominium does not constitute an association that is taxable as a corporation for Federal income tax purposes, it is still possible, although not certain, that the Condominium might be subject to the New York State Corporation Franchise Tax. Further, in such event, it likely would be subject to the New York City Unincorporated Business Tax, unless the Condominium were eligible for and elected treatment under Code Section 528 as a homeowners association.

No warranties are made that either the IRS or the New York State Department of Taxation and Finance will allow the aforementioned deductions for real estate taxes and/or mortgage interest to Unit Owners or that the tax laws, regulations and rulings upon which this opinion is based will not change. Moreover, this opinion is not binding on the IRS, any other taxing authority or any court. In no event will Meister Seelig & Fein LLP, the Sponsor, the Selling Agent or any other party be liable if it shall be determined that the Condominium does not meet, or at any future time ceases to meet, the requirements of the Code or the New York State Tax Law, or any amendment of either thereof, by reason of changes in (i) the facts relied upon in order to render this opinion or (ii) statutory or decisional laws, IRS rulings or regulations relied upon in order to render this opinion. Moreover, no opinion is expressed nor is any representation or warranty made with respect to the tax consequences of the Plan or any other matter (including, without limitation, the tax consequences of ownership of Units offered under the Plan) except as herein expressly set forth.

We hereby consent to the inclusion of this opinion letter and references to our name in the Plan.

Very truly yours,

Meister Seelig + Fein LLP

Meister Seelig & Fein LLP

339-i OPINION OF MEISTER SEELIG & FEIN LLP

MSF
MEISTER SEELIG & FEIN LLP

2 Grand Central Tower
140 East 45th Street, 19th Floor
New York, NY 10017
Telephone (212) 655-3500
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March 6, 2008

203 Luquer LLC
c/o Ultimate Realty
28 East 14th Street
Unit 2B
New York, NY 10003

Re: Condominium Offering Plan (the "Plan")
The 203 Luquer Street Condominium ("Condominium")

Ladies and Gentlemen:

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(x)(5). Except where otherwise indicated, the terms used in this opinion have the same meaning as in 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 Article 9-B and Section 339-i of the Real Property Law of the State of New York, as amended and such other materials as we deemed relevant. Our opinion relies, and is based, upon the factual determinations made by Corcoran Group., as set forth in its opinion contained in the Plan as required by NYCRR Section 20.3(i) and the calculation of Common Interests provided to us by you. We have made no independent investigation of the truth or accuracy of the factual determinations of Corcoran nor have we verified the accuracy of your calculation of Common Interests.

Based, and in reliance, upon the foregoing, the 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.

Accordingly, based on the foregoing, it is our opinion that the assignment of Common Interests to the Units complies with Real Property Law Section 339-i. 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, Meister Seelig & Fein LLP, the Selling Agent or the Board of Managers 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 and references to our name in the Plan.

Very truly yours,

Meister Seelig & Fein LLP

By: Meister Seelig & Fein LLP

RESERVE FUND FOR CAPITAL EXPENDITURES

There are no restrictions on the Board of Managers' right to accumulate available funds for reserves, however, any such reserves shall not be created or funded by Sponsor. Common Charges may also be assessed for this purpose, provided, however, that so long as Sponsor or its designee shall own any Units, Sponsor's prior consent is necessary in order to assess Common Charges to create, add to or replace a reserve, emergency or surplus fund in excess of 5% of the estimated expenses for any projected year of operations.

Any such reserve fund shall not be used to reduce projected Common Charges during the time that Sponsor or its designee controls the Board of Managers, nor shall it be used to cover closing adjustments with the Condominium.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED OR IS REQUIRED TO PASS UPON THE ADEQUACY OF SUCH RESERVE FUND FOR CAPITAL EXPENDITURES.

WORKING CAPITAL FUND

At each closing the Purchaser of the Unit shall be required to pay to the Board of Managers a non-refundable sum in an amount equal to two (2) months estimated Common Charges as set forth in Schedule A. These funds (the "Working Capital Fund") will be accumulated to provide the Condominium with working capital for capital items and/or repairs, emergencies and other appropriate purposes as determined by the Board of Managers. Except for emergency and capital expenditures, it is anticipated that the balance of the fund will be turned over intact by Sponsor or its designee to the first Board of Managers controlled by Unit Owners, to be used as said Board of Managers shall determine.

So long as Sponsor controls the Board of Managers, the Working Capital Fund may not be used to reduce Common Charges of the Condominium.

The Working Capital Fund shall not be used to cover closing costs and adjustments with the Condominium. Individual closing adjustments, consisting of real estate taxes, interim rent, if any, and insurance premiums, are payable by Purchasers as more fully set forth in the section of the Plan entitled "Unit Closing Costs and Adjustments".

The Working Capital Fund is to be distinguished from the contingency fund provided for in the Budget for the First Year of Condominium Operations, (Schedule B) to the Offering Plan, and which may in fact be used during the period of Sponsor's control of the Board of Managers.

NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED OR IS REQUIRED TO PASS UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

The Condominium will be self-managed.

Insurance

Prior to the first closing of title to a Unit, Sponsor will obtain on behalf of the Condominium the insurance coverage described in the footnotes to Schedule B.

Service Contracts

There are presently no service and maintenance contracts that will be binding on the Condominium after the first closing of title to a Unit for a period of one (1) year.

IDENTITY OF THE PARTIES

Sponsor

Sponsor of the Plan is 203 Luquer LLC, a New York limited liability company having an office at c/o Ultimate Realty, 28 East 14th Street, Unit 2B, New York, NY 10003 and was formed 3/12/2007.

Sponsor has not previously offered for sale cooperatives, condominiums, planned unit development homes or time shares properties. The principals of Sponsor are Isaac Mishan and Joseph Sabbagh. Mr. Mishan and Mr. Sabbagh are principals of Ultimate Realty ("Ultimate"). Ultimate has a business address of 28 East 14th Street, Unit 2B, New York, NY 10003. Mr. Mishan and Mr. Sabbagh have been involved in ownership, management, development and sale of real estate through their companies since 1996. Mr. Mishan and Mr. Sabbagh have participated in the following offerings in Brooklyn and Manhattan:

(i) East 88th Street – 237 LLC, the Sponsor of the Condominium located at 237 East 88th Street, New York, New York which has been sold out;

(ii) 377 Sterling LLC, the Sponsor of the Condominium located at 377 Sterling Place, Brooklyn, New York which has been sold out;

(iii) 445 Third LLC, the Sponsor of the Condominium located 445 Third Avenue, Brooklyn, New York which has been sold out;

(iv) 357 LLC, the Sponsor of the Condominium located at 357 Fourth Street, Brooklyn, New York which has been sold out;

(v) 536 Henry LLC, the Sponsor of the Condominium located at 536 Henry Street, Brooklyn, New York which has two (2) units under contract and two (2) remaining units being offered for sale;

(vi) 555 Henry LLC, the Sponsor of the condominium located at 555 Henry Street, Brooklyn, New York which has two (2) units under contract and two (2) remaining units being offered for sale; and

(vii) 356 12th LLC, the Sponsor of the condominium located at 356 12th Street, Brooklyn, New York which has not commenced sales at this time.

Except as set forth herein, Mr. Mishan and Mr. Sabbagh are not a principals of sponsors or holders of unsold shares or units which currently own or hold 10 percent or more of the unsold shares or units at cooperatives or condominiums located in the State of New York.

Sponsor's principals are current in their obligations under the aforementioned Offering Plans. Copies of said Offering Plans are available for inspection in the office of the Attorney General.

There have been no prior felony convictions of Sponsor or the principals of Sponsor; and no prior convictions, injunctions and judgments against Sponsor or the principal of Sponsor that may be material to the Plan or offering of securities generally, that occurred within fifteen (15) years prior to the submission of this Plan.

The Selling Agent

The Corcoran Group with offices at 1215 7th Avenue, Brooklyn, New York is the Selling Agent retained by Sponsor in connection with the offering of Units. Corcoran Realty has been specializing in the sale, rental, and management of Co-ops, Condos, Lofts, and Townhouses in Brooklyn for over 10 years. The firm has no financial relationship, past or present, to Sponsor except as the Selling Agent.

Attorneys for Sponsor

Sponsor has retained the law firm of Meister Seelig & Fein LLP, 2 Grand Central Tower, 140 East 45th Street, 19th Floor, New York, NY 10017 to represent it in connection with the preparation of this Offering Plan and in connection with the sale of the Units. Matthew E. Kasindorf, Esq. and Emily B. Wolf, Esq. of Meister Seelig & Fein LLP prepared this Plan, the Declaration, By-Laws, the form of Purchase Agreement, Deed and the related Exhibits referred to herein. Meister Seelig & Fein LLP has not undertaken any responsibility for the business or financial terms of this Plan.

Architects

Sponsor has retained the services of AEN Architects, having an address at 144 East 44th Street, Eighth Floor, New York, New York 10017-4008 a multi-disciplined architectural firm for the preparation of Architects Report and for preparation of the Building Plans. AEN Architects is a full-service professional practices staffed by directors with expertise in architecture, construction, management, interior design, planning and property management.

Engineer

Mottola Engineers PC, having an address at 36 West 25th Street, 4th Floor, New York, NY 10010-2762, is the mechanical, electrical and plumbing engineer for the Building.

REPORTS TO UNIT OWNERS

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

(a) annual financial statements of the Condominium, prepared and certified by independent certified public accountants, to be received within four and one-half (4-1/2) months after the end of the fiscal year;

(b) notices of the holding of the annual meetings of the Unit Owners, to be sent not less than ten (10) nor more than forty (40) days in advance of the meeting, stating the purpose of the meeting as well as the time and place where it is to be held; and

(c) each year's proposed annual budget of the Condominium, to be received not less than ten (10) days prior to the date set for adoption thereof by the Board of Managers. While Sponsor is in control of the Condominium, the budget will be certified in accordance with Section 20.4(d) of the Attorney General's Regulations.

DOCUMENTS ON FILE

The Declaration and the By-Laws will be recorded in the Kings County office of the Register of the City of New York prior to the conveyance of title to the first Unit. In addition, a set of floor plans for the Building showing the layout, location and approximate dimensions of the Units and the Unit designations, certified by the Real Property Assessment Department of the City of New York as conforming to the official tax lot number for each such Unit, and 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 floor plans fully and fairly depict the layout, location, Unit designations and approximate dimensions of the particular Unit or Units as built, will be filed in said City Register's office.

Pursuant to Section 352-e(9) of the General Business Law, copies of this Offering Plan, all exhibits or documents referred to herein and all exhibits submitted to the Department of Law in connection with the filing of the Plan are and will be kept on file at the office of Sponsor set forth on the cover page hereof for six (6) years from the first closing of title to a Unit, for examination without charge, and for copying at a reasonable charge, during normal business hours and upon reasonable notice, by prospective purchasers and any person who has purchased a Condominium interest offered by this Plan or who has otherwise participated in this offering.

Sponsor will deliver to the Board of Managers at the first closing of title to a Unit a copy of all documents filed with the City Register.

GENERAL

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

B. The Property is not and since Sponsor became the Owner of the Property on March 19, 2007 has not been the subject of any prior offerings. As of the date of the Plan, neither Sponsor nor any representative or agent thereof has raised funds from, made any preliminary offering to or made any binding agreement with prospective purchasers with respect to Condominium Units.

C. It is hereby represented that Sponsor, the Condominium, the Board of Managers and the Selling Agent will not discriminate against any person or persons on the basis of race, creed, sex, color, disability, marital status, age or national origin or other grounds prohibited by law.

D. Sponsor reserves the right, from time to time, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Units are sold, including changes affecting the rights, obligations and liabilities of the Condominium, Purchasers and/or prospective Purchasers under this Plan. All substantive or material revisions will be contained in a duly filed amendment to this Plan. In the event of a material revision adversely affecting the rights, or increasing the obligations or liabilities, of then existing Purchasers or the Condominium, or reducing the undertakings or obligations of Sponsor, such Purchasers will be given the right, for fifteen (15) days after the presentation date of the amendment, to rescind their Purchase Agreements and have all monies paid thereunder (with interest earned on their Down Payment) refunded, provided such persons comply in all respects with any procedure for rescission set forth in an amendment to this Plan.

E. This Plan contains an accurate summary of the pertinent provisions of the various documents referred to herein and copies thereof are on file with 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 intentionally omit any

material fact or contain any untrue statement of a material fact. No person has been authorized by Sponsor to make any representation which is not expressly contained herein.

F. No binding obligation between Sponsor and a Purchaser shall arise unless and until a Purchase Agreement, executed by both the Purchaser and Sponsor, has been exchanged.

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

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the Description of Property and Specifications (the "Report") prepared AEN Architects, which is set forth in Part II of this Plan, and has relied solely on this Report. Sponsor represents that it does not know of any material defect or need for major repairs except as set forth in the Report.

Dated: New York, New York
March 6, 2008

SPONSOR:
203 Luquer LLC

PART II

EXHIBIT "A"

PURCHASE AGREEMENT

PURCHASE AGREEMENT
FOR
UNIT NUMBER ___

AT

THE 203 LUQUER STREET CONDOMINIUM

203 Luquer Street
Brooklyn, New York 11231

(To be executed by Purchaser in triplicate)

AGREEMENT made as of _____ ___, 200__, by and between 203 Luquer LLC a New York limited liability company having an office at c/o Ultimate Realty, 28 East 14th Street, Unit 2B, New York, New York 10003 ("Seller" or "Sponsor")

and:

_____ having an address at _____
_____
("Purchaser")

WITNESSETH:

1. **Plan.** Purchaser acknowledges having received, at least three (3) days prior to the date hereof, and read or waived the reading of, a copy of the Offering Plan for The 203 Luquer Street Condominium and amendments thereto filed with the Department of Law of the State of New York prior to the date hereof (hereinafter collectively referred to as the "Plan"). Purchaser hereby accepts and approves the Plan including without limitation, the proposed Declaration of Condominium, By-Laws and other documents contained in Part II of the Plan (the "Condominium Documents") and agrees to abide by and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Seller (including, without limitation, amendments involving any changes, modifications, or updating of the projected Common Charges, the projected real estate taxes to be paid by Purchaser, or Schedule B-"Projected Budget for the First Year of Operation of the Condominium". Amendments to the Plan shall neither excuse Purchaser from performing Purchaser's obligations hereunder nor entitle Purchaser to any offset or credit against the Purchase Price and may be made by Seller without Purchaser's consent or approval. In the event of a material adverse amendment, Purchaser shall be given the right to rescind this Agreement. The Plan is incorporated into this Agreement by reference and made a part hereof with the same force and effect as if set forth herein at length. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern. Purchaser acknowledges having had full opportunity to examine all relevant documents, and

to investigate all statements made herein and in the Plan. Terms used in this Agreement will have the meanings ascribed to them in the Plan unless the context thereof otherwise requires.

2. **The Unit.** Purchaser agrees to purchase from Seller, and Seller agrees to sell to Purchaser, the Unit designated as _____ (the "Unit") as same are designated in the Declaration, together with a _____% undivided interest in the Common Elements appurtenant to the Unit (the "Common Interest"), located on the land more particularly described on Exhibit A annexed hereto and made a part hereof, upon and subject to, the terms and conditions set forth herein.

3. **Purchase Price.**

A. The Purchase price (the "Purchase Price") is $ _____, payable as follows:

(i) $_____ (the "Down Payment") on the signing of this Agreement by check, (subject to collection) receipt of which is hereby acknowledged. All checks for the Down Payment shall be unendorsed and made payable to "Meister Seelig & Fein LLP"; and

(ii) $_____ (the "Balance"), constituting the balance of the Purchase Price, at the closing, by Purchaser's unendorsed certified check, or an official bank check, drawn on or issued by a bank or trust company that is a member of the New York Clearing House Association. All checks for the Balance shall be unendorsed and made payable to the direct order of "203 Luquer LLC", unless otherwise directed by Seller.

If any check is returned for insufficient funds or any other reason, said return shall be deemed to be a default by Purchaser under this Agreement and shall entitle the Seller to exercise any of the remedies set forth in Article 13 hereof.

B. Purchaser's payment of the Balance and acceptance of a deed to the Unit shall constitute Purchaser's acknowledgment that Seller has satisfactorily performed all of the obligations stated in the Plan and this Agreement to be performed by Seller prior to closing. However, nothing herein contained shall excuse Seller from performing the obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the closing, and nothing herein shall be in derogation of the rights of Purchasers under Article 23-A of the General Business Law, the Plan or Part 20 of the Regulations issued by the Department of Law of the State of New York.

C. Purchaser shall not be obligated to pay the Balance of the Purchase Price or accept title to the Unit unless all of the events set forth under "Closing of Title to Units" in Part I of the Plan are met simultaneously with the closing or prior thereto.

4. **Funds to be Held in Trust.**

A. Seller will hold in trust any and all funds received by it directly

or through its agents or employees until the Unit is transferred to Purchaser or the Purchase Agreement is cancelled in accordance with its terms. All funds received hereunder will be deposited with Meister Seelig & Fein LLP in their Escrow Account at Citibank, N.A. Citigroup Private Bank, 666 Fifth Avenue, 5th Floor, New York, New York 10103. Interest earned on the Down Payment shall be 1% less than the rate in effect, from time to time, on money market accounts on deposit with Citibank, N.A. and said 1% shall be payable to Seller to offset administrative costs. In no event shall interest accrue or be deemed to be earned on any payment made for additional work or modifications. The funds so deposited will be disbursed only in accordance with the provisions of this Agreement and the Plan. The signature of an attorney in Meister Seelig & Fein LLP, will be required before any funds held in trust may be released.

B. In the event the Plan is abandoned or withdrawn, or the Purchase Agreement is canceled pursuant to its terms through no fault of the Purchaser, all funds held in trust will be returned to Purchaser with interest, if any, earned and collected thereon, within thirty (30) days after the date of the abandonment or withdrawal, except as otherwise provided herein. If at the time the Plan is abandoned or withdrawn the Purchaser shall be in default hereunder and shall have failed to cure said default within the applicable grace period, if any, or if this Agreement had been previously cancelled due to Purchaser's uncured default, then Seller shall retain as and for liquidated damages, the Down Payment plus any additional costs or expenses incurred by Seller on account of any special work in the Unit ordered by Purchaser, together with any interest earned and collected thereon, (herein collectively called the "Liquidated Sum") and any sums in excess thereof, together with any interest earned and collected thereon, shall be returned to Purchaser within thirty (30) days after the date of the abandonment or withdrawal.

C. Upon the payment of the Balance and performance by Purchaser of all of Purchaser's obligations hereunder and the transfer to Purchaser of title to the Unit, Seller will instruct the depository to pay to Purchaser any and all interest earned and collected on the funds deposited hereunder less that portion of the interest payable to Seller to offset administrative costs. The Seller and Selling Agents will not be liable to Purchaser for the amount of said interest or the payment thereof, except to the extent of any amount received from the depository. All funds due to Seller and received under this Purchase Agreement will be handled in accordance with Sections 352-e(2-b) and 352-h of the New York General Business Law and with Section 71-a(3) of the Lien Law. In lieu of depositing the Down Payment into an Attorney Escrow Account, Seller reserves the right to post a bond issued by a licensed bonding company securing repayment of the aforementioned funds together with interest earned and collected thereon, in the event a Purchaser is entitled to repayment of same. If Seller elects to post a bond, it will submit the form of the bond to the Department of Law for its approval and will notify all affected Purchasers by filing an amendment to the Plan.

5. Agreement Subject to Plan Being Declared Effective.

A. Seller's obligations hereunder are contingent upon the Plan being declared effective in accordance with the terms and conditions of the Plan, as same may be amended from time to time. Purchaser understands and agrees that the Seller shall have the right to abandon the Plan at any time prior to its being

declared effective or thereafter, in certain limited cases as provided in the Plan. The Plan will be abandoned or deemed abandoned unless declared effective within the time limits prescribed in the Plan. The Seller shall notify Purchaser in writing when the Plan becomes effective or by a duly filed amendment if abandoned.

B. If the Plan is abandoned, or if, after being declared effective the Plan shall not be consummated for any reason, this Agreement shall be deemed canceled and, provided that Purchaser is not then in default beyond the end of any applicable grace period, all sums paid by Purchaser hereunder, together with any interest earned and collected thereon, shall be disbursed in accordance with the provisions of Article 4 above. After disbursement of the funds, Purchaser and Seller shall have no claim against each other or the Selling Agent, if any, in connection with this Agreement or the Plan, and the parties hereto and their agents shall be released and discharged from all liabilities and obligations hereunder and under the Plan.

6. **Closing of Title.**

A. The closing of title shall be held on the date and at the time and place in the City and State of New York as Seller may designate to Purchaser upon not less than thirty (30) days prior written notice. Seller shall have the right, from time to time, to adjourn the date and time for closing on written notice to Purchaser. If adjourned, Seller shall fix a new date and time for title closing and shall give Purchaser not less than ten (10) days prior written notice of the new scheduled date and time for closing

B. The closing of title shall occur only after or upon compliance with all of the events set forth under "Closing of Title to Units" in Part I of the Plan.

C. If after the effective date of the Plan, Sponsor is unable to convey title to the Unit within one (1) year of the date scheduled in the written notice as set forth above (except where such failure is due to the default of Purchaser) or any adjourned date which has been agreed by both Sponsor & Purchaser, then Purchaser shall have the right, for a period of 30 days from the expiration of the aforementioned one (1) year period or the adjourned date, to cancel this agreement. A Purchaser desiring to cancel must tender during the thirty (30) day period written notice to Sponsor and the Purchase Agreement will be deemed cancelled at the end of the notice period (unless Sponsor is ready, willing and able to close during thirty (30) day period). Upon cancellation, Sponsor shall return any monies paid herein, with interest earned as set forth in the Plan.

7. **Deed.** At the closing of title, Seller shall deliver to Purchaser a Bargain and Sale Deed with covenants against grantor's acts conveying title to the Unit to Purchaser free and clear of all encumbrances other than those set forth on Exhibit B annexed hereto and made a part hereof (the "Permitted Exceptions"). The deed shall be prepared by Seller and shall be substantially in the form described in Part II of the Plan and shall be executed and acknowledged by Seller and Purchaser in form for recording. The deed shall be delivered to the representative of the title company insuring Purchaser's title (or, if no title company representative is present, then to Purchaser's attorney) for recording in the Office of the City Register of Kings County. After being recorded, the deed

shall be returned to Purchaser.

8. **Marketable Title.** At the closing of title, except as otherwise set forth in Article 9 below, Seller shall convey to Purchaser good and marketable title in fee simple to the Unit subject only to the Permitted Exceptions. Any encumbrances to which title is not to be subject shall not be objections to title if: (a) the instrument required to remove it of record is delivered to the proper party or Purchaser's title insurance company at or prior to closing together with the requisite recording or filing fees; or (b) Purchaser's title insurance company will insure Purchaser against its collection or enforcement out of the Unit.

9. **Seller's Inability to Convey Title.** In the event that Seller is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Seller will not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure said inability. If Seller notifies Purchaser of its refusal to cure the defect in title and if Purchaser is not then in default hereunder, Purchaser shall have the option to either: (a) take title to the Unit subject to the title defect (without abatement in or credit to the Purchase Price, or claim or right of action against Seller for damages or otherwise); or (b) cancel this Agreement by notifying the Seller in writing of Purchaser's election to cancel within fifteen (15) days after Seller notified Purchaser of Seller's refusal to cure the title defect. If Purchaser elects to cancel this Agreement, Seller shall refund to Purchaser, within thirty (30) days after receipt of Purchaser's cancellation notice, all sums deposited hereunder, with the interest (if any) earned and collected thereon less that portion of the interest payable to the Seller. Upon making said refund, this Agreement shall be null and void and neither party shall have any further rights, obligations, or liabilities with respect to the other hereunder or under the Plan. The foregoing option must be exercised by notice of Purchaser in writing sent to Seller within fifteen (15) days after the giving of Seller's notice of refusal to cure the title defect, failing which, it shall be conclusively deemed that Purchaser elected the first option above (i.e., to acquire title subject to the title defect).

10. **Power of Attorney to Condominium Board and Seller.** At the closing of title, Purchaser shall execute, acknowledge and deliver to the title insurance company insuring Purchaser's title to the Unit or to Seller's attorney for recording in the Office of the City Register Kings County, a Power of Attorney in favor of the Board of Managers relative to purchasing or leasing of Units and in favor of Seller relative to amending the Condominium Documents to the extent permitted in the Power of Attorney. The Power of Attorney shall be substantially in the form described in Part II of the Plan. After being recorded, the Power of Attorney shall be sent to the Board of Managers.

11. **Closing Adjustments.**

A. At the closing of title, Seller and Purchaser shall apportion, as of midnight of the day preceding the closing:

(i) real estate taxes and assessments, if any, including water charges and sewer rents for the Unit on the basis of the period assessed;

(ii) Utility charges;

(iii) Common Charges for the month in which title closes; and

(iv) rent and other charges, if any, pursuant to an interim lease or tenancy of the Unit.

B. The "Customs in Respect to Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned, except as expressly provided to the contrary herein.

C. Any errors or omissions in computing apportionments at the closing shall be corrected and payment made to the proper party promptly after discovery. This provision shall survive the closing for a period of one (1) year.

D. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by the Purchaser and shall not be considered a defect in title.

12. **Purchaser's Closing Costs.** At the closing of title, Purchaser shall be required to pay those costs more particularly described in the Section of the Plan entitled "Closing Costs and Adjustments"; in addition to any legal fees of Purchaser's counsel and the amount of any net credit in favor of Seller resulting from the closing adjustments described in the preceding Article 12.

First American Title Company is most familiar with title to the Property, and therefore best able to facilitate Purchaser's closing. Purchaser is not required to obtain a title report or insurance and (if Purchaser elects to obtain a title report or insurance) Purchaser need not obtain it from Metropolitan Abstract Corporation. Purchaser may choose any title insurance company that Purchaser may prefer.

13. **Events of Default.**

A. The following shall constitute "Events of Default" hereunder:

If any check delivered to Seller hereunder is returned for insufficient funds or for any other reason, or Purchaser's failure to pay the Balance on the Closing Date designated by Seller pursuant to Article 6 herein;

Purchaser's failure to duly sign, notarize and deliver at the times specified the Power of Attorney pursuant to Article 10 herein,

The failure to pay, perform, or observe any of Purchaser's other obligations hereunder, that is not cured within thirty (30) days after the mailing of written notice specifying the nature of the default.

B. Upon the occurrence of an Event of Default, Seller may, at its option, either: (i) elect to cancel this Agreement by sending Purchaser thirty (30)

days' prior written notice of its intention to do so; or (ii) bring an action against the Purchaser for specific performance in which event the Purchaser could be compelled to complete the transaction. If Seller elects to cancel, Purchaser shall have thirty (30) days from the date of mailing of the cancellation notice within which Purchaser must cure the specified default. TIME IS OF THE ESSENCE TO CURE THE DEFAULT WITHIN SAID THIRTY (30) DAY PERIOD. If the default is not timely cured, then the Agreement shall be deemed cancelled and Seller shall have the right to retain, as and for liquidated damages, the Down Payment plus the cost incurred by Seller on account of any special work in the Unit ordered by Purchaser, together with any interest earned and collected thereon (the "Liquidated Sum"), and any sums in excess thereof together with any interest earned and collected thereon shall be returned to Purchaser within thirty (30) days after cancellation of the Agreement. Upon cancellation of this Agreement and making any refund to Purchaser, Purchaser, Seller and Selling Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold as though this Agreement had never been made, and without accounting to Purchaser for any portion of the proceeds of any sale.

C. Notwithstanding the occurrence of an Event of Default, Seller may, in its sole discretion, keep this Agreement in effect and proceed to close title without prejudice to Seller's right to recover from Purchaser damages, losses, costs, expenses and any and all other lawful sums to which Seller is entitled, including, but not limited to, reasonable legal fees and costs of collection.

D. If Purchaser becomes a tenant or occupant of a Unit and Purchaser fails to pay rent or additional rent or to otherwise comply with Purchaser's lease or tenancy or occupancy obligations, or if Purchaser shall have vacated or abandoned the Unit, then said default, vacating or abandonment shall constitute a default hereunder entitling Seller, at its sole option, to cancel this Agreement and retain the Liquidated Sum. Upon any cancellation, Seller shall refund to Purchaser any sums deposited hereunder in excess of the Liquidated Sum together with any interest earned and collected thereon. Upon the refund being made, Seller and Purchaser will be released and discharged of all further liability and obligations under this Agreement and the Plan. However, in no event shall Purchaser be released or excused from paying and performing Purchaser's tenancy or occupancy obligations.

14. **Fixtures, Appliances and Equipment.**

A. Only those fixtures, appliances, equipment and items of personal property that are described in "Description of Property and Building Condition" in Part II of the Plan as being part of the Unit are included in the sale of the Unit pursuant to the provisions of this Agreement.

B. Except as otherwise indicated in Part II, all cabinets, countertops, flooring and vanities will be of a design and color selected by Seller. Purchaser acknowledges and agrees that Seller has the right to substitute other fixtures, appliances, equipment and cabinetry in place of those listed in the Plan provided only that the substitutions are of substantially equal or better quality and design. The Unit is being sold unfurnished, without window blinds or shades and will contain only the appliances and equipment described in the Plan. Furniture, wall coverings, furnishings, decorations and the like in or about any model Unit are

for display purposes only and are not included in this sale. Units will be offered in their "as-is" condition subject to the minor modifications described in Part II of the Plan. Purchaser will be responsible for any repainting and touch-ups necessitated from moving in. Any floor plans or sketches shown to Purchaser (including those contained in the Plan) are only approximations of the Unit's dimensions and arrangement, and Seller shall not be liable for minor variations from any floor plans or sketches.

C. There will be no modifications or extras added to the Units unless agreed to in writing by the parties. All modifications and alterations must be approved by Seller in writing and, if approved, shall be performed by Seller at Purchaser's expense payable in the manner to be set forth in an addendum to this Agreement or separate agreement.

15. **Completion of Construction.**

A. The construction of the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the architectural plans and specifications (defined in the Plan), subject to the right reserved by Seller to modify and amend the Plan and the plans and specifications in order to substitute materials, equipment or fixtures of substantially equal or better quality and design. The issuance of a Certificate of Occupancy for the Unit(s) shall be deemed conclusive evidence that the Units have been fully completed in accordance with the Plan and the plans and specifications, subject only to the Seller's obligation to correct any defects in construction in accordance with the conditions set forth in the Plan in the section entitled "Rights and Obligations of the Sponsor".

a. Any special work ordered or changes ordered by Purchaser shall be memorialized in a signed writing by the Purchaser and must be paid for in full within seven (7) days after the order. If for any reason the Sponsor fails to install said special work in accordance with the work order, the limit of the Sponsor's liability is a refund of the amount of the charge for such special work.

b. The correction of any defects in construction to the extent required under the Plan are the sole responsibility of the Seller. Purchaser acknowledges and agrees that Seller will not be liable for, and will have no obligation to correct, certain variations from the Plan and plans and specifications and will only be responsible to correct any construction defects to the extent and on the terms and conditions, as set forth in the section of the Plan entitled "Rights and Obligations of the Sponsor".

16. **Inspection of Unit.** At least one (1) week before the Balance is to be paid, the Sponsor or the Selling Agent shall notify Purchaser that the Unit is ready for inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with the Sponsor or Selling Agent to inspect the Unit. Purchaser or an agent authorized by Purchaser in writing shall attend the inspection and shall complete, date and sign an inspection report and deliver same to the Sponsor at the conclusion of the inspection. Failure of Purchaser either to arrange an appointment or to inspect the Unit prior to one (1) week before the Closing Date or to sign and deliver the completed inspection report, shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance

of the Unit. However, nothing herein shall relieve Seller of its obligations as set forth in the section of the Plan entitled "Rights and Obligations of the Sponsor".

17. **Limited One Year Warranty.** At the closing of title, the Seller will deliver to Purchaser or to the Condominium, as the case may be, the manufacturers' warranties, guaranties or other certificates obtained by the Seller incident to the construction of the Units and the installation of any original appliances and equipment. Seller's liability pursuant to the manufacturers' warranties covering heating, air conditioning systems, appliances, electricity, plumbing and roofing are limited solely to the extent that such warranties are delivered to Seller and are transferable to the Purchaser or to the Condominium and then only as against such manufacturer. In addition, however, Seller or Seller's contractors will promptly correct any defects in the construction of a Unit or the Building containing such Unit or in the installation or operation of any mechanical equipment therein due to materials or improper workmanship substantially at variance with the plans and specifications, provided only that it is notified of such defects in writing by certified mail within one (1) year from the date of closing of title to the Unit in which the alleged defect exists. Seller shall not be responsible for any work or material ordered by Purchasers directly from Seller's contractors or suppliers. Seller will not be liable for incidental or consequential damages caused by any defect. These warranties are extended only to the original Purchasers and are not extended to any subsequent Purchaser, lessee or mortgage lender who takes possession of the Unit. Seller makes no warranties as to appliances except that it will deliver to each Purchaser the manufacturers' warranties thereon. In no event shall the Seller be responsible for damage to sidewalks or other concrete areas caused by the application of salt or deicers, nail pops, normal settlement or any consequential damage resulting therefrom, normal plumbing and heating noises or carpet stretching, normal settlement cracks leaks resulting from extraordinary acts of God (roof leaks), scuffing on kitchen cabinet or vanity surfaces, variations of wood grain or staining of kitchen cabinets or vanities, minor chips (nicks) to formica tops, cultured marble tops and tubs, edges and surfaces, shading variations of the exterior siding (on the face surface or grooves), variations in cultured marble colors, and shading variations on fascias. Subsequent to the conveyance of title to a Unit, the Seller shall not be responsible for paint touchups, repair of dented appliances, porcelain or formica chips and scratches in tubs, vanities or countertops. The provisions of this Paragraph shall survive the closing of title and the delivery of the deed.

18. **Risk of Loss; Possession.**

A. Purchaser shall not be entitled to possession of the Unit until the Deed is delivered to Purchaser at closing; however, Seller may, in its sole discretion, grant Purchaser possession of the Unit prior to the closing under an interim lease or other written agreement.

B. If Purchaser is granted possession of the Unit prior to the closing under an interim lease or otherwise, then Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit or its contents resulting from Purchaser's use or occupancy, and Seller shall not be obligated to make any repairs to the Unit or its contents. However, until the closing, Seller will remain responsible to make those repairs required of it as landlord under any interim lease and, after the closing, the Board of Managers will be responsible for

making those repairs required of it under the Declaration and By-Laws.

C. If during Purchaser's occupancy, the Unit or its contents are damaged by casualty or otherwise, then Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Unit and did not result from the acts of Purchaser, of other occupants of the Unit or of Purchaser's guests, invitees, or workmen. If Purchaser is obligated to repair the damage, then Purchaser's failure to repair the damage shall not excuse Purchaser from paying the Balance and accepting delivery of the Deed.

D. Except as provided in the preceding subparagraph C, all other risk of loss prior to the closing has been assumed by Seller, but without any obligation or liability of Seller to repair the damage or restore the Unit or its contents. If Seller or (in the event the Declaration is filed) the Board of Managers elect to repair or replace the loss or damage, this Agreement shall continue in full force and effect, and Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price and Seller shall be entitled to a reasonable period of time to complete or to permit the Board of Managers to complete said repairs or replacements. Purchaser shall not be required to pay the Balance unless and until: (i) the Unit has been substantially repaired as near as is reasonably possible to its condition immediately prior to the casualty; (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored; and (iii) any condition in the Unit for which a violation (if any) is noted or issued has been corrected, other than those that are the obligations of any tenant to cure or that are caused by the act or omission of the tenant. Seller will endeavor in good faith, and with reasonable diligence, to remove subsequent to the closing all violations of record it is obligated to correct. Any proceeds received from insurance, or in satisfaction of any claim or action in connection with any loss, shall belong entirely to Seller (subject to the rights, if any, of the Board of Managers or of other Unit Owners). If any insurance proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Seller. The provisions of subparagraph D shall survive the closing.

E. In the event that Seller notifies Purchaser that it does not elect to repair or restore the Unit or if the Board of Managers do not resolve to make the repairs or restoration pursuant to the Condominium's By-Laws, this Agreement shall be deemed cancelled and of no further force or effect, and Seller shall return to Purchaser all sums deposited hereunder, together with interest, if any, earned and collected thereon, whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that, if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Seller may retain the Liquidated Sum pursuant to Article 13 above.

19. **No Representations**. Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Seller, Selling Agent or others, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners or the projected Common Charges and projected real estate taxes

allocable to the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as may be specifically represented herein or in the Plan; Purchaser having relied on Purchaser's own examination and investigation thereof. No person has been authorized to make any representations on behalf of Seller except as specifically set forth herein or in the Plan. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees: (a) to purchase the Unit, without offset or any claim against, or liability of, Seller, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans is accurate or correct, provided the layouts and dimensions conform substantially to the Floor Plans and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any minor inaccuracy or error. The provisions of this Article shall survive the closing of title.

20. **Notices.** All notices, elections, consents, demands and communications (collectively called "notices" or individually called "notice") shall be delivered personally or given in writing by certified mail, return receipt requested, postage prepaid and, if sent to Purchaser, addressed to Purchaser at Purchaser's address given in the preamble to this Agreement and, if sent to Seller, addressed to Seller at c/o Ultimate Realty, 28 East 14th Street, Unit 2B, New York, New York 10003 (with a copy sent simultaneously in like manner to Meister Seelig & Fein LLP, 2 Grand Central Tower, 140 East 45th Street, 19th Floor, New York, New York 10017) Either party may, by written notice to the other, change the address to which notices are to be sent. Unless otherwise provided herein, all notices shall be deemed given when personal delivery is affected or when deposited in any branch, station or depository maintained by the U.S. Postal Service in the State of New York, in a certified, prepaid wrapper, addressed as aforesaid, except that a notice of a change of address shall be deemed given when actually received.

21. **Brokerage.** Purchaser represents to Seller that Corcoran Realty and _____ are the only broker(s) or sales agent(s) with whom Purchaser has dealt in connection with this transaction. Seller agrees to pay the commission earned by said broker(s) pursuant to separate agreement. Purchaser agrees that should any claim be made against Seller for commissions by any broker, other than the aforesaid broker(s) or sales agent(s) on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Seller free and harmless from any and all liabilities and expenses in connection therewith, including without limitation reasonable legal fees and disbursements. The provisions of this Paragraph shall survive the closing of title.

22. **No Lien, Agreement Subordinate to Mortgage.**

A. No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any sums deposited hereunder. This Agreement shall not be recorded and any purported recordation hereof by Purchaser shall constitute an Event of Default, subject to the remedies set forth in Article 13 hereof.

B. In furtherance, and not in limitation, of the provisions of the preceding subparagraph A, Purchaser agrees that the provisions of this Agreement are, and shall continue to be, subject and subordinate to the lien of any mortgages

heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred pursuant to the terms thereof, or incidental thereto, without the execution of any further legal documents by Purchaser. Seller shall, at its option, either satisfy said mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of said mortgage(s) on or prior to the closing of title unless Purchaser assumes or consents to the continuation of a mortgage lien encumbering the Unit. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Seller, provided that said mortgage(s) are subordinated to the Declaration or the Unit is released from, or not subject to the lien of said mortgage(s) at the closing or if Purchaser assumes or consents to the continuation of a mortgage lien encumbering the Unit.

23. **Entire Agreement.** This Purchase Agreement, together with the Plan, as the Plan may be amended from time to time, constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior understandings and agreements.

24. **Advertising.** Prior to the closing of title, Purchaser shall not advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease.

25. **Prohibition Against Assignment.** Purchaser does not have the right to assign this Agreement without the prior written consent of Seller. Any purported assignment by Purchaser in violation of this Agreement shall be voidable at the option of Seller and shall constitute an Event of Default by Purchaser subject to the remedies set forth in Article 13 hereof. Seller's refusal to consent to an assignment shall not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Seller. Seller may assign this Agreement in accordance with the Plan without the consent of Purchaser.

26. **Joint Purchasers.** The term "Purchaser" shall be read as "Purchasers" if the Unit is being purchased by more than one person or entity, in which case their obligations shall be joint and several.

27. **Liability of Seller.**

A. Seller shall not have any liability to Purchaser or others with respect to any of Seller's obligations under this Agreement, or the Plan, or otherwise in excess of the net proceeds paid to Seller from the sale of all Unsold Units after payment of, or reserve for, any liabilities, costs, or expenses of Seller arising out of the promulgation of the Plan, the offering of the Units for sale and the consummation of the transactions contemplated in the Plan, except as specifically set forth in the Plan. Nothing contained herein shall be construed to violate existing statutes or regulations.

B. Seller shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as its performance is prevented, delayed, or hindered by an act of God, fire, flood, explosion, war, terrorism, riot, sabotage, inability to procure or, general shortage of, energy, labor,

equipment, facilities, materials, or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Seller. Seller's time to perform an obligation or undertaking shall be tolled for the length of the period during which said performance was excused.

