CONDOMINIUM OFFERING PLAN FOR THE SALE OF UNITS IN A CONDOMINIUM TO BE KNOWN AS

SEDGWICK CONDOMINIUM

2792, 2794 & 2796 Sedgwick Avenue
Bronx, Bronx County, New York 10468

Artist rendering

40 Residential Condominium Units	$10,815,000.00
3 Community Facility Units	$ 849,000.00
3 Tandem Parking Spaces	$ 75,000.00
1 Indoor Parking Spaces	$ 20,000.00
25 Outdoor Parking Spaces	$ 375,000.00
TOTAL OFFERING	$12,134,000.00

SPONSOR AND SELLING AGENT
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DATE OF ACCEPTANCE FOR FILING IS OCTOBER 9, 2007. THE OFFERING PLAN MAY NOT BE USED AFTER OCTOBER 8, 2008 UNLESS EXTENDED BY AMENDMENT.

FILE NUMBER CD-07-0453

THIS PLAN CONTAINS SPECIAL RISKS. SEE PAGE IV FOR SPECIAL RISKS TO PURCHASERS.

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

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

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

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SPECIAL RISKS

1. SPONSOR'S RIGHT TO LEASE UNITS

Sponsor is reserving the unconditional right to rent rather than sell Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Units than the fifteen percent (15%) necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium.

Owner-occupants and non-resident owners, including sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment. The Sponsor has the right to control the Board of Managers of the Condominium, by maintaining a majority of the Members of the Board of Managers of the Condominium, until all Units offered for sale under this Offering Plan are sold or five years from the date of the first closing, whichever occurs first.

2. ELIGIBILITY FOR PARTIAL REAL ESTATE TAX ABATEMENT AND PURCHASER TO PAY SPONSOR FOR TAX EXEMPTION APPLICATION

The Condominium may be eligible for partial tax exemption benefits under Section 421-a of the Real Property Tax Law. An application has been filed with The City of New York Department of Housing Preservation and Development, but has not yet been acted upon. It is possible that the benefits will not be obtained before the closing of the first Unit and there is no guaranty that benefits will be granted to the property. The Sponsor will use its best efforts to obtain 421-a tax benefits.

Each Purchaser shall pay to the Sponsor one and one half percent (1.50%) of the sales price of his respective Unit for reimbursement of the Sponsor's costs in applying for partial tax exemption benefits pursuant to section 421-a of the New York State Real Property Tax Law. Sponsor cannot guaranty that the Condominium will receive the partial tax abatement, and the costs of one percent (1.50%) of the sales price as and for Sponsor's costs to apply for same will be due to Sponsor regardless of whether the City of New York grants the 421-a tax abatement and the fees charged by Sponsor will not be returned or refunded if the 421-a application is not granted. The 1.50% tax abatement fee ranges from $2,625.00 to $5,985.00 based on the sales offering price of $175,000.00 to $399,000.00 as set forth in the Offering Plan for all Units. (See Part I, Section "E" and Section "T").

3. MATERIALS, WORKMANSHIP, ETC.

All Condominium Units and General and Limited Common Elements offered pursuant to this Offering Plan are sold subject to completion of the work specified in the Architect's Report (see Part II, Section "II").

4. WARRANTIES

Because the buildings are less than five (5) stories, Article 36-B of the General Business Law, which pertains to warranties on the sale of certain new homes applies. General Business Law §777, the Housing Merchant Implied Warranty Law is applicable to Condominium Units in buildings which are five stories and less. The Housing Merchant Implied Warranty Law applies, however, Sponsor elects to exclude the Housing Merchant Implied Warranty in favor of a Limited Warranty as set forth in this Offering Plan.

Certain of the limitations contained in the Limited Warranty are noted as follows: the Limited Warranty provides coverage for the first residential Unit buyer only; Sponsor's liability with regard to items set forth in the Limited Warranty only is limited to ten percent (10%) of the purchase price, exclusive of all options; incidental, special, indirect consequential or other similar damages are excluded; and detailed procedures must be followed for giving notice of a warranty claim to the Sponsor, and for commencing a lawsuit against Sponsor. Despite the 10% limitation, the Sponsor's obligation, regardless of any limitations in the warranty or in this Offering Plan, cannot go below the duty to construct the premises in accordance with all applicable codes, filed Plans and specifications and locally accepted building practices for items which are not covered by codes. **(See Part II, Section "JJ").**

5. CONDOMINIUM MANAGEMENT

The affairs and management of the Condominium shall be managed by Impact Real Estate Management, Inc. ("Impact" or "managing agent"), 111-17A Roosevelt Avenue, Flushing, New York 11368 pursuant to a written management agreement. Managing Agent will manage the condominium for a period of two years. The agreement may be terminated in the event of managing agent's fraud, misappropriation of condominium funds, embezzlement, or the like. The management agreement may not be assigned. The Board of Managers and the managing agent may agree to continue the management relationship after the end of the initial term. The annual management fee of $15,000.00 per year shall be paid to the Management Agent, together with disbursements anticipated to be approximately $1,000.00 per year. (see Part I, Section "F", Schedule B, Footnote 11).

6. CLOSING DATE AND ADJOURNMENTS

Purchaser may adjourn the closing date which is set forth in the contract one time for an adjourned period of up to 15 days. If the Purchaser adjourns the closing as

permitted herein, then the adjourned date is made "time of the essence". This means that the Purchaser must close by the adjourned date. In the event that Purchaser does not close on the adjourned date, Purchaser may risk the loss of his or her Down Payment. (See Part I, Section "K(16)" and (Part II, Section "EE" - Purchase Agreement)). Purchasers will be required to pay an additional fee of $350.00 to Sponsor's closing attorneys if Purchaser does not close title to his or her Unit on the date stated in the notice of closing because such Purchaser has not complied with the terms of the executed Purchase Agreement, or if the Purchaser's lender requires the closing to be at a place other than that indicated in the notice of closing. (see Part I, Section "N"). Sponsor must provide a Purchaser with a written demand for payment after default at least 30 days before forfeiture of the down payment may be declared. (see Part I, Section "K").

7. CONTRIBUTIONS TO WORKING CAPTIAL FUND

At the time of closing, each Purchaser will be required to pay an amount equal to two months' Common Charges then in effect for the Unit pursuant to the budget in accordance with Schedule A hereto, as the same may be amended from time to time which shall be paid into the Working Capital Fund of the Condominium. The Working Capital fund may be used to pay Common Expenses of the Condominium during the time that the Sponsor remains in control of the Board of Managers. While the Sponsor controls the Board of Managers, the Working Capital Fund may not be used to reduce projected common charges (see Part I, Sections "O" and "X").

8. BONDING BY SPONSOR

No bond or other security has been posted to secure Sponsor's obligations under this Plan or to complete construction of the building or other obligations under the Plan including the obligation to pay common charges with respect to unsold Units (see Part I, Section "P").

9. SPONSOR DECLARING PLAN EFFECTIVE

Pursuant to existing law and regulation, the Sponsor may declare the Condominium Plan effective with executed Purchase Agreements for a minimum of fifteen (15%) percent of the Units in the building (which are seven (7) Units). Even if the Plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to create a Condominium with fewer than the minimum number of sales, if Purchasers counted towards effectiveness do not ultimately purchase a Unit. (see Part I, Section "M"),

10. LENDER INFORMATION REGARDING CONDOMINIUMS IN GENERAL

Purchasers should note that certain banks and other lenders impose various restrictions on loans. Such restrictions may include requiring that a certain percentage (50% or more) of the Units in the building be sold before the lender will consider making

a loan. Thus it may be possible for a Purchaser to experience difficulty obtaining a loan in building where the percentage of Units purchased is lower than a lender's particular sales minimum. Even once the Offering Plan has been declared effective, 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. (see Part I, Section "L").

11. ESCROW OF PURCHASERS FUNDS

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

All deposits, down payments or advances made by Purchasers prior to closing will be placed in an interest bearing escrow account with the interest earned following the funds, to the seller at closing if title passes to Purchaser, or to the Purchaser if the closing does not occur provided that the Purchaser is entitled to the return of their down payment. The segregated escrow account will not be federally insured in excess of $100,000.00. (See Part I, Section "K").

12. SPONSORS RETAINED VOTING POWERS

The Sponsor has voting control over the making of certain (a) capital improvements, (b) expenditures of monies, (c) the imposition of assessments, and (d) the amendment of the Declaration and By-Laws of the Condominium until the earlier to occur of (i) five (5) years from the closing of title to the first unit, or (ii) the sale of Units representing more than seventy five percent (75%) of the Units (32 Units) being offered for sale. Until more than seventy five percent (75%) of the Units (32 Units) are sold or until five years from the closing of title to the first unit, the Sponsor will have voting control of the Board of Managers. After the initial Sponsor control period expires, the By-Laws do not require that the majority of the board consist of owner occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., as a home as opposed to an investment. (see Part I, Section "Q").

13. MORTGAGE TAX CREDIT

Sponsor shall, upon the closing of each Unit, have the right to receive a rebate for mortgage recording taxes already paid, if any, which rebate shall be credited to Sponsor from amounts any Unit Purchaser otherwise would have paid in connection

with the recording of a mortgage against his Unit at the time of purchase. (see Part I, Section "O").

14. APPLIANCES

The Sponsor will provide a range, refrigerator, dishwasher and washer / dryer. (see Part I, Section "C").

15. PURCHASER PAYMENT OF TRANSFER TAXES

While the New York State and New York City Transfer Taxes are customarily paid for by the Seller in single family home transactions, the burden of paying such taxes may be modified by contract. As is common with many other Condominium developments in the State of New York, the purchase agreement for this Condominium provides that the Purchaser of a Condominium Unit will be required to pay the New York State and New York City Transfer Taxes at the Closing. The New York State Department of Taxation and Finance and the New York City Department of Finance take the position that where the Purchaser pays the transfer taxes, the amount thereof will be added to the taxable consideration for determining the transfer taxes.

The Purchaser will be responsible for paying the following taxes and fees: The New York State Real Estate Transfer Tax, currently $4.00 for each one thousand dollars ($1,000.00) or fractional portion thereof, of the purchase price plus a $5.00 service charge; If applicable, the New York State Additional Tax ("Mansion Tax") of 1% where the purchase price equals $1 million or more; and the New York City Transfer Tax which is currently 1.00% of the purchase price up to $500,000.00 and 1.425% over $500,000.00 (for example - $1,000.00 or 1,425.00 respectively per $100,000.00 of purchase price). Because the Purchaser, rather than the Seller is required to pay the New York State and New York City Transfer taxes, the tax is deemed to be additional consideration and therefore, the price is considered to be 1.014 (for price under $500,000) or 1.01825 (for price of $500,000 and over) times the price of the Unit listed in Schedule A. (See Part I, Section "O").

16. SPONSOR'S LIABILITY LIMITATIONS

Pursuant to 13 NYCRR §20.3(t)(1), it is disclosed that the Sponsor has no obligation to defend any suits or proceedings arising out of Sponsors acts or omissions and no obligation to indemnify the Board of Managers and Unit Owners, except for claims arising out of the acts, omissions or representations of the Sponsor.

Sponsor and its principals will remain liable notwithstanding any disclaimers or limitations of liability on the part of the Sponsor or its principals for failure to perform any obligation imposed by applicable statute or regulation. (See Part I, Section "P").

17. CONTROL OF MANAGEMENT BY SPONSOR

Until 50% of the Units (20 Units) have been sold, or two (2) years from the first closing whichever occurs first, the Sponsor will appoint all three (3) members of the Board of Managers.

When the common interest representing 50% of the Units (20 Units) have been sold and closed, or two (2) years from the first closing whichever occurs first, the Sponsor will appoint two (2) of the members of the Board of Managers and the Unit Owners will elect one (1) member of the Board of Managers.

When the common interest representing all of the Units (40 Units) have been sold, or five (5) years from the first closing whichever occurs first, all members of the Board of Managers will be selected by the Unit Owners including the Sponsor. If Sponsor has not sold all Units within five (5) years from the first closing, then Sponsor may cast votes based on Sponsor's percentage of common interest for Units owned to elect members of the Board of Managers. The Sponsor controlled Board may have non-Sponsor members and the Sponsor may cast votes for any members of the Board of Managers.

After initial Sponsor voting control terminates, a majority of the Board of Managers need not be owner occupants or members of an owner occupant's household who are unrelated to the Sponsor and its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to an investment.

Until such time as all members of the Board of Managers will be selected by Unit Owners, the Board of Managers may not, without the prior written consent of the Sponsor or its designees, (i) make any addition, alteration or improvement to the Common Elements, Limited Common Elements or to any Unit or (ii) assess any common charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B to the extent that the aggregate amount of such fund does not exceed 5% of the budget expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law) to the extent that existing reserves are insufficient or (iv) amend the Declaration or By-Laws of the Condominium so as to in any way adversely affect Sponsor or its designees. The Sponsor shall have the right to withhold its consent to any of the foregoing actions. **(See Part I, Section "Q").**

18. LABOR FOR MAINTENANCE OF CONDOMINIUM PROVIDED

Costs for a full time superintendent have been included in the budget for the Condominium. The superintendent will not be a union member. The superintendent will be available on a 24 hour / 7 day a week basis for emergencies. When the

superintendent is on vacation or unavailable, there will be a janitorial service or temporary superintendent that will be available on a 24 hour / 7 day a week basis for emergencies.

The superintendent will be responsible for performing all work required for the normal maintenance of the Condominium, such as cleaning the Common Elements, landscaping and snow removal in common areas.

There is no guaranty that the budgeted labor amounts will be sufficient to perform the required tasks, and if additional staff is required by the Board of Managers, the monthly common charges will increase.

The Board of Managers shall be responsible for hiring any appropriate repair service and to ensure that such service will make any emergency repairs to the Common Elements if the superintendent is unable to perform any required repairs or tasks. (See Part I, Section "F"(2)).

19. CERTIFICATE OF OCCUPANCY

The closing of individual Units may occur prior to the Sponsor obtaining a permanent Certificate of Occupancy for the Building. If only a Temporary Certificate of Occupancy is issued by the Closing Date, Sponsor will, at Sponsor's sole cost and expense, do and perform or cause to be performed all work and supply or cause to be supplied all materials necessary to renew the temporary Certificate of Occupancy and to obtain such permanent Certificate of Occupancy. Complete details regarding the issuance of the Certificate of Occupancy are discussed in this Offering Plan. (See Part I, Section "C").

20. RESERVE FUND

There is no Reserve Fund for major capital improvements and replacements which are foreseeable within the next three years. As the systems are new in this project, it is estimate that there will be no foreseeable major capital improvements and/or replacements within the next three years. (See Part I, Section "W").

21. EASEMENTS

In order to manage and maintain the common areas of the subject building, which may be shared by the Condominium Unit Owners, the Sponsor may subject the property to the Declaration of Easements, Use and Maintenance as set forth in Schedule "M" to this Offering Plan. This Declaration provides for mutual easements of ingress and egress, utilities, support, maintenance, the apportionment of expenses and the establishment of a committee to enact and enforce rules, regulations and obligations imposed under the Declaration for maintenance, repair and replacement of common areas. If an installation is made on the parapet walls, light and air to windows will not be blocked by the installation of any equipment. (see Part II, Section "NN").

22. CONDOMINIUM UNIT LEASING RESTRICTIONS

Any Unit Owner shall have the right to lease his or her Unit under the following terms and conditions:

The Unit Owner shall first give the written notice by Certified Mail or via a nationally recognized overnight courier service with proof of delivery being retained by the Unit Owner to and for approval by the (a) Sponsor if Sponsor is in control of the Board of Managers, or (b) the Board of Managers if Sponsor is no longer in control of the Board of Managers on no less than thirty (30) days written notice of the terms of any bona fide proposed lease and tenant, together with a copy of a completed lease to be executed by a prospective tenant. The Board of Managers has the right of first refusal on any proposed leases, and the Board of Managers may exercise its rights, by leasing the subject Unit from the Unit Owner on the same terms and conditions as set forth in the proposed Lease Agreement.

The Board of Managers or the Sponsor as the case may be, may require the prospective tenant to complete an application and/or questionnaire and permission to obtain a credit report and criminal background check for consideration by the Board of Managers or Sponsor of the proposed transaction. The Board of Managers may require photo identification of all persons who may reside in the Condominium Unit, names, addresses and social security numbers of all proposed occupants in the event that the Board of Managers or Sponsor permits the proposed transaction. The Board of Managers or the Sponsor may obtain a criminal background check on the proposed occupants, Purchasers and/or tenants. The Board of Managers or the Sponsor may require additional information provided that any such rejection of any proposed transactions shall not be as a result of any discrimination 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.

23. SPONSOR HAS THE RIGHT TO SELL UNITS FOR INVESTMENT OR RESALE

The Sponsor has the right to sell Units to Purchasers for investment or for resale. It is possible that certain Home Owners will not be residents of the Condominium. Sponsor has further reserved the right to enter into Interim Leases for any Unit prior to Closing of the sale with the Purchaser thereof or with any other party, and residents of the Condominium may be comprised of both Unit Owners and tenants leasing from Sponsor or non-Sponsor Unit Owners. Individuals leasing Unit from Sponsor will not, except as expressly provided in their respective Interim Leases have any special rights to purchase such Units. In addition, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at closing free and clear of all leases and tenancies, except as may otherwise be agreed to in writing by the parties. (See Part I, Section "C" and "S").

24. SPONSOR MAY CONTINUE TO SHOW UNSOLD UNITS TO PROSPECTIVE PURCHASERS

While Units are being offered for sale or lease by the Sponsor or its designees, there will be a greater number of visitors to the Building than would otherwise be the case. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate.

25. UNIT OWNERS MUST NOTIFY BOARD OF MANAGERS AND/OR MANAGING AGENT OF CHILDREN AGE TEN AND UNDER RESIDING IN THE CONDOMINIUM

Each Unit Owner must notify the Managing Agent, or the Board of Managers if there is no Managing Agent, when a child or children ages ten (10) years and under lives or resides, permanently or temporarily in the Condominium Unit. Each Unit Owner must install at the Unit Owner's sole cost and expense the required window guards in all windows of the Unit. The Unit Owner must maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without the written consent of the Managing Agent or the Board of Managers. (See Part I, Section "S").

26. SPONSOR MAY SEEK SPECIFIC PERFORMANCE OF THE PURCHASE AGREEMENT

Pursuant to 13 NYCRR 20.3(o)(9), the Sponsor may seek specific performance of the purchase agreement to compel the Purchaser to purchase the subject Condominium Unit. (See Part I, Section "K").

27. INCREASE OR DECREASE IN COMMON INTEREST

The Common Interest of each of the Units has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act and accordingly based upon a comparison of the floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. **(See Part I, Section "E", Schedule "A", Footnote "iv").**

Based upon final specifications, construction conditions and/or "as-built" Plans for the Building reflecting relative measurements, areas and uses of portions of the Building, application of such method of allocation of Common Interest may justify a minor increase or decrease in the aggregate Common Interest appurtenant to the Units. In such event, the Common Interest appurtenant to each individual Unit would be adjusted pro rata. Sponsor expressly reserves the right, from time to time, prior to the first closing, to effect such a change in the common interests and to amend the Plan so as to reflect the same. In no event, however, will the common interest of any residential Unit be increased as result of any of the foregoing by more than 5%.

28. MEASUREMENTS OF INTERIOR OF UNIT

The approximate floor area of each Condominium Unit is measured as follows: (a) vertically from the top of the concrete or wood flooring to the underside of the sheetrock on the ceiling and (b) horizontally from the inside face of sheetrock walls of the interior of the unit to the inside face of sheetrock walls of the interior of the unit. The square footage set forth in the offering plan significantly exceeds the actual usable floor area of the Unit.

29. FOREIGN GOVERNMENT PURCHASERS OR RESIDENT REPRESENTATIVES FROM A FOREIGN GOVERNMENT MUST WAIVE IMMUNITY.

Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (examples are diplomatic immunity or sovereign immunity) shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement, the Condominium Documents or this Offering Plan being brought in any State or Federal Court in the State of New York. Any such Purchaser and any other Purchaser who is not a resident of New York State shall designate and authorize a lawful agent to receive process. **(See Part I, Section "K"(22) and Part II, Section "EE").**

30. THERE IS LESS PARKING SPACES AVAILABLE THAN UNITS FOR SALE

There are twenty five (25) outdoor parking spaces, three (3) tandem parking spaces which consist of one indoor and one outdoor parking space and one (1) single indoor parking spaces at the Condominium. The parking spaces are for sale and will be sold as condominium units and will be assigned individual tax lots. Parking Spaces will be sold on a first come first serve basis. Any Unit Owner not purchasing a parking space will have to rely on street parking to park their vehicles. (See Part I, Section "C").

31. NO RESTRICTION ON COMMUNITY FACILITY UNITS FOR USE AND SUBDIVISION

The Community Facility units are not restricted to its current proposed use. The community facility unit owners have the right to subdivide the unit provided that such division is permitted by New York City Zoning and Building Codes. The Community Facility unit owners must comply with uses as permitted by applicable law.

32. NO OCCUPANCY FOR BALCONIES AND TERRACES

Balconies and terraces 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 Buildings Department.

33. NO OCCUPANCY FOR COMMERCIAL AREAS AND STORAGE AREAS

Commercial areas and storage areas 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 Buildings Department.

34. NO OCCUPANCY FOR MEDICAL OFFICES AND STORAGE AREAS

Medical Offices 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 Buildings Department.

35. NO STORAGE OF COMBUSTIBLE ITEMS

Storage Spaces / Units may not be used for combustible items as defined in the Building Code. No storage of clothing, furniture, books, papers or any combustible items will be permitted.

PART I

A. DEFINITIONS OF TERMS USED IN THIS OFFERING PLAN

The following words as hereinafter referred to shall be defined as follows:

"Appurtenant Interest" shall mean with respect to any Unit, the undivided interest of the owner thereof, pursuant to Section 339-x of the Condominium Act.

"Assessments" shall mean the charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws).

"Board" or "Board of Managers" or "Condominium Board" means the Board of Managers of the Condominium which is the overall governing body of the Condominium which represents all the Unit Owners and Managers the Condominium pursuant to the provisions of the Declaration, By-Laws, and of the Plan.

"Building" or "Building" means the building structure known by the address 2792, 2794 & 2796 Sedgwick Avenue, Bronx, County of Bronx, City and State of New York which is located on the Land, in which the Condominium will be located.

"Building Department" or "Department of Buildings" shall mean the New York City Department of Buildings or any successor agency.

"By-Laws" means the By-Laws governing the operation of the Condominium, the form of which is set forth in Part II of the Plan, as the same may be amended from time to time.

"Closing" or **"Closing of Title"** shall be the time, place and procedure by which fee title to the Unit in question is conveyed to a Purchaser pursuant to a fully executed Purchase Agreement.

"Closing Date" shall be the date upon which a Closing occurs.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Charges" means any charges allocated and/or assessed by the Condominium Board against any Unit Owner and/or each Unit's proportionate share of the Common Expenses in accordance with its common interest.

"Common Elements" means all portions of the Condominium other than the Units, including without limitation the land, roofs, walls and structural elements of the building, windows, hallways, boiler rooms, electric meter rooms, gas meter and sprinkler meter rooms, trash disposal rooms, storage rooms, vestibule, staircases, rear yard, front yard and certain other portions of the building to be set aside for common use.

"Common Expense" means all costs and expenses incurred or paid generally by the Board in connection with the operation of the Condominium, which pursuant to the Plan, the Declaration and the By-Laws, are, except as set forth in the Plan and the Condominium By-Laws, to be paid by the Unit Owners in proportion to their Common Interest, as summarized in "Rights and Obligations of Unit Owners and Board of Managers; Summary of By-Laws" and as more fully described in the Declaration and the By-Laws.

"Common Interest" means the proportionate undivided interest each expressed as a numerical percentage in the Common Elements appurtenant to each Unit, as determined in accordance with the Declaration. The total of all Common Interest percentages appurtenant to all Units equals 100%. The Common Interest attributable to each Unit is set forth on Schedule B annexed to the Declaration.

"Community Facility Units" shall mean Community Facility Units located at 2792, 2794 and 2796 Sedgwick Avenue, Bronx, New York. All such Community Facility Units are, collectively, referred to as the "Commercial Facility Units".

"Community Facility Unit Owner" shall mean any Unit Owner of a Community Facility Unit at the time in question. The Community Facility Units located at 2792, 2794 and 2796 Sedgwick Avenue, Bronx, New York. All such Community Facility Unit Owners are, collectively, referred to as the "Commercial Facility Unit Owners".

"Condominium" means SEDGWICK CONDOMINIUM which is established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws and is composed of the Unit Owners.

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

"Condominium Board" shall mean the Board of Managers of the Condominium who will manage the affairs the Condominium.

"Condominium Documents" means collectively this Plan, the Declaration, the By-Laws and the Rules and Regulations thereunder, as the same may be amended from time to time.

"Declaration" or "Declaration of Condominium" means the instrument by which the property is submitted to the provisions of the Condominium Act, and such instrument as from time to time amended, consistent with the provisions of the Condominium Act and of the By-Laws.

"Department of Law" means the Real Estate Financing Bureau of the New York State Department of Law, 120 Broadway, New York, New York 10271.

"Deposit" shall mean all deposits, Downpayments, advances or payments made by Purchasers prior to the closing of each individual transaction.

"Designee" means any individual or entity so designated in writing by a Unit Owner or Sponsor as the case may be authorized to make such designation.

"Effective Date" shall mean the date upon which Sponsor has declared the Offering Plan effective pursuant to the provisions of the General Business Law of the State of New York.

"Exhibits" means collectively Exhibits A, B, C and D which were submitted to the Department of Law in connection with the submission of this Plan to such Department.

"Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property.

"Filing Date" means the date that the Offering Plan or an amendment to the Offering Plans is or was accepted for filing by the New York State Department of Law.

"First Unit Closing" or **"First Closing"** shall mean the first date that title to a Condominium Unit is transferred to a Purchaser under the Plan.

"First Year's Budget" shall mean the Section of the Plan entitled "Schedule B – First Year's Budget". The First Year's Budget is sometimes referred to herein as "Schedule B".

"Floor Plans" means the floor Plans of the Units and Building certified to by a professional engineer or registered architect, to be filed with the Office of the City Register, simultaneously with the recording of the Declaration, together with any supplemental floor Plans thereto, copies of which are reproduced in Part II of the Plan.

"GBL" or **"General Business Law"** shall mean the New York State General Business Law.

"Limited Common Elements" means, with respect to each Unit, those Common Elements, if any, which are so designated on the Floor Plans or in the Declaration and which serve or benefit exclusively some, but not all, of the Unit Owners and areas which are irrevocably restricted in use to specified Unit Owners, subject to the right of the Board of Managers, or their designees to enter upon any restricted area for maintenance, repair and inspection of a Unit or Common Elements and subject to the rules of the Board of Managers. Limited Common Elements include but are not limited to unit entrances, terraces and balconies.

"Land" means the parcel of land located in the Borough of Bronx on the Tax Map of the Real Property Assessment Department of the City of New York, as Block 3249, Lots 238, 239 & 257 and more particularly described in Schedule A to the Declaration.

"Law" means the laws and ordinances of any or all of the Federal, New York State, New York City and County (where the Condominium is located) governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the property and/or the Condominium, and/or the direction of any public officer pursuant to law.

"Majority" means a more than sixty-six and two-thirds percent (66 2/3rds) in Common Interest in the aggregate, as may be specified herein or in the Declaration or the Bylaws with respect to any matter or matters. Any specified percentage of Unit Owners means such percentage in Common Interest in the aggregate, as may be specified herein or in the aggregate, as may be specified herein or in the Declaration or the Bylaws with respect to any matter or matters, provided, however that different percentages in interest and in number of Units may be so specified.

"Managing Agent" shall mean a person or entity employed by the Condominium Board to undertake and perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in the Bylaws.

"Offering Plan" shall mean the document filed with the New York State Department of Law which describes the Condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time.

"Operation of the Property" means the administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.

"Parking Space" means a Parking Space Unit as designated as a Parking Space in the Declaration which will be individual Condominium Units.

"Party Wall" as hereinafter referred to shall be defined as a wall which is common to and separates two or more Units.

"Permanent Certificate of Occupancy" shall mean the permanent Certificate of Occupancy issued or to be issued by the New York City Department of Buildings for the Building.

"Permitted Encumbrances" shall mean those matters encumbering title to a Unit subject to which a Purchaser agrees to take title, as more particularly described in this Offering Plan.

"Permitted Mortgage" means a mortgage placed on a Unit made to a bank, a trust company, an insurance company, a federal savings and loan association, a pension fund or other institutional lender, the Sponsor, a Sponsor-designee, or the Seller of the Unit.

"Permitted Mortgagee" means the holder of a Permitted Mortgage.

"Person" means a natural person, corporation, partnership, limited liability company, trust, trustee, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other legal entity.

"Plan" means the Condominium Offering Plan for SEDGWICK CONDOMINIUM promulgated by the Sponsor pursuant to Section 352-e of the General Business Law of the State of New York and any and all amendments thereto.

"Plans and Specifications" shall mean the Plans and specifications for the construction of the Building which (to the extent required by Law) have been or will be filed with the Building Department and which may from time to time be amended in accordance with the provisions of the Plan.

"Power of Attorney" means the document signed by Unit Owners which (i) appoints the Board of Managers as attorney in fact to acquire on behalf of all Unit Owners, any Unit that the Unit Owner of which wishes to sell or abandon, together with the Appurtenant Interest thereto, and to deal with any such Units so acquired as they may determine and (ii) appoint the Sponsor, as attorney in fact, to amend the Declaration, the Bylaws, the Rules and Regulations of the Condominium, or any of said documents under certain conditions set forth in the Power of Attorney.

"Property" means and includes collectively the Land and the Building, and all other improvements thereon, owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act..

"Purchase Agreement" The agreement to purchase a Unit pursuant to the Offering Plan, the form of which is set forth in Part II of the Plan.

"Purchaser" shall mean a Purchaser of a Unit pursuant to a Purchase Agreement.

"Register's Offices" shall mean the Office of the Register of the City of New York of the County of Bronx.

"Residential Unit" or "Condominium Unit" or "Unit" means a Unit of residential housing now or hereafter situated on the property. A Residential Unit is equivalent to the term "Unit" as the same is used in Article 9-B of the Real Property Law. A

Residential Unit shall be used for residential purposes only, including home occupancy, and not more than one family may occupy a Residential Unit at one time. A Residential Unit may not be used for any "dormitory", "bed and breakfast" or other transient hotel-type entity. A Residential Unit may be used for any other lawful purpose, provided such use is permitted by, and complies with Law, does not violate the then existing Certificate of Occupancy covering the Building and the Condominium Board, in its sole discretion, grants permission for such use.

"Rules and Regulations" means the rules and regulations made in accordance with the By-Laws of the Condominium as the same may be amended from time to time, provided that they are not in conflict with the terms of the Condominium Act, the Declaration or the Bylaws.

"Schedule A" shall mean the Section of the Plan entitled "Schedule A – Offering Prices of Units and Related Information".

"Schedule B" shall mean the Section of the Plan entitled "Schedule B – First Year's Budget". Schedule B is sometimes referred to herein as the First Year's Budget.

"Schedule B-1" shall mean the Section of the Plan entitled "Schedule B-1 – for Individual Energy Costs".

"Selling Agent" means the Sponsor, or any Selling Agent named in the Plan or any successor Selling Agent at any time in question.

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

"Sponsor" means the promoter of the project and/or the Offering Plan to convert or create the particular parcel of property to Condominium Ownership. The Declarant under the declaration of Condominium for the Property is the Sponsor of the Offering Plan. Sedgwick Condos LLC is the Sponsor and Declarant.

"Sponsor Designee" means any person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all of the rights of a Sponsor-designee. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".

"Unit" means any space designated as a Unit in the Declaration.

"Unit Deed" shall mean the deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.

"Unit Designation" shall mean the number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the Floor Plans.

"Unit Owner" or **"Unit Owners"** means any owner or owners of a Condominium Unit in the Condominium. All of such Unit Owners are collectively referred to as "Unit Owner". "Unit Owner" and shall have the meaning ascribed to it in Article 9-B of the Real Property Law of the State of New York. Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common or tenancy by the entirety.

"Unsold Unit" means any Unit held by the Sponsor or Sponsor's designee or any Construction Lender or Sponsor or Receiver appointed by such Construction Lender or a Purchaser at a foreclosure sale held by such Construction Lender or any designee of such Construction Lender or any entity acquiring Sponsor's Units by a deed in lieu of foreclosure. The owner of Unsold Units shall have the same rights, privileges, exemptions and benefits with respect to its Unsold Units as Sponsor has under this Plan and the Declaration and By-Laws with respect to the Units owned by Sponsor.

B. INTRODUCTION

(1) Offer Made by Offering Plan.

The purpose of the Offering Plan is to set forth all of the material terms of the offer in order to allow prospective Purchasers to make an informed decision regarding their purchase of a Unit.

Under New York law, a Sponsor may not offer Condominium Units for sale unless and until an Offering Plan has been accepted for filing by the Department of Law of the State of New York.

The Offering Plan may be amended from time to time when an amendment is filed by Sponsor with the New York State Department of Law. All amendments will be served on all offerees (all Purchasers and Unit Owners) as defined in Part 20.1(d) of Title 13 NYCRR. An amendment is not effective until the Department of Law of the State of New York has accepted the amendment for filing.

(2) Applicable Law.

The Condominium is subject to and complies with the New York Condominium Act (Article 9-B of the New York Real Property Law).

(3) Sponsor.

The Sponsor is Sedgwick Condos LLC, a New York Limited Liability Company.

The Sponsor acquired in fee simple the property upon which the Condominium is being constructed on August 16, 2006.

Sponsor reserves the unconditional right to rent rather than sell Units. Sponsor will endeavor in good faith to sell Units rather than rent. If Sponsor makes a bulk sale of all or some of its unsold Units, the transferee successor Sponsor is bound by Sponsor's representations regarding its commitment to sell Units.

There are no limits or requirements imposed by the lender for Sponsor to rent rather than sell under specified market conditions.

There is no mortgage loan encumbering the Property. If the Sponsor obtains any financing on the project, Sponsor must obtain a release of lien by the mortgagee prior to or at the time of conveyance of a Condominium Unit to the Purchaser.

(4) Size of the Offering.

Units For Sale:

The Sponsor hereby offers for forty (40) Residential Condominium Units, three (3) Community Facility Condominium Units and thirty two (32) Parking Space Condominium Units in three (3) newly constructed buildings.

The building to be known as 2792 Sedgwick Avenue will consist of eight (8) Residential Condominium Units, one (1) Community Facility Condominium Unit and six (6) Outdoor Parking Space Condominium Units;

The building to be known as 2794 Sedgwick Avenue will consist of sixteen (16) Residential Condominium Units, one (1) Community Facility Condominium Unit, thirteen (13) Outdoor Parking Space Condominium Units;

The building to be known as 2796 Sedgwick Avenue will consist of sixteen (16) Residential Condominium Units, one (1) Community Facility Condominium Unit and nine (9) Outdoor Parking Space Condominium Units, four (4) Indoor Parking Space Condominium Units;

There will be one superintendent's apartment located in the cellar of the building known as 2794 Sedgwick Avenue, Bronx, New York, which will be common element The superintendent's apartment located at 2794 Sedgwick Avenue will be reserved for use by the superintendent

The three (3) Community Facility Condominium Units will be located on the cellar levels of 2792, 2794 & 2796 Sedgwick Avenue.

The Residential Units being offered for sale are located on the 1st, 2nd, 3rd and 4th floors.

The cellars also contain storage rooms, gas meter and sprinkler rooms, electric meter rooms, boiler rooms and trash disposal areas.

Units for Sale:

The prices for all Units being offered for sale are set forth on Schedule "A" which is included in this Offering Plan.

There are no Units or property interests which are not offered for sale.

Parking Spaces:

There are thirty two (32) Parking Space Condominium Units offered for sale.

The building to be known as 2792 Sedgwick Avenue will contain six (6) Outdoor Parking Space Condominium Units;

The building to be known as 2794 Sedgwick Avenue will contain thirteen (13) Outdoor Parking Space Condominium Units;

The building to be known as 2796 Sedgwick Avenue will contain nine (9) Outdoor Parking Space Condominium Units and four (4) Indoor Parking Space Condominium Units;

Parking Space Units are offered on a first come first serve basis.

Parking spaces may only be used for the parking of currently registered passenger automobiles, all of which must be validly registered with the Department of Motor Vehicles of any State of the United States of America.

Common Areas:

All common areas as identified and described in this Offering Plan will be owned by all Unit Owners as common element.

(5) Percentages of Common Interest.

The percentages of common interest and the number of Units are set forth on Schedule "A" of this Offering Plan.

It is anticipated that all of the Units contained in the Condominium will be completed in or about December 2007.

The percentage of common interest allocated reflects parking spaces allocated to certain Units as limited common interest.

(6) Basic Aspects of Condominium Ownership.

(i) Outright Ownership.

Ownership of a Condominium is similar in many respects to the ownership of a private one-family home. Each Purchaser owns his or her Unit outright and is entitled to the exclusive possession of his or her Unit together with an interest in and right to use the Common Elements, and exclusive right to use Limited Common Elements.

(ii) Differences between the space owned exclusively by a Unit Owner and Common Elements and Limited Common Elements.

Space located inside of the Condominium Unit is owned by a Unit Owner for his or her exclusive use. Use of the Unit is controlled by the provisions of the Condominium Declaration, By-Laws and any rules and regulations promulgated pursuant to these documents. The interior living space of the Unit is generally exclusive space. It must be maintained and decorated by the Unit Owner at his or her own expense.

Common Elements are those portions of the building used by all Unit Owners together. Examples of Common Elements are the hallways and the stairs which are located outside of the Condominium Unit. The Common Elements are not the exclusive property of any one Unit Owner. The Common Element include without limitation the land, roofs, walls and structural elements of the building, windows, hallways, boiler rooms, electric meter rooms, gas meter and sprinkler meter rooms, trash disposal rooms, storage rooms, vestibule, staircases, rear yard, front yard and certain other portions of the building to be set aside for common use.

Limited Common Elements of the Condominium consist of the portion of the land or Building, other than the Units themselves, which are for the use of one or more specified Units to the exclusion of all other Units. Limited Common Elements include unit entrances, terraces and balconies.

(iii) Payment of Common Charges.

Each Unit Owner must pay common charges in accordance with the Declaration, By-Laws and Sections 339-i and 339-m and other related provisions of the New York Condominium Act (Article 9-B of the New York Real Property Law). Common charges are paid in proportion to the Unit Owner's respective interest in the residential Common Elements and are used for the operation and maintenance of the Condominium property as the Board of Managers determines in the exercise of its business judgment.

(iv) Compliance with Declaration, By-Laws, Rules and Regulations.

Each Unit Owner is obligated to comply with the Declaration of the Condominium, the By-Laws, Rules and Regulations and any other requirements of the Board of Managers.

(v) Restrictions on Use, Resale, Leasing and Mortgaging Condominium Unit

A Unit Owner may not lease any Unit for a term of less than one (1) year. There are no restrictions on the use or mortgaging of Condominium Units.

(vi) Authority of Board of Managers.

The Board of Managers governs the affairs of the Condominium and supervises the operation of the property. Each Unit Owner has the right to vote at annual elections for the Board of Managers in accordance with the Condominium Declaration and By-Laws. There exists no governmental agency to regulate the internal affairs and management of a Condominium in New York. Any controversy among Unit Owners must be resolved by the Unit Owners in accordance with the By-Laws of the Condominium. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Units than the fifteen percent (15%) necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. After Sponsor voting control terminates, a majority of the Board of Managers need not be owner occupants or members of an owner occupant's household who are unrelated to the Sponsor and its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to an investment.

(vii) Taxation and Mortgages.

Each Condominium Unit will be separately taxed and may be separately mortgaged.

(viii) Maintenance, Repairs and Insurance.

A Unit Owner will be responsible for maintenance and repairs inside of the Condominium Unit, for areas which are limited common element to the Condominium Unit and for any equipment which is exclusively used by the Condominium owner, such as items which service only the individual Condominium Unit. The Unit Owner will be responsible for obtaining and maintaining casualty and liability insurance for the interior of the Condominium Unit and all of its contents. The Condominium will be responsible for maintaining and repairing all common areas of the Condominium.

(7) Equipment and Fixtures are Included in the Offering Price.

All of the equipment and fixtures described in this Plan are included in the offering price.

(8) Prices Fixed by Sponsor Alone.

The prices for the Units offered through this Plan are not subject to approval by the New York State Department of Law or any other governmental agency.

(9) Plan Contains All Material Terms.

The Offering Plan delivered to prospective Purchasers contains all of the material terms of the transaction.

Copies of all documents referred to in the Offering Plan and all Exhibits submitted to the New York State Department of Law in connection with the filing of the Offering Plan will be available for inspection by prospective Purchasers and their attorneys without charge, and for copying at reasonable charge at the site whenever an on-site sales office is open, at the office of the Sponsor as well as at the New York State Department of Law.

The Offering Plan is presented in two parts which together constitute the entire Offering Plan. Part I sets forth a general description of the Plan and Part II contains the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed description of the Property, legal opinions as to certain tax matters discussed in the Offering Plan, certifications of Sponsor and certain experts.

A prospective Purchaser may obtain the Plan upon payment of a $100.00 deposit, which amount will be fully refunded upon either (i) the prompt return (30 days from date of receipt by prospective Purchaser or prospective Purchaser's attorney) of the Offering Plan in good condition or (ii) the execution by the prospective Purchaser of a Purchase Agreement subsequently accepted by Sponsor.

(10) Limitations on Who May Purchase Units

The Condominium Board does not have the right to approve or disapprove Purchasers, and there is no limit on the number of owners who may purchase for investment rather than for personal occupancy and there may always be a substantial percentage of owners who are non-residents.

The Condominium Units may only be offered to individuals over the age of eighteen (18) years, corporations, and other entities that may legally own real property in the State of New York.

The Purchase Agreement once executed by the Purchaser(s) and Seller are non-assignable without the express written consent of the Sponsor.

(11) Purchasers Advised to Read Offering Plan.

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

C. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

(1) General Descriptions of the land, building, Units, parking facilities, recreational facilities and amenities:

GENERAL DESCRIPTION OF THE LAND

The Condominium is located in the City of New York, County of Bronx, State of New York. The land is located at 2792, 2794 & 2796 Sedgwick Avenue, Bronx, New York. A metes and bounds description of the Land is set forth in the Declaration in Part II of the Plan. The Property is presently designated as Block 3249, Lots 238, 239 & 257 on the Tax Map of the City of New York for the Borough of Bronx, County of Bronx. The individual Condominium Units will be designated as a Condominium series of lots numbers by the City of New York whereby each Condominium will have and be known as an individual tax lot number.

GENERAL DESCRIPTION OF THE BUILDING

There are three (3) newly constructed buildings containing four (4) stories plus cellar and forty (40) Residential Units, one (1) superintendent's apartment, three (3) Community Facility Units and twenty eight (28) outdoor and four (4) indoor parking spaces. The structure is of non-combustible construction. The building consists of masonry walls and the floors are constructed of 1 ½" metal decking on steel joists with 3" concrete slabs. The foundation for the buildings are poured in place reinforced concrete walls resting on reinforced poured spread concrete footings.

The buildings are under construction and will be substantially completed as described in "Description of Property, Specifications and Building Condition" in Part II of the Plan. The building will be constructed in accordance with all applicable zoning and building laws, regulations, codes and other requirements including requirements of the New York City Building Code and applicable zoning requirements. Prospective Purchasers may examine the Building Plans filed with the Building Department of the City of New York at the Sponsor's office or the Building Department. The building Plans have been filed and approved by the New York City Department of Buildings.

Construction timetable - Construction work is in progress as of the date of this offering. Substantial completion is anticipated in December 2007 and the first closing will be on or about January 1, 2008. At the present time, the construction of the subject premises has been commenced and is in the process of construction.

GENERAL DESCRIPTION OF THE UNITS

The Condominium will consist of a total of forty (40) Residential Units, three (3) Community Facility Units and twenty eight (28) outdoor parking spaces and four (4) outdoor parking spaces. which are offered for sale.

The Condominium will consist of

Three (3) Community Facility Condominium Units;
Three (3) - One (1) bedroom Condominium Units;
Thirty Seven (37) - Two (2) bedroom Condominium Units;
Thirty two (32) Parking Space Condominium Units and
One (1) One (1) bedroom Superintendent's Apartment.

The three (3) Community Facility Condominium Units will be located on the cellar levels of 2792, 2794 & 2796 Sedgwick Avenue.

The Residential Units being offered for sale are located on the 1st, 2nd, 3rd and 4th floors.

UNIT DESCRIPTIONS

Unit C1, located in the building known as 2796 Sedgwick Avenue is located on the cellar level and consists of approximately 941 sq.ft on the cellar level with one-half bath. Unit CC is a community facility unit.

Unit 1A, located in the building known as 2796 Sedgwick Avenue is located on the first floor and consists of approximately 485 sq.ft on the first floor. There is one (1) bedroom and one (1) bathroom, a living / dining room, kitchenette and washer / dryer closet.

Unit 1B, located in the building known as 2796 Sedgwick Avenue is located on the first floor and consists of approximately 866 sq.ft on the first floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, kitchenette, washer / dryer closet and one balcony.

Unit 1C, located in the building known as 2796 Sedgwick Avenue is located on the first floor and consists of approximately 866 sq.ft on the first floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, kitchenette, washer / dryer closet and one balcony.

Unit 1D, located in the building known as 2796 Sedgwick Avenue is located on the first floor and consists of approximately 909 sq.ft on the first floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, kitchenette and washer / dryer closet.

Unit 2A, located in the building known as 2796 Sedgwick Avenue is located on the second floor and consists of approximately 878 sq.ft on the second floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, a washer dryer closet, kitchenette and two balconies.

Unit 2B, located in the building known as 2796 Sedgwick Avenue is located on the second floor and consists of approximately 878 sq.ft on the second floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, a washer dryer closet, kitchenette and two balconies.

Unit 2C, located in the building known as 2796 Sedgwick Avenue is located on the second floor and consists of approximately 878 sq.ft on the second floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, a washer dryer closet, kitchenette and two balconies.

Unit 2D, located in the building known as 2796 Sedgwick Avenue is located on the second floor and consists of approximately 878 sq.ft on the second floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, a washer dryer closet, kitchenette and two balconies.

Unit 3A, located in the building known as 2796 Sedgwick Avenue is located on the third floor and consists of approximately 878 sq.ft on the third floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, a washer dryer closet, kitchenette and two balconies.

Unit 3B, located in the building known as 2796 Sedgwick Avenue is located on the third floor and consists of approximately 878 sq.ft on the third floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, a washer dryer closet, kitchenette and two balconies.

Unit 3C, located in the building known as 2796 Sedgwick Avenue is located on the third floor and consists of approximately 878 sq.ft on the third floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, a washer dryer closet, kitchenette and two balconies.

Unit 3D, located in the building known as 2796 Sedgwick Avenue is located on the third floor and consists of approximately 878 sq.ft on the third floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, a washer dryer closet, kitchenette and two balconies.

Unit 4A, located in the building known as 2796 Sedgwick Avenue is located on the fourth floor and consists of approximately 878 sq.ft on the fourth floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, a washer dryer closet, kitchenette and two balconies.

Unit 4B, located in the building known as 2796 Sedgwick Avenue is located on the fourth floor and consists of approximately 878 sq.ft on the fourth floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, a washer dryer closet, kitchenette and two balconies.

Unit 4C, located in the building known as 2796 Sedgwick Avenue is located on the fourth floor and consists of approximately 878 sq.ft on the fourth floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, a washer dryer closet, kitchenette and two balconies.

Unit 4D, located in the building known as 2796 Sedgwick Avenue is located on the fourth floor and consists of approximately 878 sq.ft on the fourth floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, a washer dryer closet, kitchenette and two balconies.

Unit CA, located in the building known as 2794 Sedgwick Avenue is located on the cellar level and consists of approximately 592 sq.ft on the cellar level. Unit CA is a superintendent's apartment which consists of one bedroom and one bathroom.

Unit C2, located in the building known as 2794 Sedgwick Avenue is located on the cellar level and consists of approximately 1549 sq.ft on the cellar level with one half-bath. Unit CC is a community facility unit.

Unit 1E, located in the building known as 2794 Sedgwick Avenue is located on the first floor and consists of approximately 644 sq.ft on the first floor. There is one (1) bedroom and one (1) bathroom, a living / dining room, kitchenette and washer / dryer closet.

Unit 1F, located in the building known as 2794 Sedgwick Avenue is located on the first floor and consists of approximately 874 sq.ft on the first floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room and kitchenette, washer / dryer closet and one balcony.

Unit 1G, located in the building known as 2794 Sedgwick Avenue is located on the first floor and consists of approximately 874 sq.ft on the first floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room and kitchenette, washer / dryer closet and one balcony.

Unit 1H, located in the building known as 2794 Sedgwick Avenue is located on the first floor and consists of approximately 917 sq.ft on the first floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, washer / dryer closet and kitchenette.

Unit 2E, located in the building known as 2794 Sedgwick Avenue is located on the second floor and consists of approximately 887 sq.ft on the second floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, kitchenette, washer / dryers closet and two balconies.

Unit 2F, located in the building known as 2794 Sedgwick Avenue is located on the second floor and consists of approximately 887 sq.ft on the second floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, kitchenette, washer / dryer closet and two balconies.

Unit 2G, located in the building known as 2794 Sedgwick Avenue is located on the second floor and consists of approximately 887 sq.ft on the second floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, washer / dryer closet, kitchenette and two balconies.

Unit 2H, located in the building known as 2794 Sedgwick Avenue is located on the second floor and consists of approximately 887 sq.ft on the second floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, kitchenette, washer / dryer closet and two balconies.

Unit 3E, located in the building known as 2794 Sedgwick Avenue is located on the third floor and consists of approximately 887 sq.ft on the third floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, kitchenette, washer / dryer closet and two balconies.

Unit 3F, located in the building known as 2794 Sedgwick Avenue is located on the third floor and consists of approximately 887 sq.ft on the third floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, kitchenette, washer / dryer closet and two balconies.

Unit 3G, located in the building known as 2794 Sedgwick Avenue is located on the third floor and consists of approximately 887 sq.ft on the third floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, kitchenette, washer / dryer closet and two balconies.

Unit 3H, located in the building known as 2794 Sedgwick Avenue is located on the third floor and consists of approximately 887 sq.ft on the third floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, kitchenette, washer / dryer closet and two balconies.

Unit 4E, located in the building known as 2794 Sedgwick Avenue is located on the fourth floor and consists of approximately 887 sq.ft on the fourth floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, kitchenette, washer / dryer closet and two balconies.

Unit 4F, located in the building known as 2794 Sedgwick Avenue is located on the fourth floor and consists of approximately 887 sq.ft on the fourth floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room and kitchenette and two balconies.

Unit 4G, located in the building known as 2794 Sedgwick Avenue is located on the fourth floor and consists of approximately 887 sq.ft on the fourth floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room and kitchenette and two balconies.

Unit 4H, located in the building known as 2794 Sedgwick Avenue is located on the fourth floor and consists of approximately 887 sq.ft on the fourth floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room and kitchenette and two balconies.

Unit C3, located in the building known as 2792 Sedgwick Avenue is located on the cellar level and consists of approximately 593 sq.ft on the cellar level with one-half bath. Unit CC is a community facility unit.

Unit 1I, located in the building known as 2792 Sedgwick Avenue is located on the first floor and consists of approximately 754 sq.ft on the first floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, kitchenette, washer / dryer closet and one balcony.

Unit 1J, located in the building known as 2792 Sedgwick Avenue is located on the first floor and consists of approximately 578 sq.ft on the first floor. There is one (1) bedroom and one (1) bathroom, a living / dining room kitchenette and washer / dryer closet.

Unit 2I, located in the building known as 2792 Sedgwick Avenue is located on the second floor and consists of approximately 764 sq.ft on the second floor. There two (2) bedrooms and two (2) bathrooms, a living / dining room, kitchenette and washer / dryer closet.

Unit 2J, located in the building known as 2792 Sedgwick Avenue is located on the second floor and consists of approximately 794 sq.ft on the second floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room and kitchenette, washer / dryer closet and one terrace.

Unit 3I, located in the building known as 2792 Sedgwick Avenue is located on the third floor and consists of approximately 764 sq.ft on the third floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room, kitchenette, washer / dryer closet.

Unit 3J, located in the building known as 2792 Sedgwick Avenue is located on the third floor and consists of approximately 794 sq.ft on the third floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room and kitchenette, washer / dryer closet and one terrace.

Unit 4I, located in the building known as 2792 Sedgwick Avenue is located on the fourth floor and consists of approximately 764 sq.ft on the fourth floor. There are two (2)

bedrooms and two (2) bathrooms, a living / dining room, kitchenette, washer / dryer closet.

Unit 4J, located in the building known as 2792 Sedgwick Avenue is located on the fourth floor and consists of approximately 794 sq.ft on the fourth floor. There are two (2) bedrooms and two (2) bathrooms, a living / dining room and kitchenette, washer / dryer closet and one terrace.

A summary description of the Units offered for sale under this Plan is set forth in **"Introduction"** and **"Schedule A"**. Floor Plans for the Unties are set forth in "Condominium Floor Plans" in Part II of the Plan.

The legal description of the Units, the Common Elements and the Limited Common Elements is set forth in the Declaration in Part II of the Plan and is summarized in **"Rights and Obligations of Unit Owners and Board of Managers, Summary of By-Laws"** in Part I of the Plan.

GENERAL DESCRIPTION OF THE PARKING FACILITIES

There are thirty two (32) Parking Space Condominium Units offered for sale.

The parking spaces consist of three (3) tandem parking spaces which will be sold to three Unit Owners as one set of two parking spaces each; one (1) single indoor parking space and twenty five (25) outdoor parking spaces.

Parking Space Units are offered for sale on a first come first serve basis.

Parking spaces may only be used for the parking of currently registered passenger automobiles, all of which must be validly registered with the Department of Motor Vehicles of any State of the United States of America.

Limited Common Elements

There are Limited Common Elements associated with certain Units:

Unit 1B has a balcony as Limited Common Element;
Unit 1C has a balcony as Limited Common Element;
Unit 1F has a balcony as Limited Common Element;
Unit 1G has a balcony as Limited Common Element;

Unit 2A has two (2) balconies as Limited Common Element;
Unit 2B has two (2) balconies as Limited Common Element;
Unit 2C has two (2) balconies as Limited Common Element;
Unit 2D has two (2) balconies as Limited Common Element;
Unit 2E has two (2) balconies as Limited Common Element;
Unit 2F has two (2) balconies as Limited Common Element;
Unit 2G has two (2) balconies as Limited Common Element;
Unit 2H has two (2) balconies as Limited Common Element;
Unit 2J has one (1) terrace as Limited Common Element;

Unit 3A has two (2) balconies as Limited Common Element;
Unit 3B has two (2) balconies as Limited Common Element;
Unit 3C has two (2) balconies as Limited Common Element;
Unit 3D has two (2) balconies as Limited Common Element;
Unit 3E has two (2) balconies as Limited Common Element;
Unit 3F has two (2) balconies as Limited Common Element;
Unit 3G has two (2) balconies as Limited Common Element;
Unit 3H has two (2) balconies as Limited Common Element;
Unit 3J has one (1) terrace as Limited Common Element;

Unit 4A has two (2) balconies as Limited Common Element;
Unit 4B has two (2) balconies as Limited Common Element;
Unit 4C has two (2) balconies as Limited Common Element;

Unit 4D has two (2) balconies as Limited Common Element;
Unit 4E has two (2) balconies as Limited Common Element;
Unit 4F has two (2) balconies as Limited Common Element;
Unit 4G has two (2) balconies as Limited Common Element;
Unit 4H has two (2) balconies as Limited Common Element;
Unit 4J has one (1) terrace as Limited Common Element;

(2) Major Fixtures or Equipment Not Included in Offering Price

The Sponsor will provide, and the Purchase Price includes a range, refrigerator, dishwasher and washer and dryer.