C. No provision of this Purchase Agreement shall survive the delivery of the deed, except those obligations expressly stated herein or in the Plan to so survive or to be performed subsequent to the closing. Acceptance by the Purchaser of the deed will constitute the Purchaser's acceptance and acknowledgment of the full performance by Seller of, and the discharge of Seller from, all obligations under this Purchase Agreement, except those obligations expressly stated to survive or to be performed subsequent to delivery of the deed. Nothing contained herein will be in derogation of the rights of Purchasers under Article 23-A of the General Business Law, the Plan or Part 20 of the Regulations issued by the Department of Law, and nothing herein will relieve Seller of liability for misrepresentations (if any) under the Plan.

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

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

30. **Strict Compliance.** Any failure by Seller to insist upon strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of said provisions, regardless of the number of violations or breaches that may occur, and Seller, notwithstanding any failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

31. **Governing Law.** The provisions of this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York.

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

33. **Gender.** A reference in this Agreement to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural,

and vice versa, unless the context otherwise requires.

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

35. **Successors and Assigns.** Subject to the provisions of Paragraph 25 hereof, the provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Seller and its successors and assigns.

36. **Acceptance of Purchase Agreement.**

A. Upon signing this Agreement, Purchaser agrees, if requested, to provide the Sponsor with written information concerning Purchaser's employment, financial and history of rental/ownership of any real or personal property. Purchaser hereby expressly authorizes Sponsor or any Sales Agent to perform a credit search. Said information shall be used to determine Purchaser's qualification to purchase and own the Unit.

B. The submission of: (i) written information, if requested; or (ii) this Purchase Agreement to Seller does not constitute a reservation or binding obligation on either Purchaser or Seller. No binding obligation shall arise until this Purchase Agreement is executed by, and delivered to, both Purchaser and Seller (or Seller's duly authorized agent). In the event Sponsor takes no action within the fifteen (15) days, this Purchase Agreement shall be deemed cancelled. If the Purchase Agreement is not accepted, all sums paid by Purchaser shall be promptly refunded, without interest. Upon said refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. Seller has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's race, color religion, age, sex, disability, marital status, national origin, ancestry, or other ground proscribed by law.

37. **No Oral Changes.** This Agreement cannot be modified or any provision herein waived or modified orally. ANY CHANGES OR ADDITIONAL PROVISIONS OR WAIVERS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.

38. **No Recordation.** Seller and Purchaser hereby acknowledge that neither this Agreement nor any memorandum or affidavit thereof shall be recorded. Should Purchaser ever record or attempt to record this Purchase Agreement, or a memorandum or affidavit thereof, or any other similar document, then, notwithstanding anything herein to the contrary, said recordation or attempt at recordation shall constitute a default by Purchaser hereunder, and, in addition to the other remedies provided for herein, Seller shall have the express right to terminate this Agreement by filing a notice of said termination in the county in which the Land is located.

39. A mortgage contingency will be granted to a Purchaser **only** if they finance the purchase of a Unit through Sponsor's approved mortgage

banker/broker, **Universal Mortgage, Inc.** ("Universal") having an address at 225 West 34th Street, New York, NY 10122, Suite 1109 Att: Joseph Braha, 212.401.0860. The Purchaser is obligated to submit a complete, good faith mortgage application to Universal Mortgage Incorporated, a New York State licensed mortgage broker/ banker, including applicable documentation, within five (5) days after Sponsor accepts and delivers the fully executed Purchase Agreement to Purchaser's attorney. If within thirty (30) days after the Sponsor accepts and delivers the fully executed Purchase Agreement to Purchaser's attorney a Purchaser is unable to obtain a commitment for a mortgage in an amount not to exceed eighty (80%) percent of the Purchase Price for a term of thirty (30) years at the then prevailing rate of interest, Purchaser shall have the option to waive the mortgage contingency or send Sponsor a written notice of cancellation within five (5) days after the expiration of the thirty (30) day application period. If Purchaser fails to send a notice of cancellation, the mortgage contingency shall be deemed waived and Purchaser shall be obligated to proceed with the purchase. If a timely notice of cancellation is sent by Purchaser, the Purchase Agreement shall be cancelled and Sponsor shall promptly return to Purchaser the Down Payment and any interest accrued thereon.

(b) No mortgage contingency will be granted to Purchasers who choose to apply for financing through any other mortgage broker or bank other than Universal. Purchaser, at Purchaser's option, may apply for a loan to other lenders other than through Universal; however, Purchaser's failure to obtain financing through such other lender or mortgage broker will not relieve Purchaser from any obligations under this Agreement. Should a commitment from any Institutional Lender other than Universal be issued to Purchaser, then any financing contingency which previously existed is deemed extinguished.

All prospective Purchasers who execute a Purchase Agreement will be required to be pre-qualified, at no expense to Purchaser, by Universal prior to the Sponsor's counter signing of the Purchase Agreement.

[SIGNATURE PAGE TO FOLLOW]

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

SELLER:

203 Luquer LLC

By: _____

PURCHASER:

Sign: _____ _____
Print: Social Security Number

Sign: _____ _____
Print: Social Security Number

EXHIBIT A
TO PURCHASE AGREEMENT

LEGAL DESCRIPTION

EXHIBIT B
TO PURCHASE AGREEMENT

PERMITTED EXCEPTIONS

1. The state of facts which an accurate survey would show provided such additional facts do not prohibit the use of the Units;

2. 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 Building;

3. The Declaration, By-Laws, Maps and Floor Plans to be recorded and filed in the Kings County office of the Register of the City of New York, as the same may be amended from time to time and the terms, covenants and conditions of this Offering Plan and amendments thereto;

4. An easement in favor of adjoining Units and of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction of the Building, or which 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 adjoining Unit or 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 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;

5. Easements in favor of the Board of Managers, its agents, contractors or employees to have a right of access to the Unit and to the Common Elements to inspect, maintain or repair or to make repairs to the Unit to prevent damage to the Common Elements or any other Units, to make repairs to the Common Elements, including without limitations to any wires, pipes, conduits or telecommunications system servicing any of the Units or to make repairs to any other Unit;

6. Easements in favor of those Units having restricted use to portions of the Common Elements;

7. Easements for the continuance of encroachments on the Unit and on the Common Elements by other Units or portions of the Common Elements, now existing by reason of the construction of the Units, or hereafter occurring by reason of the settling or shifting of the Units, or by reason of the repair and/or restoration by the Board of Managers of the Units or such other Units or such Common Elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration to the Common Elements made by the Board of Managers, so that any such encroachments may remain as long as the Units stand;

8. Any easement or right of use created in favor of any public utility company for electricity, steam, gas, telephone, water or other service, cable

television 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;

9. Standard printed exceptions to the NYBTU and ATLA policies of tile insurance; and

10. Franchise taxes, if any, provided the title company issuing a policy of title insurance to the Purchaser will insure that such taxes cannot be collected from the Unit.

EXHIBIT "B"

POWER OF ATTORNEY

POWER OF ATTORNEY

The undersigned, _____, residing at _____, the owner of Unit _____ in the Condominium known as The 203 Luquer Street Condominium, located at 203 Luquer Street, Brooklyn, New York, consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration dated _____, 200__, and recorded in the Kings County office of the Register of the City of New York, on _____, 200__ in Liber _____ of Conveyances at Page _____ and on the Floor Plans on file in said office as Map No. ____,

does hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of The 203 Luquer Street Condominium jointly, true and lawful Attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, (i) to do all acts and things on behalf of the Condominium except those which by law, by the Declaration or the By-Laws may not be delegated to the Board of Managers by the Unit Owners, including but not limited to the powers and duties specifically enumerated in said Declaration and By-Laws; (ii) to apply on behalf of the undersigned to the Tax Commission of the City of New York, institute proceedings in the New York Supreme Court and prosecute or settle the same relating to reduction in the assessed valuation of the undersigned's Unit as part of a single application on behalf of all Unit Owners, and in connection therewith to pay all costs incurred in such proceedings; and (iii) 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, and the interest of such Unit Owner in all other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests") or any Unit, together with the Appurtenant Interests, 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 at such rental, as the case may be, and on such terms as were offered by a bona fide proposed purchaser or lessee (except in the case of a sale or lease of Units by the Sponsor, Sponsor's designee or a mortgagee acquiring title in foreclosure or by deed in lieu of foreclosure) and thereafter to convey, sell, lease or mortgage (but not to vote the votes appurtenant thereto) or 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 a majority of such persons shall constitute the acts of said attorneys-in-fact.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this day ____ day of _____200__.

_____

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 whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

EXHIBIT "C"

DEED

DEED

THIS INDENTURE made the _____ day of _____ 200__, between 203 Luquer LLC, a New York limited liability company, having an office at c/o Ultimate Realty, 28 East 14th Street, Unit 2B, New York, New York 10003 ("Grantor"), and _____ residing at _____ ("Grantee"),

WITNESSETH:

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

The Unit known as _____ in the Declaration establishing the condominium known as The 203 Luquer Street Condominium, located in the City of New York, County of Kings and State of New York, (hereinafter called the "Property") made by the Grantor under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York), dated _____, 200__, and recorded in the Kings County office of the Register of the City of New York, on the ____ day of _____ 200__, in Liber _____ of Conveyances at Page ____ (hereinafter called the "Declaration"), which Unit is also designated as Tax Lot No. 14 in Block 1030 of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of the City of New York, and on the floor plans of the building, certified by _____, and filed with the Real Property Assessment Department of the City of New York on as Condominium Plan No. _____, and also filed in the Kings County office of the Register of the City of New York on _____, 200__ as Condominium Map No. _____ (hereinafter collectively referred to as the "Unit") The land area of the Property is described as follows:

ALL that certain lot, 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, known and designated as and by Lot No. 14 in Block 1030 on the Tax Map of the City of New York for the Borough of Brooklyn, which said lot is more particularly bounded and 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 Twelfth Street distant one hundred and twenty-two (122) feet ten and one-half (10-1/2) inches easterly from the southeasterly corner of Twelfth Street and Sixth Avenue;

RUNNING THENCE southerly, parallel with Sixth Avenue one hundred (100) feet;

THENCE easterly parallel with Twelfth Street twenty-five (25) feet;

THENCE northerly parallel with Sixth Avenue and part of the distance through a party wall, one hundred (100) feet to the southerly side of Twelfth Street;

THENCE westerly along the southerly side of Twelfth Street, twenty-five (25) feet to the point or place of beginning.

PREMISES known as 203 Luquer Street, Brooklyn, New York and designated as Block 1030, Lot 14 as shown on the Tax Map.

TOGETHER with an undivided _____ % interest appurtenant to the Unit in the common elements of the Property described in said Declaration (hereinafter referred to as the "Common Elements");

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or the Unit after damage or destruction by fire or other casualty, or after a 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 a right of way through the Common Elements to the public streets;

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 or shifting of the Building, or as a result of repair or restoration of the Building or of any adjoining Unit or of the Common Elements, after damage or destruction by fire or other casualty, or after a 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;

SUBJECT also to an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other Common Elements located in the Unit or elsewhere on the Property and serving such other Units;

SUBJECT also to the rights of other Units through the Common Elements to the public streets;

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;

SUBJECT to the condition that the Grantee's ownership interests in the Unit may not be severed and that the transfer Unit. This restriction to run with the land of Grantee's right, title and interest.

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

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

This conveyance is made in the regular course of business actually conducted by the Grantor.

[SIGNATURE PAGE TO FOLLOW]

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

Grantor:
203 Luquer LLC

_____
By:
Its:

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 whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or person upon behalf of which the individual 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 whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or person upon behalf of which the individual 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 whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

EXHIBIT "D"

DESCRIPTION OF PROPERTY AND BUILDING CONDITION

DESCRIPTION OF PROPERTY
AND SPECIFICATIONS OR BUILDING CONDITION
The 203 Luquer Street condominium
203 Luquer Street
Brooklyn, New York

PREPARED BY:

AENArchitects
144 E 44th Street
New York, NY 10017



Updated 4th draft 02/25/08

The 203 Luquer Street Condominium
203 Luquer Street
Brooklyn, New York

PREFACE

This report concerning 203 Luquer Street, Brooklyn, New York (the "Building" or "Property" or "Premises") was commissioned by the Sponsor for the purpose of inclusion in the Condominium Offering Plan (the "Plan") for said Building in compliance with the requirements of the Department of Law of the State of New York and we hereby consent to such use. Any use of this report for any other purpose is not authorized by Alex Nussbaumer R.A. AENArchitects.

We visually inspected existing portions of the Premises during the months of September and October 2006.Observations were made of those areas that were open and accessible at the time of the visits. AENArchitects assume no responsibility for any conditions or defects that were hidden, inaccessible, or could not be determined by cursory observation. It is to be understood that some aspects of the physical condition of the Property cannot be determined from visual observation and examination of available plans, and all statements contained in this report are premised on and limited to such observations. This report is not intended as a guarantee or warranty of the physical condition of the Premises by the Architect. All statements relative to the legal use, zoning provisions, and code compliance of the Building only express Alex E Nussbaumer's professional opinion, as an employee of AENArchitects, and are subject to final determination by those government agencies having jurisdiction.

The Sponsor has not undertaken to correct or repair any existing conditions noted in this report, unless otherwise expressly provided. The definitions in the Plan apply to all terms used in this report without express definition.

Alex Nussbaumer, R.A. for AENArchitects
02/25/2008

23.7(a) Location and use of Property

1) Address: 203 Luquer Street
Brooklyn, New York
The Building is located on the North side of Luquer Street between Smith Street and Court Street (approximately 175' from Smith Street).

2) Block and Lot Number:
Block: 470
Lot: 34

3) Zoning
The Building is currently in a R6 zoning district, and is not in a historic or landmark district.

4) Permissible Use
Current zoning allows for residential use as per the present use of the Building. Community facilities such as medical offices are also allowed. The Proposed use of the Building will comply with all zoning and use requirements at closing.

23.7(b) Status of construction

1) Year Built:
Research indicated that the Building was built in 1902.

2) Class of Construction
The Building is a Heretofore erected Old Law Tenement. This would indicate that the Building is a Class-111, non-fireproof structure (old code).

3) Certificate of Occupancy
The Building does not have a Certificate of Occupancy. Attached is the Housing Preservation and Development I (identification) card as Appendix B.

4) Alteration Permit Numbers
The Sponsor will refurbish and renovate the Units in the Building, and will also upgrade the common areas, as described in this report. The Sponsor has filed alteration 302275259 (approved 1/19/07) prepared by AENArchitects. The Sponsor has secured all required permits. A new Certificate of Occupancy is required for the project.

23.7(c) Site

1) Size

The site is rectangular, being 30' wide along Luquer Street and 100' deep. The side walls may be party walls shared with the adjacent Buildings.

2) Number of Buildings and Use

There is one building on the lot exclusively used for residences, and will continue to be used as such after the renovation of the Building and individual Units.

3) Streets Owned or Maintained by the Project

The site does not own or maintain a street. The asphalt paved street in front of the Building is owned by the City of New York and is in reasonable condition. The street curbs are concrete and are intact. There is one curb cut. There is a municipal light pole located approximately 5' from the property towards Smith Street. There is a catch basin at the western-most edge of the property that appears to be in fair condition. It is assumed to conform to all applicable codes and regulations.

4) Drives, Sidewalks, and Ramps

There are no drives or ramps on the Property. There are no curb cuts. The sidewalk is built of concrete and is in good condition.

23.7(d) Utilities

Water service is provided by the City of New York and is a municipal service. The sewer is a municipal sanitary service and the storm system drains into the municipal storm water system. Incoming water will be provided by a single metered service that will be a Common Charge to the Units. A new sprinkler system will tap off of the existing water service.

Gas is provided by Keyspan Energy, a regulated public utility. The Building will have two to three gas meters. Payment will be made directly to the utility as per its separate meter. Electricity is provided by Consolidated Edison. Common charges, per the master meter, will include power for all public areas including lighting. The Units will be individually metered for electricity and will pay for electricity directly to the utility as per its separate meter. Residential Unit Owners will be responsible to make individual arrangements for cable television services with providers with direct billing to user. Telephone service is provided by the Verizon Company, a regulated utility. All Residential Unit owners will be responsible to make individual arrangements for direct billing to user.

Maintenance costs for utilities for common areas including water, gas, and electric will be included in the Common Charges.

23.7(e) Sub-soil conditions

1) Foundations

The foundations are a concrete continuous strip at the party walls. Intermediate concrete pier isolated footings run down the middle of the building as well. All of this is assumed as no subsoil probes were taken. There is no evidence of any cracking of mortar joint decay which lends us to believe that no settlement or foundation movement has taken place. Some areas are damaged, as described in the Structural Section.

2) Moisture

Inspection of the property revealed water seepage, which appears to be infiltrating from the bottom of the slab. The adjacent light-well appears to be the source of the problem. Also, the bottom plate below the Existing Load Bearing Masonry Brick Wall is deteriorated.

3) Flooding

The nearest surface water body to the Building is the Gowanus Canal, approximately 400 feet away. There is no indication that the water table reaches this Building. Flooding might occur in the event of a water main break in the street, sewer back-ups or broken pipes for seepage. No practical preventative action is suggested. Any goods stored directly on the cellar floor would be damaged in the event of a flood. Note that the possibility of flooding due to water main break shall be considered a Special Risk.

23.7(f) Landscaping and enclosures

1) Grass

There is existing grass at the rear of the site. We believe the species is predominantly Rye grass. The sponsor reserves the right to modify the layout and extent of the grass as they see fit.

2) Plantings

There are varied species of plantings in the rear yard including ivy and fern. The Sponsor reserves the right to alter the layout and extent of the planting as they see fit.

3) Trees

There are four existing trees in the rear yard of the property. The trees appear to be healthy. The Sponsor reserves the right to alter the scope of trees at the property.

4) Fencing

There is an existing 6' high chain link fence enclosing the backyard. This fence is existing to remain, however the sponsor reserves the right to alter or remove the fencing as necessary.

5) Gates/enclosures

There is an existing 3.5' painted steel gate enclosing the front yard. It has a passage opening to access garbage bin storage and cellar door which is regulated by sponsor.

6) Garden Walls

There are no garden walls.

7) Retaining walls

There are no retaining walls.

8) Display pools and fountains

There are no display pools or fountains.

23.7(g) Building size

1) Height

Building is approximately 50' feet high from grade to roof.

2) Crawl Spaces

There are no crawl spaces.

3) Cellar

The Building has a cellar that covers the entire footprint of the Building.

4) Number of floors

There are four floors at and above grade plus a cellar level.

5) Equipment rooms

There is one rated mechanical room to remain.

6) Parapets

There is no parapet at the Building. The sides of the Building have 12" curbs, while the back of the roof is flat with a gutter along the edge, and in the front of the Building the roof slopes up to meet the cornice.

7) Ceiling Heights

Cellar	7'4"
1st floor	9'0"
2nd floor	9'0"
3rd floor	9'0"
4th floor	9'0"

Heights are approximate.

23.7(h) STRUCTURAL SYSTEMS

1) Exterior of buildings

(I) Walls

The side party walls are load bearing stone and brick with the floors supported by wood joists. There area masonry columns in the cellar supporting beams (the beams are framed in enclosures so their condition was not verified). The following structural deficiencies were observed. The Sponsor states that these defective items will be repaired:

1) There is evidence of deflection in the existing floors throughout the building. Sloping at the top of existing doors indicates this positive deflection on the existing timber floor joists. Deflection is also seen in the slope of existing floors and ceilings at the upper levels. The sponsor has installed new sheathing over the existing subfloor and furred the entire floor to level.

(II) Windows

The existing windows are double hung, double glazed, insulated, vinyl units. The windows are in good condition consistent with their age. The existing lintels and sills all appear to be intact on the front and rear facades. Those along the lot lines at the light wells are not visible but assumed to be in good condition. The Sponsor will also inspect all window caulking and will refurbish with sealant as required.

Any new windows will be double glazed, insulated windows.

Unit Owners must notify the Managing Agent in writing when a Child or Children under the age of eleven (11) years lives or resides (even temporarily) in the Unit.

2) Parapets and Copings

The Building does not have parapets. The sides of the Building have curbs, while the back of the roof is flat with a gutter along the edge, and in the front of the Building the roof slopes up to meet the cornice. All sides of the curb are covered with unfibrated aluminum roof coating on top of the roofing membrane. The Sponsor states that it will refurbish the surfaces as part of the roof work.

3) Chimneys and caps

There is a single chimney, built of brick located on the roof that services the boiler. The brick surfaces including the top are coated with tar flashing. A ceramic flue extends beyond the top, and is intact. The existing chimney is good condition an will remain.

4) Balconies and terraces

Any balconies/terraces/fire escapes may not be used for any type of occupancy- including but not limited to dining, sleeping, living room, recreation, office, etc. To do so may result in a violation against the building being issued by the Department of Buildings.

Other than fire escapes, (described later), there are no balconies and terraces in the Building.

The Sponsor states that the existing roof will not be made directly accessible to the tenants of the building. The roof will retain its existing unfibrated aluminum roof coating and receive no additional finish.

The sponsor reserves the right to divide up the existing roof into roof areas to be purchased by the Units for their exclusive use as terraces. The Units will not have direct access to these potential roof terraces, and it will be the responsibility of the Unit owners to extend the existing stairway to the roof and build a roof bulkhead (access to the roof is currently via a ladder and scuttle). It is estimated that it would currently cost approximately $ 35,000 to install a bulkhead and extend the stairway to the roof. This is a Special Risk (see the Offering Plan for alteration and work requirements). If the Roof Units are purchased by Units 4A or 4B, those Units will have the option of installing stairways and bulkheads within their Units.

The roof terraces are unimproved, not having decking, or floor materials, or railings (which are required for using the area as a terrace). The Sponsor states that it will not install the decking or railings (or stair or Bulkhead) and that it will be the responsibility of the Unit

Owners to install these items before using the roof area if desired. It is estimated to currently cost approximately $ 35.00 per square foot to install decking, supports, and railings. This is a Special Risk.

The Sponsor states that the work involved in providing access to the roof terraces, as well as the installation of decking, supports and railings will be subject to the Reasonable Approval by the Condominium Board, and the Sponsor, and the approval of the New York City Building Department and all other Departments having jurisdiction.

Mechanical units and required vent pipes are distributed throughout the Unit roof areas. It is the responsibility of the Unit Owners to ensure that regardless of any roof terrace renovation, this equipment, and required support (dunnage), will remain fully operational.

5) Exterior entrances

(i,ii) Exterior doors and frames

There is a 3'0" X 7'4", self closing, in-swinging, 2" thick, aluminum and glass entrance door with as aluminum and glass transom and sidelights, set in an aluminum frame. The door and frame are in good condition. There is a similar door that provides access from the vestibule into the stair hall. This door is also in good condition and functions adequately. Similar doors will also be installed at the upper levels to access the new fire balconies.

The existing Segal hardware for the exterior and vestibule doors are in good condition and will remain in place.

New 3'0" X 7'0" solid wood doors with hollow metal frames will be installed to provide access to the rear yard at the first level.

(iii) Exterior stairs

There is a set of concrete steps (4 risers), at the front of the entrance door. A further step (7") leads up to the door sill. The steps appear to be in fair condition consistent with their age.

(iv) Railings

The entrance steps at the front of the Building are flanked by 2'6" high metal railings. The railings are in fair condition consistent with their age. The Sponsor states that it will repair and refinish the railing as necessary.

(vi) Lighting

An incandescent sconces flank the entrance door. Illumination appears adequate.

6) Service entrances

(i) Doors and frames

There is an existing metal gate and 3'0" X 7'0" hollow metal door and frame that leads from the front of the Building to the cellar. The existing Segal hardware for this door is in good condition and will remain in place.

At the rear of the cellar there is a 3'0" X 7'0" hollow metal door and frame that leads to a set of storm doors that open onto the rear yard. The storm doors are assumed to be in fair condition consistent with their age.

(ii) Gates

There is one gate at the front façade in front of the garbage bin storage area that provides access to the exterior cellar stairs.

(iii) Exterior stairs

There is a set of concrete stairs (7 risers) at the front of the building that provides access to the cellar. The steps appear to be in fair condition consistent with their age.

There is another set of concrete stairs at the rear of the cellar, adjacent to the storm doors that provide access to the rear yard. These stairs are in fair condition.

(iv) Railings

There are no railings at the service steps. The sponsor reserves the right to install railings later if required.

7) Roof and roof structures

(I) Type of roof

The existing roof is in good condition and will remain with the addition on a single layer cap sheet and application of an un-fibrated aluminum coating to the roof. There is no counter flashing.

Since it is an existing condition, the building is exempt from the energy conservation code of New York State as per the existing building code chapter 1, section 101.2.

The Sponsor states that it will install a new roof membrane (cap sheet) consisting of a cold applied, modified bitumen with peripheral edges rolled up the curbs for flashing, (or similar). The Sponsor states that the roof will not have a warranty.

Mechanical vent pipes (the pipes that connect to the plumbing drain lines, and kitchen and mechanical exhausts), are distributed throughout the Unit roof areas. The area of the exhausts and ventilation pipes, and air conditioning equipment with supports, is not deducted from the square footages of these areas.

(ii) Drains

The roof drains to an exterior gutter that runs along the rear of the roof. The existing aluminum drain, gutter and downspout all appear to be in good condition consistent with their age.

(iii) Skylights

There is a 5' X 8' stairway skylight that is in good condition. The skylight will remain in its existing location, shown on the drawings in appendix A of this report. The sponsor will inspect all glazing seals and refurbish as necessary.

(iv) Bulkheads

There are no bulkheads on the roof. The roof is accessed by a 1'6" metal ladder that passes through a 2'6" X 2'6" scuttle. The hatch is in fair condition. The Sponsor states that it will repair/replace the hatch. The Sponsor also reserves the right to relocate the scuttle per its renovation plans, or to construct a stair bulkhead.

(v) Metal work at roof

There is an existing painted steel railing on the roof that will remain. It is limited to the perimeter of the light wells. In addition, there are plumbing ventilation stacks, which appear to be in fair condition consistent with their age. The existing roof hatch is steel sheet metal over plywood. It is rusted but otherwise in fair condition.
Other than that, there is no decorative metal work on the roof. The Sponsor reserves the right to install steel dunnage to support air conditioning equipment on the roof.

(vi) Rooftop facilities

There are no rooftop facilities (see the balcony/terrace section for details). The roof does not meet recreational use requirements, because of the absence of code approved railings or parapets.

8) Fire escapes

The Building has an existing fire escape on its rear façade that leads to the roof and will remain intact. The painted steel fire escape is accessed through existing windows at the rear of each level. Each level is connected by an open riser stair. The escape accesses the roof with an open ladder and contains a drop-ladder to the street. This existing fire

escape at the rear is in good condition at all levels and will be repaired and refinished as necessary.

In addition, there will be new steel fire balconies installed to the front façade at the third and fourth levels. These fire balconies, accessed through new doors in the existing exterior wall, will be constructed out of C8 channels with metal grate flooring and steel tube post guard railing.

9) Yards and courts

There are no side yards. There is a concrete courtyard at the front of the Building that houses the garbage bin storage area. The courtyard is in fair condition, The Sponsor states that it will repair the front courtyard as necessary.

A 1,000 square foot rear yard will be shared by the two units at the first level. There is some existing pavement, which is in fair condition that will remain. The rest of the ground surface is grass and other vegetation to remain. There is no exterior drainage system in place. The Sponsor reserves the right to renovate the rear yard as it sees fit.

The rear yard areas, as indicated on the plans put forth in Part II of the Offering Plan, which belong to Units 1A and 1B are subject to an easement for emergency egress from the rear fire escapes in a favor to the other Unit Owners. It will be the responsibility of Units 1A and 1B to maintain the yard in satisfactory condition allowing it to be used as a means of egress.

10) Interior stairs

(i) Number of stairs

The Building has a single stairway that extends from the cellar through the 4 floors. An 18" ladder passing through a scuttle provides access to the roof. Note that the worn condition of the existing stairs shall be considered a Special Risk.

(ii) Enclosure

The stairway is set in an enclosed stair hall that will maintain a continuous two hour fire separation at its enclosing walls.

(iii, Iv ,v ,vi) construction, stringers, treads, and risers

The stair stringer is metal while the treads and risers are wood. In addition, the stair features a steel pan covering on the treads. The stairway appears to be in fair condition

overall. The stairs are 2'10" wide, which is less than current code requirements. Generally, such Building elements as insufficiently wide steps, are permitted non-conforming conditions if they were in place before the current, specific code requirements were enacted. This is a Special Risk for non-conforming conditions, which may remain in older buildings, where the condition does not meet current code standards for fire safety, ventilation, handicap accessibility, etc., which potentially may be made retroactive so as to require non-conforming conditions to be corrected and conform to the then current requirements.

The stairs that descend from the first floor to the cellar are built entirely of wood, and are worn, but intact.

(vii) Stair railing

The stairway has a metal railing with a wood handrail, and is 2'10" high, with ¾" HSS sections set 4" apart, on center. The railing appears to be in good condition consistent with its age. The cellar steps have a wooden railing in fair condition.

(viii) Balustrades

The metal balustrades on each floor match the stairway railings in design and in condition.

(ix) Other stairs

There are no other stairs.

11) Interior doors and frames

(i, ii,) Entry doors, interior doors, and corridor doors

The existing wood unit entry doors will be replaced with new, wood doors and hollow metal frames with required 1 ½ hour fire rating. They will all be equipped with lock sets, and will be self-closing. There are no corridor doors. Interior Unit doors and frames will be new wood or wood veneer. These doors will not be fire rated.

(iii, iv) Cellar doors; Roof doors

There are a variety of doors in the cellar. All of these hollow metal doors are existing to remain and fire rating labels were not observed on them.

There are no roof doors (access is via a ladder that passes through a scuttle with a hatch).

12) Elevators

The Building does not have an elevator.

23.7(l) Auxiliary facilities

1) Laundry rooms

The Sponsor will not provide a designated laundry room. A washing machine plumbing outlet box and power outlets will be provided in each unit. The Sponsor reserves the right to use gas dryers instead of electric models.

2) Refuse disposal

There are no refuse disposals in the project.

(i, ii, iii) Incinerator, compactor, jurisdiction approvals

The Building does not have an incinerator or compactor. There are no jurisdictional approvals required for refuse removal. Trash collection (from the curb) is a municipal service.

(iv,) Initial storage location

There are no current occupants, but the Sponsor states that previously the trash was deposited by the Building occupants in trash cans located in the front courtyard.

23.7(j) Plumbing and drainage

1) Water supply

Domestic water is supplied by the New York City water system. The Sponsor states that water costs for the Units will be a Common Expense. The existing water supply lines are copper and will be insulated at main riser & at the basement only. New water lines will be installed as part of the installation of the new bathrooms and kitchens/kitchenettes in the Units, and will be Type L, hard drawn copper with soldered joints.

2) Fire protection system

(i thru iv) Sprinkler system

The Building does not have standpipes or hose racks. A new direct pressure sprinkler system, meeting all code requirements, will be installed in the building stairwell. All sprinkler heads meet MEA #275-99-E. This new system will tie into the existing domestic water service. All piping will be black steel.

3) Water storage tanks and enclosures

There are no water storage tanks or enclosures in the project.

(i, ii, iii) Number, type, location

There is no hot water storage tank or expansion tank. The Sponsor states that the costs of the domestic hot water will be a Common Expense. New domestic hot water lines will be installed as part of the installation of the new bathrooms and kitchens/kitchenettes in the Units, and will be Type L, hard drawn copper with soldered joints. The Sponsor states that the equipment will provide adequate hot water.

4) Water pressure

Delivery of water in the Building will be by street pressure.

(5) Sanitary sewage system

(i, ii, iii) Material, pumps, disposal

The Building has a combined sanitary storm drainage system. New 4" diameter, interior sanitary piping (cast iron ANSI H67 service weight) will connect the Unit bathrooms and kitchens to a 4" house trap and 3" storm trap to "y" into main sewer line.

(6) Permits required

Permits to perform the plumbing work for the prospective renovation of the Building and all the individual Units are required, and were procured from the New York City Department of Buildings on 3/22/2007

(7) Storm drainage system

The Building has a combined sanitary storm drainage system. New 4" diameter, interior storm piping (cast iron ANSI H67 service weight) will connect to the house trap.

(i) Catch basins

There is a catch basins at the west most edge of the lot along Luquer Street. Though it is owned and maintained by the city, not The Sponsor.

(ii, iii) Yard and roof drains

The roof slopes to an exterior gutter that runs along the rear of the roof. The drain appears to be in good condition consistent with its age. The leader that runs down the rear façade of the Building is in fair condition. The Sponsor will make any necessary repairs to the drains and leaders. Both the vestibule and roof leader connect into the Building storm drainage system. There are no drains in the rear yard. There is also no drain at the rear cellar steps.

(i) Ejector or sump pumps

The Building does not have ejector or sump pumps.

23.7(k) Heating

(1,2,3,4,5)

The Building has an existing Burnham Series 5B gas boiler that will be reused. The Sponsor states that the heating system will provide adequate heat per applicable code requirements to reach the required minimum of at least 70 degrees Fahrenheit. Hot water is provided by two existing electric water heaters.

(6) Radiators

The Units will have hot water fin tube radiation and will be floor mounted pedestal type. The fin tube radiation will be controlled by self contained thermostatic control valves at each element with danfors valves. The fin tube radiation will be located along the front and back walls of the Units. Wall mounted fin tube units (12" slope top) will be installed in the cellar, and in the 2nd, 3rd, and 4th floor hallways). The existing radiators provide 54,000 BTU's per unit as is required for adequate heating as per applicable standards. the front and back and (side, if applicable).

(7,8,9) Fuel

The existing boiler is gas fired. There is one oil tank, that is not in use, which is located in the front of the cellar

23.7(l) **Gas supply**

Gas is provided by Keyspan Energy, a regulated public utility via a 2" service. The Building will have two to three gas meters, as per Keyspan Energy requirements, providing service for cooking purposes. The piping will be new, schedule 40, black steel.

23.7(m) Air conditioning

The Sponsor states that each Unit will be air conditioned utilizing Mitsubishi, ductless, split system heat pumps with remote condensers. The Sponsor states that the air conditioning will meet New York State energy standards. The air conditioners will have individual thermostatic controls. The air conditioners will have a rated capacity of 12,000 BTU/h

As part of the air conditioning system, the Sponsor will install 8 outdoor units on the roof of the building. These units will be supported on steel dunnage spanning the width of the building.

23.7(n) Ventilation

Ventilation of the open spaces is through use of the operable windows.

23.7(0) Electrical system

(1-5) Service, Adequacy

All new electric work will meet New York City code requirements. Each Residential Unit will be separately metered and will pay Consolidated Edison for its own electric usage (including air conditioning). There will be a separate metered house service. The electric service provided to the Residential Units will be adequate for current modern day usage, including air conditioning, washers and dryers in the Units. New risers, panel and wiring system will be installed meeting all code requirements. Each Unit will receive 100 amps (single phase) of power. There will be approximately 25 circuits provided per Unit. The existing 200Amp (single phase, 4wire, 60 HZ) service into the Building will remain unless Con Edison determines the service is in need of upgrade.

The compartment switch gear and sectional meter boards will be located in the Cellar Floor and will be powered by a transformer located outside of the building and managed by Consolidated Edison.

23.7(p) Intercommunications, cable tv, & phone

The intercommunication system consists of a low voltage, push button, voice intercom system connected to an electric strike door release in the entrance vestibule. A caller identifies their presence through a call box. The occupant of the Unit can communicate back through their intercom and activate the door release letting the caller into the 1st floor lobby. The system appears to be operating correctly. The sponsor will reserve the right to make any repairs or modifications to the system.

There is no master antenna in the Building. The Sponsor will provide cable TV and phone wiring extending to each Unit and will provide jacks within the Units at the living rooms. The operation costs will be borne by the individual Unit Owners. Unit Owners desiring cable TV and phone jacks at additional locations within a Unit will be responsible to engage contractors to perform such work, including installation of jacks and wiring, at the Unit Owner's sole cost and expense, subject to entering into the Building's standard alteration agreement and obtaining required approvals (as provided in the Offering Plan).

In the event that cable or telephone wiring becomes inoperable, sponsor reserves the right to install exposed cables.

23.7(q) Public area lighting

There are two incandescent wall sconces at the front entrance, and one overhead fixture at the exterior cellar vestibule. There is an overhead florescent fixture in the vestibule. There are two florescent fixtures in the hallways of each floor. The cellar has incandescent celling fixtures. The illumination appears to be adequate in all areas.

23.7(r) Garages and parking areas

There are no parking facilities in the Building. There is limited street parking permitted in the vicinity.

23.7(s) Swimming pool

There is no swimming pool in the Building.

23.7(t) Tennis courts, playgrounds, recreation facilities

There are no tennis courts, playgrounds, or recreation facilities in this Building, including the roof.

23.7(u) Required permits

The Sponsor will refurbish and renovate the Units in the Building, and will also upgrade the common areas, as described in this report. The Sponsor has filed alteration 302275259 (approved 1/19/07) for this work. The Sponsor procured the required work permit on 3/22/2007. It will be necessary to secure a new Certificate of Occupancy. Various inspections and sign-offs will be required as part of the renovation process. These may include: fire-stopping, mechanical ventilation, mechanical equipment certificate, rough and finish plumbing, electric work, and structural stability and concrete strength tests (if required by the Building Department). All will be secured as required. The Building is required to have the following ongoing inspections and certifications:

1) The boilers must be inspected every year. Issuance of a Certificate of Operation from the Department of Air Resources is required every three years. Updated inspection certificates and permits will be provided by the Sponsor before the First Closing, as required, for the boiler.

2) The sprinklers need to be inspected monthly, and yearly (by private vendors with authorization of Fire Department), and every 5 years in the presence of the Fire Department

23.7(v) Violations

As of May 1, 2007, there was one Building Department Violation. The active violation, issued 01/19/2007, is categorized as follows: No. 20290, LL6291 – BOILER.
As of May 1, 2007, there were no Environmental Control Board Violations.

As of May 1, 2007, there are 0 violations listed at the Department of Housing Preservation and Development.

As of May 1, 2007, there were no listed Fire Department violations.

The sponsor states they will satisfy all existing violations.

23.7(w) Unit information

The room count is as follows. Living rooms, kitchen and dining areas are considered as one room since they occupy the same open area. The following description may vary from Building Department zoning count description:

Unit	rooms	bathrooms	fixtures
All Units	2 rooms, including one bedroom	1	bathtub, sink, toilet

1) Finishes for Units

All finishes will be new.

a) The Units will have red or white oak, strip flooring with two coats of polyurethane finish, except bathrooms, which will have ceramic tile floors, and closets (which may have plywood flooring).

b) The walls and ceilings will be light colored painted gypsum board (except for parts of bathroom walls which are tiled). Baseboards will be wood.

c) Kitchen cabinets to have wood and/or plastic laminate exterior veneers, and melamine interiors. The kitchen counters will be plastic laminate, a man made, or natural materiel for countertop.

d) Bathrooms will have ceramic tile or stone floors (Special risk: If stone or natural material is installed purchaser will be responsible for periodic sealing). The walls surrounding bathtubs (which will be equipped with shower faucets) will have ceramic tile 6 feet high, with gypsum board above the tile, and gypsum board on the other walls. Tile work to be thin set.

e) The Units will have the following lighting fixtures or equal:

1) Surface mounted or recessed incandescent kitchen and bath fixtures

2) Recessed incandescent fixtures or sconce junction boxes (fixtures not supplied)

Sponsor reserves the right to substitute all appliances, fixtures, faucets materials for models and manufacturers that are similar or better.

Some of the Units have non-functioning, blocked up fire-places. Fireplaces will remain non-functional.

(2,3) Type and condition of lavatory and bathroom fixtures

The Sponsor will install the following bathroom fixtures and kitchen appliances in the Residential Units:

Toilets	Kohler Rialto 2004.12
Lavatories	American Standard 0356.28AS
Lavatory faucet	Elkay LK6155CR
Bathtub	American Standard Salem 14 Recess
Bathtub faucet	Danze Parma Model No. D500058T-
Kitchen sink	Just US1818A
Kitchen Dishwasher	GE profile PDW7300JWW
Kitchen faucet	American Standard 4137.00
Kitchen range	Jenn-Air Model No JXT8136ADS
Kitchen refrigerator	Amana No ACD2232HRS
Washer	not supplied
Dryer	not supplied

Sponsor reserves the right to substitute appliances, fixtures, and faucets for models and manufacturers that are similar or better than those set forth above.

23.7(x) FINISH SCHEDULE OF AREAS OTHER THAN UNITS

Area	Floors	Base	Walls	Ceiling
Stairway/Hallways	Vinyl tile	Rubber or wood	Painted Gypsum Board	Painted Gypsum Board
Cellar	Concrete	No base	Exposed stone or brick	Unpainted wall board
Vestibule	Ceramic tile	Ceramic tile	5'6" high ceramic tile wainscot w/plaster above	Painted gypsum board
1st floor lobby	Vinyl tile	Rubber or wood	Painted gypsum board	Painted gypsum board

All finishes will be new, except for the ceramic floor in the vestibule which will either be refurbished or replaced.

New built-in mail boxes will be installed in the vestibule.

The sponsor reserves the right to install ceramic tile, carpeting or rubber in place of vinyl tile on the hallway floors, 1st floor lobby floor, and stairway, and to install wall materials in lieu of painted wall surfaces.

23.7(y) SAFETY AND WARNING DEVICES

All Units will be equipped with all the safety and warning devices as required by the New York City Building Code. These will include smoke detectors and carbon monoxide detectors.

23.7(z) Additional information

(1) Site plan

Site plan is attached as part of Appendix A.

(2) Area map

Area map is not required.

(3) Floor plans

Floor plans are enclosed in Appendix A of the Offering Plan.

(5) Total area for each Unit.

The following are the approximate square footages for the Units. The approximate indoor floor area of each Unit has been measured from the exterior side of the facade or exterior Building walls or glass windows at the Building line and/or Property line enclosing the Unit, or from the midpoint of the interior Party Walls separating the Unit from another Unit, or from the public side of the interior Party Walls separating the Unit from the public corridors or public stairs, or from the mechanical space side of interior Party Walls separating the Unit from mechanical equipment space or any other Common Elements. Columns and mechanical pipes and chases (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit.

The floor area occupied by any Common Elements bordering or within a Unit (such as the Building's façade or exterior walls, vents, chase walls or areas, conduits, ducts, shafts or pipes) have been included in the computation of the floor area of the Unit, but such Common Elements are not part of the Unit.

The configuration, fenestration and dimensions (collectively, "Unit Layout") are approximate. The square footages and dimensions are estimates based on an extrapolation of the square footage of overall Unit dimensions in accordance with the customary practice in New York City. The square footage shown is taken from points behind the walls enclosing the Unit and thus exceeds the Unit's usable floor area. Room dimensions are taken from the exposed surface of the walls enclosing the room. The Sponsor states that minor inaccuracies between a floor plan and the actual square footage, and inaccuracies in the Unit layout or room dimension, will not excuse a Purchaser from completing the purchase of a Unit without abatement in price and without

paint surfaces does not suffice for removal or encapsulation. Purchasers contemplating alterations that will penetrate or disturb refinished surfaces (such as ceilings) should consult a qualified consultant or contractor for the recommended protocol to avoid potential lead-based paint dust contamination.

(2) Radon

The Building has not been tested for Radon.

(3) Roof rights

There will be no common recreational facilities nor roof rights apart from the Sponsor's rights and easements to install equipment, satellite dishes and other communications equipment on bulkheads, parapets, and other roof structures as set forth in the Plan, as well as air conditioning equipment and supporting dunnage. There is no right reserved in the Plan for the Sponsor to add additional floor space above the roof as the Building is over-built. The new roof will not have a floor surface designed for recreational use. The parapets/curbs/roof rails do not satisfy New York City code requirements for recreational use.

The Board of Managers shall regulate all aspects of Alterations and Decoration on the roof, as well as the Sponsor during the Sponsor Veto Control Period and until completion and Building Department sign-off of the Sponsor's renovation work. Approval of work will not be reasonably withheld.

The existing Building is built to the maximum square footage allowed by New York City zoning and is over-built. Additional construction on the roof constituting new floor area would require a variance secured from the NYC Board of Standards and Appeals.

(4) Sponsor work in the Units

The Units will conform to all local and code requirements in accordance with Plans and Specifications approved by the New York City Building Department. The Sponsor will perform all work related to the Units that is described throughout this Report. This work will include the following:

a) Installation of a kitchen/ kitchenette per code. Appliances to include refrigerator, and oven/range per the fixture schedule in the Finish Section of this Report. Natural ventilation is provided by window is provided for each Residential Unit.

b) Plumbing work as required, and as specified in the approved Plans and Specifications. Each of the Units to have a bathroom as indicated on the plans put forth in Part II of the Offering Plan, and described in this Report, with the bathroom having a sink, toilet and bathtub. Each bathroom will be ventilated by a window. All waste lines and fittings will be

recourse against the Sponsor. The Sponsor reserves the right to make changes to the Unit in accordance with the Offering Plan.

Units	Approximate Square feet
Unit 1A	804 square feet plus 506 SF rear yard
Unit 1B	804 square feet plus 506 SF rear yard
Unit 2A	856 square feet
Unit 2B	856 square feet
Unit 3A	921 square feet
Unit 3B	823 square feet
Unit 4A	921 square feet
Unit 4B	823 square feet

(6) Master floor plans

Plans are attached.

23.7(ab) Further development

Further development of the Building is not planned. The Building is fully built to the maximum square footage allowed and is over-built. Based on a calculated Floor Area Ratio (FAR) of 1.85, the Property is fully developed (3000 SF lot size X FAR of 1.85 minus the existing gross footage of approximately 7180 square feet equals approximately 1,630 square feet of overbuilt footage)

The Sponsor, as Owner has indicated that it has or will reserve the exclusive right to sell and transfer all unused development rights of the Property now existing and hereafter available ("All Development Rights"), but that it has no plans to build additional square footage anywhere on the site, including the roof and rear yard, therefore obviating the need to secure variances, or approval of the Condominium Board of Managers.

23.7(ac) Asbestos

An asbestos survey was carried out by a licensed asbestos consultant. The report is in Appendix C of the Offering Plan. The Sponsor does not intend to remove any asbestos that may be in the Building. It will be the obligation of the Board of Managers to formulate an Operations and Maintenance (O & M) Program for dealing with asbestos.

23.7(ad) Additional information

(1) Lead-based paint

Based on the age of the Building, lead-based paint would have been used in the painting of some surfaces of the Building as discussed in the Special Risk section. New or refinished surfaces will be painted with coatings that do not contain lead. Painting over lead-based

service weight, cast iron with no-hub connectors. The water lines and fittings will be seamless drawn or extruded, hard temper, type "L" copper tubing;

c) Installation of smoke detectors and carbon monoxide detectors in the Units;

d) Per the Building Department Application, Sponsor's Work shall comply with accessibility and adaptability requirements of the New York City Building Code including Local Law #58 for the first floor only (if required), excluding access into the Building;

e) Electric work as required by code, and as specified in the approved Plans and Specifications. A new electric system will be installed meeting all code requirements. The Units will receive an average 100 amps each. There will be approximately 20 circuits provided per Residential Unit. The new service into the Building will be 200 Amps (3 phase, 4 wire, 60 HZ) Power will be adequate to meet modern usage requirements, including air conditioners and dishwashers, and washers or dryers. Each Residential Unit will be provided with general use duplex receptacles distributed per code, appliance receptacles for small appliances in the kitchen, and receptacles for specific plug- in kitchen equipment. Ground fault receptacles will be provided in each bathroom and kitchen as required by code;

f) New lighting fixtures will be installed in the bathrooms and kitchens per code;

g) Air conditioning in the living rooms and each bedroom will be provided.

h) Structural shoring of existing framing as required for completion of new work.

i) Construction of new fire balconies on front façade at third and fourth levels.

The Sponsor will finish the above residential spaces as follows: All walls (where not tiled) and ceilings in the Residential Units will be primed and covered with one coat of light colored latex paint. Other than to paint as stated above (exclusive of tiled surfaces), the walls and ceilings will not be detailed.
Bathrooms will have ceramic tile or stone floors. The walls surrounding bathtubs (which will be equipped with shower faucets) will have ceramic tile 6 feet high, or higher, with gypsum board above the tile, and gypsum board on the other walls. Tile work to be thin set. Kitchen cabinets to have wood/plastic laminate veneer doors set on fiberboard, with melamine backing. The kitchen counters will be plastic laminate.
All alterations to the Units will be performed by the Sponsor at the Sponsor's expense. The Purchasers of these Units will not be required to perform any construction work in their

Units as a condition of the legal occupancy of their Units. Sponsor reserves the right to substitute all appliances, fixtures, faucets, and finishes for similar or better materials or models.

Each Purchaser will be required to retain their own registered architect or professional engineer to file plans and applications with the Department of Buildings for any work in their Unit which differs or is in addition to the work to be approved under the Sponsor's application with the Building Department. The Purchaser must also obtain the Sponsor's Discretionary Approval and Consent (during the Sponsor Veto Period and until Building Department sign-off of Sponsor's renovation work) and the Condominium Board's Discretionary Approval and Consent, as well as all government approvals and permits.

(5) Sponsor work in the common areas

The Sponsor will perform all work described as Sponsor Work, including the following:

A) Repairing/replacing the rear yard fencing.

B) Repairing the front gate and fence in the front courtyard, and sanding/painting the fence,

C) Refurbishing the roof parapets and chimney,

D) Repairing/replacing the roof scuttle hatch,

E) Installing a new cap sheet at the roof,

F) Repairing/replacing the roof gutter, and repairing the split leader in the rear yard,

G) Repairing/replace the fire escape as required (after inspection),

H) Apply new sealant at the front windows as required,

I) Installing new flooring in the hallways and stairway, and refurbishing the common areas,

J) Replacing all finishes in the entrance vestibule, including new tile floors and walls, and new mailboxes.

K) Installation of a new intercom system,

L) Installing new apartment entry doors,

M) Repairing/replacing the railing at the front entry steps,

N) Installing new rear yard entry doors and steps in Units 1A and 1B

O) Structural shoring of existing framing as required for completion of new work.

(6) Waivers

The Sponsor has not undertaken to correct or repair any existing conditions noted in this report, including the special risk section, unless otherwise expressly provided.

Price estimates contained in this report are approximate and are good faith projections based solely on the experience of AENArchitects. They are not based on any specifications or documentation of the work, and are not derived from bids by contractors or vendors. Actual costs may substantially vary from the cost estimates in the report.

(7) No Warranties

There will be no warranties or guarantees for any of the work, equipment, or materials in the Building. This exclusion includes windows, roofs, electricity, heating, ventilation, brickwork, structural systems, or any other components or construction defects.

(ae) Special risks

(1) Waivers

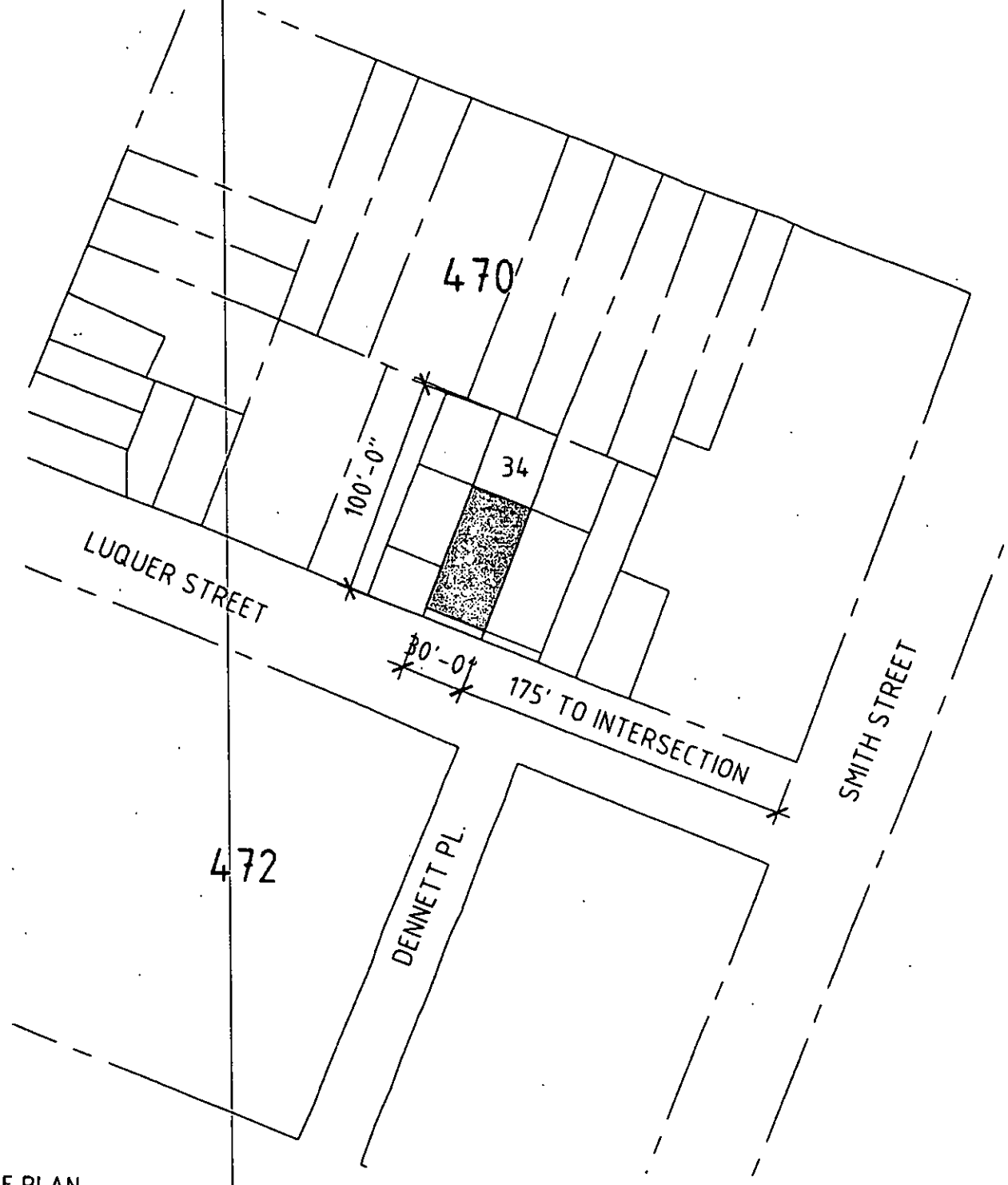
The Sponsor has not undertaken to correct or repair any existing conditions noted in this report, including the special risk section, unless otherwise expressly provided.

Price estimates contained in this report are approximate and are good faith projections based solely on the experience of AENArchitects. They are not based on any specifications or documentation of the work, and are not derived from bids by contractors or vendors. Actual costs may substantially vary from the cost estimates in the report.

(2) Warranties

There will be no warranties or guarantees for any of the work, equipment, or materials in the Building, unless otherwise specified. This exclusion includes windows, electricity, heating, ventilation, brickwork, structural systems, or any other components or

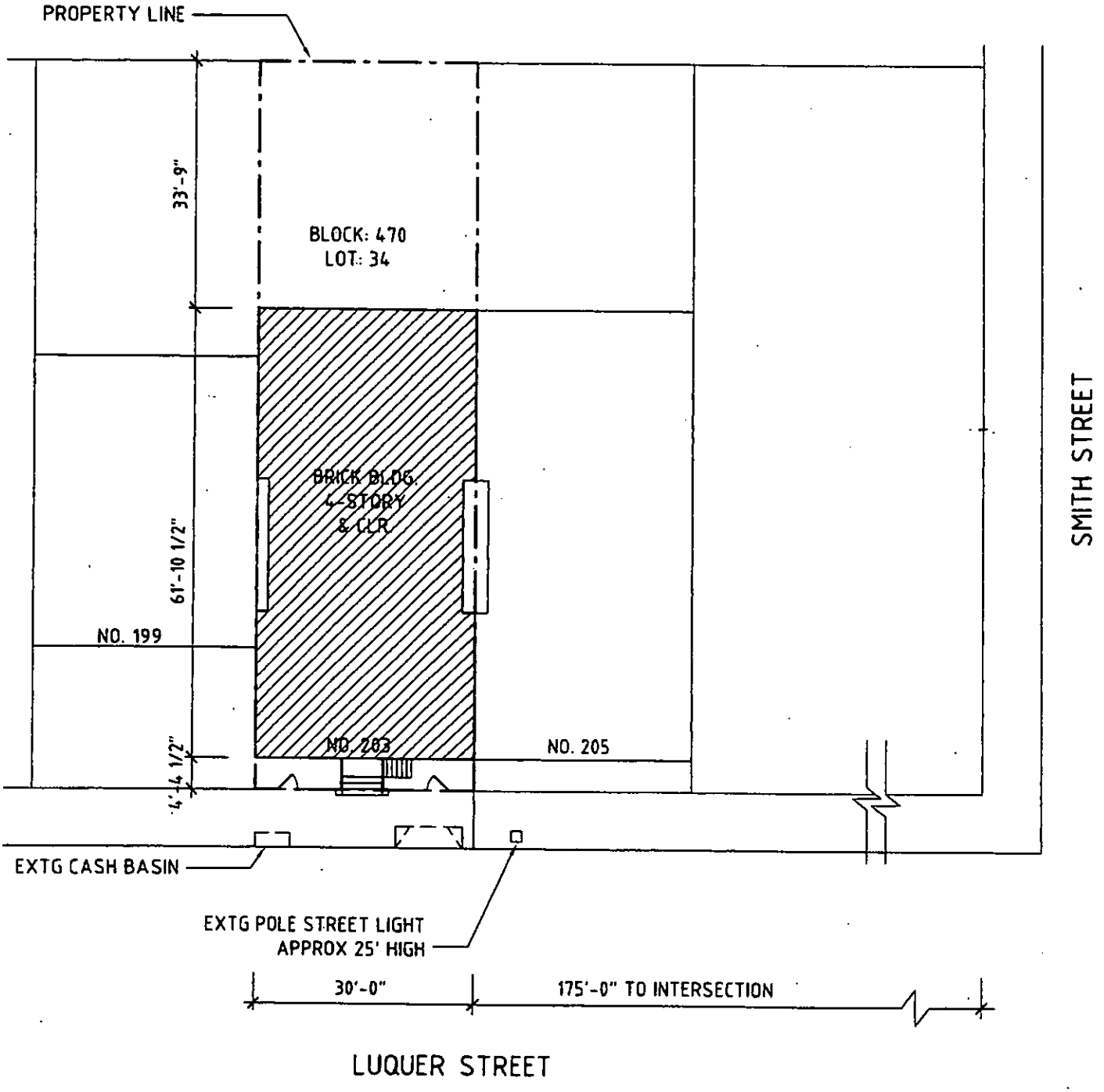
APPENDIX A



SITE PLAN

203 LUQUER STREET CONDOMINIUM

AENA

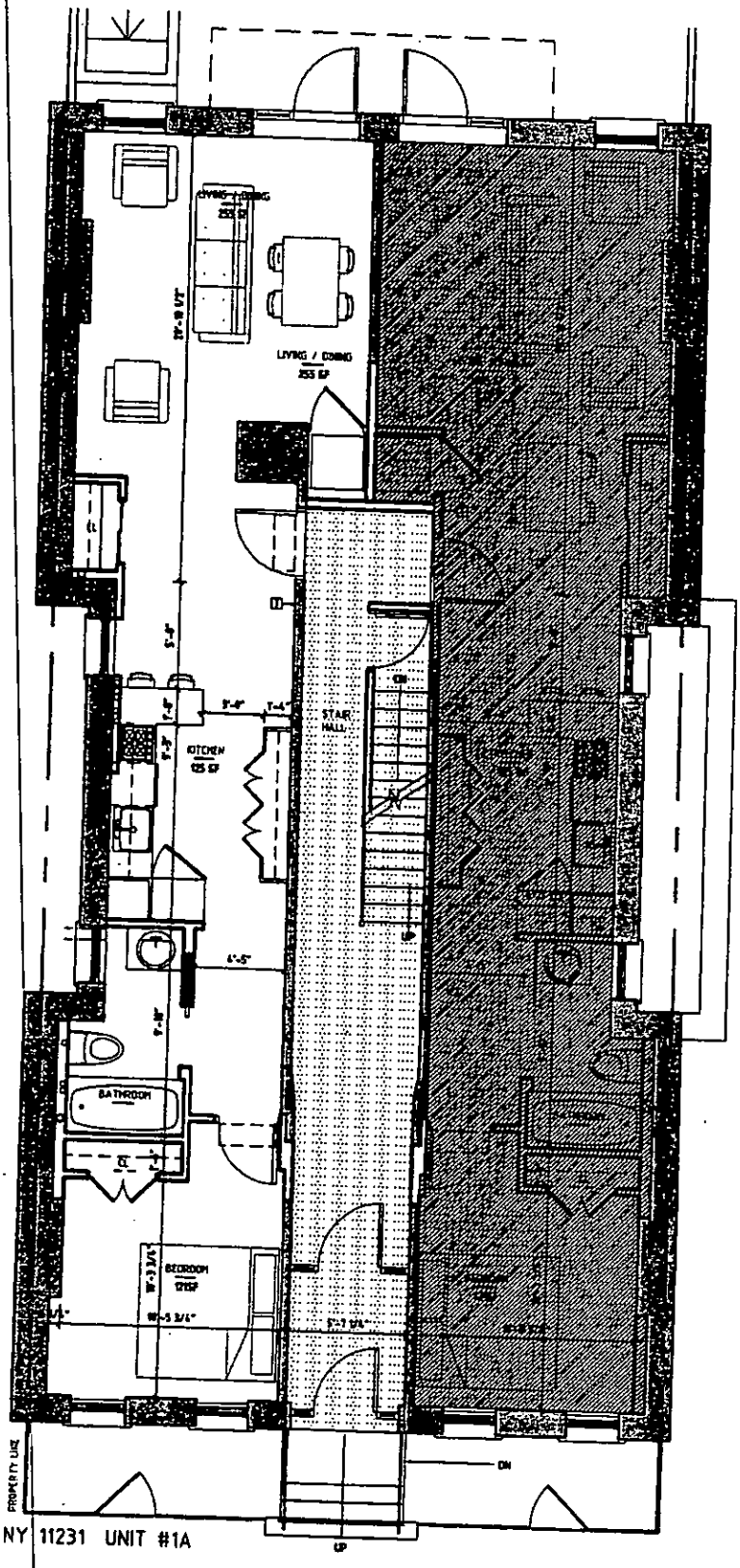


LOT DIAGRAM

SCALE:1"=20'0" 0 5' 10' 20'

NOTE:STREET LIGHTING, CASH BASINS, AND ALL OTHER STREET UTILITIES ARE NOT OWNED BY THE SPONSOR. AS SUCH, THE SPONSOR TAKES NO RESPONSIBILITY FOR THEIR MAINTENANCE OR COMPLIANCE WITH APPLICABLE CODES.

APPENDIX A



203 LUQUER ST. BROOKLYN, NY 11231 UNIT #1A

INDOOR AREA:	804 SF
OUTDOOR AREA:	506 SF
TOTAL AREA	1,302 SF

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROPRIATE WITHIN REASONABLE TOLERANCES AND BASED ON FIELD MEASUREMENTS OF THE ACTUAL OR TYPICAL UNIT. THE SUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. MINOR INACCURACIES IN SQUARE FOOTAGE, LAYOUT AND ROOMDIMENSIONS AS SHOWN ON THIS FLOOR PLAN WILL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

SCALE: 1/8"=1'0"

RESIDENTIAL UNIT

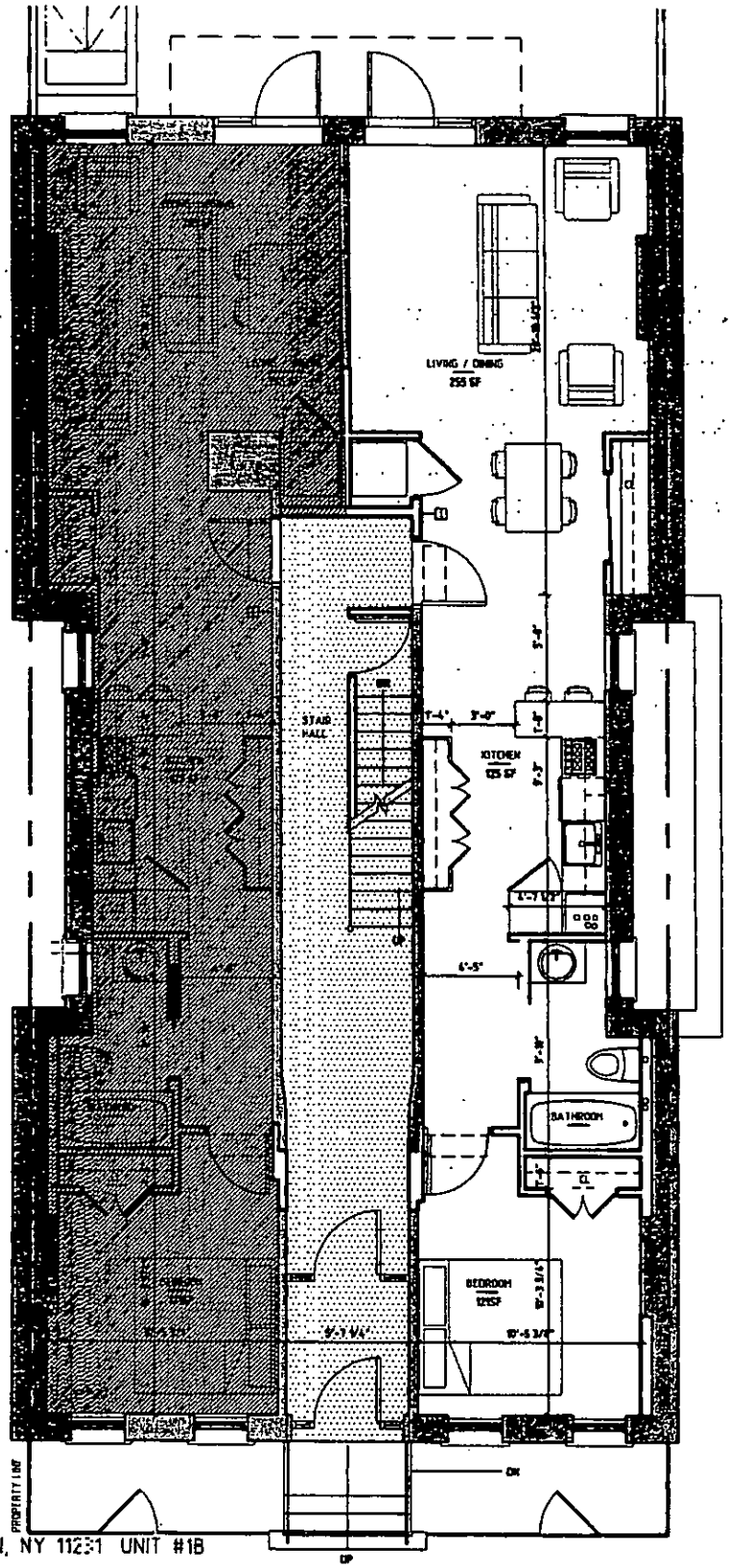
COMMON AREA

OUT OF SCOPE

203 LUQUER STREET CONDOMINIUM

AENArchitects

APPENDIX A



203 LUQUER ST. BROOKLYN, NY 11231 UNIT #1B

INDOOR AREA:	804 SF
OUTDOOR AREA:	506 SF
TOTAL AREA	1,302 SF

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROPRIATE WITHIN REASONABLE TOLERANCES AND BASED ON FIELD MEASUREMENTS OF THE ACTUAL OR TYPICAL UNIT. THE SUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA, CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. MINOR INACCURACIES IN SQUARE FOOTAGE, LAYOUT AND ROOMDIMENSIONS AS SHOWN ON THIS FLOOR PLAN WILL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

SCALE: 1/8"=1'0" 0 1 2 4 8

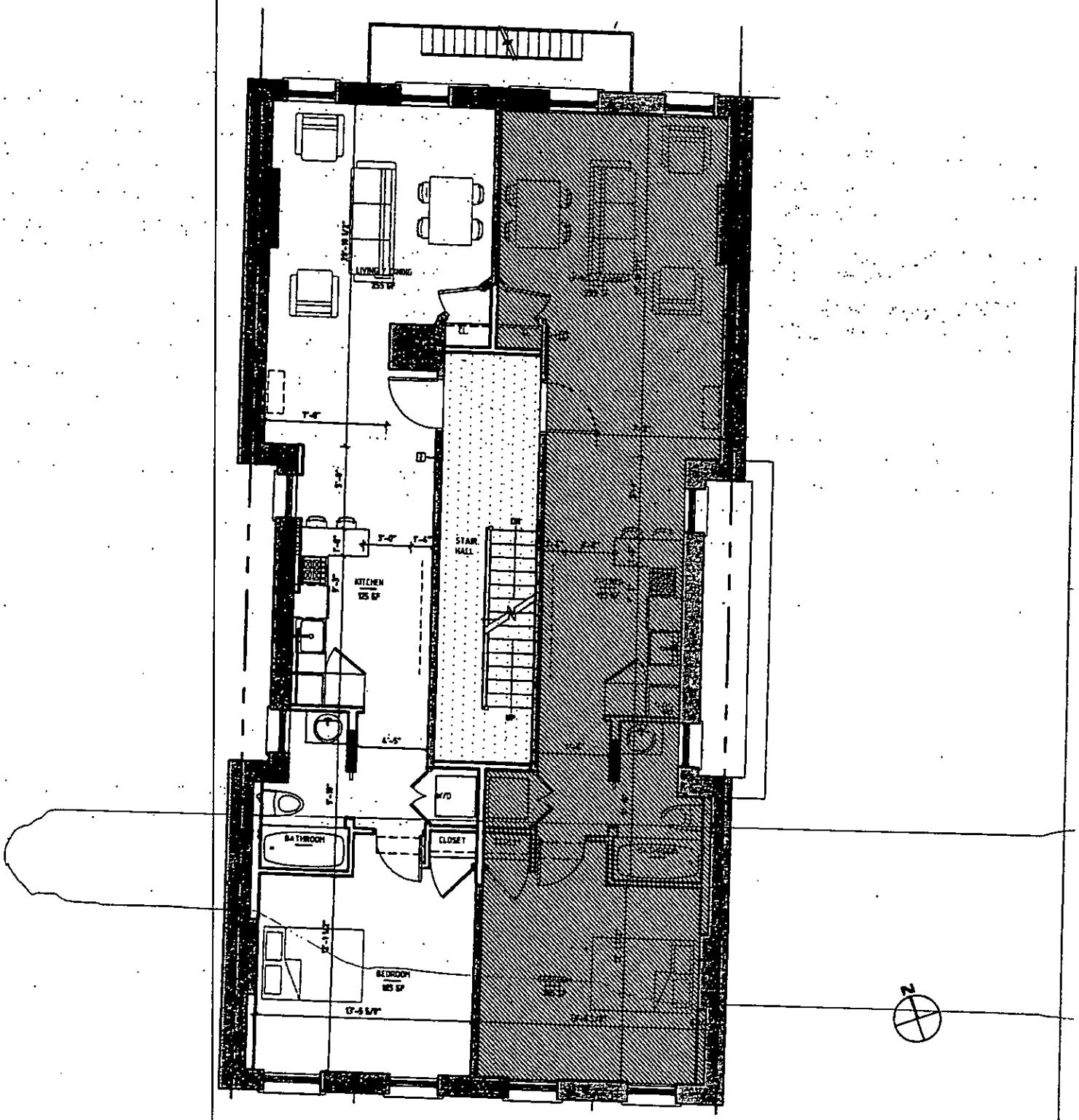
RESIDENTIAL UNIT

COMMON AREA

OUT OF SCOPE

203 LUQUER STREET CONDOMINIUM

AENArchitects



203 LUQUER ST. BROOKLYN, NY 11231 UNIT #2A

INDOOR AREA:	856 SF
OUTDOOR AREA:	0SF
TOTAL AREA	856 SF

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROPRIATE WITHIN REASONABLE TOLERANCES AND BASED ON FIELD MEASUREMENTS OF THE ACTUAL OR TYPICAL UNIT. THE SUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. MINOR INACCURACIES IN SQUARE FOOTAGE, LAYOUT AND ROOMDIMENSIONS AS SHOWN ON THIS FLOOR PLAN WILL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

SCALE: 1/8"=1'0" 0 1' 2' 4' 8'

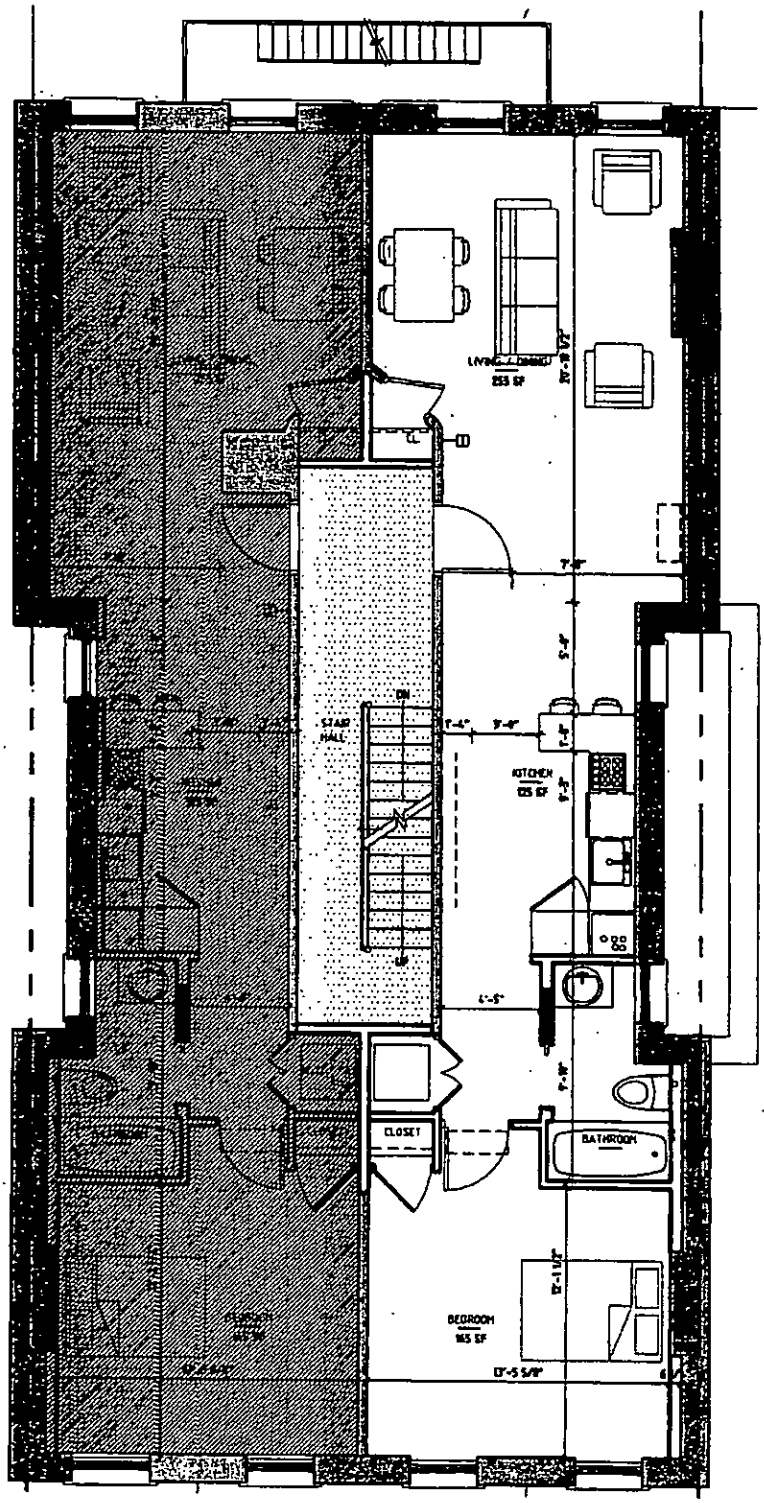
RESIDENTIAL UNIT

COMMON AREA

OUT OF SCOPE

203 LUQUER STREET CONDOMINIUM

AENArchitects



203 LUQUER ST. BROOKLYN, NY 11231 UNIT #2B

INDOOR AREA:	856 SF
OUTDOOR AREA:	0SF
TOTAL AREA	856 SF

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROPRIATE WITHIN REASONABLE TOLERANCES AND BASED ON FIELD MEASUREMENTS OF THE ACTUAL OR TYPICAL UNIT. THE SUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. MINOR INACCURACIES IN SQUARE FOOTAGE, LAYOUT AND ROOMDIMENSIONS AS SHOWN ON THIS FLOOR PLAN WILL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

SCALE: 1/8"=1'0" 0 1' 2' 4' 8'

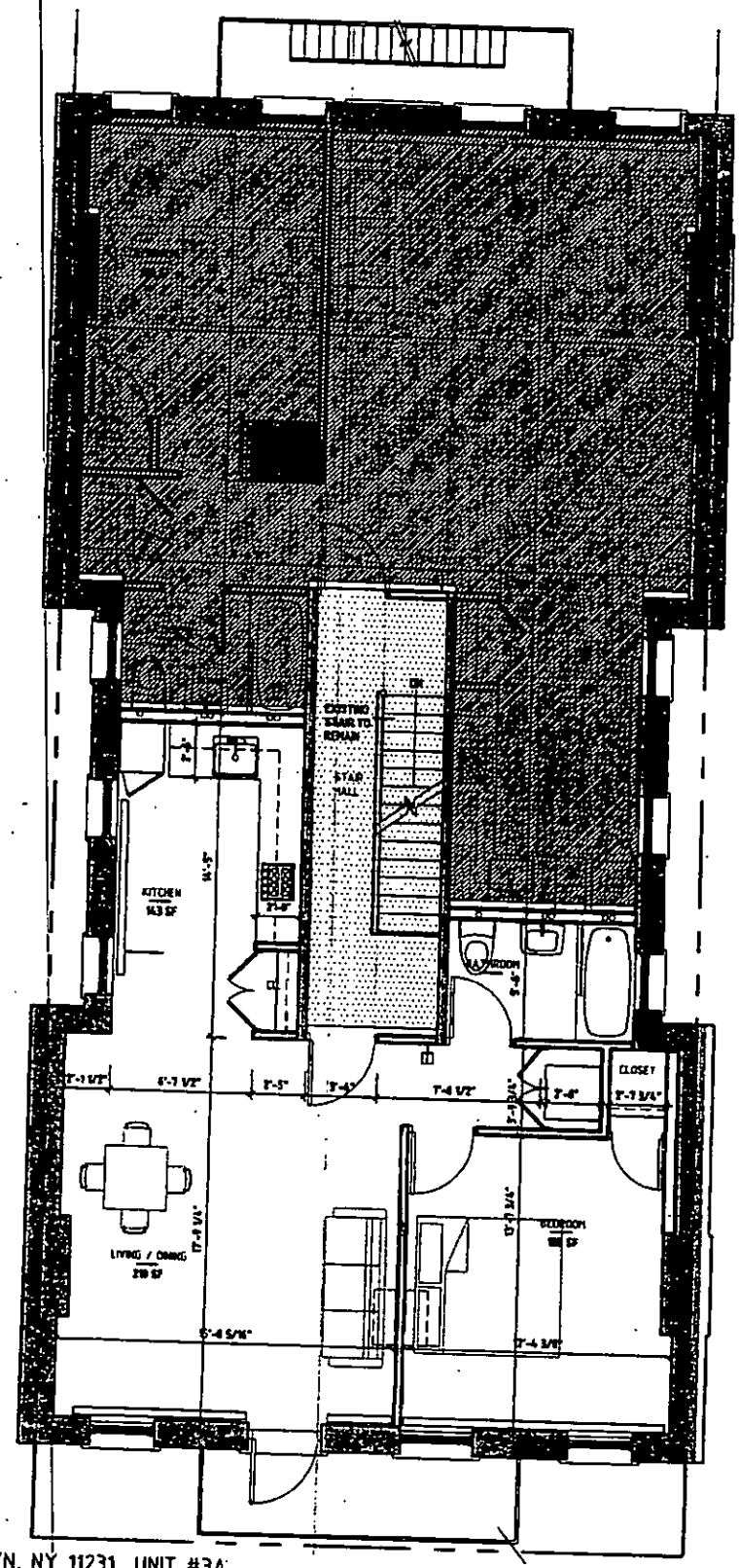
RESIDENTIAL UNIT

COMMON AREA

OUT OF SCOPE

203 LUQUER STREET CONDOMINIUM

AENArchitects



203 LUQUER ST. BROOKLYN, NY 11231 UNIT #3A

INDOOR AREA:	823 SF
OUTDOOR AREA:	0SF
TOTAL AREA	823 SF

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROPRIATE WITHIN REASONABLE TOLERANCES AND BASED ON FIELD MEASUREMENTS OF THE ACTUAL OR TYPICAL UNIT. THE SUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA. CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. MINOR INACCURACIES IN SQUARE FOOTAGE, LAYOUT AND ROOMDIMENSIONS AS SHOWN ON THIS FLOOR PLAN WILL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

SCALE: 1/8"=1'0" 0 1' 2' 4' 8'