(3) Property to Comply with All Laws.

The property will be improved and the Units constructed in accordance with all applicable zoning and building laws, requirements and specify the laws and regulations that apply.

(4) Property to Comply with All Laws and Certificate of Occupancy to be Obtained by Sponsor.

It is anticipated that the construction of the all Units will be substantially completed in December 2007. Sponsor intends to convey title to the Unit Purchasers on or January 1, 2008.

It should be noted by Purchasers that the closing of individual Units under the Plan may occur prior to obtaining a permanent Certificate of Occupancy for the Building. If only a temporary Certificate of Occupancy is issued by the Closing Date, Sponsor will, at Sponsor's sole cost and expense, do and perform or cause to be performed all work and supply or cause to be supplied all materials necessary to renew the temporary Certificate of Occupancy and to obtain such permanent Certificate of Occupancy.

Until a permanent Certificate of Occupancy for the building has been obtained, no Unit Owner may perform work or cause to be performed work in his or her Unit without Sponsor's prior written consent, which consent may be granted or withheld in Sponsor's sole and absolute discretion. If Sponsor shall give its written consent to such work then Sponsor shall not be released from its obligation under the Plan to renew any temporary Certificate of Occupancy or to obtain a permanent Certificate of Occupancy for the Building on account of any delays or impediments thereto arising as a result of the performance of such work. However, if any Unit Owner performs or causes to be performed any work in his Unit without the written consent of Sponsor ("non-permitted work") and such non-permitted work prevents or delays Sponsor from obtaining, renewing or extending any temporary or permanent Certificate of Occupancy, Sponsor shall take all reasonable measures against the Unit Owner, which measures shall include, if reasonably required, the commencement of appropriate legal and/or equitable action against such Unit Owner in a court of competent jurisdiction. Sponsor also has

the right to enter into the Unit and perform all work necessary to obtain the permanent Certificate of Occupancy at the sole cost and expense of the offending Unit Owner in addition to all legal remedies. Sponsor shall be entitled to exercise all rights and remedies at law and in equity with respect to such Unit Owner and the Unit Owner's work and Sponsor shall be entitled to recover from such Unit Owner any costs incurred by Sponsor (including, without limitation, court costs and reasonable attorney's fees) in enforcing such Unit Owner's obligations hereunder and under the By-Laws. In no event, shall Sponsor be required to appeal any unfavorable decision rendered by a court of competent jurisdiction. In addition, an action may be brought by the Sponsor against a Unit Owner who violates Section 15 of Article V of the By-Laws, which provides that a Unit Owner is not permitted to make any structural addition, alteration or improvement to his or her Unit without the consent of the Board of Managers, which consent may be withheld in the Board's sole discretion.

(5) Easements

Each Unit Owner will have an easement in common with all other Unit Owners for the use, maintenance and repair of all pipes, wires, conduits and public utility lines located in the Common Elements or located in other Units and servicing his Unit. Further, each Unit Owner will have an easement for the continuance of any encroachment by his Unit on any adjoining Unit or Common Element now existing or which may come into existence hereafter as a result of the settling of the Units or repair or alteration of the Unit by the Board of Managers, after damage by fire or other casualty or as a result of condemnation or eminent domain proceeding, or by reason of an alteration made by the Board to the Common Elements so that any such encroachment may remain undisturbed so long as the Unit stands. Each Unit will be subject to such encroachments and easements in favor of all other Units. The Board of Managers, its agents and employees shall have a right of access to the Units and the Common Elements (irrespective of the restricted nature of such Common Element) to inspect, maintain or repair the Common Elements or to make repairs to the Unit to prevent damage to the Common Elements or any other Unit.

D. LOCATION AND AREA INFORMATION

Location

The Property is located on Sedgwick Avenue, between West 195th Street and West 197th Street, in Bronx, County of Bronx, City and State of New York.

The surrounding areas and neighborhood is composed of primarily of single family, multi-family detached and semi-detached residences and commercial stores and offices. The surrounding areas are residential with concentrated areas of retail and commercial properties. The properties adjacent to and to the North, East, South and West of the Condominium are all residential and commercial properties. To the Sponsor's knowledge, there are no adjacent or nearby properties which a reasonable Purchaser would find obnoxious.

Transportation

The "#1" subway line stops at West 238th Street and Broadway, within 1 mile from the Condominium. The BX3 bus line runs along Sedgwick Avenue, located in front of the condominium building. The bus stops are located within walking distance from the Condominium. The subway is accessible by taking the BX1 bus to the # 1 subway station.

Shopping

There is a local shopping area located within one mile from the Condominium.

Recreational Facilities

Old Fort Park is located at Claflin Avenue and Reservoir Avenue located approximately ¼ mile from the Condominium.

Medical Facilities

North Central Bronx Hospital is located at 3424 Kossuth Avenue, Bronx, New York, approximately 1.5 miles from the Condominium.

Religious

There are various denominational churches located within walking distance from the Condominium.

Educational Facilities

New York City Public schools and various religious and private schools are located within one (1) mile of the Property. P.S. 360 is located at 2880 Kingsbridge Terrace, Bronx New York. J.H.S. 143 is located at 120 West 231st Street, Bronx, New York. Walton High School is located at 2780 Reservoir Avenue, Bronx, New York.

Police, Fire, Water, Sanitation. Snow Removal and Road Maintenance Services

Police, Fire, Water, Sanitation, Snow Removal and Road Maintenance Services are provided by the City of New York.

The 50th Police Precinct is located at 3450 Kingsbridge Avenue, Bronx, New York, approximately 1 mile from the Condominium.

NYC Fire Department Engine Company 81 and Ladder Company 46 is located at 3025 Bailey Avenue, Bronx, New York, approximately ½ mile from the Condominium.

Sanitation services and rubbish is picked up by the New York City Sanitation Department. Unit Owners are required to place rubbish in bags and then placed in the area designated by the Sanitation Department for pick up.

The City of New York will remove snow and maintain the roads in the street in front of the Condominium.

Zoning

The Property is located in an R6 zone which is primarily residential use. The New York City Zoning Resolution, as per Section 22-12 permits Use Group 2 Residential Uses as-of–right and Use Group 4 as-of-right for the Community Facility Units.

Options to Acquire Adjacent Areas

Neither the Sponsor nor the Sponsor's principals own, in whole or in part, or have an option or right to acquire, in whole or in part, any adjacent areas to the Condominium premises.

E. Offering Prices of Units and Related Information

Schedule A - Unit Prices
Estimated Individual Expenses For The
First Full Year at
THE SEDGWICK CONDOMINIUM
For the Period January 1, 2008 to December 31, 2008

	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vi)	(vii)	(vii)		
Building Apt. #	Bedrooms / Bathrooms	Square Footage	Offering Price	Percentage of Common Interest	Estimate of Monthly Common Charges	Estimate of Monthly Real Estate Taxes with Section 421A Benefits	Estimate of Annual Real Estate Taxes with Section 421A Benefits	Estimate of Monthly Real Estate Taxes without Section 421A Benefits	Estimate of Annual Real Estate Taxes without Section 421A Benefits	Estimated Monthly Carrying Charges with Section 421A Benefits	Estimated Monthly Carrying Charges without Section 421A Benefits
2796-1A	1 Bedroom / 1 Bath	486	$ 160,000	1.50%	$ 219.08	$ 6.85	$ 82.20	$ 217.39	$ 2,608.65	$ 225.93	$ 436.46
2796-1B	2 Bedroom / 2 Baths	866	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 387.36	$ 4,648.34	$ 331.36	$ 708.67
2796-1C	2 Bedroom / 2 Baths	866	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 387.36	$ 4,648.34	$ 331.36	$ 708.67
2796-1D	2 Bedroom / 2 Baths	909	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 406.60	$ 4,879.15	$ 331.36	$ 727.91
2796-2A	2 Bedroom / 2 Baths	878	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 392.73	$ 4,712.75	$ 331.36	$ 714.04
2796-2B	2 Bedroom / 2 Baths	878	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 392.73	$ 4,712.75	$ 331.36	$ 714.04
2796-2C	2 Bedroom / 2 Baths	878	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 392.73	$ 4,712.75	$ 331.36	$ 714.04
2796-2D	2 Bedroom / 2 Baths	878	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 392.73	$ 4,712.75	$ 331.36	$ 714.04
2796-3A	2 Bedroom / 2 Baths	878	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 392.73	$ 4,712.75	$ 331.36	$ 714.04
2796-3B	2 Bedroom / 2 Baths	878	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 392.73	$ 4,712.75	$ 331.36	$ 714.04
2796-3C	2 Bedroom / 2 Baths	878	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 392.73	$ 4,712.75	$ 331.36	$ 714.04
2796-3D	2 Bedroom / 2 Baths	878	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 392.73	$ 4,712.75	$ 331.36	$ 714.04
2796-4A	2 Bedroom / 2 Baths	878	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 392.73	$ 4,712.75	$ 331.36	$ 714.04
2796-4B	2 Bedroom / 2 Baths	878	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 392.73	$ 4,712.75	$ 331.36	$ 714.04
2796-4C	2 Bedroom / 2 Baths	878	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 392.73	$ 4,712.75	$ 331.36	$ 714.04
2796-4D	2 Bedroom / 2 Baths	878	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 392.73	$ 4,712.75	$ 331.36	$ 714.04
2796-C1	Community Facility / 1/2 Bath	941	$ 275,000	1.00%	$ 146.05	$ 4.57	$ 54.80	$ 420.91	$ 5,050.91	$ 150.62	$ 566.96
2794-1E	1 Bedroom / 1 Bath	644	$ 225,000	1.75%	$ 255.59	$ 7.99	$ 95.90	$ 288.06	$ 3,456.73	$ 263.58	$ 543.65
2794-1F	2 Bedroom / 2 Baths	874	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 390.94	$ 4,691.28	$ 331.36	$ 712.25
2794-1G	2 Bedroom / 2 Baths	874	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 390.94	$ 4,691.28	$ 331.36	$ 712.25
2794-1H	2 Bedroom / 2 Baths	917	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 410.17	$ 4,922.09	$ 331.36	$ 731.48
2794-2E	2 Bedroom / 2 Baths	887	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 396.76	$ 4,761.06	$ 331.36	$ 718.07
2794-2F	2 Bedroom / 2 Baths	887	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 396.76	$ 4,761.06	$ 331.36	$ 718.07
2794-2G	2 Bedroom / 2 Baths	887	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 396.76	$ 4,761.06	$ 331.36	$ 718.07
2794-2H	2 Bedroom / 2 Baths	887	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 396.76	$ 4,761.06	$ 331.36	$ 718.07
2794-3E	2 Bedroom / 2 Baths	887	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 396.76	$ 4,761.06	$ 331.36	$ 718.07
2794-3F	2 Bedroom / 2 Baths	887	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 396.76	$ 4,761.06	$ 331.36	$ 718.07
2794-3G	2 Bedroom / 2 Baths	887	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 396.76	$ 4,761.06	$ 331.36	$ 718.07
2794-3H	2 Bedroom / 2 Baths	887	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 396.76	$ 4,761.06	$ 331.36	$ 718.07
2794-4E	2 Bedroom / 2 Baths	887	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 396.76	$ 4,761.06	$ 331.36	$ 718.07
2794-4F	2 Bedroom / 2 Baths	887	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 396.76	$ 4,761.06	$ 331.36	$ 718.07

E. Offering Prices of Units and Related Information

Schedule A - Unit Prices
Estimated Individual Expenses For The
First Full Year at
THE SEDGWICK CONDOMINIUM
For the Period January 1, 2008 to December 31, 2008

	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vi)	(vii)	(vii)		
Building Apt. #	Bedrooms / Bathrooms	Square Footage	Offering Price	Percentage of Common Interest	Estimate of Monthly Common Charges	Estimate of Monthly Real Estate Taxes with Section 421A Benefits	Estimate of Annual Real Estate Taxes with Section 421A Benefits	Estimate of Monthly Real Estate Taxes without Section 421A Benefits	Estimate of Annual Real Estate Taxes without Section 421A Benefits	Estimated Monthly Carrying Charges with Section 421A Benefits	Estimated Monthly Carrying Charges without Section 421A Benefits
2794-4G	2 Bedroom / 2 Baths	887	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 396.76	$ 4,761.06	$ 331.36	$ 718.07
2794-4H	2 Bedroom / 2 Baths	887	$ 285,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 396.76	$ 4,761.06	$ 331.36	$ 718.07
2794-C2	Community Facility / 1/2 Bath	1,549	$ 399,000	1.25%	$ 182.56	$ 5.71	$ 68.50	$ 692.87	$ 8,314.41	$ 188.27	$ 875.43
2792-1I	1 Bedroom / 1 Bath	754	$ 235,000	1.50%	$ 219.08	$ 6.85	$ 82.20	$ 337.26	$ 4,047.17	$ 225.93	$ 556.34
2792-1J	1 Bedroom / 1 Bath	578	$ 175,000	2.00%	$ 292.10	$ 9.13	$ 109.60	$ 258.54	$ 3,102.47	$ 301.23	$ 550.64
2792-2I	2 Bedroom / 2 Baths	764	$ 240,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 341.74	$ 4,100.85	$ 331.36	$ 663.05
2792-2J	2 Bedroom / 2 Baths	794	$ 250,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 355.16	$ 4,261.87	$ 331.36	$ 676.47
2792-3I	2 Bedroom / 2 Baths	764	$ 240,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 341.74	$ 4,100.85	$ 331.36	$ 663.05
2792-3J	2 Bedroom / 2 Baths	794	$ 250,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 355.16	$ 4,261.87	$ 331.36	$ 676.47
2792-4I	2 Bedroom / 2 Baths	764	$ 240,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 341.74	$ 4,100.85	$ 331.36	$ 663.05
2792-4J	2 Bedroom / 2 Baths	794	$ 250,000	2.20%	$ 321.31	$ 10.05	$ 120.56	$ 355.16	$ 4,261.87	$ 331.36	$ 676.47
2792-C3	Community Facility / 1/2 Bath	593	$ 175,000	0.90%	$ 131.45	$ 4.11	$ 49.32	$ 265.25	$ 3,182.99	$ 135.56	$ 396.69
PK-1	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-2	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-3	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-4	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-5	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-6	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-7	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-8	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-9	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-10	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-11	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-12	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-13	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-14	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-15	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-16	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-17	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-18	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12

E. Offering Prices of Units and Related Information

Schedule A - Unit Prices
Estimated Individual Expenses For The
First Full Year at
THE SEDGWICK CONDOMINIUM
For the Period January 1, 2008 to December 31, 2008

	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vi)	(vii)	(vii)		
Building Apt. #	Bedrooms / Bathrooms	Square Footage	Offering Price	Percentage of Common Interest	Estimate of Monthly Common Charges	Estimate of Monthly Real Estate Taxes with Section 421A Benefits	Estimate of Annual Real Estate Taxes with Section 421A Benefits	Estimate of Monthly Real Estate Taxes without Section 421A Benefits	Estimate of Annual Real Estate Taxes without Section 421A Benefits	Estimated Monthly Carrying Charges with Section 421A Benefits	Estimated Monthly Carrying Charges without Section 421A Benefits
PK-19	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-20	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-21	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-22	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-23	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-24	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-25	Outdoor Parking Space	-	$ 15,000	0.35%	$ 51.12	$ 1.60	$ 19.18	$ 25.00	$ 300.00	$ 52.72	$ 76.12
PK-26	Indoor Parking Space	-	$ 20,000	0.50%	$ 73.03	$ 2.28	$ 27.40	$ 30.00	$ 360.00	$ 75.31	$ 103.03
PK-27 & 28	Tandem Parking Spaces (2)	-	$ 25,000	0.55%	$ 80.33	$ 2.51	$ 30.14	$ 33.33	$ 400.00	$ 82.84	$ 113.66
PK-29 & 30	Tandem Parking Spaces (2)	-	$ 25,000	0.55%	$ 80.33	$ 2.51	$ 30.14	$ 33.33	$ 400.00	$ 82.84	$ 113.66
PK-31 & 32	Tandem Parking Spaces (2)	-	$ 25,000	0.55%	$ 80.33	$ 2.51	$ 30.14	$ 33.33	$ 400.00	$ 82.84	$ 113.66
	TOTAL	36,705	$ 12,134,000	100.00%	$ 14,605.00	$ 456.67	$ 5,480.00	$ 17,173.15	$ 206,077.76	$ 15,061.67	$ 31,778.15

FOOTNOTES TO SCHEDULE A

The amounts set forth on Schedule A are projected based on the assumption that the First Year of Condominium Operations will be the year from January 1, 2008 through December 31, 2008. The actual First Year of Condominium Operations may begin earlier or later than the projected date.

(i) The number of rooms listed for each Unit is based upon the "Recommended Room Count" of the Real Estate Board of New York, Inc. For more details regarding the rooms within the Units, please consult the floor Plans in Part II, Section "II".

Any floor Plan or sketch or schedule shown to a prospective Purchaser is only an approximation within reasonable tolerances of the square foot area and layout of the Unit in question. Any material changes will be set forth in an amendment to the Offering Plan, and no material adverse change will be made in the size (ex. a decrease), configuration, or layout of a Unit for which an Agreement which has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within the Sponsor's reasonable control, and where no practicable alternative (in the exercise of sound construction management practices) exists, and in such event, Sponsor will, in the amendment disclosing such change and delivered to the Purchasers, offer the materially adversely affected Purchaser(s) the right, for at least fifteen days, to rescind their Agreement and receive a refund of their deposit, together with all interest, if any, earned thereon. An increase in the size of a room or Unit will not on its own give rise to a right of rescission. For more details regarding the actual size of the Units, please consult the floor Plans in Part II, Section "II".

All square footage measurements listed are approximate within reasonable tolerances, and were obtained by using the method customarily used in New York City to measure Condominium apartments. The approximate floor area of each Condominium Unit is measured as follows: (a) vertically from the top of the concrete or wood flooring to the underside of the sheetrock on the ceiling and (b) horizontally from the inside face of sheetrock walls of the interior of the unit to the inside face of sheetrock walls of the interior of the unit The square footage of each Unit listed on Schedule A significantly exceeds the actual floor area.

(iii) No change in the sales price will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sales prices below the Offering Plan prices without filing an amendment to the Plan at any time during the offering where a reduction in the offering price does not constitute a general offering, but is rather the result of an individual negotiated purchase. Purchasers of similar Units may pay different prices for their respective Units.

Part I, Section "O" of the Offering Plan states the estimated closing costs and adjustments, which must be borne by Purchasers in addition to the sale prices set forth. Purchasers are advised to consult with their attorneys as to the exact closing costs that they will incur in purchasing their Condominium Unit.

(iv) The percentage of Common Interest for each of the Units has been calculated in accordance with Section 339-i1(iv) of the Condominium Act based upon floor space, subject to the location of such space and 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 Condominium Unit. The size of the Unit, the location of the Unit and other Limited Common Elements are factors which have been considered in determining the percentage of common interest of each Unit.

(v) The amount stated represents the sum of projected monthly common charges for the first year of operation based on the Condominium budget set forth on Schedule B.

The Sponsor is not offering or procuring mortgage financing for the Purchaser(s). If the Purchaser(s) obtains financing, the Purchaser's debt service will be an additional expense. The projected carry charges do not include certain costs for which the Unit Owner is responsible such as repairs to the interior of the Unit, separately metered gas, electricity, heat, air conditioning and cable television service.

Each Unit has a separately metered domestic utility costs for electricity including for air conditioning, lighting and power for each Unit.

Gas consumption is metered by three (3) gas meters for heating the individual Units, for cooking and for production of hot water, which costs are borne by the Condominium as a Common Expense, payable by Unit Owners through their Common Charges.

If Unit Owners obtain cable television services, the costs of cable television service are additional costs to the Unit Owner.

See Schedule "B-1" in this Offering Plan which sets forth the individual carrying costs for utilities.

(vi) With regard to projected real estate taxes, after the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the nonpayment of taxes on other Units.

Under Federal, State and New York City law, real estate taxes paid are deductible for income tax purposes (subject to the Alternative Minimum Tax "AMT") provided deductions are itemized and the Unit is used for residential purposes of the

Unit Owner. If the Unit is held for investment, then certain passive loss restrictions may apply and prevent an overall loss deduction.

Purchasers should note that income tax deductions, if applicable, may vary in future years due to changes in the interest rate on the Unit Owner's mortgage (if any) or from changes in the allocation of the constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing the real property.

Real Estate Taxes:

For the purposes of the projections of real estate taxes in this Offering Plan, the real estate tax rate of $11.928 per $100 of assessed value for Class 2 property for the 2007/2008 tax years are utilized. Class 2 properties are those that include residential condominiums that are greater than three stories.

It should be noted by Purchasers that the City of New York may increase the real estate tax rate at any time and if the real estate tax rate increases, then the real estate taxes to be paid by Purchasers would increase during the First Year of Condominium Operations or subsequently. It should be noted that real estate tax increases cannot be predicted by Sponsor.

The City of New York has assessed the entire property for real estate taxes for the period July 1, 2007 through June 30, 2008, such assessed valuation being $41,463 ($19,152 for Lot # 196, $19,615 for Lot # 199 and $2,696 for Lot # 495) for the 2007/2008 tax year. Lots # 196, 199 and 495 have become Lots # 238, 239 & 257 and are classified as a Class 2 property.

Lots 238, 239 & 257 will eventually become Condominium lot numbers in the 1000 series (it is expected that the forty (40) Residential Condominium Units, the three (3) Community Facility Condominium Units and the thirty two (32) Parking Spaces will become Lots 1001 to 1075). Based on an Assessed Valuation of $41,463 for the period July 1, 2007 to June 30, 2008, and a tax rate of $11.928 per $100 of assessed value for Class 2 property the estimated real estate taxes for all of the Condominium Units will be approximately $4,946 without any tax abatement.

As of December 31, 2006, no Certificate of Occupancy was issued for the Condominium. If a Certificate of Occupancy is issued by December 31, 2007, then on or about January 5, 2008, the property and the Condominium Units will be reassessed. It is anticipated that the Assessed Valuation for the completed Condominium buildings will be approximately $1,727,681 for the period July 1, 2008 to June 30, 2009. It is anticipated that the Condominium Units will be taxed at a rate of $11.928 per $100 of Assessed Valuation (based on current rates, which may increase) and be classified as Class 2 with estimated real estate taxes for all of the Condominium Units for the 2008/2009 tax year being approximately $206,078 without any tax abatement.

The Sponsor has filed an application with The City of New York Department of Housing Preservation & Development for a partial exemption from real estate taxes under Section 421-a of the Real Property Tax Law for the Condominium Units ("Section 421-a"). The application has not yet been acted upon[1]. The Sponsor will use its best efforts to obtain 421-a tax benefits.

If tax exemption or tax abatement benefits are conferred by the City of New York to the building pursuant to Section 421-a of the Real Property Law, the real estate taxes on the building would be based upon the assessed valuation of the Property in the tax year prior to the commencement of construction.

The tax year 2005/2006 was the full year prior to construction of the buildings and therefore, the 421-a real estate tax abatement would be based upon the real estate taxes assessed on the Condominium property for the 2005/2006 tax year. The assessed valuation on the property where the Condominium is being constructed for the year prior to the start of construction was as follows:

Tax Year (year prior to start of construction of project) = 2005/2006

Block: 3249
Lot: 196
Assessed Valuation (2005/2006): $21,196

Block: 3249
Lot: 199
Assessed Valuation (2005/2006): $22,348

Block: 3249
Lot: 495
Assessed Valuation (2005/2006): $2,400

Total Assessed Valuation of the Property for the year prior to the start of construction is $45,944.

Lots # 196, 199 and 495 have become Lots 238, 239 & 257.

It is projected that with a partial abatement of real estate taxes under Section 421-a of the Real Property Tax Law, the real estate tax assessed valuation for the Property for the 2008/2009 tax year will be approximately $45,944. With a tax rate of $11.928 per $100 of assessed valuation, the real estate taxes are anticipated to be approximately $5,480 for the 2008/2009 tax year for the Property.

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[1] *Sponsor does not guaranty the issuance of any partial tax abatement or exemption for the Building and only the New York City Department of Housing Preservation and Development may issue or guaranty the issuance of tax abatements which would be implemented by the New York City Department of Finance.*

If the a partial abatement of real estate taxes under Section 421-a of the Real Property Tax Law is granted, it is expected that the real estate taxes would be retroactive to the start of construction date of the project.

If Unit Owners pay a higher rate for the first year of the ownership before the partial tax exemption is granted (if granted), then Unit Owners would be entitled to a refund or credit from the City of New York for any overpayment in real estate taxes. Because there could be a lag in time between the application to the New York City Department of Housing Preservation and Development for partial exemption of real estate taxes under Section 421-a of the Real Property Tax Law and the implementation of the benefits by the New York City Department of Finance, it is possible that Unit Owners will have to pay the cost of real estate taxes without any partial tax exemption, unless and until tax exemption benefits are granted and implemented by the City of New York.

Each Condominium Unit will be apportioned to individual tax lots and each Condominium Unit will be separately taxed and will receive individual tax bills from the City of New York.

Based on the foregoing, the projected real estate taxes for the First Year of Condominium Operations during the 2008/2009 real estate tax year for each of the Condominium Units, with and without 421-a tax benefits is as follows:

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Building Address & Unit Number	2008/2009 Estimate of Monthly Real Estate Taxes with Section 421A Benefits	2008/2009 Estimate of Annual Real Estate Taxes with Section 421A Benefits	2008/2009 Estimate of Monthly Real Estate Taxes without Section 421A Benefits	2008/2009 Estimate of Annual Real Estate Taxes without Section 421A Benefits
2796-1A	**$ 6.85**	**$ 82.20**	**$ 217.39**	**$ 2,608.65**
2796-1B	**$ 10.05**	**$ 120.56**	**$ 387.36**	**$ 4,648.34**
2796-1C	**$ 10.05**	**$ 120.56**	**$ 387.36**	**$ 4,648.34**
2796-1D	**$ 10.05**	**$ 120.56**	**$ 406.60**	**$ 4,879.15**
2796-2A	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-2B	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-2C	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-2D	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-3A	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-3B	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-3C	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-3D	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-4A	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-4B	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-4C	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-4D	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-C1	**$ 4.57**	**$ 54.80**	**$ 420.91**	**$ 5,050.91**
2794-1E	**$ 7.99**	**$ 95.90**	**$ 288.06**	**$ 3,456.73**
2794-1F	**$ 10.05**	**$ 120.56**	**$ 390.94**	**$ 4,691.28**
2794-1G	**$ 10.05**	**$ 120.56**	**$ 390.94**	**$ 4,691.28**
2794-1H	**$ 10.05**	**$ 120.56**	**$ 410.17**	**$ 4,922.09**
2794-2E	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-2F	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-2G	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-2H	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-3E	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-3F	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-3G	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-3H	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-4E	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-4F	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-4G	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-4H	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-C2	**$ 5.71**	**$ 68.50**	**$ 692.87**	**$ 8,314.41**
2792-1I	**$ 6.85**	**$ 82.20**	**$ 337.26**	**$ 6.85**
2792-1J	**$ 9.13**	**$ 109.60**	**$ 258.54**	**$ 9.13**
2792-2I	**$ 10.05**	**$ 120.56**	**$ 341.74**	**$ 10.05**
2792-2J	**$ 10.05**	**$ 120.56**	**$ 355.16**	**$ 10.05**

Building Address & Unit Number	2008/2009 Estimate of Monthly Real Estate Taxes with Section 421A Benefits	2008/2009 Estimate of Annual Real Estate Taxes with Section 421A Benefits	2008/2009 Estimate of Monthly Real Estate Taxes without Section 421A Benefits	2008/2009 Estimate of Annual Real Estate Taxes without Section 421A Benefits
2792-3I	$ 10.05	$ 120.56	$ 341.74	$ 4,100.85
2792-3J	$ 10.05	$ 120.56	$ 355.16	$ 4,261.87
2792-4I	$ 10.05	$ 120.56	$ 341.74	$ 4,100.85
2792-4J	$ 10.05	$ 120.56	$ 355.16	$ 4,261.87
2792-C3	$ 4.11	$ 49.32	$ 265.25	$ 3,182.99
PK-1	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-2	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-3	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-4	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-5	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-6	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-7	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-8	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-9	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-10	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-11	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-12	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-13	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-14	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-15	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-16	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-17	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-18	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-19	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-20	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-21	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-22	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-23	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-24	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-25	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-26	$ 2.28	$ 27.40	$ 30.00	$ 360.00
PK-27 & 28	$ 2.51	$ 30.14	$ 33.33	$ 400.00
PK-29 & 30	$ 2.51	$ 30.14	$ 33.33	$ 400.00
PK-31 & 32	$ 2.51	$ 30.14	$ 33.33	$ 400.00

NO WARRANTY, GUARANTY OR ASSURANCE IS GIVEN AS TO:

(i) Any projected or estimated amount set forth above including, without limitation, the estimates of the Property's assessed valuations, tax rates or tax amounts during the First Year of Condominium Operations, the estimates of the portions of such assessed valuations that will be allocable to the Condominium Units and the projections of the average real estate tax rate will be in effect during such first or subsequent year of Condominium Operation and/or the rate of construction progress of the Condominium building;

(ii) The figures or methods that the New York City Real Estate Tax Assessment Bureau will use to allocate the Property's aggregate assessed valuation between the Units, or the New York City Real Estate Tax Assessment Bureau will allocate the aggregate assessed valuation attributable to the Units among the different Units as described in this Offering Plan; or

(iii) The accuracy of any of the projections or estimates made in this Offering Plan and in Schedule A;

If the City of New York does not subdivide or apportion the real estate taxes prior to the first closing, then the real estate taxes for the Condominium Units, prior to subdivision into Condominium Unit tax lots (one for each Condominium Unit) will be determined by multiplying the total real estate tax for the applicable tax year by the percentage of Common Interest of each particular Condominium Unit. Each Unit Owner will be required to pay their proportionate share of the real estate taxes based on the foregoing until such time as the real estate taxes have been apportioned to each individual Condominium Unit by the City of New York. The Unit Owner shall pay to the Sponsor or to the Board of Managers, its proportionate share if the Sponsor or the Board of Managers has or will advance any sums for real estate taxes on behalf of all Unit Owners, with such sums due from the date of the closing of title by a Unit Owner to the end of the period of time which the Sponsor or Board of Managers will or has paid the appropriate real estate taxes.

If and when any real estate tax abatement is approved by the City of New York, each Condominium Unit Owner will be entitled to a rebate in real estate taxes paid, if the proportionate share of real estate taxes paid exceeds the amount of real estate taxes that should have been paid with the tax abatement in place. If the City of New York does not credit each particular Condominium tax lot with a refund, then the Board of Managers will file the necessary documents to obtain a refund of overpaid real estate taxes and the Board of Managers will receive the refund and then pay to each Condominium Unit Owner the proportionate share of the rebate of real estate taxes.

All Purchasers of Units will pay to Sponsor at closing a fee equal to 1.50% of the Purchase Price of their Unit as reimbursement of the Sponsor's cost in applying for a partial tax abatement benefits to section 421-a of the New York State Real Property Tax Law. The charges of 1.50% of the Purchase Price will be due to Sponsor as and for

Sponsor's costs to apply for same regardless of whether the tax abatement or tax exemption are granted.

No warranty or guaranty is made that the 421-a tax abatement or exemption will be granted, or concerning the timing of such abatement or exemption.

In no event will Sponsor, Sponsor's counsel, Sponsor's special tax counsel, Sponsor's Real Estate Tax Consultant, Selling Agent, or any Offeror hereunder be liable to any Purchaser or person, nor will any Purchaser have the right to rescind his Purchase Agreement in the event Section 421-a benefits are not granted, or, if granted, in the event the date of implementation or amount or duration of such benefit and the resulting taxes differ from those projected herein.

The projection and estimates of the Real Estate Taxes and Assessed Valuations as used in this Offering Plan that will be payable for each of the Units during the projected First Year of Condominium Operations is based upon an opinion letter prepared by Barnett Maller, real estate consultant ("real estate tax consultant"), 249-02 Jericho Turnpike, Bellerose, New York 11001.

Tax Implications of the Condominium and Unit Owners.

Purchasers are advised to review the Sponsor's Opinion of Counsel, Part I, Section "V-1" and "V-2" of this Offering Plan which discusses the tax implications of the Condominium association.

Sponsor makes no projections of income tax deductions for real estate taxes or mortgage interest expenses, and Sponsor recommends that Purchasers rely only on their own tax professional for advice as to projecting or anticipating income tax deductions for real estate taxes or mortgage interest expenses associated with the purchase of a Condominium Unit.

The Sponsor is not offering or procuring mortgage financing for the Purchaser(s).

F. BUDGET FOR FIRST YEAR OF OPERATION

SEDGWICK CONDOMINIUM

SCHEDULE B

January 1, 2008 to December 31, 2008

PROJECTED INCOME:

Common Charges (Note "i")	$ 175,260.00
Commercial Income (Note "i")	$____0____
Total Projected Income	**$ 175,260.00**

PROJECTED EXPENSES:

Labor (Note "ii")	$ 33,431.00
Heating Costs (Note "iii")	$ 53,089.00
Electric Utilities (Note "iv")	$ 25,845.00
Water Charges / Sewer Rents (Note "v")	$ 25,395.00
Repairs, Maintenance and Supplies (Note "vi")	$ 5,000.00
Service Contracts (Note "vii")	$ 0
Insurance (Note "viii")	$ 10,000.00
Management Fees (Note "ix")	$ 16,000.00
Legal Fees and Audit Fees (Note "x")	$ 2,500.00
Miscellaneous Expenses (Note "xi")	$ 0
Contingency Fund (Note "xii")	$ 4,000.00
Total Disbursements	**$ 175,260.00**

FOOTNOTES TO SCHEDULE B

The projections set forth in footnotes (i) through (xii) of this Schedule B, were made by Barnett Maller, whose qualifications are set forth in the CERTIFICATION BY SPONSOR'S EXPERT CONCERNING THE OF ADEQUACY OF OPERATING BUDGET.

Amounts are projected on the assumption that the First Year of Condominium Operations will be the twelve month period January 1, 2008 through December 31, 2008. The actual First Year of Condominium Operations may be earlier or later than the aforesaid twelve month period. If the actual or anticipated date of commencement of condominium operation is to be delayed more than six (6) months from the budget year projected in the Offering Plan, the plan must be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projections by twenty-five percent (25%) or more, the sponsor must offer all purchasers the right to rescind and a reasonable period of time that is not less than fifteen (15) days after the date of presentation to exercise the right, whether or not sponsor offers to guarantee the previous budget projection. Sponsor must return any deposit or downpayment to purchasers who rescind within a reasonable period of time not to exceed fifteen (15) days. Sponsor may not declare a plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the Offering Plan.

(i) Common Charges - $175,260.00

The Common Charges are equal to the estimates of income and operating expenses been made by the Sponsor based upon the operation of comparable developments in the City of New York. It cannot be construed as an assurance of the final expenses and is merely based upon information available at this time.

Commercial Income

There is no Commercial income anticipated.

(ii) Labor - $33,431.00

The budget items for Payroll and Related Expenses is based on the following level of staffing:

One superintendent ("the labor staff") comprises the labor that will be employed by the Condominium. The employee will not be a union member.

The superintendent will be responsible for performing all work required for the normal maintenance of the Condominium, such as cleaning the common elements, removal of garbage, landscaping and snow removal in common areas.

The superintendent will be provided, at no cost to the superintendent, a superintendent's apartment located in the cellar of the building located at 2794 Sedgwick Avenue, Bronx, New York.

The Board of Managers shall be responsible for hiring any appropriate repair service and to ensure that such service will make any emergency repairs to the Common Elements in the event that the superintendent cannot make any necessary repairs.

The superintendent will be paid a salary of approximately $28,000.00 per year. With the costs of the salary, payroll taxes and related payroll costs, the budget for the superintendent salary and related costs is $33,431.00, which sum is a reasonable amount for payroll costs.

The level of staffing complies with all applicable housing and labor laws. The labor costs set forth herein, include benefits required by local, state or federal law or required by contract such as workers' compensation, disability insurance, welfare and pension contributions by employers, unemployment insurance and payroll taxes.

It is projected that the salary, wages, expenses and benefits for the labor staff will be as follows:

ONE SUPERINTENDENT

Salary (Full Time Superintendent - Annual Salary)	$28,000.00
Workers Compensation Insurance @ 3.42% of applicable wages	$957.60
FICA @ 6.20% of applicable wages	$1,736.00
Medicare @ 1.45% of applicable wages	$406.00
NYS Unemployment Insurance @ 7.40% of applicable wages	$2,072.00
Federal Unemployment Insurance @ 0.80% of applicable wages	$224.00
NYS Disability Insurance @ approximately $35.40 per employee	$35.40
Union Welfare / Pension:	$ -
Welfare	$ -
Pension	$ -
Annuity	$ -
Total Salary and Benefits for one Part Time Porter	$33,431.00

The budget for labor reflects current wage rates and payroll tax rates applicable for the budgeted year, and reasonably anticipated increases for the first year of operation of the condominium.

The wages set forth herein meet state minimum wage laws.

In the event that the Board determines that additional labor is required in the future, common charges will be increased to cover the increased costs of labor.

The payroll taxes and benefits include FICA, Federal and New York State unemployment insurance, workers' compensation, disability insurance, holiday and vacation pay.

The projected expenses for wages, salaries, benefits as well as the assumptions described herein, are believed to be reasonable and reflect the experience of Sponsor's budget expert in comparable buildings.

(iii) Heating and domestic hot water costs (utility costs) - $53,089.00

Gas will be used for cooking, heat and hot water production. The projected cost per therm of gas is $1.55 per therm inclusive of sales tax for to provide gas for cooking, heat and hot water for each Condominium Unit.

There are no common areas which are heated.

There will be three gas meters to measure the common gas consumption for all Condominium Units to be paid by the Condominium as a common expense through common charges.

Gas costs will be paid by Unit Owners through common charges for heat, hot water and for cooking.

The projection for the gas consumption is based upon estimates provided by Mottola Rini Engineers P.C., 36 West 25th Street, New York, New York 10010.

The gas cost estimate consists of:

$16,610.00 for 10,715 therms / year estimated for usage for the building at 2796 Sedgwick Avenue for heating and hot water production;

$16,745.00 for 10,802 therms / year estimated for usage for the building at 2794 Sedgwick Avenue for heating and hot water production;

$7,828.00 for 5,050 therms / year estimated for usage for the building at 2792 Sedgwick Avenue for heating and hot water production;

$3,643.00 for 2,350 therms / year estimated for usage for the building at 2796 Sedgwick Avenue for gas for cooking;

$3,952.00 for 2,550 therms / year estimated for usage for the building at 2794 Sedgwick Avenue for gas for cooking;

$1,783.00 for 1,150 therms / year estimated for usage for the building at 2792 Sedgwick Avenue for gas for cooking;

The total estimated gas costs are $50,561.00.

The cost of gas is based on a one (1) bedroom Unit with two (2) occupants, two (2) bedroom Unit with three (3) occupants and a three (3) bedroom Unit with four (4) occupants.

In view of the current energy situation, it is not possible to predict whether the budgeted figure will reflect the annual cost to be incurred during the first year of condominium operation, which will vary with the level of consumption and the cost of the utility. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of gas resulting from market price fluctuations during the first year of condominium operation.

The gas costs, for the purposes of this budget have been increased by five percent to reasonably anticipate an increase in gas costs.

(iv) Electric Utility costs – $25,845.00

Electricity will be used for lighting, power and air conditioning. The projected cost per kilowatt of electricity is $0.23 per kilowatt inclusive of sales tax for energy to provide lighting, power and air conditioning for the building. The cost of electric is based upon Consolidated Edison Rate Schedule 1.

There is no air conditioning in the common areas.

Air conditioning in individual Units is provided by electricity. There will be separate electric meters for each condominium Unit to measure electricity usage by each Unit Owner.

There will be three common electric meter for electricity usage for the common areas of the condominium to be paid by the condominium as a common expense through common charges.

The common electric meters will meter electricity consumed for public interior lighting, exterior lighting, fans and pumps.

The projection for the electricity usage is based upon estimates provided by Mottola Rini Engineers P.C., 36 West 25th Street, New York, New York 10010.

The electricity utility cost estimate consists of:
$9,425.00 for the building known as 2796 Sedgwick Avenue, which is for consumption of 40,980 Kilowatts per year; $9,720.00 for the building known as 2794 Sedgwick Avenue, which is for consumption of 42,260 Kilowatts per year and $4,350.00 for the building known as 2792 Sedgwick Avenue, which is for consumption of 18,913 Kilowatts per year. The total estimated electric utility costs is $23,495.00.

The cost of electricity for public lighting is based upon 24 hours of operation per day for interior lighting and 12 hours of operation per day for exterior lighting.

In view of the current energy situation, it is not possible to predict whether the budgeted figure will reflect the annual cost to be incurred during the first year of condominium operation, which will vary with the level of consumption and the cost of the utility. Electricity is generated by the utility company by means of fuel oil as primary energy source. If the cost of oil used to generate electricity increases, it is likely that electricity rates will increase. It is believed that the projected figure should be sufficient to cover any reasonable increase in the cost of electricity resulting from the foregoing during the first year of condominium operation.

The utility costs, for the purposes of this budget have been increased by ten percent to reasonably anticipate an increase in utility costs.

See Schedule B-1 for electricity costs for each individual Unit.

(v) Water Meter / Sewer Charges - $25,395.00

Water and sewers are provided by the City of New York. The annual water and sewer charge for 100 cubic feet of water (748 gallons) is $5.12 per cubic foot of water.

The Units will not be individually metered for water. There will be three water meters to measure all water consumed by Condominium Unit Owners.

The projection for water meter / sewer charges is based upon estimates provided by Mottola Rini Engineers P.C., 36 West 25th Street, New York, New York 10010. The budgeted figure has been estimated based upon estimated annual water and sewer charges published by the New York City Bureau of Water & Energy Conservation, similar charges for building with approximately the same number Units and in accordance with rates currently in effect in New York City.

The estimated cost of water and sewer charges includes usage and sales tax is a total of $24,185.00 plus a five percent inflation factor has been added for budgeting purposes.

(vi) Repairs, Maintenance and Supplies - $5,000.00

Common repairs and maintenance costs, included in this budget, include roofing, exterior repairs (including walls, foundations, windows, doors and locks), plumbing outside of the individual condominium Unit, electrical work outside of the individual condominium Unit, exterminating outside of the individual condominium Unit, grounds maintenance (snow removal, gardening and landscaping), janitorial supplies outside of the individual condominium Unit, painting of common areas.

Costs to be incurred by individual Unit Owners, include but are not limited to Unit interior repairs, individual Unit heating and hot water systems, plumbing inside of the

individual condominium Unit, electrical work inside of the individual condominium Unit, exterminating inside of the individual condominium Unit, cleaning inside of the individual condominium Unit and painting inside of the individual condominium Unit.

The budgeted figure for repairs, maintenance and supplies does not include improvements and repairs to, maintenance of, or supplies for individual Units and certain Limited Common Elements (see Special Risks, Part I). Each individual Unit Owner is responsible for improvements and repairs to, maintenance of, and supplies for his Unit and certain Limited Common Elements irrevocably restricted to his use.

The estimate includes maintenance of and repairs to all Common Elements and certain Limited Common Elements of the Property. Based upon the experience of Barnett Maller, 249-02 Jericho Turnpike, Floral Park, New York 11001, having prepared actual budgets for other condominiums, he has determined that the sum of $5,000.00 is adequate for costs that the condominium can expect to incur during the first year of operation.

(vii) Service Contracts - $ - 0

NONE

(viii) Insurance - $12,000.00

Pursuant to a letter dated July 16, 2007 from RJW Brokerage Corp., 651 Willowbrook Road, Staten Island, New York with coverage to include the following:

Property Insurance:
Replacement Cost Insured Value - $6,000,000
Business Income - $10,000

Commercial General Liability Insurance:
Per Occurrence - $1,000,000
Annual Aggregate - $2,000,000
Non-owned and Hired Automobile - $1,000,000
Employee Benefits Liability (Claims Made) - $1,000,000

Directors and Officers Liability Insurance:
Per Occurrence / Annual Aggregate - $1,000,000
Deductible - $2,500

Employee Theft / Depositors Forgery Insurance:
Limit - $100,000

The coverage amount limit stated above for casualty insurance is based on full replacement value and should be sufficient to avoid the effects of co-insurance. Excess liability coverage is not included. The insurance policies shall provide that (i) each Unit

Owner is an additional insured; (ii) there will be no cancellation without notice to the Condominium Board and Unit Owners; (iii) the right to subrogation against Unit Owners is waived; (iv) the defense of invalidity because of acts of the insured and Unit Owners is waived; and (v) the defense of pro-rata reduction in liability is waived if Unit Owners obtain additional coverage. All of the above coverage including the public liability insurance will be in place on or before the closing of the first Unit in the Condominium.

No coverage is provided for fire and casualty losses to the contents of each individual Unit, nor does the coverage take into account any future replacements or additions to either the Units or the fixtures and improvements contained therein. In. addition, no liability coverage for an individual Unit Owner is included in the coverage provided above. Prospective purchasers should consult their attorney or insurance agent to determine the advisability of obtaining insurance for their own risk of liability and fire and casualty losses.

THE RATES REFLECTED ABOVE ARE THOSE IN EFFECT AS OF THE DATE OF THE OFFERING PLAN. BECAUSE OF THE VOLATILITY OF THE INSURANCE MARKET IT IS NOT POSSIBLE TO PREDICT WHETHER FUTURE PREMIUMS WILL CONTINUE TO INCREASE OR WILL LEVEL OFF. NO REPRESENTATION IS MADE REGARDING THE ACTUAL COST OF INSURANCE AT THE TIME OF THE COMMENCEMENT OF THE BUDGET.

No inflation factor of has been added to the quotation provided by RJW Brokerage Corp., 651 Willowbrook Road, Staten Island, New York.

(ix) Management Fees - $ 16,000.00

This figure represents the estimated annual cost of management services, based on prevailing rates. Sponsor will enter into a written agreement with Impact Real Estate Management, Inc. for a term of two years to manage the condominium. The agreement may be terminated in the event of managing agent's fraud, misappropriation of condominium funds, embezzlement, or the like. The management agreement may not be assigned. The Board of Managers and the managing agent may agree to continue the management relationship after the end of the initial term. The annual management fee of $15,000.00 per year shall be paid to Impact, together with disbursements anticipated to be approximately $1,000.00 per year. (see Part I, Section "F", Schedule B, Footnote 11).

The cost of management fees include all costs required by the terms of the management agreement. There is no cost for bonding as the management agent is not required to be bonded under this offering plan.

The costs of the managing agent are not greater or substantially less than the prevailing cost for similar services.

The managing agent will be responsible for issuing monthly common charge invoices to the unit owners, collecting the monthly common charges, paying bills of the condominium, and overseeing the employees of the condominium. The duties of the Board with respect to management of the Condominium are set forth in Section "R" & "S" of this Offering Plan.

(x) Legal Fees and Audit Fees - $2,500.00

The sum of $500.00 has been included in the budget which reflects the estimated cost of retaining an attorney to advise the Board of Managers on legal issues that may arise in connection with the Condominium's normal business operations. The amount reflected does not cover extraordinary costs or expenses for additional services rendered or costs incurred to conduct litigation on behalf of the Condominium. The budgeted sum is to be used by the Board of Managers elected by Unit Owners when consulting with an attorney of their choice to review contracts, collect delinquent common charges, or general legal advice with regard to the Condominium.

The sum of $2,000.00 has been included in the budget which reflects the estimated cost of retaining an accountant to prepare a year end financial statement and federal and state tax returns for the first calendar year of condominium operation. The estimate is based upon the fee quotation dated July 16, 2007 provided to the Sponsor by Morris Teper CPA, 104 South Central Avenue, Valley Stream, New York 11580. The fee of $2,000.00 is the maximum that will be charged to the condominium for the preparation of a certified financial statement while the Sponsor in control of the Board of Managers, and this sum is guaranteed by the Sponsor as long as the Sponsor is in control of the Board of Managers. In the event that the actual costs exceed $2,000.00 while the sponsor is in control of the Board of Managers, then the Sponsor shall be responsible for any accounting fees exceeding the $2,000.00 as quoted by the Certified Public Accountant herein.

(xi) Miscellaneous Expenses - $ 0

There are no other expenses anticipate and no budget amount included for any other expenses such as employer association dues, building telephone, license fees, registration and municipal permits, provision for income taxes and any other taxes payable by the condominium or miscellaneous expenses.

(xii) Contingency Fund - $4,000.00

The budget amount for contingency fund is intended to provide funds for unanticipated expenses or unanticipated increases in the projected expenses of the condominium.

Reserve Fund

There is no Reserve Fund for capital expenditures so the contingency fund may be used to pay for capital expenditures should be need for such expenditure arise.

Miscellaneous Notes:

Sponsor has reserved the right to modify, renew and replace existing service, maintenance, employment, concessionaire and other agreements and to enter into new agreements that will be binding on the Board of Managers upon commencement of condominium operations. All such modifications, renewals and replacements thereto will be reflected in an amendment to this plan if they materially alter statements made herein.

IN THE OPINION OF BARNETT MALLER, 249-02 JERICHO TURNPIKE, FLORAL PARK, NEW YORK 11001, (SEE OPINION LETTER, PART I, SECTION "H", WHICH SETS FORTH ALL OF THE QUALIFICATIONS OF BARNETT MALLER), THE FOREGOING ESTIMATED COMMON CHARGES ARE SUFFICIENT TO PAY THE PROJECTED OPERATING EXPENSES FOR THE CONDOMINIUM'S FIRST YEAR OF OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE TWELVE MONTH PERIOD COMMENCING JANUARY 1, 2008. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTY OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR OTHER INCOME OR EXPENSES FOR SUCH FISCAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY BY THE CONDOMINIUM WILL BE AS SET FORTH IN SAID SCHEDULE AND BUDGET, AND IT IS POSSIBLE THAT THE ACTUAL COMMON CHARGES AND OTHER ITEMS OF INCOME AND EXPENSES WILL VARY FROM THE AMOUNTS SHOWN IN THE SCHEDULE.

G. BUDGET FOR INDIVIDUAL ENERGY COSTS - SCHEDULE B-1

By letter dated, June 23, 2007, Mottola Rini Engineers P.C., 36 West 25th Street, New York, New York 10010, provided the following estimate of annual electric energy costs and gas costs for the individual Condominium Units:

(A 5% INFLATION FACTOR HAS BEEN INCLUDED IN THE ESTIMATED ANNUAL OPERATING COSTS SET FORTH BELOW).
ESTIMATED ANNUAL OPERATING COSTS

Building Address	Unit	Kilowatts per year	Cost with 5% inflation factor
2796	C1	9,609	$ 2,320.57
2796	1A	3,087	$ 745.51
2796	1B	5,771	$ 1,393.70
2796	1C	5,771	$ 1,393.70
2796	1D	5,533	$ 1,336.22
2796	2A	5,348	$ 1,291.54
2796	2B	5,348	$ 1,291.54
2796	2C	5,348	$ 1,291.54
2796	2D	5,348	$ 1,291.54
2796	3A	5,348	$ 1,291.54
2796	3B	5,348	$ 1,291.54
2796	3C	5,348	$ 1,291.54
2796	3D	5,348	$ 1,291.54
2796	4A	5,878	$ 1,419.54
2796	4B	5,878	$ 1,419.54
2796	4C	5,878	$ 1,419.54
2796	4D	5,878	$ 1,419.54
2794	C2	15,826	$ 3,821.98
2794	CA	3,608	$ 871.33

Building Address	Unit	Kilowatts per year	Cost with 5% inflation factor
2794	1E	3,921	$ 946.92
2794	1F	5,321	$ 1,285.02
2794	1G	5,321	$ 1,285.02
2794	1H	5,578	$ 1,347.09
2794	2E	5,400	$ 1,304.10
2794	2F	5,400	$ 1,304.10
2794	2G	5,400	$ 1,304.10
2794	2H	5,400	$ 1,304.10
2794	3E	5,400	$ 1,304.10
2794	3F	5,400	$ 1,304.10
2794	3G	5,400	$ 1,304.10
2794	3H	5,400	$ 1,304.10
2794	4E	5,940	$ 1,434.51
2794	4F	5,940	$ 1,434.51
2794	4G	5,940	$ 1,434.51
2794	4H	5,940	$ 1,434.51
2792	C3	6,061	$ 1,463.73
2792	1J	3,522	$ 850.56
2792	1I	4,591	$ 1,108.73
2792	2J	4,826	$ 1,165.48
2792	2I	4,652	$ 1,123.46
2792	3J	4,826	$ 1,165.48
2792	3I	4,652	$ 1,123.46
2792	4J	5,548	$ 1,339.84
2792	4I	5,813	$ 1,403.84

NOTES TO SCHEDULE "B-1"
BUDGET FOR INDIVIDUAL ENERGY COSTS

1. The estimated cost for electric is based upon each Unit being equipped for general lighting, power, air conditioning and miscellaneous household appliances. The projected cost per kilowatt of electricity is $0.23 per kilowatt.

2. The estimated costs are based upon average consumption of similarly situated residential users and is based upon the projections provided by Mottola Rini Engineers P.C., 36 West 25th Street, New York, New York 10010. It is not possible to predict whether the estimated annual cost for each Unit will reflect the actual cost which will vary with the level of consumption of each Unit Owner.

3. Heating costs, which are a substantial part of a consumer's gas usage, have been estimated for each Unit based upon maintaining the inside temperature at 68 degrees Fahrenheit when the outside temperature is 5 degrees Fahrenheit for 4,871 degree days.

4. Air conditioning will be produced by individual Units in each condominium apartment. The Sponsor will not provide the air conditioning Unit. The Sponsor will provide sleeves for air conditioning Units in each bedroom and living room.

5. The utility usage calculations are premised on a two (2) bedroom Unit with three (3) occupants and a three (3) bedroom Unit with four (4) occupants. Actual Costs will vary depending on weather conditions, quality of construction and the habits of the Unit occupants. It is anticipated that each individual consumes an average of 80 gallons of water per day.

7. In view of the fact that these averages may include the use of energy by persons of varying need, with different standards of comfort, or with families of different sizes, the amount of energy used by the Purchaser may vary substantially from the average estimates herein provided. In addition, the effect of inflation, fuel shortages and other factors may raise the cost of electricity and gas substantially higher than the current or projected rate.

8. Although the Sponsor is under obligation to provide accurate information to prospective purchasers, factors beyond its control may substantially affect the cost of electricity and gas after the purchase of a Unit or in subsequent years. Sponsor represents however, that it has followed the plans and specifications provided by the manufacturer of the appliances together with the recommendation of the manufacturer and other experts to enable these items of equipment to operate at the optimum efficiency and at the lowest costs.