RESIDENTIAL UNIT

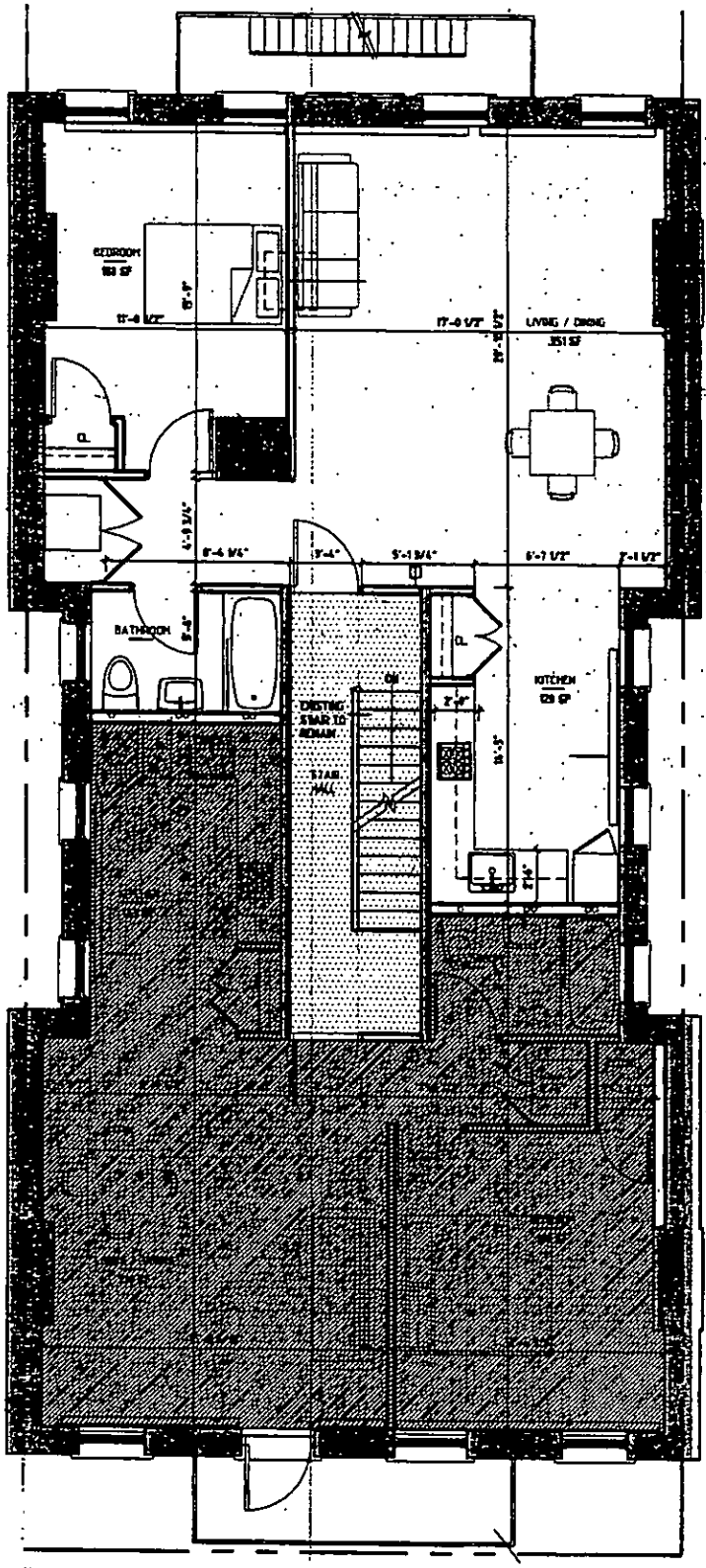
COMMON AREA

OUT OF SCOPE

203 LUQUER STREET CONDOMINIUM

AENArchitects

APPENDIX A



203 LUQUER ST. BROOKLYN, NY 11231 UNIT #3B

INDOOR AREA:	921 SF
OUTDOOR AREA:	0SF
TOTAL AREA	921 SF

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROPRIATE WITHIN REASONABLE TOLERANCES AND BASED ON FIELD MEASUREMENTS OF THE ACTUAL OR TYPICAL UNIT. THE SUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA, CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. MINOR INACCURACIES IN SQUARE FOOTAGE, LAYOUT AND ROOMDIMENSIONS AS SHOWN ON THIS FLOOR PLAN WILL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

SCALE: 1/8"=1'0" 0 1' 2' 4' 8'

RESIDENTIAL UNIT

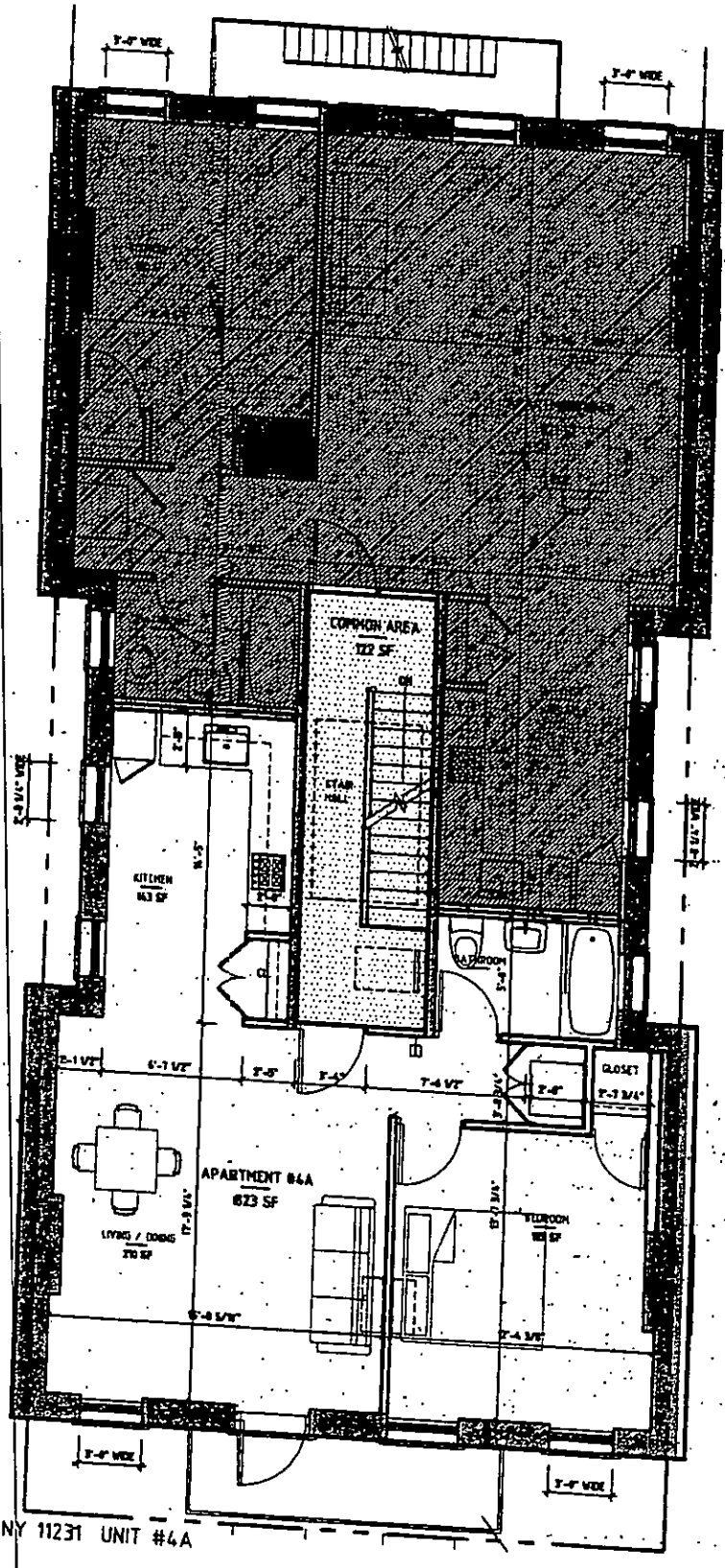
COMMON AREA

OUT OF SCOPE

203 LUQUER STREET CONDOMINIUM

AENArchitects

APPENDIX A



203 LUQUER ST. BROOKLYN, NY 11231 UNIT #4A

INDOOR AREA:	823 SF
OUTDOOR AREA:	0SF
TOTAL AREA	823 SF

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROPRIATE WITHIN REASONABLE TOLERANCES AND BASED ON FIELD MEASUREMENTS OF THE ACTUAL OR TYPICAL UNIT. THE SUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA, CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. MINOR INACCURACIES IN SQUARE FOOTAGE, LAYOUT AND ROOMDIMENSIONS AS SHOWN ON THIS FLOOR PLAN WILL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

SCALE: 1/8"=1'0" 0 1' 2' 4' 8'

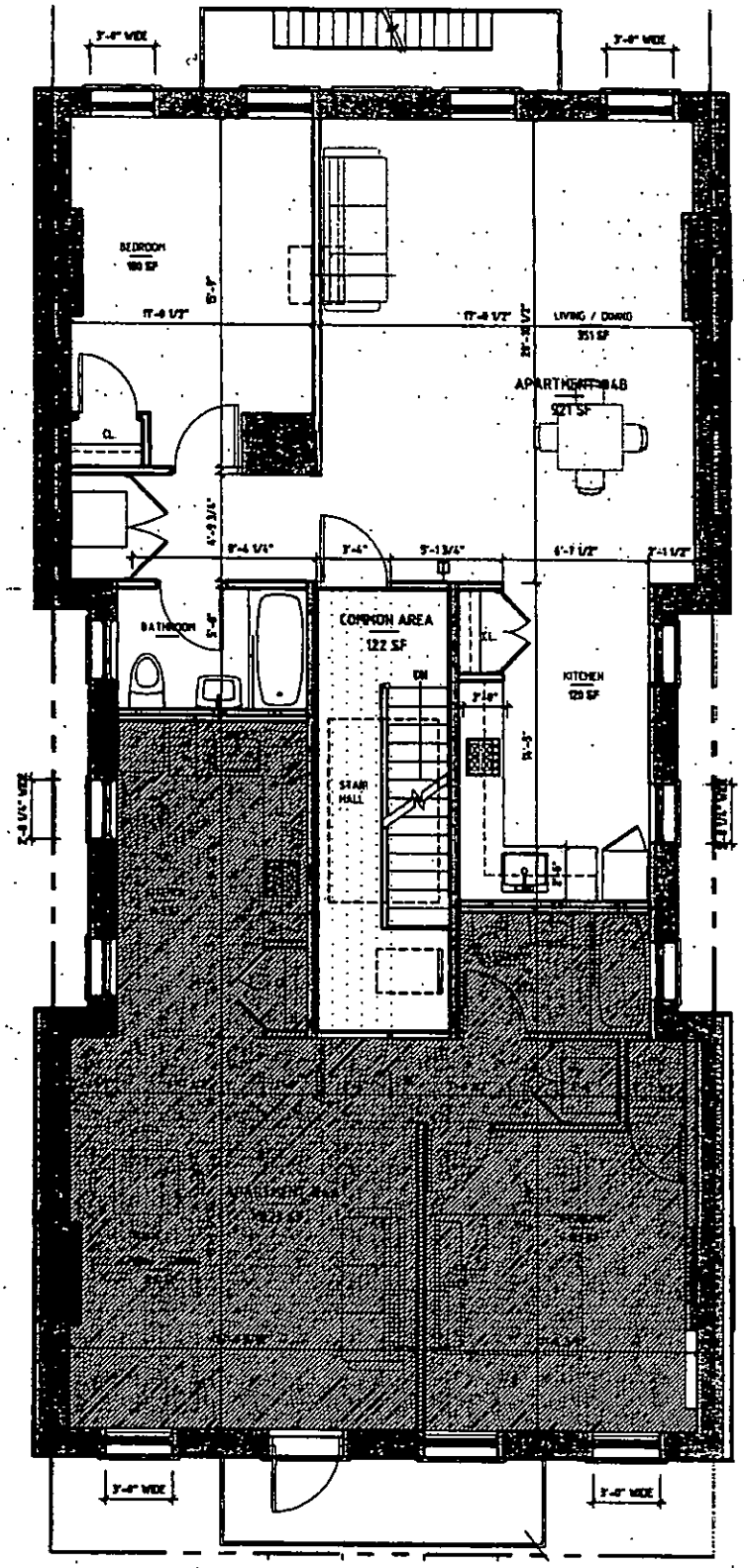
RESIDENTIAL UNIT

COMMON AREA

OUT OF SCOPE

203 LUQUER STREET CONDOMINIUM

AENArchitects



203 LUQUER ST. BROOKLYN, NY 11231 UNIT #4B

INDOOR AREA:	921 SF
OUTDOOR AREA:	0SF
TOTAL AREA	921 SF

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROPRIATE WITHIN REASONABLE TOLERANCES AND BASED ON FIELD MEASUREMENTS OF THE ACTUAL OR TYPICAL UNIT. THE SUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA, CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. MINOR INACCURACIES IN SQUARE FOOTAGE, LAYOUT AND ROOMDIMENSIONS AS SHOWN ON THIS FLOOR PLAN WILL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

SCALE: 1/8"=1'0"

RESIDENTIAL UNIT

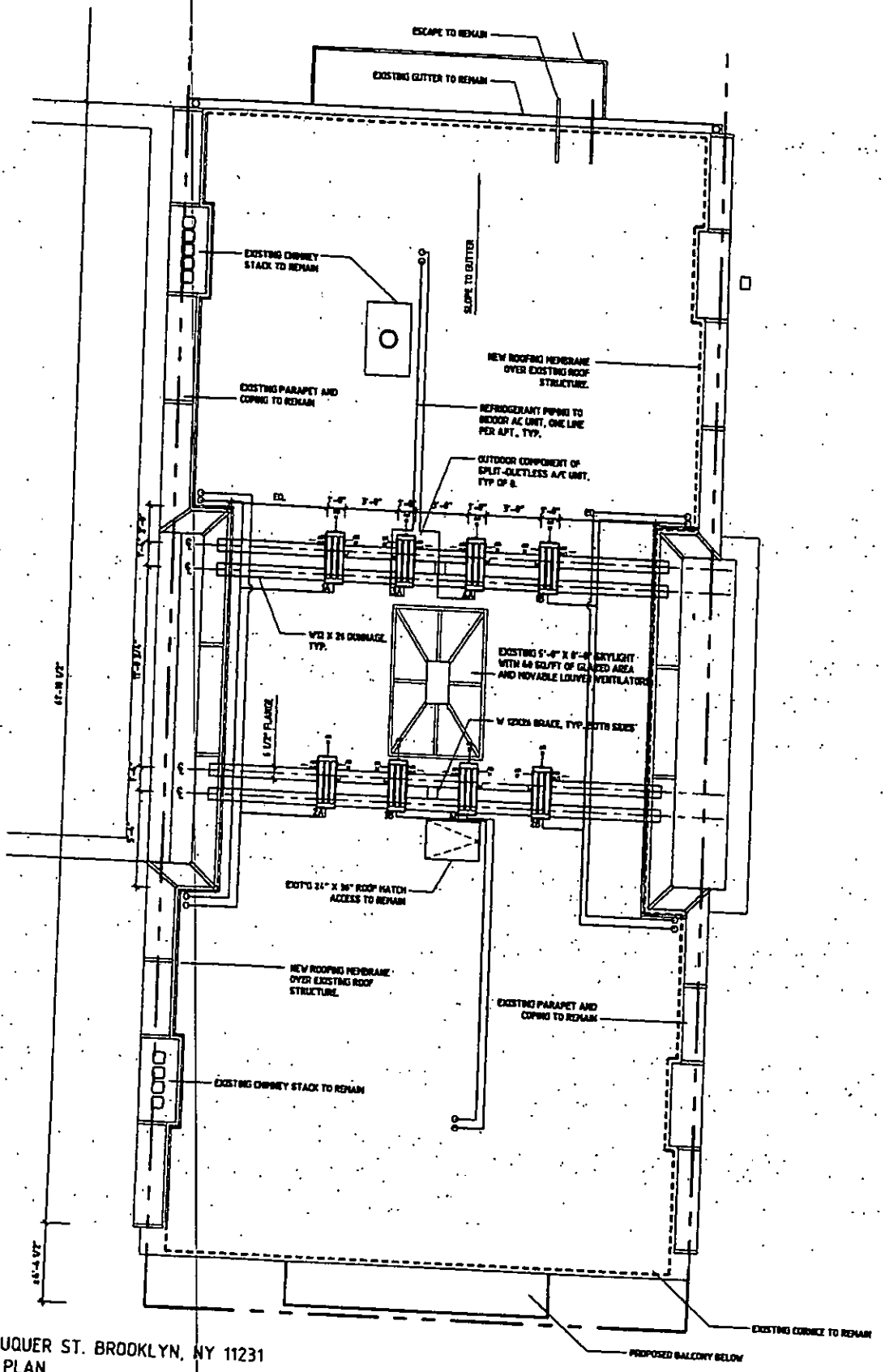
COMMON AREA

OUT OF SCOPE

203 LUQUER STREET CONDOMINIUM

AENArchitects

APPENDIX A



203 LUQUER ST. BROOKLYN, NY 11231

ROOF PLAN

THE UNIT SQUARE FOOTAGE, LAYOUT AND ROOM OR AREA DIMENSIONS ON THIS FLOOR PLAN ARE APPROPRIATE WITHIN REASONABLE TOLERANCES AND BASED ON FIELD MEASUREMENTS OF THE ACTUAL OR TYPICAL UNIT. THE SUARE FOOTAGE EXCEEDS THE USABLE FLOOR AREA, CHASE WALLS, SHAFTS, CABINETS AND THE LIKE ARE NOT SUBTRACTED. MINOR INACCURACIES IN SQUARE FOOTAGE, LAYOUT AND ROOMDIMENSIONS AS SHOWN ON THIS FLOOR PLAN WILL NOT EXCUSE A PURCHASER FROM COMPLETING THE PURCHASE OF A UNIT WITHOUT ABATEMENT IN PRICE OR RECOURSE AGAINST SPONSOR. SPONSOR RESERVES THE RIGHT TO MAKE CHANGES TO A UNIT IN ACCORDANCE WITH THE OFFERING PLAN.

SCALE: 1/8"=1'0" 0 1' 2' 4' 8'

RESIDENTIAL UNIT

COMMON AREA

OUT OF SCOPE

203 LUQUER STREET CONDOMINIUM

AENA

APPENDIX B

Blk no 601-00-X311

STREET Laquer NO. 202 WARD 12 DIST 421 DATE 12-17-

36655

DAYLIGHT ✓ ✓ 20a 5x5 Open Yard

SKYLIGHTS: Size glazed surface of Openings Ridge, Trough, Monitor, Sawtooth ADEQUATE

SCUTTLES: Size Number Cubic Feet Contents Sheathed-Glazed Lock Hooks Heights BULKHEAD: Over top of stairs-Lock

LADDER-STAIRS: Inclination of stairs

WINDOWS: Number Size Sash Weights Glass Frames Hung Weights Lintels Sills Jambs Reveals Shutters Casings Aprons Stools Stops Trim Paint Glazing Putty Cords Pulleys Boxes Locks Fasteners Weather Strips Screens Storm Sash

SHAFTS	Length	Width	Area	Material of Walls	Stairs	Covered	Vent. Skylight	Bulk. screen at base 100	By Door	By Window: Dist. Overlap	Dist. Opposite Building: Height	Dist. Opposite Building: Width	How Glazed	Number Windows
1	24'	14'	336		Brick	Tar	✓	Yes		363 42	66'	66'	Open	
2	24'	23'	552		Brick	Cellar	✓	✓		to Cellar			5301	
3	24'	3'	57.6		Brick	Cellar	None	✓	✓	to Cellar				

YARD PIPES: Size Material Connections Other than Water Closets Number Connected

GREASE ACCUMULATORS: No. in Yard Connections Connected to Sanitary Other Than Water Closets Grease Traps

REMARKS: Rating, N. W. C. No. Number

FIRE ESCAPES: Size Number Location Material of Floors Railings Balconies Stairs Ladders

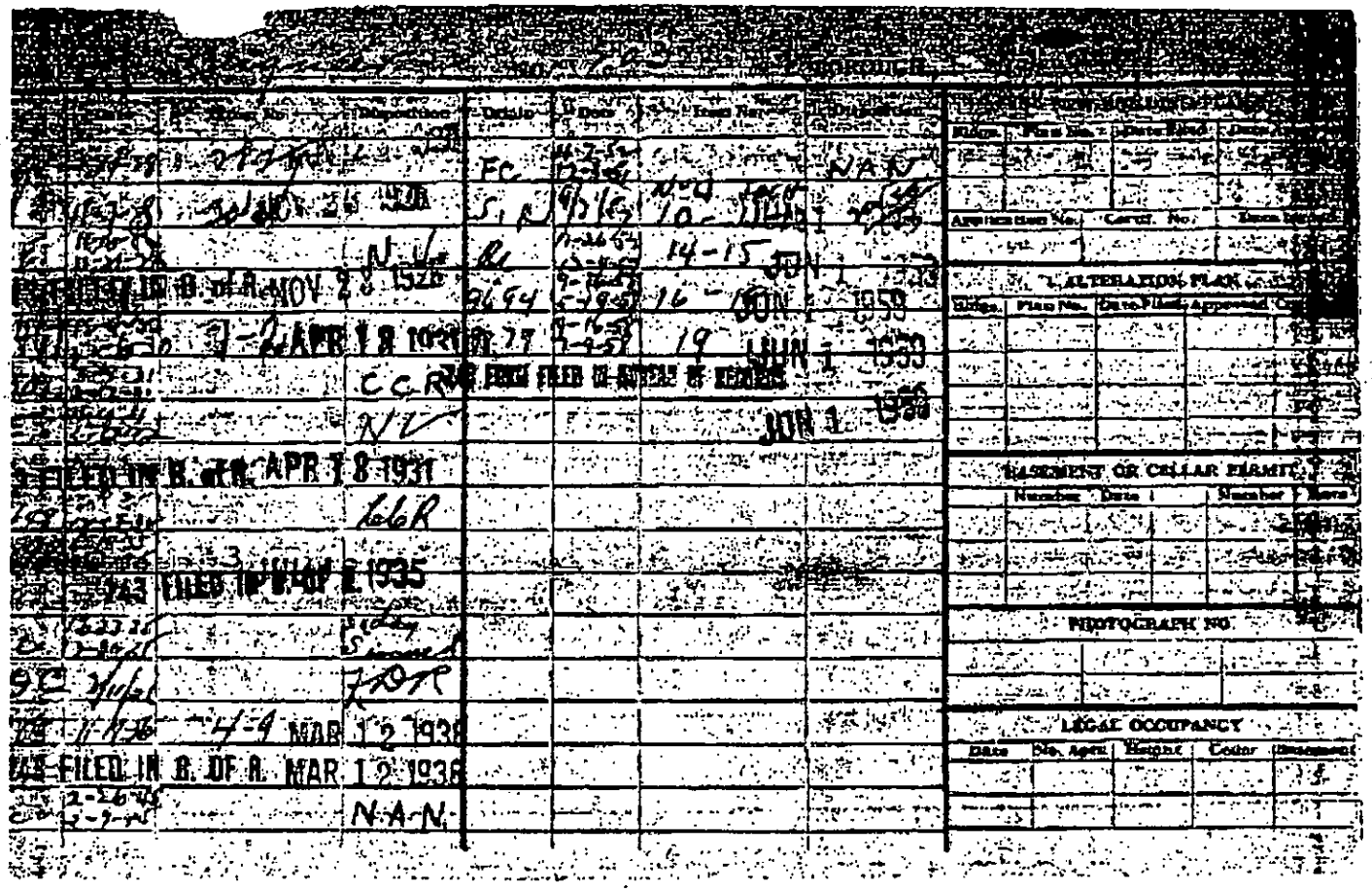
FIXTURES: Kind Number Size Number per Floor — Sinks or Wash Bowls; Water Closets in Yard; In Area (Pan); Urinals Stalls

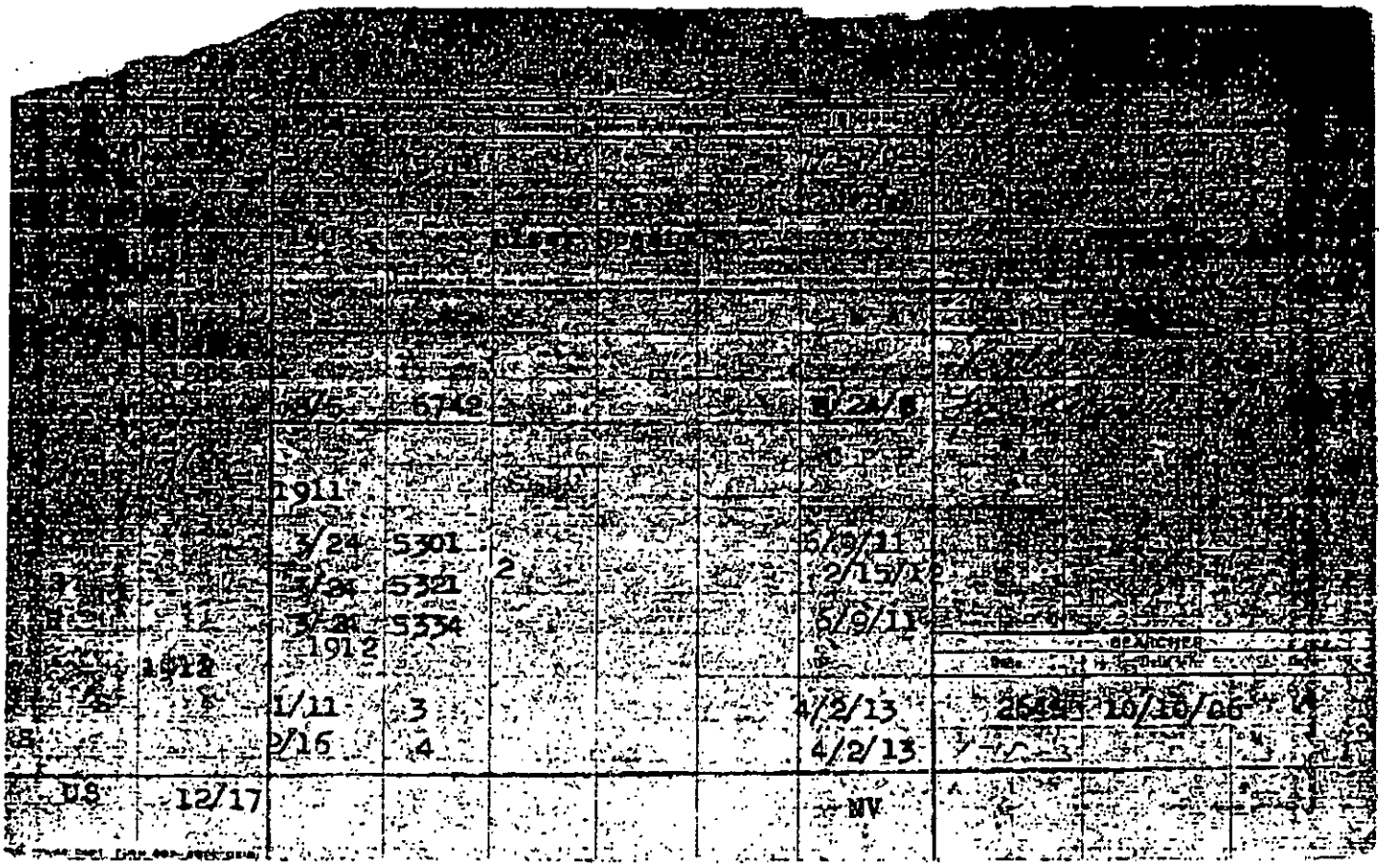
Raised hall 2 Sty and divided 3 Sty in all with R.R. Bridge 2 Sty 3-25

Open Yard to house Ov. Rear of Lot

Rear Store. 68' Dwgs. Same Kind

TOTAL P.04


FILED IN B. of R. APR 18 1931
CCR
NV
FILED IN B. of R. APR 18 1931
L6R
FILED IN B. of R. NOV 2 1935
FILED IN B. of R. MAR 12 1936
N-A-N-
NAN
JUN 1 1959
BASEMENT OR CELLAR PERMIT
PHOTOGRAPH NO.
LEGAL OCCUPANCY


1911
1912
5301
5321
5334
5/9/11
2/15/12
4/2/13
4/2/13
NV
SPARCHER
10/10/06

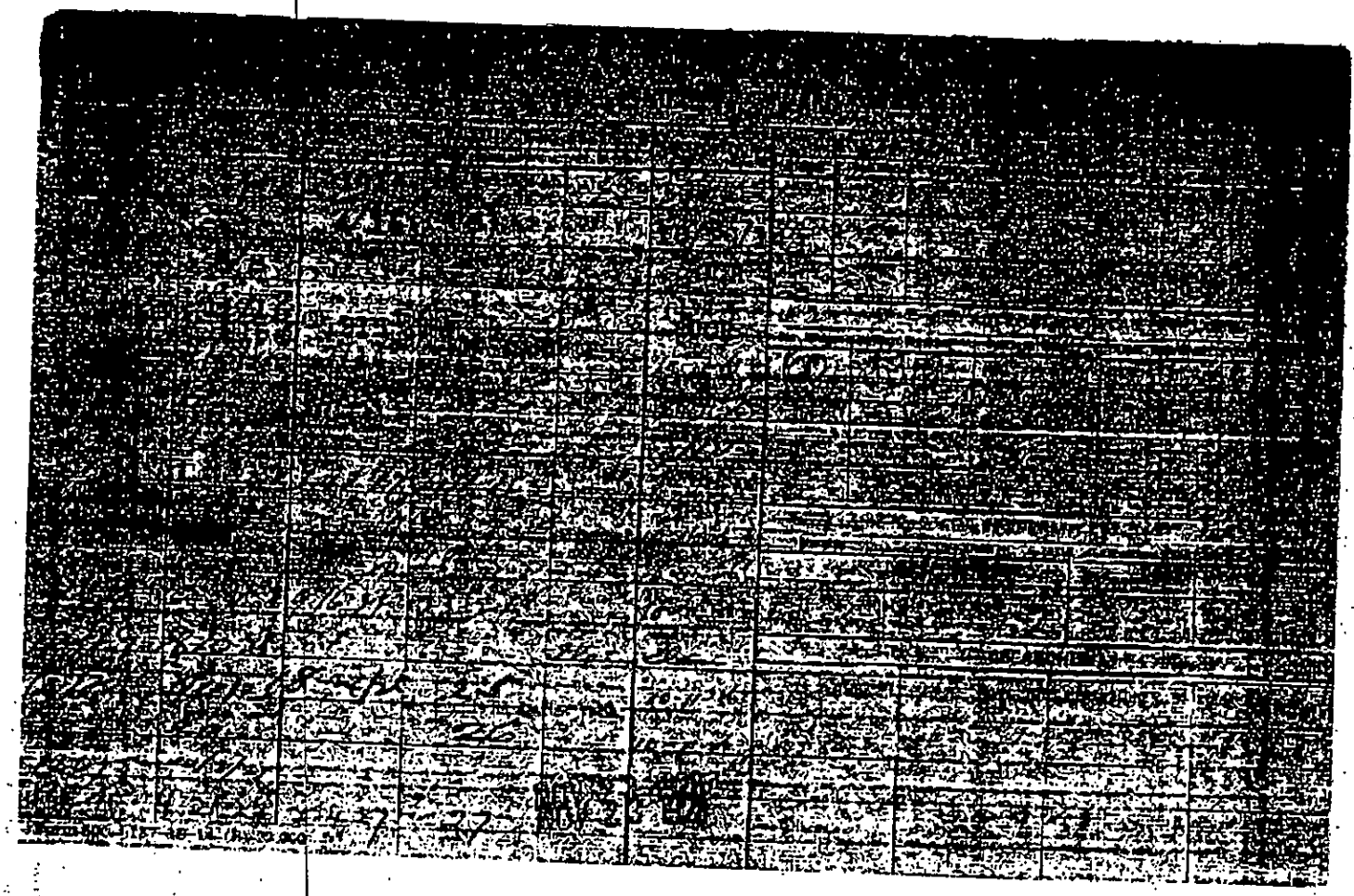


EXHIBIT "E"

DECLARATION OF CONDOMINIUM

DECLARATION OF CONDOMINIUM

OF

The 203 LUQUER STREET CONDOMINIUM

Establishing a Plan for Condominium Ownership of Premises located at 203 Luquer Street, in the Borough of Brooklyn, City and State of New York and shown as, Block 1030, Lot 14 on the Tax Map of the Borough of Brooklyn, City of New York, pursuant to Article 9-B of the Real Property Law of the State of New York.

Name: **THE 203 LUQUER STREET CONDOMINIUM**
203 Luquer Street
Brooklyn, New York

Sponsor: 203 Luquer LLC
c/o Ultimate Realty
28 East 14th Street, Unit 2B
New York, New York 10003

Date of Declaration: _____ ____, 2007

Record and Return to:
Meister Seelig & Fein LLP
2 Grand Central Tower
140 East 45th Floor, 19th Floor
New York, NY 10017
Attn: Matthew E. Kasindorf, Esq.

INDEX TO DECLARATION

ARTICLE 1 – SUBMISSION OF PROPERTY .....
ARTICLE 2 – THE LAND .....
ARTICLE 3 – THE BUILDING .....
ARTICLE 4 – THE UNITS .....
ARTICLE 5 – DIMENSIONS OF UNITS .....
ARTICLE 6 – COMMON ELEMENTS .....
ARTICLE 7 – DETERMINATION OF PERCENTAGES IN COMMON ELEMENTS .....
ARTICLE 8 – USE OF UNITS .....
ARTICLE 9 – SUBDIVISION, COMBINATION AND ALTERATION OF UNITS .....
ARTICLE 10 – PERSON TO RECEIVE SERVICE .....
ARTICLE 11 – ENCROACHMENTS .....
ARTICLE 12 – EASEMENTS .....
ARTICLE 13 – COVENANT OF FURTHER ASSURANCES .....
ARTICLE 14 – UNITS SUBJECT TO DECLARATION, BY-LAWS AND RULES AND REGUATIONS .....
ARTICLE 15 – POWERS OF ATTORNEY TO BOARD OF MANAGERS .....
ARTICLE 16 – ACQUISITION OF UNITS BY BOARD OF MANAGERS .....
ARTICLE 17 – AMENDMENTS TO DECLARATIONS .....
ARTICLE 18 – TERMINATION OF CONDOMINIUM .....
ARTICLE 19 – SEVERABILITY .....
ARTICLE 20 – WAIVER .....
ARTICLE 21 – CAPTIONS .....
ARTICLE 22 – GENDER .....
ARTICLE 23 – SUCCESSORS AND ASSIGNS .....

SCHEDULE A – DESCRIPTION OF LAND .....
SCHEDULE B – DESCRIPTION OF UNITS .....

DECLARATION OF CONDOMINIUM
of

THE 203 LUQUER STREET CONDOMINIUM

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

203 Luquer LLC, a New York limited liability company, maintaining an office at c/o Ultimate Realty, 28 East 14th Street, Unit 2B, New York, New York 10003 (hereinafter sometimes referred to as "Declarant" or "Sponsor"), is the owner of the land located at 203 Luquer Street, Brooklyn, New York (the "Land"), and the owner of the building constructed thereon (the "Building"). Declarant desires to submit its interest in the Land and Building to the New York Condominium Act (as hereinafter defined) in order to create a Condominium consisting of eight (8) Units (the "Units"). Immediately upon the recording of this Declaration, Declarant will be the owner of all the Units and their respective interests in the Common Elements (as hereinafter defined). Declarant therefore, does hereby declare:

ARTICLE I
SUBMISSION OF PROPERTY

1.1 Declarant hereby submits the Land, together with the Building and other improvements erected and to be erected thereon (the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "New York Condominium Act"), and pursuant thereto does hereby establish a Condominium to be known as The 203 Luquer Street Condominium (the "Condominium"). The Condominium will be known by the street address 203 Luquer Street, Brooklyn, New York.

1.2 Immediately upon the recording of this Declaration, the Condominium will be established consisting of eight (8) Residential Units and two (2) Roof Units subject to the terms and conditions of this Declaration.

1.3 Attached to this Declaration and made a part hereof are the by-laws of the Condominium which set forth detailed provisions governing the operation, use and occupancy of the Condominium (said by-laws, as they may be amended from time to time are hereinafter referred to as the "By-Laws").

ARTICLE 2
THE LAND

The Land consists of the parcels of land designated as Block 1030, Lot 14 on the Tax Map of the Borough of Brooklyn, City of New York, and more particularly described as all that certain tract, plot, piece and parcel of land with the improvements and building thereon erected, situate, lying and being in the City of New York, State of New York as set forth on Schedule A annexed hereto and made a part hereof. The Land is owned by the Sponsor in fee simple absolute.

ARTICLE 3
THE BUILDING

The Building is located at 203 Luquer Street, Brooklyn, New York located on the north side of luquer street between Smith Street and Court Street (approximately 175' from Smith Street). The Building is four (4) construction levels and consists of four (4) above-grade levels, a cellar, roof and bulkhead. The cellar of the Building contains mechanical spaces and general storage. The first (1st) floor through fourth (4th) floor consist of Residential Units; which two Residential Units each. The walls on the property line are load bearing stone and brick with the floors supported by wood joists.. Each Residential Unit is heated by gas fired hot water boilers and the Commercial Unit is also heated by gas fired hot water boilers. There are no on-site parking facilities. The Building and Units are currently vacant.

ARTICLE 4
THE UNITS

The Units will be individually referred to as Units 1A, 1B, 2A, 2B, 3A, 3B, 4A and 4B. In addition, there will be two (2) Roof Units located on the roof that will be offered for sale for additional consideration and will become separate Units.

The respective Unit Owner who acquires such Roof Unit will be responsible for improving the Roof Unit to comply with all applicable laws and regulations in order to legally occupy such Roof Unit as terrace, including the installation of roof improvements and extending the staircase and installing a roof bulkhead. The respective Unit Owner will be responsible for complying with this Declaration and the By-Laws. The Unit Owners shall be responsible for all normal maintenance, repairs and replacements thereto and shall be responsible for common charges and real estate taxes associated therewith.

Schedule B annexed hereto and made a part hereof sets forth the following data with respect to the Units, respectively, necessary for the proper identification thereof: Unit designation; tax lot number; approximate square foot area; number of rooms (for residential areas); location; the portions of the Common Elements (as hereinafter defined) to which the Unit has immediate access or the right to exclusive use; and the percentage of interest in the Common Elements. The locations of the Units are shown on the Floor Plans of the Building (the "Floor Plans"), certified by the Architects, and filed in the City Register's Office simultaneously with the recording of the Declaration.

ARTICLE 5
DIMENSIONS OF UNITS

The approximate indoor floor area of each Unit has been measured from the exterior side of the façade or exterior Building walls or glass windows at the Building line and/or Property line enclosing the Unit, or from the midpoint of the interior party walls separating the Unit from another Unit, or from the public side of the interior party walls separating the Unit from the public corridors or public stairs,

or from the mechanical space side of interior party walls separating the Unit from mechanical equipment space or any other Common Elements. Columns and mechanical pipes and chases (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit. The floor area occupied by any Common Elements bordering or within a Unit (such as the Building's façade or exterior walls, vents, chase walls or areas, conduits, ducts, shafts or pipes) have been included in the computation of the floor area of the Unit, but such Common Elements are not part of the Unit. The configuration, fenestration and dimensions (collectively, "Unit Layout") are approximate. The square footages and dimensions are estimates based on an extrapolation of the square footage of overall Unit dimensions in accordance with the customary practice in New York City. The square footage shown is taken from points behind the walls enclosing the Unit and thus exceeds the Unit's usable floor area. Room dimensions are taken from the exposed surface of the walls enclosing the room. The Sponsor states that minor inaccuracies between a floor plan and the actual square footage, and inaccuracies in the Unit layout or room dimension, will not excuse a Purchaser from completing the purchase of a Unit without abatement in price and without recourse against the Sponsor.

Each Unit shall also include (i) the interior walls, partitions and floor coverings affixed, attached or appurtenant to the Unit and (ii) any and all equipment, fixtures and appliances (including, without limitation, heating and cooling units, plumbing facilities, sinks, bathtubs, toilets, refrigerators, ovens, ranges, dishwashers, and other appliances) affixed, attached or appurtenant to such Unit.

ARTICLE 6
COMMON ELEMENTS

6.1 The Common Elements of the Condominium (the "Common Elements") consist of the entire Property described in Article 2 of this Declaration and that portion of the Building not incorporated in the Units and which do not exclusively service any one Unit and will include, without limitation, the following:

(a) the Land, including without limitation, the portions of the Land on which the Building are erected, the sidewalks and all other improved and unimproved areas not within the Units together with all easements, rights and privileges appurtenant thereto;

(b) all foundations, columns, girders, beams, joints, supports, bearing walls, subfloors and roof; those portions of the exterior walls beyond the outside face of the wallboard; those portions of the walls and partitions dividing the Units from corridors and stairs located beyond the unexposed face of the wallboard enclosing the Unit, those portions of the walls and partitions dividing Units located between the unexposed faces of both wallboard walls enclosing the Units;

(c) the entrances to and exits from the Building, and doors and windows which open from a Unit;

(d) all corridors, stairs and stairways, including all fire stairs;

(e) all central and appurtenant installations for services such as heat, air conditioning, power, light, telephone, television, video remote entry system and water, as hereinafter described in more detail;

(f) all gas, water, sewer and drainage pipes, risers, valves, fittings and appurtenances thereto;

(g) steam piping, including valves, traps, strainers, gauges, thermometers, fittings, risers, mains, condensate returns;

(h) sprinkler system including fittings, valves, sprinkler heads and piping;

(i) the water service and meter room, the electric room, the telephone room, the steam room and the fire pump room, all of which service more than one Unit;

(j) the building storage and/or mechanical rooms;

(k) the exhaust fans and for bathrooms and washer/dryer compartments and the roof top air cooled condensing unit;

(l) all other apparatus and installations existing in the Building for the common use or necessary or convenient to the existence, maintenance or safety of the Building;

(m) in the event the two (2) Roof Units are not conveyed at the time of the last unit closing, two (2) Roof Units will become Common Elements.

6.2 The Limited Common Elements consist of the following:

(a) Intentionally deleted..

(b) The rear gardens are dedicated to Units 1A and 1B. The gardens will become Limited Common Elements to those Units. The rear garden appurtenant to Unit 1A will be for the exclusive use of the Unit Owner of Unit 1A. The Unit Owner of Unit 1A who has access to the rear garden of the Building shall have exclusive use of same, subject to the rights of the Board of Managers to regulate its use. The rear garden appurtenant to Unit 1B will be for the exclusive use of the Unit Owner of Unit 1B. The Unit Owner of Unit 1B who has access to the rear garden of the Building shall have exclusive use of same, subject to the rights of the Board of Managers to regulate its use. Such Unit Owners shall be responsible for all normal maintenance, repairs and replacement thereto.

ARTICLE 7
DETERMINATION OF PERCENTAGES IN COMMON ELEMENTS

The percentages of interest of the respective Units in the Common Elements are as set forth on Schedule B.

Such percentages are based upon method (iv) contained in Section 339-i(1) of the New York Condominium Act, that is, upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit.

ARTICLE 8
USE OF UNITS

The Units may be used only as a residence with not more than two (2) adults or one (1) family occupying a Unit at one time, except that any Unit may in addition be used for any lawful home occupation (as such term is defined in the New York City Zoning Resolution,) provided (i) that such use does not violate zoning regulations or the Certificate of Occupancy for the Building, and (ii) the prior consent of the Board of Managers is obtained or, in the case of initial Purchasers from the Sponsor or its designee, written notice of such use is given to the managing agent.

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, or sales, business or administration offices and may place signage of any size and in any location on the Property, in connection with the sale or rental of the Units until such time as all such Units have been conveyed to Purchasers thereof.

Further restrictions on the use of the Units are set forth in the By-Laws.

ARTICLE 9
SUBDIVISION, COMBINATION AND ALTERATION OF UNITS

9.1 Subject to any applicable building code, fire code, zoning or other requirements of governmental authorities, the Sponsor or its designee shall have the right, at its sole cost and expense and without the requirement of consent of the Board of Managers, the other Unit Owners or anyone else, to change the layout and/or size and/or number of rooms in any Unit or number of Units by subdividing one or more Units into separate Units, combining separate Units into one or more Units or altering the boundary walls of Units, and in connection therewith to reapportion among the Units affected by any such change, subdivision, combination or alteration, their appurtenant interest in the Common Elements. Any such subdivision or combination may result in the creation or deletion of common hallways and other elements serving more than one Unit which shall, as the case may be, become or cease being a Common Element(s). Any such change by the Sponsor or its designee will be reflected in a duly recorded amendment to the Declaration, Floor Plans and other documents as may be necessary to effectuate the change, prepared by the Sponsor or its designee and meeting the requirements of Article 9-B of the New York Real Property Law. The amendment to the Declaration and other documents shall be executed by The Condominium Board of Managers, but the recording thereof and the filing of

revised Floor Plans and all costs in connection therewith shall be the obligation of the Sponsor or its designee.

Any amendment made pursuant to this Section 9.1 shall in no event (i) change the Common Interest of any other Unit not then owned by Sponsor or such transferee Unit Owner (as the case may be), (ii) require a physical modification of any other Unit not then owned by Sponsor or such transferee Unit Owner (as the case may be) or (iii) adversely affect the priority of validity of the lien of any mortgage encumbering an affected Unit unless the Unit Owner (in the event described in subparagraph (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subparagraph (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment.

9.2 Except to the extent prohibited by law, Unit Owners shall have the right, without the requirement of consent of the Board of Managers, the other Unit Owners or anyone else to make nonstructural alterations, additions and improvements, whether interior or exterior, ordinary or extraordinary in, to and upon its Unit or any Limited Common Elements (except to the Roof Units, which must comply with the provisions of paragraph 9.3 below) appurtenant thereto provided (i) that the nature and location of such installation does not interfere materially with the use then being made of any other Unit or any Common Element and (ii) that the then owner of the Unit shall comply with zoning requirements and all other laws, ordinances and regulations of all governmental authorities having jurisdiction.

9.3 No Unit Owner shall make any structural addition, alteration, or improvement in or to any Unit, to any Common Element or to the Roof Units, without first (i) obtaining the prior written approval of the Board of Managers with respect to any structural addition, alteration or improvement only; (ii) maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe, (iii) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, and (iv) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its members and officers, and all Unit Owners from and against any liability, cost or expense arising out of or connected to such work. The provision this paragraph 9.3 shall not be binding on the Sponsor or its designees.

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 or any Limited Common Element will be executed by the Board of Managers 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.

All responsibility with respect to any such addition, alteration or improvement shall remain with the Unit Owner until conveyance of the Unit, at

which time such responsibility shall pass to and be assumed by the transferee and the successors and assigns of such transferee.

9.4 The provisions of this Article as they relate to the Sponsor or its designee may not be amended, modified or deleted without the prior written consent of the Sponsor or its designee, as the case may be.

9.5 Unless all affected Unit Owners consent, no material change will be made in the size and no materially adverse change will be made in the quality of Common Elements.

ARTICLE 10
PERSON TO RECEIVE SERVICE

For the period during which the Sponsor is in control of the Board of Managers, Sponsor designates the Secretary of State of the State of New York to receive service of process in any action that may be brought against the Condominium. After the Sponsor relinquishes control of the Board of Managers, any person serving as a member of the Board of Managers and residing on the Property is hereby designated to receive service of process in any action which may be brought against the Condominium.

ARTICLE 11
ENCROACHMENTS

If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements as a result of construction of the Building, 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 (when required by the By-Laws) of the Board of Managers or made by a Unit Owner in accordance with this Declaration or the By-Laws, or (c) repair or restoration of the Building (or any portion thereof) or a Unit or of the Common Elements after damage or destruction by fire or other casualty, or (d) condemnation or eminent domain proceedings of all or any portion of the Building or a Unit or the Common Elements, then in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand, provided that the creation of such encroachment was not intentional and that it does not materially impair the utilization of the portion of the Building encroached upon for its intended and assigned purpose.

ARTICLE 12
EASEMENTS

12.1 Each Unit Owner shall have an easement in common with the Owners of other Units to inspect, use, maintain, repair, alter and replace all Common Elements wherever on the Property they may be located. Each Unit shall be subject to an easement in favor of all other Units to use, maintain, repair, alter, restore, rebuild or replace any and all Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to

each Unit to inspect the same, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building, provided that such right of access shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of the owners of the Units or with the use of any Unit for its permitted purposes. Such entry shall be permitted on not less than one (1) days notice, except that no notice will be necessary in the case of an emergency. The Common Elements of the Condominium shall be repaired and maintained by and at the cost and expense of the Condominium.

12.2 The Unit Owners shall each have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of each other and the Common Elements. They shall each have an easement in common with the others for the benefit of themselves, their licensees and invitees, for ingress and egress through all Units and all Common Elements as required in an emergency. They shall further each have easements over the Common Elements as are reasonably necessary to allow use of said Units for the purposes set forth herein.

12.3 The Board shall have the right to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easements in any portion of the Property as the Board shall deem necessary or desirable for the proper operation and maintenance of the Building, or any portion thereof, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the normal conduct of the owners of the Units or with the use of any Unit for its permitted purposes. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easements, provided such right of access shall be exercised in such a manner as shall not unreasonably interfere with the use of any Unit for its permitted purposes by its owner, tenants or occupants.

12.4 Each Unit Owner whose Unit has one or more appurtenant Limited Common Elements shall have an easement of access through the Common Elements and an exclusive easement or easement for use in common (as appropriate) for the enjoyment thereof.

12.5 Each Unit Owner shall have an easement for emergency egress from the rear fire escapes over the rear gardens which are Limited Common Elements appurtenant to Units 1A and 1B.

12.6 The Board shall have an easement to use the extended staircase that the Owner of the Roof Unit creates for access to such Roof Unit.

12.7 For so long as it is in control of the Board of Managers of the Condominium, the Sponsor shall have an easement over, under and through the Common Elements and Limited Common Elements to install equipment relating to the heating ventilating and hot water system in the Building, including the right to store materials in said Common Elements and Limited Common Elements and the right to enclose any pipes, ducts, etc., within walls.

12.8 The Sponsor and its designee shall have an easement (i) to maintain a sales office and/or model Units, (ii) to erect, maintain, repair and replace from time

to time one or more freestanding and other selling, directional and informational signs on the Property as it deems necessary for the purposes of advertising the sale or lease of Units and (iii) for access to Units and Common Elements consistent with the purposes of the Offering Plan, 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, together with their interest in the Common Elements, until such time as all such Units have been conveyed to Purchasers thereof.

12.9 The user of any easement granted by this Article 12 shall have the responsibility of repairing any damage resulting therefrom. No fee or charge may be imposed by the Board of Managers for any easement granted herein.

ARTICLE 13
COVENANT OF FURTHER ASSURANCES

13.1 Any party subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, or the occupant of a portion 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 party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

13.2 If any Unit Owner or any other party subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action which the Unit Owner or such other party 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 party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other party, and such document or action shall be binding on such Unit Owner or other party.

13.3 If any Unit Owner or the Board of Managers or any other party who is subject to the terms of this Declaration fails or refuses to execute, acknowledge or deliver any instrument, or fails or refuses within ten (10) days after request therefor, to take any action that the Board of Managers, any Unit Owner, or other party is required to take pursuant to this Declaration at the request of Sponsor or Sponsor's designee, then Sponsor or Sponsor's designee, as the case may be, is hereby authorized as attorney-in-fact for the Board of Managers, such Unit Owner, or other party, 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 party, and such document or action shall be binding on the Board of Managers, such Unit Owner, or other party, as the case may be.

13.4 Nothing contained in this Article 13 shall be in derogation of Section 339(i) of the Condominium Act.

ARTICLE 14
UNITS SUBJECT TO DECLARATION, BY-LAWS AND RULES AND REGULATIONS

14.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations annexed thereto, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and every part thereof and interest therein, and all of the provisions thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations as they may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of a Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws, and Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were stipulated at length in each and every deed and conveyance and lease thereof.

14.2 Unit Owners shall comply with all orders, codes, regulations and requirements of applicable governmental agencies concerning the closure of window openings in the event that such closure is required by law. In such event, the Board of Managers shall seal and close windows and repair and repaint the walls (but not any other decoration) damaged by such work with one coat of light-colored paint in a color chosen by the Unit Owner. The costs and expenses incurred by the Condominium in connection therewith shall be a Common Expense.

ARTICLE 15
POWERS 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; (i) to take all actions on behalf of the Condominium as authorized by this Declaration and by the By-Laws; (ii) to apply for a reduction in the assessed valuation of the Unit as part of a single application on behalf of all Unit Owners, prosecute and settle any such action; and (iii) 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.

ARTICLE 16
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 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 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 Units 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, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective common interests.

ARTICLE 17
AMENDMENTS TO DECLARATION

17.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions, including those affecting Sponsor and its designees and unsold Units, any provision of this Declaration may be amended, modified, added to, or deleted by a vote of at least sixty-six and two-thirds (66-2/3%) percent in number and in common interest of all Unit Owners taken in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved in writing by sixty-six and two thirds (66-2/3%) percent in number and in common interest of all Unit Owners.

Notwithstanding anything herein to the contrary, in the event that the interest of the Sponsor or its designee or any Unit Owner is adversely affected by any such proposed amendment, deletion or modification, or any of the rights, powers, easements, privileges or benefits reserved to the Sponsor or its designee or to a Unit Owner are eliminated, changed or impaired thereby, then this Declaration shall not be amended without the written consent of the Sponsor, its designee or the affected Unit Owner. In the event the allocation of Common Interest appurtenant to a Unit Owner's Unit is altered, then this Declaration shall not be amended without the written consent of the affected Unit Owner. In addition, no amendment which adversely affects the lien of any mortgage on a Unit may be made without the written consent of the affected mortgagee.

17.2 The Sponsor hereby reserves the right to amend or (on request of Sponsor or its designee) to require the Board of Managers to duly execute and record, in the Kings County office of the Register of the City of New York, an

amendment to 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 purposes of (i) filing the Floor Plans required by New York Real Property Law Section 339-p for the 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 commercial 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; (ii) changing the designation, the approximate square foot area and the number of rooms in an unsold Unit and (iii) making insubstantial changes to this Declaration.

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

The provisions of this Article may not be amended or deleted in whole or in part without the consent of the Sponsor or its designee so long as the Sponsor or such designee owns any Unit.

ARTICLE 18
TERMINATION OF CONDOMINIUM

The Condominium shall continue until:

(a) terminated by casualty, loss, condemnation, or eminent domain as provided in the By-Laws;

(b) terminated by withdrawal of the Property from the provisions of the New York Condominium Act by a vote of at least eighty (80%) percent of all Unit Owners both in number and in common interest. The Sponsor shall not vote its interest to terminate the Condominium unless eighty (80%) percent of Unit Owners other than the Sponsor so vote, but even then, the Sponsor shall not be required to vote.

In the event said withdrawal is authorized, the Property shall be subject to an action for partition by any Unit Owner or its lienor as if owned in common, in which event the net proceeds of sale shall be divided among the Unit Owners in proportion to their respective Common Interests, provided that no payment shall be made to a Unit Owner until there has first been paid out of such share of the net proceeds all liens on said Unit, in order of priority of such liens.

ARTICLE 19
SEVERABILITY

The invalidity of any provision of this Declaration or the unenforceability of any provision as against any person or under certain circumstances shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration and, in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provisions

had never been included herein, and shall be valid and enforced to the fullest extent permitted by law.

ARTICLE 20
WAIVER

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

ARTICLE 21
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.

ARTICLE 22
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.

ARTICLE 23
SUCCESSORS AND ASSIGNS

The rights and/or obligations of a Unit Owner set forth herein shall inure to the benefit of, and be binding upon, any successor or assign of such Unit Owner, and any Unit Owner shall have the right, at any time in its sole discretion to assign, transfer or encumber its respective interests herein, whether by merger, consolidation, lease, assignment or otherwise.

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

Sponsor:

203 Luquer LLC

By:_____

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 whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

SCHEDULE A

DESCRIPTION OF LAND

See attached.

SCHEDULE "B" TO THE CONDOMINIUM DELCARATION
TO BE COMPLETED PRIOR TO RECORDATION OF CONDOMINIUM DELCARATION

The 203 Luquer Street Condominium				
Unit Designation	Tax Lot Number	Number of Bedrooms/Bathrooms	Square Footage	Percentage of Interest in the Common Elements

EXHIBIT "F"

BY-LAWS OF CONDOMINIUM

BY-LAWS

OF

The 203 LUQUER STREET CONDOMINIUM

This document prepared by:

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BY-LAWS
of
THE 203 LUQUER STREET CONDOMINIUM

203 Luquer Street
Brooklyn, New York

ARTICLE I
GENERAL

Section 1. Unit Ownership. The property located at 203 Luquer Street, Borough of Brooklyn, City of New York, State of New York more particularly described on Schedule A to the Declaration recorded in the office of the Register of the City of New York, Kings County, simultaneously herewith, and the building (the "Building") constructed on said land (hereinafter called the "Property") have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the office of the Register of the City of New York, Kings County, simultaneously herewith. The Condominium thereby created shall hereinafter be known as The 203 Luquer Street Condominium (hereinafter called the "Condominium"). The eight (8) Units are more fully described in the Declaration and are hereinafter referred to as the "Unit(s)". Unless otherwise provided herein, all terms used in these By-Laws shall have the same meaning as ascribed thereto in the Declaration.

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 and the Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York.

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 Schedule A, each as amended from time to time.

The acceptance of a deed of conveyance or the entering into of a lease 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. Office. The office of the Condominium and of the Condominium Board of Managers shall be located at the Property or at such other place, reasonably convenient thereto, as may be designated from time to time by the Board of Managers.

ARTICLE II
CONDOMINIUM BOARD OF MANAGERS

Section 1. Number and Term. The affairs of the Condominium shall be governed by the Condominium Board of Managers. The Board of Managers shall be constituted by three (3) members. Until succeeded by the Managers elected at the first annual meeting of Unit Owners, the Board of Managers shall consist of three (3) persons appointed by the Sponsor, none of whom must be a Unit Owner. Thereafter, all Managers shall be Unit Owners or spouses of Unit Owners or officers, directors or principals of Unit Owners which are not natural persons, except that Members of the Board of Managers appointed by the Sponsor or its designee need not be Unit Owners.

Starting with the first annual meeting of Unit Owners after the Sponsor has relinquished control of the Board of Managers, the Board will consist of three (3) Members. The terms of the Members shall be two (2) years. At the expiration of the initial term of office of each respective Manager, his or her successor shall be elected to serve a term of two (2) years. The Managers shall hold office until their successors have been elected and hold their first meeting. But, in any event, at least one-third of the terms of the Members of the Board of Managers shall expire annually.

Except for members designated by the Sponsor or its designee, all other Members shall be Unit Owners or spouses of Unit Owners, or, in the case of partnership owners, shall be members or employees of such partnership, or in the case of corporate owners, shall be officers, directors, stockholders or employees of such corporations, or in the case of fiduciary owners or mortgagees, shall be the fiduciaries or officers or employees of such fiduciaries or mortgagees. In the case of Sponsor, Members shall be designees of the Sponsor. No Member shall continue to serve on the Board after he or she ceases to qualify as herein provided.

Section 2. Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all acts and things on behalf of the Condominium except those which by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. The powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

(a) Operation, care, upkeep and maintenance of the Common Elements.

(b) Determination of the common charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property.

(c) Collection of common charges and assessments from the Unit Owners, and imposition and collection of reasonable late charges for late payment thereof.

(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.

(f) Opening and maintaining bank accounts on behalf of the Condominium and designating the signatories required therefore. The Condominium may authorize a manager or managing agent to be the signatory on such accounts.

(g) Purchasing, 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 Units surrendered by their owners to the Board of Managers.

(h) Purchasing of Units at 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.

(i) 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.

(j) 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.

(k) Obtaining and reviewing of insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof.

(l) Adjusting and settling claims under insurance policies obtained pursuant to Article VI Section 2 and executing and delivering releases on settlement of such claims on behalf of all Unit Owners, all holders of mortgages or other liens on the Units and all owners of any other interest in the Property.

(m) Representing the Unit Owners in any proceedings, negotiations, settlements or agreements relating to losses or proceeds from condemnation, destruction or liquidation of all or part of the Condominium or from termination of the Condominium, and 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.

(n) Enforcing obligations of the Unit Owners, allocating profits and expenses and doing anything and everything else necessary and proper for the sound management of the Condominium.

(o) Borrowing money on behalf of the Condominium when required in connection with the operation, care and upkeep of the Common Elements, provided, however, that no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the Unit Owner, and further provided that the borrowing of a sum in excess of $250,000.00 for any one purpose must be approved by a majority of the Unit Owners present and voting at a meeting at which a quorum is present.

If any sum borrowed by the Board of Managers on behalf of the Condominium pursuant to the authority contained in this paragraph is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as its interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from a creditor a release of any judgment or other lien which said creditor shall have the right to file against the Unit Owner's Unit. The other Unit Owners shall cooperate in all ways necessary in order to obtain such release.

(p) Provided the prior consent of at least 66-2/3% in number and common interest of all Unit Owners is obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, the Board of Managers shall have the power to: (i) convert general Common Elements to Limited Common Elements or to convert Limited Common Elements to general Common Elements, and (ii) lease Common Elements, general or limited.

(q) Entering Units when necessary, provided that an effort is made to minimize inconvenience to the Unit Owner, in connection with the maintenance, care and preservation of the Property.

(r) Purchasing supplies and equipment, entering into contracts and generally having the powers of a manager in connection with the operation of the Property.

(s) Bringing and defending actions pertinent to the operation of the Property.

(t) Applying to the Tax Commission of the City of New York for a reduction in the assessed valuation of Units, prosecuting and settling as it may deem advisable any such action, including payment of any costs which may be incurred in such proceedings, on behalf of all Unit Owners as part of a single application.

(u) Applying, as necessary, for construction, alteration or other approvals, to any and all municipal authorities having jurisdiction over the Condominium.

(v) Establishing a reserve fund to be used only for capital expenditures.

(w) Levying fines against the Unit Owners for violations of the Rules and Regulations established by it to govern the conduct of the Unit Owners as provided in Article VI Section 19 of these By-Laws, and such fines may be collected as if they were additional common charges owed by the Unit Owner against whom such fines were levied.

Establishing reasonable fees for the processing of sale, lease or lease renewal applications, applications for consent to alterations by Unit Owners, Certificates of Termination of the Right of First Refusal and for other services agreed to by the Board of Managers.

Notwithstanding the foregoing, neither the Board of Managers nor the Unit Owners shall take any of the following actions so long as the Sponsor or its

designee owns Units representing at least 25% of the common interest, but not longer than five (5) years from the first closing of title to a Unit: (i) make any additions, alterations or improvements to the Common Elements or any Unit, except those required by law; (ii) assess Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund in excess of 5% of the estimated expenses for the projected year of operation; (iii) hire any employee in addition to any employee referred to in the Condominium budget in the Offering Plan establishing the Condominium; (iv) enter into any service or maintenance contract for work not required by law or contemplated by said budget; (v) borrow money on behalf of the Condominium; or (vi) amend the Declaration or these By-Laws except as specifically permitted by such document.

Notwithstanding anything set forth above, the Board of Managers must undertake any of the aforesaid actions and the expenditure of any amounts reasonably necessary to comply with applicable laws and regulations, to remedy any notice of violation or to remedy any work order of any insurer.

Any action of the Board of Managers which exclusively benefits one or more Unit Owners shall be taken at the sole expense of said affected Unit Owners. The Board of Managers may not, without the written consent of a Unit Owner, take any action which materially and adversely affects such Unit Owner unless the By-Laws specifically permit the taking of such action.

Section 3. Managing Agent and Manager. The Board of Managers may employ for the Condominium a managing agent and/or a manager at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize, including but not limited to the duties listed in subdivisions (a), (c), (d), (k), (m), (q) and l of Section 2 of this Article II. 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), (1), (n), (o), (p), (s), (t), (u), (v), (w) and (x) of Section 2 of this Article II.

The compensation for the managing agent and/or manager will be at a competitive rate. Any agreement with a manager or managing agent shall be for a term not to exceed three (3) years. Any agreement with a manager or managing agent shall provide that the books and records of the Condominium shall be returned to the Board of Managers by the manager or managing agent upon demand.

Section 4. First Board of Managers and Sponsor's Representation. The first Board of Managers shall consist of three (3) persons designated by the Sponsor. This three (3) person Board shall hold office and exercise all powers of the Board of Managers until the first annual meeting of Unit Owners after the Sponsor has relinquished control of the Board of Mangers. The first annual meeting of Unit Owners shall be held within thirty (30) days after the first anniversary of the conveyance of title to the first Unit.

Notwithstanding anything to the contrary contained herein, a special meeting of Unit Owners shall be held on fifteen (15) days notice, within thirty (30) days after either the fifth anniversary of the date of the first closing of title to a Unit or the sale of Units representing, in the aggregate, 75% or more of the common

interest, whichever first occurs. At such meeting, all the Members of the Board of Managers shall resign and a new Board shall be elected by the Unit Owners.

After the Sponsor has turned over control of the Board to the Unit Owners, and assuming a three (3) member Board of Managers, so long as the Sponsor or its designee owns one (1) or more Units, the Sponsor or its designee shall be entitled to designate one (1) of the Members of the Board of Managers. If at any time it is determined to increase or decrease the size of the Board, the representation of the Sponsor shall be changed proportionately. Any or all of the Members of the Board of Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 6 of this Article.

Section 5. Removal. Subject to the provisions of Section 1 of this Article II, at any regular or special meeting of Unit Owners, any Member of the Board of Managers may be removed with cause by an affirmative vote of a majority of Unit Owners. A Member of the Board who has not been designated by the Sponsor or its designee may also be removed without cause by affirmative vote of a majority of Unit Owners. Whether removal is with cause or without cause, a successor shall then or thereafter be elected to fill the vacancy, provided, however, that the vacancies of Members designated by the Sponsor or its designee shall be filled only by the Sponsor or its designee. Any Member of the Board of Managers whose removal with cause has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

Section 6. Vacancies. Vacancies in the Board of Managers caused by any reason other than as provided for in Article III Section 4 hereof or the removal of a Member thereof by a vote of the Unit Owners, shall be filled by a 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. 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. Notwithstanding the foregoing, vacancies of Managers designated by the Sponsor or its designee shall be filled only by the Sponsor or its designee.

Section 7. Organization Meetings. The first meeting 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, and no notice shall be necessary to the newly elected Members of the Board of Managers in order legally to constitute such meeting, provided that a majority of the whole Board of Managers shall be present thereat.

Section 8. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the Members of the Board of Managers, but at least four 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 personal delivery, mail, facsimile or overnight delivery service, at least three (3) business days prior to the day named for such meeting. Regular meetings are open meetings which may be attended by Unit Owners.

Section 9. Special Meetings. Special meetings of the Board of Managers may be called by the President or Secretary or written request of any Member of the Board of Managers on three (3) business days, notice to each Member of the Board of Managers, given by personal delivery, mail, facsimile or overnight delivery service, which notice shall state the time, place and purpose of the meeting. Special meetings are closed meetings which may not be attended by Unit Owners unless otherwise specifically provided.

Section 10. Waiver of Notice. Any Member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. Any one or more Members of the Board of Managers or any committee thereof may participate in a meeting of the Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting. If all the Members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 11. Quorum of Board of Managers. At all meetings of the Board of Managers, a majority of the Members thereof shall constitute a quorum for the transaction of business, and subject to the provisions of Section 2 of this Article II, the votes of a majority of the Members of the Board of Managers 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 may be taken without a meeting if all Members of the Board consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the proceedings of the Board.

Section 12. Intentionally Deleted

Section 13. Compensation. No member of the Board of Managers shall receive any compensation from the Condominium for acting as such.

Section 14. Liability of the Board of Managers. No Member of the Board of Managers or officer of the Condominium shall have any personal liability to the Condominium or to any Unit Owner for damages for any breach of duty in his or her capacity as Member of the Board or officer, provided that this provision does not eliminate or limit the liability of a Member of the Board or officer if a judgment or other final adjudication adverse to him or her establishes (a) that his or her acts or omissions were in bad faith or involved intentional misconduct or a knowing violation of law, or (b) that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

The Condominium, through the Unit Owners, shall indemnify to the fullest extent permitted by law any person made, or threatened to be made, a party

to an action or proceeding, whether civil or criminal, including an action by or in the right of the Condominium to procure a judgment in its favor or an action other than one by or in the right of the Condominium and including an action by or in the right of any corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust, employee benefit plan or other enterprise, which any Member of the Board or officer of the Condominium served in any capacity at the request of the Condominium, by reason of the fact that he, his testator or intestate, was a Member of the Board or officer of the Condominium or served such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity; provided that no indemnification may be made to or on behalf of any Member of the Board or officer if a judgment establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled.

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 (except as Unit Owners). It is understood and permissible for the original Board of Managers, who may be members of or be employed by the Sponsor, to contract with the Sponsor and affiliated corporations and entities without incurring any liability for self-dealing, provided that (i) the connection is disclosed to, or known by, the Board or a majority of members thereof or noted in the minutes thereof and the Board shall authorize, approve or ratify such contract or transaction in good faith by a vote of a majority of the Board, excluding such Member, and (ii) the contract or transaction is upon commercially reasonable terms and condition at the time that the same is authorized, approved, ratified, executed or otherwise consummated. 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 or her 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.)

Each Unit Owner's liability pursuant to this Section 14 shall be limited to such proportion of the total liability thereunder as his or her interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

Section 15. Committees. The Board of Managers may, by resolution duly adopted, create such committees as it shall deem appropriate and such committees shall have such powers and authority as the Condominium Board of Managers shall vest therein. The members of any such committee, at least one of

whom shall be designated by Sponsor or its designee so long as Sponsor or its designee has the right to designate a member of the Board of Managers, and at least one of whom shall be designated by non-Sponsor members, shall be appointed by the President of the Board of Managers.

ARTICLE III
UNIT OWNERS

Section 1. Annual Meetings. Within thirty (30) days after the first anniversary of the first closing of title to a Unit, or at such earlier time as the Sponsor deems in the best interests of the parties, the Sponsor shall call the first annual Unit Owners' meeting. At such meeting, the Board of Managers shall resign and a new Board shall be elected by the Unit Owners, or the Sponsor shall continue to control the Board, as hereinbefore provided in Article II, Section 4 of these By-Laws. 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.

Prior to the actual meeting at which the Unit Owners elect the Board of Managers as herein provided, the Sponsor may call, at its discretion, meetings of the Unit Owners so that the Board of Managers designated by the Sponsor can report to the Unit Owners, or for such other purpose as the Board determines.

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 if so directed by resolution of the Board of Managers or upon a petition signed by Unit Owners representing a majority of the common interest, upon at least five (5) days notice. 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, 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 Property or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary, at least ten (10) but not more than forty (40) days prior to such meeting. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or these By-Laws, the notice of meeting shall be mailed at least twenty (20) days prior to such meeting. The mailing of a notice in the manner provided in' these By-Laws shall be considered notice served.

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. Proxies remain in effect for any such adjourned meeting.

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, in the names of two (2) or more persons, as tenants in common, joint tenants or tenants by the entirety, or in the name of a corporation, partnership, limited liability company or in the name of a fiduciary.

Section 8 Voting. The Owner or Owners of each Unit (including Sponsor and its designee(s), or some person designated by such owner or owners to act as proxy on his, her or their behalf and who need not be an Owner, shall be entitled to cast one (1) vote for each .19% of interest in the Common Elements attributable to the Unit or Units owned by him or her in all matters put to a vote 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 and (those constituting a group acting unanimously), may vote or take any other action as a Unit Owner either in person or by proxy. 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 a vote.

Section 9. 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 10. 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 at which a quorum is present, determined in accordance with the provisions of Section 8 of this Article III.

Section 11. Action by Unit Owners. Subject to the provisions contained in the last two paragraphs of Article II Section 2 of these By-Laws regarding authorization by Sponsor or its designee for certain actions of the Board of Directors, the vote of a majority of Unit Owners shall be required to take any action at any meeting of Unit Owners, except where in the Declaration or these By-Laws or by law, a higher percentage vote is required. Notwithstanding the foregoing, any action which restricts the use of any Unit or any portion of the

Common Elements, or materially and adversely affects any Unit Owner, must be authorized by the affected Unit Owner unless the By-Laws specifically permit the taking of such action.

Section 12. Action Without Meeting. Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if Unit Owners sufficient in number and in Common Interest to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or these By-Laws consent in writing to the adoption of a resolution authorizing such action and writing is 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, must be Members of the Board of Managers. Except for Members of the Board of Managers appointed by the Sponsor or its designee, all officers must be Unit Owners, or spouses of Unit Owners, or officers, directors or principals of Unit Owners which are not natural persons.

Section 2. Election of Officers. The officers of the Condominium shall be elected annually by vote of 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.

Section 3. Removal of Officers. Upon the affirmative vote 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, provided notice of the proposed removal was given to the officer and in the notice of the meeting. Any officer whose removal has been proposed shall be given an opportunity to be heard at the meeting.

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 committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium. The President shall be an ex-officio member of all committees of the Board of Managers.

Section 5. Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the

place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President, and shall have such other powers and duties as are usually vested in the office of vice president of a stock corporation organized under the Business Corporation Law of the State of New York.

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 or supervising the keeping of full and accurate financial records and books of account showing all receipts and disbursements necessary for the preparation of all required financial data. He shall be responsible for the deposit of all funds and other securities 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. He shall disburse Condominium funds in the manner directed by the Board of Managers, making proper vouchers for all disbursements. He shall submit to the President and Board of Managers, at regular meetings of the Board of Managers or whenever they may require it, an account of all of his transactions as Treasurer, as well as the financial condition of the Condominium.

Section 8. Agreements, Contracts, Deeds, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any one (1) officer 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.

ARTICLE V
NOTICES

Section 1. Notices. All notices required or desired to be given hereunder (except of notices of regular annual or special meetings of the Unit Owners and except all meetings of the Condominium Board) shall be sent by registered or certified mail return receipt requested, postage prepaid, addressed: (i) if to the Board of Managers, in care of the managing agent, or if there be no managing agent, to the principal office of the Board of Managers or to such other address as the Board of Managers may hereafter designate from time to time; (ii) if to a Unit Owner, other than the Sponsor, to the Property address of such Unit Owner or to such other address as may have been designated by him from time to time, in writing, to the Board of Managers; (iii) if to the Sponsor, at c/o Ultimate Realty, 141 West 36th Street, 9th Floor, New York, New York 10018. All notices to mortgagees of Units shall be sent by registered or certified mail (return receipt

requested) to their respective addresses, as designated by them from time to time, in writing to the Board of Managers. All notices shall be deemed to have been given when mailed in a postage prepaid sealed wrapper, except notices of change of address which shall be deemed to have been given when received.

Section 2. Waiver of Service of Notice. Whenever any notice is required to be given by Law or 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 Changes. 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 and expenses among the Unit Owners according to their respective common interests or such different method of allocation as is set forth in the "Budget for the First Year of Condominium Operation", Schedule B to the Offering Plan (the "Condominium Budget") or determined by the Board of Managers to reflect exclusive use or the availability or control of particular Common Elements or services provided by the Condominium. The common expenses shall include, without limitation, 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 may also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, electric costs for the common areas, water and sewer charges for service to the Units and the Common Elements, steam costs for heating and hot water in Units and common areas, gas costs for the Units, an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common expenses may also include such amounts as the Board of Managers may deem necessary for customary or extraordinary legal expenses incurred with respect to the Condominium Property. The Board of Managers is authorized to specifically allocate expenses or specific expense items and apportion common charges of the Units resulting from changes in use or from changed circumstances. In addition, 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, 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 foreclosure or other judicial sale

The Board of Managers shall advise all Unit Owners promptly, in writing, of the amount of common charges payable by each of them as determined by the Board of Managers as aforesaid and shall furnish copies of such budget on which such common charges are based, to all Unit Owners. All costs and expenses which are allocable solely to the repair, maintenance and

operation of a particular Unit or Units, as the case may be, shall be borne solely by the owner(s) of such Unit(s). Notwithstanding this section, the power of the Board is subject to the restrictions contained in Section 2 of Article II.

Section 2. Insurance. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage normal for a condominium of this type, vandalism and malicious mischief endorsements insuring the Building, including each Unit and the equipment installed therein on the date of recordation of the Declaration or installed thereafter by the Sponsor, or replacements thereof, partitions, floors, and ceilings within the Units, together with all service and other machinery contained therein (but not including wall, ceiling or floor decorations or coverings or fixtures, appliances, furniture, furnishings or other personal property supplied or installed by Unit Owners or tenants of Unit Owners) covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their respective interests may appear, in an amount equal to the agreed upon replacement value of the Building or such other amount as shall be adequate to prevent the Condominium from becoming a coinsurer in the event of casualty loss (exclusive of the costs of excavation and foundations,) without deduction for depreciation, as determined by the Board of Managers. 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 or the Insurance Trustee, if any, as herein provided; (2) boiler and machinery insurance; (3) comprehensive general liability insurance covering each Member and officer of the Board of Managers, each Unit Owner, in such limits as the Board of Managers may deem proper, covering all claims for bodily injury or property damage arising out of an occurrence in the Common Elements and covering cross liability claims of one insured against another (but not covering the liability of a Unit Owner arising from occurrences within his own Unit); (4) legal liability; and (5) such other insurance as the Board of Managers may determine. The premiums for such insurance shall be a common expense.

All such policies shall provide that adjustments shall be made by the Board of Managers and that the net proceeds shall be payable to the Board of Managers to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners.

All policies of physical damage insurance shall contain waivers (a) of subrogation, (b) of any defense based on coinsurance, (c) of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners, and (d) of 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 insureds, including all mortgagees of Units. The standard mortgagee loss payable clause shall be attached to all policies. Duplicate originals or certificates 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 who have requested same in writing, at least ten (10) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers may obtain an appraisal from a fire insurance company or otherwise of

the full replacement value of the Building (exclusive of the cost of excavation and foundations) including all of the Units and all of the Common Elements therein, without deduction for depreciation, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section 2.

Unit Owners are advised to carry other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation against the Condominium and the Board of Managers 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. 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.

Section 3. Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty, unless 75% or more of the Building is destroyed or substantially damaged and 75% or more in number and common interest of the Unit Owners 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 (including any damaged Units, but not including any wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or other personal property or equipment of the Unit Owners or a tenant of a Unit Owner), and the Board of Managers shall disburse the proceeds of all insurance policies in appropriate progress payments to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the net insurance proceeds shall constitute a common expense and the Board of Managers shall assess all the Unit Owners for such deficit as part of the common charges.

In the event of a repair or restoration pursuant to the first paragraph of this Section 3 and in the event that the net proceeds of insurance received by or payable to the Board of Managers shall exceed the cost of such repair or restoration, then the excess of such insurance proceeds shall be paid by the Board of Managers to the Unit Owners in proportion to their respective interests in the Common Elements after first paying out of the share due each Unit Owner such amounts as may be required to reduce unpaid liens on any Unit in the order of priority of such liens.

If 75% or more of the Building is destroyed or substantially damaged and 75% or more in number and in common interest of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property will not be repaired and 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 shall be divided by the Board of Managers among the Unit Owners in proportion to their respective common interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on 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 Board of Managers notifies the Unit Owner or Unit Owners that it holds proceeds of insurance on account of such damage or destruction sufficient to pay the estimated costs of such work, or not more than ninety (90) days from the date the

Board of Managers notifies the Unit Owner or Owners that such proceeds of insurance are insufficient to pay said estimated costs of such work or, in the event the proceeds of insurance are payable to the Board of Managers, not more than sixty (60) days from the date of receipt by the Board of Managers of proceeds of insurance on account of such damage or destruction, whether or not sufficient to pay the estimated costs of such work. Whenever the words "promptly resolve" are used it shall also mean not more than sixty (60) days from the date the Board of Managers notifies the Unit Owners that it holds proceeds of insurance on account of such damage or destruction and that such proceeds are or are not sufficient to pay the estimated costs of the work (as the case may be).

Section 4. Payment of Common Charges. Each Unit Owner shall be obligated to pay the common charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine. The Board of Managers may also impose a reasonable late charge for late payment of common charges, which shall be added to the Unit Owner's common charges due on the first day of the following month, and which shall be a lien upon the Unit Owner's Unit if not paid. Assessments for common charges are the personal obligation of the person owning the Unit at the time the assessment becomes due.

No Unit Owner shall be liable for the payment of any part of the common charges assessed against its Unit subsequent to a sale, transfer or other conveyance (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. A purchaser of a Unit shall be liable for the payment of common charges assessed and unpaid against such Unit prior to the acquisition of such Unit, except that, to the extent permitted by law, a mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for, and such Unit shall not be subject to a lien for, the payment of common charges assessed prior to the foreclosure sale. In the event of a foreclosure sale of a Unit by a mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid common charges accrued prior to such sale.

In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that its Unit is free and clear of liens and encumbrances other than a permissible mortgage and the statutory lien for unpaid common charges, convey his or her Unit, together with the Appurtenant Interests, to the Condominium Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, and in such event be exempt from common charges thereafter accruing.

Section 5. Assessment Roll and Collection of Assessments. The Board of Managers shall assess common charges against the Unit Owners from time to time and at least annually. An assessment roll relating to common charges and other assessments shall be maintained in a set of accounting books duly approved by a certified public accountant in which there shall be an account for each Unit.

The Board of Managers shall take prompt action to collect any common charge due from any Unit Owner which remains unpaid for more than thirty (30) days after the due date for payment thereof.

Section 6. Default in Payment of Common Charges. In the event any Unit Owner shall fail to make prompt payment of its 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 unpaid common charges computed from the due date thereof, in addition to any late charge which may have been imposed pursuant to Section 4 of this Article VI, together with all expenses, including attorneys' fees, paid or incurred by the Board of Managers or the Managing Agent in any proceeding brought to collect such unpaid common charges or assessments or in an action to foreclose the lien on such Unit arising from said unpaid common charges or assessments. The Board of Managers shall have the right and obligation to attempt to recover such common charges or assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. While the Sponsor or its designee is in control of the Board of Managers, it will cause the Board to file a lien as provided for in Section 339-aa of the Real Property Law against Units with respect to which the Sponsor or such designee is in arrears of common charges by more than thirty (30) days.