H. COMPLIANCE WITH REAL PROPERTY LAW § 339-i

BARNETT MALLER
CONDOMINIUM, CO-OP, AND CONSTRUCTION CONSULTANT
LICENSED REAL ESTATE BROKER
249-02 JERICHO TURNPIKE Bellerose, N.Y. 11001-4003
TEL, 516-437-1224

July 16, 2007

New York State Department of Law
120 Broadway – 23rd Street
New York, N.Y. 10271

Re: SEDGWICK CONDOMINIUM

Gentlemen:

I am a licensed real estate broker and have been engaged in the development, management and sales of real properties for over thirty years.

I have reviewed the allocation of common interests as shown on the Schedule A to be included in the Condominium Offering Plan for the subject project. The common interests among the Units have been allocated to each based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit, in accordance with Section 339-i(1)(iv) of the Real Property Law of the State of New York. The allocation utilizes the measurements and calculations of square footage by the project architect.

I hereby authorize inclusion of this opinion in the Offering Plan for SEDGWICK CONDOMINIUM to be filed with the Department of Law.

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

Very truly yours,

Barnett Maller

Barnett Maller

Sworn to before me this
July 16, 2007

GARY ROSEN
NOTARY PUBLIC, STATE OF NEW YORK
No. 01RO4747968
Qualified in Queens County
Commission Expires March 30, 2011

H-1. COMMUNITY FACILITY UNIT AND COMMERCIAL UNIT

There are three (3) Community Facility Unit known as Units C1, C2 and C3 located on the cellar floors of the Condominium.

The proposed use of the Community Facility Condominium Unit is for any "Use Group 4" purposes as set forth below.

The Community Facility Condominium Units will share in the expenses of common area electricity, including lighting for hallways and exterior, share in the costs of repairs, maintenance and supplies for the common areas, share in the cost of insurance for the building (liability and property insurance), share in the costs of an accountant and legal fees and share in contribution to a contingency fund through the payment of common charges.

Pursuant to 15 NYCRR 20.3(j), Units C1, C2 and C3 shall be used for community facility uses. The Community Facility Condominium Units may be used for any lawful purpose, included in Use Group 4, Medical Offices, Churches, Clubs, Community centers or settlement houses, Government operated health centers or independent out of hospital health facilities, non-commercial recreation centers, Nonprofit hospital staff dwellings, Nonprofit or voluntary hospital and related facilities, Philanthropic or nonprofit institutions, Proprietary hospitals and related facilities, Seminaries and Welfare centers as list in the Zoning Resolution.

The common charges payable by the Community Facility Condominium Unit Owners are sufficient to cover the expense fairly attributable to such Community Facility Condominium Units.

The Community Facility Condominium Unit Owners have the right to subdivide their Unit provided that such division is permitted by New York City Zoning and Building Codes.

The Community Facility Condominium Unit Owners have no rights or obligations which differ from those of the Residential Unit Owners.

Opinion of Counsel Regarding Compliance with RPL §339-i.

Gary Rosen Law Firm, P.A.
Attorneys at Law

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July 16, 2007

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

Re: SEDGWICK CONDOMINIUM,
2792, 2794 & 2796 SEDGWICK AVENUE
BRONX, NEW YORK

Gentlemen:

We are the attorneys for the Sponsor of the above captioned Condominium.

I hereby render an opinion that the Sponsor has complied with Real Property Law Section 339-i in assigning the percentage of common interest to each Unit.

The Common Interest of each of the Units has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act and accordingly based upon a comparison of the 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

The common interests among the Units have been allocated to each based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit, in accordance with Section 339-i(1)(iv) of the Real Property Law of the State of New York.

Very truly yours,

Gary Rosen

I. CHANGES IN PRICES AND UNITS

(1) The Offering Prices set forth in Schedule "A" must be changed by duly filed amendment to the Plan when the change in price is an across the board increase or decrease affecting one or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual Purchaser. The Offering Prices set forth in Schedule A and other terms of payment (but not other terms of sale) with respect to a particular Unit are negotiable and may be changed by Sponsor at any time and from time to time, both before and after the recording of the Declaration, without prior notice and without the consent of the Board, any Unit Owner or mortgagee. However, no such change with respect to any Unit for which an Agreement is then in effect may be made without the consent of the Purchaser thereunder, and no Agreement will be modified to waive any of the Purchaser's rights or abrogating any of Sponsor's obligations, under this Plan or Article 23-A of the New York General Business Law.

(2) No change will be made in the size or number of Units and/or their respective percentages of common interest, and no material change will be made in the size or quality of Common Elements, except by amendment to the Plan and, when applicable, to the declaration.

(3) Unless an affected Purchaser consents, no material change will be made in Unit size, layout, or percentage of common interest if a purchase agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default.

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

In order to meet the possible varying demand for number any type of different Units, or to meet particular requirements of prospective Purchasers, or for any other reason, Sponsor and its designees reserve the right (except to the extent prohibited by applicable Legal Requirements and subject to the Declaration and By-Laws) at any time and from time to time, before and after the recording of the Declaration, without prior notice and without the consent of the Board, any Unit Owner or mortgagee, to: (i) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon any Unsold Unit; (ii) change the layout of, or number of rooms in, any Unsold Unit; (iii) change the size and/or number of Unsold Units by subdividing one or more such Units into two or more separate Units, combining separate Unsold Units (including those resulting from a subdivision or combination or otherwise) into one or more Units, altering any boundary walls between any Unsold Units, and/or incorporating within any Unsold Unit the use of any portion of the Common Elements adjacent thereto (but only to the extent that such Common Elements are not required to be maintained as Common Elements based upon such alterations); (iv) if appropriate, reapportion among the Unsold Units affected by such change, their Common Interest, provided however, that after the recording of the Declaration, no change in any Unit's Common Interest will be made without obtaining the prior consent of all Unit Owners affected by such change; and (v) change the

permitted use of some or all of the Unsold Units. Any such change described in subsections (ii) through (v) in the immediately preceding paragraph and additionally any material adverse change in the size or quality of any of the Common Elements shall be disclosed by Sponsor in a duly filed amendment to the Plan and, when applicable, to the Declaration. In the event of any such change after the Declaration is recorded, the Declaration and Floor Plans shall each be amended and such amendments duly recorded and disclosed in a duly filed amendment to the Plan. Sponsor or its designee will have the right to (or to cause the Board to) so amend the Declaration and Floor Plans, to the extent required, in order to reflect any such change affecting Unsold Units. In addition, none of the foregoing changes, including any material adverse change in size, layout or Common Interest of a Unit or in the amount or quality of Limited Common Elements directly affecting or servicing a Unit, will be made with respect to any Unit for which an Agreement has been mutually executed and delivered and the Purchaser thereunder is not in default, unless: (a) such change has been dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc.) and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's reasonable control, and where no practicable alternative (in the exercise of sound construction management practices) exists and set forth in an amendment to the Plan, and the Purchaser is offered the right in such amendment, for at least fifteen days, to rescind his or her Agreement and receive a refund of the Deposit, together with all interest earned thereon, and the Purchaser elects not to exercise such right of rescission; or (b) such change is not a material adverse change in the size, dimension or floor space or layout of such Unit, in which event a Purchaser will not be excused from purchasing such Unit by reason of such minor, non-material deviation or change and will not have any claim against Sponsor as a result thereof.

J. INTERIM LEASES

(1) Sponsor may rent any Unit that is vacant before the closing or after the Plan has been declared effective and any unpaid common charges due prior to or as of the date of closing will be payable on the date of closing together with any other payments required under this Plan.

(2) Interim lessees will not be afforded any rights under Rent Stabilization Laws or any applicable laws afforded to Tenants in this State, and leases will state that tenant acknowledges the same.

(3) An uncured default under the purchase agreement is a default under the lease and an uncured default under the lease is a default under the purchase agreement. An uncured default under the lease can result in a default under the purchase agreement, however before the Sponsor may utilize the default under the lease to declare a default under the purchase agreement, the Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unit.

(4) An interim lessee has to vacate the Unit after a default under the purchase agreement or rescission of the purchase agreement by the lessee within thirty days.

(5) All of the Units offered in this Plan are vacant.

K. PROCEDURE TO PURCHASE

The form of the Purchase Agreement is contained in Part II, Section "EE". Prospective Purchasers will be required to execute a Purchase Agreement in substantially such form in triplicate. The Purchase Agreement will not be binding upon the Sponsor until Sponsor receives four originally executed copies of the Purchase Agreement signed by the Purchaser(s), together with the down payment check as required hereunder and a signed copy of either IRS Form W-9 (Request for Taxpayer Identification Number and Certification) or IRS Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding) and a copy of the Purchase Agreement is executed by the Sponsor and delivered to the Purchaser or Purchaser's counsel.

The purchase agreement and Offering Plan may not contain, or be modified to contain a provision waiving the Purchaser's rights or abrogating Sponsor's obligations under Article 23-A of the General Business Law.

The following are important provisions contained in the Purchase Agreement:

(1) Downpayment

The amount or the percentage of the deposit shall be ten percent (10%) of the offering price.

(2) Statutory Requirement

The Sponsor shall comply with the escrow and trust fund requirements of GBL Sections 352-e(2-b) and 352-h and these regulations, and all funds paid by Purchasers shall be handled in accordance with these statutes and regulations.

(3) Escrow

The following requirements shall apply to this Offering Plan:

(a) The account. All deposits, down payments, or advances made by Purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the Plan, must be placed within five business days after the agreement is signed by all necessary parties, in an attorney's segregated special escrow account in a bank doing business in the State of New York which account is covered by federal bank deposit insurance.

(ii) Payments. All funds received from Purchasers whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be made payable to or endorsed by the Purchaser to the order of the "Gary Rosen Law Firm, PA., Sedgwick Condominium IOLA Escrow Account".

(iii) The escrow agent. Gary Rosen Law Firm, P.A. the escrow agent is an attorney admitted to practice law in the State of New York. Gary Rosen Law Firm, P.A. is independent of the Sponsor. Gary Rosen Law Firm, P.A. must comply with the Appellate Division rules for the preservation of client funds of the Judicial Department having jurisdiction over the attorney. Gary Rosen Law Firm, PA., 249-02 Jericho Turnpike, Floral Park, New York 11001 with a phone number of 516-437-3400 shall act as escrow agent shall be a signatory on the account and only Gary Rosen, Esq. shall be authorized to release funds.

(iv) The escrow agreement. Sponsor is responsible for complying with the escrow and trust fund requirements of sections 352-e (2-b) and 352-h of the General Business Law and the Attorney General's regulations promulgated pursuant thereto. All funds paid by Purchasers will be handled in accordance with General Business Law sections 352-e (2-b), 352-h, Section 20.3 of Title 13 NYCRR and Section 71-a (3) of the Lien Law of the State of New York. All funds will be deposited into a separate escrow account entitled the "Gary Rosen Law Firm, P.A., Sedgwick Condominium IOLA Escrow Account". All instruments for the payment of the deposits, Down Payments, or advances made by Purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the Plan, must be placed within five business days after the agreement is signed by all necessary parties, in the "Gary Rosen Law Firm, P.A., Sedgwick Condominium IOLA Escrow Account " in a bank doing business in the State of New York which account is covered by federal bank deposit insurance. Purchaser shall be aware that deposits in excess of $100,000 will not be federally insured in excess of $100,000. Gary Rosen, Esq. will open and maintain the escrow account. "Gary Rosen Law Firm, P.A., Sedgwick Condominium IOLA Escrow Account" shall be used only for the transactions regarding Sedgwick Condominium. The funds placed in the Escrow account shall only be released by signature of Gary Rosen, Esq. Gary Rosen, Esq. is the only signatory on the escrow account. Neither the Sponsor nor any principal of the Sponsor may be a signatory on the Escrow account. Interest earned on the Escrow Account will be paid to a State of New York fund, not to the Sponsor or to the Purchaser. The escrow account will be maintained at North Fork Bank, 252-25 Union Turnpike, Bellerose, New York 11426. The account number is pending.

All funds received from Purchasers whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be made payable to or endorsed by the Purchaser to the order of the "Gary Rosen Law Firm, P.A., Sedgwick Condominium IOLA Escrow Account.

A copy of the full escrow agreement is contained in this Offering Plan (see Part II, Section "PP").

(v) Notification to Purchaser. Within 10 business days after tender of the deposit submitted with the purchase agreement, the escrow agent shall notify the Purchaser that such funds have been deposited in the bank indicated in the Offering Plan, North Fork Bank, 252-25 Union Turnpike, Bellerose, New York 11426, and shall provide the account number (No interest will be earned and payable to the Purchaser as

the funds will be deposited in an IOLA escrow account). If the Purchaser does not receive notice of such deposit within 15 business days after tender of the deposit, he or she may cancel the purchase and rescind within 90 days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the Purchaser.

(vi) Escrow revisions. Before funds are transferred 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 was originally provided. A bond, letter of credit or other security may be substituted for the escrow account only after the Department of Law approves in writing the use of such alternate form of security, pursuant to the provisions of paragraph (4) of Part 20(o) of Title 13 N.Y.C.R.R.

(vii) Release of funds. The escrow agreement and the Plan must set forth the requirements and procedures for the release of the escrowed funds. These shall include:

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

(b) The escrow agent shall hold the funds in escrow until otherwise directed in: (1) a writing signed by both Sponsor and Purchaser; or (2) a determination of the Attorney General pursuant to subsection (viii) below; or (3) a judgment or order of a court of competent jurisdiction, or until released pursuant to clause (d) of this subparagraph.

(c) The Sponsor shall not object to the release of the escrowed funds to: (1) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan or (2) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

(d) If there is no written agreement between the parties to release the escrowed funds, the escrow agent shall not pay the funds to the Sponsor until the escrow agent has given the Purchaser written notice of not fewer than 10 business days. Thereafter, the funds may be paid to the Sponsor unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions contained in these regulations and has so notified the escrow agent in accordance with such provisions. (Part 20(o)(vii)(d) of Title 13 N.Y.C.R.R.)

(viii) Disputes.

(a) In the event of a dispute, the Sponsor shall apply and the Purchaser or the escrow agent holding the down payments in escrow may apply to the Attorney General for a determination on the disposition of the down payment and any interest earned thereon. Forms for this purpose will be available from the Department of Law. The party applying shall contemporaneously send to all other parties a copy of such application. The "Application to the Attorney General for a Determination on the Disposition of Downpayments" is included in Part II, Section QQ of this Offering Plan.

(b) Pending the determination of the Attorney General to grant or deny the application, the Sponsor, the Purchaser and the escrow agent shall abide by any interim directive issued by the Attorney General.

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

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

(e) If the application seeking release of funds is denied, the escrow agent shall continue to hold the deposit and any interest earned thereon until (1) both the Sponsor and Purchaser direct payment to a specified party in accordance with a written direction signed by both the Sponsor and Purchaser; or (2) a judgment or order of a court of competent jurisdiction is served on the escrow agent; or (3) the escrow agent deposits the disputed amount into court.

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

(ix) Exhibits to Plan. Copies of the forms provided by the bank for opening the escrow account and the escrow agreement as proposed has been filed with the New York State Department of Law with Sponsor's exhibits to the Offering Plan submission. Upon first deposit, a copy of the escrow agreement as executed and a copy of the bank forms as executed will be submitted by the Sponsor to the New York Department of Law as a supplement to the previously submitted exhibits filed with the New York Department of Law.

(x) Records on file. The escrow agent shall maintain all records concerning the escrow account for seven years after release of the funds. Upon the dissolution of any law firm which was the escrow agent, the former partners or members

of the firm shall make appropriate arrangements for the maintenance of these records by one of them or by the successor firm and shall notify the Department of Law of such transfer.

(xi) Review and audit. The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

(xii) Waiver void. 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 trust funds is absolutely void. The provisions of this section of the regulations shall prevail over any conflicting or inconsistent provision in the Offering Plan or in a purchase agreement.

(xiii) Trust obligation of Sponsor. Nothing contained herein shall diminish or impair the Sponsor's statutory obligation to each Purchaser pursuant to GBL Section 352-h to hold in trust all deposits, advances or payments made in connection with the offer until consummation of the transaction with such Purchaser. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to GBL Section 352-h. Funds from the escrow account remain the property of the Purchaser until employed in connection with the consummation of the transaction. Such funds shall not be a part of the estate of the Sponsor or the escrow agent upon any bankruptcy, incapacity or death.

(xiv) Transition. All funds required to be held pursuant to GBL sections 352-e(2-b) and 352-h on the effective date of this section shall be transferred into escrow accounts in compliance with this regulation within 60 days thereafter.

(4) Alternative Security.

Pursuant to 13 NYCRR §20.3(o)(4), if Sponsor subsequently decides to use an alternative to the escrow account it will make an application to the Attorney General and disclose same in an amendment to the Offering Plan.

(5) Change to escrow account.

Where alternate security as provided under a filed Offering Plan is no longer needed by the Sponsor, or new or additional alternate security cannot be obtained by a Sponsor or its successor, Sponsor shall submit an amendment for filing which provides that any future purchase deposits or Downpayments shall be held in the escrow account in accordance with paragraph (3) of 13 NYCRR 20.3. Such amendment shall not affect the Sponsor's obligation to account for funds previously released to the Sponsor unless the funds representing all such deposits or Downpayments are restored to the escrow account.

(6) Compliance with Lien Law Section 71-a(3).

Because this Offering Plan provides for the construction of residential Condominium Units, the purchase agreement and the Plan must comply with Section 71-a (3) of the Lien Law.

Section 71-a (3) of the Lien Law provides the following:

(a) The initial advance pursuant to a contract of sale which by its terms provides for or is incidental to a contract providing for the construction on the subject real property of residential Condominium Unit or any structure designed solely for residential occupancy of not more than two families living separately, on property to be purchased shall, at the vendee's option, be deposited within five business days thereafter by the recipient in an interest bearing escrow account in a bank, trust company, savings bank, state or federal savings and loan association, located in this state. Such deposit, together with the interest accumulated thereon, shall remain the property of the vendee except as otherwise provided herein. The recipient shall advise the vendee in writing of the name of the depository where the funds have been placed within ten business days after such deposit has been made.

(b) In lieu of making the deposit of such moneys in an escrow account as provided in paragraph (a) of this subdivision, the recipient may post with the vendee a bond or contract of indemnity, issued by a surety company licensed to execute such an instrument in this state, guaranteeing the return of the moneys which otherwise would be required to be deposited in such escrow account, in which case the recipient shall not be required to deposit such money in an escrow account. Said bond or contract of indemnity shall be delivered to the vendee within ten business days after receipt of the initial advance.

(c) At any time after making the deposit of such moneys in the escrow account, the recipient may post with the vendee a bond or contract of indemnity issued by a surety company licensed to execute such an instrument in this state guaranteeing the return of such moneys, in which case the recipient shall not be required to maintain the deposit of such moneys in such account.

(d) Such advance shall be retained in the escrow account or such bond or contract of indemnity continued in effect until the trust is terminated (i) by the recipient's performance of the terms of the contract of sale, or (ii) by default of the vendee excusing the recipient's performance of the terms of the contract of sale, or (iii) by release or discharge of the recipient's liability to refund such advance to the vendee, or (iv) upon transfer of title of the real property to the vendee.

(e) Every contract of sale which by its terms provides for or is incidental to a contract providing for the construction on the subject real property of a residential Condominium Unit or a structure designed solely for the residential occupancy by not more than two families living apart, shall contain a statement advising the vendee of the provisions of this subdivision. Such statement shall be printed in bold type which is at least two points larger than any other printing contained thereon and shall read as follows:

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

(7) Specific Performance of the Purchase Agreement.

Sponsor may seek specific performance of the purchase agreement, requiring Purchaser to close and purchase the Condominium Unit for which Purchaser has executed a purchase agreement.

(8) Purchase Agreement May Be Made Time of the Essence.

The contract of sale is not "time of the essence". However, in the event that the Purchaser does not appear for closing ready, willing and able to accept title from the Sponsor, and pay Sponsor the balance of the purchase price and associated costs within fifteen days from the date set forth in the contract, provided that the Sponsor is ready, willing and able to convey title to the Purchaser, then, in that event, the Sponsor may make the closing date "time of the essence". If the Sponsor makes the closing "time of the essence" and the Purchaser fails to close on the "time of the essence" closing date, the Purchaser may forfeit his or her down payment.

(9) Closing Date.

After the Plan has been declared effective the Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first closing and setting such Purchaser's closing date. Such notice will be served in compliance with Section 20.1(d) (1) of 13 NYCRR 20.3 no less than 30 days before the date set for the closing of the Units. Sponsor may permit Purchasers to waive this thirty (30) day provision by including such waiver in the Plan or in an amendment thereto.

(10) Date of Expected First Closing.

Sponsor expects that the first closing of Unit will occur on or about January 1, 2008. If such closing is delayed twelve (12) months or more, Purchasers will be offered rescission of their contracts.

(11) Sponsor Must Make Written Demand Before Declaring Default.

Sponsor must make a written demand for payment for default at least thirty (30) days before a default or forfeiture of the deposit may be declared.

(12) Unit Power of Attorney.

Each Unit Purchaser will be required to sign a power of attorney to the Board of Managers of the Condominium on the date of delivery of the deed. Sponsor will not close with any Purchaser who refuses to sign a power of attorney and reserves the right to rescind the Purchase Agreement by returning the full down payment. The Power of Attorney provides the following powers to the Board of Managers of the Condominium: to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer assign or lease the same, upon such terms and conditions as shall be approved by a majority of Unit Owners, (b) to acquire any Unit, together with its Appurtenant Interests, whose Owner elects to surrender the same pursuant to Article "13" of the Declaration of Condominium, (c) to acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Board of its designee, corporate or otherwise, on behalf of all Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote, the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present; (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Residential Section or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Residential Section or the Common Elements which the Board deems necessary or appropriate.

(13) Purchaser's Right To Rescind The Purchase Agreement.

Purchasers shall be afforded not fewer than three business days to review the Offering Plan and all filed amendments prior to executing a purchase agreement. For

the convenience of some Purchasers, however, Sponsor will have the right, at its sole option, to accept an Agreement prior to the expiration of such period of three business days; and in such event, and only in such instance, such Purchaser will have the right to rescind such Agreement by written notice sent to Sponsor by certified or registered mail, return receipt requested, or by personal delivery within seven days of such Purchaser's submission of the Agreement, whereupon Sponsor will refund, without interest (notwithstanding any provision of this Plan regarding interest to the contrary), the Deposit received by Sponsor from such Purchaser in connection with such Agreement.

(14) Risk of Loss.

Risk of loss for fire or other casualty remains with the Sponsor until legal title to the Unit has been conveyed to the Purchaser. Prior to the first closing, Sponsor may, at Sponsor's option abandon the Plan or to repair or to replace such loss or damage. If Sponsor elects to replace or repair such loss or damage, then at Sponsor's option, it shall be entitled to a reasonable adjournment of the closing. After the first closing, the entire building will be insured by the Condominium. Any person who takes possession prior to closing assumes the risk of losses not covered by insurance.

(15) Purchase Agreement.

A complete copy of the Purchase Agreement is included in Part II of this Plan.

(16) Financing Contingency.

Purchasers shall have the right to execute a Purchase Agreement subject to obtaining a commitment for financing from a financial institution. In the event that a Purchaser elects to make his Purchase Agreement subject to obtaining financing, then Purchaser: a) Must apply for said financing within three (3) days from the date of receipt of an executed copy of the Purchase Agreement; b) Must notify the Sponsor within five (5) days after the three (3) day period referred to in sub-paragraph (a) of the name and address of the financial institution to whom application was made and the date when said application was submitted; c) Must notify the Sponsor whether the application is accepted or rejected; d) Must request any and all renewals or extensions of the financing commitment so that said commitment will be in force at the closing of title; e) Shall have thirty (30) days from the date of execution of the Purchase Agreement in order to obtain the required financing; or the Sponsor may attempt to obtain a commitment from another lending institution for a Purchase Money Mortgage Loan covering the Unit in the same amount on substantially the same terms and conditions within forty-five (45) days thereafter; or the Sponsor may agree to take back a Purchase Money Mortgage in that amount on substantially the same terms and conditions; or Sponsor or Purchaser may elect to rescind the Purchase Agreement by notice to the other sent by certified mail, return receipt requested, within ten (10) days after the expiration of Sponsor's time to procure such commitment. If a Purchaser's obligations are contingent on obtaining a financing commitment and the financing commitment lapses or expires prior to closing, and the Purchaser has made a good faith effort to

extend the commitment, Sponsor grants to such Purchaser a right of rescission and a reasonable period of time to exercise the right of rescission.

(17) Credit Check.

Prior to executing a Purchase Agreement, the Sponsor may require the prospective Purchaser to execute necessary authorizations to conduct a credit check of the Purchaser(s), at the sole cost and expense of Sponsor.

(18) Conflicts Between Offering Plan and Purchase Agreement.

If any provision of the Purchase Agreement is in conflict or inconsistent with any provision of the Offering Plan, then such conflict or inconsistency shall be resolved in favor of the Offering Plan.

(19) Time Limitation For Sponsor To Accept Or Reject Purchase Agreement.

Sponsor will either accept a Purchase Agreement and cause to be returned to Purchaser a fully executed counterpart thereof or reject the Purchase Agreement offer and refund the Down Payment tendered within thirty (30) days after delivery by Purchaser of an executed Purchase Agreement together with the required Down Payment. In the event Sponsor fails to elect to accept or reject within the stated thirty (30) day period, seller will be deemed to have rejected same and Purchaser shall be entitled to a prompt return of the deposit.

(20) Purchase Agreement And Offering Plan Does Not Waive Any Rights Under Article 23-A of the New York General Business Law.

The Plan and the Purchase Agreement does not contain, and may not be modified to contain, a provision waiving a Purchaser's right or abrogating Sponsor's obligations under the Offering Plan or Article 23-A of the New York General Business Law.

(21) Assignment or Transfer of Purchase Agreement.

The Purchaser may not assign his Purchase Agreement without first obtaining the written consent of the Sponsor, which consent may be granted or withheld in Sponsor's sole and absolute discretion. Purchasers are prohibited from listing their Units for sale prior to the closing of such Unit.

(22) Waiver of Immunity By Foreign Government, etc. Parties.

Any Purchaser that is a foreign government, a resident representative of a foreign government or other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (examples are diplomatic immunity or sovereign immunity) shall be required to expressly and voluntarily waive such immunity and consent to any suit, action or proceeding arising out of or relating to the Purchase Agreement, the Condominium Documents or this Offering Plan being brought in any State or Federal Court in the State of New York. Any such Purchaser and any other Purchaser who is not a resident of New York State shall designate and authorize a lawful agent to receive process.

L. FINANCING FOR QUALIFIED PURCHASERS

THIS PLAN DOES NOT CONTAIN ANY FINANCING ARRANGEMENTS FOR PURCHASERS. PROSPECTIVE PURCHASERS WHO ARE INTERESTED IN SUCH FINANCING SHOULD CONTACT LENDING INSTITUTIONS, SUCH AS MUTUAL SAVINGS BANKS AND COMMERCIAL BANKS, MANY OF WHICH HAVE ADVERTISED THAT THEY OFFER FINANCING TO PURCHASERS OF CONDOMINIUM UNITS.

Any applications for such financing with lending institutions must be done on an individual basis by prospective Purchasers and will involve negotiations exclusively between the lending institution and the applicant. The Sponsor should not be construed hereunder as offering any such financing or representing the availability or terms of such financing.

The Purchase Agreement of Purchasers desiring to finance the purchase of a Residential Unit will be conditioned upon the Purchaser making prompt and diligent application to a lending institution designated or approved by Sponsor for a mortgage commitment.

The Purchase Agreement is contingent upon Purchaser obtaining, at its own cost and expense, a mortgage loan commitment in the amount and under the terms set forth in Paragraph "14" of the Purchase Agreement (Section "EE" of the Offering Plan). If the Lender fails to issue its Commitment to Purchaser within thirty (30) days after the date of the Purchase Agreement or within such longer period of time as Sponsor may grant by notice to Purchaser, either party may cancel the contract only if at the time notice of cancellation is given, the Lender has still not issued its Commitment to grant the mortgage loan. Shall have thirty (30) days from the date of execution of the Purchase Agreement in order to obtain the required financing; or the Sponsor may attempt to obtain a commitment from another lending institution for a Purchase Money Mortgage Loan covering the Unit in the same amount on substantially the same terms and conditions within forty-five (45) days thereafter; or the Sponsor may agree to take back a Purchase Money Mortgage in that amount or substantially the same terms and conditions; or Sponsor or Purchaser may elect to rescind the Purchase Agreement by notice to the other sent by certified mail, return receipt requested, within ten (10) days after the expiration of Sponsor's time to procure such commitment. It is an express condition to Purchaser's right to cancel that Purchaser has strictly complied with all obligations imposed on Purchaser's mortgage loan application. To cancel, the canceling party must give written notice of cancellation to the other party, whereupon Sponsor shall refund the down payment. Thereafter, the contract shall be deemed canceled and neither party shall have any further liability or obligation to the other in connection with the contract or transaction.

The Purchaser shall be obligated to fill out all forms and perform all acts necessary to obtain such mortgage commitment. The Purchaser will be obligated to take all action necessary to fulfill all of the terms and conditions of the mortgage commitment in order to close title, including but not limited to paying any outstanding debts required by the lending institution issuing the mortgage commitment and paying all costs and expenses incurred in procuring the mortgage and closing such mortgage including but not limited to mortgage tax, origination fees, commitment fees, recording fees, title fees and the lender's fees. Purchaser shall be obligated to obtain renewals or extensions through the date of closing on such terms and at such interest rate as the Lender may require and shall pay any fees and charges required to renew and extend the commitment.

M. EFFECTIVE DATE OF THE PLAN

The Purchase Agreement and offer to sell Condominium Units is contingent upon, and the closing of the first Unit will not occur until the Offering Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

The Offering Plan may be declared effective by (i) an amendment to the Plan or (ii) by personal service of notice on every Purchaser or by commencement of service by mail in the manner required by Section 20.1(d) of 13 NYCRR 20.3 stating that the Plan is declared effective and submitting an amendment to the Department of Law within five days confirming that the Plan was declared effective on a specified date. The amendment must conform to 13 NYCRR 20.5(e).

The Offering Plan will not be declared effective unless bona fide Purchasers, including investors, have signed Purchase Agreements for at least 15 percent of the Units offered under the Offering Plan. Units of a primarily ancillary nature such as garage spaces may not be counted toward effectiveness. Such Units may be excluded from the base in calculating the percentage needed to become effective. (15% is 1 Unit).

The Offering Plan will not be declared effective based on Purchase Agreements:

(i) signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or

(ii) if the Purchaser was not afforded the protections required by paragraph (o)(15) of 13 NYCRR 20.3; or

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

The Offering Plan must be declared effective when Purchase Agreements have been accepted by Sponsor for eighty (80) percent or more of the Units offered under the Plan. (80% is 5 Units).

If the Offering Plan is abandoned by Sponsor, before the Offering Plan is declared effective, within thirty days after abandonment, all monies paid by Purchasers shall be refunded to them in full, with interest earned, if any. Sponsor will then promptly

file an amendment together with form RS-3 as required by Section 20.1(l) (2) of 13 NYCRR 20.3.

The Sponsor may not abandon this Offering Plan after effectiveness for any reason other than (i) a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total offering amount; or (ii) substantial damage or destruction of the building by fire or other casualty which cannot be cured for less than one-half of one percent of the total offering amount; or (iii) the taking of any material portion of the property by condemnation or eminent domain. The sum of one-half of one percent of the total offering amount as the figure for the basis for abandonment after effectiveness shall exclude any attorneys fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to the Sponsor or are a matter of public record.

N. TERMS OF SALE

(1) The type of deed given to Unit Owners shall be a Bargain and Sale Deed with Covenants against Grantor's Acts. A form of the Unit Deed is contained in Part II of this Offering Plan.

(2) Prior to the Effective Date of the Plan, there is no obligation or liability upon Sponsor to repair any damage from a casualty or other cause that occurs before the closing of a Purchaser's Unit; in such case, if a Purchaser's Unit or the Common Elements serving such Purchaser's Unit that provide access to such Unit have sustained damage due to casualty or other cause, Sponsor shall have the option, in its sole discretion to elect whether or not to repair such damage. If Sponsor elects to repair such damage, then the Purchase Agreement shall remain in effect, except that Sponsor's time for performance under the Purchase Agreement shall be extended as a result of the delay occasioned because of said casualty and the time required to perform any necessary repairs. If Sponsor elects not to repair such damage, the Purchaser shall be afforded the right to rescind.

(3) A closing will take place only concurrently with the issuance of a temporary or permanent Certificate of Occupancy for the building or, issuance of a partial, temporary or permanent Certificate of Occupancy for the Unit closed or the building in which the Unit is located.

(4) Title to each Unit and its appurtenant interest in the Common Elements will be conveyed at the closing free and clear of all liens, encumbrances and title exceptions other than those described in the Offering Plan and the proposed Unit deed. There will be no leases, mortgages, liens or encumbrances that will affect the property after closing. The state of facts shown on a survey of the land and building and any additional state of facts a subsequent survey would show may be a title exception, provided that such state of facts does not render title unmarketable.

Title to each Unit will be subject to the following title exceptions:

a) Utility Easements, if any;

b) Any other covenants, restrictions, easements, or any other encumbrance (other than for the payment of money), provided that they do not prohibit the existence and residential use of the Units or, if any, as the case may be;

c) Rights, if any, to maintain vaults and chutes under the sidewalk;

d) The lien of any Common Charges, real estate taxes, water frontage and/or meter charges, sewer rents, vault charges and assessments, provided that apportionment of such items are made as provided in this Plan;

e) Any interim lease with the Purchaser of such Unit and any other leases, tenancies and occupancies permitted by the Purchase Agreement for such Unit;

f) Any lien, encumbrance or lis pendens either (i) for which the instrument required to remove said encumbrance of record is delivered at or prior to the Closing Date to the proper party or to the Purchaser's title insurance company together with the required recording or filing fee or (ii) as to which the Purchaser's title insurance company or the Preferred Title Company will insure that the lie, encumbrance or lis pendens will not be collected out of or enforced against the Unit;

g) The lien of any assessment or assessments which are or may become payable in annual installments of which any installment is then a charge or a lien, provided that apportionment thereof is made as provided below;

h) Party wall agreements, if any;

i) Judgments, bankruptcies or other returns against other persons having names the same as or similar to that of the Sponsor or any of its principals, provided Sponsor delivers to the Purchaser or the Purchaser's title insurance company or the Preferred Title Company an affidavit showing that such judgments, bankruptcies or other returns are not against the Sponsor;

j) Uniform Commercial Code financing statements or conditional bills of sale provided that (i) such statements were filed on a date more than five years prior to the Closing Date, (ii) Sponsor executes and delivers to the Condominium an affidavit setting forth that the property covered thereby is not longer in the Unit or is fully paid for, or (iii) a tenant is the debtor thereunder;

k) The printed exceptions set forth in the title insurance policy issued by a title company that is authorized to do business in the State of New York and that is a Member of the New York Board of Title Underwriters, including without limitation the following:

l) Defects and encumbrances arising or becoming a lien after the Closing Date;

m) Consequences of the exercise and enforcement or attempted enforcement of any governmental, war or police powers over the Unit or the Property;

n) Any laws, regulations or ordinances (including, but not limited to zoning, building, and environmental protection) as to the use, occupancy, subdivision or improvement of the Unit or the Property, adopted or imposed by any governmental body, or the effect of any noncompliance with or any violation thereof;

o) Judgments against the insured or estates, interests, defects, objections, liens or encumbrances created, suffered, assumed or agreed to, by or with the privity of the Purchaser;

p) Title to any property beyond the lines of the Unit or the Property, or title to areas within or rights to easements in any abutting streets, roads, avenues, lanes, ways or waterways, or the right to maintain therein vaults, tunnels, ramps or any other structure or improvement, other than the ordinary rights of access and egress belonging to abutting owners;

q) Title to any personal property, whether the same be attached to or used in connection with the Unit or the Property or otherwise;

r) All of the terms, easements, covenants and conditions of the Declaration and By-Laws as they are subsequently filed or recorded and the Plan and Purchase Agreement and any amendments thereto, including, without limitations, the following:

s) Easements for the continuance of encroachments on the Unit and on the Common Elements then existing, by reason of the construction, renovation or rehabilitation of the Building, or thereafter occurring by reason of the settling or shifting of the Building, or by reason of the repair, alteration and/or restoration by Sponsor, or the Board or encroachments by 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 or repair to any Unsold Unit or the Common Elements made by Sponsor, or the Board and similar encroachments by the Unit on other Units, and/or the Common Elements, so that any such encroachments may remain as long as the Building stands;

t) Easements in favor of the owners of other Units to use sidewalks, pipes, flues, wires, conduits, ducts, cables, storm drainage facilities, sanitary system, water, sewer, utility lines, and other Common Elements including those located in the Unit itself or elsewhere on the Property, serving such other Units, and easements of support, subjacency and necessity in favor of each Unit and/or the Common Elements;

u) Easements to the Sponsor, and their assigns, invitees, licensees, contractors, employees, and tenants on, in, over and across all areas of the Property for (i) construction, installation, maintenance, ingress to and egress from and the right to use sidewalks, pipes, flues, conduits, ducts, cables, wires, storm drainage facilities, sanitary system, water, sewer, and other utility lines and other Common Elements; (ii) ingress to and egress from all areas of the Property and the use thereof (in common with Unit Owners) for construction contemplated by the Plan and for development and maintenance of the Property or any Unit; and (iii) the erection, maintenance, repair and replacement from time to time of one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit (see also the heading "Sponsor's Right of Access" in "Rights and Obligations of Sponsor");

v) Easements in favor of the Board, its agents, contractors and employees to (i) have an unlimited 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;

w) Sponsor shall have an easement without the necessity of obtaining the consent of the Condominium Board and/or Unit Owners (1) over the Property, including each Unit and the Common Elements, for access to and to construct, install, erect, inspect, maintain, repair, operate, use and replace from time to time one or more Signs (as hereinafter defined) on the Property (including, without limitation on any Common Element, exterior façade, lobby or any other public portion of the Property) for the purposes of advertising the sale of Units and the leasing of the Units or of space in any of the Units or advertising any of the services and/or facilities of such Unit Owner or the services and/or facilities of any tenant occupying such Unit Owner's Unit(s); (2) over the Property, including each Unit and the Common Elements in connection with the sales and/or leasing of Units; (3) over any portion of the Property, including each Unit and the Common Elements (including, without limitation, the stairways, walkways, vestibules and other public spaces within the Property) for purposes of access to and for all purposes in connection with the installation (whether on Common Elements or within its Unit), inspection, maintenance, repair, operation, improvement or use of any of the following serving their respective Units, the Service Equipment, flues and/or ducts, security systems (including, without limitation, any and all cables and electrical lines as may be desirable in connection with the installation, maintenance, repair and/or replacement of telecommunications or similar equipment on any portion of the roof that is not a Residential Limited Common Element or part of Residential Unit) heating, air-conditioning systems and devices and exhaust and ventilation fan, systems and devices, in each case, located anywhere on the Property.

x) Any additional declarations, covenants, restrictions, reservations, exceptions, easements and agreements which have been recorded, or appear in recorded documents, or are yet to be recorded, provided they do not prevent use of each Unit as a Condominium Unit.

(5) All personal property located within the Unit on the date the purchase agreement is signed or located within the Common Elements on the date the declaration is filed, that is owned by the Sponsor or the owner of the property, is included in the conveyance to a Purchaser.

(6) The declaration, By-Laws and floor Plans for the Condominium and such other documents, as required by law, will be recorded or filed prior to the first conveyance of title to a Unit in accordance with the New York Condominium Act or applicable state and local law. The aforesaid documents will be recorded in the office of the City Register in the County where the Condominium is located.

(7) PURCHASER IS OBLIGATED TO PAY NEW YORK STATE AND NEW YORK CITY REAL PROPERTY TRANSFER TAXES. WHILE THE NEW YORK STATE AND NEW YORK CITY TRANSFER TAXES ARE CUSTOMARILY PAID FOR BY THE SELLER IN SINGLE FAMILY HOME TRANSACTIONS, THE BURDEN OF PAYING SUCH TAXES MAY BE MODIFIED BY CONTRACT. AS IS COMMON WITH MANY OTHER CONDOMINIUM DEVELOPMENTS IN NEW YORK STATE, THE PURCHASE AGREEMENT PROVIDES THAT THE PURCHASER OF A UNIT WILL BE REQUIRED TO PAY THESE TRANSFER TAXES AT THE CLOSING.

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

(9) Each Purchaser will be required to execute and deliver at the closing: (i) a New York City Real Property Transfer Tax Return and New York State Real Estate Transfer Tax Return and Credit Line Mortgage Certificate, in the forms required to be filed by law; and (ii) a Unit Owner Power of Attorney substantially in the form set forth in Part II of the Plan.

O. UNIT CLOSING COSTS AND ADJUSTMENTS

1. The estimated closing costs and expenses to be incurred by each Purchaser upon the purchase of a Unit are as follows:

(i) Estimated Costs, Fees and Charges to be Paid by Purchaser:

At the time of the closing, the Purchaser will be responsible for paying the costs, fees and charges in connection with the closing of title: title insurance fee premium; title insurance mortgage premium if the Purchaser obtains mortgage financing; mortgage recording tax; New York State Real Property Transfer Tax; New York City Real Property Transfer Tax; Recording fees for the recording of the deed, mortgage and Unit power of attorney; contributions to the Condominium's Working Capital fund; first month's common charges; survey fee; 421-a tax abatement fee and Sponsor's attorney's fee.

I. Title Insurance Fee Premium:

Fee title insurance is available from COMMONWEALTH LAND TITLE INSURANCE COMPANY, through its agent Ultimate Abstract Services LLC, 121 West Oak Street, Amityville, New York 11701 or from a title insurance company selected by the Purchaser. Current rates for fee title insurance in accordance with the scheduled rates set by the New York Board of Title Underwriters and filed with the New York State Insurance Department are set forth below (approximate amounts): (Sponsor does not guaranty the accuracy of the title insurance rates set forth herein).

Amount of Title Insurance (non-bulk rate)

Fee Amount	Premium
From $100,000 to $500,000	$658 plus $3.71 per Thousand over $100,000;
From $500,000 to $999,999	$2,142 plus $3.38 per Thousand over $500,000;
From $1,000,000 to $5,000,000	$4,508 plus $3.66 per Thousand over $1,000,000;

Amount of Title Insurance (bulk rate)

Fee Amount	Premium
From $100,000 to $500,000	$461 plus $2.595 per Thousand over $100,000;
From $500,000 to $999,999	$1,499 plus $2.37 per Thousand over $500,000;
From $1,000,000 to $5,000,000	$3,155 plus $2.562 per Thousand over $1,000,000;

If the project qualifies for the Bulk Rate pursuant to Section 20 of the TIRSA Rate Manual, then Owner's insurance shall be charged at 70% of the applicable Fee Title Insurance (Owner's) Rate.

II. Title Insurance Mortgage Premium:

If Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance, the premium for the mortgage title insurance will be at a simultaneous rate. The premium for mortgage title insurance will be computed using the "Basic Rate" schedule as described below. The premium on the amount of the loan policy that does not exceed the owner's policy shall be calculated at thirty percent (30%) of the regular scheduled rate for loan policies according to the rates set forth below:

Amount of Title Insurance (non-bulk rate)

Mortgage Amount	Premium
From $100,000 to $500,000	$196 plus $1.092 per Thousand over $100,000;
From $500,000 to $999,999	$633 plus $0.995 per Thousand over $500,000;
From $1,000,000 to $5,000,000	$1,130 plus $0.915 per Thousand over $1,000,000;

Amount of Title Insurance (bulk rate)

From $100,000 to $500,000	$137 plus $0.765 per Thousand over $100,000;
From $500,000 to $999,999	$433 plus $0.745 per Thousand over $500,000;
From $1,000,000 to $5,000,000	$791 plus $0.641 per Thousand over $1,000,000;

III. Cost of Survey.

Each Purchaser shall also be required to pay the cost of any survey or survey inspection prepared at his request. Purchaser shall reimburse to seller the sum of $200.00 as contribution of costs of surveys and surveying services incurred by Sponsor. Prints of Sponsor's survey will be available for a nominal charge.

IV. Cost of Recording Documents.

The fee charged by the New York City Register's Office for the recording of the deed is approximately $200.00. Fee for the recording of the Unit power of attorney is approximately $75.00. The fee for recording the New York City Real Property Transfer Tax Return payable by the Purchaser is $50.00.

V. Costs to Purchaser for the Payment of New York State and New York City Transfer Taxes.

The New York State Real Estate Transfer Tax, currently $4.00 for each one thousand dollars ($1,000.00) or fractional portion thereof, of the purchase price plus a $5.00 service charge. If applicable, the New York State Additional Tax ("Mansion Tax") of 1% where the purchase price equals $1 million or more and the New York City Transfer Tax is 1.00% of the purchase price up to $500,000.00 and 1.425% over $500,000.00 (for example - $1,000.00 or 1,425.00 respectively per $100,000.00 of purchase price). Because the Purchaser, rather than the Seller is required to pay the New York State and New York City Transfer taxes, the tax is based on additional consideration amounting to 1.4% of the price of the Unit.

(For example, for a Unit price of less than $500,000 - if the Unit price is $490,000.00, for purposes of calculating the transfer taxes, the Unit price of $490,000.00 is multiplied by 1.014 for a total price for tax purposes of $496,860.00). The transfer taxes are added as additional consideration on which the tax is calculated. Therefore, the New York State Transfer Tax would be approximately $1,988.00 instead of $1,960.00, and the New York City Transfer Tax would be approximately $4,969.00 instead of $4,900.00.

(For example, for a Unit price of more than $500,000 - if the Unit price is $600,000.00, for purposes of calculating the transfer taxes, the Unit price of $600,000.00 is multiplied by 1.01825 for a total price for tax purposes of $610,950.00). The transfer taxes are added as additional consideration on which the tax is calculated. Therefore, the New York State Transfer Tax would be approximately $2,444.00 instead of $2,400.00, and the New York City Transfer Tax would be approximately $8,706.00 instead of $8,550.00.

The New York City Department of Finance has taken the position that when a Purchaser purchases two or more Units, the New York City Transfer Tax may be 1.425% where the consideration is $500,000.00 or less and 2.625% where the consideration is greater than $500,000.00. Purchasers are advised to discuss this with their own attorney and/or accountant if they purchase two or more Units.

VI. Cost of Mortgage Recording Taxes.

In the event that a Purchaser obtains a mortgage from a lending institution, then he or she will customarily pay at the closing of tile the following additional costs: (i) mortgage recording taxes in the amount of 1.80% of the first ten thousand dollars of the amount of the mortgage executed by the Purchaser and a mortgage recording tax of 2.05% of the amount of the balance of the mortgage actually executed by Purchaser for mortgages in the amount of less than $500,000.00. The mortgage recording tax for mortgages in the amount of $500,000.00 or more is 2.175% after the $30.00 deduction on the first ten thousand dollars of mortgage amount and, (ii) in addition, the recording charges imposed by the New York City Register which are approximately $20.00 plus $5.00 per page or part thereof and a service charge of approximately $20.00 per document. All Purchasers will also be required to pay all fees and charges imposed by their respective lending institutions. Purchaser will also likely pay lender's appraiser fees, origination fees, lender's attorney's fees, reserves for real estate taxes and insurance premiums. The Sponsor makes no representation as to what additional closing costs may be charged by a particular lender.

VII. Working Capital Contribution by Purchaser.

A Working Capital Fund for the Condominium shall be established as follows:

Upon the closing of the purchase of a Unit, the Purchaser will be required to pay to the Condominium an amount equal to two months' Common Charges then in effect for the Unit pursuant to the budget in accordance with Schedule A hereto, as the same may be amended from time to time ("Unit Working Capital Fund Contribution") as initial Working Capital. This contribution is not refundable or transferable if the Purchaser sells his or her Unit.

VIII. Cost of Purchaser's Attorney's Fees.

Purchaser shall have the sole responsibility for payment of his or her own attorney's fees and any attorneys fees or other fees required by his or her lending institution.

IX. Late Fees.

If the Purchaser fails to close on the Closing Date for any reason, then (i) the closing adjustments shall be made as of midnight of the day preceding the date originally scheduled for the Closing Date and (ii) the Purchaser shall pay to Sponsor, as a late fee, an amount equal to .03% times the unpaid portion of the purchase price for his or her Unit for each days delay, beginning with the date originally scheduled for the Closing Date to and including the day immediately preceding the actual Closing Date. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor postpones the Closing Date except to the extent that thereafter the Purchaser postpones the closing for any reason or is in default.

X. Estimated Apportioned Costs, Fees and Charges to be Paid by Purchaser:

The following costs are to be apportioned at the closings:

If Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six month period following the first closing. Alternatively, the Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the real estate taxes attributable to the unsold Units for such six month period and may collect at each Unit closing the estimated amount of taxes attributable to such Unit for the balance of the six month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from Unit Owners to the extent of the actual assessment. No escrow will be required if the Condominium By-Laws include as part of the Common Expenses, real estate taxes on

the property until the Units are separately assessed and after assessment Unit Owners will be reimbursed for any overpayment of taxes or assessed for an underpayment.

(ii) Numerical Examples of Closing Costs for Typical Condominium Unit [2]

The following is an example of the closing costs applicable to a purchase price of $285,000.00 and a mortgage of $228,000.00:

Unit 2C	
Offering Price	$ 285,000
Mortgage Amount	$ 228,000
Title Insurance Fee Premium	$ 941
Title Insurance Mortgage Premium	$281
Mortgage Recording Tax	$4,674
New York State Transfer Tax	$1,156
New York City Real Property Transfer Tax	$2,890
New York State Mansion Tax	$ -
Recording of Deed, Mortgage, Unit Power of Attorney	$350
Contribution to Working Capital Fund (Est.)	644
First Month's Common Charges (Est.)	322
Survey Fee	$200
421-a Tax Abatement Fee	$4,275
Basic Sponsor's Attorney's Fee	$1,250
Total Estimated Closing Costs	$16,983

(iii) Credits for Mortgage Recording Taxes Paid by Sponsor.

To the extent that the Purchaser is entitled to any credit against the mortgage recording tax by reasons of any prior mortgage against the Unit or the Property, the Purchaser shall pay to the Sponsor at the closing for such Unit the amount of any such credit.

The Sponsor may pay or may have paid a mortgage recording tax in connection with obtaining a mortgage loan for the acquisition and/or the construction of the Condominium. Section 339-ee(2) of the New York Real Property Law provides for a mortgage tax credit upon transfer of the Units.

[2] The example does not include costs that may be incurred for Purchaser's attorney's fee, apportionments for real estate taxes, water and sewer charges and similar items (see Closing Adjustments, Part I, Section P (II)) and fees required by Purchaser's lending institution. When the Purchaser pays the transfer tax, the law requires that the tax that the seller would pay be treated as additional consideration for the purpose of computing the New York State and City of New York City Transfer taxes.

Sponsor shall be entitled to a credit for the mortgage taxes paid pursuant to Section 339-ee(2) of the New York Real Property Law. The pertinent language of the statute is as follows:

> *"If in the event the proceeds of a construction mortgage were applied to construction of a Unit of a Condominium submitted to the provisions of this article, or in the event that a Unit submitted to the provisions of this act was subject to a blanket mortgage, and a mortgage tax was duly paid on such construction or blanket mortgage in accordance with article eleven of the tax law, then, as each Unit is first conveyed, there shall be allowed a credit against the mortgage tax that would otherwise be payable on a purchase money mortgage, said credit to be in the amount resulting from the product of the Purchaser's pro rata percentage of interest in the Common Elements and the mortgage tax already paid on the construction or blanket mortgage. No credit shall be allowed under this subdivision (a) on account of the special additional mortgage recording tax imposed by subdivision one "a" of section two hundred fifty three of the tax law or (b) where the first Condominium Unit is sold more than two years after the construction or blanket mortgage was recorded".*

The Sponsor shall receive the benefit from any credit on Purchaser's mortgage recording tax which may be available pursuant to the quoted statute. Accordingly, at closing, each Purchaser electing mortgage financing shall pay the full amount of the mortgage recording tax chargeable on the entire amount being financed. Sponsor will be reimbursed at closing to the extent of any mortgage tax credit allowed.

(iv) <u>Mortgage financing costs.</u>

The Purchaser will be responsible for all closing costs in connection with mortgage financing if the Purchaser obtains a mortgage.

(v) <u>Costs for Sponsor's Attorney's Fees to be Paid by Purchaser.</u>

Purchaser shall pay the fee of Sponsor's closing attorneys in the amount of $1,250.00 per Unit at the time of closing for document preparation fees for preparation of closing documents and for attendance by Sponsor's counsel at the closing. If a closing takes place, at the request of the Purchaser, at any location other than the office of Sponsor's attorney, Purchaser shall pay to Sponsor's attorney (in addition to the fee set forth above), an attendance travel fee in the sum of $450.00 provided that the closing is held in the City of New York or Nassau County. Sponsor and Sponsor's counsel are not required to attend a closing at any location other than in the City of New York or Nassau County. In the event that a closing is adjourned with Sponsor's consent, at the request of the Purchaser, or Purchaser's attorney within forty eight (48) hours of the scheduled time of closing, Purchaser shall also pay Sponsor's attorney an adjournment fee in the sum of $250.00. There will be a fee charged of $150.00 for the

preparation by Sponsor's counsel of E-Forms, which are required for the ACRIS recording of the transfer documents.

(vi) Apportioned Costs to be Paid by Purchaser.

If Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six month period following the first closing. Alternatively, the Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the real estate taxes attributable to the unsold Units for such six month period and may collect at each Unit closing the estimated amount of taxes attributable to such Unit for the balance of the six month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from Unit Owners to the extent of the actual assessment. No escrow will be required if the Condominium By-Laws include as part of the Common Expenses, real estate taxes on the property until the Units are separately assessed and after assessment Unit Owners will be reimbursed for any overpayment of taxes or assessed for an underpayment.

P. RIGHTS AND OBLIGATIONS OF THE SPONSOR

(1) The Sponsor has no obligation to defend any suits or proceedings arising out of Sponsors acts or omissions and no obligation to indemnify the Board of Managers and Unit Owners, except for claims arising out of the acts, omissions or representations of the Sponsor, as stated in this Offering Plan.

(2) All representations under the Offering Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Offering Plan which are to be performed subsequent to the closing date will survive delivery of the deed.

(3) Sponsor and its principals will remain liable notwithstanding any disclaimers or limitations of liability on the part of the Sponsor or its principals for failure to perform any obligation imposed by applicable statute or regulation. This Offering Plan does not include any financial limitation on Sponsor's liability for failure to perform its obligations under the Offering Plan. With regard to items covered by the Limited Warranty provided by Sponsor, despite the 10% limitation of liability, the Sponsor's obligation, regardless of any limitations in the warranty or in this Offering Plan, cannot go below the duty to construct the premises in accordance with all applicable codes, filed Plans and specifications and locally accepted building practices for items which are not covered by codes.

(4) The Sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to unsold Units. Sponsor represents that it has the financial resources to meet its obligations with respect to unsold Units. Sponsor will fund its financial obligations to the Condominium through sale of a Condominium Unit pursuant to this Plan or through cash on hand. No bond or other security has been furnished to secure Sponsors obligations under this Plan or to complete construction of the building.

(5) Sponsor is not obligated to repair any damage from a casualty or other cause that occurs before the closing of a Purchasers Unit. If Sponsor elects to repair or restore the Unit, Purchaser shall not have the right to reject title or receive a credit against or abatement in the purchase price and seller shall be entitled to a reasonable period of time within which to complete the repair or restoration. In the event that Sponsor notifies Purchaser that it does not elect to repair or restore the Unit or, if the Declaration has been recorded prior thereto and the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, the contract of sale shall be deemed canceled and of no further force or effect and seller shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, and neither party shall have any further rights, obligations or liability to or against the other. The parties shall also be released from all obligations and liability under the contract of sale and this Plan, except that if Purchaser is then in default under the contract, Sponsor shall retain all sums deposited by Purchaser pursuant to the contract together with interest earned thereon as and for liquidated damages.

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

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

(8) Sponsor has obtained financing at the time of submission of the Offering Plan to the New York State Department of Law. Sponsor will be obligated to pay off and otherwise comply with the terms of the construction loan mortgage on the entire Condominium. After the recording of the Declaration and before the closing of title to the first Unit, the construction loan mortgage, if any, will be satisfied, or released, or subdivided, extended and consolidated with the individual permanent mortgages which will be placed on the Units of those Purchasers obtaining a purchase money mortgage. In addition, before the closing of title to the first Unit, all liens and mortgages affecting the Condominium shall be paid and satisfied or the Unit being conveyed and its appurtenant Common interest shall be released therefrom by partial release duly recorded.

(9) Sponsor shall have the obligation to build and complete the Condominium in accordance with applicable codes and the building Plans and specifications identified in this Offering Plan.

(i) Sponsor shall have the right to substitute equipment or materials of equal or better quality and design as those originally specified.

(ii) Sponsor may modify the layout or design of the building but Sponsor may not change the size, or location of the Units if such changes affect the percentage of common interests or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change. The Sponsor's obligation to build and complete the Condominium in accordance with the building Plans and specifications identified in the Plan and Sponsor's right to substitute equipment or materials and make modifications of layout or design, provided however, that Sponsor may not:

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

(ii) change the size, location of building or Units other improvements or Common Elements if such changes affect the percentage of common interests or adversely affect the value of any Unit to which title has closed or for which a purchase agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change.

(10) Prior to closing the first Unit, Sponsor must obtain a permanent Certificate of Occupancy for the property or, alternatively, obtain a temporary or partial Certificate of Occupancy for the Unit or the building in which the Unit to be closed is located. The Sponsor and its principals must obtain a permanent Certificate of Occupancy for the property within a projected timetable after closing the first Unit. It is anticipated and expected that the permanent Certificate of Occupancy will be obtained within one (1) year from the date of the first closing. Sponsor must obtain the permanent Certificate of Occupancy before the partial or temporary Certificate of Occupancy expires, unless extended.

(11) The common areas and public portions of the building will be completed before the closing of title to the first Unit.

(12) The following applies to Units which close prior to issuance of a temporary Certificate of Occupancy:

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

Before posting a bond, Sponsor will file an amendment to the Plan and notice of such intention will be given to all Purchasers and contract vendees.

(13) All Units, Common Elements and Limited Common Elements offered pursuant to this Plan are sold as described in this Plan. Sponsor makes no warranty whatsoever regarding materials, workmanship or any other aspect of the Units, Common Elements, Limited Common Elements or any portion thereof, except as stated in the Limited Warranty, annexed to the Purchase Agreement as Exhibit I. (See Purchase Agreement Part I, Section "EE"). The Warranty is Limited to those defects as fully enumerated in the HOUSING MERCHANT LIMITED WARRANTY set forth in this Offering Plan. Sponsor's obligation, regardless of any limitations in the Limited Warranty, cannot go below the duty to construction the premises in accordance with all applicable codes, filed Plans and specifications and locally accepted building practices

for items which are not covered by codes, pursuant to General Business Law §777-b(4)(e)(I). (See Part II, Section "JJ").

The following are the coverages that are included in the warranty which are detailed in the HOUSING MERCHANT LIMITED WARRANTY set forth in this Offering Plan:

FIRST YEAR BASIC COVERAGE:

For one year from the Warranty Date, the Unit will be free from latent defects that constitute:

(a) defective workmanship performed by the Sponsor, and agent of the Sponsor or subcontractor of the Sponsor;

(b) defective materials provided by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor; or

(c) defective design, provided by an architect, engineer, surveyor, or other design professional engaged solely by the Sponsor.

(d) defective installation of appliances sold as part of the Residential Unit by the Seller or an agent, employee or subcontractor of the Seller.

Seller under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for homes and Condominium Unit in the City of New York, the Building Code of the City of New York) or, in the event such standards do not exist in connection with any warranty item, if they fail to meet the locally accepted building practice.

TWO-YEAR MAJOR SYSTEMS COVERAGE:

For two years from the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Unit which have been installed by the Sponsor are warranted to be free from latent defects that constitute defective installation by the Sponsor.

Installation will be considered to be defective if the Sponsor's workmanship upon the installation fails to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for Units in the City of New York, the Building Code of the City of New York) or, in the event such standards do not exist in connection with a warranty item, if they fail to meet locally accepted building practice.

The Plumbing Systems means: oil supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, oil and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system.

The Electrical System means: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The Heating, Cooling and Ventilation System means: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

All systems are expressly exclusive of appliances, fixtures and items of equipment.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE:

For six years from the Warranty Date, the Unit will be free from latent defects that are Major Structural Defects, as defined below, and that constitute:

(a) defective workmanship performed by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor;
(b) defective materials provided by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor; or
(c) defective design, provided by an architect, engineer, surveyor, or other design professional engaged solely by the Sponsor.

Workmanship, materials and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code or, in the event such standards do not exist in connection with a warranty item, if they fail to meet locally accepted building practice.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions of the Unit caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Unit becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

By way of example and not in limitation of the foregoing, damage to the following non-load bearing portions of the Unit do not constitute a Material Defect for the Material Defect coverage: roofing and sheathing; drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering material; wall tile and other wall coverings; non-load bearing walls and partitions; concrete floors in the attached garages and basements that are built separately from foundation walls or other structural elements of the Unit; electrical, plumbing, heating, cooling and ventilation systems; appliances; fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; insulation and items of a similar nature.

(14) Upon the closing of title, Sponsor will assign to the Purchaser, and to the Board of Managers upon the recording of the Declaration, all applicable warranties, if any, of manufacturers and subcontractors relating to heating, electrical work, plumbing, and appliances, as well as bonds relating to the Purchasers Unit or the Common Elements, if any. Sponsor undertakes to supply warranties only to the extent that warranties are actually made by such manufacturers and subcontractors and only to the extent that such warranties and bonds are assignable. The Housing Merchant Implied Warranty Law (General Business Law, Article 36-B) is applicable to the Condominium Units, however, Sponsor excludes the Housing Merchant Implied Warranty in favor of the Limited Warranty as set forth in this Offering Plan.

(15) Sponsor will pay the cost of all authorized and proper work involved in the construction, establishment and sale of the Condominium property that Sponsor is obligated to complete under the Plan and to cause all mechanics liens filed with respect to the construction of the building to be promptly discharged or bonded.

(16) Sponsor will deliver a set of "as built" Plans to the Board of Managers.

(17) Except as specifically set forth in this Plan, no bond or other security has been furnished to secure Sponsor's obligations to complete construction after closing title to the first Unit and obtain a permanent Certificate of Occupancy and all necessary permits.

(18) The Sponsor has a right of access to complete construction of the Condominium. The Sponsor is obligated to repair any damages caused by Sponsor or Sponsor's contractors to any Condominium Unit and the common areas as a result of the work performed in accordance with gaining access to Condominium Units and/or the common areas. The Sponsor may not interfere with the Unit Owner's use and may only gain access to sold Units during normal business hours, from 8AM to 5PM, Monday through Friday.

(19) Sponsor is reserving the unconditional right to rent rather than sell Units. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more Units than the fifteen percent (15%) necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. Sponsor will endeavor in good faith to sell Units rather than rent. If Sponsor makes a bulk sale of all or some of its unsold Units, the transferee successor Sponsor is bound by Sponsor's representations regarding its commitment to sell Units.

(20) Effective November 5, 2004, owners of Class A multiple dwellings in New York City, which include Condominium Units, must install carbon monoxide detectors. The Sponsor will install a smoke detector and a carbon monoxide detector in

each residential Condominium Unit. The law requires the owners of the residential Condominium Units to maintain the carbon monoxide detectors.

(21) There is no minimum release price set by any lender for the lender to release its lien from the Unit being sold.

Q. CONTROL BY SPONSOR

Sponsor's initial control of the Board of Managers of the Condominium will be subject to the following:

Board of Managers:

The Condominium By-Laws, as set forth in Part II, Section "MM" of the Plan, provide for a three (3) member Board of Managers whose members will be designated by the Sponsor. The Sponsor's principals, Neil J. Weissman, Jacob Rad and Francesca Madruga will serve as the first officers and members of the Board of Managers.

Until all of the Units are sold and closed, the Sponsor shall appoint all three (3) members to the Board of Managers.

The first meeting of Unit Owners will be held once all Units are sold and closed.

Annual meetings will be held each annual anniversary from the first meeting of the Unit Owners although no change in control will occur until the provisions set forth herein are met.

The By-Laws authorize 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 and presented to the secretary by not less than 25% in common interest, in the aggregate, of the Unit Owners.

After the initial Sponsor control period expires, the By-Laws do not require that the majority of the Board consist of owner occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., as a home as opposed to an investment.

After the initial Sponsor control period, a majority of Board Members will not be Sponsor affiliates.

All members of the Board of Managers (other than the designees of the Sponsor) shall be Unit Owners, mortgagees of Units, partners or employees of a partnership owning a Unit or a mortgage covering a Unit, shareholders, officers, directors or employees of corporate owners or corporate mortgagees of Units, or fiduciaries or officers or employees of fiduciaries who are owners or mortgagees of Units.

The term of office of the members of the Board of Managers shall be one year or until their successors are elected, whichever is later.

All terms of the members of the Board of Managers term shall expire annually.

Control of Management by Sponsor

As long as the Sponsor or its designees shall own Units representing 25% or more in common interest or for a period of five (5) years after closing of title to the first Unit, whichever occurs first, the Board of Managers may not, without the prior written consent of the Sponsor or its designees, (i) make any addition, alteration or improvement to the Common Elements, Limited Common Elements or to any Unit or (ii) assess any common charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B to the extent that the aggregate amount of such fund does not exceed 5% of the budget expenses of the Condominium or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law) to the extent that existing reserves are insufficient or (iv) amend the Declaration or By-Laws of the Condominium so as to in any way adversely affect Sponsor or its designees. At no time will the Board of Managers interfere with the offer and sale or leasing of Units, operation of or sales and leasing offices on the premises, or with any actions necessary for construction, renovation, repair or correction on the Property as required by Sponsor or its designee. Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required: (i) to comply with applicable laws or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer.

Sponsor will have the right to vote all of the Common Interests attributable to the Unsold Units as it sees fit. When voting for members of the Condominium Board, each Unit Owner shall be entitled to cast one vote for each .01% of Common Interest attributable to the Unit per member to be elected. However, Sponsor has the right to appoint members of the Condominium Board as set forth above for the time periods as stated herein.

R. BOARD OF MANAGERS

The form of the Declaration of Condominium and the By-Laws referred to in the Plan appears in Part II, Sections "LL" and "MM".

The following is a summary of certain provisions of the By-Laws and Declaration:

(1) The affairs of the Condominium will be governed by a Board of Managers consisting of three (3) members. Persons eligible to be members of the Board of Managers (other than the designees of the Sponsor) shall be Unit Owners, mortgagees of Units, partners or employees of a partnership owning a Unit or a mortgage covering a Unit, shareholders, officers, directors or employees of corporate owners or corporate mortgagees of Units, or fiduciaries or officers or employees of fiduciaries who are owners or mortgagees of Units.

Members of the Board of Managers will serve for one year from the date of the election or until their successor is elected, whichever is later, except that a new Board of Managers will be elected at the first annual meeting after the first closing of a Unit even if the current Board has not served for one year.

Annual meetings will be held on the first anniversary of the first meeting of Unit Owners and annually thereafter on the same day unless such day shall fall on a Saturday, Sunday or legal holiday, in which event the meeting for that year shall be held on the succeeding Monday. The By-Laws authorize 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 and presented to the secretary by not less than 25% in common interest, in the aggregate, of the Unit Owners.

The By-Laws do not require that the majority of the Board of Managers be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals after the end of the initial sponsor control period.

(2) Anticipated First Officers and Members of the Board of Managers:

The names of the anticipated first officers and members of the Board of Managers are:

Neil J. Weissman, President,
Jacob Rad, Vice President
Francesca Madruga, as Secretary & Treasurer

Neil J. Weissman, Jacob Rad and Francesca Madruga are principals of the Sponsor.

(3) Directors' and officers' liability insurance will not be procured by the Sponsor and will not be effective at the closing of the Condominium and the filing of the Declaration. If the Board of Managers desires to obtain Directors' and officers' liability insurance, the cost for such insurance shall be borne by the Condominium. Directors' and officers' liability insurance would provide insurance coverage for any personal liability of the Board of Managers. Any person who serves as a member of a Board of Managers can be subject to an action for a perceived wrong. The insurance coverage that the Board of Managers may obtain, at a cost to the Condominium, may be obtained in an amount that may be sufficient to indemnify the Board of Managers against all claims. However, no representation is made that the coverage will be adequate in all cases and no representation is made that the coverage will include actions outside the scope of the duties of a member of the Board of Managers or an officer of a Condominium. The Unit Owners shall indemnify and hold harmless each of the officers of the Condominium against all liability to others arising from their acts as, or by reason of the fact that such person was an officer. It is intended that officers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is also intended that the liability of any Unit Owner arising out of any contract made by any officer or out of the aforesaid indemnity in favor of the officers shall be limited to such proportion of the total liability thereof as his interest in the Common Elements bears to the interests of all Unit Owners in the Common Elements.

Every agreement made by any officer 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 agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners) and that any liability of a Unit Owner thereunder shall be limited to such proportion of the total liability of a Unit Owner thereunder as his interest in the Common Elements bears to the interests of all Unit Owners in the Common Elements.

(4) All members of the Board of Managers shall serve without compensation and the Sponsor has agreed that the By-Laws will not be amended to provide otherwise while the Sponsor owns more than 15% of the Units.

(5) The officers and members of the Board may not be removed by the Board of Managers except for just cause. For the purposes of this Plan, "just cause" is defined as follows: (1) willful misconduct in following the legitimate directions of the Board of Managers, (2) theft or misapplication of Condominium property or money, (3) conviction of a felony, (4) habitual drunkenness or substance abuse, (5) excessive absenteeism from Board of Managers meetings, (6) dishonesty or fraud and (7) breach of fiduciary duty.

(6) Except with regard to amendment of the Declaration or By-Laws, voting rights of Unit Owners shall be on the basis of percentage of common interest owned by a Unit Owner. The percentage of common interest needed to amend the Condominium's By-Laws and to change the Declaration of Condominium after it has

been filed is sixty-six and two-thirds percent (66 2/3%) in number and in common interest of all Unit Owners at a meeting of Unit Owners duly held for such purposes.

(7) Amendment of the Declaration and By-Laws.

The Declaration may be amended with the approval of at least 66 2/3% in number and in common interest of all Unit Owners, in accordance with the provisions of the By-Laws, provided, however, that the common interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the consent of all Unit Owners affected.

The By-Laws may be amended by approval of 66 2/3% in number and in common interest of all Unit Owners at a meeting of Unit Owners duly held for such purposes.

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

(1) Sale or Lease of Unit; Right of First Refusal of Board of Managers

FOR THE PROPOSED RESALE OF A CONDOMINIUM UNIT:

Any Unit Owner shall have the right to sell his or her Unit under the following terms and conditions:

The terms of any lease, including the rent, will not be subject to state or local laws.

A. The Unit Owner shall first give the Board of Managers thirty (30) days prior written notice of the terms of any bona fide sale, together with a copy of a contract of sale executed by a prospective Purchaser, which the Unit Owner desires to execute. Written notice with a copy of the contract of sale shall be sent to the managing agent, if any, or to the President of the Condominium by Certified Mail or overnight mail by via a nationally recognized overnight courier service with proof of delivery being retained by the Unit Owner,

B. The Board of Managers may require the prospective Purchaser to complete an application and/or questionnaire for consideration by the Board of Managers or Sponsor of the proposed transaction. (The 30 day period as discussed above shall commence from the time that the managing agent or the President of the Condominium receives a fully completed application in the event that the Condominium requires applications to be completed by prospective Purchasers). The Board of Managers shall require photo identification of all persons who are prospective Purchasers and who may reside in the Condominium Unit; the names, addresses and social security numbers of all proposed occupants shall be provided to the Board of Managers with the proposed contract of sale. Any prospective Purchaser of any Condominium Unit consents to the Board of Managers obtaining a criminal background check on the proposed Purchasers. The Board of Managers may not discriminate against any proposed Purchaser or proposed occupant on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law.

If the Board of Managers fails to act within such thirty (30) day period, it shall be deemed to have consented to the proposed transaction;

Any such deed to convey any Condominium Unit 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.

C. If the Board of Managers refuses to consent to the transaction, it shall, within the thirty (30) day period, either:

(i) Produce a Purchaser who will purchase the Unit upon the same terms as stated in the Unit Owner's notice to the Board of Managers and the contract of sale executed by the proposed Purchaser, or

(ii) Agree to purchase the Unit on behalf of all other Unit Owners on the same terms stated in the contract of sale submitted to the Board of Managers.

If the Board of Managers desires to purchase the Condominium Unit from a Unit Owner, at the closing, the Unit Owner shall convey the Unit (and Appurtenant Interests) 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 transfer and other taxes arising out of such sale. Real estate taxes, mortgage interest and common charges and expenses shall be apportioned between the Unit Owner and the Board of Managers, or its designee, as of the closing date. The closing shall occur within 45 days from the date that the Board of Manager exercises its right of first refusal to purchase the Condominium Unit. The closing shall occur at the offices of the attorney for the Condominium.

In connection with the foregoing, the Board of Managers may not purchase a Unit without the approval of a majority of the Unit Owners (as such term "majority" is defined in the By-Laws). In the event that the Board of Managers does not have sufficient funds on hand for the purchase of a Unit which has been approved by the majority of the Unit Owners, the Board of Managers may borrow such funds or may assess the Unit Owners in proportion to their respective common interests to the extent of the purchase price amount. In the event that the Board of Managers exercises its right to purchase the Condominium Unit, it may do so on the same terms and conditions (including but not limited to the mortgage contingency provisions and closing date provisions set forth in the contract executed by the proposed Purchaser). In the event that the Board of Managers does not either produce a Purchaser for the Unit or agree to purchase the Unit on behalf of all of the Unit Owners as set forth above within the stated thirty (30) day period, the Unit Owner shall have the right to consummate the sale on the terms submitted to the Board of Managers and in accordance with the terms set forth in the contract of sale executed by the proposed Purchaser. The proposed Purchaser must comply with the requirements set forth in the Declaration and By-Laws.

The restrictions upon the sale of Units, set forth in this Section shall not apply to the Sponsor, or its designee, or to a mortgagee (including the holder of a construction loan, if any) acquiring title in foreclosure or by deed in lieu of foreclosure. The foregoing persons shall be free to sell without first notifying or obtaining the consent of the Board of Managers or Sponsor. The Board of Managers and the Sponsor, as the case may be, shall be required to cooperate in providing appropriate physical access to any such Unit and the Common Elements, as well as all financial information regarding same.

A Unit acquired by the Board of Managers pursuant to the Right of First Refusal described herein may be sold, leased, mortgaged or otherwise dealt with in the discretion of the Board of Managers. The proceeds of such disposition will be received by the Board of Managers on behalf of all Unit Owners in proportion to their respective common interests.

FOR THE PROPOSED LEASING OF A CONDOMINIUM UNIT BY A UNIT OWNER:

Any Unit Owner shall have the right to lease their Condominium Unit under the following terms and conditions, giving the Board of Managers the right of first refusal to lease the Condominium Unit from the Unit Owners desiring to lease their Condominium Unit:

The Unit Owner shall first give the written notice by Certified Mail or via a nationally recognized overnight courier service with proof of delivery being retained by the Unit Owner to and for approval by the (a) Sponsor if Sponsor is in control of the Board of Managers, or (b) the Board of Managers if Sponsor is no longer in control of the Board of Managers, of no less than thirty (30) days written notice of the terms of any bona fide proposed lease and tenant, together with a copy of a completed lease to be executed by a prospective tenant, or if executed by the prospective tenant, the lease must include the following provision:

For a lease:

"THIS LEASE IS SUBJECT TO THE RIGHT OF FIRST REFUSAL OF THE BOARD OF MANAGERS OF SEDGWICK CONDOMINIUM. THIS LEASE IS NOT VALID UNLESS THE BOARD OF MANAGERS ISSUES A LETTER STATING THAT THE CONDOMINIUM HAS WAIVED ITS RIGHT OF FIRST REFUSAL".

Written notice must be sent by the Unit Owner by Certified Mail or via a nationally recognized overnight courier service with proof of delivery being retained by the Unit Owner to the Sponsor if the Sponsor is still in control of the Board of Managers, or to the President of the Condominium if the Sponsor is no longer in control of the Board of Managers.

If the Board of Managers fails to exercise its right of first refusal, then the Tenant may execute the lease with the proposed tenant.

The Board of Managers may require the prospective tenant to complete an application and/or questionnaire for consideration by the Board of Managers or Sponsor of the proposed leasing transaction. (The 30 day period as discussed above shall commence from the time that the managing agent or the President of the Condominium receives a fully completed application in the event that the Condominium requires applications to be completed by prospective Purchasers). The Board of Managers shall require photo identification of all persons who are prospective tenants and occupants

who shall reside in the Condominium Unit which is the subject of the lease. The names, addresses and social security numbers of all persons who will reside in the Condominium Unit must be submitted to the Board of Managers with the proposed lease. Any prospective tenant of any Condominium Unit consents to the Board of Managers obtaining a criminal background check on the proposed tenants and occupants. The Board of Managers may not discriminate against any proposed Purchaser or proposed occupant on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law.

Any purported leasing of a Condominium Unit in violation of this Section shall be voidable at the election of the Board of Managers or Sponsor as the case may be.

The restrictions upon the leasing of Condominium Units, set forth in this Section shall not apply to the Sponsor, or its designee, or to a mortgagee (including the holder of a construction loan, if any) acquiring title in foreclosure or by deed in lieu of foreclosure. The foregoing persons shall be free to lease, without first notifying or obtaining the consent of the Board of Managers or Sponsor. The Board of Managers and the Sponsor, as the case may be, shall be required to cooperate in providing appropriate physical access to any such Unit and the Common Elements, as well as all financial information regarding same.

Any lease of a Unit shall be in the form recommended for apartments by the Real Estate Board of New York, except as otherwise provided in the By-Laws.

Notwithstanding the foregoing, no Unit Owner may sell or lease his Unit if he is in arrears on payment of common charges.

Unit Owners will be free, without restriction, to sell or lease their respective Units to a spouse or, any adult children, without first offering the Unit for sale or lease to, or obtaining the consent of the Board of Managers. Furthermore, a Unit Owner is free, without restriction, to make a gift of his Unit to anyone during his lifetime, to devise such Unit by will or pass such Unit by intestacy. No Unit can be sold, leased or in any way transferred apart from its appurtenant interest in the Common Elements.

The Board of Managers may make further restrictions on or conditions to sale or lease of Units in the future consistent with the Condominium Declaration, By-Laws and applicable law.

Every Unit Owner shall be required to pay a processing fee of $100.00 per transaction to the Board of Managers for each sale (other than the initial purchase by the Unit Owner) or lease of his or her Unit.

(2) Mortgaging of Units by Unit Owners

Every Unit Owner shall have the right to mortgage his or her Unit without restriction, provided that any such mortgage shall be substantially in the form of the

New York statutory form of mortgage, except any and all changes or additions as may be necessary in order to permit a particular bank, trust company, savings and loan association or other institutional lender to make the mortgage loan.

(3) Common Charges and Assessments

(i). Unit Owners shall pay common charges and assessments levied by the Board of Managers. The Board of Managers shall be required to prepare budgets at least annually. However, the Board of Managers may prepare budgets at more frequent intervals if it so desires. A copy of each budget shall be furnished to each Unit Owner. Each Unit Owner shall be required to pay common charges and expenses in accordance with his or her proportionate interests in the Common Elements in order to insure collection of sufficient funds to meet the Condominium's budget. Common charges (except those adjusted at closing) shall be billed and be payable in advance on a monthly basis. Common Charges are due on the first day of each month. Common charges not received by the Board of Managers or its designated managing agent, by the tenth day of the month are deemed late. (See Section "MM", Article V, Section 5, By-Laws for discussion as to late fees.)

(ii). The Board of Managers shall have the right to accumulate reserves for capital expenditures or otherwise by establishment of a Reserve Fund. The building may be used by the Board of Managers for Condominium purposes in the exercise of its business judgment on how to run the affairs of a Condominium. The Board of Managers shall have the sole right to determine the amount of money to be kept in the Reserve Fund and how to invest it provided that the investment is made according to applicable law.

(iii). Liability of a Unit Owner for common charges and assessments can only be terminated by the sale of the Unit. As long as the Unit Owner has title to the Unit, the Unit Owner is responsible for the payment of common charges and assessments.

(iv). Section 339-z of the Real Property Law of the State of New York states that the Board of Managers will have a lien on each Unit for unpaid common charges assessed by the Board of Managers on behalf of the Unit Owners. The common charge lien will only be subordinate to liens for real estate taxes on the Unit and any unpaid amount due on a first mortgage of record on such Unit. A lien for unpaid common charges against the Unit becomes effective upon the filing of a notice of lien in the office of the Register of the City of New York, County of Bronx. Such lien shall be in effect for six (6) years from the date of filing unless all common charges secured by the lien have been fully paid with interest or unless an action for foreclosure of the lien is commenced. The Board of Managers may commence legal action to foreclose the lien on behalf of the Unit Owners in a similar manner to the foreclosure of a mortgage on real property or an action may be brought by the Board of Managers to recover unpaid common charges without foreclosing the lien.

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

Sponsor makes no representation or guaranty that any Unit Owner (other than Sponsor), any tenant, or the Condominium, will in fact comply with RPL §339-kk, and Sponsor shall have no liability for their failure to do so. No representation is made about the tax effects of RPL §339-kk and all prospective Purchasers should review RPL §339-kk to determine its effect on their own situation.

New York State RPL §339-kk provides the following:

(a) For the purposes of this section, "non-occupying owner" shall mean a Unit Owner in a Condominium association who does not occupy the dwelling Unit.

(b) If a non-occupying owner rents any dwelling Unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such Unit within sixty days of the expiration of any grace period after they are due, upon notice in accordance with subdivision (c) of this section, all rental payments from the tenant shall be directly payable to the Condominium association.

(c) If the common charges, assessments or late fees due for any Unit have not been paid in full, within sixty days after the expiration of any grace period of the earliest due date, the Board of Managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the Condominium association at the address listed on the notice. Where a majority of the Board of Managers has been elected by and from among the Unit Owners who are in occupancy, the Board of Managers may elect not to require that rental payments be made payable to the Condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments pursuant to this section shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the Board of Managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim.

(d) Nothing in this section shall limit any rights of Unit Owners or of the Board of Managers existing under any other law or agreement.

(e) Payment by a rental tenant to the Condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay

such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

(4) Repairs

(i). The Board of Managers will cause all maintenance, repairs and replacements necessary or required for the Common Elements the cost thereof will be a common expense. Unit Owners will be obligated to make and perform all maintenance, repairs and replacements to their individual Units and maintenance to the Limited Common Elements assigned to their Unit at their own cost and expense.

(ii). The Rules and Regulations of the Condominium will require carpeting or other material equally efficient for noise reduction to be placed by Residential Unit Owners over 80% of the floor area of each Unit. The carpeted areas shall be limited to Bedrooms, Living Rooms, Dining Rooms and Hallways. The 80% calculation is based upon the total floor area of the Unit, excluding Bathrooms and Kitchens which do not require carpeting. (Example – If the Unit contains 1,000 sq.ft., and 200 sq.ft. is Bathroom and Kitchen area, then 640 sq.ft., which is 80% of the net 800 sq. ft. shall be carpeted). See Rules and Regulations as set forth in Condominium By-Laws Schedule "A" entitled Rules and Regulations (Part II, Section "MM" of this Offering Plan.

(iii). Each Unit Owner shall be responsible to reimburse the Condominium for the cost of any repairs or replacements to the Common Elements and Limited Common Elements required as the result of the negligence or abuse of said Unit Owner.

(iv). The Board of Managers and the Managing Agent shall have the right of access to any Unit for the purpose of making any repairs or replacements to any of the Common Elements and Limited Common Elements contained in the Unit or elsewhere in the building or to remedy any condition which would result in damage to any other Unit or the Common Elements or Limited Common Elements, or which would violate the 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. Such right of access shall be exercised in a manner that will not unreasonably interfere with the use of the Units, but prior notice shall not be required in the event that the Board of Managers shall determine that immediate action is necessary for the preservation or safety of the property of the Condominium, or the Units, or for the safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium. The Board of Managers will not be liable to any Unit Owner by reason of such entry, except in the event of gross negligence or willful misconduct.

(5) Additions, Alterations and Improvements

(i). Additions, alterations or improvements costing $5,000.00 or less may be made by the Board of Managers without prior approval of the Unit Owners and the cost

thereof shall constitute part of the Common Expenses. Additions, alterations or improvements costing more than $5,000.00 shall only be made in the event approval is granted by the Unit Owners, at a meeting duly called for such purpose, by more than 50% in number and common interest of the Unit Owners, Sponsor or its designee if then a Unit Owner (and by the holders of first mortgages on Units, if their approval is required). Upon requisite approval of such addition, alteration or improvement by the Unit Owners, the Board of Managers shall proceed with such addition, alteration or improvement and shall have the right to assess each Unit Owner with his proportionate share of the cost as part of the Common Expenses whether such owner voted for the addition, alteration or improvement or not.

(ii). Residential Unit Owners are prohibited from making any structural addition, alteration or improvement in their respective Units or filing any applications with any governmental authority for a permit covering any addition, alteration or improvement to be made in the Unit without prior written approval from the Board of Managers (and, if required, from the Unit Owners mortgagee). The provisions of this paragraph shall not apply to Units owned by the Sponsor or its designee until a deed to such Unit has been delivered to a Purchaser of the Unit. No Unit Owner may make any changes in or to the Common Elements or Limited Common Elements without prior written approval of the Board of Managers. The approval of the Board of Managers is not required for non-structural alterations and improvements to individual Units which do not affect the exterior of the building or the value of other Units. Purchasers should note the restriction contained in the Rules and Regulations of the Condominium regarding television aerials, use of vestibules, storage and related matters.

(iii). The Board of Managers will execute any application or other documents required to be filed with any governmental authority having or asserting jurisdiction in connection with any structural addition, alteration or improvement made by the Sponsor or its designee to any Unit, provided, however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

(6) Insurance

(i). The Board of Managers will be obligated to obtain and maintain, to the extent obtainable:

Property coverages:

Blanket Real & Personal Property / Building Ordinance	$6,000,000.00 limit
"All Risk", Agreed Amount Replacement Cost - Deductible -	$1,000.00

Liability coverages:

Commercial General Liability	
General Aggregate – Per Location	$1,000,000.00 limit
Each Occurrence	$1,000,000.00 limit
Fire Damage Legal Liability	$ 50,000.00 limit

Workers Compensation Statutory Limits

(ii). Proceeds of all policies of physical damage insurance will 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 as set forth below. No portion of the insurance proceeds shall be applied to the payment of the mortgage indebtedness of any Unit Owner unless 75% of the Unit Owners determine not to repair, restore or rebuild.

In the event of damage to or destruction of the Building as a result of fire or other casualty, the Board of Managers shall arrange for the prompt repair and restoration of the Building and the Board of Managers shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Residential Unit Owners for such deficit as part of the Common Charges.

If 75% or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceeds of insurance policies 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.

All policies of physical damage insurance shall contain waivers of subrogation and of any defense based on coinsurance or of pro rata reduction of liability or of invalidity arising from any acts of the insured, and shall provide that such policies may not be canceled by the insurance carrier or substantially modified without at least ten days, prior written notice to all of the insured, including all mortgagees of Units. Certificates of insurance 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 at least ten days prior to expiration of the then current policies and each Unit Owner shall receive a certificate of such insurance.

The cost of all such insurance shall be paid by the Board of Managers and shall constitute a common expense.

For details regarding insurance coverage see Footnote to Schedule B. (Part I, Section "F" of the Plan).

Each Unit Owner will be an additional insured on the Condominium insurance policy. Unit Owners shall not be prohibited from carrying other insurance for their own benefit at their own expense (covering items not included or included only to a limited

extent in the policy of the Board of Managers), providing that such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Unit Owner's other insurance. Examples of items not included in the policy of the Board of Managers is Additional Living Expense.

Unit Owners are strongly urged to consider the advisability of obtaining insurance to cover items not included in the policy of the Board of Managers.

(7) Restriction on Occupancy and Use

Occupancy shall be limited to residential use unless permission for other use is granted by the Board of Managers and meets approvals of government agencies and authorities.

No two (2) bedroom Units may be occupied for overnight accommodations by more than four (4) persons at any time and no three (3) bedroom Units may be occupied for overnight accommodations by more than six (6) persons at any time;

Unit Owners may not lease any portion of an apartment less than the entire apartment. Purchasers are prohibited from listing their Units for sale prior to the closing of such Unit.

(8). Pet Restrictions.

No animals, birds, or reptiles of any kind shall be raised, bred, or kept in any Unit or in the common elements or limited common elements, except that dogs, cats or other household pets, not to exceed two per Unit, without the written consent of the Board of Managers, may be kept in Units, subject to the rules and regulations adopted by the Board of Managers, provided, that they are not kept, bred or maintained for any Commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the property subject to these restrictions upon three (3) days written notice from the Board of Managers.

In no event shall any dog be permitted in any portion of the common elements unless carried or on a leash, or in any grass or garden plot under any circumstances.

(9). Aesthetic Controls.

In order to retain the structural integrity and aesthetic appearance of the building, no additional window or through-the-wall air-conditioning appliances may be installed in any Unit and no radio, television aerial or awning shall be attached to or hung from the exterior of the building by the Unit Owner without consent of the Board and otherwise in accordance with applicable laws and rules. Painting of doors to the individual

residential Units or any portion of the property outside of the Condominium Unit is prohibited.

(10). Business Restrictions.

Business or professional use is not permitted without the express written consent of the Board of Managers and must be permitted by zoning regulations. The Sponsor may maintain an office on the premises while there is at least one Unit unsold. The Community Facility Units may used for business or professional use as permitted by New York City Zoning Code.

(11). Restrictions on Occupancy of Units Owned by Corporations, Partnerships or Fiduciaries.

Corporations, Partnerships and Fiduciaries may own Condominium Units provided that the use is for residential purposes only, and not for any business or non-residential purpose.

(12). Restrictions on Illegal or Offensive Uses.

Units may not be used for illegal or offensive uses.

(13). Limitations on Utilization of Common Elements and Parking Facilities.

Common Elements may not be used for storage or loitering.

(14). Limitations Contained in the Certificate of Occupancy and Zoning Regulations.

There are no known restrictions set forth in the Zoning Regulations to prohibit the use as contemplated for this Condominium. There are no known limitations in the Certificate of Occupancy which will be sought by the Sponsor which would limit the use of the Condominium property other than as set forth in this Offering Plan.

(15) Window Guards

Each Unit Owner must notify the Managing Agent, or the Board of Managers if there is no Managing Agent, when a child or children ages ten (10) years and under lives or resides, permanently or temporarily in the Condominium Unit. Each Unit Owner must install at the Unit Owner's sole cost and expense the required window guards in all windows of the Unit. The Unit Owner must maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without the written consent of the Managing Agent or the Board of Managers.

(16) Other Material Provisions.

There are no other material provisions in the declaration or By-Laws, which significantly affect the rights and obligations of the Unit Owners or the Board of Managers.

T. REAL ESTATE TAXES

Each Condominium Unit will be separately assessed for tax purposes by the City of New York. The Unit Owner of each Condominium Unit will receive bills from the City of New York for real estate taxes for their own Condominium Unit. Unit Owners will not be responsible for the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Condominium Units.

The Sponsor anticipates that the Condominium Units will be separate assessments by the tax assessor's office, and the separate assessments should be implemented at the time of the closings or up to six months thereafter.

If Condominium Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, the Sponsor may place in, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six month period following the first closing. Alternatively, the Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the real estate taxes attributable to the unsold Units for such six month period and may collect at each Unit closing the estimated amount of taxes attributable to such Unit for the balance of the six month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from Unit Owners to the extent of the actual assessment. The Sponsor may, in the alternative, pay the real estate taxes for the entire building for the tax year (or remainder of the year from the time of the first closing to the end of the tax year), and collect from each Unit Owner, at closing their proportionate share of the real estate taxes for the said tax year, calculated by the total tax for the building multiplied by the percentage of Common Interest for each particular Condominium Unit. In the event that a refund is due to Unit Owners after the tax abatement, if any, is granted and implemented, then the refund received will be distributed to each Condominium Unit Owner based on their percentage of Common Interest, provided that they paid their proportionate share of the real estate taxes for the period for which the refund is issued. No escrow will be required if the Condominium By-Laws include as part of the Common Expenses, real estate taxes on the property until the Units are separately assessed and after assessment Unit Owners will be reimbursed for any overpayment of taxes or assessed for an underpayment.

For the purposes of the projections of real estate taxes in this Offering Plan, the real estate tax rate of $11.928 per $100 of assessed value for Class 2 property for the 2007/2008 tax years are utilized. Class 2 properties are those that include residential condominiums that are greater than three stories.

It should be noted by Purchasers that the City of New York may increase the real estate tax rate at any time and if the real estate tax rate increases, then the real estate taxes to be paid by Purchasers would increase during the First Year of Condominium

Operations or subsequently. It should be noted that real estate tax increases cannot be predicted by Sponsor.

The City of New York has assessed the entire property for real estate taxes for the period July 1, 2007 through June 30, 2008, such assessed valuation being $41,463 ($19,152 for Lot # 196, $19,615 for Lot # 199 and $2,696 for Lot # 495) for the 2007/2008 tax year. Lots # 196, 199 and 495 have become Lots # 238, 239 & 257 and are classified as a Class 2 property.

Lots 238, 239 & 257 will eventually become Condominium lot numbers in the 1000 series (it is expected that the forty (40) Residential Condominium Units, the three (3) Community Facility Condominium Units and the thirty two (32) Parking Spaces will become Lots 1001 to 1075). Based on an Assessed Valuation of $41,463 for the period July 1, 2007 to June 30, 2008, and a tax rate of $11.928 per $100 of assessed value for Class 2 property the estimated real estate taxes for all of the Condominium Units will be approximately $4,946 without any tax abatement.

As of December 31, 2006, no Certificate of Occupancy was issued for the Condominium. If a Certificate of Occupancy is issued by December 31, 2007, then on or about January 5, 2008, the property and the Condominium Units will be reassessed. It is anticipated that the Assessed Valuation for the completed Condominium buildings will be approximately $1,727,681 for the period July 1, 2008 to June 30, 2009. It is anticipated that the Condominium Units will be taxed at a rate of $11.928 per $100 of Assessed Valuation (based on current rates, which may increase) and be classified as Class 2 with estimated real estate taxes for all of the Condominium Units for the 2008/2009 tax year being approximately $206,078 without any tax abatement.

The Sponsor has filed an application with The City of New York Department of Housing Preservation & Development for a partial exemption from real estate taxes under Section 421-a of the Real Property Tax Law for the Condominium Units ("Section 421-a"). The application has not yet been acted upon[3]. The Sponsor will use its best efforts to obtain 421-a tax benefits.

If tax exemption or tax abatement benefits are conferred by the City of New York to the building pursuant to Section 421-a of the Real Property Law, the real estate taxes on the building would be based upon the assessed valuation of the Property in the tax year prior to the commencement of construction.

[3] *Sponsor does not guaranty the issuance of any partial tax abatement or exemption for the Building and only the New York City Department of Housing Preservation and Development may issue or guaranty the issuance of tax abatements which would be implemented by the New York City Department of Finance.*

The tax year 2005/2006 was the full year prior to construction of the buildings and therefore, the 421-a real estate tax abatement would be based upon the real estate taxes assessed on the Condominium property for the 2005/2006 tax year. The assessed valuation on the property where the Condominium is being constructed for the year prior to the start of construction was as follows:

Tax Year (year prior to start of construction of project) = 2005/2006

Block: 3249
Lot: 196
Assessed Valuation (2005/2006): $21,196

Block: 3249
Lot: 199
Assessed Valuation (2005/2006): $22,348

Block: 3249
Lot: 495
Assessed Valuation (2005/2006): $2,400

Total Assessed Valuation of the Property for the year prior to the start of construction is $45,944.

Lots # 196, 199 and 495 have become Lots 238, 239 & 257.

It is projected that with a partial abatement of real estate taxes under Section 421-a of the Real Property Tax Law, the real estate tax assessed valuation for the Property for the 2008/2009 tax year will be approximately $45,944. With a tax rate of $11.928 per $100 of assessed valuation, the real estate taxes are anticipated to be approximately $5,480 for the 2008/2009 tax year for the Property.

If the a partial abatement of real estate taxes under Section 421-a of the Real Property Tax Law is granted, it is expected that the real estate taxes would be retroactive to the start of construction date of the project.

If Unit Owners pay a higher rate for the first year of the ownership before the partial tax exemption is granted (if granted), then Unit Owners would be entitled to a refund or credit from the City of New York for any overpayment in real estate taxes. Because there could be a lag in time between the application to the New York City Department of Housing Preservation and Development for partial exemption of real estate taxes under Section 421-a of the Real Property Tax Law and the implementation of the benefits by the New York City Department of Finance, it is possible that Unit Owners will have to pay the cost of real estate taxes without any partial tax exemption, unless and until tax exemption benefits are granted and implemented by the City of New York.

Each Condominium Unit will be apportioned to individual tax lots and each Condominium Unit will be separately taxed and will receive individual tax bills from the City of New York.

Based on the foregoing, the projected real estate taxes for the First Year of Condominium Operations during the 2008/2009 real estate tax year for each of the Condominium Units, with and without 421-a tax benefits is as follows:

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Building Address & Unit Number	2008/2009 Estimate of Monthly Real Estate Taxes with Section 421A Benefits	2008/2009 Estimate of Annual Real Estate Taxes with Section 421A Benefits	2008/2009 Estimate of Monthly Real Estate Taxes without Section 421A Benefits	2008/2009 Estimate of Annual Real Estate Taxes without Section 421A Benefits
2796-1A	**$ 6.85**	**$ 82.20**	**$ 217.39**	**$ 2,608.65**
2796-1B	**$ 10.05**	**$ 120.56**	**$ 387.36**	**$ 4,648.34**
2796-1C	**$ 10.05**	**$ 120.56**	**$ 387.36**	**$ 4,648.34**
2796-1D	**$ 10.05**	**$ 120.56**	**$ 406.60**	**$ 4,879.15**
2796-2A	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-2B	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-2C	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-2D	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-3A	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-3B	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-3C	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-3D	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-4A	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-4B	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-4C	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-4D	**$ 10.05**	**$ 120.56**	**$ 392.73**	**$ 4,712.75**
2796-C1	**$ 4.57**	**$ 54.80**	**$ 420.91**	**$ 5,050.91**
2794-1E	**$ 7.99**	**$ 95.90**	**$ 288.06**	**$ 3,456.73**
2794-1F	**$ 10.05**	**$ 120.56**	**$ 390.94**	**$ 4,691.28**
2794-1G	**$ 10.05**	**$ 120.56**	**$ 390.94**	**$ 4,691.28**
2794-1H	**$ 10.05**	**$ 120.56**	**$ 410.17**	**$ 4,922.09**
2794-2E	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-2F	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-2G	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-2H	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-3E	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-3F	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-3G	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-3H	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-4E	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-4F	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-4G	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-4H	**$ 10.05**	**$ 120.56**	**$ 396.76**	**$ 4,761.06**
2794-C2	**$ 5.71**	**$ 68.50**	**$ 692.87**	**$ 8,314.41**
2792-1I	**$ 6.85**	**$ 82.20**	**$ 337.26**	**$ 6.85**
2792-1J	**$ 9.13**	**$ 109.60**	**$ 258.54**	**$ 9.13**
2792-2I	**$ 10.05**	**$ 120.56**	**$ 341.74**	**$ 10.05**
2792-2J	**$ 10.05**	**$ 120.56**	**$ 355.16**	**$ 10.05**

Building Address & Unit Number	2008/2009 Estimate of Monthly Real Estate Taxes with Section 421A Benefits	2008/2009 Estimate of Annual Real Estate Taxes with Section 421A Benefits	2008/2009 Estimate of Monthly Real Estate Taxes without Section 421A Benefits	2008/2009 Estimate of Annual Real Estate Taxes without Section 421A Benefits
2792-3I	$ 10.05	$ 120.56	$ 341.74	$ 4,100.85
2792-3J	$ 10.05	$ 120.56	$ 355.16	$ 4,261.87
2792-4I	$ 10.05	$ 120.56	$ 341.74	$ 4,100.85
2792-4J	$ 10.05	$ 120.56	$ 355.16	$ 4,261.87
2792-C3	$ 4.11	$ 49.32	$ 265.25	$ 3,182.99
PK-1	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-2	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-3	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-4	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-5	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-6	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-7	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-8	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-9	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-10	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-11	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-12	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-13	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-14	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-15	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-16	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-17	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-18	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-19	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-20	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-21	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-22	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-23	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-24	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-25	$ 1.60	$ 19.18	$ 25.00	$ 300.00
PK-26	$ 2.28	$ 27.40	$ 30.00	$ 360.00
PK-27 & 28	$ 2.51	$ 30.14	$ 33.33	$ 400.00
PK-29 & 30	$ 2.51	$ 30.14	$ 33.33	$ 400.00
PK-31 & 32	$ 2.51	$ 30.14	$ 33.33	$ 400.00

NO WARRANTY, GUARANTY OR ASSURANCE IS GIVEN AS TO:

(i) Any projected or estimated amount set forth above including, without limitation, the estimates of the Property's assessed valuations, tax rates or tax amounts during the First Year of Condominium Operations, the estimates of the portions of such

assessed valuations that will be allocable to the Condominium Units and the projections of the average real estate tax rate will be in effect during such first or subsequent year of Condominium Operation and/or the rate of construction progress of the Condominium building;

(ii) The figures or methods that the New York City Real Estate Tax Assessment Bureau will use to allocate the Property's aggregate assessed valuation between the Units, or the New York City Real Estate Tax Assessment Bureau will allocate the aggregate assessed valuation attributable to the Units among the different Units as described in this Offering Plan; or

(iii) The accuracy of any of the projections or estimates made in this Offering Plan and in Schedule A;

If the City of New York does not subdivide or apportion the real estate taxes prior to the first closing, then the real estate taxes for the Condominium Units, prior to subdivision into Condominium Unit tax lots (one for each Condominium Unit) will be determined by multiplying the total real estate tax for the applicable tax year by the percentage of Common Interest of each particular Condominium Unit. Each Unit Owner will be required to pay their proportionate share of the real estate taxes based on the foregoing until such time as the real estate taxes have been apportioned to each individual Condominium Unit by the City of New York. The Unit Owner shall pay to the Sponsor or to the Board of Managers, its proportionate share if the Sponsor or the Board of Managers has or will advance any sums for real estate taxes on behalf of all Unit Owners, with such sums due from the date of the closing of title by a Unit Owner to the end of the period of time which the Sponsor or Board of Managers will or has paid the appropriate real estate taxes.

If and when any real estate tax abatement is approved by the City of New York, each Condominium Unit Owner will be entitled to a rebate in real estate taxes paid, if the proportionate share of real estate taxes paid exceeds the amount of real estate taxes that should have been paid with the tax abatement in place. If the City of New York does not credit each particular Condominium tax lot with a refund, then the Board of Managers will file the necessary documents to obtain a refund of overpaid real estate taxes and the Board of Managers will receive the refund and then pay to each Condominium Unit Owner the proportionate share of the rebate of real estate taxes.

All Purchasers of Units will pay to Sponsor at closing a fee equal to 1.50% of the Purchase Price of their Unit as reimbursement of the Sponsor's cost in applying for a partial tax abatement benefits to section 421-a of the New York State Real Property Tax Law. The charges of 1.50% of the Purchase Price will be due to Sponsor as and for Sponsor's costs to apply for same regardless of whether the tax abatement or tax exemption are granted.

No warranty or guaranty is made that the 421-a tax abatement or exemption will be granted, or concerning the timing of such abatement or exemption.

In no event will Sponsor, Sponsor's counsel, Sponsor's special tax counsel, Sponsor's Real Estate Tax Consultant, Selling Agent, or any Offeror hereunder be liable to any Purchaser or person, nor will any Purchaser have the right to rescind his Purchase Agreement in the event Section 421-a benefits are not granted, or, if granted, in the event the date of implementation or amount or duration of such benefit and the resulting taxes differ from those projected herein.

The projection and estimates of the Real Estate Taxes and Assessed Valuations as used in this Offering Plan that will be payable for each of the Units during the projected First Year of Condominium Operations is based upon an opinion letter prepared by Barnett Maller, real estate consultant ("real estate tax consultant"), 249-02 Jericho Turnpike, Bellerose, New York 11001.

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

The following discussion of certain income tax consequences of the ownership of a Residential Unit as a personal Unit was prepared by Sponsor, based in part, upon the income tax opinion of Gary Rosen Law Firm, P.A., counsel to Sponsor, a copy of which is set forth in the Offering Plan.

GARY ROSEN LAW FIRM, P.A., IS COUNSEL TO SPONSOR AND NOT THE UNIT OWNERS. EACH PURCHASER SHOULD CONSULT PURCHASER'S OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF THE UNIT OWNERSHIP UNDER THE PLAN.

Income Tax Deductions to Residential Unit Owners

A Residential Unit Owner will own the Condominium Unit which he or she purchases and its appurtenant Common Elements in fee simple absolute and each Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. As a result, a Unit Owner may be entitled to deduct for Federal, New York State and in case of New York City residents, New York City income tax purposes, real estate taxes assessed against the Unit and paid by such owner as well as interest paid by the Unit Owner on certain mortgages made against the Unit. Generally, an individual Unit Owner may only deduct interest on debt incurred to acquire his principal residence or a designated secondary residence subject to certain limitations. Each Purchaser should consult with his or her own tax counsel, accountant or other financial advisor as to the tax consequences of the ownership of a Condominium Unit.

It is the opinion of Gary Rosen Law Firm, P.A. that a Residential Unit Owner who uses the Residential Unit as a personal residence will, under present Law, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that deductions, if applicable, may vary in the future due to changes in the interest rate or the Residential Unit Owner's mortgage or from changes in the allocation of the constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assess value, the tax rate or the method of assessing the real property. Purchasers who are individuals should note that mortgage interest is deductible generally only with respect to (1) secured debt used to acquire, construct or substantially improve a principal or second residence (or which constitutes a refinancing of such debt) (up to a total indebtedness of $1 million, $500,000 for married tax payers filing separately) plus (2) other debt (not in excess of $100,000) secured by a principal or second residence. Interest on home mortgage debt in excess of these limitations would not be deductible. In addition, Residential Unit Owners should note that special limitations may apply to the deductibility of points and prepaid interest, if any, on their

mortgage loans and to the overall allowance of itemized deductions. Purchasers should discuss the Alternative Minimum Tax ("AMT") with their accountant to understand the impact by AMT on their deductions.

No opinion is rendered with respect to the deductibility of any payments by the Non-Residential Unit Owners.

Tax Status of the Condominium

Ordinarily, a Condominium Board may elect to be exempt from federal income taxes on Common Charges collected from Unit Owners under Section 528 of the Internal Revenue Code, provided certain prerequisites are met.

In order to elect such status,

a) the Condominium must be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Property;

b) 60% or more of the gross income of the Condominium for the taxable year must consist solely of amounts received as membership dues, fees or assessments from owners of Units in the Condominium;

c) 90% or more of the net expenditures of the Condominium for the taxable year must be for the acquisition, construction, management, maintenance and care of the Property;

d) no part of the net earnings of the Condominium may inure (other than by acquiring, constructing or providing management, maintenance and care of the Property and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any private shareholder or individual;

e) substantially all of the Units must be used by individuals as residents; Treasury Regulation 1.528-4(b) provides that substantially all of the Units will be treated as used by individuals for residences only if at least 85% of the total square footage of all Units are used as such residences; and

f) the Condominium must make such election at such time in such manner as the Secretary of the Treasury prescribes by regulations.

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

IT APPEARS THAT THE AFOREMENTIONED REQUIREMENTS WILL BE MET FOR A SECTION 528 ELECTION FOR AT LEAST THE FIRST YEAR OF OPERATION.

Each Purchaser should consult with his or her own tax counsel as to the tax consequences of the Offering Plan and of the purchase of a Condominium Unit.

V-1. OPINION OF COUNSEL – Income Tax Opinion Letter

Gary Rosen Law Firm, P.A.
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July 16, 2007

Sedgwick Condos LLC
242-01 Braddock Avenue,
Bellerose, New York 11426

Re: SEDGWICK CONDOMINIUM
2792, 2794 & 2796 Sedgwick Avenue, Bronx, New York.

RE: INCOME TAX OPINION LETTER

Gentlemen:

You have requested our opinion concerning (i) the deductibility, for Federal and New York State income tax purposes, of mortgage interest and real estate taxes paid by residents of New York who purchase the offered Residential Units for their own residential use pursuant to the above-referenced Condominium Offering Plan (the "Plan"), and (ii) the qualification of the Condominium as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion does not address the tax consequences of the ownership of Residential Units by corporations, other entities or foreign persons. Furthermore, this opinion does not address the tax consequences of (i) ownership of any Unsold Residential Units, any Residential Unit that is used for commercial or mixed residential/commercial purposes, or any Units other than the Residential Units (such as the Commercial Units), or (ii) any rebates or other payments that may be made, or benefits provided, to owners of Residential Units. 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 Plan and have examined the schedules, exhibits and documents accompanying the Plan, including the declaration establishing, and the By-Laws governing, the operations of the Condominium (the "Plan Documents"). We have also considered 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 the Plan is the document pursuant to which owners of the Residential Units will acquire their Residential Units and that the relevant facts are as set forth therein.

Pursuant to the Plan, the purchaser of a Residential Unit will receive legal title in fee simple to his or her Residential 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 Residential 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 on the foregoing, it is our opinion that an owner of a Residential Unit who itemizes deductions and who uses his or her Residential Unit as a personal 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 may be in effect under Section 68 of the Code, real estate taxes assessed against his or her Residential Unit and paid to the local tax authority. However, no deduction for real estate taxes is permitted for purposes of the Federal alternative minimum tax. Owners of the Residential Units should consult their tax advisers regarding the applicability of the overall limitation on itemized deductions to the deductibility of real estate taxes.

Purchasers are advised that an exemption from real estate taxes may be available for veterans and other purchasers under the New York State Real Property Tax Law, as amended, and/or various codes, rules and regulations of the City of New York. Prospective purchasers are advised to consult with their own attorneys or other advisers to determine whether the prospective purchaser qualifies for any exemption from real estate taxes.

A taxpayer generally is entitled to a deduction for Federal income tax purposes for interest paid with respect to a principal and one secondary residence (a "qualified residence") to the extent that the interest is attributable to indebtedness which is secured by the qualified residence and which (i) is 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) is 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 Residential Unit who itemizes deductions and uses his or her Residential 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 may be in effect under Section 68 of the Code, interest paid or accrued by him or her on (i) acquisition indebtedness incurred with respect to his or her Residential 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 Residential 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 regarding the deductibility of interest with respect to their Residential Units for Federal alternative minimum tax purposes (which at present is subject to rules different than those described above for regular tax purposes). In addition, owners of Residential Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and any overall limitation on the allowance of itemized deductions.