A lien for non-payment of common charges granted pursuant to Section 339-z has priority over all other liens except (i) liens for taxes on the Unit in favor of any assessing unit, school district, special district, county or other taxing unit, and (ii) all sums unpaid on a first mortgage of record.

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 its 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, cast the votes appurtenant to (other than for the election of Members to the Board of Managers), 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.

In the event the net proceeds received on such foreclosure (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligation to the Condominium, then such Unit Owner shall remain liable for the deficit.

Section 8. Statement of Common Charges. The Board of Managers (or managing agent on its behalf) shall promptly provide any Unit Owner so requesting the same in writing, with a written statement of all unpaid common charges due from such Unit Owner.

Section 9. Maintenance and Repairs.

(a) All maintenance, repairs and replacements in and to a Unit, ordinary or extraordinary (but not to Unit entrance doors and windows), to units providing individually controlled heat and air conditioning within the Unit, if any, to kitchen appliances, and to electrical and plumbing installations and fixtures within a Unit or belonging to the Unit Owner shall be at the Unit Owner's expense, except as otherwise specifically provided herein. The Board of Managers is responsible for electrical and plumbing pipes, wires and lines to the extent they are located in Common Elements and serve one or more Units.

Each Unit Owner shall perform promptly all maintenance and repair work to his own Unit, which if omitted would affect the Condominium in its entirety or in a part belonging to other Unit Owners (including the Sponsor or its designee,) such Unit Owner being expressly responsible for any damages and liabilities which may result from his failure to do so. Each Unit Owner shall, at his sole expense, maintain the interior of the Unit, its furniture, furnishings, appliances, and appurtenances in good order and condition, and shall do all redecorating and other work which may at any time be necessary to maintain the good condition of the Unit.

(b) All maintenance, repairs and replacements to the Common Elements as defined in the Declaration, including but not limited to Unit entrance doors and windows, exterior walls, stairs, sidewalks adjacent to the Building's entrances (including removal of snow and ice therefrom), roof and roof members, as well as all maintenance, repairs and replacements of any pipes, wires, conduits and public utility lines, any portion of which is located in one Unit and serves another Unit or more than one Unit or so much of any pipes, wires, conduits and public utility lines as are located in the Common Elements but serve one or more Units, shall be made by the Board of Managers and be charged to all the Unit Owners as a common expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner or his invitees, licensees or agents, in which case such expense shall be charged to such Unit Owner. Notwithstanding this subdivision (b), Limited Common Elements shall be maintained by the Owners of the Units to which they are appurtenant.

Section 10. 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:

Units may be used only as a residence with not more than two (2) adults or one (1) family occupying a Unit at one time, except that any Unit may, in addition, be used for any lawful home occupation (as such term is defined in the New York City Zoning Resolution), provided (i) that such use does not violate zoning regulations, and (ii) the prior consent of the Board of Managers is obtained or, in the case of initial Purchasers from the Sponsor or its designee, written notice of such use is given to the managing agent.

The Roof Units cannot be used as terraces until roof improvements and a staircase is installed by such Owner of the Roof Unit.

Notwithstanding the foregoing or anything else contained in the Plan, the Sponsor or its designees may, without the permission of the Board of Managers or anyone else, retain ownership of one or more Units for use as models, or sales, or business or administration offices and may place signage of any size and in any location on the Property, in its sole discretion, in connection with the sale or rentals of Units in the Condominium.

(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.

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

(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 complied with, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

(e) No portion of a Unit (other than the entire Unit) may be rented, and no transient tenants may be accommodated therein.

(f) Dogs, cats or other common household pets, not to exceed two (2) per Unit, may be kept in Units, subject to the rules and regulations adopted by the Board of Managers, including those pertaining to the size of a pet and the permitted level of noise. In no event will any dog be permitted in any portion of the Common Elements unless carried or on a leash.

Section 11. Additions, Alterations or Improvements by Board of Managers. All alterations, additions or improvements in or to any Common Elements shall be made either by the Board of Managers or Unit Owner required to maintain such Common Element and the cost and expense thereof shall be charged either to all Unit Owners as a common expense or to the Unit Owner responsible therefore, as the case may be. Whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements costing in excess of $250,000.00 in the aggregate in any calendar year, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners present and voting at a meeting at which a quorum is present (including Sponsor as owner of Unsold Units,) 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 in the aggregate $250,000.00 or less in any calendar year 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.

Notwithstanding the foregoing, for so long as the Sponsor or its designee shall own Units representing at least 25% of the common interest, but not more than five (5) years from the date of the first closing of title to a Unit, no additions, alterations or improvements shall be made to the Common Elements, regardless of the cost thereof, unless the consent of Sponsor or its designee is first obtained pursuant to Article II Section 2 of these By-Laws, or such action is required by law.

Section 12. Additions, Alterations or Improvements by Unit Owners. No Unit Owner shall make any structural addition, alteration or improvement in or to his or her Unit or any Limited Common Element appurtenant thereto, without the prior written approval of the Board of Managers. The Board of Managers is required to answer 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 receipt of a complete set of documents and information as to the proposed addition, alteration or improvement, and independent architectural review, if necessary, and failure to do so within the stipulated time shall constitute a denial by the Board of Managers to the proposed addition, alteration or improvement. The Unit Owner can make any non-structural alterations or improvements to the Unit he desires without obtaining the consent of the Board of Managers, so long as the alterations or improvements do not affect the Building or any Common Element, jeopardize the soundness or safety of the Property, reduce the value thereof or impair any easement therein.

No Unit Owner shall make any structural addition, alteration or improvement in or to a Unit or Limited Common Element or the Roof Unit nor any non-structural addition, alteration or improvement, without first (1) obtaining and maintaining during the course of such work such insurance as the Board of Managers may reasonably prescribe, and (2) executing and delivering to the Board of Managers an agreement, in form and substance reasonably satisfactory to the Board, setting forth the reasonable terms and conditions under which such alteration, addition or improvement may be made, including, without limitation, the days and hours during which any such work may be done, and (3) executing and delivering to the Board of Managers an agreement indemnifying and holding harmless the Board, its members and officers, and all Unit Owners from and against any liability, cost or expense arising out of or connected to such work. The Unit Owner shall also bear the cost of any increased taxes or insurance premiums resulting from his or her alterations, additions or improvements. Unit Owners shall be responsible for paying to the managing agent a reasonable fee, as established by the Board of Managers, for the processing of applications for consent to alterations.

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 or Limited Common Element will be executed by the Board of Managers 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. All responsibility with respect to any such addition, alteration or improvement shall remain with the Unit Owner until conveyance of the Unit, at which time such responsibility shall pass to and be assumed by the transferee and the successors and assigns of such transferee.

The provisions of this Section 12 shall not apply to Units owned by the Sponsor or its designee until such Units shall have been initially sold and conveyed.

Section 13. Use of Common Elements. No furniture, packages or objects of any kind shall be placed on the grounds, walks, common entrances, common terrace, lobbies, public halls, service corridors or other public areas, or any other part of the Common Elements, other than areas which may be designated as storage areas. The lobbies, public halls, service corridors and other public areas shall be used only for the purposes established by the Board of Managers from time to time. The provisions of this Section 13 shall not apply to the Sponsor or its designee until such time as all Units have been initially sold and conveyed by the Sponsor or its designee. However, the Sponsor or its designee shall not use the Common Elements in such a manner as will unreasonably interfere with the use of the other Units for their permitted purposes.

Section 14. Right of Access. Each Unit Owner shall grant a right of access to his or her Unit to the Board of Managers, the manager and/or the managing agent and/or any other person authorized by the Board of Managers, for the purpose of making inspections to determine if there exist conditions threatening another Unit or a Common Element, or violations of the By-Laws or Rules and Regulations of the Condominium or any State or Municipal ordinances, or for the purpose of correcting any conditions originating in the 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 or her Unit or elsewhere in the Building, or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for such entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner, and further provided that such right shall be exercised in such manner as will not unreasonably interfere with the normal use of the Units. 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 14, any costs for repairs shall be borne in accordance with the provisions of Section 9 of this Article VI.

Section 15. Rules and Regulations. Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. Copies of such rules and regulations shall be furnished by the Board of Managers to each Unit Owner prior to 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.

Section 16. Electricity and Gas. (a) Electricity for lighting, air conditioning and appliances within the Units shall be supplied by the public utility company to the individual Unit and will be metered to the individual Units. Electricity charges for lighting and air conditioning in the Common Elements shall be billed to the Board of Managers, and the cost shall be included in the common charges.

Gas for cooking and individual heating in the Units, will be separately metered.

Section 17. Heat and Hot Water. Each Unit Owner shall pay the cost of providing heat to his/her respective Units. The Board of Managers shall pay the cost of providing heat to the Common Elements by inclusion of the cost in the common charges.

Section 18. Water Charges and Sewer Rents. The Condominium Board shall pay, as common expenses, all water charges for the Units and the Common Elements and facilities, together with all related sewer rents arising therefrom promptly after the bills for the same shall have been rendered.

Section 19. Abatement and Enjoinment of Violations by Unit Owners. (a) 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 rights set forth in these By-Laws: (i) 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 provision hereof (provided, however, that judicial proceedings must be instituted before any item of construction can be altered or diminished, and provided further that no prior notice shall be required in the event that the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property or for the safety of the residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium), and/or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach, and/or (iii) to impose against such Unit Owner a onetime fine of one hundred ($250.00) dollars for any such violation.

(b) The violation or breach of any of the provision of these By-Laws, the Rules and Regulations, or the Declaration with respect to any rights, easements, privileges or licenses granted to the Sponsor or its designee shall give to the Sponsor or its designee, as the case may be, the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either in law or in equity, the continuance of any such violation or breach.

(c) The violation or breach of any of the provisions of these By-Laws, the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to any Unit Owner shall give to the aggrieved Unit Owner a right of action for damages or the right to enjoin, abate or remedy by appropriate legal proceedings, either in law or in equity, the continuance of any such violation or breach.

(d) The expenses of any proceeding brought under this Section 19 and all other costs and expenses, including reasonable attorneys, fees, incurred hereunder by the Board, the Sponsor or a Unit Owner, as the case may be, together with interest thereon at the highest legal rate from the date of expenditure, shall immediately be payable by the defaulting Unit Owner to (i) the Board in the event set forth in (a) above, (ii) the Sponsor in the event set forth in (b) above and (iii)

the aggrieved Unit Owner in the event set forth in (c) above. All sums payable under this Section 19 shall constitute common charges payable by the Unit Owner.

(e) Unit Owners shall have similar rights of action against the Board of Managers for failure to comply with the terms of the Condominium Documents, subject to the limitations on liability of Board Members contained in these By-Laws.

Section 20. No Right of Partition. As provided in Section 339-i(3) of the Real Property Law, the Common Elements shall remain undivided and no right shall exist to partition or divide any thereof, except as otherwise specifically provided therein (and described in this Article VI or in Article IX), as in the event of condemnation, destruction of more than 75% of the Building or termination of the Condominium.

ARTICLE VII
MORTGAGES

Section 1. Notice to Board of Managers. A Unit Owner who mortgages his or her Unit shall notify the Board of Managers of the name and address of his or her mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers. A conformed copy of the Satisfaction of any such mortgage shall also be filed 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 non-payment of common charges, or other default 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 previously 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 business days, on three (3) days prior written notice, but not more often than once a month.

ARTICLE VIII
SALES, LEASES AND MORTGAGES OF UNITS

Section 1. Sales and Leases. No Unit Owner, other than the Sponsor or its designee, may sell or lease a Unit or any interest therein except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer for (a) the sale of his or her Unit together with: (i) the undivided interest in the Common Elements appurtenant

thereto; (ii) the interest of such Unit Owner in any 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; and (iii) the interest of such Unit Owner in any other assets of the Condominium, (hereinafter collectively called the "Appurtenant Interests"), or (b) a lease of his or her Unit, (hereinafter called an "Outside Offer"), which he or she 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. The Board of Managers will have the right to request information from and interview the proposed purchaser or lessee. The Unit Owner shall be responsible for paying to the managing agent a reasonable fee, as established by the Board of Managers, for processing a sale or lease application.

Upon receipt of the notice from the Unit Owner, the Board will initially request an application and accompanying information from the proposed purchaser or lessee. Within twenty (20) days after receipt of a completed information package, the Board may request an interview and/or further information. Any interview will be scheduled within fifteen (15) days of the request therefore. Within ten (10) days after the date of interview or receipt of additional information requested, whichever is later, or, if the Board waives its right to such interview, within twenty (20) days after the date of receipt of the initial completed application and information package, the Board of Managers may elect, by notice 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 lease shall be executed at the office of the attorneys for the Condominium, in accordance with the terms of such offer, within forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. If the selling Unit Owner's existing mortgage is not satisfied, the Board of Managers may purchase the Unit and assume or take subject to said existing mortgage, if possible. 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 shall (i) waive the right of first refusal, or (ii) fail to accept such offer within ten (10) days after the interview or receipt of additional information requested, whichever is later, or (iii) fail to take any action within twenty (20) days after receipt of the initial completed application and information package, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, within sixty (60) days after the expiration of the 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 an Outside Offeror shall provide that the 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, that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, which consent shall not be unreasonably withheld, 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 shall be the then current form of lease recommended by the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing or required by the Board of Managers. In the event the offering Unit Owner shall not, within such sixty (60) day period, contract to sell such Unit together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell or lease his Unit within such sixty (60) day period, but such sale or lease shall not be consummated pursuant to the terms of such 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.

The time limits contained in the above two paragraphs with respect to Board action may be extended in the sole discretion of the Board of Managers.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board of Managers. The restrictions of Section 1 of this Article VIII shall not apply to Units owned by the Sponsor or its designee. The Sponsor or its designee with shall have the right to freely sell such Units or to freely lease all or any of them without having to first offer the same for sale or lease to 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. 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 or other officer 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 and the Unit Owners in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VIII or in respect to whom the provisions of such section have been waived, upon request, at a reasonable fee payable to the managing agent.

Section 6. Financing of Purchase of Units by Board of Managers. Acquisition 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 hands of the Board of Managers, or if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner in proportion to his or her interest 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, and/or the Board of Managers, in its discretion, may borrow money to finance the acquisition 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.

Section 7. Exceptions. The provisions of Section 1 of this Article VIII shall not apply with respect to any lease, sale or conveyance of any Unit together with the Appurtenant Interests, by (a) the Unit Owner thereof 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, (b) the Sponsor or its designee, (c) the Board of Managers, (d) a party conveying a Unit in connection with the foreclosure of a mortgage or other lien covering the Unit or delivering a deed in lieu of foreclosure, or (e) a mortgagee authorized herein who shall acquire title to such Unit by foreclosure of a mortgage or by a deed in lieu of such foreclosure; provided, however, that any purchaser of such Unit from such mortgagee shall be bound by, and his Unit subject to, the provisions of this Article.

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, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to the provisions of this Article.

Section 9. Waiver of Right of Partition for Acquired by the Board of Managers. In the event that any 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. Transfer Fees and Other Charges. The Board of Managers shall have authority to fix by resolution, the amount of, and to collect before the conveyance of any Unit, a transfer fee or flip tax in connection with such proposed transfer.

The Board of Managers shall also have the right and authority to fix by resolution and collect an application fee payable to the managing agent in connection with any proposed sale or lease of a Unit, and any fee due an attorney retained by the Board with respect to any such sale or lease.

No such transfer fee, flip tax or other fee shall be applicable to: (i) sales by the Sponsor or its designee, or (ii) gifts and devises as described in Section 8 of this Article VIII.

Section 11. Payment of 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 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 12. Mortgaging of Units. Subject to the preceding Section 11, each Unit Owner shall have the right to mortgage his Unit without restriction, provided that any such mortgage shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association or other institutional or non-institutional lender to make the mortgage loan.

ARTICLE IX
CONDEMNATION

Section 1. Condemnation. In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award for such taking shall be payable to the Board of Managers. If 75% or more in number and in common interest of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall arrange for the repair and restoration of such Common Elements, and the Board of Managers shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that 75% or more in number and in common interest of Unit Owners do not duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements and the loss to the Common Elements is in excess of $500,000, then the Board of Managers shall promptly notify all mortgagees of Units of such taking and loss.

ARTICLE X
RECORDS AND AUDITS

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 each Unit, the date when due, the amounts paid thereon, and the balance, if any, remaining unpaid. A copy of each proposed annual budget of the Condominium shall be submitted by the Board of Managers to all Unit Owners, to be received not less than ten (10) days prior to the date set for adoption thereof by the Board. While the Sponsor controls the Board, such budgets will be certified in accordance with Section 20.4(d) of the Department of Law of the State of New York.

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Board of Managers to all Unit Owners within four and one-half (4-1/2) months after the end of each fiscal year. The cost of such report shall be paid by the Board of Managers as a common expense.

The books and records of the Condominium, including copies of the Declaration and these By-Laws, shall be subject to inspection by Unit Owners and by mortgagees of Units at reasonable times, during business hours, upon three (3) days prior written notice.

ARTICLE XI
AMENDMENTS TO BY-LAWS

Section 1. Amendments to By-Laws. Except as otherwise provided herein and in the Declaration, these By-Laws may be modified or amended by the vote of at least 66-2/3% of all Unit Owners in number and in common interest, 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, by written amendment as provided in the By-Laws.

For so long as the Sponsor or its designee remains the Owner of one or more Units, these By-Laws, the Rules and Regulations and the Declaration may not be modified, added to or amended so as to eliminate, change, or impair any rights, privileges, easements, licenses or exemptions granted therein or herein to the Sponsor or said designee, or otherwise adversely affect the Sponsor or such designee without the Sponsor's or such designee's prior written consent.

No amendment which adversely affects the lien of any mortgage on a Unit may be made without the written consent of the affected mortgagee.

No provision of these By-Laws, the Rules and Regulations or the Declaration relating to the use of the Units or the percentage interest of a Unit in the Common Elements may be amended without the consent of each Unit Owner affected by such amendment. Further, these By-Laws, the Rules and Regulations and the Declaration may not be modified, added to or amended so as to eliminate, change or impair any rights granted to any Unit Owner, or so as to adversely affect such Unit Owner, without the prior written consent of such Unit Owner.

ARTICLE XII
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 hereof.

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.

ARTICLE XIII
CONFLICTS

Section 1. Conflicts. These By-Laws and the Rules and Regulations are intended to comply with the requirements of Article 9-B of the Real Property Law of the State of New York and all other applicable laws. In case any of these By-Laws or any provision of the Rules and Regulations conflict with the provisions of said statute, the Declaration or any other applicable law, the provisions of said statute, the Declaration, or such other applicable law, as the case may be, shall control.

SCHEDULE A

RULES AND REGULATIONS FOR

THE 203 LUQUER STREET CONDOMINIUM

1. Units shall be used for residences only, with not more than two (2) adults or one family occupying a Unit at one time, except that any Unit may, in addition, be used for any lawful home occupation (as such term is defined in the New York City Zoning Resolution), provided (i) that such use does not violate zoning regulations, and (ii) the prior consent of the Board of Managers is obtained or, in the case of initial Purchasers from the Sponsor or its designee, written notice of such use is given to the managing agent. Notwithstanding the foregoing, the Sponsor (or its designee) may, without the permission of the Board of Managers or anyone else, retain ownership of one or more Units for use as models, sales, or business or administration offices and may place signage of any size in any location on the Property, as determined in the sole discretion of the Sponsor (or such designee), in connection with the sale, management or rental of Units in the Condominium.

2. Nothing shall be done or kept in any Unit or the Common Elements which will increase the rate of insurance on the Building, or contents thereof, without the prior written consent of the Board of Managers. If the cost of insurance on the Building is increased because of the use of a Unit, then such insurance cost increase shall be repaid to the Condominium by the Unit Owner whose use has caused the increase, within thirty (30) days after the increased cost has been demanded of the Condominium and written notice has been given by the Board to the Unit Owner. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements which will result in the cancellation of insurance on the Building, or contents thereof, or which would be in violation of any law. No Unit Owner or occupant or any of its agents, servants, employees, licensees or visitors shall at any time bring into or keep in its Unit or in the Common Elements any flammable, combustible or explosive fluid, material, chemical or substance. No waste shall be committed in the Common Elements.

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

4. No radio or television aerial or other similar device shall be erected on the roof or exterior walls of the Building without obtaining in each instance the written consent of the Board of Managers. Any aerial so installed without such required consent shall be subject to removal without notice at any time.

5. Nothing shall be done in any Unit or in, on or to the Common Elements which will impair the structural integrity of the Building or which would structurally change the Building without the prior written consent of the Board of Managers.

a. Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board of Managers.

b. No noxious or offensive activity shall be carried on in any Unit or in the Common Elements nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with 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.

c. No swill, brine, offensive animal matter, noxious liquid, or other filthy matter of any kind, shall be allowed by any person to fall upon or run into any street, or Common Element or be taken to or put therein.

d. There shall be no obstruction of the Common Elements. The entrances, passages, public halls, elevators, vestibules, corridors, stairways and other areas within the Common Elements shall not be used for any other purpose than that for which they are intended. Nothing shall be stored in the Common Elements without the prior consent of the Board of Managers, except as hereinafter expressly provided.

e. Except in storage areas, if any, designated as such by the Board of Managers, there shall be no playing, lounging, or parking of baby carriages or playpens, bicycles, wagons, toys, vehicles, benches or chairs on any part of the Common Elements. Storage by Unit Owners in areas designated by the Board of Managers shall be at the Unit Owner's risk.

f. No clothes, sheets, blankets, laundry or any kind or other articles shall be hung out of a Unit or exposed on any part of the Common Elements or Limited Common Elements. The Common Elements and Limited Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials. No rugs or mops shall be shaken or hung from or on any of the windows or doors. No Unit Owner shall sweep or throw or permit to be swept or thrown therefrom any dirt or other substance.

g. Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair the Unit in accordance with the provisions of the By-Laws.

h. The agents of the Board of Managers or the managing agent, and any contractor or worker authorized by the Board of Managers or the managing agent, may enter any Unit at any reasonable hour of the day 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, provided that such right will be exercised in such a manner as will not unreasonably interfere with the normal use of the Units.

i. If any key or keys are entrusted by a Unit Owner or occupant or by his or her agent, servant, employees, licensee or visitor to any employee of the Board of Managers, whether for such Unit or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner or occupant, and the Board of Managers shall not be liable for injury, loss or damage of any nature whatsoever directly or indirectly resulting therefrom or connected therewith.

j. Except to the extent expressly authorized herein or in the By-Laws; 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 on any part of the Property, nor shall any "For Sale", "For Rent" of "For Lease" signs or other window displays or advertising be maintained or permitted on any part of the Property or in any Unit therein nor shall any Unit be used or rented for transient, hotel or motel purposes. However, the Sponsor (or its designee) shall have the right to place, "For Sale", "For Rent" or "For Lease" signs on the Condominium Property and on any unsold or unoccupied Units, and to maintain such freestanding and other selling and informational signs as are deemed necessary to sell or lease any Units.

k. Dogs, cats or other common household pets, not to exceed two (2) per Unit, may be kept in Units, subject to the rules and regulations adopted by the Board of Managers, including those pertaining to the size of a pet and the permitted level of noise. In no event will any dog be permitted in any portion of the Common Elements unless carried or on a leash.

l. The Board of Managers may retain a pass-key to each Unit. The Unit Owner shall not alter any lock on any door leading to his or her Unit without the written consent of the Board of Managers or the Managing Agent. If such consent is given, the Board of Managers or the Managing Agent shall be provided with a key.

m. Residents shall not make or permit any disturbing noises in the Building that unreasonably interfere with the rights, comfort or convenience of other residents. In particular, but without limiting the general force of the preceding sentence, no musical instrument, stereo, television, or exercise equipment shall be used, nor shall a resident vocalize, between the hours of 10:00 PM and 8:00 AM at a level that might reasonably be expected to annoy other residents. No construction or repair work or other installation involving noise shall be conducted in any Unit except on weekdays (other than holidays) between the hours of 9:00 AM and 4:00 PM.

n. No Unit Owner shall install any plantings or any other objects on any terrace or roof without prior written approval of the Board of Managers of the Condominium. Plantings shall be contained in boxes constructed of rot resistant wood species, plastic, or other durable lightweight materials. Nonferrous fasteners shall be used. The planter shall have suitable weep holes to draw off water and be filled with a mix of perlite and topsoil and not weigh more than 50 pounds per cubic foot saturated. It shall be the responsibility of the Unit Owner to maintain the containers in good condition, and the drainage tiles and weep holes in operating condition. Planters shall be placed so as not to create weight in excess of 30 pounds per square foot over any area of 30 square feet or more. No planter shall rest directly on the terrace or roof surface and shall be placed on bearing

blocks of stone or concrete. Planters shall be constructed so as to be self-supporting and shall not be placed closer than 10" to any wall-or parapet or to each other. No planter shall block access or egress from or to any area of roof or terrace. Planters shall not be placed on or hung from any raised structure, penthouse, wall, roof, railing, or parapet. The use of a surface on top of the permanent paving, such as indoor-outdoor carpeting or mats, impedes the flow of water to the terrace drains and is not permitted. Sheds and other temporary or permanent structures are not permitted on the roofs, balconies, or terraces. The weight of furnishings or decorative items shall not exceed 65 pounds per square foot of base area. Any damage caused to the Building or any portion thereof as a result of the placement of the planter shall be repaired at the sole cost and expense of the Unit Owner.

o. Unit Owners shall, at their sole cost and expense, comply with all present and future laws, orders and regulations of all state, federal, municipal and local governments, departments, commissions and boards regarding the collection, sorting, separation, recycling and disposal of waste products, garbage refuse and trash (including, without limitation, medical, regulated or other hazardous waste). Unit Owners shall sort and separate such waste products, garbage, refuse and trash into such categories as provided by law, and in accordance with the rules and regulations adopted by the Board of Managers of the Condominium for the sorting and separating of such designated recyclable materials. Unit Owners shall comply with the requirement to rinse recyclable bottles and containers before placing them in the designated receptacles, in accordance with all applicable law and regulations. The Board reserves the right, where permitted by law, to refuse to collect or accept from Unit Owners any waste products, garbage, refuse or trash which is not separated and sorted as required by law. Unit Owners shall pay all costs, expenses, fines, penalties or damages which may be imposed on the Board of Managers, the Sponsor or any Unit Owner by reason of the Unit Owner's failure to comply with these provisions and, at the Unit Owner's sole cost and expense, the Unit Owner shall indemnify, defend and hold harmless the Board of Managers, the Sponsor and the other Unit Owners (including legal fees and disbursements) from and against any actions, claims and suits arising from the Unit Owner's noncompliance, utilizing counsel reasonably satisfactory to the Board or the Sponsor, as the case may be, if said party so elects. The Unit Owner shall be liable to the Board of Managers for any costs, expenses or disbursements, including legal fees, which may be incurred by the Board in the commencement and/or prosecution of any action or proceedings by the Board against the Unit Owner, predicated upon the Unit Owner's breach of this paragraph. Unit Owners are advised that local regulations governing recycling make Unit Owners liable for non-compliance.

p. Unit Owners will faithfully observe the procedures established from time to time by the Board of Managers or the Managing Agent with respect to services provided and management of the Building.

q. Any consent or approval given under these Rules and Regulations may be added to, amended or repealed at any time by resolution of the Board of Managers.

EXHIBIT "G"

ASBESTOS CERTIFICATION

ONL TYPEWRITTEN FORMS WILL BE ACCEPTED

NYC DEPARTMENT OF ENVIRONMENTAL PROTECTION
Asbestos Control Program
59-17 Junction Boulevard, 8th Floor, Corona, NY 11368-5107

www.nyc.gov/dep

NOT AN ASBESTOS PROJECT

FOR OFFICIAL USE ONLY

1. _____ NYC Buildings Dept. Application #

ACP 5 Fee $_____

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 203 Luquer Street Borough Brooklyn Zip 11231

AKA _____ 3. Block 470 4. Lot 34

5. Building Owner Chris Horrigan Tel. # (212) 529-4444

6. Address 475 Madison Ave State NY Zip 10016

7. Contact Person Chris Horrigan 8. Tel. # (212) 529-4444

9. Description of the Entire Scope of Work

Interior alterations to the interior of an existing 4 story residential building with a cellar. Partition work and general construction. ***Bathrooms were observed to have ceramic tiled floors and partial ceramic tiled walls. Cellar was observed to have a concrete floor and cinder block walls.***

10. Est. Start Date _____ ☑ As soon as permit approved Est. Completion Date _____ of the Entire Scope of Work.

11. I, Carlo Frassetti (Name of Certified Asbestos Investigator), have conducted an asbestos investigation on 9/11/06 (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: 90 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
Cellar	Various Areas	Pipe Insulation-90 LF	3	✓		
1-4	Stairway Landings	Vinyl Floor Tile 1' x 1'	3		✓	
1-4	Various Areas	Sheetrock	4		✓	
1-4	Various Areas	Wall Plaster	12		✓	

13. Analytical Laboratory EMSL NY

14. ELAP # 11506 (NYS DOH CERTIFICATION) 15. Date(s) Samples Analyzed 9/15/06 _____

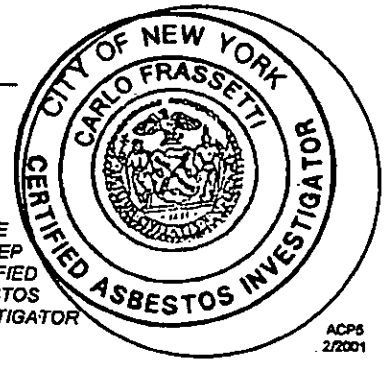
16. **I hereby declare the information provided herein is true and complete.**

NYC DEP Certified Asbestos Investigator's Signature | 101573 Certificate Number | 9/18/06 Date | (718) 948-6630 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



ACP5 2/2001

Please see the reverse side of this ACP-5 for Special Conditions

EXHIBIT "H"

CERTIFICATE OF FORMATION
OF
203 Luquer LLC

N. Y. S. DEPARTMENT OF STATE
DIVISION OF CORPORATIONS AND STATE RECORDS ALBANY, NY 12231-0001

FILING RECEIPT

ENTITY NAME: 203 LUQUER LLC

DOCUMENT TYPE: ARTICLES OF ORGANIZATION (DOM LLC) COUNTY: NEWY

SERVICE COMPANY: BLUMBERG/EXCELSIOR CORPORATE SERVICES SERVICE CODE: 39 *

FILED:03/12/2007 DURATION:12/31/2050 CASH#:070312000615 FILM #:070312000554

ADDRESS FOR PROCESS

203 LUQUER DEVELOPMENT LLC, C/O ULTIMATE REALTY NY LLC
ATTN: J. SABBAGH 141 W. 36TH ST.
NEW YORK, NY 10018

EXIST DATE
03/12/2007

REGISTERED AGENT

FILER

BLUMBERGEXCELSIOR CORPORATE
SERVICES, INC.
52 SOUTH PEARL STREET, 2ND FLOOR
ALBANY, NY 12207

FEES		PAYMENTS	
FILING	200.00	CASH	0.00
TAX	0.00	CHECK	0.00
CERT	0.00	CHARGE	0.00
COPIES	0.00	DRAWDOWN	200.00
HANDLING	0.00	OPAL	0.00
		REFUND	0.00
	200.00		200.00

DOS-1025 (11/89)

EXHIBIT "I"

APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION OF THE DISPOSITION OF DOWN PAYMENTS

ARTICLES OF ORGANIZATION

OF

203 LUQUER LLC

Under Section 203 of the Limited Liability Company Law of the State of New York

THE UNDERSIGNED, being a natural person of at least eighteen (18) years of age and acting as the organizer of the limited liability company (the "Company") hereby being formed under Section 203 of the Limited Liability Company Law of the State of New York (the "LLCL"), certifies that:

FIRST: The name of the Company is:

203 LUQUER LLC

SECOND: The county within the State of New York in which the principal office of the Company is to be located is **NEW YORK**.

THIRD: The Secretary of State is designated as the agent of the Company upon whom process against the Company may be served. The post office address within or without the State of New York to which the Secretary of State shall mail a copy of any process against the Company served upon such Secretary of State is **203 LUQUER DEVELOPMENT LLC, C/O ULTIMATE REALTY NY LLC, 141 W. 36TH ST., NY, NY 10018 ATTN: J. SABBAGH .**

FOURTH: The Company shall be managed by one or more **MEMBERS.**

FIFTH: In addition to the events of dissolution set forth on § 701 of the LLCL, the latest date on which the Company may dissolve is **DECEMBER 31, 2050**.

IN WITNESS WHEREOF, I have subscribed these Articles of Organization and do hereby affirm the foregoing as true under penalties of perjury, this 02/27/07

Sharon Babala

Sharon Babala
Sole Organizer
c/o Blumberg*Excelsior* Corporate Services
52 South Pearl Street, 2nd Floor
Albany, NY 12207

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 addresses of subscribers or purchasers affected by this application:

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

15. I am contemporaneously sending a copy of this application to the following persons:

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: Date:

Name (Printed):

Telephone: (Home) (Business)

Mailing Address:

EXHIBIT "J"

ESCROW AGREEMENT

ESCROW AGREEMENT

THE 203 LUQUER STREET CONDOMINIUM

AGREEMENT (the "Agreement") made this _____day of_____ 200__, between 203 Luquer LLC ("SPONSOR") as Sponsor of the Offering Plan (the "Plan") for the premises located at 203 Luquer Street, Brooklyn, New York 11215, and The Law Offices of Meister Seelig & Fein LLP ("ESCROW AGENT") as Escrow Agent.

WHEREAS, Sponsor is the sponsor of an offering plan to convert to condominium ownership the premises located at 203 Luquer Street, Brooklyn, New York which premises are to be known as The 203 Luquer Street Condominium; and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers, pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1 SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers or subscribing. The escrow account has been opened

with CitiBank, at its branch located _____.

The account number is _____

1.2 The name of the account is Meister Seelig & Fein LLP. as Escrow Agent.

1.3 The signatories on the account are members of the firm of escrow agent.

1.4 The escrow account shall be an interest-bearing account as disclosed in the offering plan or in an amendment thereto.

1.5 The escrow account is not an IOLA established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from prospective purchasers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account within five (5) business days after the purchase agreement is signed by all necessary parties. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser to the order of "Meister Seelig & Fein LLP, as Escrow Agent." Any instrument payable or endorsed other than as required hereby, and which can not be deposited into such escrow account, shall be returned to the prospective purchaser promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after tender of the deposit submitted with the purchase agreement, ESCROW AGENT shall notify the purchaser of

the deposit of such funds 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 the purchase agreement 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 the Attorney General's regulations and requisite notice was timely mailed to the purchaser.

3. RELEASE OF FUNDS.

3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the 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 closing under the purchase agreement or unless 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 (d) 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 (a) to a purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan or (b) to all purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

3.4 If funds are to be released from escrow not in connection with the closing and 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.

5.3 ESCROW AGENT shall be permitted to represent Sponsor in all matters notwithstanding the obligations in subsection 5.2 above.

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. RESPONSIBILITIES OF ESCROW AGENT

7.1 ESCROW AGENT is acting as an accommodation to the SPONSOR, and shall not be liable for any action taken or omitted hereunder except for its gross negligence or willful misconduct. It shall incur no liability with respect to any action taken or suffered by it in reliance upon any notice, direction, instruction, consent, statement or other paper or document reasonably believed by it to be genuine.

7.2 ESCROW AGENT shall not be bound by any modification, cancellation or rescission of this Agreement unless in writing and signed by both parties and delivered to it.

7.3 The SPONSOR agrees to indemnify and hold ESCROW AGENT harmless from any liability, obligation, damage, claim, cost and expense (including reasonable attorneys fees and disbursements) incurred by it by reason of this Agreement and the actions contemplated herein, except for ESCROW AGENT'S gross negligence or willful misconduct.

7.4 ESCROW AGENT shall not be liable or responsible for the collection of any check deposited into an account under its supervision as ESCROW AGENT.

7.5 ESCROW AGENT may act only upon instructions from either party to this Agreement or their attorney, or in the event of a dispute, upon the instructions of the Attorney General.

7.6 Except for such obligations imposed by Section 352-e(2)(b) and 352(h) of the General Business Law of the State of New York, ESCROW AGENT is acting as a stakeholder only with respect to the escrowed funds. Upon payment of funds in accordance with the terms of this agreement, the ESCROW AGENT will be discharged from liability by the SPONSOR and will be discharged by the purchaser as to compliance with requirements under the Attorney General's regulations.

7.7 In the event there is a dispute as to the disposition of the escrowed funds and in the event the application to the Attorney General seeking the release of funds is denied, the ESCROW AGENT may bring an appropriate action or proceeding for leave to deposit the escrowed funds into a court of competent jurisdiction. ESCROW AGENT shall be reimbursed by the SPONSOR for all costs and expenses of such action or proceeding including, without limitation, reasonable attorneys' fees and disbursements. ESCROW AGENT shall have no further liability to any party if the funds are delivered in the manner provided for in this paragraph.

8. TERMINATION OF AGREEMENT.

8.1 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 to the Plan 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 to the Plan with the Department of Law providing for a successor ESCROW AGENT; or

(c) All units offered pursuant to the Plan have been sold and all sales transactions have been consummated.

8.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 8.1 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.

9. SUCCESSORS AND ASSIGNS.

9.1 This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

10. GOVERNING LAW.

10.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

11. ESCROW AGENT'S COMPENSATION.

11.1 SPONSOR agrees that ESCROW AGENT'S compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that

compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

12. SEVERABILITY.

12.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

13. ENTIRE AGREEMENT.

13.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

SPONSOR:	ESCROW AGENT:
203 Luquer LLC	Meister Seelig & Fein LLP
_____	_____
By:	By:

EXHIBIT "K"

GENERAL BUSINESS LAW SECTION 352-eeee

C

Effective: [See Text Amendments]

Mckinney's Consolidated Laws of New York Annotated Currentness
General Business Law (Refs & Annos)
Chapter 20. Of the Consolidated Laws
Article 23-A. Fraudulent Practices in Respect to Stocks, Bonds and Other Securities (Refs & Annos)

§ 352-eeee. Conversions to cooperative or condominium ownership in the city of New York

<[Eff. until and including June 15, 2011, pursuant to L.1982, c. 555, § 10.]>

1. As used in this section, the following words and terms shall have the following meanings:

(a) "Plan". Every offering statement or prospectus submitted to the department of law pursuant to section three hundred fifty-two-e of this article for the conversion of a building or group of buildings or development from residential rental status to cooperative or condominium ownership or other form of cooperative interest in realty, other than an offering statement or prospectus for such conversion pursuant to article two, eight or eleven of the private housing finance law.

(b) "Non-eviction plan". A plan which may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family intend to occupy the unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and discriminatory repurchase agreements or other discriminatory inducements.

(c) "Eviction plan". A plan which, pursuant to the provisions of this section, can result in the eviction of a non-purchasing tenant by reason of the tenant failing to purchase pursuant thereto, and which may not be declared effective until at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(d) "Purchaser under the plan". A person who owns the shares allocated to a dwelling unit or who owns such dwelling unit itself.

(e) "Non-purchasing tenant". A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.

(f) "Eligible senior citizens". Non-purchasing tenants who are sixty-two years of age or older on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit on the terms then offered to tenants in occupancy.

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(g) "Eligible disabled persons". Non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided, however, that if the disability first occurs after acceptance of the plan for filing, then such election may be made within sixty days following the onset of such disability unless during the period subsequent to sixty days following the acceptance of the plan for filing but prior to such election, the offeror accepts a written agreement to purchase the apartment from a bona fide purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the shares allocated thereto on the terms then offered to tenants in occupancy.

2. The attorney general shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this chapter has been filed whenever it appears that the offering statement or prospectus offers for sale residential cooperative apartments or condominium units pursuant to a plan unless:

(a) The plan provides that it will be deemed abandoned, void and of no effect if it does not become effective within fifteen months from the date of issue of the letter of the attorney general stating that the offering statement or prospectus has been accepted for filing and, in the event of such abandonment, no new plan for the conversion of such building or group of buildings or development shall be submitted to the attorney general for at least twelve months after such abandonment.

(b) The plan provides either that it is an eviction plan or that it is a non-eviction plan.

(c) The plan provides, if it is a non-eviction plan, as follows:

(i) The plan may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the non-purchasing tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto; and provided further that an owner of a unit or of the shares allocated thereto may not commence an action to recover possession of a dwelling unit from a non-purchasing tenant on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family.

(iii) Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to the conversion of the building or group of buildings or development to cooperative or condominium ownership shall continue to be subject thereto.

(iv) The rentals of non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and non-purchasing tenants who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing by the attorney general shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability,

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consideration shall be given to such factors as building services, level of maintenance and operating expenses.

(v) The plan may not be amended at any time to provide that it shall be an eviction plan.