Each owner of a Residential Unit who uses his or her Residential 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 Residential 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 Residential Units.

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

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

Based on the information contained in Schedule A to the Plan, at least 85% of the total square footage of all Units of the Condominium will be used by individuals for residential purposes for purposes of Treasury Regulation § 1.528-4(b). Accordingly, assuming the Plan becomes effective during the taxable year ending December 31, 2008 (the "2008 Taxable Year") and there are no changes in the facts and/or the relevant provisions of current law, the Condominium will be eligible to elect to be treated as a homeowners association under Section 528 of the Code for the 2008 Taxable Year.

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 Boards will act as the agent of the Unit Owners represented by each such Board, the Condominium Board 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, among other things, 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 Residential Common Charges should not be considered income earned by the Condominium with respect to the Residential Unit Owners. 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 not 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, the Condominium likely would be subject to the New York City Unincorporated Business Tax, unless it were eligible for and elected treatment under Code Section 528 as a homeowners association.

We express no views as to any Federal, New York State or New York City tax consequences other than those explicitly discussed in this opinion, or as to the tax status or tax consequences of the Plan under the laws of any other U.S. or foreign jurisdiction. Moreover, this opinion, while based on existing rules of law applied to the facts and documents referred to above, is not binding on the IRS or any court. No assurances can be given that the tax laws upon which we base this opinion will not change. In no event will the Sponsor, Gary Rosen Law Firm, P.A., any of the Boards, the Selling Agent or any other person be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional Law or IRS rulings on which we have relied which cause the owners of Residential Units not to be entitled to the income tax deductions described herein, or which would affect the tax treatment of the Condominium as described herein.

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

Very truly yours,

Gary Rosen

V-2. OPINION OF COUNSEL – Tax Abatement Opinion Letter

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July 16, 2007

Sedgwick Condos LLC
242-01 Braddock Avenue,
Bellerose, New York 11426

Re: SEDGWICK CONDOMINIUM
2792, 2794 & 2796 Sedgwick Avenue,
Bronx, New York.

RE: TAX BENEFITS OPINION LETTER

START OF CONSTRUCTION DATE: October 17, 2006

OPERATIVE DATE: October 17, 2003

OPERATIVE DATE PERIOD: Three Years

Gentlemen:

This letter is being sent to you with the expressed understanding that our firm assumes no liability for our opinions presented herein. These opinions are presented only for your assistance in preparation of your Offering Plan for the above captioned project.

You have requested our firm to prepare a letter providing our opinion as to the eligibility of the above captioned site for section 421-a partial real estate tax exemption benefits.

You have represented to us that the Sponsor has applied or will apply for a real estate tax abatement under Section 421-a of the New York State Real Property Tax Law.

I. Eligibility Requirements for the 421-a program:

For the subject site to be eligible for 421-a tax benefits, the site must comply with each of the eligibility requirements set forth in Section 421-a of the New York State Real Property Tax Law, as amended ("RPTL"); Chapter 6 of Title 28 of the Rules of the City of New York, as amended (the "Rules"); and New York City Administrative Code sections 11-245 and 11-245.1 (the "Local Law").

The RPTL was enacted with the specific intent of encouraging residential construction. The statute does so by providing for partial real estate tax exemption on increases in the assessed valuation of eligible property which results from the construction of new class "A" multiple dwellings, during the construction period and on a descending sliding scale for a period of either 10 years, 15 years, 20 years or 25 years after completion of construction. For the site to be eligible for the tax benefits, the site must have been previously under-utilized, improved with a non-conforming use on the "Operative Date", which is defined as thirty-six months prior to the commencement of construction. You have told us that the construction commenced or will commenced during the Start of Construction date set forth above, and therefore, the Operative Date is the Operative Date as set forth above.

Location

Geographic Exclusion Area

Section 6-02(b)(1) of the Rules provides that a new multiple dwelling located outside the geographic exclusion area containing not less than three (3) dwelling Units may be eligible for 421-a benefits provide construction commenced before December 31, 2007. The subject site is outside of the Geographic Exclusion Area and you have advised us that construction commenced prior to December 31, 2007.

Public and Private Park Limitation

Paragraphs (5) and (6) of Section 6-02(c) bar section 421-a benefits for projects situated on land mapped as a public park (with certain exceptions) or utilized for ten (10) or more consecutive years immediately prior to November 1, 1971 as a Private Park. You have stated and we assume for the purpose of this opinion letter that the site does not fall within either category.

Site Requirements

The Local Law and the Rules state that for a project to be eligible for 421-a benefits, "the land upon which an eligible project is located must have been vacant, predominantly vacant, under-utilized or improved with a non-conforming use on the Operative Date. The Operative Date shall be (I) thirty-six (36) months prior to the commencement of construction, if construction commences on or after September, 1981". You have advised us that the construction commenced on the Start of

Construction date set forth above. Therefore, the Operative Date is the date as set forth above.

The New York City Department of Finance records indicate that in the Operative Date Period the site was:

[ ] vacant and unimproved property on the Operative Date;

[ ] predominantly vacant on the Operative Date;

[x] under-utilized on the Operative Date;

[ ] improved with a non-conforming use on the Operative Date;

Project Requirements

New Multiple Dwelling

Section 6-02(b) of the Rules provides that a project is eligible for 421-a benefits only if it is a "new multiple dwelling". You have represented to us that you are constructing a building of more than three (3) Units of Class "A" multiple dwelling Units. You have advised us that the Project is being carried out pursuant to a new building permit. Upon completion of the Project, there will be a newly constructed multiple dwelling on the land which was eligible for 421-a benefits for the reasons set forth in Section "B" above. Accordingly, the Project will meet the requirements of Section 6-02(b).

Not Used as a Hotel or Single Room Occupancy

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

Construction Requirements

Room Requirements

Section 6-02(e)(2) of the Rules requires that, in building containing more than 100 dwelling Units, not less than ten percent (10%) of the dwelling Units shall contain at least 4.5 rooms and not less than an additional fifteen percent (15%) of the dwelling Units shall contain at least 3.5 rooms. Room count is defined in Section 6-01(c) of the Rules, as amended. **You have represented to us that the Project will contain less than 100 dwelling Units, and therefore, this requirement does not apply.**

Class "A" Unit Replacement

Section 6-02(3)(3) of the Rules requires that a project with more than twenty (20) dwelling Units contain at least five (5) dwelling Units for each Class "A" dwelling Unit in existence on the Site during the period immediately preceding the Commencement of Construction. **You have represented to us that there will be at least five (5) dwelling Units for each Class "A" dwelling Unit in existence on the Site during the period immediately preceding the Commencement of Construction.**

Limitation on Other Real Estate Tax Benefits

Section 2(c)(I) of the 421-a statute provides that a multiple dwelling shall be eligible for tax benefits pursuant to that section only if "exemption from taxes is not availed of concurrently under any other law". **You have represented to us and we assume for the purposes of this opinion letter that the Project will not receive real estate tax benefits under any other State or local law or regulation.**

II. Timing Requirements:

Project Commencement

The RPTL states that in order for a project to qualify for 421-a benefits, construction must commence prior to December 31, 2007. **You have represented to us that the Project construction had commenced prior to December 31, 2007.**

Application Timing

Section 6-05(b) and 6-05(d) of the Rules impose specific timing requirements for filing applications for Preliminary and Final Certificates of Eligibility. **You have represented to us and we assume that you will comply with these requirements.**

III. Condominium / Cooperative Requirement:

Section 6-05(d)(1)(iii) of the Rules require that if a project is to be owned as a Condominium or cooperative, you must provide a statement that if the prospective Condominium or cooperative Plans have not been declared effective for filing at a time fifteen months after the issuance of a final certificate of eligibility, you must register these rental Units with the New York State Division of Housing and Community Renewal within fifteen days after the fifteen month period. If the building is not occupied at such time, you shall submit an affidavit of intent to register all Units as they become occupied. **We assume that you will comply with these requirements.**

IV. Community Board Notice Requirement:

Section 6-03 of the Rules requires that a 421-a Application for a project containing more than twenty (20) dwelling Units be submitted to the Community Board in which the project is located. **Based on your representations to us the 421-a Application for the project was submitted to the local Community Board.**

V. Duration of Benefits:

Section 6-02(d)(3) of the Rules establishes the duration of the 421-a partial tax exemption. Section 6-02(d)(3) of the Rules states that a partial real estate tax exemption for a maximum of three (3) years is available during construction and for fifteen (15) years post-construction on tax lots in the Boroughs of the Kings, Bronx, Queens, Staten Island and in Manhattan north of 110th Street, the construction of which commenced on or after July 1, 1985, unless such multiple dwellings are eligible for the twenty-five year exemption described in Section 6-02(d)(5). **Based upon the information provided to us by the New York City Department of Housing Preservation and Development, the Project should be eligible for the construction period and the fifteen (15) year post construction partial real estate tax exemptions.**

The fifteen (15) year post construction partial real estate exemption applies to the "increase" in a property's assessed valuation above the taxable assessment in the tax year prior to commencement of construction. The post construction partial tax exemption takes effect during the tax year following the January 5th after the New York City Department of Buildings has issued a temporary or permanent Certificate of Occupancy (completion of construction) for all residential Units in a project. The fifteen (15) post construction partial tax exemption occurs on a sliding scale as follows:

Fiscal Tax Year July 1 to June 30 Following the Completion of Construction	Percentage of Increased Assessment Exempt from Taxes
Years 1-11	100%
Year 12	80%
Year 13	60%
Year 14	40%
Year 15	20%
Year 16	0%

VI. Reduction of Benefit for Excess Commercial, Community Facility or Accessory Space:

Section 6-06(b) of the Rules provides for the tax exemption benefit granted by Section 421-a to be reduced if the floor area of the project's Commercial, Community Facility and accessory use space exceeds twelve percent (12%) of the Aggregate Floor Area. **You have stated to us that there are three (3) Community Facility Units which do not exceed 12% of the Aggregate Floor Area.**

VII. Counsel's Opinion:

Based upon the information which you have provided to us and the assumptions stated herein, we believe that the project will be eligible for a construction period partial tax exemption and a **fifteen (15) year** post construction partial tax exemption, as provided by Section 421-a. Except as stated specifically herein, this letter is based solely upon the information which you provided to us and the assumptions stated herein. We have not verified any of your statements or investigated the accuracy of our assumptions. The Project must satisfy all statutory and regulatory requirements of Section 421-a in order to be eligible for benefits and we cannot render a final opinion regarding eligibility until all documentation required for a Certificate of Eligibility has been provided to us and reviewed. This letter relates only to the above captioned Site and Project and the specific facts and circumstances you have provided to us in connection therewith.

VIII. Limitations:

This is an opinion and not a guaranty that the Site and Project will qualify for real estate tax benefits pursuant to Section 421-a of the Real Property Tax Law. No warranties are made that the laws and regulations upon which this opinion is based will not be changed. In no event will we be liable to any party if the Site and Project fails to qualify for such real estate tax benefits for any reason beyond our control including, but not limited to changes to Section 421-a or to the regulations issued thereunder or to decisional law thereunder. This opinion is made only for the benefit of the addressees of this letter.

Very truly yours,

Gary Rosen

W. RESERVE FUND

The Condominium will not have funds as a reserve for capital expenditures. Since no Reserve Fund is being funded by the Sponsor under this Plan, and the budget for the First Year of Condominium Operations does not provide for yearly contributions to a Reserve Fund for capital expenditures, Sponsor does not represent or warrant that the Condominium will have sufficient funds for any such capital expenditures within or after five years following the Closing Date should such capital expenditures be needed.

However, the budget for the First Year of Condominium Operations as set forth in this Plan provides for an amount for contingencies, which the Board of Managers may elect to use to apply to some or all of the costs of any such needed capital expenditures.

Neither the Sponsor, nor Unit Owners are required to make any contributions to a Reserve Fund.

Should monies be required by the Condominium for capital expenditures, the Condominium Board could vote to obtain loans for required expenditures as provided by the New York Real Property Law. Real Property Law § 339-jj states:

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

part of the same for any other purpose, and (d) agree that at the lender's direction it will increase common charges to the extent necessary to pay any amount when due under any of the provisions of the agreements under which the debt was incurred. The preceding sentence shall not be construed to authorize the Board of Managers to create a lien on the Common Elements. Any such assignment may provide that, in the event of a default, the lender shall have the right of the Board of Managers to file liens in the lender's name on Units for unpaid common charges pursuant to sections three hundred thirty-nine-z and three hundred thirty-nine-aa of this article and the right to foreclose such liens pursuant to section three hundred thirty-nine-aa of this article.

3. Nothing in this section shall impair rights under any loan or other agreement existing prior to the effective date of this section or limit any right or power that a Board of Managers would otherwise have.

X. WORKING CAPITAL FUND

In addition to the payment of the first month of common charges, pro-rated for the remaining number of days in the month from the date of closing, each Unit Owner will also pay an amount equal to two months' Common Charges then in effect for the Unit pursuant to the budget in accordance with Schedule A hereto, as the same may be amended from time to time at the closing of title to his or her Unit for a Working Capital fund of the Condominium.

The Working Capital Fund will depend on the timing of the closing of title to individual Condominium Units and any expenditure made by the Condominium Board from such fund. The contribution is not refundable or transferable if Purchaser sells his or her Condominium Unit.

The initial Working Capital will be used for Working Capital and to pay for insurance premiums and other items in the budget which will be payable prior to the time that sufficient monthly Common Charges and assessments have accrued to pay these items. While the Sponsor is in control of the Board of Managers of the Condominium, the Working Capital fund may be used to pay Common Expenses of the Condominium. The purpose of the Working Capital fund is created by each Purchaser making a contribution equal to two months' Common Charges then in effect for the Unit pursuant to the budget in accordance with Schedule A hereto, as the same may be amended from time to time to provide initial funds to the Condominium so that the Condominium will have funds to operate.

The Sponsor will be responsible for all of the required operating expenses of the Property prior to the date of the closing of title to the first Unit pursuant to the Plan. The Condominium shall be required to pay all of the operating expenses of the Property accruing on or after the date of the closing of title to the first Unit pursuant to the Plan.

The following items shall be apportioned between the Sponsor and the Condominium Board and further allocated by the Condominium Board as follows: a) water charges and sewer rents (unless separately assessed to Units) based on the fiscal year therefore, or, if there be water meters on the Property, the Sponsor shall furnish readings to a date not more than thirty (30) days prior to the date of the closing of title to the first Unit pursuant to the Plan and the unfixed water charges and the unfixed sewer rents, if any, based thereon for the interim shall be apportioned on the basis of such last reading; b) deposits, fees, charges or payments in connection with all permits, licenses, utilities, service and maintenance agreements which are assigned by the Sponsor to the Condominium; c) the cost of fuel on hand, if any, as estimated by the Sponsor's supplier and any other supplies on hand; d) insurance premiums for transferable policies, if any, which Sponsor transfers to the Condominium; e) employees' wages (vacation and severance pay, pension and welfare benefits) and any other payments or obligations relative to employees, if any; f) charges for electricity for the Common Elements; and g) operating expenses and any other prepaid items

(including, without limitation, charges for oil and electricity for the Building, if applicable). In addition, the Sponsor shall pay all installments for assessments due prior of closing of title to the first Unit pursuant to the Plan and the Condominium shall pay all such installments due after such date.

If the net closing adjustments are in favor of the Sponsor, then the amount of such net closing adjustments shall be paid to the Sponsor in twelve (12) equal monthly installments commencing one month after the date of closing of the first Unit, in accordance with a promissory note of the Condominium to be delivered to Sponsor on the Closing Date pursuant to the Plan. The note shall mature on the first anniversary of the date of closing of the first Unit at which time all unpaid principal shall be due and payable. The note shall not provide for interest, except that from and after the maturity, whether by acceleration or otherwise, the note shall bear interest at the lesser of (i) 18% per annum or (ii) the highest rate permitted by law. It is noted that net closing adjustments in favor of Sponsor, if any, generally represent costs for which the Condominium is responsible that have been prepared by Sponsor for a period covering part or all of the first year of Condominium operation, and as such, the amount thereof is reflected in Schedule B – Budget for First Year of Condominium Operation. The Condominium Board shall include in the Common Charges payable by the Unit Owners in their respective share of such Note, allocated as set forth above.

Except as expressly provided in this Section of the Plan, Sponsor shall have no obligation to establish or make any contributions to a Working Capital fund or Reserve Fund of any kind with respect to the Condominium or the Property.

So long as a majority of the members of the Board are the Sponsor's representatives, the Sponsor's representatives shall not use the Working Capital Fund to reduce or decrease the monthly Common Charges projected in Schedule A, however, the Working Capital Fund may be used for building improvements.

No representation is made by Sponsor that the Working Capital Fund will be adequate to cover current or future expenses, including repairs or replacements. If additional funds are required over and above the Working Capital Fund for the payment of items not covered by Sponsor's obligations, it may be necessary to increase Common Charges.

Neither the Department of Law nor any other governmental agency has passed on the adequacy of the Working Capital Fund.

The Condominium Board could vote to obtain loans for required expenditures as provided by the New York Real Property Law.

Y. MANAGEMENT, AGREEMENTS, CONTRACTS AND LEASES

Management.

The affairs and management of the Condominium shall be managed by Impact Real Estate Management, Inc., pursuant to a written management agreement. Sponsor will enter into a written agreement with Impact Real Estate Management, Inc. for a term of two years to manage the condominium. The agreement may be terminated in the event of managing agent's fraud, misappropriation of condominium funds, embezzlement, or the like. The management agreement may not be assigned. The Board of Managers and the managing agent may agree to continue the management relationship after the end of the initial term. The annual management fee of $15,000.00 per year shall be paid to Impact, together with disbursements anticipated to be approximately $1,000.00 per year.

The Sedgwick Condominium shall indemnify and hold the managing agent harmless from any lawsuits as a result of the actions of managing agent in its performance of its normal course of its duties.

The Managing Agent will be expected to prepare budgets at least annually, cause all maintenance, repairs and replacements necessary or required for the Common Elements and certain Limited Common Elements of the Condominium, cause additions, alterations or improvements to be made to the Condominium, and obtain and maintain insurances for the Condominium, at the sole cost and expense of the Condominium.

The duties of the Board of Managers with respect to management of the Condominium are set forth in Section "R" & "S" of this Offering Plan. Certain of the duties of the Board of Manager will be delegated to the Managing Agent. The Managing Agent as directed by the Board of Managers shall be responsible for hiring any appropriate repair service and to ensure that such service will make any emergency repairs to the Common Elements. The Managing Agent will supervise the labor hired by the Board of Managers. In the event that the Board determines that additional labor is required in the future, common charges will be increased to cover the increased or new costs of labor. (See Part I, Section "F"(ii)).

The Board of Managers and the Managing Agent as directed by the Board of Managers will be responsible for, among others:

(a) Cause the Common Elements to be operated and maintained as required by the Condominium;

(b) Cause to be hired, paid and supervised, all persons needed for the proper operation and maintenance of the Common Elements;

(c) Do all things necessary to comply with laws, rules and orders applicable to the Common Elements;

(d) Enter into contracts for maintenance services and the purchase of supplies;

(e) Effect insurance coverage required by the Condominium;

(f) Cause prompt payment by the Condominium of accounts payable, real estate and other taxes and mortgage debt service applicable to any property owned by the Condominium, etc.;

(g) Maintain an operating bank account for the Condominium;

(h) Upon request by the Board of Managers, sell and lease reacquired Units of the Condominium;

(i) Supervise the collection of common charges and assessments from Unit Owners;

(j) Consider and, when reasonable, attend to complaints of Unit Owners, tenants and subtenants, provided that if it shall deem any complaint unreasonable it shall so advise the Board of Managers and give reasons for its opinion;

(k) Set up and keep in good order the minute books, records and files of the Condominium;

(l) Prepare and file employee reports, forms, etc.;

(m) Cooperate with the accountants and auditors engaged by the Board of Managers in regard to the preparation of all tax returns and annual statements;

(n) Prepare, for consideration by the Board of Managers, proposed annual operating budgets;

(o) Send all notices, reports, etc. to the Board of Managers and Unit Owners;

(p) Supervise the moving in and out of Unit Owners, tenants and subtenants;

(q) Submit monthly statements to the designated officers of the Condominium showing collections, disbursements and amounts necessary to reserve or withhold, if any, to meet the obligations of the Condominium;

(r) Send to each Unit Owner each year a statement furnished by the accountant of the Condominium, showing tax data relevant to the Unit Owners;

(s) Make all arrangements necessary for the holding of the meetings of the Unit Owners and the Board of Managers of the Condominium;

(t) At the direction of the Board of Managers carry out required procedures and give required notifications as set forth in the Condominium Declaration and By-Laws, in connection with the exercise of right of first refusal on proposed sale or lease of Units; and

(u) Generally, do all things reasonably deemed necessary or desirable by the Board of Managers of the Condominium for the proper management of the Property.

In the event that the Board of Managers controlled by the Unit Owners decides to hire a management agent, the common charges can be expected to increase by at least ten percent.

Contracts.

The Sponsor will not bind the Condominium to any contracts.

The Condominium will only be bound by contracts made by the Board of Managers.

Leases.

The Condominium will not be bound by any leases.

Z. IDENTITY OF PARTIES

Sponsor.

The Sponsor of the Offering Plan and the Selling Agent is, Sedgwick Condos LLC.

The Sponsor's address is 242-01 Braddock Avenue, Bellerose, New York 11426.

The Sponsor is a New York Limited Liability Company organized on November 10, 2006.

The principals of the Sponsor are Neil J. Weissman, Jacob Rad and Francesca Madruga.

The Sponsor, Sedgwick Condos LLC has no prior experience as a selling agent of Condominium Units.

The sponsor's principals, Neil J. Weissman, Jacob Rad and Francesca Madruga have been involved in the real estate, building and construction industry for over five years as a developer and general contractors.

There are no other cooperatives, Condominiums or homeowners associations in New York State filed within the past five years where the Sponsor or a principal of Sponsor is an owner or Principal or the owner of shares or Units therein and where in the aggregate such owner owns more than 10% of the shares or Units, other than:

Neil Jeffrey Weissman and Jacob Rad have been the principal and sponsor of: The Corona Plaza Condominium, file number CD-05-0247, located at 102-14 Lewis Avenue, Corona, New York. The aforesaid condominium offering plan was accepted for filing by the New York State Department of Law on September 13, 2006 and has been declared effective as a Condominium.

Neil Jeffrey Weissman, Jacob Rad and Francesca Madruga have been the principal and sponsor of: The Highbridge Heights Condominium, file number CD-05-0405, located at 1209, 1211, 1213, 1215, 1217, 1219 and 1221 Nelson Avenue, Bronx, New York. The aforesaid condominium offering plan was accepted by the New York State Department of Law on November 30, 2005 and has been declared effective as a Condominium. All Units have closed.

Neil Jeffrey Weissman, Jacob Rad and Francesca Madruga have been the principal and sponsor of: The Heath Avenue Condominium, file number CD-06-0300, located at 3097, 3099, 3101, 3103 Heath Avenue, Bronx, New York. The aforesaid condominium offering plan has been accepted for the New York State Department of Law on September 27, 2006. This plan has been declared effective.

Neil Jeffrey Weissman, Jacob Rad and Francesca Madruga have been the principal and sponsor of: The Crotona Towers Condominium, file number CD-06-0568, located at 2135 Crotona Avenue, Bronx, New York. The aforesaid condominium offering plan has been accepted for the New York State Department of Law on November 21, 2006. This plan has been declared effective.

The term "Principal" as used herein shall mean a "Principal" as presently defined under the regulations of the Department of Law of the State of New York".

There are no other members in the Sponsor entity and only Neil Jeffrey Weissman, Jacob Rad and Francesca Madruga have participated in the Planning or consummation of the Condominium Plan.

Only Neil Jeffrey Weissman, Jacob Rad and Francesca Madruga are principals pursuant to 13 NYCRR §20.1(c)(2)

No principal of Sponsor has been convicted of a felony, has filed bankruptcy, has been convicted of a crime or has been subject to an injunction or judgment.

Attorneys.

Gary Rosen Law Firm, P.A., 249-02 Jericho Turnpike, Floral Park, New York 11001 represents the Sponsor in connection with all legal matters pertaining to this Offering Plan. Gary Rosen, Esq. prepared this Offering Plan.

Gary Rosen Law Firm, P.A., 249-02 Jericho Turnpike, Floral Park, New York 11001 will act as escrow agent and will represent the Sponsor in connection with the individual Unit closings.

Selling Agent.

The Sponsor, Sedgwick Condos LLC, 242-01 Braddock Avenue, Bellerose, New York 11426 is also the Selling Agent of the Condominium Units. The Sponsor has had no experience as the Selling Agent of any other Condominium project.

Architect.

The Sponsor's Architect – Icon Engineering, P.C., 26 Allenwood road, Great Neck, New York 11023 is the project architect. The Description of Property and Specifications set forth in Part II of this Offering Plan was prepared by and certified by Reza Khamcy, P.E., of Icon Engineering, P.C. Mr. Khamcy has a B.S. in Engineering. Mr. Khamcy is a licensed Professional Engineer in the State of New York. The Sponsor's Architect prepared the Floor Plans of Units set forth in Part II of this Offering Plan and the Floor Plans which will be filed with the New York City Real Property Assessment Department required in order to create the Condominium. Mr. Khamcy has experience providing architectural services for over ten (10) years for various residential and commercial projects in New York State.

Condominium Budget Expert.

Sponsor has engaged Barnett Maller, Licensed Real Estate Broker, with an office located at 249-02 Jericho Turnpike, Bellerose, New York 11001 as Sponsor's Budget Expert. The Budget Expert estimated all amounts of income and expenses in "Schedule B – First Year's Budget" in consultation with Sponsor. The Budget Expert has rendered a Certification as to the adequacy of the First Year's Budget and a Certification as to the Adequacy of Common Charges which may be found in Part II of this Offering Plan.

Insurance.

The estimated insurance rates have been proposed by RJW Brokerage Corp., 651 Willowbrook Road, Staten Island, New York 10306. The insurance estimate has been included in this Offering Plan in reliance upon the opinions of said broker and upon its authority as an expert. Sponsor has no knowledge that this estimate is not correct.

Title Company.

Ultimate Abstract Services LLC, 121 West Oak Street, Amityville, New York 11701 has reviewed the Offering Plan and the Condominium Documents and has committed to insure that a valid Condominium will be created pursuant to the Condominium Act. The Title Company is prepared to issue fee and/or mortgage title insurance policies to those Purchasers who request them. Purchasers may select any title company that they choose to utilize for the Purchase of Condominium Units.

Managing Agent.

The Sponsor will bind the Condominium to a contract for management of the condominium. A contract will be executed between the Sponsor and Impact Real Estate Management, Inc., located at 111-17A Roosevelt Avenue, Flushing, New York 11368. Impact Real Estate Management, Inc. will manage the condominium for a period of two years at an annual management fee of $15,000.00 per year plus disbursements expected to be approximately $1,000.00 per year. The contract for the management services may be cancelled by the management agent or the sponsor for cause.

Relationships.

There are no relationship between the Sponsor or its principal and the Architect, the Attorneys or any person or firm who will provide services to the Condominium subsequent to the First Closing, the Managing Agent, the Experts relied upon by Sponsor, Insurance Broker or Title Company. Neither Architect, Attorneys, Experts relied upon by Sponsor, Insurance Broker or Title Company has any financial interests in the Property, the Units, the Condominium, or this Offering, except for their fees for services rendered.

AA. REPORTS TO THE UNIT OWNERS

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

(1) A financial statement of the Condominium prepared by a certified public accountant or public accountant within five months after the end of each fiscal year of the Condominium. Such statement shall be certified while the Sponsor is in control of the Board of Managers;

(2) At least thirty days prior notice of the annual Unit Owners' meeting; and

(3) A copy of the proposed annual budget of the Condominium at least thirty days prior to the date set for adoption thereof by the Board of Managers.

While the Sponsor is in control of the Board of Managers such budget shall be certified in compliance with 20.4(d) of Part 20 of Title 13 NYCRR.

BB. DOCUMENTS ON FILE

Pursuant to Section 352-e of the New York General Business Law, the Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan, on file and available for inspection without charge and copying at a reasonable charge at a specified location for six (6) years from the date of first closing. In addition, the Sponsor shall deliver to the Board of Managers a copy of all documents filed with the appropriate recording office at the time of the closing of the first Unit.

The Declaration and the By-Laws will be recorded in the City Register's Office prior to or concurrently with the First Closing, and a copy thereof will be furnished to the Board of Managers at such time.

CC. GENERAL

Pending Litigation

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

Prior Offerings

To the Sponsor's knowledge, the property has not been the subject of any prior cooperative or Condominium offerings. There have been no preliminary binding agreements entered into and no money has been collected from prospective Purchasers. No contracts or agreements have been entered into by the Sponsor and no deposits or advances have been accepted as of the date this Offering Plan was accepted for filing with the Department of Law.

Sponsor has tested the market pursuant to Cooperative Policy Statement No. 1. under File No. CP07-0047. No reservations or deposits for Condominium Units were taken by the Sponsor during any market test period.

Non-Discrimination

The Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, sexual orientation, marital status or other grounds prohibited by law.

Right of Rescission

A Purchaser shall have the right to rescind Purchase Agreements following a substantive or material revisions to the Offering Plan that adversely affects the Purchaser. If an amendment materially adversely affects the rights, obligations or liabilities of then existing Purchasers, or substantially and materially reduces the undertaking or obligations of the Sponsor, Purchasers shall have the right to rescind their Purchase Agreements by notice personally delivered or sent by certified mail to the Sponsor within fifteen (15) days after the date of service of the amendment, and the Sponsor shall refund any payments made by such Purchaser pursuant to his Purchase Agreement with interest earned thereon, if any, within thirty (30) days of receipt of such notice of rescission. However, such rescission, as to Purchasers who are then tenants of the Building, shall be conditioned on the cancellation of any interim or other lease and surrender of possession of their Unit.

No Circumstances Existing Which May Affect Use or Enjoyment of Property

There are no circumstances presently existing which may affect use or enjoyment of the property and appurtenances, such as reciprocal covenants or easements, impending adjacent high-rise construction, any usage restriction by statute, ordinance or zoning resolution such as specified occupancy percentage by certified artists, or historic district or landmark designation, unless disclosed elsewhere in the Plan.

No Contracts Entered Into For Sale of Any Unit

No contracts or agreement have been entered into and no deposits or advances of funds have been accepted as of the date of this Offering Plan for any Condominium Unit.

All Units Are Vacant

All Units are vacant and not occupied by any tenants as of the date of this Offering Plan for any Condominium Unit.

This Plan As Fair Summary

This Plan contains a fair summary of the material provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents.

No person has been authorized to make any representation which is not contained herein. Information, data or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. This Plan may not be changed or modified orally.

The documents and reports contained in Part II of this Plan are an integral part of the Plan and should be considered carefully by prospective Purchasers. Merely reviewing the summaries of documents set forth in Part I of the Plan is no substitute for a careful review of the actual documents, some of which are set forth in Part II of the Plan and others of which are available for inspection by all prospective Purchasers at the office of the Sponsor. Therefore, prospective Purchasers and their attorneys and other, financial advisors should read the entire Plan, which consists of Part I and Part II, and should review all documents in connection with the Plan.

Inconsistencies

In the event of any inconsistency between the provisions of this Plan and the provisions of the Purchase Agreement, the provisions of the Plan shall govern. In the event of any inconsistencies between the provisions of the Plan and the provisions of the Declaration and/or By-Laws, the provisions of the Plan shall govern until the Closing Date, following which, the provisions of the Declaration and By-Laws shall govern.

DD. SPONSOR'S STATEMENT OF SPECIFICATIONS OF BUILDING CONDITION

Sponsor hereby adopts the description of property and building condition set forth in Part II, Section "II" of the Plan. Sponsor has no knowledge of any material defects or need for major repairs to the property except as set forth in the Description of Property and Building Condition.

Date of Offering Plan: October 3, 2007
Bellerose, New York

SEDGWICK CONDOS LLC
Sponsor

PART II

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SEDGWICK CONDOMINIUM
2792, 2794 & 2796 Sedgwick Avenue,
Bronx, New York

AGREEMENT, made as of _____, 200__, between Seller / Sponsor and Purchaser (defined below).

W I T N E S S E T H:

Sedgwick Condos LLC, with an address of 242-01 Braddock Avenue, Bellerose, New York 11426, a New York Limited Liability Company ("Seller") has promulgated a Plan of Condominium Ownership of Sedgwick Condominium ("the Plan") pursuant to which the land with appurtenances and the Units ("the Units") being constructed thereon by Seller, located in the City of New York, Bronx County, State of New York, will be declared to be a Condominium under the provisions of Article 9-B of the Real Property Law of the State of New York on the terms and conditions more particularly set forth in the Plan.

NOW, THEREFORE, for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, of which is hereby acknowledged, Seller and Purchaser mutually agree as follows:

The name of the Condominium is SEDGWICK CONDOMINIUM.

The name of the Sponsor is Sedgwick Condos LLC, with an address of 242-01 Braddock Avenue, Bellerose, New York 11426, a New York Limited Liability Company ("Seller").

The address of the Property is 2792, 2794 & 2796 Sedgwick Avenue, Bronx, New York.

Purchaser agrees to Purchaser the Unit designated as Unit Number _____ (the "Unit"), with its undivided _____% of interest in the Common Elements appurtenant to such Unit ,

and PARKING SPACE # PK-____, with its undivided _____% of interest in the Common Elements appurtenant to such Parking Space Unit .

The Purchaser's name, residence address, if an individual, or business address, if an entity is:

_____ **("Purchaser")**

_____

_____**New York** _____

The Purchaser's telephone number is _____.

The Purchaser's social security number or federal identification number is _____.

Purchaser's Attorney is _____, with an address

located at _____.

Fax # _____, Phone # _____

The Purchase Price is: $_____.

The Down Payment payable herewith is: $_____.

The balance of the Purchase Price is due at closing is $_____

The mortgage amount is: $_____ (the "Mortgage Amount")

The Selling Agent or Real Estate Broker is: _____.

The closing of title shall occur at the offices of Seller's attorneys or at such other place as Seller shall designate and at a time and on a date ("Closing Date") designated by Seller which is not earlier than thirty (30) days after the Plan has been declared effective provided that on or before the Closing Date there shall have been accepted for filing an amendment disclosing the basis of the effectiveness of the Plan. It is anticipated that the closing date will be on or about _____ **("projected closing date")**, however, there is no guaranty or warranty by the Sponsor that the projected date will be the actual date of the closing.

1 **The Plan.**

1.1 PURCHASER ACKNOWLEDGES HAVING RECEIVED AND READ A COPY OF THE OFFERING PLAN FOR SEDGWICK CONDOMINIUM AND ALL AMENDMENTS THERETO, IF ANY, FILED WITH THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK AT LEAST THREE (3) FULL BUSINESS DAYS PRIOR TO EXECUTING THIS AGREEMENT. If Purchaser has not received and read the Offering Plan and all amendments thereto at least three (3) full days prior to Purchaser's signing this Agreement, Purchaser shall have the right to rescind this Agreement, by sending written notice of such rescission to Sponsor by certified mail, return receipt requested, or by personal delivery, in either case within seven (7) days from the date Purchaser delivers an executed Purchase Agreement together with the required Deposit to the Selling Agent or Sponsor's Attorney.

The Offering Plan, including the Schedules, the Declaration, By-Laws and Exhibits and any filed amendments are hereinafter collectively referred to as the "Plan". In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern. Purchaser also acknowledges and agrees that the Plan may be amended from time to time by the Seller and any such amendment shall neither excuse Purchaser from performing any of its obligations hereunder nor entitle Purchaser to any abatement in the Purchase Price. Any such amendments (i) may be made without Purchaser's consent or approval, except as otherwise provided in "Changes in Prices or Units" and the other provisions of the Plan, and (ii) shall not entitle Purchaser to a right of rescission, except as set forth in the Plan. Purchaser acknowledges that Purchaser has had a full opportunity to examine all documents referred to in the Plan and investigate all statements made in the Plan. Terms not defined in this Agreement shall have the meanings given them in the Plan.

1.2 Purchaser has been given an opportunity to examine the architectural Plans for the above Unit and for the building in which it is located.

1.2.1 The Plan, which includes the Declaration of Condominium and By-Laws, is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. Purchaser should carefully read the Plan as it contains important provisions regarding rights and obligations under this Contract. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern.

2. Definitions.

2.1 Terms used herein which are also used in the Plan shall have the same meanings herein as in the Plan unless the context otherwise requires.

3. Agreement to Purchase.

3.1 Seller agrees to sell and convey, and Purchaser agrees to purchase, the above described Unit together with the above-stated Common Interest appurtenant thereto (collectively "Unit") for the Purchase Price stated above, upon and subject to the terms and conditions set forth in this Agreement.

4. Payment of the Purchase Price.

The Purchaser shall deliver herewith, to the Seller, Purchaser's check to the order of the "Gary Rosen Law Firm, P.A., Sedgwick Condominium IOLA Escrow Account " as escrow agent under the Plan for Sedgwick Condominium, for the amount of the above-stated Down Payment, subject to collection. The balance of the Purchase Price shall be paid to Seller at closing.

Except for the Down Payment, which is to be paid as provided above, any payments to be made by Purchaser under this Agreement (including without limitation, the payment

of the balance of the Purchase Price), whether to, on behalf of or at the request of Seller, shall be made by unendorsed certified check, or bank check, drawn in either case on a member bank of the New York Clearing House Association payable to the order of the Seller, subject to collection.

If any check for any payment to be made by Purchaser under this Agreement (including without limitation, the Down Payment) shall be dishonored for any reason whatsoever, it shall be deemed a material default by Purchaser hereunder and Seller may, in that event, cancel this Agreement and notwithstanding such cancellation, be entitled to recover the amount of such check in addition to any other sums Seller may be entitled to under this Agreement and, in such event, Purchaser shall reimburse Seller for the costs and expenses (including, but not limited to, reasonable attorneys' fees) of collection of any such check or other instrument).

At the request of Seller on closing, Purchaser shall pay balance of the Purchase Price to such payees as Seller shall direct. At Seller's option, Purchaser may be required to pay part or all of the balance of the Purchase Price by electronic transfer.

5. Closing of Title

5.1 The closing of title shall occur at the offices of Seller's attorneys or at such other place as Seller shall designate and at a time and on a date ("Closing Date") designated by Seller which is not earlier than thirty (30) days after the Plan has been declared effective provided that on or before the Closing Date there shall have been accepted for filing an amendment disclosing the basis of the effectiveness of the Plan. Seller shall give Purchaser notice of the scheduled Closing Date at least thirty (30) days in advance thereof. Seller shall have the right to adjourn the date of closing of title from time to time by written notice to Purchaser. If the closing is adjourned by Seller, then Seller shall fix a new date and time for closing and shall give Purchaser not less than ten (10) days prior written notice of the new scheduled date and time for closing. Closing of title shall occur only after or concurrently with compliance with the requisites to closing set forth in the Plan. Notwithstanding the foregoing, if the date of this Purchase Agreement is after the closing of the sale of the first Unit under the Plan, then the Closing Date shall be that date which is 45 days after the date of this Agreement and Seller shall not be required to give Purchaser notice of the Closing Date. Purchaser may waive the applicable notice period by execution of a waiver in the form set forth as Schedule "A-1" to the Purchase Agreement.

5.2 The term "Closing Date" or "closing of title" or words of similar import, whenever used herein, shall mean the date designated by Seller on which the deed to the Unit is to be delivered to Purchaser or any adjourned date fixed by Seller pursuant to subsection 5.1 hereof.

5.3 Title to the Unit will close only after or concurrently with the occurrence of the events required under the Plan.

5.4 In the event the dwelling or its environs are not complete on the date set by the Seller for closing of title, same shall not constitute an objection to closing title, provided the Seller shall, by letter agreement to survive title closing, agree to complete any open items within a reasonable time after closing, weather and circumstances permitting.

5.5 At the closing of title the Seller will deliver the usual certificates available and it is further agreed that title will not close without Purchaser's consent until either a temporary or permanent Certificate of Occupancy has been issued covering the building in which the Unit is located. Prior to issuance of a final Certificate of Occupancy no structural changes shall be made to either the interior or exterior of Purchaser's Unit without prior written consent from the Seller. If any changes are made, by the Purchaser and final Certificate of Occupancy cannot be issued because of such changes, the Seller shall make such alterations to the structure to meet the building department requirements at full cost to the Purchaser, and the Purchaser shall further be liable to the Seller for any escrow monies held for the procurement of the final Certificate of Occupancy.

6. Delivery of Deed and Unit Power of Attorney to the Board.

6.1 At the closing of title on the Closing Date, upon receipt by Seller of all payments and documents required hereunder, Seller shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying title to the Unit to Purchaser, substantially the form contained in Part II of the Plan, conveying the Unit to Purchaser as provided in the Plan, subject to the exceptions referred to on Schedule "A" annexed hereto, in the Declaration, By-Laws, the Plan and Exhibits thereto. The deed shall be executed and acknowledged by Seller, and shall be in form for recording.

6.2 Purchaser shall pay all New York State and New York City Real Property Transfer Taxes and the cost of recording all documents delivered or executed at the closing.

6.3 Seller and Purchaser shall duly execute and swear to a New York State Transfer Tax Return and New York City Real Property Transfer Tax return and any form then required by law, all of which shall be prepared by Seller.

6.4 At the closing of title and simultaneously with the delivery of the deed conveying the Unit to Purchaser, the Purchaser shall execute and acknowledge a Power of Attorney to the Board of Managers prepared by Seller and substantially in the form set forth in Part II, Section "GG" of the Plan, and Purchaser shall pay any net adjustments in favor of Seller, Purchaser's closing costs and fees and any processing fees, as provided in the Plan, and pay to the Condominium the contributions to the Working Capital Fund required to be made by each Purchaser as provided in the Plan, together with all other payments to or deposits with the Condominium as may be provided in the Plan.

6.5 The Deed and Power of Attorney to the Board of Managers shall be delivered to the representative of the title company insuring Purchaser's title (or if no such representative is present, then to Seller's attorney) for recording in the Bronx County Register's Office. After being recorded, the deed shall be returned to Purchaser and the Power of Attorney shall be sent to the Board of Managers.

6.6 Anything to the contrary herein contained notwithstanding, it is specifically understood and agreed by the acceptance of the delivery of the deed at the time of closing of title hereunder shall constitute full compliance by the Seller with the terms of this Agreement and none of the terms hereof, except as otherwise herein expressly provided, shall survive the delivery and acceptance of the deed. All provisions contained in the Offering Plan shall survive delivery of the deed.

7. State of Title

On the Closing Date, Seller shall convey to Purchaser good and marketable title in fee simple to the Unit, free and clear of all encumbrances other than the Permitted Encumbrances set forth in the Plan. Seller shall have no obligation to cause Purchaser's title company, if any, to omit any exceptions to title. Any encumbrance to which title is not to be subject shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or Prior to the closing of title to the proper party or Purchaser's title insurance company together with the recording or filing fee or (b) Purchaser's title insurance company will insure Purchaser that it will not be collected out of the Unit if it is a lien, or it will not be enforced against the Unit if it is not a lien. Title insurance will be available from COMMONWEALTH LAND TITLE INSURANCE COMPANY through its agent Ultimate Abstract Services LLC, 121 West Oak Street, Amityville, New York 11701.

8. Closing Adjustments

8.1 The following adjustments shall be made as midnight of the day preceding the Closing Date with respect to the Unit, except as provided in the Plan:

a. If the Unit is separately assessed as of the Closing Date, then, real estate taxes and assessments against the Unit (if any) on the basis of the period for which assessed;

b. If the Unit is not separately assessed as of the Closing Date, then adjustments for real estate taxes and assessments against the Unit shall be calculated based upon the product of the real estate taxes and assessments against the entire building on the basis of the period for which assessed multiplied by a fraction of which the numerator is the Common Interest appurtenant to the Unit and the denominator is 100% (Example, the common interest of the Unit is 15% = 15%/100%).

c. Common charges for the month in which title closes;

d. Accrued rent and any other charges pursuant to the lease, if any, covering the Unit; and

e. The "Customs in Respect of 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 otherwise provided herein.

f. Other Customary Adjustments, including water charges and sewer rents, if separately assessed, on the basis of the period for which assessed.

8.2 If the closing of title occurs before the tax rate is fixed, adjustments of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title.

8.3 If Purchaser fails to close on the Closing Date for any reason, then (i) the closing adjustments shall be made as of midnight of the day preceding the Closing Date originally specified by the Seller (or the originally scheduled closing date specified in this Agreement, as the case may be) and (ii) Purchaser shall pay to Seller, as a late fee, an amount equal to 0.03% times the unpaid balance of the Purchase Price for his Unit for each days delay, beginning with the date originally scheduled for the Closing Date to and including the day immediately preceding the actual Closing Date. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Seller postpones the Closing Date except to the extent that thereafter the Purchaser postpones the closing for any reason or is in default.

8.4 Any errors or omissions calculating apportionments at closing shall be corrected and, any payment shall be made to the proper party promptly after discovery. This provision shall survive closing of title.

9. <u>Closing Costs.</u>

9.1 Purchaser will pay the closing costs and expenses referred to in the Section of the Plan (as same may be amended to date) entitled "Closing Costs and Adjustments".

9.2 To the extent that the Purchaser is entitled to any credit against the mortgage recording tax by reason of any prior mortgage against the Unit or the Property, the Purchaser shall pay to the Seller at the closing for such Unit the amount of any such credit.

9.3 Purchaser will pay legal fees of Purchaser's counsel, if any.

9.4 Purchaser will pay any net adjustments in favor of Seller, if any.

9.5 Purchaser shall be required to pay to the Inspection fees to any Inspector hired by Purchaser, if any;

9.6 Purchaser shall be required to pay appraisal fees, if any, required by Purchaser or Purchaser's lender;

9.7 Purchaser shall be required to pay to the Seller survey and surveying services fee of $200.00;

9.8 Purchaser shall be required to pay the actual costs for title examination and policy insuring the Lender's and/or owners interest;

9.9 Purchaser shall be required to pay to the any lender's attorneys' fees for preparation of all loan documents;

9.10 Purchaser shall be required to pay to the Seller all commitment fees, points, origination fees and other fees and charges (howsoever characterized) imposed or exacted by the Lender or incurred by Seller or Purchaser in connection with Purchaser's mortgage loan;

9.11 Purchaser shall be required to pay to the title company or to the appropriate governmental authority, mortgage recording taxes, if any;

9.12 Purchaser shall be required to pay to the to the title company or to the appropriate governmental authority, governmental charges which may be assessed on account of the mortgage loan;

9.13 Purchaser shall be required to pay to the title company or to the appropriate governmental authority, the New York State Real Estate Transfer Tax and New York City Real Property Transfer Tax on the conveyance; Purchaser's responsibility to pay real property transfer taxes shall include any increases or additions to such taxes which are due by reason of the fact that Purchaser is paying such taxes instead of Seller. Seller and Purchaser shall duly execute and swear to any transfer tax return and any other form then required by law, all of which shall be prepared by Seller;

9.14 Purchaser shall be required to pay to the title company or to the appropriate governmental authority, real estate and real property transfer tax and mansion tax, if any, on the deed; Purchaser's responsibility to pay real property transfer taxes shall include any increases or additions to such taxes which are due by reason of the fact that Purchaser is paying such taxes instead of Seller. Seller and Purchaser shall duly execute and swear to any transfer tax return and any other form then required by law, all of which shall be prepared by Seller;

9.15 Purchaser shall be required to pay all recording and filing charges payable to any public official;

9.16 Purchaser shall be required to pay to the seller water and sewer tap and connection fees, water meter deposit, water value, water meter reading equipment and water and sewer test fees, if applicable;

9.17 In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the New York Condominium Act, it is specifically understood that such credit shall Inure to the benefit of the Sponsor. Accordingly, at closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. At the closing of title, Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed;

9.18 Purchaser shall be required to pay to the Seller an initial non-reimbursable Working Capital contribution in the sum equal to two months' Common Charges then in effect for the Unit pursuant to the budget in accordance with Schedule A hereto, as the same may be amended from time to time;

9.19 Purchaser shall be required to pay to the title company or to the appropriate governmental authority, the required fees for recordation or filing of the Unit Power of Attorney in favor of the Board of Managers to be executed by Purchaser at Closing;

9.20 Purchaser shall be required to pay to the Seller first month's common charges to the Condominium;

9.21 Purchaser shall be required to pay to the Seller or Seller's attorneys a fee in the sum of $1,250.00[4] for each Unit purchased which will cover the document preparation fees and other fees and expenses of processing the sale of the Unit, at the same time as the balance of the purchase price for the Unit is due and payable hereunder;

9.22 Purchaser shall be required to pay to the Seller an additional attendance travel fee if the closing does at the offices of Seller's attorney as stated in the Offering Plan;

9.23 Purchaser may adjourn the closing date which is set forth in the contract one time for an adjourned period of up to 15 days. If the Purchaser adjourns the closing as permitted herein, then the adjourned date is made "time of the essence". Purchasers shall pay to Seller's counsel the sum of $350.00 if Purchaser does not close title to his or her Unit on the date stated in the notice of closing or if the Purchaser's lender requires the closing to be at a place other than that indicated in the notice of closing.

Purchaser shall be required to pay to the Seller Amount equal to one and one-half percent (1.50%) of the sales price of the Unit as a fee to Seller for Seller filing for partial tax exemption benefits pursuant to Section 421-a of the New York State Real Property Tax Law (There is no guaranty by Sponsor, Sponsor's counsel or Sponsor's consultants, that tax abatement or tax exemption benefits will be granted)

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[4] See Section P(I)(E) of the Offering Plan for possible other charges.

9.24 As of the filing date of the Plan, the State of New York Insurance Department has interpreted Section 6409(d) of the New York Insurance Law as prohibiting a seller of real property from requiring a Purchaser of real property to pay a fee for using a title abstract company and/or title agent of the Purchaser's choice while exempting a Purchaser who uses the title abstract company and/or title agent chosen by the seller from paying such fee. In the event of a change or clarification of, or applicable ruling with respect to, such interpretation permitting the charging of such fee: if Purchaser chooses (or is required by its lender) to obtain title insurance, Purchaser may use any title insurance company it desires, however, if Purchaser shall use an abstract company or title insurance company other than Ultimate Abstract Services LLC, 121 West Oak Street, Amityville, New York 11701, or such other or additional company or companies designated by Sponsor in an amendment to this Plan (any of the foregoing the "Title Company") and Sponsor incurs additional legal fees or expenses as a result of such other company's form of title report or clearing the title exceptions, or addressing the requirements of such other abstract or title insurance company, then Purchaser shall reimburse Sponsor or pay directly to Sponsor's Counsel the amount of such legal fees and expenses so incurred, not to exceed $650.00 per closing.

10 Federal Form 1099.

10.1 The party required by law to file an Internal Revenue Service Form 1099 with respect to the sale of the Unit pursuant to the Internal Revenue Code shall do so.

11 Payment; Moneys to be held in Trust

11.1 The required Down Payment pursuant to this Agreement will be 10% of the Purchase Price for the Unit set forth in the Plan, as amended, which Down Payment shall be increased by special work or materials, if any, offered by Seller and ordered by Purchaser as itemized in Addendum No. 1 of this Agreement. If there is no special work or materials to be included, then no Addendum No. 1 will be attached hereto.

11.2 The Down Payment will be placed, within five business days after the date on which such Down Payment has been unconditionally tendered in a special escrow account of Gary Rosen Law Firm, P.A., 249-02 Jericho Turnpike, Floral Park, New York 11001 at North Fork Bank, 252-25 Union Turnpike, Bellerose, New York 11426 in an account entitled "Gary Rosen Law Firm, P.A., Sedgwick Condominium IOLA Escrow Account " in accordance with Section 71-a (3) of the Lien Law of the State of New York. Such funds will be held in trust in accordance with the escrow and trust provisions of Section 352 (h) and 352-e(2-b) of the General Business Law of the State of New York and the regulations, if any, promulgated pursuant to said Section 352-e (2-b). Such funds will be disbursed only upon signature of Gary Rosen, Esq., Seller's attorney, in accordance with the provisions of the Plan. The Bank is covered by federal bank deposit insurance generally to a maximum of $100,000 in the aggregate with respect to all funds deposited by any person in one or more deposit accounts (including, without limit, amount deposited directly by such person and Deposits held in escrow for such person by the escrow agent). If Purchaser makes a Deposit in excess of $100,000 for

the purchase of a Unit, or if the amount of such Purchaser's deposits at the Bank and such Deposit exceed $100,000, the aggregate of such Deposit and all other such deposits will generally not be federally insured in excess of $100,000. Purchaser's attorney, in lieu of Purchaser will receive notice of the bank where the deposit was deposited (Exhibit "A-2").

11.3 As an alternative to depositing down payments in an escrow account as set forth above, seller may post a bond or indemnity contract with a licensed surety company, in accordance with regulations adopted by the Attorney General, insuring return of such monies, a copy of which bond or contract shall be delivered to the Purchaser.

11.4 Down Payments will be retained in escrow or bonded as set forth above until: (i) Seller performs under the terms of the Purchase Agreement or (ii) Purchaser rescinds (due to inability to obtain financing or otherwise) or defaults in performance, thereby excusing performance by Seller, or (iii) release or discharge of Seller's liability to refund such Down Payment , or (iv) upon transfer of title to the Unit to the Purchaser, or by mutual consent of Seller and Purchaser.

11.5 Within ten (10) business days after tender of the deposit submitted with the subscription or purchase agreement, Escrow Agent shall notify the Purchaser of the deposit of such funds in the bank-indicated in the Offering Plan, provide the account number, and disclose the initial interest rate, if any. If the Purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the Purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or Purchaser. At closing, the Purchaser shall execute the release form annexed to and made a part of the Purchase Agreement as Exhibit "A-3" at closing.

12. Binding Effect of Declaration, By-Laws and Rules and Regulations

12.1 Purchaser hereby accepts and approves the Plan including the Declaration, By-Laws and Rules and Regulations contained therein and agrees to abide by and be bound by the terms and conditions thereof.

13. Agreement Subject to Mortgage.

13.1 Purchaser agrees that all terms shall be subject and subordinate to the lien of any building loan mortgage or development loan mortgage heretofore or hereafter made and any advances heretofore or hereafter made thereon and any payments or expenses already made or incurred or ,which may hereafter be made or incurred, pursuant to the terms thereof or incidental thereto, or to protect the security thereof, to the full extent thereof without the execution of any further legal documents by Purchaser. This subordination shall apply whether such advances are voluntary or

involuntary and whether made in accordance with the building loan schedule or Payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments. Notwithstanding anything to the contrary contained in this Paragraph, however, on the Closing Date the Unit will be delivered by Seller free of any mortgage liens.

14. Mortgage Contingency. (Delete if inapplicable)

14.1 The obligations of Purchaser under this contract are subject to the issuance of a commitment letter by a bank or other institution as defined in Section 274-a of the New York Real Property Law ("Institutional Lender") to Purchaser, on or before thirty (30) days after the date of receipt by Purchaser of a fully executed copy of this Agreement, pursuant to which such Institutional Lender agrees to make a first mortgage loan, other than a VA, FHA or other governmentally issued loan, to Purchaser, at Purchaser's sole cost and expense, in the amount of the Mortgage Amount set forth above or such lesser sum as Purchaser shall be willing to accept, at the prevailing fixed or adjustable rate of interest for a term of at least thirty years and on all other customary commitment terms, whether or not conditional upon any factors other than an appraisal satisfactory to the Institutional Lender.

14.2 In the event that a Purchaser elects to make his Purchase Agreement subject to obtaining financing, then Purchaser: a) Must apply for said financing within three (3) days from the date of receipt of an executed copy of the Purchase Agreement; b) Must notify the Sponsor within five (5) days after the three (3) day period referred to in sub-paragraph (a) of the name and address of the financial institution to whom application was made and the date when said application was submitted; c) Must notify the Sponsor whether the application is accepted or rejected; d) Must request any and all renewals or extensions of the financing commitment so that said commitment will be in force at the closing of title; e) Shall have thirty (30) days from the date of execution of the Purchase Agreement in order to obtain the required financing; or the Sponsor may attempt to obtain a commitment from another lending institution for a Purchase Money Mortgage Loan covering the Unit in the same amount on substantially the same terms and conditions within forty-five (45) days thereafter; or the Sponsor may agree to take back a Purchase Money Mortgage in that amount or substantially the same terms and conditions; or Sponsor or Purchaser may elect to rescind the Purchase Agreement by notice to the other sent by certified mail, return receipt requested, within ten (10) days after the expiration of Sponsor's time to procure such commitment. If a Purchaser's obligations are contingent on obtaining a financing commitment and the financing commitment lapses or expires prior to closing, and the Purchaser has made a good faith effort to extend the commitment, Sponsor grants to such Purchaser a right of rescission and a reasonable period of time to exercise the right of rescission.

Within seven (7) business days of receipt of notice by Purchaser that the commitment has not been procured within the contingency period, Seller shall elect by notice in writing to Purchaser to (i) cancel this Contract, (ii) extend the term of the contingency period unless Purchaser has theretofore delivered a written rejection from the

Institutional Lender to which the original application was made, or (iii) attempt to procure or provide alternate financing (as provided below). If Seller elects to attempt to procure or provide alternate financing, Seller shall have thirty (30) days from the date of its election to either (a) secure a mortgage loan commitment for Purchaser from the same or another lending institution in the same amount and on substantially the same terms as stated in subparagraph "14.1" of this Paragraph or (b) take back a purchase money mortgage in the same amount and on substantially the same terms as set forth in subparagraph "all of this Paragraph, except that the term shall be for no more than ten (10) years. In the event that Seller is unable to obtain or provide alternate financing within such thirty (30) day period or any extended commitment period expires without Purchaser having obtained a mortgage commitment, and provided that Purchaser shall have fulfilled all of Purchaser's obligations under this Paragraph "14", either Seller or Purchaser shall have the right to terminate this contract on notice to the other in writing within seven (7) days of the later to occur of the expiration of the alternate financing period or extended commitment period, and this contract shall become null and void and both parties shall be released and discharged from all liability under this contract, except that the Down Payment under this contract shall be promptly refunded to Purchaser without interest.

14.3 If Purchaser fails to give notice of cancellation within the time provided above or if Purchaser shall accept a commitment that does not comply with the terms set forth above, Purchaser shall be deemed to have waived Purchaser's right to cancel this Contract and to receive a refund of the Downpayment .

14.4 Once the mortgage commitment is issued by the Institutional Lender, its withdrawal by the Institutional Lender based upon any willful change in Purchaser's circumstances shall still obligate Purchaser to close or his Purchaser will be deemed to be in default of this Agreement. It is the obligation of Purchaser to keep the mortgage commitment in full force until the closing of title.

14.5 The failure of Purchaser to comply with the terms and conditions of the Commitment does not relieve Purchaser of his or her obligation to close title.

15. Default by Purchaser

The time for the payment of the balance of the Purchase Price and the performance of Purchaser's obligations under this Agreement is TIME OF THE ESSENCE.

The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to pay any Additional Deposit on the date set forth in this Agreement if required, Purchaser's failure to pay the Balance of the Purchase Price, or any closing adjustment or closing cost required to be paid by Purchaser as set forth in the Plan or in this Agreement, or the dishonor of any check given by Purchaser to Sponsor; or

(ii) Purchaser's failure to pay, perform or observe any of Purchaser's other obligations under this Agreement or the Offering Plan;

(iii) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(iv) If a non-bankruptcy trustee or receiver is appointed over the Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(v) If a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the judgment or lien; or

(vi) Purchaser's assignment of this Agreement without the prior written consent of Sponsor; or

(vii) An Event of Default by Purchaser beyond any applicable grace period under a Purchase Agreement between Purchaser and Sponsor for another Unit at the Property.

Upon the occurrence of an Event of Default, Sponsor, in its sole discretion, may elect by notice to Purchaser to (i) cancel this Agreement or (ii) seek specific performance of this Agreement. If Sponsor elects to cancel this Agreement, Purchaser shall have thirty (30) days from the giving of the notice of cancellation to cure the specified default. If the default is not cured within such thirty (30) days, then this Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, the entire Deposit and any interest earned on the Deposit, if any. Upon the cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. If Sponsor elects to seek specific performance, then Purchaser shall have thirty (30) days from the giving of notice of Sponsor's election to close on the Unit in accordance with this Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled (including, but not limited to, reasonable legal fees and costs of collection).

Sponsor must make a written demand for payment after default at least thirty (30) days before forfeiture of the deposit may be declared.

Notwithstanding the foregoing, in the event Purchaser fails to close title on the designated date and Seller does not elect to cancel this Agreement, Seller shall also have the right to approve a request from Purchaser to adjourn the Closing Date and in such event (a) Purchaser shall Pay Seller interest at the rate of 10.95% per annum on the entire amount of the purchase price computed from the original Closing Date until

this transaction is actually closed, (b) all apportionments between Seller and Purchaser shall be made as of the original Closing Date and (c) Purchaser shall reimburse Seller for any additional costs incurred by Seller as a result of Purchaser's delay.

16. Agreement Subject to Plan Being Effective

16.1 The performance by Seller of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan.

16.2 The Plan may be withdrawn or abandoned by Seller only under certain conditions and at certain times, as set forth in the Plan.

16.3 Provided Purchaser is not then in default under this Agreement beyond any applicable grace period, if title to the Unit does not close within the time set forth in this Contract for any reason other than Purchaser's default, this Agreement shall be deemed canceled and, not later than thirty (30) days thereafter, Seller shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, and upon making such payment, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

17 Seller's Inability to Convey the Unit

17.1 The parties hereby agree that the Seller may cancel this Agreement by forwarding its check in the full amount paid by the Purchaser, together with a notice in writing, addressed to the Purchaser at their address hereinabove set forth in the event of the occurrence of any of the following: (a) that any governmental bureau, department of subdivision thereto shall impose restrictions on the manufacture, sale, distribution and/or use of materials from its regular suppliers or from using same in the construction and/or completion of the Unit; or (b) that the Seller is unable to obtain materials from its usual sources due to strikes, lockouts, war, military operations and requirements or national emergencies, or the installation of public utilities is restricted or curtailed; (c) that economic conditions are such that the Seller cannot obtain labor and or materials in quantities and/or at prices presently contemplated; (d) any occurrence, delay, accident, or act of God which limits Seller's ability to promptly perform under the terms of this Contract; or (e) that the installation of utilities is delayed, restricted or curtailed; (f) that should any zoning or building restrictions and regulations, imposed by any governmental body having jurisdiction over the construction of the residential housing and appurtenances conveyed hereunder, either presently in effect, or as enacted or promulgated in the future, create or impose requirements upon the Seller which are not presently contemplated, this Contract may be canceled with notice as hereinabove provided.

18 Fixtures, Appliances and Personal Property.

18.1 Only those fixtures, appliances and items of personal property which are described in the Plan as being included in the Unit are included in this sale. No portion of the Purchase Price shall be attributable to such items.

19 Acceptance of Condition of Unit; Changes in Materials; Selection of Colors; Exterior.

19.1 Purchaser shall accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (i) minor details of the Unit or the Building in which it is located or (ii) other Units or (iii) the landscaped areas or (iv) other portions of the Common Elements have not been completed. Purchaser will examine his Unit with a representative of the Seller during normal business hours prior to the Closing Date and will sign and deliver to Seller on or before the Closing Date an inspection statement acknowledging the condition in which he has received his Unit.

19.2 The Seller reserves the right to (i) make changes or substitutions of materials or construction for items as set forth in the Plan, models or Building Plans, provided any such changes are of substantially equal value and quality, (ii) determine the exterior color and design, location of building, grading and design of all plots and dwellings to fit into the general pattern of the Community and to comply with requirements of law, (iii) determine elevation and location of foundations, walks, entrances, stoops and patios to conform with topographical conditions. The Seller agrees to notify Purchaser of any material changes, specifications, deviations, additions or deletions which may materially adversely affect Purchaser and as otherwise required by the Plan. If said major change affect Common Areas or Limited Common Areas, if any, it will be disclosed by a duly filed amendment to the Plan.

19.3 It is further agreed that wherever the Purchaser has the right to make a selection of construction changes, optional extras, colors, fixtures and/or materials, he shall do so within five (5) days after demand therefore. The selections are to be made at Seller's sales and display offices or as otherwise directed by Seller. In the event the Purchaser fails to make such selection within such period, the Seller shall have the right to use its own judgment in the selection of colors, fixtures and materials and the Purchaser shall accept the same. Such written demand shall be made by ordinary mail addressed to the Purchaser at the address herein set forth.

19.4 Any extras by Purchaser shall be paid for in full at the time of the order. If for any reason the Sponsor fails to install said extras in accordance with the work order, the limit of the Sponsor's liability is a refund of the amount of the charge. Purchaser shall not be entitled to a refund of amounts paid on account of extras or changes for any reason whatsoever, including the failure of the lending institution to approve their Purchase Money Mortgage. Construction must proceed by a scheduled Plan. Any items not paid for cannot be installed and construction will not be delayed for ordered items not paid for in advance. Selection of any extras also cannot hold up the

Progression of any job. If delays are deemed unreasonable by Sponsor, Seller has the right to complete the job according to standard specifications, and will return to Purchaser any sums of money paid to him for extras not actually installed.

20 Damages to the Unit.

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

20.2 The risk of loss to the Unit by fire or other casualty until the earlier of closing of title or Possession of the Unit by Purchaser, is assumed by Seller, but without any obligation or liability by Seller to repair or restore the Unit. In the event of damage or destruction of the Unit due to fire or other casualty prior to the closing of title and the election by Seller to repair or restore the Unit, this Agreement shall continue in full force or effect. Purchaser shall not have the right to reject title or receive credit against, or abatement in, the Purchase Price and Seller shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Board and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Seller and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Seller. The provisions of the preceding sentence shall survive the closing of title.

20.3 In the event of damage to or destruction of the Unit by fire or other casualty prior to the closing of title, and if Seller notifies Purchaser that it does not elect to repair or restore the Unit or, if the Declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed canceled and of no further force or effect and Seller shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, and neither party shall have any further rights, obligations or liability to or against the other and 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 shall retain all such sums deposited by Purchaser hereunder, together with interest earned thereon, as and for liquidated damages.

21 Seller's Right to Enter

21.1 The Purchaser does hereby authorize and grant to the Seller the irrevocable right to enter into, upon and over and under the Unit as provided in the Plan, for such purposes as may be reasonably necessary for the Seller or his agents to complete the project of which this Unit is a part. Any damages incurred shall be repaired at the cost of the Seller. Purchaser agrees to do nothing that will prevent the Seller from obtaining a Certificate of Occupancy for these premises. This provision shall survive delivery of the deed.

22 Restriction on Purchaser's Right to Enter

22.1 It is expressly understood and agreed that the Purchaser shall in no event take possession of the premises prior to the time of the delivery of the deed and full compliance by the Purchaser with the terms of this Agreement, and should the Purchaser violate this provision, the Purchaser consents that the Seller shall have the right to remove him from the premises as a squatter and intruder by summary proceedings. Upon the Purchaser's unauthorized possession, the Purchaser shall be deemed in default hereunder, at the option of the Seller and, upon such election, the amount paid hereunder shall belong to the Seller as liquidated damages and the contract shall be deemed canceled. It is further understood and agreed that the Seller will not be responsible for damage or loss to any property belonging to the Purchaser, whether same is delivered to the property on or after the closing of title herein.

22.2 Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Unit within the seven (7) calendar day period prior to the Closing Date. Purchaser or Purchaser's duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth as Schedule A-5 to this Agreement) and deliver same to the Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within the three (3) day period prior to the Closing Date or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from paying the balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit "as is". However, nothing herein shall relieve Sponsor of its obligations as set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor".

22.3 Any work set forth on the Inspection Statement may be completed by Sponsor in a reasonable period of time following the Closing and shall not be grounds for delaying the Closing. Purchaser will be required to provide Sponsor with reasonable access to the Unit subsequent to the Closing in order to complete punch list work. Sponsor has no obligation under the Plan to deposit any monies in escrow at Closing as a result of any punch list items.

23 No Representations

23.1 Except as specifically set forth herein or in the Plan, Purchaser acknowledges that he has not relied upon any architect's Plan, sales Plans, selling brochures, advertisements, representations, warranties or statements of any nature, whether made by Seller, Seller's Counsel or Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Building or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the building services, the estimated common charges and expenses allocable to the Unit or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if the layout or

dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor Plans or on the architectural Plans and specifications for the Building or site Plan are not accurate or correct provided such layout or dimensions conform substantially to the floor Plans and the architectural Plans and specifications for the Building and the site as modified or supplemented in accordance with the Plan. The provisions of this Article shall survive the closing of title.

24 Limited Warranty

24.1 LIMITED WARRANTY – THE LIMITED WARRANY SET FORTH IN PART II, SECTION "JJ" ANNEXED HERETO AND INCORPORATED HEREIN BY REFERENCE (THE "LIMITED WARRANTY") IS IN PLACE OF AND EXCLUDES THE HOUSING MERCHANT IMPLIED WARRANTY, AS DEFINED IN ARTICLE 36-B OF THE NEW YORK GENERAL BUSINESS LAW, AS SAME MAY BE AMENDED FROM TIME TO TIME, AND ALSO EXCLUDES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THIS CONTRACT AND THE CONSTRUCITON AND SALE OF THE RESIDENTIAL UNIT. SELLER MAKES NO HOUSING MERCHANT IMPLIED WARRANTY AND, EXCEPT AS EXPRESSLY SET FORTH IN THE LIMITED WARRANTY, SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, IN CONNECTION WITH THIS CONTRACT AND THE CONSTRUCTION AND SALE OF THE RESIDENTIAL UNIT, WHICH EXTEND BEYOND THE FACT THEREOF.

24.2 PRIOR TO THE EXECUTION OF THIS CONTRACT BY PURCHASER, PURCHASER ACKNOWLEDGES THAT SELLER HAS SUPPLIED TO PURCHASER FOR EXAMINATION AND PURCHASER HAS RECEIVED, READ AND UNDERSTOOD A WRITTEN COPY OF THE EXPRESS TERMS OF THE LIMITED WARRANTY.

24.3 THIS PARAGRAPH "24" SHALL SURVIVE DELIVERY OF THE DEED.

24.4 PURCHASER ACKNOWLEDGES THAT A WRITTEN COPY OF THE TERMS OF THE LIMITED WARRANTY WHICH IS SET FORTH IN THE OFFERING PLAN HAS BEEN PROVIDED FOR THE PURCHASER'S EXAMINATION PRIOR TO THE TIME OF THE PURCHASER'S EXECUTION OF THIS AGREEMENT.

25 Broker.

25.1 Purchaser represents to Seller that the real estate broker named above is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction, and Seller agrees to pay the commission earned by said broker pursuant to separate agreement. Purchaser agrees that should any claim be made against Seller for Commissions by any broker, other than the broker named above, on account of any acts of Purchaser or Purchaser's representative, Purchaser will indemnify and hold

Seller free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this article shall survive the closing of title.

26 Agreement May Not Be Assigned, Unit Is Restricted From Resale .

26.1 Purchaser shall have no right to assign this agreement without the prior consent in writing of Seller. Any purported assignment of this Agreement in violation hereof shall be voidable at the option of Seller.

27. Binding Effect

27.1 This Agreement shall not be binding upon Purchaser or Seller until a fully executed counterpart hereof has been delivered by Purchaser and Seller. If this Agreement is not accepted by Seller within thirty (30) days from the date hereof by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed to have been rejected and canceled and the deposit paid on the execution hereof shall be promptly returned to Purchaser.

28. Notices.

Any notice to be given hereunder shall be in writing and sent by registered or certified mail postage prepaid or delivered in person or overnight mail via United States Postal Service, United Parcel Service, FedEx, or Airborne Express, with receipt acknowledged, to Purchaser at the address given above and to Seller at 242-01 Braddock Avenue, Bellerose, New York 11426 (with copy to Gary Rosen Law Firm, P.A., 249-02 Jericho Turnpike, Floral Park, New York 11001) or such other address as either party may hereafter designate to the other in writing. Each notice mailed as provided above shall be deemed given on the third business day following the date of mailing and each notice delivered in person or by overnight mail shall be deemed given when delivered.

29. Joint Purchasers.

29.1 If two or more persons are named as Purchaser herein, any one of them is hereby made agent for the others in all matters of any kind or nature relating to this Contract and their respective obligations shall be joint and several.

30. Liability of Seller.

30.1 Seller shall not have any liability to any Purchaser 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 reasonable reserve for, any liabilities of Seller arising out of the consummation of the transactions contemplated in the Plan, except as specifically set forth in the Plan provided that such limitation shall not apply to any violation of Article 23-A of the General Business Law.

30.2 The Purchaser understands and agrees that it may not under any circumstances file a notice of pendency or "lis pendens" on the Condominium Unit which is the basis of this Purchase Agreement and may not file a notice of pendency or "lis pendens" on any portion of the subject Condominium. Purchaser's sole remedy against the Sponsor shall be to commence an action in any Court having jurisdiction over the Sponsor.

31. Further Assurances.

31.1 Each party shall, at any time and from time to time, execute, acknowledge and deliver to the other party such instruments and documents, and take such other actions, as such 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 such transaction. This Paragraph shall survive closing.

32. Severability.

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

33. Strict Compliance.

33.1 Any failure by Seller to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Seller, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be Performed by Purchaser.

34. Governing Law.

34.1 The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

35. Waiver of Jury

35.1 Except as prohibited by law, the parties shall and they hereby do expressly waive trial by jury in any litigation, action, proceeding or counterclaim arising out of, or connected with, or relating to this Agreement or the relationship created hereby or in the Offering Plan. With respect to any matter for which a jury trial cannot be waived, the

parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

36. Entire Agreement

36.1 This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof. Purchaser acknowledges and agrees that the Plan may be amended from time to time as provided for in the Plan and that this Agreement may be amended by Seller to conform to the provisions of any such amendment by delivering a notice thereof (which notice may consist of a copy of any such amendment), subject however to any rights which Purchaser may have as provided for in the Plan. This Agreement and the Plan cannot be changed or terminated orally. Any changes or additional provisions must be set forth in writing only.

37. Gender, etc

37.1 Any singular word or term herein shall also be read as in the plural and the neuter shall include the masculine and feminine gender whenever the context of this Contract requires.

38. Captions and Certain References.

38.1 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. 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. The terms "herein", "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Agreement.

39. Amendment of Purchase Agreement.

39.1 Neither this Agreement nor any provision hereof may be waived, amended, altered, modified or discharged except by agreement in writing by the party sought to be charged therewith.

40. Successors and Assigns.

40.1 The provisions of this Agreement shall bind Purchaser, his or her heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Seller and its successors and assigns.

41. Attorneys.

41.1 The parties hereby authorize their respective attorneys to agree in writing to any changes in dates and time periods provided in this Contract. The attorneys representing the Seller or any Lender represent such parties only and not the Purchaser. The Purchaser may retain independent counsel at Purchaser's own expense in order to protect Purchaser's own interest.

42. Reporting.

42.1 Seller and Purchaser shall comply with Internal Revenue Code reporting requirements, if applicable. This Paragraph shall survive closing.

43. No Third Party Beneficiaries.

43.1 This Contract is intended for the exclusive benefit of the parties hereto and, except as otherwise expressly provided herein, shall not be for the benefit of, and shall not create any rights in, or be enforceable by, any other person or entity.

44. New York State Real Property Transfer Gains Tax and New York City Real Property Transfer Tax.

44.1 Purchaser agrees to cooperate fully with Seller and to complete, sign and deliver to Seller all forms and other documents to facilitate a pre-closing audit or other procedure required pursuant to Article 31-B of the New York State Tax Law and any other laws, rules and regulations, if required by law. Purchaser agrees to execute any forms required to effectuate the transfer of the subject Condominium Unit and to execute any other form required by the State of New York or Seller in connection with said taxes. Failure by Purchaser to comply with this Paragraph shall be deemed a default under this Agreement.

45. Acceptance by Seller.

45.1 Within thirty days after delivery by Purchaser to Seller or to Seller's agent of this Agreement as executed by Purchaser, Seller will either (a) accept this Agreement and cause it to be returned to Purchaser a fully executed counterpart thereof, or (b) reject this Agreement and refund the down payment tendered by Purchaser. THE SUBMISSION OF THIS AGREEMENT SHALL NOT BE DEEMED TO CONSTITUTE AN OFFER TO SELL, OR AN OPTION TO PURCHASE, AND THIS AGREEMENT SHALL NOT BE BINDING UPON SELLER UNLESS AND UNTIL IT IS EXECUTED AND DELIVERED BY BOTH PURCHASER AND SELLER AND, IN SUCH EVENT, SUBJECT TO ALL OF THE TERMS AND CONDITIONS HEREOF.

46. No Recordation.

46.1 This Agreement shall not be recorded by Purchaser without the express written consent of Seller. Any purported recordation thereof by Purchaser shall be void and shall constitute a material default by Purchaser hereunder.

47. Foreign Investment in Real Property Tax Act .

47.1 Pursuant to the Foreign Investment in Real Property Tax Act ("FIRPTA"), upon disposition of a United States real property interest by a foreign person on or after January 1, 1985, the Purchaser of such real property interest must deduct and withhold a tax equal to ten percent (10%) of the purchase price unless the seller furnishes a certificate that it is not a foreign entity or individual. Seller will furnish to Purchaser a non-foreign certification at closing, thereby complying with FIRPTA and relieving Purchaser from any withholding obligations. .

48. Rules of Construction.

48.1 There shall be no presumption against the draftsman of this Agreement or the Offering Plan.

49. Confidentiality.

49.1 Sponsor and Purchaser hereby acknowledge and agree to keep all of the terms and conditions of this Agreement confidential. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties respective lawyers, architect/engineers, accountants, lenders, individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Purchaser of the parties undertaking of confidentiality contained in this Agreement. Any failure by Purchaser to keep the terms and conditions of this Agreement confidential shall be a default by Purchaser entitling Sponsor to the default remedies set forth in this Agreement.

50. Waiver of Diplomatic or Sovereign Immunity.

50.1 The provisions of this Article shall survive the closing of title or the termination of this Agreement for the purpose of any suit, action or proceeding arising directly or indirectly, out of or relating to this Agreement.

50.2 If Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to diplomatic or sovereign immunity, Purchaser hereby designates a duly authorized and lawful agent to receive process for an on behalf of Purchaser in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement or this Condominium Documents.

50.3 If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. Section 4305, Purchaser shall notify the Untied States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

51. <u>Purchaser to complete Form W-9 or Form W-8BEN.</u>

51.1 The Purchaser shall complete an Internal Revenue Service Form W-9 (Request for Taxpayer Identification Number and Certification) (Exhibit "A-4") or IRS Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding)and return to Sponsor together with the Purchase Agreement.

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

PURCHASER(S):	**PURCHASER(S):**
_____	_____
Social Security # _____	**Social Security #** _____

SPONSOR:
Sedgwick Condos LLC

By: _____

Name: _____,

Title: MEMBER

SCHEDULE A – PERMITTED EXCEPTIONS

1. Zoning and other regulations, resolution and ordinances and any amendments thereto now or hereafter adopted provided they are not violated by the existing building and improvements erected on the property or the use thereof.

2. Any state of facts which a survey or personal inspection of the property or the Unit would show, provided such facts would not prevent the use of the Unit for dwelling purposes or render title unmarketable.

3. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the By-Laws and the Rules and Regulations, the Power of Attorney from Purchaser to the Board of Managers and the floor Plans, all as may be amended from time to time.

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

5. Any easement or right of use in favor of any utility company for construction, use or maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the property and any covenant, restriction and agreement of record; provided same are not violated by the present structure and the use of the Unit for dwelling purposes.

6. Revocability of licenses for vault space, if any, under the sidewalks and streets.

7. Any Easement or right of use required by Sponsor or its designee to obtain a temporary, permanent or amended Certificate of Occupancy for the Building or any part of the Building.

8. Encroachments of the structure or structures now on the Premises and of structures in the neighboring premises encroaching on the subject Premises and upon any street or highway, or adjoining premises, if any, including but not limited to areas, shrubs, retaining walls, windows, cellar steps and/or doors, stoops, ornamental projections, trim and cornices, fences, fire escapes, if any, upon streets or highways and/or record property lines; and any variation between record property lines, and fences and/or walls and the record map.

9. Leases and/or service, maintenance, employment, concessionaire and/or license agreements, if any, of other Units or portions of the Common Elements.

10. The lien of any unpaid common charge, real estate tax, water charges, sewer rent or vault charge provided the same are adjusted at the closing of title and/or are not yet due and payable.

11. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Seller shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and Purchaser shall pay all assessments due from and after the Closing Date.

12. Any declaration or other instrument affecting the Property which the Sponsor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

13. Any encumbrance as to which the Title Company (or such other New York Board of Title Underwriters member title insurance company which insures the Purchaser's title to the Unit) would be willing, in a fee policy issued by it to the Purchaser, to insure the Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien.

14. Any other encumbrance, covenant, easement, agreement or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

15. Any proposed, adopted or actual widening of any street, abutting or adjacent to the property provided same do not affect the existing structure or the use thereof as a residential dwelling.

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

17. Standard printed exceptions contained in the form of fee title insurance policy then issued by the Title Company who is a member of New York Board of Title Underwriters.

18. Any Certificate of Occupancy for the Building, so long as the same permits, or does not prohibit, use of the Unit for its stated purposes.

19. Survey of the Premises.

20. Declaration of Zoning Lot Restriction, if any, that have been filed with regard to the subject property.

Exhibit "A-1"
Waiver of Notice of Closing

_____, being duly sworn, does hereby depose and state:

1) I am the Purchaser of Unit ____ at 2792, 2794 & 2796 Sedgwick Avenue, Bronx, County of Bronx, New York, a Unit at SEDGWICK CONDOMINIUM.

2) Pursuant to a Purchase Agreement dated _____, 200__, I am entitled to thirty (30) days written notice of the closing for my Unit.

3) I hereby waive the applicable notice provision contained in the Purchase Agreement and agree to close on _____ ____, 200__.

_____
Purchaser

_____
Purchaser

_____
Purchaser

Sworn to before me this

_____ day of _____, 200__

_____
Notary Public

Exhibit "A-2"
Tender of Escrow Deposit

Gary Rosen Law Firm, P.A.,
249-02 Jericho Turnpike,
Floral Park, New York 11001
516-437-3400

Dated: _____

To: [Purchasers Attorney]
_____
_____

RE: Your Client: _____
Our Client: Sedgwick Condos LLC

Premises: Unit _____
SEDGWICK CONDOMINIUM
2792, 2794 & 2796 Sedgwick Avenue
Bronx, New York

Dear Sir or Madam:

Enclosed herewith please find two (2) fully executed contracts of sale for the above captioned premises.

Kindly furnish us with a title report as soon as possible.

The down payment in the sum of $_____ has been deposited in North Fork Bank, 252-25 Union Turnpike, Bellerose, New York 11426 in account no. _____.

Thank you very much,

Very truly yours,

Gary Rosen, Esq.

Exhibit "A-3"
Form for the Release of Escrow Funds

Dated: _____, 200__

Gary Rosen Law Firm, P.A.,
249-02 Jericho Turnpike,
Floral Park, New York 11001

RE: SEDGWICK CONDOMINIUM
Unit # _____
2792, 2794 & 2796 Sedgwick Avenue
Bronx, New York

Gentlemen:

You have been holding in a trust account my/our Downpayment for the above reference Condominium Unit in the amount of $_____. I/we acknowledge that a closing has occurred on this date. Accordingly, Gary Rosen Law Firm, P.A., and Gary Rosen, Esq. is authorized to release the funds being held in said amount to whomever the Sponsor so designates. In addition, Gary Rosen Law Firm, P.A., and Gary Rosen, Esq. as escrow agent on said account, is hereby released from any liability or further obligation to me/us with respect to said Downpayment.

Very truly yours,

_____
Purchaser

_____
Purchaser

_____
for Sponsor

Exhibit "A-4"

Form **W-9**
(Rev. November 2005)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)

Business name, if different from above

Check appropriate box: ☐ Individual/ Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ▶ ☐ Exempt from backup withholding

Address (number, street, and apt. or suite no.) | Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
| | | – | | – | | | | |

or

Employer identification number
| | – | | | | | | | |

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here | **Signature of U.S. person ▶** | **Date ▶**

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

Exhibit "A-4"

Form **W-8BEN**
(Rev. February 2006)
Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

▶ Section references are to the Internal Revenue Code. ▶ See separate instructions.
▶ Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do not use this form for:	Instead, use Form:
• A U.S. citizen or other U.S. person, including a resident alien individual	W-9
• A person claiming that income is effectively connected with the conduct of a trade or business in the United States	W-8ECI
• A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions)	W-8ECI or W-8IMY
• A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (see instructions)	W-8ECI or W-8EXP
Note: *These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.*	
• A person acting as an intermediary	W-8IMY

Note: *See instructions for additional exceptions.*

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual or organization that is the beneficial owner

2 Country of incorporation or organization

3 Type of beneficial owner: ☐ Individual ☐ Corporation ☐ Disregarded entity ☐ Partnership ☐ Simple trust ☐ Grantor trust ☐ Complex trust ☐ Estate ☐ Government ☐ International organization ☐ Central bank of issue ☐ Tax-exempt organization ☐ Private foundation

4 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

6 U.S. taxpayer identification number, if required (see instructions) ☐ SSN or ITIN ☐ EIN

7 Foreign tax identifying number, if any (optional)

8 Reference number(s) (see instructions)

Part II Claim of Tax Treaty Benefits (if applicable)

9 **I certify that (check all that apply):**

a ☐ The beneficial owner is a resident of ..... within the meaning of the income tax treaty between the United States and that country.

b ☐ If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).

c ☐ The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).

d ☐ The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).

e ☐ The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, $500,000.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article ..... of the treaty identified on line 9a above to claim a ..... % rate of withholding on (specify type of income): .....

Explain the reasons the beneficial owner meets the terms of the treaty article: .....

Part III Notional Principal Contracts

11 ☐ I have provided or will provide a statement that identifies those notional principal contracts from which the income is not effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

1 I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates,
2 The beneficial owner is not a U.S. person,
3 The income to which this form relates is (a) not effectively connected with the conduct of a trade or business in the United States, (b) effectively connected but is not subject to tax under an income tax treaty, or (c) the partner's share of a partnership's effectively connected income, and
4 For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here ▶ ..... Signature of beneficial owner (or individual authorized to sign for beneficial owner) | Date (MM-DD-YYYY) | Capacity in which acting

For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 25047Z Form **W-8BEN** (Rev. 2-2006)

Printed on Recycled Paper

Exhibit "A-5"

FF. INSPECTION STATEMENT / PUNCHLIST

Dated: _____

TO: Sedgwick Condos LLC
242-01 Braddock Avenue,
Bellerose, New York 11426

RE: SEDGWICK CONDOMINIUM

I/We am/are the Purchaser(s) of Unit ____ located at SEDGWICK CONDOMINIUM ("my/our Unit").

I/We have inspected my/our Unit and have found the Unit to be in good condition except as otherwise noted below:

_____
Sponsor's Representative

_____
Purchaser

_____
Purchaser

UNIT POWER OF ATTORNEY

GG. UNIT POWER OF ATTORNEY

Unit Power of Attorney

All Terms used in this Unit Power of Attorney which are used in the (a) the Declaration (the "Declaration") establishing a Plan for Condominium ownership of the premises known as SEDGWICK CONDOMINIUM and by the street number 2792, 2794 & 2796 Sedgwick Avenue, Bronx, New York under Article 9-B of the Real Property Law of the State of New York, dated and recorded in the office of the Register of the City of New York in the County of Bronx on _____, 200__ under **CFRN #** _____ or (b) in the By-Laws of SEDGWICK CONDOMINIUM (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in the Power of Attorney as in the Declaration or the By-Laws.

The undersigned having an office / residence at 2792, 2794 & 2796 Sedgwick Avenue, Bronx, New York, the owner(s) of the Unit (the "Unit") known as **Unit No.**_____ at address 2792, 2794 & 2796 Sedgwick Avenue, Bronx, New York in SEDGWICK CONDOMINIUM and also designated as **Tax Lot** _____ in **Block 3249** of the Borough of Bronx on the Tax Map of the Real Property Assessment Department of the City of New York and on the floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of SEDGWICK CONDOMINIUM, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Owners respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect:

(1)(a) Following due authorization by the Unit Owners, to acquire or lease any Unit, together with its Appurtenant Interests

(1)(b) Whose Owner elects to surrender the same pursuant to Article "VII", Section "1" of the By-Laws,

(1)(c) To acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Board of its designee, corporate or otherwise, on behalf of all Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote, the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present;

(2) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate; and

(3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium which the Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Residential Section or (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Residential Section or the Common Elements which the Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Board shall constitute the acts of said attorneys-in-fact.

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

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ 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(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

State of New York) ss.:
County of _____)

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

_____
Notary Public

Unit Power of Attorney

SEDGWICK CONDOMINIUM
2792, 2794 & 2796 Sedgwick Avenue,
Bronx, New York.

Title No. _____

Section _____

Block 3249

Lot_____

Record and Return To:

GARY ROSEN LAW FIRM, P.A.
249-02 Jericho Turnpike
Floral Park, New York 11001

UNIT DEED

HH. FORM OF UNIT DEED

Unit Deed

THIS INDENTURE, made this____ day of _____, 200__ between Sedgwick Condos LLC, a New York Limited Liability Company, having an office at 242-01 Braddock Avenue, Bellerose, New York 11426 (the "Grantor"), and _____(the "Grantee(s)"), having an address at _____.

WITNESSETH:

That the Grantor, in consideration of Ten and 00/100 ($10.00) Dollars and other good and valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit known as **Unit No.** _____ (hereinafter called "the Unit") in the building known as SEDGWICK CONDOMINIUM, and by the street number 2792, 2794 & 2796 Sedgwick Avenue, Borough of Bronx, County of Bronx, City and State of New York designated and described by the above Unit No. in a certain declaration dated _____, 200__, made by Grantor pursuant to Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") establishing a Plan for Condominium ownership of the Building and the land ("Land") upon which the Building is situate (which Land is more particularly described in Exhibit A annexed hereto and by this reference made a part hereof), which declaration was recorded in the Bronx County Office of the Register of The City of New York ("Register's Office") on _____, 200__ under CFRM # _____ ("Declaration"). The Unit is also designated as Tax Lot _____ in Block 3249 of Section _____ of the Borough of Bronx 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 REZA KHAMCY, P.E. on _____, 200__ as Condominium Plan No. _____ and also filed in the Register's Office on _____, 200__, as Condominium Plan No. _____.

TOGETHER with an undivided _____ % interest in the Common Elements of the Property (hereinafter called the ("Common Elements"), as defined in the Declaration.

The property is described as follows:

SEE SCHEDULE "A"

Together with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws, all of which shall

constitute covenants running with the Land and shall bind any person having any title, interest or estate in the Unit as though recited and stipulated at length herein;

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters of record as pertain to the Unit and/or to the Building (which Land and Building are collectively referred to as the "Property")

All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the By-Laws of SEDGWICK CONDOMINIUM (Said By-Laws, as the same may be amended from time to time, are hereinafter referred to as the "By-Laws");

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

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the New York Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the New York Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Board of Managers as provided in the Declaration or the By-Laws, the Unit is intended for residential use only.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatsoever, except as aforesaid.

The Grantor, in compliance with Section "13" of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

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

All capitalized terms used herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or the By-Laws of the Condominium.

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

Sedgwick Condos LLC
A New York Limited Liability Company

By:_____
(Grantor)

_____ _____
(Grantee) (Date)

_____ _____
(Grantee) (Date)

Uniform Acknowledgment

State of New York) ss.:
County of _____)

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

_____
Notary Public

State of New York) ss.:
County of _____)

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

_____
Notary Public

SCHEDULE A
Property Description

Former Lot # 196:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough and County of Bronx, City and State of New York, known and designated as Lot Nos. 158, 159 and 160 on map entitled, "Map of 471 Lots of the Claflin Estates, Property of Mrs. Arthur Claflin and Grange Realty co. located at West Kingsbridge Road, Sedgwick Avenue, Reservoir Avenue, Webb Avenue, Clafin Avenue and University Avenue, Eames Place, West 195th Street, Strong Street and West 197th Street, Borough of the Bronx, City of New York" made by George C. Hollerith, August 22, 1919 and filed in the Office of the Register of Bronx County on September 16, 1919 as Map No. 357, more particularly bounded and described as follows:

BEGINNING at a point on the easterly sides of Sedgwick Avenue, distant 175 feet and 33.01 of a foot southerly, as it curves, from the corner formed by the intersection of the easterly side of Sedgwick Avenue and the southerly side of West 197th Street;

RUNNING THENCE easterly and parallel wit the southerly side of West 197th Street, 139 feet and 11.01 of a foot to a point, which point is distant 175 feet southerly from the southerly side of West 197th Street;

THENCE southerly at right angels with the last mentioned course, 75 feet;

THENCE westerly at right angels to the last mentioned course, 129 feet and 3.01 of a foot to the easterly side of Sedgwick Avenue;

THENCE northerly as measured along the easterly side of Sedgwick Avenue, 75 feet and 68.01 of a foot to the point or place of BEGINNING.

Former Lot # 495:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough and County of Bronx, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Sedgwick Avenue, distant 261.14 feet southerly along the same as it curves from the

corner formed by the intersection of the said easterly side of Sedgwick Avenue with the southerly side of West 197th Street;

RUNNING THENCE easterly parallel with the southerly side of West 97th Street, 127.40 feet;

THENCE northerly at right angles to the last mentioned course, 10 feet to the division line between Lot Nos. 161 and 162 on "Map of 471 Lots of the Claflin Estates, Property of Mrs. Arthur Claflin and Grange Realty co. located at West Kingsbridge Road, Sedgwick Avenue, Reservoir Avenue, Webb Avenue, Clafin Avenue and University Avenue, Eames Place, West 195th Street, Strong Street and West 197th Street, Borough of the Bronx, City of New York" made by George C. Hollerith, August 22, 1919 and filed in the Office of the Register of Bronx County on September 16, 1919 as Map No. 357";

THENCE westerly along said division line on said map and again parallel with the southerly side of West 197th Street, 129.03 feet to the easterly side of Sedgwick Avenue;

THENCE southerly along the easterly side of Sedgwick Avenue, 10.13 feet to the point or place of BEGINNING.

Former Lot # 199:
ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough and County of Bronx, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Sedgwick Avenue, distant 100.05 feet southerly from the corner formed by the intersection of the easterly side of Sedgwick Avenue with the southerly side of West 197th Street;

RUNNING THENCE southerly along the easterly side of Sedgwick Avenue, 75.28 feet;

THENCE easterly on a line forming an angel of 06 degrees 13 minutes 49 seconds on its northerly side of the radial line, 139.11 feet;

THENCE northerly along a line at right angles to the last mentioned course, 75 feet;

THENCE WESTERLY IN A STRAIGHT LINE, 145.43 FEET TO THE EASTERLY SIDE OF SEDGWICK AVENUE, TO THE POINT OR PLACE OF BEGINNING.

Condominium Deed

SEDGWICK CONDOMINIUM
2792, 2794 & 2796 Sedgwick Avenue,
Bronx, New York

Title No. _____

Section _____

Block 3249

Lot_____

Record and Return To:

_____
Attorney for Purchaser

_____

_____

_____

"ARCHITECT'S REPORT" OF DESCRIPTION OF PROPERTY

II. DESCRIPTION OF PROPERTY AND SPECIFICATIONS

SEDGWICK CONDOMINIUM

Report by
Icon Engineering, P.C.
REZA KHAMCY, P.E.
25 Allenwood Road,
Great Neck, New York 11023

THE SEDGWICK TOWERS CONDOMINIUM
ENGINEER'S REPORT
DESCRIPTION OF PROPERTY AND SPECIFICATIONS

Dated: July 13, 2007

(1) The Address of the project is: 2796, 2794 & 2792 Sedgwick Avenue, Bronx, New York, 10468

(a) Location and use of property. This property and proposed use will comply with all zoning and use requirements at closing.

(2) The block and lot number of the project is:
The condominium is located in Block 3249, Zoning Lots 239, 238 & 257 Bronx County, New York.

(3) Zoning of the project is: The building lies within residential zone district R6 recorded from Map 1d of the New York City Zoning Resolution dated 12/6/84.

(4) Permissible use of the project site is:
The New York City Zoning Resolution, as per Section 22-12, permits Use Group 2 residential use as a matter of right. Tax lots 239, 238 & 257 Consist in one zoning lot.

Handicapped Access: This project is designed within the requirements of all applicable federal, state, and local codes and regulations governing accessibility to the disabled including the ADAAG standard and Local Law 58/87.

(b) The Status of construction is as follows:
Plans were approved by the New York City Department of Buildings under application numbers (2796) 201056169, (2794) 201056150 & (2792) 201056141 approved on 8/24/2006.

(1) The project is being built in 2006. There is a cluster of three buildings being constructed on the site which are 2796, 2794 & 2792 Sedgwick Avenue. At 2796 the building will consist of a 4 story building with 16 residential dwelling units, 1 community facility, 9 outdoor & 4 indoor parking spaces. At 2794 the building will consist of a 4 story building with 16 residential dwelling units, 1 community facility & 13 outdoor parking spaces. At 2792 the building will consist of a 4 story building with 8 residential dwelling units, 1 community facility & 6 outdoor parking spaces.

(2) Class of construction of the project is:
This building will comply with Section 27-282 of the New York City Building Code for Type I-D Construction.

(3) Certificate of Occupancy, type and number:

Certificate of Occupancy will be issued upon completion of the building and sidewalks and prior to the first closing.

(4) Alteration permit numbers and description of work done:

The construction is permitted under a new building permit, not an alteration permit.

The legal description of the premises is:

(c) Site:

The land and premises is situated on the East side of Sedgwick Avenue, New York. Distant 100.05' South of the corner formed by the intersection of Sedgwick Avenue & West 197th Street.

(1) Size: The size of the property is as follows:

Beginning SE at the aforementioned point;
Running E 145.43';
Thence Running S 160';
Thence Running W 127.40';
Thence Running W 44.73';
Thence Running N 161.09' to the point of the Beginning.
The area of the subject property is 21826 square feet or approximately 0.501 acres.

(2) Number of buildings and use:

There are three buildings. 2796 & 2794 for Residential & Community facility use. 2792 2792 for residential use only.

(3) Streets owned or maintained by the project:

Sedgwick Avenue.

(i) Paving:

The street pavement is composed of asphalt. The parking areas and driveway areas will consist of concrete.

(ii) Curbing:

The curbs will be new poured concrete with steel face.

(iii) Catch basins, drainage:

The sidewalk slopes away from the buildings providing positive drainage without ponding. Under current approved plans, this site will be graded to conduct storm water away from the buildings. Catch basins are located in the roadway to drain the storm water run-off into the existing New York City Sewer System.

(iv) Street lighting: Street lighting is provided by the City of New York. Street lamps are located in front of the building and provide sufficient illumination to meet public safety. In addition to the lighting provided by the City, incandescent lamps will be provided to illuminate the entrance of the building.

(v) The aforesaid items are in conformity with local fire district, town or municipal building codes.

(4) Drives, sidewalks and ramps:

(i) Paving: The sidewalks and curbs will be new poured concrete.

(ii) Curbing: The curbs will be new poured concrete with steel face.

(iii) Catch basins, drainage: Under current approved plans, this site will be graded to conduct storm water away from the buildings.

(iv) Street lighting: Street lighting is provided by the City of New York. Street lamps are located in front of the building and provide sufficient illumination to meet public safety. In addition to the lighting provided by the City, incandescent lamps will be provided to illuminate the entrance.

(v) The aforesaid items are in conformity with local fire district, town or municipal building codes.

(d) Utilities:

Water — Water is furnished by the City of New York Water Distribution System and is obligated to the condominium owners in common. The building contains one water meter for the entire building.

Gas — Natural gas service is provided by Consolidated Edison Company of New York. Natural Gas service is metered to the condominium for cooking purposes, domestic hot water and heating each. The cost is contained in common charges.

Electric — Electric service is provided by the Consolidated Edison Company of New York and is individually metered to each apartment unit. The electrical service provided to each unit is adequate for a full_complement of modern appliances. A separate electric meter obligated to the condominium owners in common, services public areas, the cellar, meter room, and all other non-occupied spaces.

Telephone

Telephone service is provided on an individual basis to each unit by the Verizon. Each unit will be billed directly by Verizon. Units will be pre-wired with telephone jacks in the kitchen, living room and master bedroom.

(e) Sub-soil conditions:

(1) There has been no uneven foundation movement or settling at the premises.
(2) There is no evidence of moisture or seepage or ground water infiltration.
(3) There is no danger from flooding, either due to water table in area or overflow from other bodies of water.

(f) Landscaping and enclosures:

(1) Grass cover: There will be grass cover in the front of the premises.

(2) Plantings: There will be landscaped areas in the front of the building.

(3) Trees: There will be (2) trees planted in the front of the building.

(4) Fencing: A concrete retaining wall with 6'0" high fence on top will enclose the rear and side perimeter of the property.

(5) Gates: There will be (2) gates at the premises as shown on the site plan.

(6) Garden walls: There will be no garden walls at the premises.

(7) Retaining walls: There will be retaining walls at the premises located at the rear & side as indicated on site plan.

(8) Display pools and fountains: There will be no display pools and fountains at the premises.

(g) Building size:

(1) Total height: The approximate average total feet from ground level to highest part of roof is 45' in height.

(2) Crawl spaces: There are no crawl spaces at the premises.

(3) Number of sub-cellars and cellars: There are no sub-cellars and there is one cellar on each building which contains approximately 3940 sq.ft. at 2796, 3940 sq.ft at 2794 & 1835 sq.ft. at 2792.

(4) Number of floors: In addition to a cellar, there are 4 floors in each premise consisting of the 79.84% at 2796, 80% at 2794 & 80% at 2792. The total number of residential units is 16 + 1 community facility at 2796 & 2794. The total number of residential units is 8 at 2792:

2796 Sedgwick Avenue

Cellar	3940 Sq.Ft.
1st Floor	3780 Sq.Ft.
2nd Floor	3940 Sq.Ft.
3rd Floor	3940 Sq.Ft.
4th Floor	3940 Sq.Ft.
Total Gross Area	19540 Sq.Ft.

2794 Sedgwick Avenue

Cellar	3940 Sq.Ft.
1st Floor	3940 Sq.Ft.
2nd Floor	3940 Sq.Ft.
3rd Floor	3940 Sq.Ft.
4th Floor	3940 Sq.Ft.
Total Gross Area	19700 Sq.Ft.

2792 Sedgwick Avenue

Cellar	1835 Sq.Ft.
1st Floor	1835 Sq.Ft.
2nd Floor	1835 Sq.Ft.
3rd Floor	1835 Sq.Ft.
4th Floor	1835 Sq.Ft.
Total Gross Area	9175 Sq.Ft.

The total number of Residential Units are as follows:

2796 Sedgwick Avenue

Cellar	None
1st Floor	(1) – 1 bedroom unit + (3) – 2 bedroom units;
2nd Floor	(4) – 2 bedroom units;
3rd Floor	(4) – 2 bedroom units;
4th Floor	(4) – 2 bedroom units;
Total =	(1) – Studio unit;
	(1) – 1 bedroom units;
	(15) – 2 bedroom units;
Total =	(16) units

2794 Sedgwick Avenue

Cellar	(1) – 1 bedroom unit;
1st Floor	(1) – 1 bedroom unit + (3) – 2 bedroom units;
2nd Floor	(4) – 2 bedroom units;
3rd Floor	(4) – 2 bedroom units;
4th Floor	(4) – 2 bedroom units;
Total =	(2) – 1 bedroom units;
	(15) – 2 bedroom units;
Total =	(16) units + (1) Super Unit at cellar

2792 Sedgwick Avenue

Cellar	None
1st Floor	(1) – 1 bedroom unit + (1) – 2 bedroom unit;
2nd Floor	(2) – 2 bedroom units;
3rd Floor	(2) – 2 bedroom units;
4th Floor	(2) – 2 bedroom units;
Total =	(1) – 1 bedroom unit;
	(7) – 2 bedroom units;
Total =	(8) units

(5) Equipment rooms:

There is a boiler room, water meter room, gas meter room located in the cellar of each building.

(6) Parapet:

Roof parapets shall be a minimum of 3'-6" above the roof and shall be masonry with cast stone copings or masonry with cast stone copings and railings above.

(h) Structural system:

(1) Exterior of buildings:

(i) Walls:

Foundation walls are supported on spread footings of reinforced concrete on earth. Cellar Floor and foundation walls are poured reinforced concrete.

The structure shall be constructed of 3" concrete slab on 1 ½" metal deck 20 GA on 12" steel joists supported by reinforced masonry bearing walls.

There are balconies.

The roof shall be constructed of 3" concrete slab on 1 ½" metal deck 20 GA on 12" steel joist supported by reinforced masonry bearing walls insulated with 3" polyisocyanurate tapered insulating board.

Exterior walls at front & side consist of solid brick and block bonded to each other. Exterior walls at rear consist of reinforced concrete block and E.I.F.S. finish.

Interior walls consist of metal studs and concrete block only at the staircase.

Floor construction:

a. Typical floor construction consists of 3" concrete slab on 1 ½" metal deck 20 GA on 12" steel joists .

b. Cellar floor to be 4 ½" concrete slab with reinforcement. Smooth finish to be provided.

All exterior walls should be insulated with three-inch batt insulation having an "R" factor of 13.

The roof will be insulated with Firestone APP 170 or equal which is a premium smooth surface modified bitumen roofing membrane which is torched applied complying with the New York Energy Conservation Construction Code.

Local Law 10 of the City of New York shall apply to this building.

(ii) Windows:

All windows shall be sliding or equal, all with double pane glazing which are manufactured by Crystal Corporation or equal. The finish shall be aluminum. All windows and doors to be insulated glass as per minimum requirements of the New York State Energy Code and water penetration and infiltration will comply with New York City Performance Standards.

Air Infiltration as per Crystal Corporation section 08611 Performance Requirements 1.04b : Total air infiltration to average 0.04 cfm per linear foot of perimeter crack at a static pressure of 1.57 psf when tested in accordance with ASTM E 283.

No water penetration beyond the interior face of window unit when tested in accordance with ASTM E 547 at a static pressure of 6.24 psf.

Manufacturer shall provide a warranty for one (1) year limited to glass and One (1) year for product and components other than glass. Contractor's warranty shall also be for (1) one year on workmanship and installation.

(iii) Landmark status: The building does not have landmark status.

(2) Parapets and copings: Roof parapets shall be a minimum of 3'6" above the roof and shall be masonry with cast stone copings or masonry with cast stone copings and railings above.

(3) Window Sills The Window Sills shall be constructed of precast concrete.

(4) Chimneys and caps: The Chimney will be masonry with T.C. lined flue cast stone coping with anti-down draft cap.There will be an approved type galvanized metal dual wall 'Ameri-vent' chimney flue with anti-down draft gas vent cap. Top of flue minimum 3'-0" above any part of roof within 10'-0" of flue.

(5) Balconies and terraces:

(i) Deck finish: There will be balconies that will be constructed for a reinforced concrete slab with 42" high steel railings .

(ii) Balustrade: None.

(iii) Railings: There will be steel railings 42" in height.

(iv) Copings: None.

(v) Soffits: None.

(vi) Doors to balconies and terraces: The doors to the balconies and/or terraces are manufactured by Crystal Corporation or equal. The finish shall be vinyl clad metal. All windows and doors to be insulated glass as per minimum

requirements of the New York State Energy Code.

(6) Exterior entrances:

(i) Exterior doors and frames: Front entrance doors to be aluminum and glass doors and metal and/or aluminum type frame. Doors to be fitted with a cylinder lock. Doors to comply with New York State Energy Code. Doors to have a minimum of five square feet of glass area.

(ii) Vestibule doors and frames: Vestibule doors to be metal type with integral weather stripping. Doors to be fitted with key lock set. Doors to comply with New York State Energy Code. Apartment entry doors to be metal type with cylinder lock and an approved type peephole. Door to be 3/4 hour fire rated and self-closing.

(iii) Exterior stairs: There are no exterior stairs.

(iv) Railings: Metal Railings shall above grade shall be 2'-8" high. Metal Railings at grade shall be 3'-6" high.

(v) Mail boxes: Mail Boxes shall be U.S. Postal Service approved type. Mailboxes will be provided at a central location in the common entry lobby at the first floor level of each building.

(vi) Lighting: There shall be incandescent floodlights outside of the premises providing adequate outdoor lighting.

(7) Service entrances: Self-Operating rolling grille to be McKeon model G1500 or similar. It should be operated by a ½ HP motor, or of manufacturers recommended size (whichever is greater). It is remote control activated and should have a safety edge.

(8) Roof and roof structures:

(i) Type roofs for all areas: There shall be a flat roof area located above the 4th floor level.

(a) Material: The roof consists of a flat roof is constructed of Firestone APP 170 or equal which is a premium smooth surface modified bitumen roofing membrane which is torched applied, which is atop rigid insulation supported by 3" concrete slab.

(b) Insulation: All roofs shall be insulated to provide a minimum "R" factor of "R-19". The roof shall be insulated with rigid insulation.

(c) Surface finish: The surface finish shall be a premium smooth surface.

(d) Bond or guarantee: The expected life span of the roof is ten to fifteen years. There will be no bond furnished other than a one (1) year warranty from the contractor for the construction materials and

workmanship. The materials will have a five (5) year warranty from the manufacturer.

(e) Flashing materials including counter flashing:

All roof penetrations (eg: vent stacks, vents and fans) will be flashed and waterproofed and will include aluminum cap or base flashing where necessary.

(ii) Drains:

(a) Location, material and type: The roof is pitched to permit storm water to flow towards drains without ponding. The drains carry the flow of water to the house storm line where it enters the New York City Sewer System via controlled flow drains, D.E.P. approved.

(b) Gutters and leaders: All gutters and leaders as indicated on plan to be aluminum.

(iii) Skylights: There will be no skylights in any of the Bulkhead of the buildings instead they will be provided With windows at bulkhead as indicated on plans.

(iv) Bulkheads: There is a stair bulkhead from the top floor to the roof level an all buildings.

(a) Stairs: The stair bulkhead shall be constructed of concrete block with E.I.F.S. finish.

(b) Elevator: None.

(c) Other: None.

(v) Metal work at roof levels: Metal work at the roof level consists of vents. All metal work is weather protected and flashed at each roof penetration.

(a) Exterior, metal stairs: None

(b) Vertical ladders, including gooseneck: None

(c) Railings: None

(d) Hatches to roof: None.