(vi) The rights granted under the plan to purchasers under the plan and to non-purchasing tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been filed, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth day after such date and at least once every thirty days until the plan is declared effective or is abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of the dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant as of the date of such statement and, (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(d) The plan provides, if it is an eviction plan, as follows:

(i) The plan may not be declared effective unless at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced against a non-purchasing tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later to occur of (1) the date which is the expiration date provided in such non-purchasing tenant's lease or rental agreement, and (2) the date which is three years after the date on which the plan is declared effective. Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to conversion shall continue to be subject thereto during the period of occupancy provided in this paragraph. Thereafter, if a tenant has not purchased, he may be removed by the owner of the dwelling unit or the shares allocated to such dwelling unit.

(iii) No eviction proceedings will be commenced, except as hereinafter provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building services, level of maintenance and operating expenses; provided that such proceedings may be commenced against such tenants for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto.

(iv) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(v) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible disabled person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the

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attorney general of such person's eligibility. The attorney general shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen or an eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been accepted for filing, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth days after such date and at least once every thirty days until the plan is declared effective or abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general who have executed and delivered written agreements to purchase under the plan as of the date of such statement, and (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(viii) If the plan is amended before it is declared effective to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(ix) The tenants in occupancy on the date the attorney general accepts the plan for filing shall have the exclusive right to purchase their dwelling units or the shares allocated thereto for ninety days after the plan is accepted for filing by the attorney general, during which time a tenant's dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase; subsequent to the expiration of such ninety day period, a tenant in occupancy of a dwelling unit who has not purchased shall be given the exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or the shares allocated thereto on the same terms and conditions as are contained in an executed contract to purchase said dwelling unit or shares entered into by a bona fide purchaser, such exclusive right to be exercisable within fifteen days from the date of mailing by registered mail of notice of the execution of a contract of sale together with a copy of said executed contract to said tenant.

(e) The attorney general finds that an excessive number of long-term vacancies did not exist on the date that the offering statement or prospectus was first submitted to the department of law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission to the department of law. "Excessive" shall mean a vacancy rate in excess of the greater of (i) ten percent and (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings or development for two years prior to the January preceding the date the offering statement or prospectus was first submitted to the department of law.

(f) The attorney general finds that, following the submission of the offering statement or prospectus to the department of law, each tenant in the building or group of buildings or development was provided with a written notice stating that such offering statement or prospectus has been submitted to the department of law for filing. Such notice shall be accompanied by a copy of the offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (vii) of paragraph (d) of this subdivision, whichever is applicable, will be available for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the plan to the department of law, during normal business hours, upon written request made by them to the offeror, provided such representatives are registered architects or professional engineers licensed to practice in the state of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the department of law.

3. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units in the building or group of buildings or development. Such managing agent shall

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provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control to the board of directors or board of managers, at which time the cooperative corporation or the condominium association shall assume responsibility for the provision of all services and facilities required by law on a non-discriminatory basis.

4. It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his dwelling unit or the facilities related thereto. The attorney general may apply to a court of competent jurisdiction for an order restraining such conduct and, if he deems it appropriate, an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

5. Any local legislative body may adopt local laws and any agency, officer or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units which are subject to regulation as to rentals and continued occupancy pursuant to law, provided that in the event that any such local law, rule or regulation shall be inconsistent with the provisions of this section, the provisions of this section shall control.

6. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

7. The provisions of this section shall only be applicable in the city of New York.

CREDIT(S)

(Added L.1982, c. 555, § 2; amended L.1988, c. 685, § 2.)

<Laws 1909, Chapter 25>

HISTORICAL AND STATUTORY NOTES

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L.1982 legislation

L.1982, c. 555, § 10, amended by L.1985, c. 293, § 1; L.1987, c. 65, § 4; L.1989, c. 144, § 4; L.1991, c. 167, § 4; L.1993, c. 112, § 4; L.1993, c. 141, § 4; L.1993, c. 185, § 4; L.1993, c. 197, § 4; L.1993, c. 253, § 15; L.1997, c. 116, § 5, eff. June 19, 1997, deemed eff. June 15, 1997; L.2003, c. 70, § 4, eff. June 12, 2003; L.2003, c. 71, § 4, eff. June 16, 2003; L.2003, c. 72, § 4, eff. June 17, 2003; L.2003, c. 73, § 4, eff. June 18, 2003; L.2003, c. 82, § 10, eff. June 20, 2003, deemed eff. June 19, 2003, provides:

"This act [L.1982, c. 555] shall take effect immediately [July 20, 1982]; provided, that the provisions of sections one, two and nine of this act [enacting provision set out as a note under this section in McKinney's Consolidated Laws of New York Annotated relating to legislative findings; enacting this section and repealing former section 352-eeee; and enacting provision set out as a note under this section in McKinney's Consolidated Laws of New York Annotated relating to applicability of section] shall remain in full force and effect only until and including June 15, 2011; provided further that the provisions of section three of this act [amending former New York City Admin. Code § 26-408 set out following McKinney's Unconsol. Laws § 8617] shall remain in full force and effect only so long as the public emergency requiring the regulation and control of residential rents and evictions continues as provided in subdivision 3 of section 1 of the local emergency housing rent control act [McKinney's Unconsol. Laws § 8603]; provided further that the provisions of sections four, five, six and seven of this act [amending former New York City Admin. Code § § 26-504 and 26-511 and enacting provisions set out as a note under this section in McKinney's Consolidated Laws of New York Annotated relating to the real estate industry stabilization association,

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respectively] shall expire in accordance with the provisions of section 26-520 of the administrative code of the city of New York [set out following § 8617 of McKinney's Unconsol. Laws] as such section of the administrative code is, from time to [*sic*] time, amended; provided further that the provisions of former section 26-511 of the administrative code of the city of New York [set out following § 8617 of McKinney's Unconsol. Laws], as amended by this act [L.1982, c. 555, § 6], which the New York City Department of Housing Preservation and Development must find are contained in the code of the real estate industry stabilization association of such city [now 9 NYCRR Part 2520 et seq., set out following § 8634 of McKinney's Unconsol. Laws] in order to approve it, shall be deemed contained therein as of the effective date [July 20, 1982] of this act; and provided further that any plan accepted for filing by the department of law on or before the effective date of this act shall continue to be governed by the provisions of section **352-eeee** of the **general business law** as they had existed immediately prior to the effective date of this act."

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1988 Amendments. Subd. 3. L.1988, c. 685, § 2, inserted provisions relating to the provision of services and facilities by the cooperative corporation or condominium association. For eff. date, see note below.

Effective Date of Amendment by L.1988, c. 685; Applicability; Expiration. Amendment by L.1988, c. 685, § 2 eff. Sept. 2, 1988, and applicable to plans taking effect on or after Sept. 2, 1988, and provided that section 2 of L. 1988, c. 685 shall remain in effect only so long as section **352-eeee**; pursuant to L.1988, c. 685, § 3 set out as a note under General Business Law § 352-eee.

Derivation. Former section **352-eeee**, added L.1979, c. 432, § 2; amended L.1980, c. 754, § 2; L.1980, c. 755, § 2; L.1980, c. 756, § 1, and repealed by L.1982, c. 555, § 2.

Legislative Findings of L.1982, c. 555. L.1982, c. 555, § 1, provided: "The legislature hereby finds and declares that the conversion of residential real estate from rental status to cooperative or condominium ownership is an effective method of preserving, stabilizing and improving neighborhoods and the supply of sound housing accommodations; that it is sound public policy to encourage such conversions while, at the same time, protecting tenants in possession who do not desire or who are unable to purchase the units in which they reside from being coerced into vacating such units by reason of deterioration of services or otherwise or into purchasing such units under the threat of imminent eviction; that in the city of New York the position of non-purchasing tenants is worsened by a serious public emergency characterized by an acute shortage of housing accommodations; that in the city of New York the position of non-purchasing tenants who are sixty-two years of age or older is particularly precarious by reason of the limited financial resources of many such persons and the physical limitations of many such persons; that preventive action by the legislature in restricting rents and evictions during the process of conversion from rental to cooperative or condominium status is imperative to assure that such conversions will not result in unjust, unreasonable and oppressive rents and rental agreements affecting non-purchasing tenants especially those who are sixty-two years of age or older, and other disruptive practices affecting all tenants during the conversion process which threaten the public health, safety and general welfare; and that in order to prevent uncertainty, hardship and dislocation in connection with the conversion process, the provisions of this act [adding this section; amending New York City Admin.Code former § § Y51-6.0, YY51-3.0 and YY51-6.0 following section 8617 of McKinney's Unconsol.Laws; repealing former section 352-eeee, and enacting provisions set out as notes under this section] are necessary and desirable to protect the public health, safety and general welfare. The necessity in the public interest for the provisions hereinafter enacted is hereby declared as a matter of legislative determination."

Separability of Provisions of L.1982, c. 555. L.1982, c. 555, § 8, provided: "Severability. If any clause, sentence, paragraph, section or part of this act [adding this section; amending New York City Admin.Code former § § Y51-6.0, YY51-3.0 and YY51-6.0 following section 8617 of McKinney's Unconsol.Laws; repealing former section 352-eeee, and enacting provisions set out as notes under this section] shall be adjudged by any court of competent jurisdiction to be invalid such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section, or part thereof directly involved in the controversy in which such judgment shall have been rendered."

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Continued Tenancy For Certain Non-Purchasing Tenants in the City of New York. L.1989, c. 473, § § 1, 2, eff. Aug. 15, 1989, provided:

"§ 1. The legislature hereby finds that due to the housing emergency in the city of New York, a greater degree of care must be taken in preserving the homes of certain tenants threatened with eviction.

"In nineteen hundred eighty-two, the legislature, in recognition of the precarious position of non-purchasing tenants due to an acute shortage of housing accommodations, raised the requirement for declaring an eviction plan effective to subscriptions by fifty-one percent of the bona fide tenants in occupancy. The legislature hereby finds that protection against eviction should be extended to those non-purchasing tenants currently residing in multiple dwellings subject to a cooperative or condominium conversion eviction plan declared effective with purchase agreements signed by less than fifty-one percent of the bona fide tenants in occupancy and who remain in occupancy of unsold units by virtue of a judgment entered in the supreme court prior to December thirty-first, nineteen hundred eighty-two.

"§ 2. Notwithstanding any contrary provision of law, any non-purchasing tenants of dwelling units located in a building or group of buildings or development in the city of New York for which a cooperative or condominium conversion plan was declared effective without at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in such building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general having executed and delivered written agreements to purchase under the offering plan who are otherwise subject to eviction may remain in occupancy, with all of the rights of non-purchasing tenants as provided in paragraph (c) of subdivision two of section three hundred fifty-two-eeee of the general business law; provided that subsequent to the acceptance of such offering plan for filing the units occupied by such tenants or the shares allocated thereto have not been sold to a bona fide purchaser for occupancy by reason of a judgment entered in the supreme court prior to December thirty-first, nineteen hundred eighty-two in an action brought by the attorney general against the offeror."

Continued Tenancy for Certain Non-purchasing Senior Citizens in City of New York. L.1986, c. 850 provided:

"Section 1. The legislature hereby finds that due to the special circumstances of senior citizens, a greater degree of care must be taken in preserving the essentials of life for the elderly. In nineteen hundred eighty-two, the legislature, in recognition of the instability of the income of persons sixty-two years of age or older and the particular hardship of relocation for such persons, eliminated the income limitations to qualify for eligible senior citizens protection from eviction pursuant to a cooperative or condominium conversion plan in the city of New York. The legislature hereby finds that such protection should be extended to those otherwise eligible senior citizens currently residing in multiple dwellings subject to a cooperative or condominium conversion pursuant to a plan approved in accordance with provisions of law which had imposed income limitations and who remain in occupancy of unsold units by virtue of a judgment of the supreme court.

"§ 2. (a) Notwithstanding any contrary provision of law, any non-purchasing tenants of dwelling units located in a building or group of buildings or development in the city of New York for which a cooperative or condominium conversion plan was accepted for filing by the attorney general prior to July fifth, nineteen hundred seventy-nine and was declared effective on or after July fifth, nineteen hundred seventy-nine or for which such a plan was accepted for filing before July twenty-first, nineteen hundred eighty-two may elect to remain in occupancy as eligible senior citizens as defined by section three hundred fifty-two-eeee of the general business law [this section]; provided that: (i) such tenants or the spouses of such tenants on the date the attorney general accepted the plan for filing were sixty-two years of age or older and resided in the building or group of buildings or development as their primary residence for at least two years prior to the date the plan was accepted for filing, and (ii) subsequent to such acceptance for filing the units occupied by such tenants or the shares allocated thereto have not been sold to a bona fide purchaser for occupancy by reason of a judgment entered in the supreme court in an action brought by the attorney general against the offeror, and (iii) such tenants make such election on forms promulgated by the attorney general within sixty days after the presentation to them of such forms by the offeror or within one year of the effective date of this act, whichever is later.

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"(b) Such election shall not preclude any such tenant from subsequently purchasing the dwelling unit on the terms then offered to tenants in occupancy.

"(c) Any offeror who disputes any such election must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such tenant's eligibility. The attorney general shall, within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

"§ 3. This act [this note] shall take effect immediately [Aug. 2, 1986]."

Application of L.1985, c. 293, to 1985 Amendments of this Section and Section 352-eee. See L.1985, c. 293, § 3, eff. June 30, 1985, set out as a note under General Business Law § 352-eee.

Application of Section. L.1982, c. 555, § 9, provided: "Section three hundred fifty-two-eeee of the general business law as added by this act [adding this section, amending New York City Admin.Code, former § § Y51-6.0, YY51-3.0, YY51- 6.0, following section 8617 of McKinney's Unconsol.Laws; repealing former section 352-eeee; and enacting provisions set out as notes under this section] shall be applicable to every offering statement or prospectus submitted to the attorney general after the effective date of this act [July 20, 1982] and to every offering statement or prospectus submitted to the attorney general but for which a letter of acceptance for filing has not been issued as of such date."

Code of the Real Estate Industry Stabilization Association, Amendments; Promulgation of Regulations. L.1982, c. 555, § 7, provided: "The real estate industry stabilization association shall submit amendments to the code of the real estate industry stabilization association to implement the provisions of sections two, three, four, five, and six of this act [adding this section and repealing former section 352-eeee; amending New York City Admin.Code § § Y51- 6.0, YY51-3.0 and YY51-6.0 following section 8617 of McKinney's Unconsol.Laws; respectively] to the New York city department of housing preservation and development within sixty days of the effective date [July 20, 1982] of this act [L.1982, c. 555] and such department shall amend or promulgate regulations regarding the status of apartments subject to the New York City Rent and Rehabilitation Law [New York City Admin.Code § Y51-1.0 et seq., following section 8617 of McKinney's Unconsol.Laws] consistent with the provisions of this act within sixty days of the effective date [July 20, 1982] of this act [L.1982, c. 555]."

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1. Constitutionality

Statute protecting from eviction nonpurchasing tenants in multiple dwellings subject to cooperative conversion eviction plan unconstitutionally impaired contractual rights of owners and holders of unsold shares and proprietary leases in cooperative pursuant to prior consent judgment creating expectancy of right to evict tenants and sell shares; statute was drawn so restrictively as to benefit only a handful and, thus, was neither necessary nor reasonable to serve public purpose of alleviating housing crisis. 19th Street Associates v. State, 1992, 79 N.Y.2d 434, 583 N.Y.S.2d 811, 593 N.E.2d 265. Constitutional Law 148; Landlord And Tenant 251(.5)

This section's prohibition applying to conversion of premises subject to excessive "long term" vacancies was not unconstitutional on ground that application of such provisions to tenants who occupied premises prior to date of enactment retroactively affected property rights of sponsor. Attorney-General v. Katz, 1980, 104 Misc.2d 846, 428 N.Y.S.2d 982. Constitutional Law 188; Landlord And Tenant 354

Legislation establishing special senior citizen category in relation to conversion of residential real estate from rental status to cooperative of condominium ownership was rational and reasonable and any discrepancies in treatment which resulted did not amount to denial of equal protection of laws under U.S.C.A.Const. Amend. 14 or Const. Art. 1, § 11. Reiner-Kaiser Associates v. McConnachie, 1979, 104 Misc.2d 750, 429 N.Y.S.2d 343, appeal denied 51 N.Y.2d 705, 433 N.Y.S.2d 1025, 412 N.E.2d 1327. Condominium 2; Constitutional Law 228.3; Landlord And Tenant 351

1.5. Construction and application

Right to purchase the shares allocated to a rent-controlled apartment at the insider's price pursuant to an offering plan to convert the apartment to cooperative/condominium ownership is limited to a "tenant in occupancy" at the time the plan is accepted for filing. Steier v. Schreiber (1 Dept. 2006) 25 A.D.3d 519, 810 N.Y.S.2d 431, leave to appeal denied 6 N.Y.3d 714. Landlord And Tenant 353

The mandatory role of the Attorney General under the Martin Act regarding the filing of real estate conversion offering plans is to see to it that the informational purposes of the statute are met; if the disclosure in a submitted plan is adequate, respondent must accept the plan for filing, and if not, he must identify the deficiencies. WFR Associates v. Memorial Hosp., Albany, N.Y., 2004, 3 Misc.3d 766, 775 N.Y.S.2d 814, affirmed in part, modified in part and reversed in part 14 A.D.3d 840, 788 N.Y.S.2d 459. Securities Regulation 254

2. Construction with other laws

Under New York law, apartments which had been subject to rent control before being converted to cooperatives would once again be under rent control when they reverted back to conventional landlord tenant relationship, even though statutes and regulations did not presently provide mechanism for determining what rent should be following reversion. Federal Home Loan Mortgage Corp. v. New York State Div. of Housing and Community Renewal, 1994, 854 F.Supp. 151, affirmed 83 F.3d 45. Landlord And Tenant 200.44

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2.5. Purpose

Martin Act, governing the filing of real estate conversion offering plans, is a disclosure statute, not an enforcement statute. WFR Associates v. Memorial Hosp., Albany, N.Y., 2004, 3 Misc.3d 766, 775 N.Y.S.2d 814, affirmed in part, modified in part and reversed in part 14 A.D.3d 840, 788 N.Y.S.2d 459. Securities Regulation 245

It was not the intention of the legislature, when enacting the Martin Act, to provide continued occupancy protection to tenants who rent sponsor-owned cooperative or condominium units subsequent to the conversion of the building. Parkchester Preservation Co. L.P. v. Hanks, 2000, 185 Misc.2d 786, 714 N.Y.S.2d 399. Condominium 3; Landlord And Tenant 361

3. Applicability of section

Martin Act, requiring filing of real estate conversion plans, did not apply in suit by condominium owner against hospital that was grantor of land, claiming that deed prohibition on sale of condominiums to persons other than hospital's medical staff was unreasonable restraint on alienation; no claim was made that provisions of Act were violated, and there was functional equivalent of privity existing between parties. WFR Associates v. Memorial Hosp. (3 Dept. 2005) 14 A.D.3d 840, 788 N.Y.S.2d 459. Securities Regulation 278

Existing cooperative was not subject to statutory antiwarehousing provisions upon its conversion to private ownership; statute applied only to conversions from residential rental status to cooperative or condominium ownership. Gunther v. Abrams (1 Dept. 1993) 189 A.D.2d 607, 592 N.Y.S.2d 308, leave to appeal dismissed in part, denied in part 82 N.Y.2d 690, 601 N.Y.S.2d 572, 619 N.E.2d 650. Landlord And Tenant 353

Prohibition against owner occupancy proceedings by cooperative owners against non-purchasing tenants was not available to tenant in holdover proceeding, in light of the foreclosure of the cooperative's mortgage, judicial sale, and subsequent conveyance to the landlord. Crosby v. Hucko, 2001, 189 Misc.2d 641, 735 N.Y.S.2d 348. Landlord And Tenant 361

A dissolved cooperative is not a cooperative and, a fortiori, the protections of the Martin Act formerly applicable to non-purchasers in the cooperative premises no longer continue. Crosby v. Hucko, 2001, 189 Misc.2d 641, 735 N.Y.S.2d 348. Landlord And Tenant 350

Holdover tenant's post-conversion leasehold did not fall within reach of statute governing conversions of buildings from residential rental status to cooperative or condominium ownership in New York City; tenant did not enter into possession of apartment, until roughly five years after residential building premises underwent non-eviction type conversion to condominium ownership, and lease prominently provided that tenancy was not governed by any form of rent regulation and that tenant did not have right to renew lease. Park West Village Associates v. Nishoika, 2000, 187 Misc.2d 243, 721 N.Y.S.2d 459. Condominium 3; Landlord And Tenant 353

3.2. Preemption

Martin Act preempted fraudulent concealment claims of residential unit owners against condominium sponsor and its principals, which alleged that sponsor should have disclosed building's ongoing design and construction problems in offering plan and amendments which were filed as construction proceeded, since alleged fraud mirrored violations of Martin Act; although claims might have stood if Martin Act did not exist and Martin Act and promulgated regulations did not expressly require that level of disclosure, nature of wrong was based upon omissions of legally required disclosures. Kerusa Co. LLC v. W10Z/515 Real Estate, L.P., 2005, 10 Misc.3d 929, 810 N.Y.S.2d 861. Fraud 31

3.5. Retroactive application

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McKinney's General Business Law § 352-eeee

The tenant's defense to eviction under the Martin Act, governing conversions of buildings from residential rental status to cooperative or condominium ownership in New York City, was unavailable where the building was converted prior to the effective date of the Act. Geiser v. Maran, 2001, 189 Misc.2d 442, 732 N.Y.S.2d 825. Landlord And Tenant 361

4. Local laws

While state statutes do regulate sale of real estate securities, they are in essence disclosure laws, with nothing in either statute nor regulation compelling conclusion that state had preempted area, and thus local law regulating certain aspects of conversion of rental units to cooperative or condominium status within New York City could not be held unconstitutional on that ground. Council for Owner Occupied Housing, Inc. v. Koch, 1983, 119 Misc.2d 241, 462 N.Y.S.2d 762, affirmed 61 N.Y.2d 942, 475 N.Y.S.2d 279, 463 N.E.2d 620. Municipal Corporations 592(1)

5. Attorney General decisions--Generally

Upon concluding that subscriber named in second amendment to offering plan for conversion of apartments to cooperative ownership was not a bona fide purchaser because he intended mainly to sublet the apartment to friends, rather than intending occupancy by himself or members of his immediate family, the Attorney General reasonably gave effect to all of language of statutory 15% minimum subscription requirement and could properly reject the amendment because the required minimum number of subscriptions had not been obtained for the plan to become effective. Centennial Restorations Co. v. Abrams (3 Dept. 1992) 180 A.D.2d 340, 585 N.Y.S.2d 133. Landlord And Tenant 353

Record established reasonable basis for state Attorney General's conclusion that owner of apartment buildings was "warehousing" apartments, and therefore Attorney General's rejection of proposed offering plan for condominium conversion was not irrational or unreasonable; one apartment had not been occupied for in excess of two years prior to submission of plan, and two apartments were used as offices by owners on occasions that they visited from Italy, and two apartments were occupied by former building superintendent who did not have lease and was not paying rent. 140 West 4th Street Corp. v. Abrams (3 Dept. 1989) 152 A.D.2d 847, 544 N.Y.S.2d 55. Condominium 3

Attorney General's view that executor should be entitled to purchase cooperative at insider price after death of named tenant should be given great weight as he is the administrator of statute in question. DeChristoforo v. Shore Ridge Associates, 1984, 126 Misc.2d 339, 482 N.Y.S.2d 411. Statutes 219(9.1)

6. ---- Redetermination of prior acceptance

The initial failure of the Attorney General, in accepting for filing an offering plan for conversion of certain apartments to cooperative ownership, to apply the statutory ban against excessive long-term vacancies to the sponsor's affiliates' business use of two apartments did not constitute an "irregularity in vital matters" such as would permit redetermination of the prior acceptance of the plan. Centennial Restorations Co. v. Abrams (3 Dept. 1992) 180 A.D.2d 340, 585 N.Y.S.2d 133. Landlord And Tenant 353

7. Attorney fees

Attorney General was substantially justified in rejecting second amendment by sponsor of offering plan to convert apartment building into cooperative ownership, based upon sponsor's failure to obtain required minimum number of subscriptions, even though Attorney General was not substantially justified in revoking contents of sponsor's plan for filing and, thus, sponsor was precluded from recovering counsel fees and other expenses as prevailing party. Centennial Restorations Co. v. Abrams (3 Dept. 1994) 202 A.D.2d 721, 608 N.Y.S.2d 559, leave to appeal dismissed 83 N.Y.2d 952, 615 N.Y.S.2d 877, 639 N.E.2d 418, reargument denied 84 N.Y.2d 851, 617 N.Y.S.2d 140, 641 N.E.2d 161. Costs 194.25; Costs 194.44

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8. Construction of plan

Failure to include clause stating that right to an insider price for cooperative lapsed upon death of named tenant had to be construed against sponsor of noneviction cooperative conversion plan, whether caused by statute, statutory interpretation, administrative regulation or specific contractual omission. DeChristoforo v. Shore Ridge Associates, 1984, 126 Misc.2d 339, 482 N.Y.S.2d 411. Landlord And Tenant 353

9. Tenant in occupancy--Generally

Tenant's estranged husband, who was voluntarily residing outside parties' rent-stabilized apartment on date cooperative conversion plan was accepted for filing, retained sufficient nexus with apartment to qualify as "tenant in occupancy" entitled to participate on equal basis with wife in purchasing apartment; husband was cosignatory on lease, and regardless of any informal agreement between parties, retained legal right to occupy apartment. Manolovici v. 136 East 64th Street Associates, 1987, 70 N.Y.2d 785, 521 N.Y.S.2d 414, 515 N.E.2d 1212. Landlord And Tenant 353

Wife, not husband, qualified as "tenant in occupancy" and thus had exclusive right to purchase shares of cooperative ownership allocated to her apartment where, pursuant to terms of separation agreement, wife had right to and did occupy that apartment as rent-controlled tenant on date plan for cooperative conversion was accepted for filing with Attorney General and husband had expressly relinquished right to possession of that apartment as of that date. Weinstein v. Hohenstein, 1987, 69 N.Y.2d 1017, 517 N.Y.S.2d 907, 511 N.E.2d 51. Landlord And Tenant 353

After co-tenant, whose name was on the lease, vacated the premises almost three years prior to the conversion plan being declared effective and announced to the landlord's agent that she had no intention of returning to the apartment, remaining tenant had status of "tenant in occupancy," and thus was entitled to purchase the shares allocated to the apartment. Steier v. Schreiber (1 Dept. 2006) 25 A.D.3d 519, 810 N.Y.S.2d 431, leave to appeal denied 6 N.Y.3d 714. Landlord And Tenant 353

Genuine issues of material fact existed as to whether resident of apartment was "tenant-in-occupancy" of different apartment, within meaning of cooperative conversion statute, precluding summary judgment on resident's claim of entitlement to purchase shares allocated to other apartment, where resident alleged that agent of sponsor stated, in response to resident's inquiry about possibility of moving into larger apartment, that other apartment would be available and that resident could not rent it directly but would have to procure third person to sign lease and then have lease assigned to resident, and that resident followed those instructions. Lack v. Daven Realty Corp. (1 Dept. 1988) 144 A.D.2d 236, 533 N.Y.S.2d 431. Judgment 181(24)

In connection with proposal to convert tenants' apartments, which were used as professional offices, into cooperative apartment building, tenants had no right to purchase their apartments pursuant to statute which governs conversion of buildings from residential rental status to cooperative status, New York City Rent Stabilization Law, or Rent Stabilization Code, as those statutes confer rights upon residential, as opposed to commercial tenants. Gluck v. Jackson Management Corp. (2 Dept. 1988) 143 A.D.2d 629, 532 N.Y.S.2d 914. Landlord And Tenant 353

Owners of floating homes were not entitled to purchase slips at marina, being converted under condominium offering plan, despite their month-to-month tenancies at time of conversion where owners of marina extended exclusive purchase period rights and other incentives only to tenants possessing written occupancy agreements and offer was not extended to parties intending to dock floating homes. Smith v. Anchorage Associates (2 Dept. 1986) 122 A.D.2d 788, 505 N.Y.S.2d 673, appeal denied 69 N.Y.2d 601, 511 N.Y.S.2d 1027, 503 N.E.2d 695. Condominium 3

Sister of tenant of record, complete stranger to lease, who had never resided in apartment with tenant of record, and who simply continued, from time to time, to operate certain businesses there, was not entitled to purchase apartment

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at insider's price upon offering plan to convert building to condominium. Dziurgot v. Tower 53 Associates (1 Dept. 1986) 121 A.D.2d 857, 501 N.Y.S.2d 51. Condominium 3

Tenant in occupancy of rent-stabilized apartment for past ten years, rather than her former boyfriend, tenant of record, who had moved out, permanently, seven years earlier, had exclusive purchase rights with respect to cooperative shares allocated to apartment, even though tenant of record had signed and renewed lease, where it was clear that tenant of record relinquished all of his rights to apartment in deference to tenant in occupancy and had no intention of returning, had made other permanent living arrangements, had not returned to apartment for four years. McSpadden v. Dawson (1 Dept. 1986) 117 A.D.2d 453, 503 N.Y.S.2d 357. Landlord And Tenant 353

Evidence that tenant had been out of country during much of pendency of offering plan to convert apartment to cooperative and that her mail was delivered to a concierge in her building, where it was collected and held while she was away, supported finding she had no notice of conversion and, thus, she was entitled to become owner of cooperative apartment, despite failure to respond to offering plan. Conforti v. Cammarata (1 Dept. 1985) 111 A.D.2d 11, 488 N.Y.S.2d 680, appeal denied 65 N.Y.2d 608, 494 N.Y.S.2d 1027, 484 N.E.2d 670. Landlord And Tenant 353

Tenant was not entitled to claim status as occupant of rent stabilized apartment where offering plan for cooperative conversion was extended only to "bona fide" residential tenant occupants, and it did not appear that tenant, apparently resident of Mexico, was at date of presentation of the plan a bona fide occupant of her apartment. Esperanza-Cruz de Vasconcelos v. Berkley Associates (1 Dept. 1980) 78 A.D.2d 808, 433 N.Y.S.2d 109. Landlord And Tenant 353

Landlord was not unfairly surprised or significantly prejudiced by allowing tenant's answer to be amended to assert Martin Act defense, based on building's conversion to cooperative ownership, in holdover proceeding; delay in asserting the defense may have been attributable, at least in part, to landlord's failure to allege in the petition that it was a sponsor or holder of unsold shares, that the building was converted to cooperative ownership pursuant to a non-eviction plan and was subject to the Martin Act, and the reason, if any, why tenant was not protected by the Act. Arkansas Leasing Co. v. Gabriel, 2004, 3 Misc.3d 46, 779 N.Y.S.2d 710. Landlord And Tenant 361

Only bona fide tenants in occupancy on the date the Attorney General accepts a plan for cooperative conversion for filing are afforded the exclusive right to purchase their apartments upon the conversion of a residential apartment building to a cooperative status, and thus the date of acceptance by the Attorney General is the critical date to determine who has the right to purchase. Ganson v. Goldfader, 1990, 148 Misc.2d 608, 561 N.Y.S.2d 366. Landlord And Tenant 353

Person who is put into possession of apartment by landlord for purpose of holding that apartment off rental market and who serves as mere caretaker for premises, without payment of rent, is not "bona fide tenant" within meaning of cooperative conversion statute; where, however, it is uncontested that occupant derives his claim to possession through legitimate tenant, dealing at arms length with landlord, Real Estate Financing Bureau is bound by legal relationship of parties in considering conversion plan. Eight Cooper Equities v. Abrams, 1989, 143 Misc.2d 52, 539 N.Y.S.2d 673. Landlord And Tenant 353

Intent of parties in separation agreement was that wife was to have a life estate in apartment but husband was to have a future estate which would take effect only if wife predeceased him; therefore, notwithstanding that husband could not physically occupy apartment until wife's death, he remained a "tenant in occupancy", and therefore husband, and not wife's granddaughter, who was residing with wife in apartment at time of wife's death, was entitled to purchase the shares. Hohenstein v. Hohenstein, 1984, 127 Misc.2d 53, 485 N.Y.S.2d 170. Landlord And Tenant 353

Only those tenants who were determined to be nonprimary residents before presentation of condominium plan were "tenants in occupancy" entitled to take advantage of terms in amendment to plan giving all tenants in occupancy as of date of initial presentation of plan exclusive right to purchase at prices set forth in first amendment. 58 West 58th

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Street Tenant Ass'n v. 58 West 58th Street Associates, 1984, 126 Misc.2d 500, 482 N.Y.S.2d 952.

For purposes of cooperative conversion plan, as between absent leaseholder of record and resident member of the family, person who signed lease is person qualified as "tenant" who has right to purchase the co-op apartment. Belmont East Co. v. Abrams, 1984, 123 Misc.2d 404, 473 N.Y.S.2d 676. Landlord And Tenant 353

Lessee, who had been employed in California but who asserted that she was temporarily residing in California and that New York was her primary residence, was entitled to purchase shares of stock allocated to her New York apartment under offering plan to convert building to cooperative ownership, where, even if restrictive language in offering plan, which limited offer to New York State residents, was enforceable, it was questionable whether it would disqualify lessee from purchasing disputed shares, and no statute authorized such discriminatory restriction on purchase of cooperative apartments. Thuna v. DiSanza, 1980, 102 Misc.2d 342, 425 N.Y.S.2d 729. Landlord And Tenant 352.1

10. ---- Corporate tenants

A corporate tenant which qualified as a "tenant in occupancy" under Rent Stabilization Code on date a cooperative conversion plan was presented to tenants was entitled to purchase in its own name the shares in the cooperative corporation allocated to its apartment, notwithstanding that the plan purported to limit corporation's rights to the transfer of its purchase option to individual who would take in his own right, and notwithstanding that the apartment was not the "primary residence" of the corporation or any of its officers. Consolidated Edison Co. of New York, Inc. v. 10 West 66th Street Corp., 1984, 61 N.Y.2d 341, 474 N.Y.S.2d 267, 462 N.E.2d 367. Landlord And Tenant 353

Rejection of tenant's tender of purchase price of cooperative apartment pursuant to plan of cooperative conversion, on ground that only "persons" were eligible to purchase, was improper, even though tenant was not for profit corporation which operated apartment as group home, as tenant in possession had right to purchase property. Koenig v. Jewish Child Care Ass'n of New York (1 Dept. 1985) 107 A.D.2d 542, 487 N.Y.S.2d 759, appeal granted 113 A.D.2d 1037, 493 N.Y.S.2d 433, affirmed 67 N.Y.2d 955, 502 N.Y.S.2d 981, 494 N.E.2d 86. Landlord And Tenant 353

11. ---- Cotenants

Neither of two cotenants in occupancy of rent-stabilized apartment pursuant to lease signed by both could exercise an individual right to subscribe to cooperative shares on conversion to cooperative ownership where each asserted the right of subscription, but the tenants could jointly execute a subscription agreement. Spitalnik v. Springer, 1983, 59 N.Y.2d 112, 463 N.Y.S.2d 750, 450 N.E.2d 670, reargument denied 60 N.Y.2d 702, 468 N.Y.S.2d 1027, 455 N.E.2d 1267. Landlord And Tenant 353

12. ---- Estates

Estate of deceased tenant of record who died before her apartment was offered for sale under a subsequently accepted cooperative conversion plan could not count among its assets the "insider's price" of its decedent's apartment; under controlling statute, only a "tenant in occupancy" is eligible for an insider's purchase option, and neither the tenant of record, who was deceased nor the successor in limited interest, the estate, was "occupying" the apartment at the time the conversion plan was accepted for filing. Rubinstein v. 160 West End Owners Corp., 1989, 74 N.Y.2d 443, 548 N.Y.S.2d 155, 547 N.E.2d 357. Executors And Administrators 39; Landlord And Tenant 353

Unexercised right of deceased "tenants in occupancy" to purchase shares offered in cooperative conversion plan at less-than-market insider price could not be exercised by their estates; estates had no statutory, common-law, or equitable basis upon which to enjoy windfall by resale of converted cooperative apartments, previously rent

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controlled, at value higher than insider rate offered exclusively to their decedents in occupancy. De Kovessey v. Coronet Properties Co., 1987, 69 N.Y.2d 448, 515 N.Y.S.2d 740, 508 N.E.2d 652, reargument denied 70 N.Y.2d 694, 518 N.Y.S.2d 1030, 512 N.E.2d 556. Landlord And Tenant 353

Time when estate succeeds to decedent's lease does not change nature of estate's relationship to apartment, and thus estate is not "tenant in actual possession and occupancy of the premises" and does not have insider's rights upon cooperative conversion by virtue of fact that offering plan was filed prior to decedent tenant's death, rather than after. Russell v. Raynes Associates Ltd. Partnership (1 Dept. 1991) 166 A.D.2d 6, 569 N.Y.S.2d 409. Landlord And Tenant 353

Executor of tenant's estate was not entitled to exercise insider rights upon building's conversion to cooperative where tenant died before offering plan was accepted for filing by Attorney General and thus was not in actual possession of unit at time conversion plan was accepted. Rubinstein v. 160 West End Owners Corp. (1 Dept. 1988) 145 A.D.2d 390, 536 N.Y.S.2d 65, appeal granted 74 N.Y.2d 642, 541 N.Y.S.2d 983, 539 N.E.2d 1111, affirmed 74 N.Y.2d 443, 548 N.Y.S.2d 155, 547 N.E.2d 357. Landlord And Tenant 353

Unexercised right of deceased tenant of rent-stabilized apartment to purchase cooperative shares allocated to apartment, pursuant to offering plan in existence at time of tenant's death, passed to tenant's estate. De Christoforo v. Shore Ridge Associates (2 Dept. 1986) 116 A.D.2d 123, 500 N.Y.S.2d 528. Executors And Administrators 39

Upon grandfather's death, grandson did not automatically step into shoes of grandfather, who never purchased his apartment when building was converted to cooperative apartments and who remained month-to-month tenant until his demise, to become tenant of record, nor was not-for-profit housing development fund corporation required to recognize him as such, and thus, since grandson was not tenant of record, corporation could proceed to evict him as licensee. 757 East 169th Street HDFC v. Haney, 1996, 171 Misc.2d 965, 656 N.Y.S.2d 92. Landlord And Tenant 350

Execution of no-buy pledge by tenant in building undergoing condominium conversion process was not sufficient manifestation of intention to purchase apartment so as to permit her estate to acquire interest when she died prior to signing purchase agreement. Gratz v. Century Apartment Associates, 1989, 143 Misc.2d 423, 540 N.Y.S.2d 940. Condominium 3

Executor of estate of named plaintiff was entitled to judgment declaring his right to purchase shares in cooperative at insider price on behalf of tenant's estate, both on public policy grounds and general construction principles. DeChristoforo v. Shore Ridge Associates, 1984, 126 Misc.2d 339, 482 N.Y.S.2d 411. Landlord And Tenant 359.1

13. --- Subtenants

Where tenant in possession of apartment took possession pursuant to sublease agreement, she was subtenant with no rights to purchase shares allocable to subject apartment upon conversion to cooperative ownership. Neidich v. Gottlieb (1 Dept. 1991) 169 A.D.2d 541, 564 N.Y.S.2d 394. Landlord And Tenant 353

Question whether tenant of record or subtenant in possession had right to purchase shares allocated to cooperative apartment depended upon a practical analysis of relationship of competing parties to demised property rather than on whose name happened to appear on lease and was question of fact precluding summary judgment. Baron v. Sherwood (1 Dept. 1986) 124 A.D.2d 527, 508 N.Y.S.2d 441. Judgment 181(24)

14. Constructive trust

Debtor's wife might be entitled to have constructive trust imposed on apartment purchased by debtor in his own name under New York law, which provides tenants in occupancy with right to purchase dwelling units through

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offering plan for sale of cooperative apartments or condominium units, where debtor had moved from apartment years before purchase of apartment, although the apartment had been family residence and wife continued to reside there, and bankruptcy case would accordingly be remanded for findings on whether debtor's purchase of apartment gave rise to constructive trust in favor of wife and whether debtor had any property rights in apartment at time of his bankruptcy filing. In re Hilsen, 1990, 119 B.R. 435. Bankruptcy 3790

15. Good faith and fair dealing

Sponsors of apartment house conversions have duty to meet high standards of fair dealing and good faith toward tenants; in many instances, purchasing tenants and sponsors do not deal as equals in terms of access to information or business acumen and, thus, tenants often lack equal bargaining power. Vermeer Owners, Inc. v. Guterman, 1991, 78 N.Y.2d 1114, 578 N.Y.S.2d 128, 585 N.E.2d 377. Landlord And Tenant 353

Issue of whether sponsor of apartment house conversion was subject to punitive damages in action for tortious interference with contract brought by prospective purchasers of unit was for jury; sponsor, after initially approving arrangement for assignment and assumption of right to purchase unit, thereafter rejected tenants' agreement for invalid reasons and successfully pressured tenants to abrogate their agreement with purchasers by threatening to charge them with default of tenancy and breach of conditions of occupancy, and after gaining control of subscription rights to apartment listed it for sale well above price they would have been required to have sold apartment for under conversion plan. Rossi v. Twinbogo Co. (1 Dept. 1996) 232 A.D.2d 266, 648 N.Y.S.2d 97. Damages 208(8)

Tenants' allegations that sponsors of noneviction offering plan did not intend to sell more of the apartments than was necessary for effectuation of the plan and refused to enter into negotiations for further concessions with the tenant did not state cause of action absent claim that sponsor refused to sell any apartment in accordance with the plan or was obliged to enter into further negotiations or make unspecified concessions. Karpf v. Turtle Bay House Co., 1984, 127 Misc.2d 154, 485 N.Y.S.2d 173. Landlord And Tenant 353

Act of cooperative and its selling and managing agents in altering manner in which tenant as a prospective purchaser of converted apartment was required to accept purchase offer, by conditioning offer upon occurrence of a particular event, tender of entire purchase price, either all in cash or by way of a cash down payment and financing rider, without requiring that tenant be given reasonable notice of occurrence operated to place tenant at an unfair disadvantage and was such as to require the cooperative and its selling and managing agents to provide the tenant with 30 days in which to purchase the apartment at the special insider price. Ferreira v. Plaza 400 Owners Corp., 1984, 125 Misc.2d 296, 479 N.Y.S.2d 678. Landlord And Tenant 353

16. Discriminatory inducements

Inclusion of a move-out or vacate fee in amendment to noneviction offering plan did not create a "discriminatory inducement" in violation of statute and fact that amendment offered a greater inducement to the first ten persons to accept was not discriminatory. Karpf v. Turtle Bay House Co., 1984, 127 Misc.2d 154, 485 N.Y.S.2d 173. Landlord And Tenant 353

17. Approval requirement

Attorney General did not abuse his discretion in determining that management company failed to obtain written purchase agreements for 15% of all dwelling units in premises to be converted to cooperative ownership; Attorney General acted within his statutory authority in determining whether subscribers used to declare offering plan effective were bona fide, in light of relationships with management company. Treger Management Co. v. Abrams (1 Dept. 1992) 180 A.D.2d 614, 580 N.Y.S.2d 29. Landlord And Tenant 353

If sponsors of cooperative conversion offering plan deliberately remained silent in order to retain estate of deceased tenant's subscription agreement only so long as was necessary to help in achieving requisite 15% acceptance of plan, their silence would constitute acceptance of estate's subscription. Russell v. Raynes Associates Ltd. Partnership (1

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Dept. 1991) 166 A.D.2d 6, 569 N.Y.S.2d 409. Landlord And Tenant 353

Attorney General had authority to exclude sponsor of cooperative conversion plan from being counted toward 51 percent approval requirement and to bar sponsor's utilization of senior citizen status, where sponsor's apartment was not being offered for sale and sponsor was not faced with eviction. Church Street Apartment Corp. v. Abrams (1 Dept. 1988) 139 A.D.2d 280, 531 N.Y.S.2d 540, affirmed 74 N.Y.2d 728, 544 N.Y.S.2d 816, 543 N.E.2d 81. Landlord And Tenant 353

Since there was no allegation of fraud, Attorney General was not justified in rejecting as bona fide purchaser a potential purchaser who, at time she signed affidavit stating that she intended to occupy unit, had genuine intent to occupy unit but later changed her mind and thus, Attorney General's office would be directed to count her purchase agreement toward the minimum number required for filing for purposes of statute requiring sponsors of noneviction condominium conversion plan to execute purchase agreements with prospective purchasers of 15% of units in building representing that they intend that they or members of their family will occupy unit in order for condominium offering plan to be declared effective. Ashland Equities Co. v. Koppell, 1994, 162 Misc.2d 548, 618 N.Y.S.2d 162. Condominium 3

A corporate tenant was properly considered a bona fide tenant attendant in occupancy for purpose of determining whether 15 percent requirement was met for declaring conversion plan effective where corporate tenant had designated a particular individual to reside in apartment and where individual had executed an affidavit that he or members of his family intended to reside there. 58 West 58th Street Tenant Ass'n v. 58 West 58th Street Associates, 1984, 126 Misc.2d 500, 482 N.Y.S.2d 952. Condominium 3

18. Nonpurchasing tenants

Martin Act, which governs offer and sale of securities, commodities, cooperative apartments, and condominiums, grants indefinite rights of occupancy to nonpurchasing tenants, so that purchaser of occupied apartment is on notice of potentially long-term inability to occupy apartment himself, and such statutory rights are separate from and in addition to occupancy rights guaranteed to rent-regulated tenants under rent control and rent stabilization provisions, thereby providing noneviction protection even for apartments whose rents are not controlled by state. Resolution Trust Corp. v. Diamond, 1992, 801 F.Supp. 1152, affirmed in part, vacated in part on other grounds 18 F.3d 111, vacated on other grounds 115 S.Ct. 43, 513 U.S. 801, 130 L.Ed.2d 5, on remand 45 F.3d 665, 132 A.L.R. Fed. 637, vacated 115 S.Ct. 44, 513 U.S. 801, 130 L.Ed.2d 5. Condominium 3; Landlord And Tenant 353

Tenant who rents from a sponsor after the transfer of title to the cooperative corporation is protected from eviction, in a summary holdover proceeding, as a non-purchasing tenant under the Martin Act, governing conversions of buildings from residential rental status to cooperative or condominium ownership in New York City, and is not within an exception to protection for those who sublet from a "purchaser under the plan, since, after the closing of title, the sponsor remains the seller under the plan, not a "purchaser under the plan," and , the shares held by the sponsor after the closing of title are considered "unsold shares." Geiser v. Maran, 2001, 189 Misc.2d 442, 732 N.Y.S.2d 825. Landlord And Tenant 361

Tenants occupying unsold condominium apartments after non-eviction condominium conversion plan were not "non-purchasing tenants" who were protected from eviction under the Martin Act, where the tenants were not residents when condominium conversion plan was ultimately declared effective by Attorney General's Office, they instead had leased their apartments from a landlord who was a purchaser of unsold units from condominium sponsor, and their written leases were nothing more than yearly rentals, subject to possible renewal if certain conditions had been met and by the landlord at will. Parkchester Preservation Co. L.P. v. Hanks, 2000, 185 Misc.2d 786, 714 N.Y.S.2d 399. Condominium 3

Condominium apartments rented to tenants pursuant to interim leases after the condominium conversion plan is accepted for filing and prior to the plan being declared effective can be removed from the premises and have no right under the Martin Act to continued occupancy if they fail to purchase. Parkchester Preservation Co. L.P. v.

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Hanks, 2000, 185 Misc.2d 786, 714 N.Y.S.2d 399. Condominium 3

In the absence of prejudice to a party, it is permissible to amend the pleadings in summary proceedings even with respect to misstatements of the rent-regulated status of the tenancy. Paikoff v. Harris, 1999, 185 Misc.2d 372, 713 N.Y.S.2d 109. Landlord And Tenant 307

Definition of a "non-purchasing tenant" entitled to the occupancy protections of the Martin Act, which governs conversions of buildings from residential rental status to cooperative or condominium ownership in New York City, is not limited to a person who moves into an apartment before conversion, but also includes a person who rents an apartment in a converted building from the sponsor or holder of unsold shares allocated to that apartment. Paikoff v. Harris, 1998, 178 Misc.2d 366, 679 N.Y.S.2d 251, affirmed as modified 185 Misc.2d 372, 713 N.Y.S.2d 109. Condominium 3; Landlord And Tenant 353

Petition for possession of rent-controlled apartment was not subject to dismissal on basis that tenant was "nonpurchasing tenant" pursuant to city Rent and Rehabilitation Law; when proceeding was brought, only preliminary prospectus had been circulated, and thus, there was no plan for purchasing rent-controlled units in effect so as to make tenant "nonpurchasing tenant." 224 East 18th Street Associates v. Sijacki, 1987, 138 Misc.2d 494, 524 N.Y.S.2d 964, affirmed 143 Misc.2d 565, 546 N.Y.S.2d 981.

Nonpurchasing tenants of apartment subject to the Rent Stabilization Law continue to be protected subsequent to a declaration of condominium until there has been a court determination of nonprimary residence. 58 West 58th Street Tenant Ass'n v. 58 West 58th Street Associates, 1984, 126 Misc.2d 500, 482 N.Y.S.2d 952. Landlord And Tenant 200.16

Tenant was not shareholder in cooperative to which her building was converted, even though landlord issued tenant a proprietary lease in same form used for shareholders, when lease was not accompanied by stock certificate, attempted tender for stock certificate occurred after lease was signed, tender was never accepted, and tenant paid rent amount set for nonpurchasers, as opposed to maintenance amount for shareholders. 1046 Amsterdam Ave. Housing Development Fund Corp. v. Gomez, 2003, 1 Misc.3d 901(A), 781 N.Y.S.2d 629, Unreported. Landlord And Tenant 353

19. Senior citizen and disabled persons' exemption--Generally

Subtenant occupying fraction of apartment was not an "eligible senior citizen" within meaning of statute allowing such senior citizens to file an election not to purchase shares in cooperative plan, since statute specifically excludes one who sublets dwelling unit from purchaser under plan, and since subtenant was not "entitled to possession." Frank v. Shaw, 1984, 125 Misc.2d 627, 479 N.Y.S.2d 692. Landlord And Tenant 353

Tenant, who became 62 years of age prior to the filing of the third amendment to the cooperative plan declaring the plan effective but subsequent to both acceptance of the plan for filing by the Attorney General and date of filing of the first amendment to the plan in which the sponsor-seller agreed to extend time for eligible senior citizens to elect to be exempt from eviction for an additional 30 days from date of acceptance of that first amendment, was not qualified as an "eligible senior citizen" exempt from eviction. Kalimian v. Bailey, 1984, 124 Misc.2d 974, 479 N.Y.S.2d 933. Landlord And Tenant 353

Statutory eviction exemptions inuring to benefit of senior citizens or disabled persons who elect not to purchase shares upon conversion of apartments to cooperative ownership were unavailable, contrary to Attorney General's determination, to 76-year-old, legally blind resident of apartment whose son, not her, was the tenant of record; election as to purchase of shares with attendant consequences was for the son to make. Belmont East Co. v. Abrams, 1984, 123 Misc.2d 404, 473 N.Y.S.2d 676. Landlord And Tenant 354

Legislation establishing special senior citizen category in relation to conversion of residential real estate from rental status to cooperative or condominium ownership had no retrospective application, and thus provided no relief for

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senior citizen tenant where cooperative conversion plan was filed and declared effective before passage of legislation. Reiner-Kaiser Associates v. McConnachie, 1979, 104 Misc.2d 750, 429 N.Y.S.2d 343, appeal denied 51 N.Y.2d 705, 433 N.Y.S.2d 1025, 412 N.E.2d 1327. Condominium 2; Landlord And Tenant 351

20. ---- Form of election

Tenant was not required to file her election to be classified as eligible senior citizen on specific form provided by sponsor; all requisite allegations as to age, residence, and income were contained in tenant's letter, hand delivered to sponsor's agent, stating that she and her husband had resided within subject apartment for at least five years, husband was 66 years of age, and total income earned in relevant income tax year was less than $30,000. Conforti v. Goldberg, 1983, 118 Misc.2d 590, 463 N.Y.S.2d 132. Landlord And Tenant 353

21. ---- Rights of unit purchasers

Purchaser of condominium unit, in which qualifying nonpurchasing senior citizen was residing, made his purchase subject to the superior possessory rights of the senior citizen and could not commence eviction proceedings against the senior citizen, absent nonpayment of rent or other violation of the tenancy. Sollenne v. Seiden, 1983, 118 Misc.2d 541, 463 N.Y.S.2d 131. Condominium 4

22. ---- Time for determination

Application of sponsor of cooperative conversion plan seeking determination of eligibility as "eligible senior citizens" or "eligible handicapped persons" of electing nonpurchasing tenants was subject to new regulations governing how determination by Attorney General of elections by eligible senior citizens and handicapped persons was made where sponsor's original application was properly found by Attorney General to be inadequate due to its failure to specify grounds upon which it was relying, so that Attorney General's time in which to make a determination did not commence to run until sponsor cured defect in application, in that when new regulations became effective, sponsor's application had not yet been determined and Attorney General's time in which to make its determination had not expired. Vector East Realty Corp. v. Abrams, 1982, 114 Misc.2d 975, 452 N.Y.S.2d 492, reversed 89 A.D.2d 453, 455 N.Y.S.2d 773. Landlord And Tenant 353

23. ---- Hearings

Special Term erred in applying standards of the State Administrative Procedures Act § § 301, 302 for an "adjudicatory proceeding" to procedures followed by Department of Law in making its administrative determination of eligibility of tenants to be exempt from eviction under condominium or cooperative ownership conversion plan, since State Administrative Procedure Act § 102 defines adjudicatory proceeding as activity in which determination of legal rights "is required by law to be made only on a record and after an opportunity for a hearing," and this section contains no requirement of a record or a hearing, but merely requires notice and an opportunity to be heard. East 56th Plaza, Inc. v. Abrams (3 Dept. 1983) 91 A.D.2d 1129, 458 N.Y.S.2d 953. See, also, Vector East Realty Corp. v. Abrams (1 Dept. 1982) 89 A.D.2d 453, 455 N.Y.S.2d 773.

Sponsor of eviction-type cooperative-conversion plan with respect to apartment building did not have its right to procedural due process violated by Department of Law's failure to provide sponsor with a hearing on its challenge to eligibility of tenants to be exempt from eviction, since determination being made was narrow factual issue easily susceptible of documentary proof, cost of providing evidentiary hearing for each eligibility challenge would far outweigh its benefit in alleviating risk of erroneous determination, and Department was vested with discretion to request presence of witnesses for oral testimony. Vector East Realty Corp. v. Abrams (1 Dept. 1982) 89 A.D.2d 453, 455 N.Y.S.2d 773. Constitutional Law 278.3

Failure of the Attorney General to permit the petitioner to be present and cross-examine the superintendent in proceeding to determine whether petitioner had timely elected to exercise his right as an eligible senior citizen not to purchase apartment converted to cooperative and to remain in possession as the rent-controlled tenant was

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prejudicial to petitioner in that answers given by superintendent were vague, ambiguous, and subject to varying interpretations, and petitioner through cross-examination might well have demonstrated inconsistencies in superintendent's account of service of eviction plan for conversion of premises. Antonovici v. Abrams, 1984, 124 Misc.2d 407, 478 N.Y.S.2d 225. Landlord And Tenant 353

Under this section, which sets forth system for challenging eligibility of tenants to qualify for exemption by which eligible senior citizens or eligible handicapped persons are exempt from both eviction and unconscionable rental increases in buildings being converted to cooperative or condominium ownership, Attorney General is required to conduct a hearing; upon hearing it is tenant who has burden of proving his eligibility for exemption and it is unnecessary for petitioner to support the challenge with evidence. East 56th Plaza, Inc. v. Abrams, 1982, 112 Misc.2d 629, 447 N.Y.S.2d 238, affirmed 91 A.D.2d 1129, 458 N.Y.S.2d 953. Condominium 3; Landlord And Tenant 353

24. ---- Burden of proof

Regulations adopted by Attorney General, in connection with proceedings challenging eligibility of tenants to qualify for exemptions by which eligible senior citizens or eligible handicapped persons may elect to become nonpurchasing tenants in premises being converted to cooperative, which placed burden of proof upon sponsor to show that tenant seeking nonpurchasing status was not in fact eligible, rather than upon tenants seeking such status, deprived sponsor of cooperative conversion plan of procedural due process and was thus invalid and void since it is tenant who is seeking to be placed in an excepted category, and tenant alone is privy to all facts upon which determination in his favor would rest. Vector East Realty Corp. v. Abrams, 1982, 114 Misc.2d 975, 452 N.Y.S.2d 492, reversed 89 A.D.2d 453, 455 N.Y.S.2d 773. Landlord And Tenant 353

25. ---- Review

Determination that applicant for conversion of cooperative or condominium ownership in New York City was not eligible "disabled" person was not arbitrary or capricious and was rationally based; validity of applicant's arguments were undermined by her inability to produce pertinent documentation, as well as by her failure to change nature of her purported disability from physical to psychological so as to conform it to available proof. Ebenhart v. Abrams (1 Dept. 1991) 172 A.D.2d 238, 567 N.Y.S.2d 733, appeal denied 78 N.Y.2d 858, 575 N.Y.S.2d 454, 580 N.E.2d 1057. Condominium 3; Landlord And Tenant 353

Tenant stated viable cause of action seeking benefit of protection of this section protecting senior citizens from cooperative conversions where the senior citizens have resided in the apartment as their primary residence for at least two years prior to Attorney General's acceptance of plan for filing, despite district rent director's finding that tenant did not occupy apartment in question as her primary residence, where such determination considered conditions as they existed only during part of period preceding conversion, the director found that tenant had offered reasonable explanation that her absence from the apartment for one year was due to illness for which she was receiving medical care in Mexico. Esperanza-Cruz de Vasconcelos v. Berkley Associates (1 Dept. 1980) 78 A.D.2d 808, 433 N.Y.S.2d 109. Landlord And Tenant 353

In Article 78 proceeding, petitioner did not waive its right to challenge eligibility of tenants for exemption from eviction and unconscionable rental increases within building being converted to cooperative or condominium ownership by reason of an agreement purportedly made at time Attorney General discontinued his investigation of petitioner's sales activities and of adequacy of its disclosure in offering plan, in that there was no showing that petitioner ever intended to completely relinquish its rights to challenge ineligible tenants. East 56th Plaza, Inc. v. Abrams, 1982, 112 Misc.2d 629, 447 N.Y.S.2d 238, affirmed 91 A.D.2d 1129, 458 N.Y.S.2d 953. Condominium 3; Landlord And Tenant 353

26. Eviction, grounds for

Failure of designated rent-stabilized tenant to actually occupy apartment did not constitute substantial breach of

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tenant's obligations under lease, which at best restricted occupancy, but did not require occupancy; hence, mere vacancy could not serve as basis for eviction of tenant during cooperative conversion. 815 Park Owners, Inc. v. West LB Admin., Inc., 1983, 119 Misc.2d 671, 463 N.Y.S.2d 1015. Landlord And Tenant 361

If defendant, in his former capacity as lessor of building, objected to any subletting without consent, he was at full liberty to take appropriate steps to evict on this ground, but having elected not to proceed in this manner, with knowledge that lessee was subletting, prior to conversion of building to cooperative status, defendant may not now avail himself of lessee's failure to secure his consent so as to prevent her from becoming tenant cooperator. Thuna v. DiSanza, 1980, 102 Misc.2d 342, 425 N.Y.S.2d 729. Landlord And Tenant 352.1

27. Rent regulation of nonpurchased units

Evidence was sufficient to support determination by the Division of Housing and Community Renewal (DHCR) that tenants were in possession of the subject apartment before the Attorney General's acceptance of the conversion plan for conversion to cooperative apartments, so that subject apartment was rent stabilized; rent bill predating conversion plan listed tenants' names and apartment number, voter registration card indicated tenant's occupancy of apartment at time claimed, and lease expiration date was two years after date tenants claimed they began their occupancy. 160 Bleecker Street Owners, Inc. v. Division of Housing and Community Renewal (1 Dept. 2006) 27 A.D.3d 369, 812 N.Y.S.2d 495. Landlord And Tenant 356

Where a building is converted to cooperative apartments pursuant to a non-eviction plan, the apartments occupied by existing non-purchasing tenants remain subject to rent regulation. 160 Bleecker Street Owners, Inc. v. Division of Housing and Community Renewal (1 Dept. 2006) 27 A.D.3d 369, 812 N.Y.S.2d 495. Landlord And Tenant 356

Order of decontrol upholding landlord's protest and reached after de novo review was not entitled to retroactive effect, and thus apartment, on earlier date of presentation of offering plan for cooperative conversion, was subject to rent control even though application for decontrol had been filed approximately one year before the latter date. Esperanza-Cruz de Vasconcelos v. Berkley Associates (1 Dept. 1980) 78 A.D.2d 808, 433 N.Y.S.2d 109. Landlord And Tenant 200.83

Proposed rent increase from $500 for tenants' one-bedroom apartment, which they rented from sponsors of cooperative conversion, to $850 was not an unconscionable rent increase in violation of the Martin Act, which governed conversions of buildings from residential rental status to cooperative or condominium ownership, and thus tenants were not within their rights in rejecting proposed lease; comparable apartments in building were renting for higher amounts, and experienced real estate broker attested to the reasonableness of $850 rent. Paikoff v. Harris, 1999, 185 Misc.2d 372, 713 N.Y.S.2d 109. Landlord And Tenant 356

28. Excessive long-term vacancies

In rejecting cooperative offering plan on basis that more than ten percent of apartments in building were "long-term vacancies," Attorney General properly determined that two disputed apartments were "long-term vacancies"; evidence showed that one disputed apartment was occupied by man whose daughter, more than five months prior to submission date, contacted sponsor by telephone and unequivocally informed building's owner that her father was in nursing home and would not be returning to apartment, and that other disputed apartment was unoccupied for substantial portion of five months, and was subleased without authorization by rent-stabilized tenant not in primary residence for remainder of five-month period. Sharon Realty Co. v. Abrams (1 Dept. 1990) 167 A.D.2d 121, 561 N.Y.S.2d 209. Landlord And Tenant 353

Where occupant of apartment at no time had lease for unit and his brief occupancy, during relevant five-month period prior to submission of proposed offering plan by sponsors of cooperative conversion of residential apartment building, was subject to agreement to vacate, there was inadequate proof that he was bona fide tenant during that period of time; thus, department of law properly concluded that long-term vacancy existed, and that, where at least

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two other such vacancies existed, it could not determine that there were not excessive long-term vacancies. Magier v. Abrams (1 Dept. 1990) 162 A.D.2d 244, 556 N.Y.S.2d 604. Landlord And Tenant 353

Attorney General properly refused to accept for filing partnership's eviction plan for cooperative ownership of development in which it was long-term lessee, where prior to commencement of five-month period before such plan was filed there were 19 vacancies, and where the vacancies had only been reduced to 13, as required for acceptance of the plan, by fact that six tenants in development had moved from apartments occupied by them into the vacant apartments. Forest Vistas Co. v. Abrams (1 Dept. 1984) 103 A.D.2d 730, 478 N.Y.S.2d 303, affirmed 64 N.Y.2d 928, 488 N.Y.S.2d 648, 477 N.E.2d 1102. Landlord And Tenant 353

Vacancies in excess of 13.8 dwelling units in development partnership leased would be excessive, for purposes of determining if the Attorney General was required to accept for filing partnership's eviction plan of cooperative ownership for such development, where development consisted of 138 dwelling units, with an average vacancy rate for the previous two-year statutory period of 3.2%. Forest Vistas Co. v. Abrams (1 Dept. 1984) 103 A.D.2d 730, 478 N.Y.S.2d 303, affirmed 64 N.Y.2d 928, 488 N.Y.S.2d 648, 477 N.E.2d 1102. Landlord And Tenant 353

Attorney General has broad powers to effect remedial purposes of statute inhibiting warehousing of vacant apartments so as to reduce percentage requirement for conversion, and it is sponsor's burden to show absence of excessive vacancy factor. Harbor Tower, Inc. v. Abrams (1 Dept. 1981) 85 A.D.2d 558, 453 N.Y.S.2d 1, affirmed 56 N.Y.2d 740, 452 N.Y.S.2d 20, 437 N.E.2d 279, reargument denied 57 N.Y.2d 673, 454 N.Y.S.2d 1032, 439 N.E.2d 1247. Landlord And Tenant 353

29. Renewal of leases

Cooperative apartment corporation should not have been directed to renew lease on apartment described as "maid's room," for which no shares had been allocated, which allegedly comprised part of shareholder's residence; having failed to raise timely objection to terms of offering statement, shareholder could not complain that plan of cooperative conversion failed to reflect full extent of his interest in premises, and he could not have dual status of cooperator and rent-stabilized tenant. 10 West 66th Street Corp. v. New York State Div. of Housing and Community Renewal (1 Dept. 1992) 184 A.D.2d 143, 591 N.Y.S.2d 148. Landlord And Tenant 353

Tenant did not waive Martin Act defense, arising from building's conversion to cooperative ownership, in holdover proceeding by stipulating in prior proceeding that he and his wife would be given a two-year lease with a one-year renewal option, that he would have no further renewal rights, and that the apartment would be "destabilized"; landlord entered into new lease with tenant after the lease and renewal option provided for in the stipulation had been exhausted, and nothing in the stipulation waived the Martin Act rights which might arise from subsequently created tenancy. Arkansas Leasing Co. v. Gabriel, 2004, 3 Misc.3d 46, 779 N.Y.S.2d 710. Landlord And Tenant 361

Nonprimary residents and corporate residential tenants in building being converted to condominium ownership were entitled to a one-year renewal lease at a ten percent rental increase provided they accepted offer contained in offering plan prior to filing of second amendment which rescinded offer. 58 West 58th Street Tenant Ass'n v. 58 West 58th Street Associates, 1984, 126 Misc.2d 500, 482 N.Y.S.2d 952. Condominium 3

30. Declaratory judgment

If shares appurtenant to apartment had been sold to bona fide purchaser, estate of deceased tenant's remedies would be limited to damages, in estate's declaratory judgment action seeking declaration of right to purchase shares allocated to subject apartment and specific performance transferring shares to estate and issuing proprietary lease in accordance with offering plan. Russell v. Raynes Associates Ltd. Partnership (1 Dept. 1991) 166 A.D.2d 6, 569 N.Y.S.2d 409. Declaratory Judgment 384; Specific Performance 128(1)

Claim that sales of apartments used as offices did not count towards 15 percent requirement set forth in General

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Business Law for declaring condominium conversion effective was not a claim as to which declaratory relief could be granted where, subsequent to commencement of action, the Attorney General declared the conversion effective, pursuant to which tenants instituted an article 78 proceeding for judicial review of that determination. 58 West 58th Street Tenant Ass'n v. 58 West 58th Street Associates, 1984, 126 Misc.2d 500, 482 N.Y.S.2d 952. Declaratory Judgment 45

31. Injunction

Amendment to condominium conversion plan requiring occupants of apartments, which allegedly violated certificate of occupancy and building department regulations due to landlord's alterations, to vacate those apartments for "substantially comparable nonrenovated vacant unit" on another floor was not equivalent of "eviction" such as would satisfy irreparable harm requirement for issuance of permanent injunction; any necessity to vacate apartment based on purported illegality of unit would not be remedied by enjoining conversion, with or without which issue remained one between landlord and tenant. Ansonia Tenants' Coalition, Inc. v. Ansonia Associates, 1991, 151 Misc.2d 213, 573 N.Y.S.2d 211, affirmed 179 A.D.2d 594, 580 N.Y.S.2d 649. Landlord And Tenant 354

One of two cotenants in rent-stabilized apartment in building undergoing cooperative conversion pursuant to noneviction plan who did not wish to purchase cooperative shares but, rather, wanted to remain as rent-stabilized tenant, was not entitled to preliminary injunction preventing other cotenant from purchasing shares pursuant to subscription agreement signed only by latter; uncertainty as to parties' postclosing relationship gave rise to no threat of irreparable injury, and injunction would unfairly prevent purchase of shares at insider's price. Stuart v. One Sherman Square Associates, 1984, 123 Misc.2d 414, 473 N.Y.S.2d 669. Landlord And Tenant 354

McKinney's General Business Law § 352-eeee, NY GEN BUS § 352-eeee

Current through L.2006, chapter 744.

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EXHIBIT "L"

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO PART 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO PART 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED.

Date: December 10, 207

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

Re: 203 Luquer, Brooklyn, New York

We are the Sponsor and the principals of Sponsor of the condominium Offering Plan for the above captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the New York Condominium Act, the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for making this certification. We jointly and severally certify that the offering Plan does, and that all documents submitted hereafter by us which amend or supplement the Offering Plan will:

(1) set forth the detailed terms of the transaction and be complete, current and accurate;

(2) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(3) not omit any material fact;

(4) not contain any untrue statement of a material fact;

(5) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(6) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(7) not contain any representation or statement which is false, where we: (i) knew the truth; (ii) with reasonable effort could have known the truth; (iii) made no reasonable effort to ascertain the truth, or (iv) did not have knowledge concerning the 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.

SPONSOR:

203 Luquer LLC

By: JOSEPH SABBAGH
Its: MANAGER

SPONSORS PRINCIPALS:

Isaac M. Mishan

Joseph Sabbagh

Sworn to before me on this
20 day of December, 2007

Isaac Attias
Notary Public

ISAAC ATTIAS
NOTARY PUBLIC, State of New York
No. 01AT6171001
Qualified in Kings County
Commission Expires July 16, 20 11

EXHIBIT "M"

CERTIFICATION OF SPONSOR'S ARCHITECT PURSUANT TO SECTION 20.4(C) OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

EXHIBIT "N"

CERTIFICATION OF ADEQUACY OF BUDGET PURSUANT TO SECTION 20 OF THE REGULATIONS ISSUED PURSUANT TO GENERAL BUSINESS LAW, ARTICLE 23-A, AS AMENDED

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 representation or statement made.

We further certify that we are not owned or controlled by and have no beneficial interest in the sponsor and that our compensation for preparing the Report is not contingent on the conversion of the Premises 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 Premises.

AENArchitects

By: _____

Name: Alex Nussbaumer

Title: Principal

Sworn to before me this

25 day of February , 2008

_____

Notary Public

LUIS CASIANO
Notary Public, State of New York
No. 01CA6187734
Qualified in Queens County
Term Expires June 4, 2011

Harvey Karnen
40 Oceana Drive West
Brooklyn, NY 11230

January 31, 2008

New York State Department of Law
Real Estate Financing Bureau
120 Broadway
New York, New York 10043

Re: 203 LUQUER Street, Brooklyn, N.Y.

Dear Sir/Madam:

Sponsor of the condominium offering plan for the captioned property retained me to review Schedules B and B-1, containing Sponsor's projection of income and expenses for the first year of condominium operations. My experience in this field includes managing Class A residential buildings and cooperative properties. We currently manage 111 East 88th St., 320 West End Avenue and 141 East 3rd Street, N.Y. as part of our management portfolio. I have been a professional real estate manger for 25 years; and have masters degree in real estate in addition to a certified property management (CPM) designation.

I understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedules B and B-1.

I 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 my experience in managing residential buildings.

I certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operations.

I certify that the Schedules:

(i) set forth in detail the projected income and expenses for the first year of condominium operations;
(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operations;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false; where we:

(a) knew the truth;
(b) with reasonable effort could have known the truth;
(c) made no reasonable effort to ascertain the truth , or
(d) did not have knowledge concerning the representation or statement made.

I further certify that we are not owned or controlled by 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 operations.

This certification is made under the penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

Harvey Kamen CPM

By: Harvey Kamen
Title:CPM

Sworn to before me on this
_31_ day of January , 2008

ISAAC ATTIAS
NOTARY PUBLIC, State of New York
No. 01AT6171001
Qualified in Kings County
Commission Expires July 16, 20 11

Notary Public

EXHIBIT "O"

HOUSING MERCHANT IMPLIED WARRANTY LAW

C

Effective: [See Text Amendments]

Mckinney's Consolidated Laws of **New York** Annotated Currentness
General Business Law (Refs & Annos)
Chapter 20 Of the Consolidated Laws
Article 36-B. Warranties on Sale of New Homes (Refs & Annos)

→§ 777-a. Housing merchant implied warranty

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

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

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

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

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

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

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

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

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the

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expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

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

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

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

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

CREDIT(S) (Added L.1988, c. 709, § 1.)

<<GENERAL BUSINESS LAW>>

<Laws 1909, Chapter 25>

HISTORICAL AND STATUTORY NOTES

1996 Main Volume

Effective Date; Applicability. Section effective Mar. 1, 1989, and applicable to contracts of sale for new homes entered into on or after such date, pursuant to section 3 of L.1988, c. 709, set out as a note under General Business Law § 777.

LIBRARY REFERENCES

1996 Main Volume

Consumer protection statutes generally, see Consumer Protection 1 et seq., 4 to 6.
Warranties collateral to sale generally; making and requisites of warranty, see Sales 246 et seq.

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Consumer protection statutes generally, see C.J.S. Credit Reporting Agencies; Consumer Protection § 23 et seq.
Warranties collateral to sale generally; making and requisites of warranty, see C.J.S. Sales § 236 et seq.

RESEARCH REFERENCES

2005 Electronic Update

ALR Library

101 ALR 5th 447, Validity, Construction, and Application of New Home Warranty Acts.

Encyclopedias

NY Jur. 2d, Limitations & Laches § 76, Action for Breach of Housing Merchant Warranty.

NY Jur. 2d, Limitations & Laches § 168, New House Purchase; Breach of Housing-Merchant Warranty.

NY Jur. 2d, Real Prop.--Possessory & Rel. Actions § 62, Implied Warranty.

NY Jur. 2d, Real Prop.--Possessory & Rel. Actions § 63, Generally; Definitions.

NY Jur. 2d, Real Prop.--Possessory & Rel. Actions § 64, Operation and Effect.

NY Jur. 2d, Real Prop.--Possessory & Rel. Actions § 65, Exclusion or Modification.

Forms

McKinney's Forms, Civil Practice Law & Rules § 1:134, Accrual of Cause of Action.

McKinney's Forms, Real Property Practice § 3:159, Implied Warranty as to Defects in New Home.

McKinney's Forms, Real Property Practice § 3:160, Notice of Claim for Breach of Housing Merchant Implied Warranty on Sale of New Home (Form-**General Business** Law **777-A**(4)(a)).

McKinney's Forms, Selected Consol. Law, **General Business** Law § **777-A** Form 1, Implied Warranty on Sale of New Home-Notice of Claim for Breach of Housing Merchant Warranty.

McKinney's Forms, Selected Consol. Law, **General Business** Law § **777-A** Form 2, Implied Warranty on Sale of New Home-Complaint for Breach of Housing Merchant Warranty.

Treatises and Practice Aids

Bruner and O'Connor on Construction Law § 9:77, Statutory Warranties Applying to Residential Construction.

Carmody-Wait, 2d § 13:126, Generally; Exceptions to Operation of General Statute.

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Carmody-Wait, 2d § 13:153, Action for Damages Caused by Breach of Housing Merchant Implied Warranty.

New York Condominium & Cooperative Law 2d Ed. § 5:14, Implied Warranty in New Home Sales.

15 New York Practice Series § 16:42, Real Property.

NOTES OF DECISIONS

Common law 1/2

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Scope of warranty 1

1/2. Common law

Statutory housing merchant implied warranty is full substitute for antecedent common-law housing merchant implied warranty. Fumarelli v. Marsam Development, Inc., 1998, 92 N.Y.2d 298, 680 N.Y.S.2d 440, 703 N.E.2d 251. Contracts 205.35(2)

If a homeowner fails to meet the statutory requirements of timely notice of breach and timely commencement of an action to enforce his warranty rights under statute applicable to new homes, he cannot resort to an action based on the implied common law warranty that a house will be constructed in a good and workmanlike manner; however, if a homeowner can demonstrate that the statutory new home warranties do not apply to his contract with the home builder or seller, the common law implied warranty may nevertheless apply. Gorsky v. Triou's Custom Homes, Inc., 2002, 194 Misc.2d 736, 755 N.Y.S.2d 197. Contracts 205.35(2)

1. Scope of warranty

Builder-vendor impliedly warranted that house was constructed in skillful manner, free of material, latent defects, and thus factual dispute regarding whether alleged defects in house were visible when purchaser took title precluded summary judgment on purchaser's breach of contract claims against builder. Merritt v. Hooshang Const., Inc. (2 Dept. 1995) 216 A.D.2d 542, 628 N.Y.S.2d 792. Contracts 205.35(2); Judgment 181(19)

"Housing merchant" warranty is broader than statutory warranty on sale of new homes and any disclaimer is void as against public policy. Board of Managers of Alfred Condominium v. Carol Management, Inc. (1 Dept. 1995) 214 A.D.2d 380, 624 N.Y.S.2d 598, leave to appeal dismissed 87 N.Y.2d 942, 641 N.Y.S.2d 824, 664 N.E.2d 889. Contracts 205.35(2); Contracts 205.35(4)

House purchasers' claim based upon patent defects identified by themselves and their engineer prior to closing merged into and did not survive deed; purchasers would be able to maintain action for breach of warranty only with respect to latent defects. Milstein v. Incorporated Village of Port Jefferson (2 Dept. 1989) 154 A.D.2d 442, 546 N.Y.S.2d 13. Deeds 94

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Statutory warranties attaching to sales of new homes applied in homeowners' action against builder for breach of contract arising from builder's allegedly unauthorized deviation from contract specifications to install a particular manufacture and type of roofing shingles, even though builder constructed the home on land already owned by homeowners. Gorsky v. Triou's Custom Homes, Inc., 2002, 194 Misc.2d 736, 755 N.Y.S.2d 197. Contracts 205.35(2)

The statutory new home implied warranties imposed by new home warranty law apply to custom homes and protect purchasers of such homes regardless of the fact that they own the real property upon which such homes are constructed prior to the homes being built; if a homeowner fails to comply with the statutory requirements for assertion of his rights under the statutory implied warranty, he has no cause of action for breach of contract based upon the builder's or seller's implied obligation of merchantability. Gorsky v. Triou's Custom Homes, Inc., 2002, 194 Misc.2d 736, 755 N.Y.S.2d 197. Contracts 205.35(2)

Housing Merchant Implied Warranty statute only applies to contracts or agreements that involve the sale of new homes. Watt v. Irish, 2000, 184 Misc.2d 413, 708 N.Y.S.2d 264. Contracts 205.35(2)

Condominium owners' claim for damages under theory of housing merchant implied warranty did not create penalty or minimum measure of damages that would bar such claims from class action certification, where owners sought no more relief on implied warranty claims than they would have been entitled to under common law. Zehnder v. Ginsburg & Ginsburg Architects, 1997, 172 Misc.2d 57, 656 N.Y.S.2d 135. Parties 35.79

2. Notice of claim

Landowner was not required to provide contractor with notice before bringing breach of contract suit, arising out of contractor's construction of home on landowner's property, as contract was not for construction of "new" home, but rather was for a contract for construction of "custom" home, i.e., a contract for home improvement. Garan v. Don & Walt Sutton Builders, Inc. (2 Dept. 2004) 5 A.D.3d 349, 773 N.Y.S.2d 416. Contracts 327(1)

Buyers alleged that they gave sellers written notice regarding numerous instances of defective workmanship, defective materials, defective design, and defective installation before commencement of action to recover damages for breach of implied warranty, and within 30 days of expiration period of warranty, as required to maintain breach of implied warranty claim; buyers' written complaints to sellers pre-dated verified complaint, which was dated long before expiration of warranty period. Rosen v. Watermill Development Corp. (2 Dept. 2003) 1 A.D.3d 424, 768 N.Y.S.2d 474. Sales 433.1

Homebuyers who brought action against builders and sellers failed to serve the defendants with notice of alleged defects, as required to maintain claims to recover damages for alleged breach of implied warranties. Taggart v. Martano (2 Dept. 2001) 282 A.D.2d 521, 723 N.Y.S.2d 211. Contracts 205.45

Purchasers failed to give builders notice of claim, which alleged failure to construct house in skillful manner, within 30 days after expiration of one-year warranty period, as required by statute as condition precedent to claim. Rushford

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v. Facteau (3 Dept. 1998) 247 A.D.2d 785, 669 N.Y.S.2d 681. Consumer Protection 36.1

Builder waived his right to written notice of buyer's claim under new home implied warranty of merchantability, where builder did not raise issue in his answer, builder did not move for dismissal on that ground prior to, or during, trial, and builder had actual notice of complained of condition. Randazzo v. Zylberberg, 2004, 2004 WL 1433538. Contracts 338(1)

3. Pleadings

Builder's claim that purchasers alleged negligence claims in their action alleging failure to construct house in skillful manner did not warrant dismissal of complaint; construing complaint liberally, purchasers' causes of action alleged breach of contractual and statutory duties, using negligence as term descriptive of builder's actions and not as independent cause of action. Rushford v. Facteau (3 Dept. 1998) 247 A.D.2d 785, 669 N.Y.S.2d 681. Consumer Protection 36.1; Contracts 337(2)

4. Limitations

Six-year statute of limitations for breach of contract, not one and two-year statutes of limitation for breach of implied warranty under new home warranty law, applied to homeowners' action against builder for alleged breach of an express provision of their contract regarding the manufacture and type of shingles to be installed on home being built on homeowners' property. Gorsky v. Triou's Custom Homes, Inc., 2002, 194 Misc.2d 736, 755 N.Y.S.2d 197. Limitation Of Actions 24(6)

Housing Merchant Implied Warranty statute did not apply to a contract for construction of a new home on a piece of property that landowners already possessed title to; rather, landowners' claim was governed by six-year statute of limitations for a cause of action for breach of a construction contract which began to run upon completion of contract. Watt v. Irish, 2000, 184 Misc.2d 413, 708 N.Y.S.2d 264. Limitation Of Actions 24(1); Limitation Of Actions 46(6)

McKinney's **General Business** Law § 777-a, NY GEN BUS § 777-a

Current through L.2005, chapters 4 to 38, 40 to 47, 50 to 57, 59 to 62, 64 to 66.

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