(e) Other: None

(vi) Rooftop facilities: None.

(9) Fire escapes: There are no fire escapes in the project.

(10) Yard and courts: There will be areaways for all lots for ventilation purposes only. They will be located in the front (lots 238 & 239) and rear (lot 257) of the building which will provided ventilation an accessory access to the rear yard (lot 257 only). The areaways shall have a depth from grade by no more than 5'6". Areaways shall be poured concrete and will be drained. Areaways will be protected around the perimeter with a metal grille.

(i) Paving: The rear yard shall be paved with concrete.

(ii) Drainage: The storm water from rear yard will be directed to the storm sewer line and then to the city combined sewer fronting the property.

(iii) Railings: There shall be 3'-6" high railings in the rear yard for areaway only (lot 257).

(iv) Stairs: There shall be stairs in the rear yard for Areaway only (lot 257).

(v) Fencing: There will be a 6'0" fence on top of retaining wall to the sides and rear of the rear yard.

(vi) Walls: There will be reinforced concrete retaining walls surrounding the rear and side yard.

(10) Interior stairs:

(i) Number of stairs of each type: There shall be one interior common stair which shall be of non-combustible materials.

(ii) Enclosure: The stairs shall be enclosed by 2hr Fire rated concrete block wall.

(iii) Stair construction: Non-combustible concrete block construction. Stair and handrails for stair to be 2'-8" high constructed of steel (childproof design).

(iv) Stringers: The stringers shall be constructed of concrete.

(v) Treads: The treads shall be constructed of concrete.

(vi) Risers: The risers shall be constructed of concretel.

(vii) Guard rails: There will be 3'-6" guard rails.

(viii) Balustrade: None.

(11) Interior doors and frames:

(i) Unit entrance and interior doors and frames:

Unit entrance doors are metal self closing doors with 1 ½ hour rating with an STC rating equaling 35 with metal frames. Interior doors are swing type room entry doors which are hollow core wood with masonite, or equal with wooden frames. Closet doors are to be swing type, sliding type or bi-fold type hollow core with masonite or equal.

(ii) Corridor doors and frames: Corridor doors are metal self closing doors with 1 ½ hour rating with an STC rating equaling 35 with metal frames.

(iii) Stair hall doors and frames: Stair hall doors are metal self closing doors with 1 ½ hour rating with an STC rating equaling 35 with metal frames.

(iv) Roof doors, basement doors and frames:

Roof doors and basement doors are metal self closing doors with 1 ½ hour rating with an STC rating equaling 35 with metal frames.

(12) Elevators: None.

(i) Number of passenger and service elevators: None.

(ii) Manufacturer, age of each and capacity (in pounds and number of passengers);

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

(iv) Automatic (type of controls);	None.
(v) Floors served:	None.
(vi) Type:	None.
(vii) Doors	None.
(viii) Location of machine rooms:	None.
(ix) DC motor (manufacturer):	None.
(x) AC motor-generator set (manufacturer):	None.
(xi) Other.	None

(13) Elevator cabs:

(i) Kind (manufacturer):	None.
(ii) Floor (material):	None.
(iii) Walls (material):	None.
(iv) Ceiling (material):	None.
(v) Lighting:	None.
(vi) Alarm, safety system:	None.

(i) Auxiliary facilities:

(1) Laundry rooms:	There are no laundry rooms, instead each apartment from 1st to 4th FL will be provided with Washer & Dryer.
(i) Location and number of rooms:	Not applicable.
(ii) Clothes washers, number and type:	One per each dwelling unit. (1st to 4th FL)
(iii) Clothes dryers:	One per each dwelling unit. (1st to 4th FL)
(iv) Room ventilation:	None.
(v) Dryer ventilation:	Thru roof by exhaust ducts.

(2) Refuse disposal:

(i) Incinerator:	There is no incinerator at the premises.
(ii) Compactor:	None.
(iii) Approvals by authority having jurisdiction:	None.
(iv) Initial storage location:	All Buildings have been provided with a trash disposal area at cellar level.
(v) Pick-up schedule, and whether public or private provider:	Collection provided by the Department of Sanitation with the following schedule: Refuse: Tuesday, Thursday & Saturday. Recycling: Tuesday only.

(j) Plumbing and drainage:

Domestic hot and cool water piping is "L" copper tubing. Water distribution system piping will be of hard temper type "K" copper tube below grade, hard temper type "L" copper tube above grade only.

(1) Water supply:

Water is provided by the New York City Water Supply System. Water is metered by a single meter obligated to the owners in common, located in each cellar. (per each buildings)

(2) Fire protection system:

There is a fire sprinkler system in the subject premises as required by and pursuant to the New York City Building Code. (per each building)

(i) **Standpipes** (material, size, location): None.
(ii) **Hose racks, hoses and nozzles** (location): None.
(iii) **Sprinkler heads** (type system, location): Sprinkler Wet System,

2796 Sedgwick Avenue

Cellar	(13) sprinkler heads
1st Floor	(33) sprinkler heads
2nd Floor	(33) sprinkler heads
3rd Floor	(33) sprinkler heads
4th Floor	(33) sprinkler heads
Bulkhead	(2) sprinkler head
Total	(147) sprinkler heads

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Cellar	(13) sprinkler heads
1st Floor	(33) sprinkler heads
2nd Floor	(33) sprinkler heads
3rd Floor	(33) sprinkler heads
4th Floor	(33) sprinkler heads
Bulkhead	(2) sprinkler head
Total	(147) sprinkler heads

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Cellar	(8) sprinkler heads
1st Floor	(15) sprinkler heads
2nd Floor	(21) sprinkler heads
3rd Floor	(21) sprinkler heads
4th Floor	(21) sprinkler heads
Bulkhead	(2) sprinkler head
Total	(88) sprinkler heads

(iv) **Siamese connection** (type, location): Outside of building at 1st Floor.(One per building)

(3) **Water storage tanks and enclosures**: There are no water storage tanks or enclosures.
(i) Number, type, location of each: Not Applicable.
(ii) Material: Not Applicable.
(iii) Access to tank: Not Applicable.
(iv) Capacity Not Applicable.
(v) Capacity Not Applicable.

(4) **Water pressure and how maintained**: Gravity feed

(5) **Sanitary sewage system**:
(i) Sewage piping (materials): Within the property line: soil and waste stacks are made of cast iron, vent stacks of cast iron.
(ii) **Sewage pumps**: There are no sewage pumps.
(iii) **Sewage disposal**: The sewage system carries both waste and sanitary sewage from each apartment unit. Sewage is carried by gravity to local city sewers.

(6) **Permit(s) required**: Before starting any work, builder is to obtain work permits from the Department of Buildings, City of New York. Permits were obtained

Permits were issued by the New York City Department of Buildings under application numbers (2796) 201056169, (2794) 201056150 & (2792) 201056141 on September 8, 2006.

Builder to retain the service of an architect or engineer for controlled inspection for borings, soil percolation tests, subgrade, controlled flow roof drains installation, concrete, concrete test cylinders, concrete design mix, masonry units, structural steel, Sprinkler, mechanical ventilation and firestopping, all in accordance with the requirements of the New York City Building Code.

(7) Storm drainage system:

The sewage system carries both waste and sanitary sewage from each apartment unit. Sewage is carried by gravity to local city sewers. The roof storm drainage system is adequate to carry runoff without ponding. Water is disposed of by drains located in all paved areas to the NYC storm sewer.

(i) Catch basins: The storm water from the paved areas in the rear will be sent to the storm sewer line located in the rear of each building, located under the parking area connected to the sewer system of the building. The storm water from the roof area of the building will be disposed to the 12" combined sewer located in the roadway of Sedgwick Avenue.

(ii) Yard and roof drains: Roof storm will be sent to controlled flow roof drain devices to the city combined sewer.

(iii) Piping: None.

(iv) Eject or sump pumps: There will be no ejection or sump pumps as none are necessary.

(k) Heating:

(1) Heating and distribution of domestic hot water and whether capable of providing peak required services: There shall be a water heating system with baseboard units. This system will maintain an inside temperature of 68 degrees Fahrenheit with an outside temperature of 0 degrees Fahrenheit with an allowance for a 3 degree Fahrenheit swing.

(2) Number of boilers and description: There are two boilers for 2796 & 2794 and one boiler for 2792: Weil Mclain, MEA # 155-00-E, Model # CGa8SPDN – 245 MBH or equal.

(3) Manufacturer of Water Heater: There are two Water Heaters as manufactured by A.O. Smith, MEA # 387-04-E, Model # PCG-100 – 75,000 BTU'S, 100 Gallon or equal per building.

(4) Manufacturer and age of burners:

(5) Type of controls: Circulator to be manufactured by Teco Company of approved equal with 1/2 H.P. capacity.

(6) **Radiators, piping, insulation, valves, pumps**:
EMBASSY IND., KPT-D 1/2" or approved equal.

(7) **Fuel**: Natural Gas

(8) **Location**: The gas lines enter into the building in the cellar to the boilers and hot water heaters in the basement.

(9) **Capacity of oil tank**: There is no oil tank at the premises.

(l) **Gas supply**:

(1) **Type**: Natural gas supplied by Consolidated Edison Company of New York.

(2) **Meters**: Natural gas is metered through one meter in the building. The gas meter is located in the cellar.

(3) **Piping**: Gas pipe is made of black iron.

(m) **Air conditioning**:

(1) **Type of system**: There will be Fedders through wall sleeve provided for Air Conditioning to each condominium unit. Through wall sleeve will be located in each bedroom and in the living room of each unit.

(2) **Central system**: There is no central air conditioning system.

(3) **Cooling towers, condensers**: There are no cooling towers or condensers.

(4) **Individual units covered by the offer**: None.

(n) **Ventilation**: All interior bathrooms and kitchenettes are ventilated by exhaust fans through galvanized metal vent ducts which shall have a minimum rate of exhaust ventilation of 50 cfm for the bathroom and 150 cfm for the kitchenette as required by the New York City Building Code. Exhaust equipment shall be New York City MEA or BSA approved.

(o) **Electrical system**: Only copper wire shall be used. Lighting circuits are 15 AMPs. Appliance and air-conditioning circuits are 20 AMP. Each floor shall have 75 AMP sub-feeder and circuit breakers.

(1) **Service from main service switchgear**:
There will be a separate meter servicing and obligating to the condominium owners for common service public spaces. Meters are located in the cellar of the building.

(2) **Service to individual units**: Each apartment unit is individually metered. Service to the units is from one separate service for each building with a 400 AMP (for 2796 & 2794) and 200 AMP (for 2792)feeder supplying 120/208 volts with 3/0 copper cables, each unit has 12 circuit breakers.

(3) **Compartment switch gear**: None

(4) **Unit service**: see above.

(5) **Adequacy**: The electrical service provided is adequate for a full complement of modern appliances.

(i) **Service**: There is an average number of 12 circuits per apartment and capacity to handle modern

appliances including air conditioners, dishwashers and electric dryers;

(ii) **Lighting and fixtures**: Outside fixtures shall be waterproof type.

(iii) **Convenience outlets, appliance outlets**: There will be electrical receptacles throughout the condominium unit, pursuant to and in accordance with the New York City Electrical Code.

(p) **Intercommunication and/or door signal systems, security closed circuit TV**: There is no master television antenna on the roof. All buildings are going to be cable ready. Intercom system per apartment shall be low Voltage (24 Volts).

(q) **Public area lighting**:

Stair halls will be illuminated with ceiling hung florescent fixtures and public corridor will be illuminated with ceiling mounted florescent fixtures. Cellar lighting consists of ceiling mounted florescent lighting fixtures. All lighting, exterior lighting and night lighting in public parts of the buildings to comply with the New York State Multiple Dwelling Laws and New York City Housing and Maintenance Code.

(r) **Garages and parking areas**: At 2796 there are nine (9) outdoor & four (4) indoor parking spaces. At 2794 there are thirteen (13) outdoor parking spaces. At 2792 there are six (6) outdoor parking spaces.

(1) **Location of garages**: At 2796 there are four (4) garages at Cellar FL.

(2) **Location of parking areas**: All parking spaces are located in the rear of the buildings.

(3) **Surfaces:** The parking area will be paved with concrete. There will be adequate lighting by floodlights. The parking area will be surrounded by a concrete retaining wall with 6' high fence on top, at side and in the rear yards.

(4) **Parking**: Parking will be unattended.

(5) **Garage ventilation:** There are (4) indoor parking spaces with open Access to the exterior part of tandem parking With direct linked exterior parking spaces Therefore no ventilation is required.

(6) **Garage fire protection**: Indoor parking spaces have been provided with a (2) hour Min. enclosure.

(7) **Drainage**: There are one (4) trench drains located in the rear of the buildings connected to the storm sewer system.

(s) Swimming pool: There is no swimming pool.

(t) Tennis courts, playgrounds and recreation facilities:
There are no tennis courts, playgrounds or recreation facilities.

(u) Permits and certificates:

Permits:

Before starting any work, builder is to obtain work permits from the Department of Buildings, City of New York.

Inspections:

Builder to retain the service of an architect or engineer for controlled inspection for borings, soil percolation tests, subgrade, drywell installation, concrete, concrete test cylinders, concrete design mix, masonry units, structural steel, Sprinkler, mechanical ventilation and firestopping, all in accordance with the requirements of the New York City Building Code.

(v) Violations: There are no building violations on the subject premises.

(w) Unit information (Dimensions and Information):

2796 Sedgwick Avenue

Unit #	Location(Floor)	Approx. Sq.ft.	Bedrooms	Baths	Other
Unit C1	Cellar	941 sq.ft.		One	Community Facility
Unit 1A	1st	485 sq.ft.	One	One	Living/Dining room, Kitchenette
Unit 1B	1st	866 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 1C	1st	866 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 1D	1st	909 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 2A	2nd	878 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 2B	2nd	878 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 2C	2nd	878 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 2D	2nd	878 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 3A	3th	878 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 3B	3th	878 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 3C	3th	878 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 3D	3th	878 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 4A	4th	878 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 4B	4th	878 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 4C	4th	878 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 4D	4th	878 sq.ft.	Two	Two	Living/Dining room, Kitchenette

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Unit #	Location(Floor)	Approx. Sq.ft.	Bedrooms	Baths	Other
Unit CA	Cellar	592 sq.ft.	One	One	Living/Dining room, Kitchenette
Unit C2	Cellar	1549 sq.ft.		One	Community Facility
Unit 1E	1st	644 sq.ft.	One	One	Living/Dining room, Kitchenette
Unit 1F	1st	874 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 1G	1st	874 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 1H	1st	917 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 2E	2nd	887 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 2F	2nd	887 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 2G	2nd	887sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 2H	2nd	887 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 3E	3th	887 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 3F	3th	887 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 3G	3th	887 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 3H	3th	887 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 4E	4th	887 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 4F	4th	887 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 4G	4th	887 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 4H	4th	887 sq.ft.	Two	Two	Living/Dining room, Kitchenette

2792 Sedgwick Avenue

Unit #	Location(Floor)	Approx. Sq.ft.	Bedrooms	Baths	Other
Unit C3	Cellar	593 sq.ft.		One	Community Facility
Unit 1J	1st	578 sq.ft.	One	One	Living/Dining room, Kitchenette
Unit 1I	1st	754 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 2J	2nd	794 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 2I	2nd	764 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 3J	3th	794 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 3I	3th	764 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 4J	4th	794 sq.ft.	Two	Two	Living/Dining room, Kitchenette
Unit 4I	4th	764 sq.ft.	Two	Two	Living/Dining room, Kitchenette

Room	Floor	Wall/Ceiling	Fixtures
Bath	Ceramic	Paint w/ 5'-4" Tile Tub Surround	Vitreous China Water Closet by Gerber Standard Model 21702 12" Round or equal, Gerber Lavatory – Model 40135 countertop Lavatory or equal & Bootz Tub –5' Model VS WH or equal (Bootz is Steel with Vitreous China) Gerber Standard fixtures or equal.

Room	Floor	Wall/Ceiling	Fixtures
Kitchen	Ceramic Tiles	Paint	Stainless Steel Sink Kenmore gas range, model # 22-71053 30" MC SS or equal Kenmore dishwasher, model # 13323 or equal Kenmore refrigerator, model # 46-31115 18" TM KN LH or equal

Room	Floor	Wall/Ceiling	Fixtures
Bedroom	Wood	Paint	One (1) - 60 watt incandescent lighting fixture Kenmore 27" Laudry Center with gas dryer, model # 26-94862 or equal
Living/ Dining	Wood	Paint	One (1) - 60 watt incandescent lighting fixture
Entry Hall	Wood	Paint	One (1) - 60 watt incandescent lighting fixture

Kitchen cabinets are Yorktowne laminate faced cabinetry or equal and countertops are Formica brand laminate or equal.

(x) **Finish Schedule of Spaces Other Than Units**

Room	Floors	Walls	Ceiling
Public Halls	Ceramic Tiles	Paint	Textured Paint
Cellars	Concrete	Paint	Paint

Notes: All wood flooring to be #2 grade oak or equal.

(y) **Safety and warning devices**:

Smoke detectors to be provided for each dwelling unit are to be hard wired and to be installed as per Local Law 62/81 and R.S. 17 of the New York City Building Code. All detectors to be approved by the Board of Standards and Appeals.

Additional information:

Plans attached.

(1) Site plan attached shows landscape features, street, the outside dimensions of the building and designated common areas.

(2) Floor plan for each line or type of unit drawn to scale, indicating room dimensions and unit boundaries.

(3) Floor to ceiling heights of units are approximately 8'00".

(4) Approximate total area of each unit is set forth on the unit layout.

(5) A master floor plan showing units, boundaries and the relationship of units to each other.

(6) The sponsor does not intend to add additional units to the building.

Asbestos.

This statement is to disclose that there will be no asbestos made products, partially or in whole, specified for the construction of this condominium as per approved plans.

Construction Timeframe:

The construction of the buildings began in the Fall of 2006. Plans and applications have been approved and a permit has been obtained from the Department of Buildings on September 8, 2006. The construction of the buildings are expected to be completed in the Fall of 2007. It is expected that title to the first unit can be delivered on or about October 1, 2007.

The buildings and sites will be constructed in accordance with the New York City Building Code, the Multiple Dwelling Code, the New York City Zoning Resolution and all other applicable authorities and in accordance with plans and applications on file with the Department of Buildings of the City of New York. With reference to the preparation of plans and specifications, the sponsor has retained the services of a professional engineer who prepared same. The sponsor represents to the best of its knowledge that the plans accurately describe the building units, common elements and equipment as the same which will be delivered upon the completion of construction.
Any permits or inspections required by the City of New York will be furnished and updated prior to the first closing.
As of the date of the first closing, the sponsor represents that it will have a Temporary or Final Certificate of Occupancy for the building prior to the first closing, and deliver title without violations or liens on the premises and in

accordance with the sponsor's undertakings elsewhere as set forth in this offering.

ICON Engineering, P.C.

Reza Khamcy, P.E.

STATE OF NEW YORK
REZA KHAMCY
08 635
LICENSED PROFESSIONAL ENGINEER

SEAL

Sworn to before me
This 10 day of July, 2007

Notary Public, State of New York

SONNIA TORRES
Notary Public, State of New York
No. 01TO6107173
Qualified in Nassau County
Commission Expires March 22, 2008

Amendment to the
Architect's Report for
The Sedgwick Condominium
CD-07-0453

The following is the responses to the comments of the New York State Department of Law dated July 31, 2007:

Item # 1:

There are no streets owned or maintained by the project.

Item # 2:

There is grass cover at front yard of the buildings.

The type of grass cover will be provided by Kentucky bluegrass mixture of seed in the front yard of the buildings.

There are gates at the project located at the entrance of driveway and located at exit thru driveway underpass.

Item # 3:

The floor to ceiling height in each Condominium Unit is 8'-0".

Item # 4:

The location of each Chimney for Boilers is as follows:
There is a continuous 2 hour fire enclosure extended vertically Thru each building from the boiler room located at the cellar fl. The Boiler flue extends thru this enclosure which penetrates Apts. 1D, 2D, 3D, 4D in 2796 Sedgwick Avenue, Apts 1H, 2H, 3H, 4H in 2794 Sedgwick Avenue and Apts. 1J, 2J, 3J, 4J in 2792 Sedgwick Avenue.

There are no chimneys for incinerators, compactors or fireplaces. There are no fireplaces.

Item # 5:

The type of metal for the railings is as follows:
Wrought iron painted black.

Item # 6:

There are no services entrances.

Item # 7:

The materials for the railings, stairs and fencing in the yards is as follows:
Railings are constructed of wrought iron painted black;
Stairs are constructed of concrete with wrought iron painted Black handrails;
Fencing are constructed of 8'-0" chain link fence on top of concrete walls;

Item # 8:

Laundry Rooms – There are no laundry rooms in the condominium. There will be washers and dryers provided in each Condominium Unit. As stated in the architect's report, there will be a Kenmore 27" Laundry Center with gas dryer, model # 26-94862 provided in each Condominium Unit.

Item # 9:

The fire sprinkler heads are as follows:
Type of system: "Wet Sprinkler system"
Cellar floor:
Concealed sprinkler head w/ white cover plate by " Reliable" Model G4
1st, 2nd, 3rd, 4th Floor & Bulkhead:
Pendent sprinkler head w/ brass finish by " Reliable" Model G
Horizontal sidewall sprinkler head w/ brass finish by " Reliable" Model G

Location of heads: Fully sprinklered Building.
Sprinkler heads located:
In every room, hallway and staircase except closets, bathrooms In all buildings. No sprinkler heads will be installed in underpass And indoor parking spaces at cellar fl. In 2796 Sedgwick Avenue.

Item # 10:

The water pressure in pounds per square inch (psi) is 56.
Hydrant Flow Test performed on 5/22/2006

Item # 11:

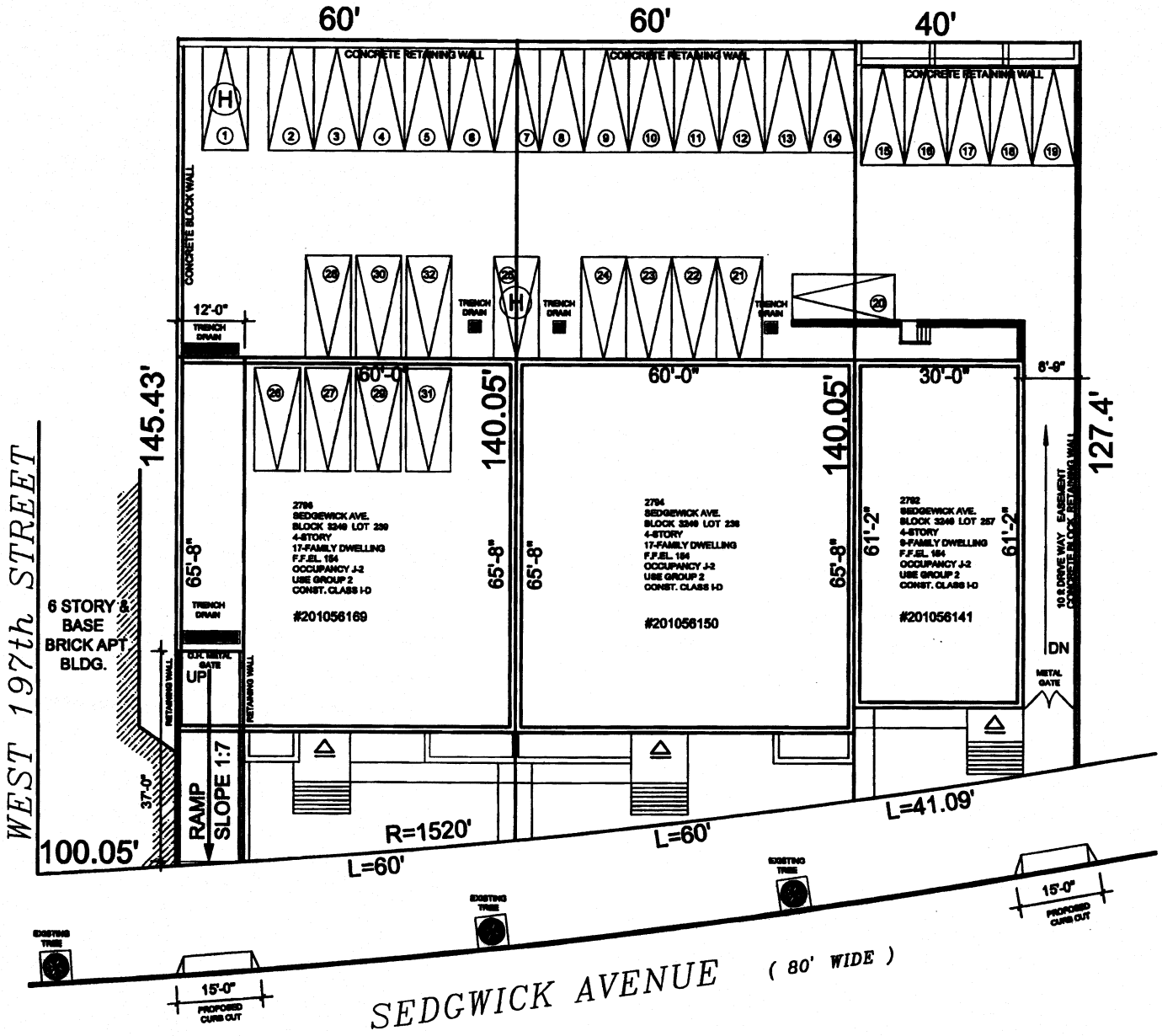
The intercom system is as follows:
Manufacturer: "Alpha Comunications"
Model: PK502B Multi-Entrance Switching Adaptor
Model: PK543A Apartment Intercom Amplifier
Model: IR203C/IR204C/IR205C Apartment Intercom Stations

Dated: August 7, 2007

SEAL

Reza Khamcy, P.E.
Icon Engineering, P.C.
26 Allenwood Road,
Great Neck, New York 11021

STATE OF NEW YORK
REZA KHAMCY
08 635
LICENSED PROFESSIONAL ENGINEER



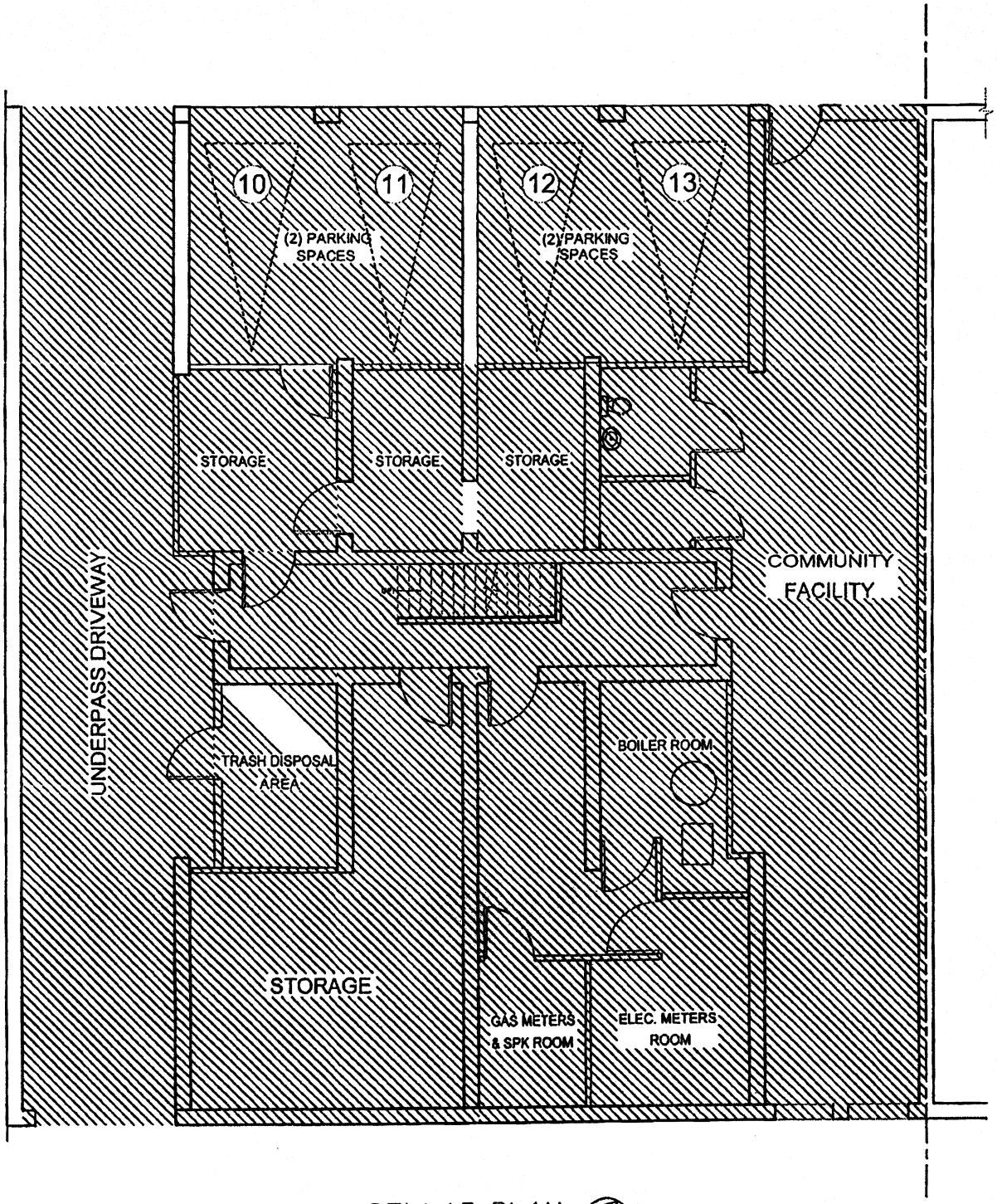
LEGEND

COMMON ELEMENT

MAIN ENTRANCE

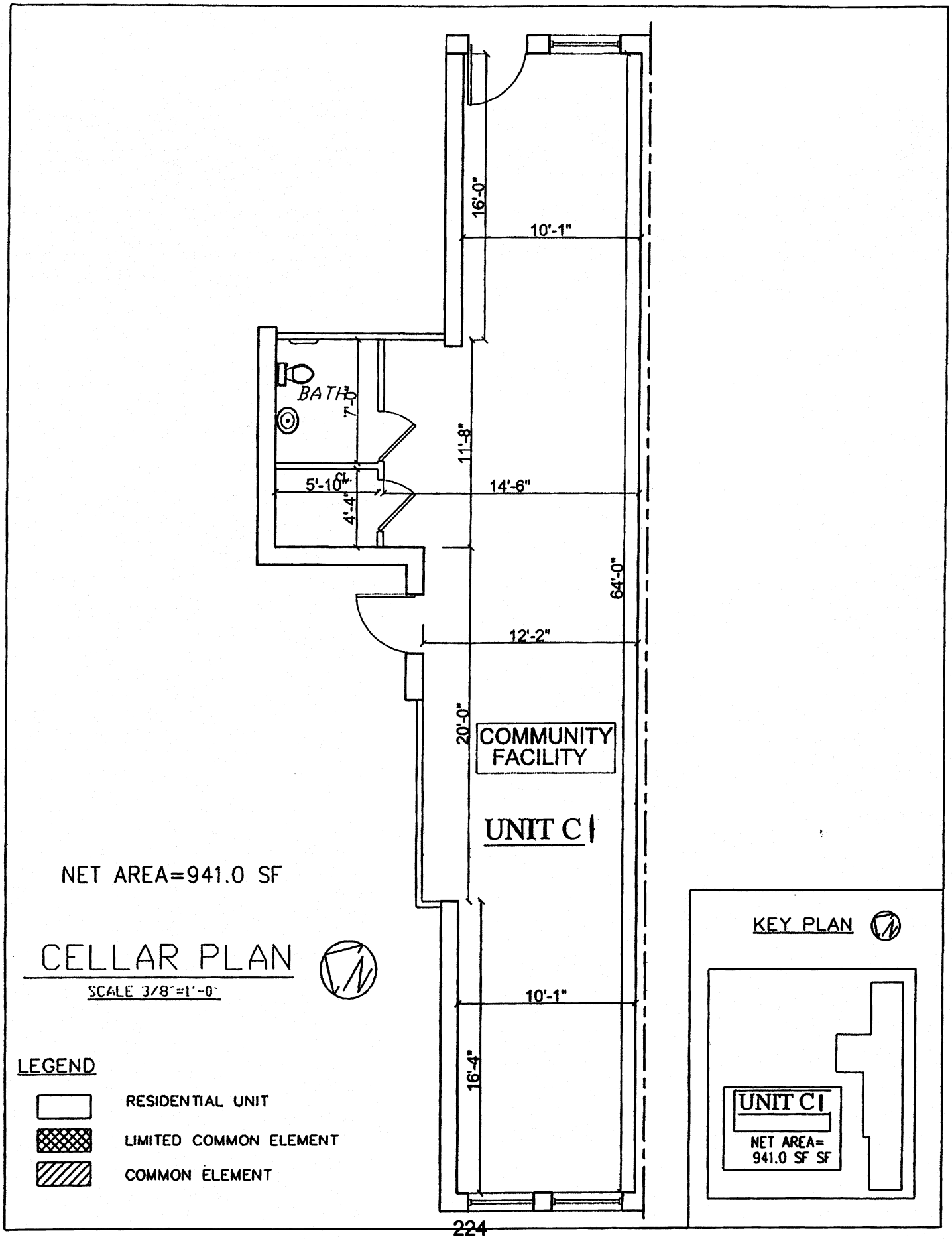
PLOT PLAN

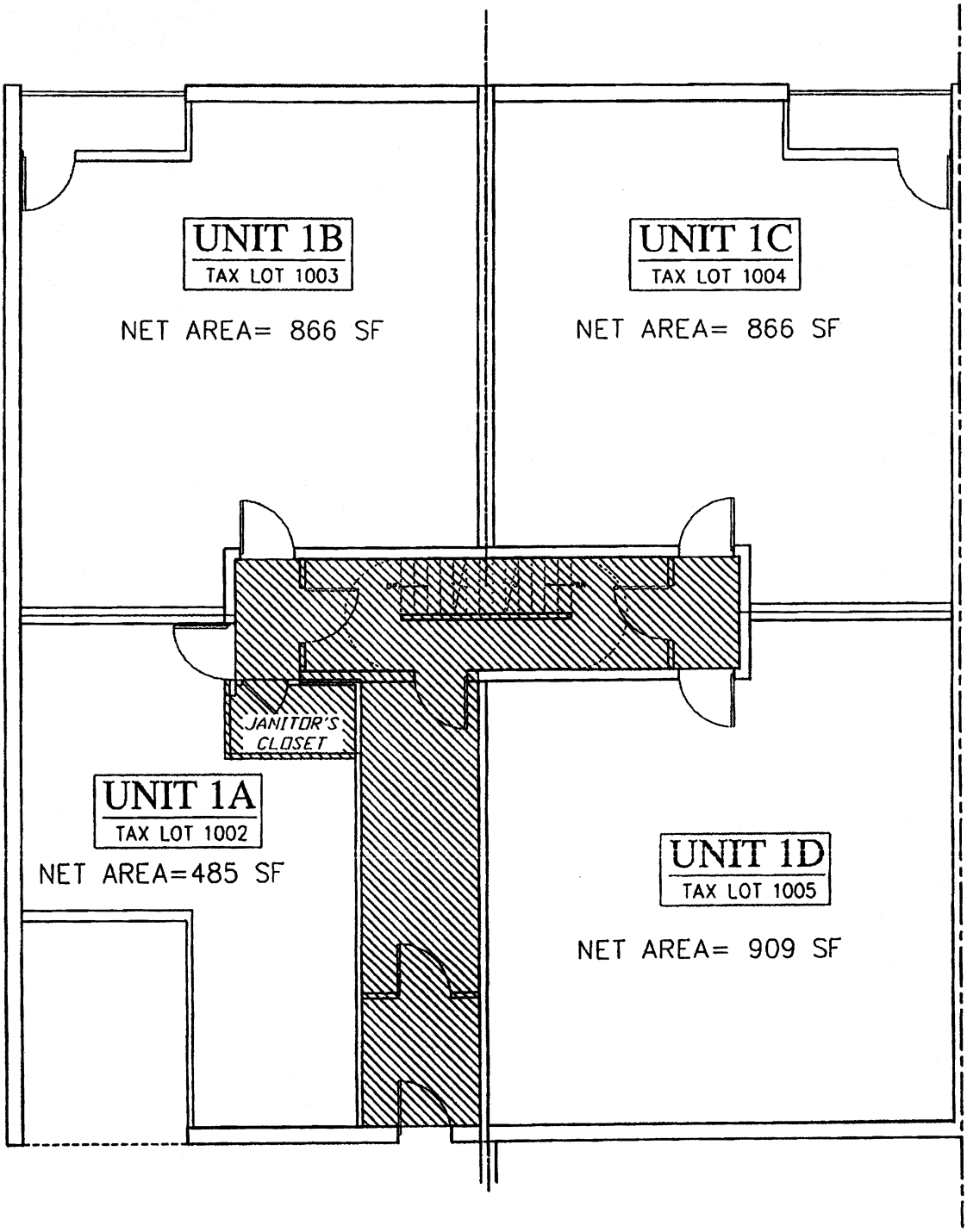
SCALE =1/16"=1'-0"



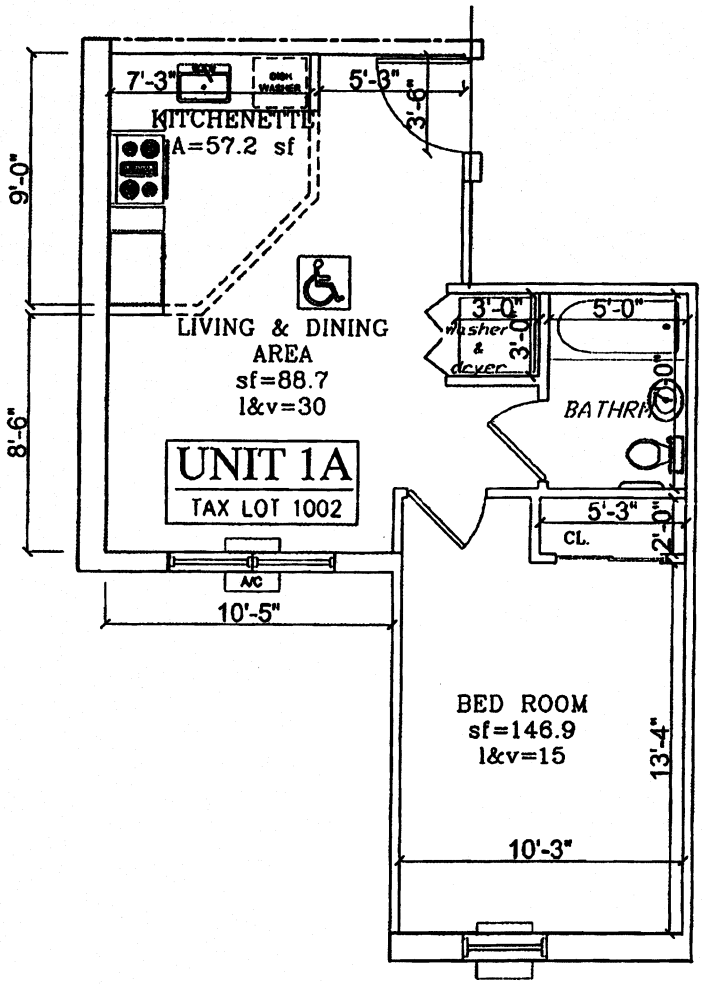
CELLAR PLAN

2796 Sedgwick Avenue


16'-0"
10'-1"
BATH
7'-6"
11'-8"
5'-10"
CL
4'-4"
14'-6"
64'-0"
12'-2"
20'-0"
COMMUNITY FACILITY
UNIT C1
NET AREA=941.0 SF
CELLAR PLAN
SCALE 3/8"=1'-0"
10'-1"
16'-4"
LEGEND
RESIDENTIAL UNIT
LIMITED COMMON ELEMENT
COMMON ELEMENT
KEY PLAN
UNIT C1
NET AREA= 941.0 SF SF



FIRST FLOOR PLAN

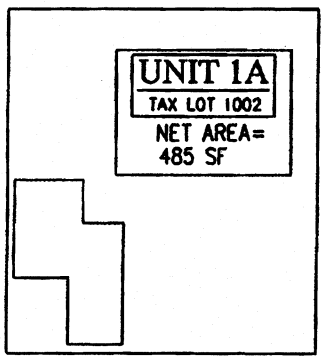


NET AREA=485 SF

FIRST FLOOR PLAN

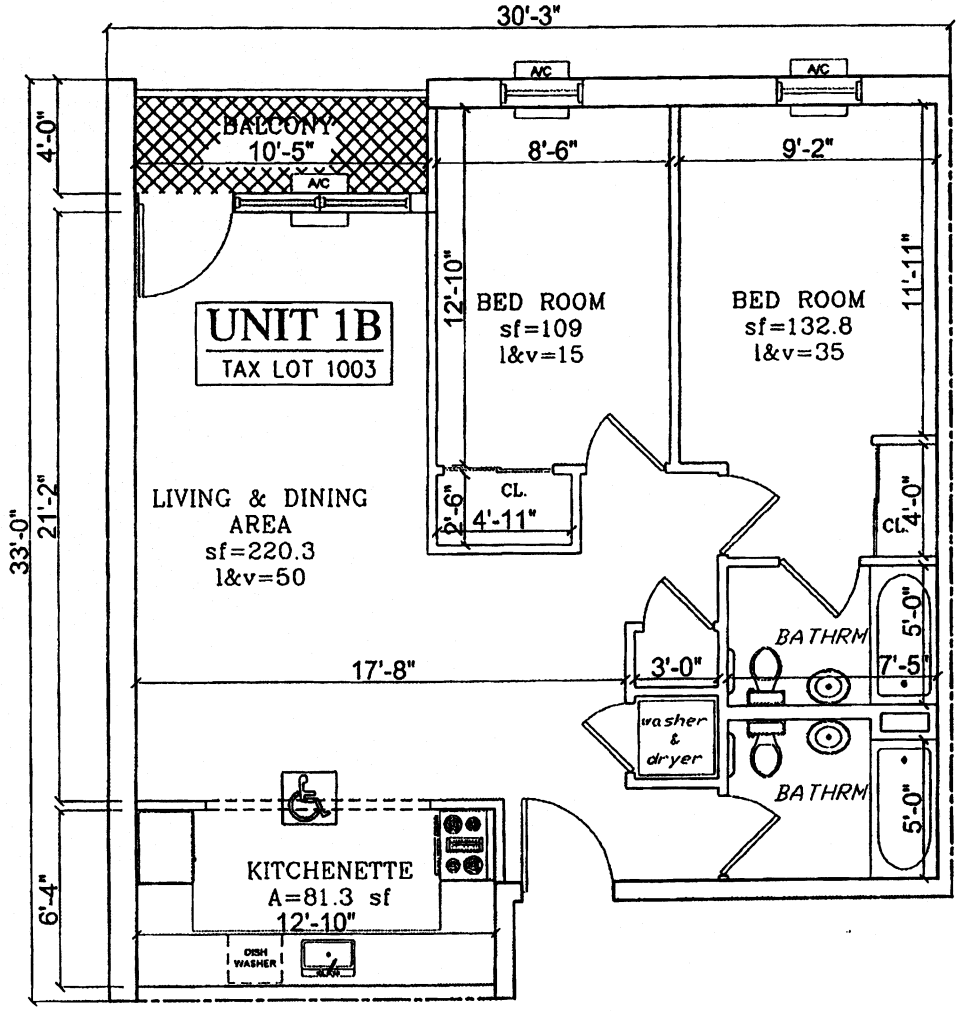
SCALE 3/8"=1'-0"

KEY PLAN



LEGEND

- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT

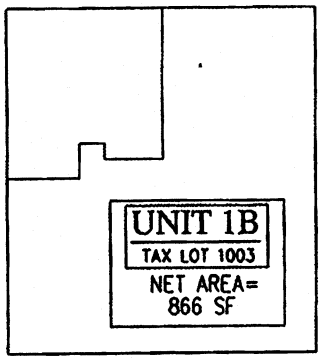


NET AREA=866 SF

FIRST FLOOR PLAN

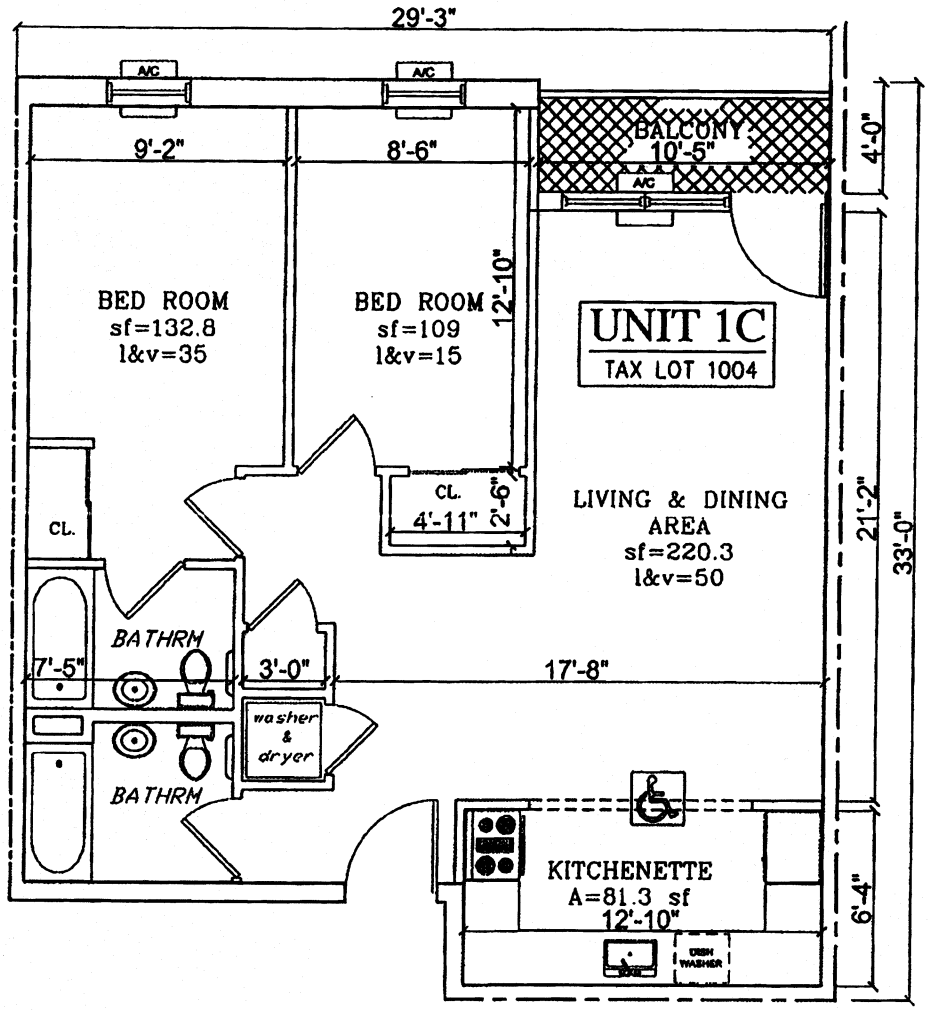
SCALE 3/8"=1'-0"

KEY PLAN



LEGEND

- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT

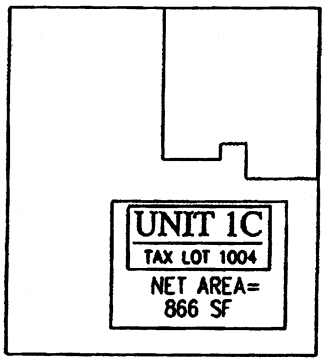


NET AREA=866 SF

FIRST FLOOR PLAN

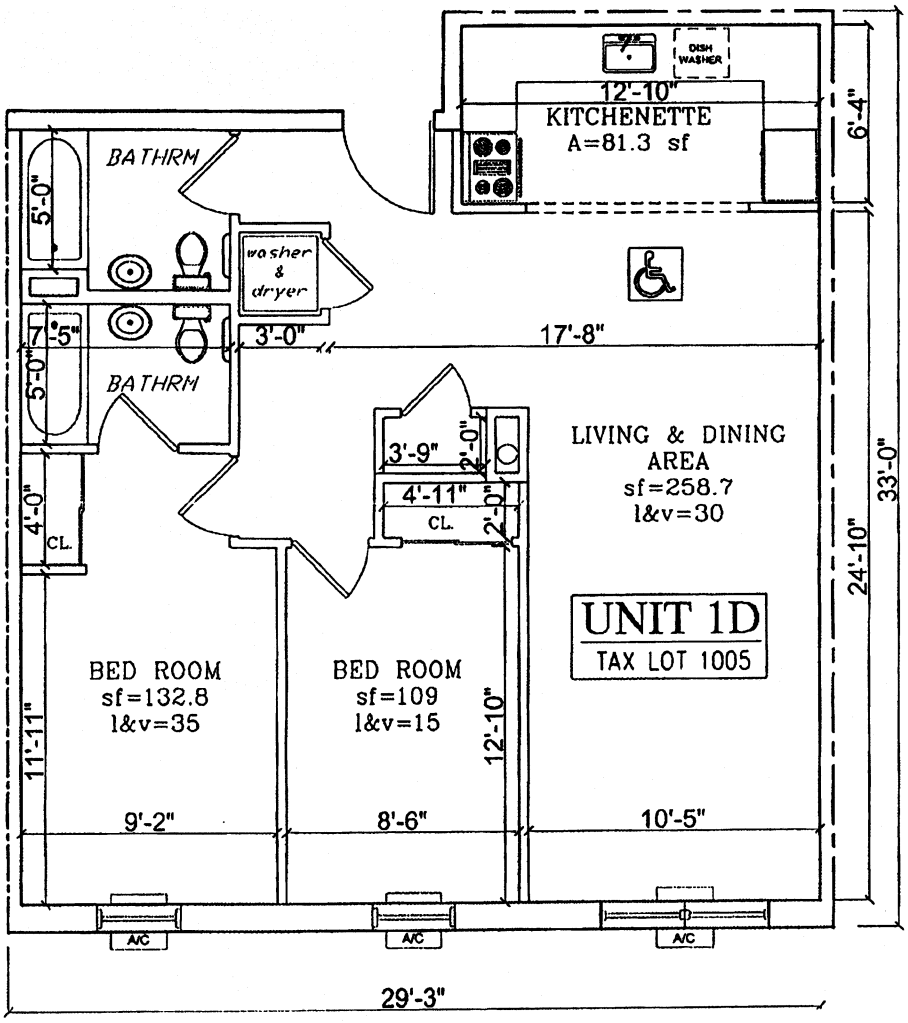
SCALE 3/8"=1'-0"

KEY PLAN



LEGEND

- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT

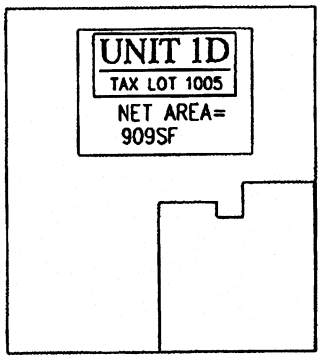


NET AREA=909 SF

FIRST FLOOR PLAN

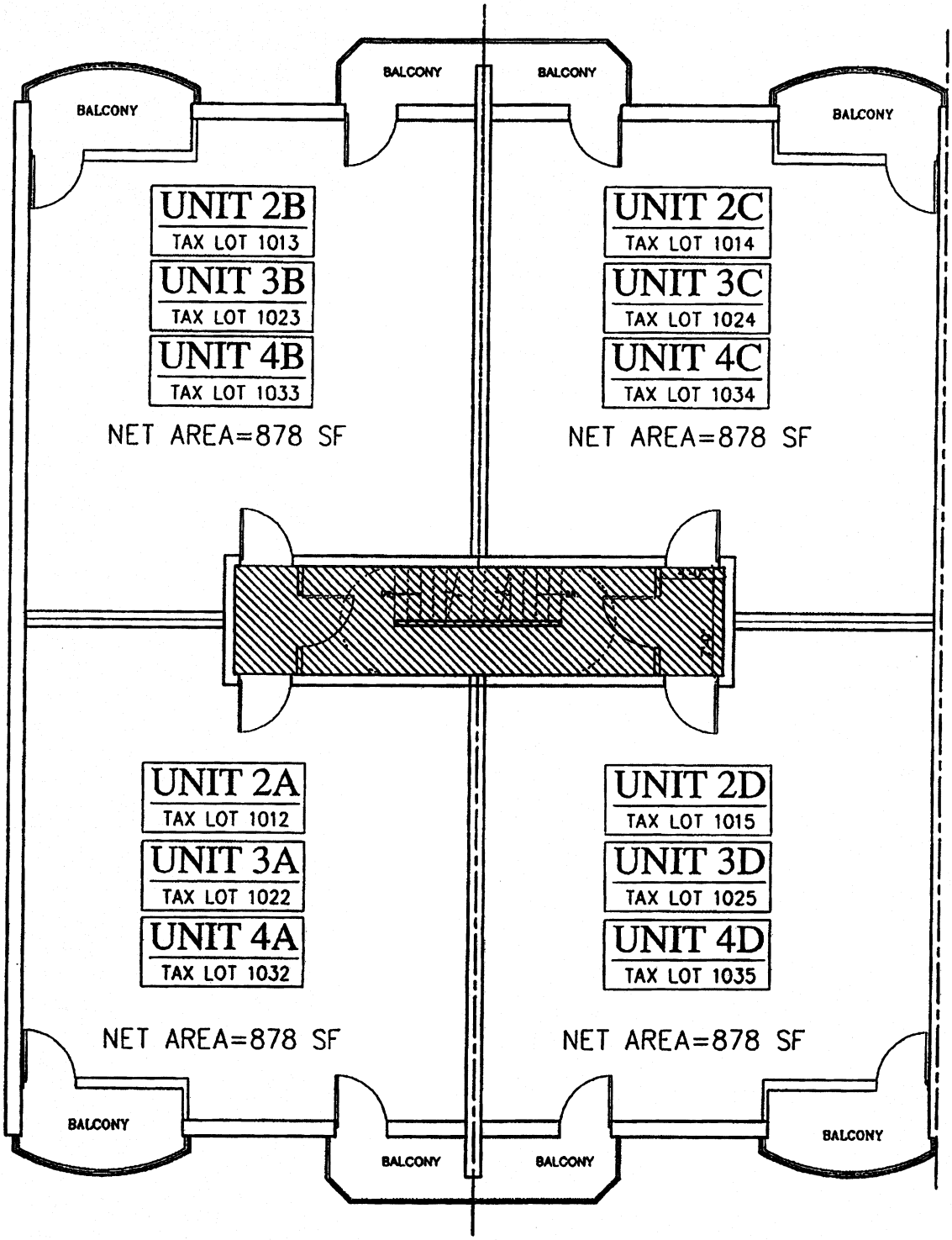
SCALE 3/8"=1'-0"

KEY PLAN

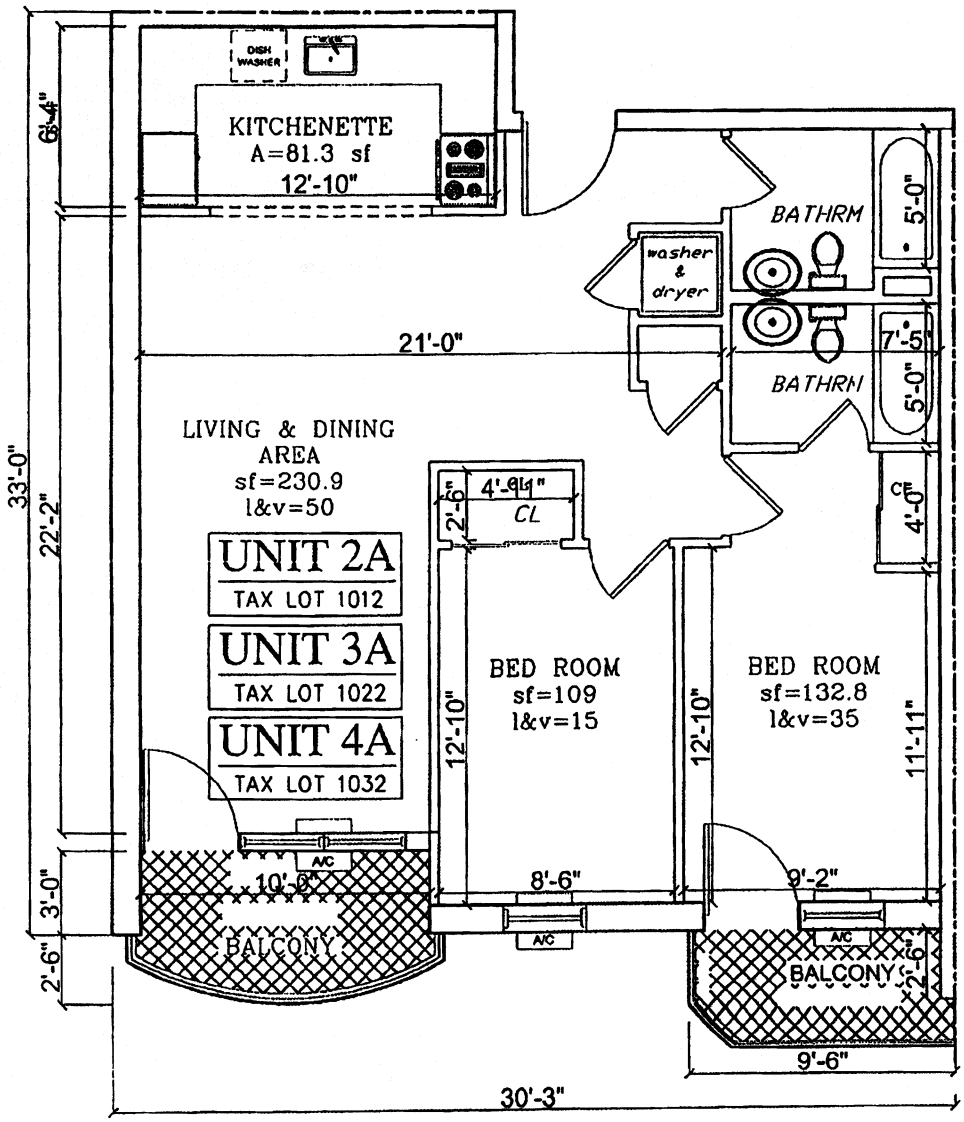


LEGEND

- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT



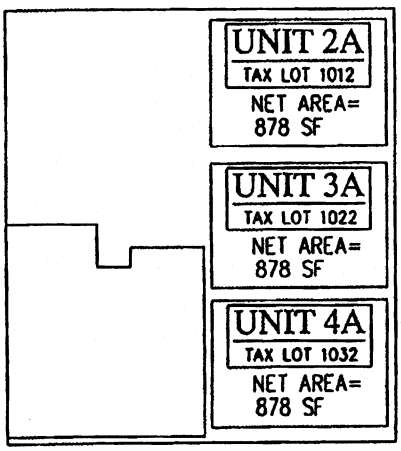
2nd,3rd,4th FLOOR PLAN



NET AREA=878 SF

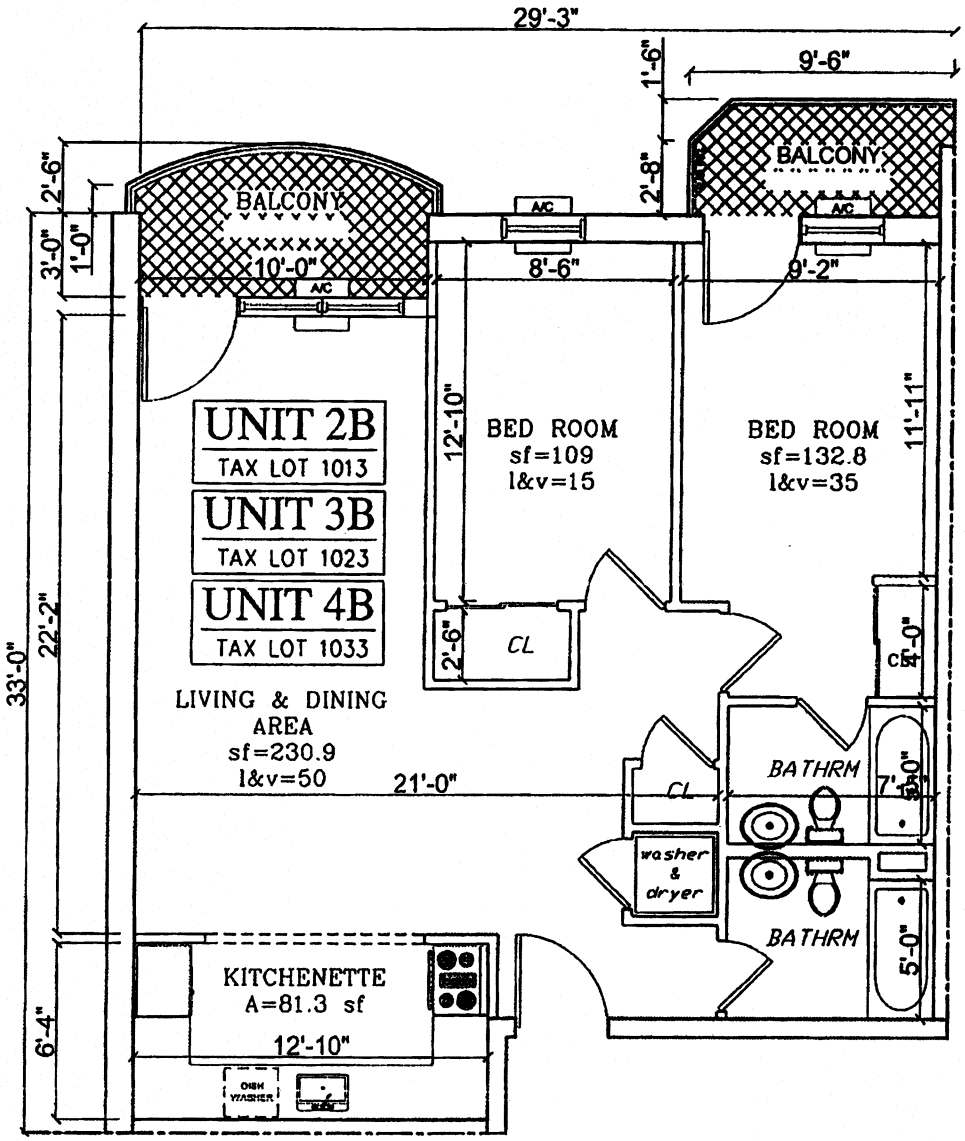
2nd,3rd,4th FLOOR PLAN

KEY PLAN



LEGEND

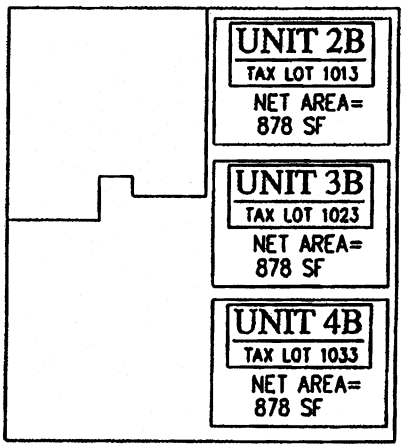
- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT



NET AREA=878 SF

2nd,3rd,4th FLOOR PLAN

KEY PLAN



LEGEND

- RESIDENTIAL UNIT
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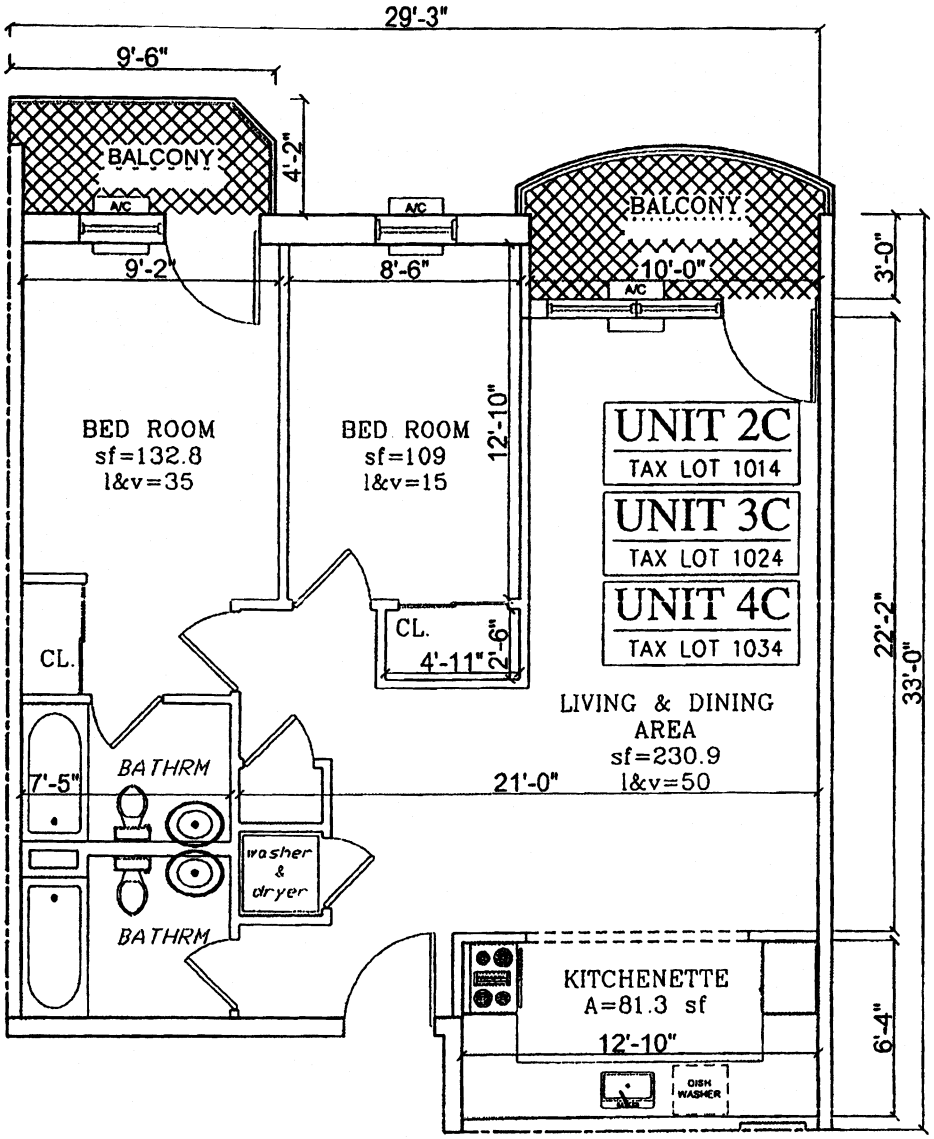
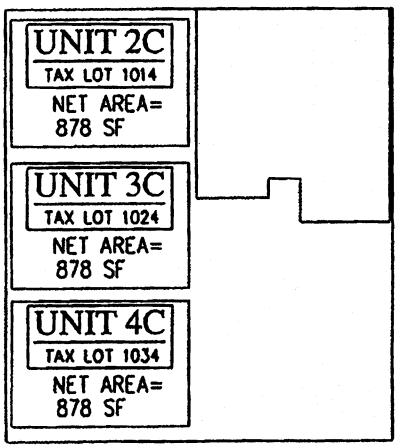
- COMMON ELEMENT



NET AREA=878 SF

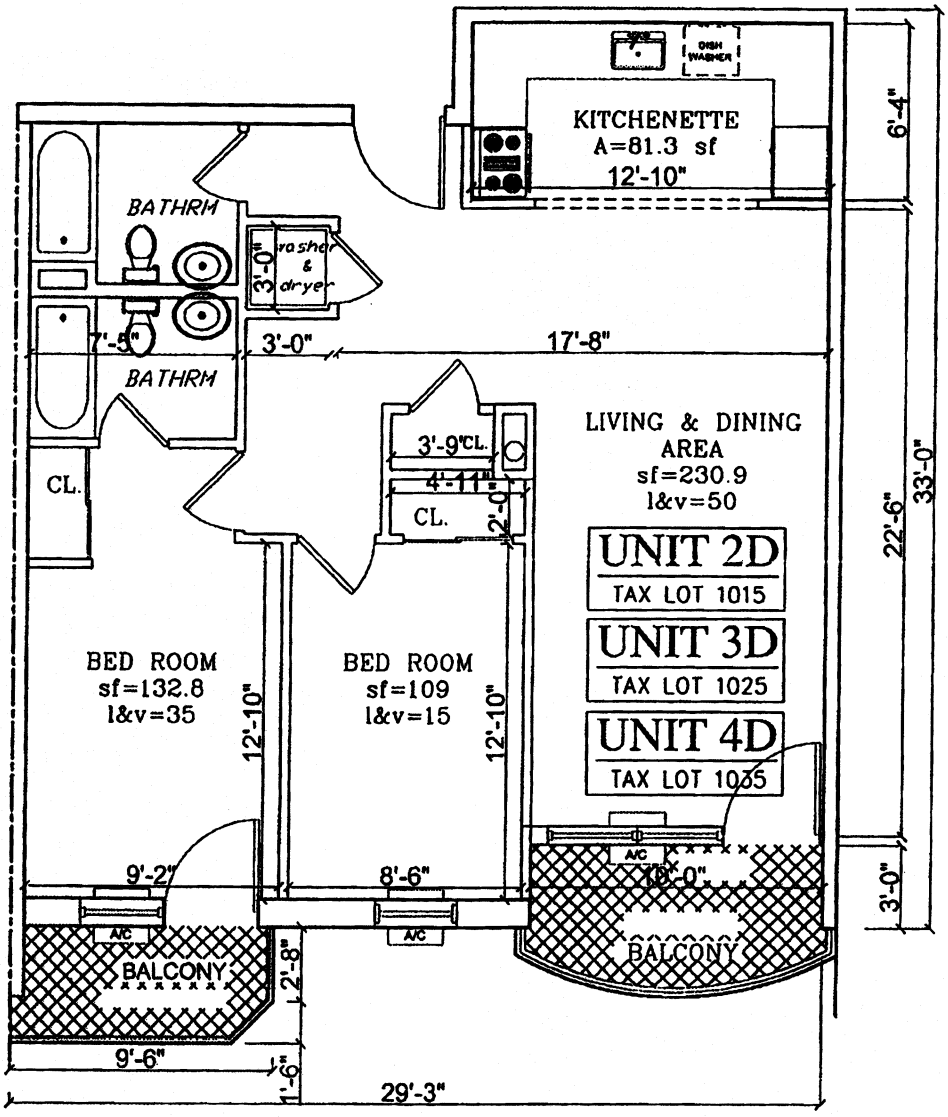
2nd,3rd,4th FLOOR PLAN

KEY PLAN



LEGEND

- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT



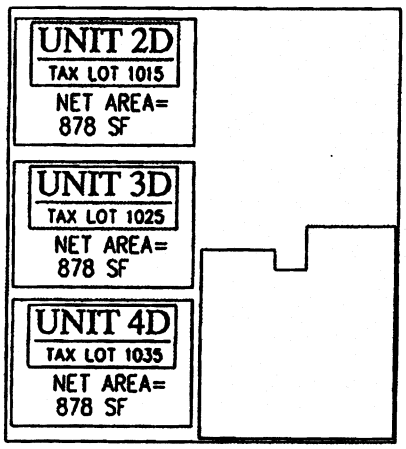
NET AREA=878 SF

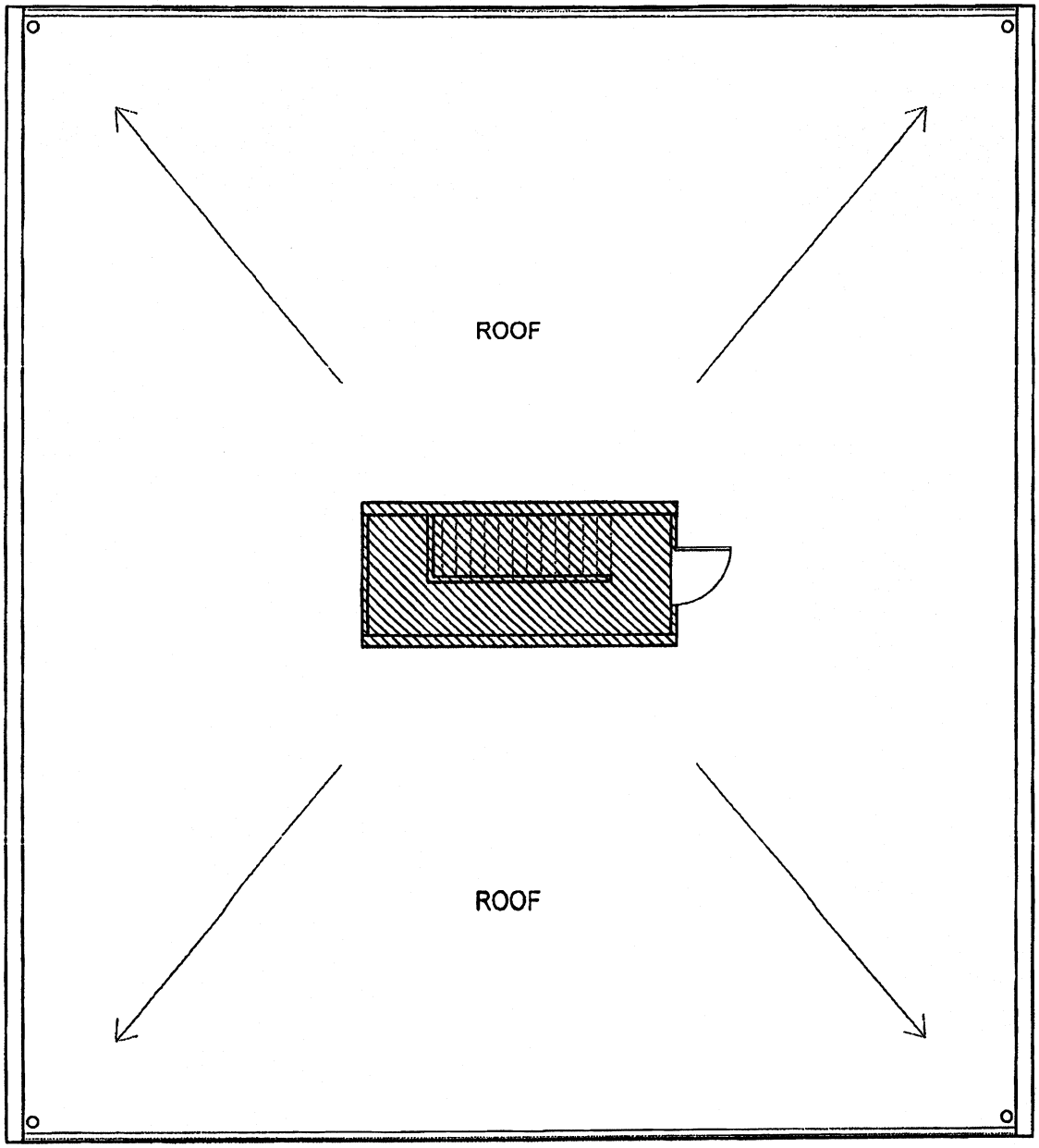
2nd,3rd,4th FLOOR PLAN

LEGEND

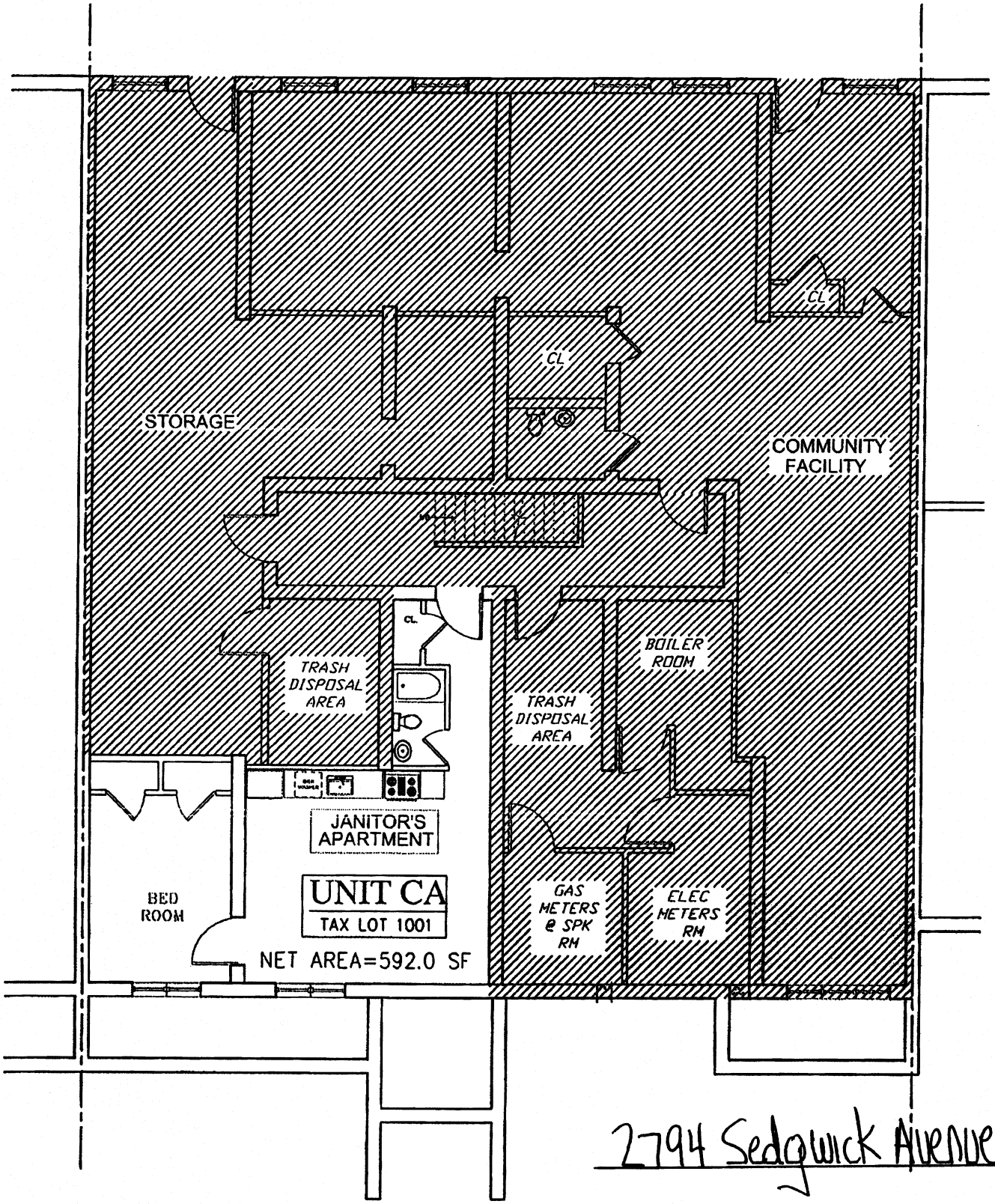
- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT

KEY PLAN



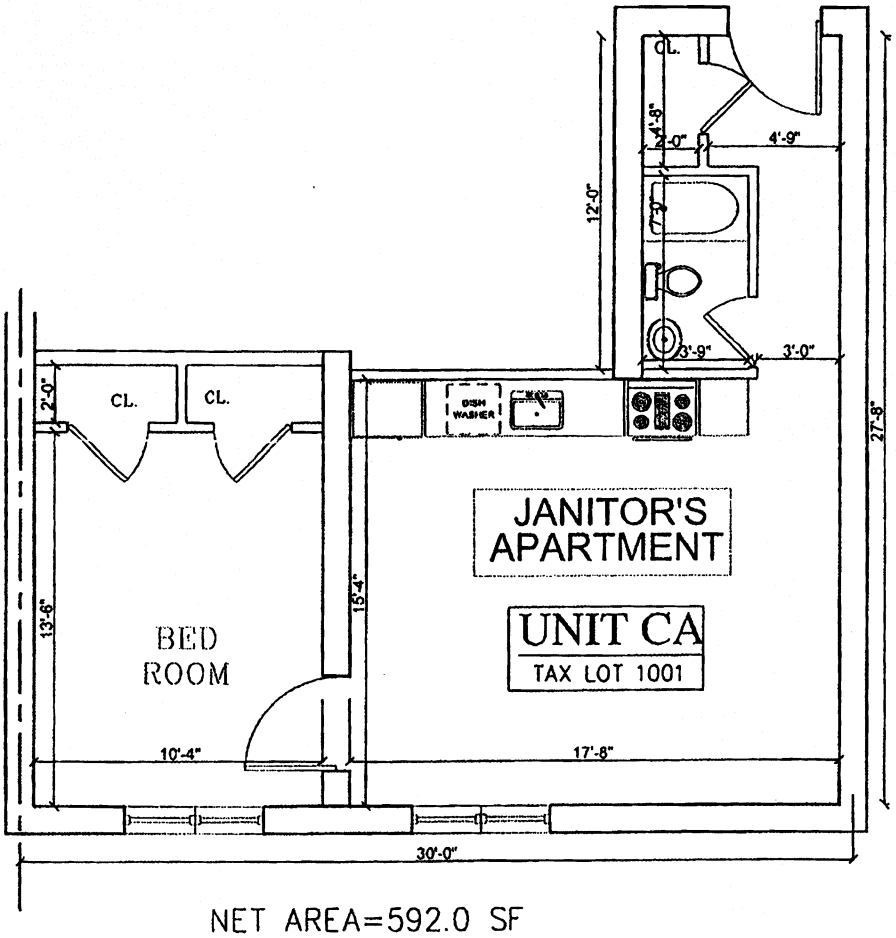


ROOF PLAN



2794 Sedgwick Avenue

CELLAR PLAN

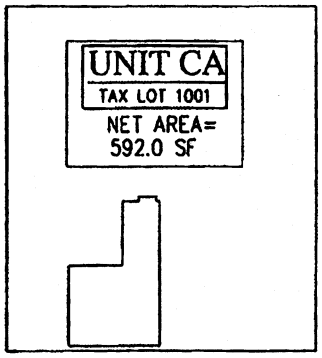


NET AREA=592.0 SF

CELLAR PLAN

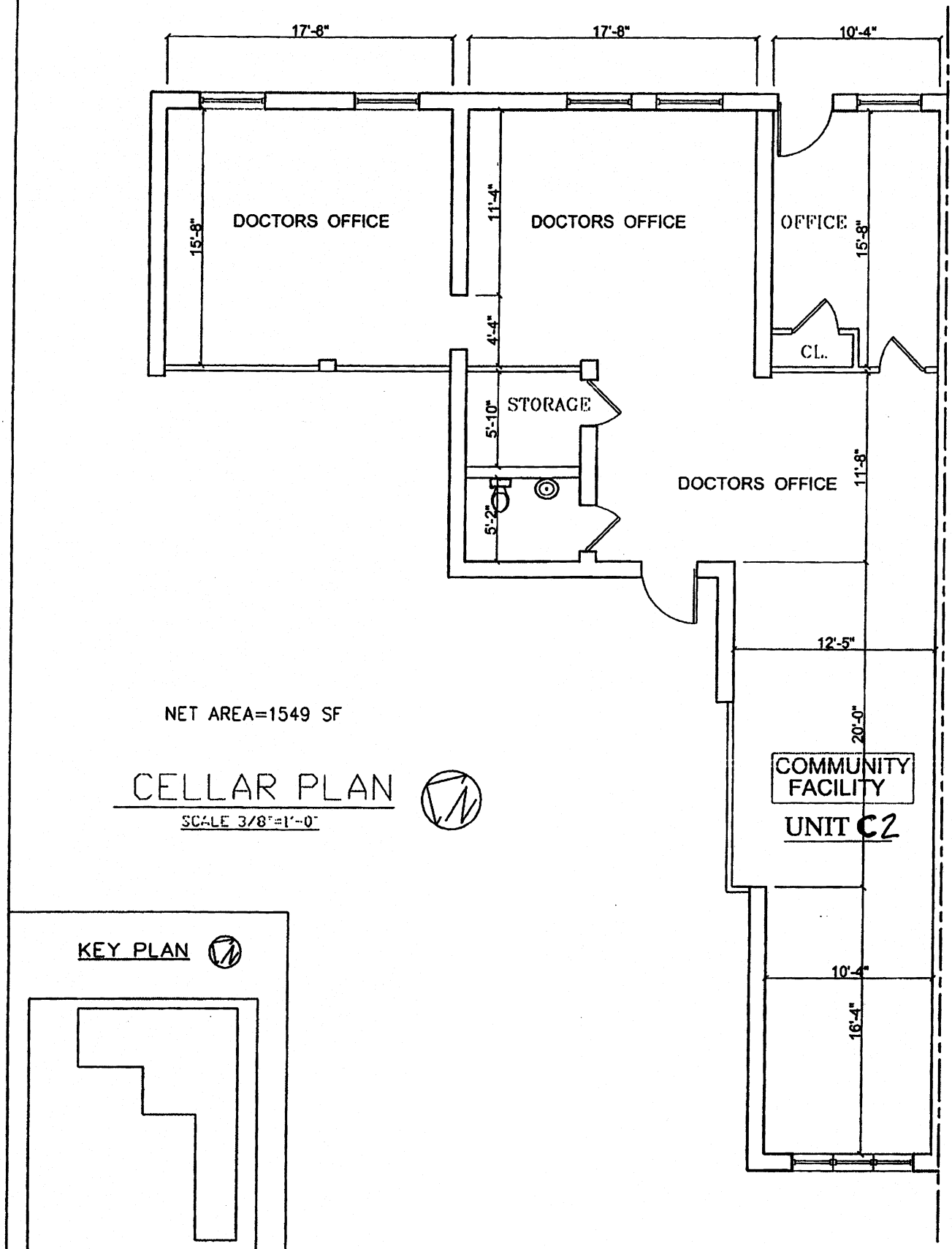
SCALE 3/8"=1'-0"

KEY PLAN



LEGEND

- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT

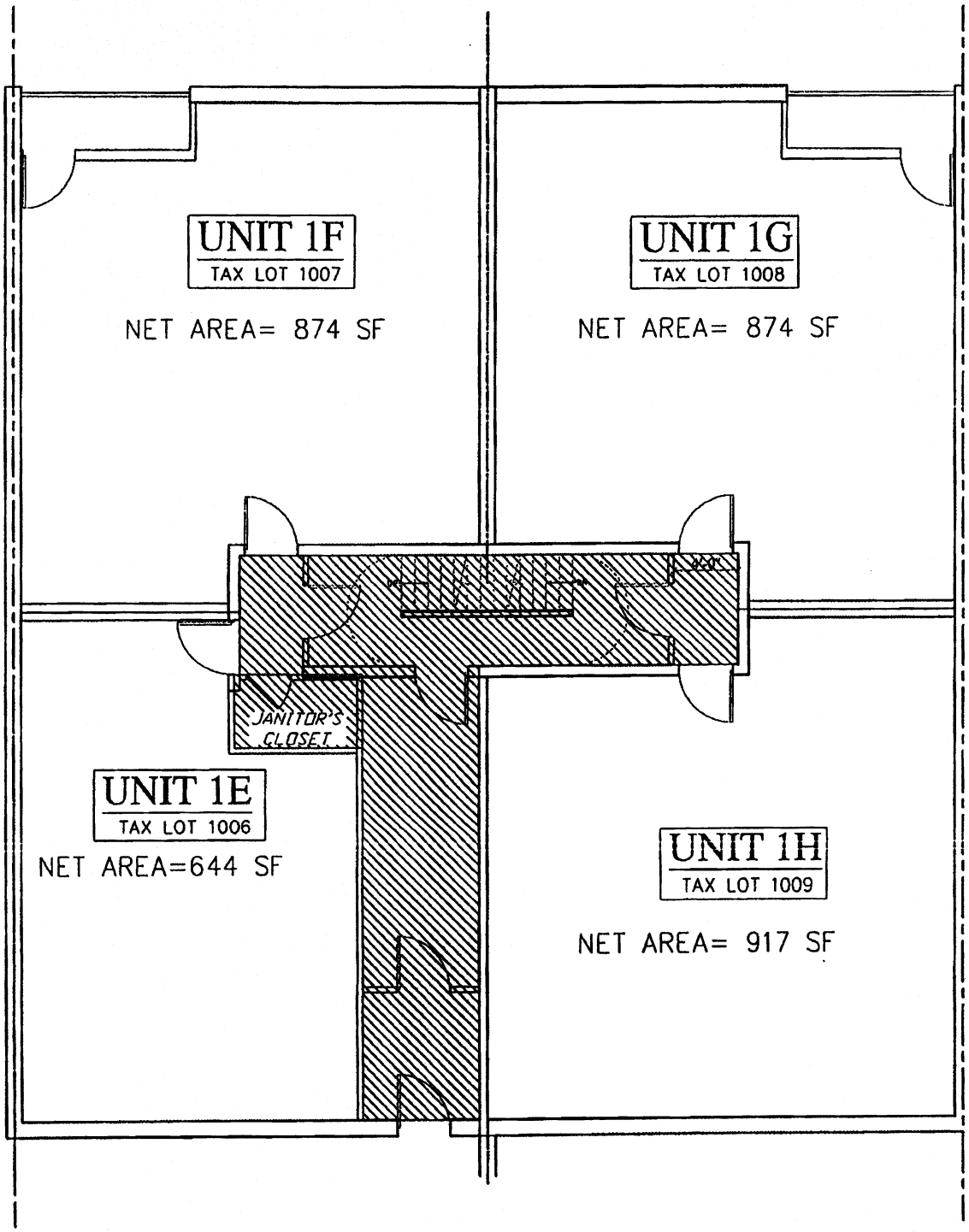


NET AREA=1549 SF

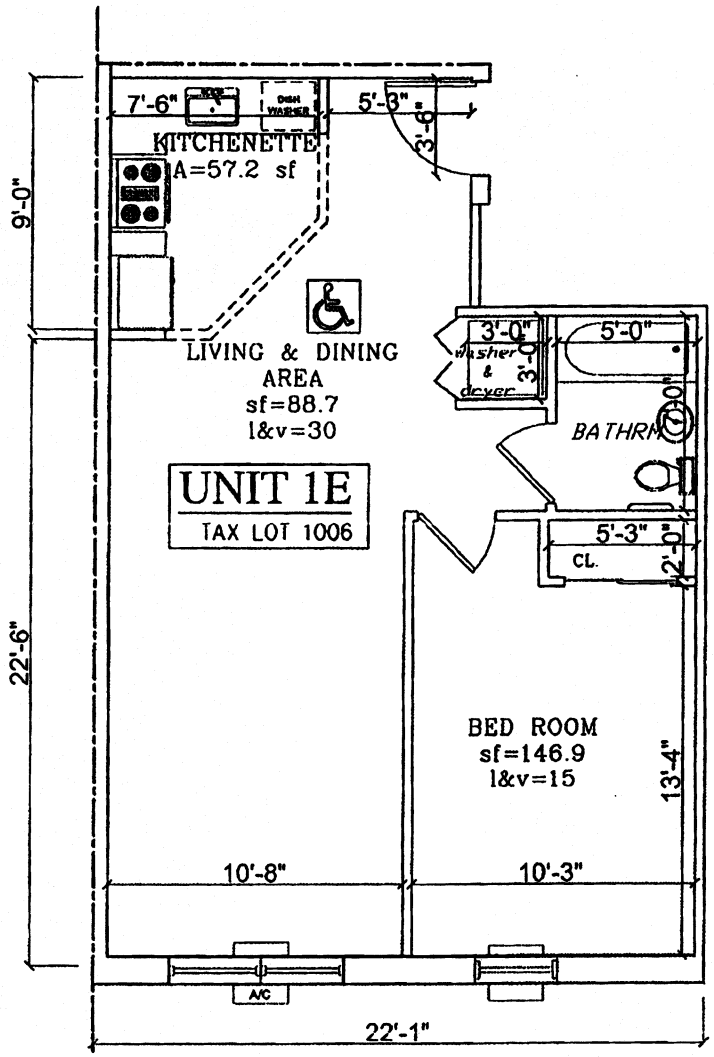
CELLAR PLAN

SCALE 3/8"=1'-0"

KEY PLAN



FIRST FLOOR PLAN

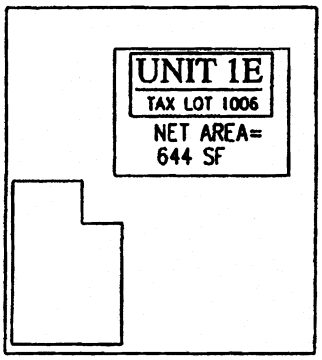


NET AREA=644 SF

FIRST FLOOR PLAN

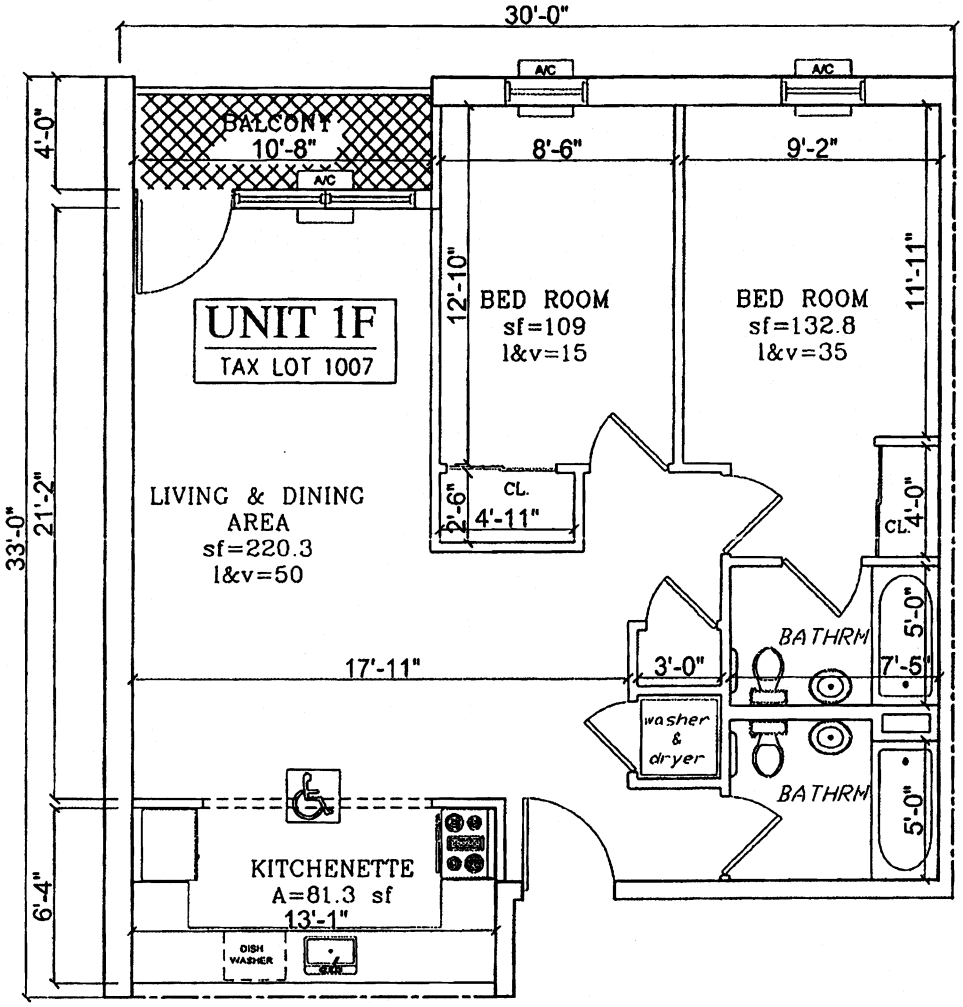
SCALE 3/8"=1'-0"

KEY PLAN



LEGEND

- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT

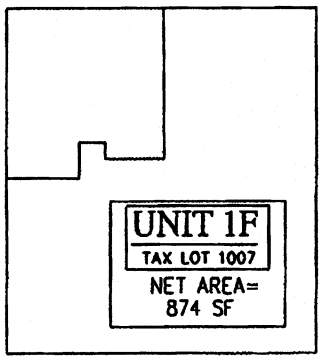


NET AREA=874 SF

FIRST FLOOR PLAN

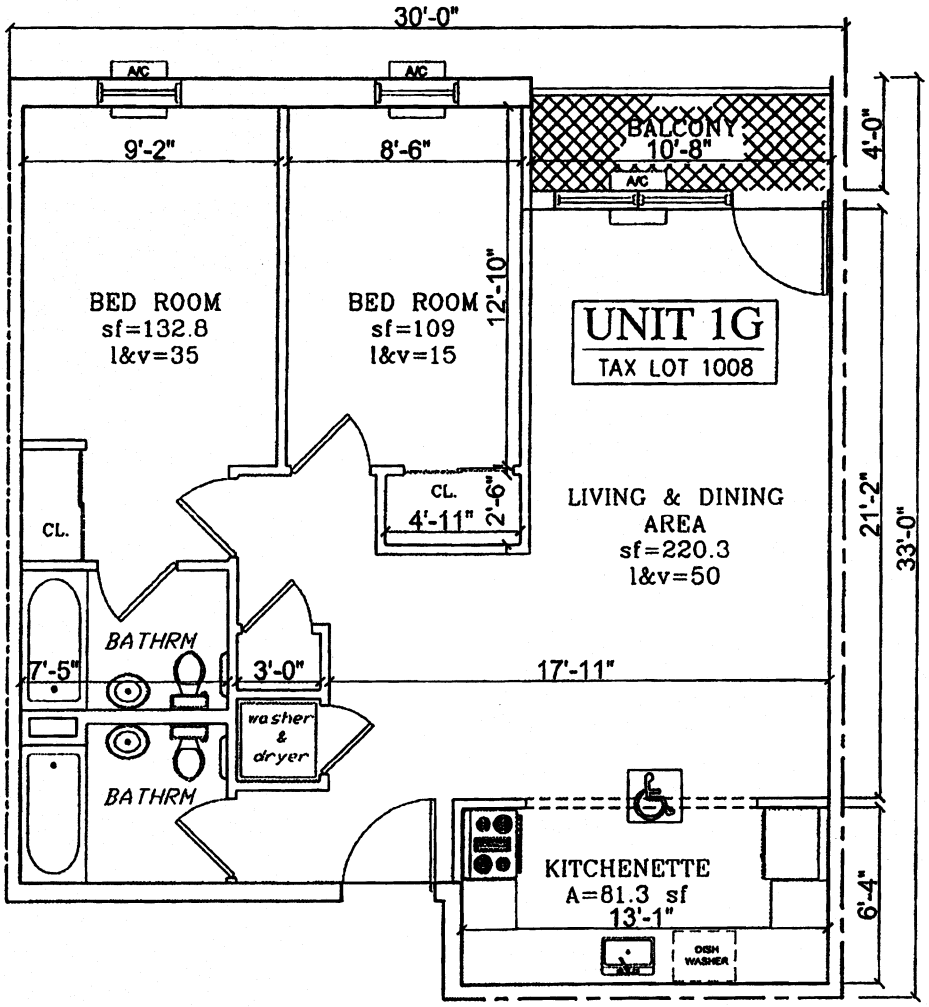
SCALE 3/8"=1'-0"

KEY PLAN



LEGEND

- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT

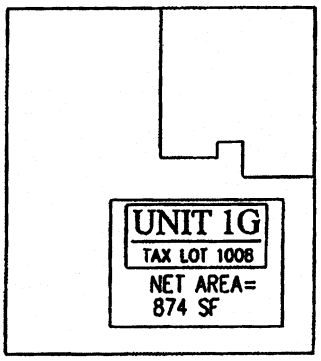


NET AREA=874 SF

FIRST FLOOR PLAN

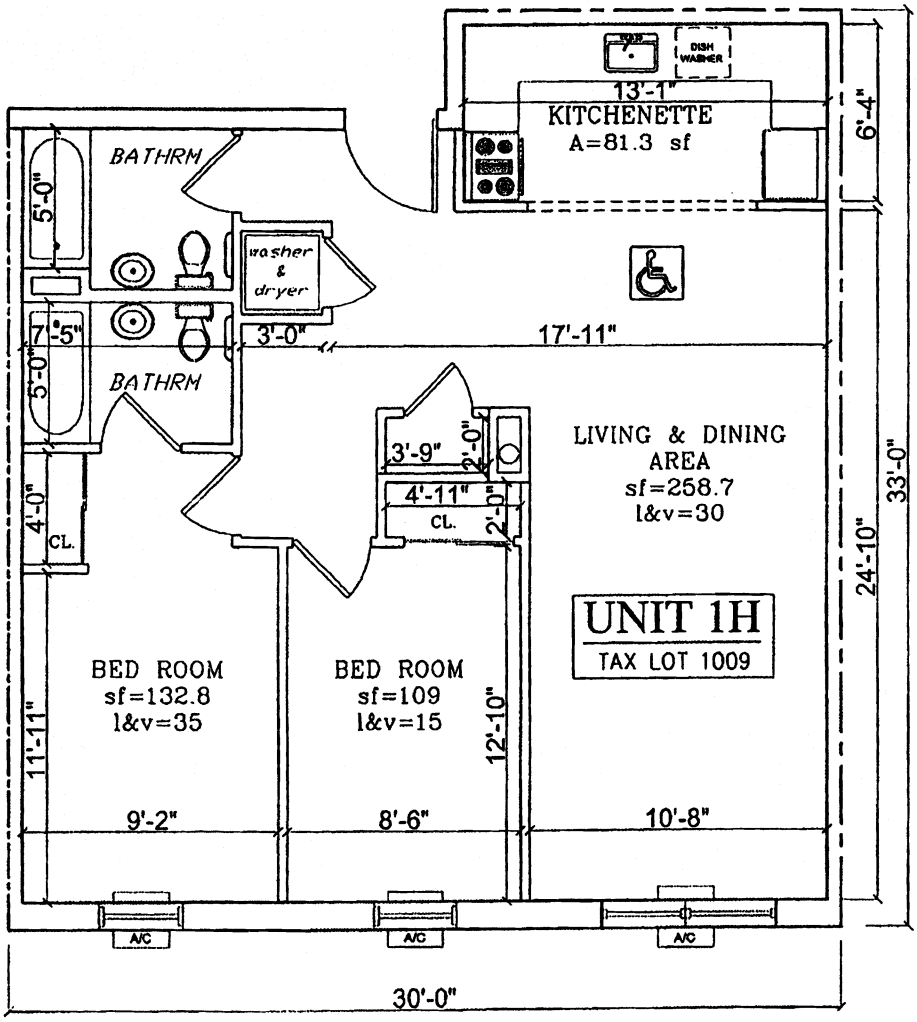
SCALE 3/8"=1'-0"

KEY PLAN



LEGEND

- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT

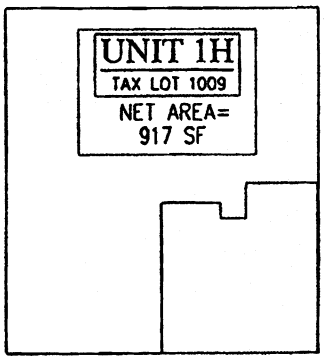


NET AREA=917 SF

FIRST FLOOR PLAN

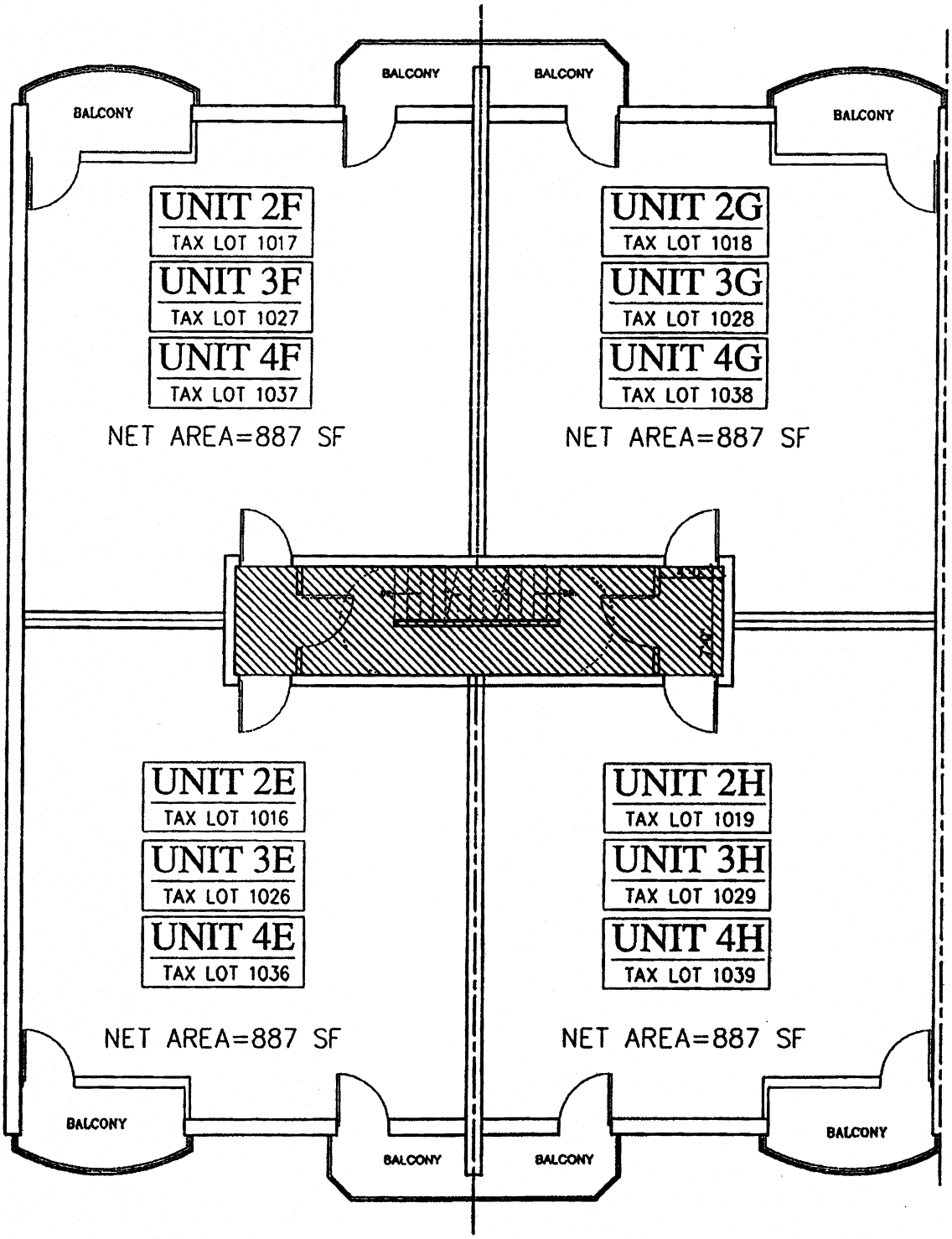
SCALE 3/8"=1'-0"

KEY PLAN

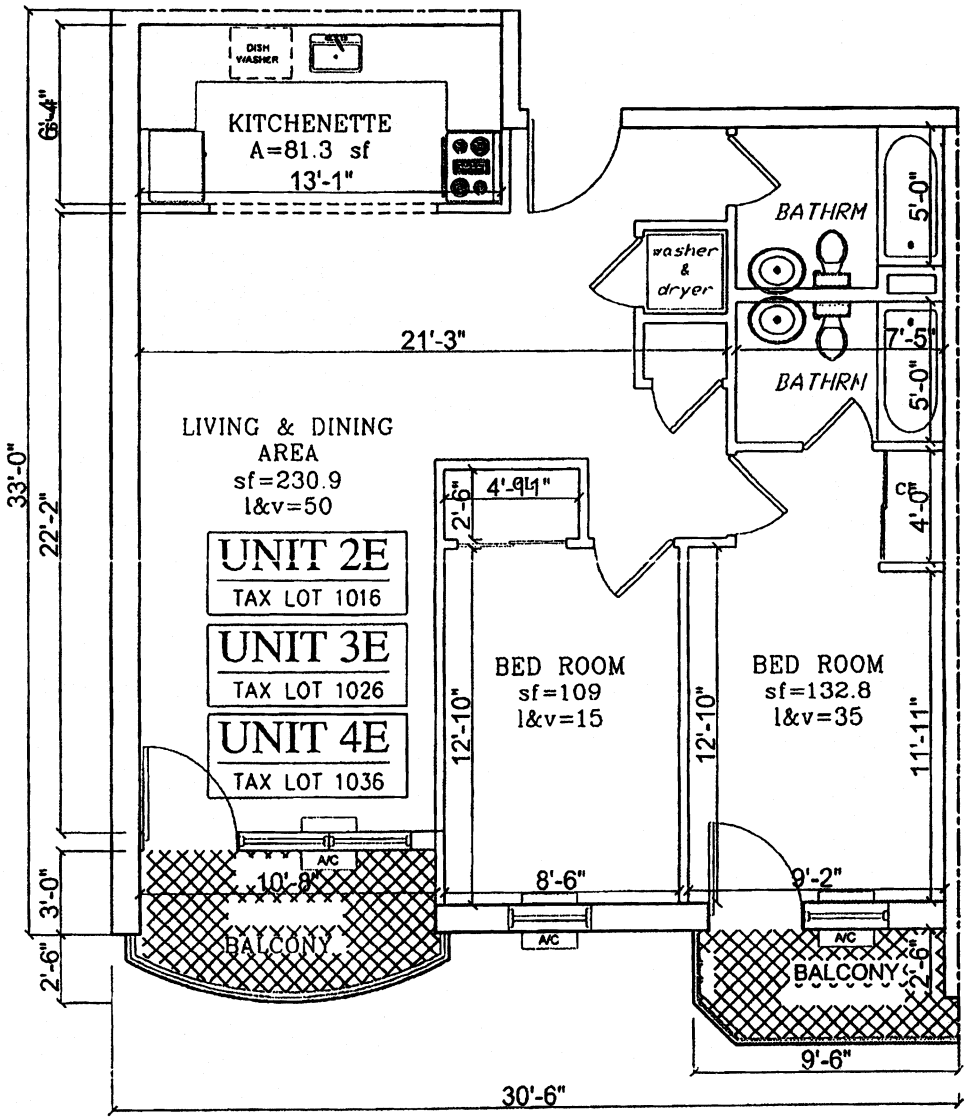


LEGEND

- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT



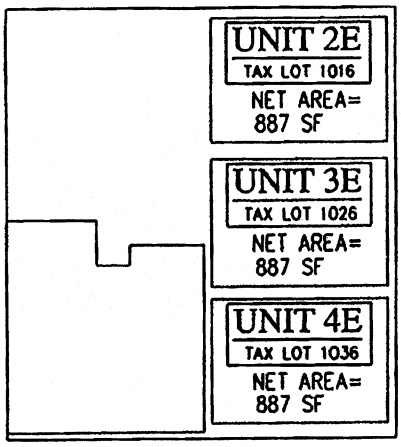
2nd,3rd,4th FLOOR PLAN



NET AREA=887 SF

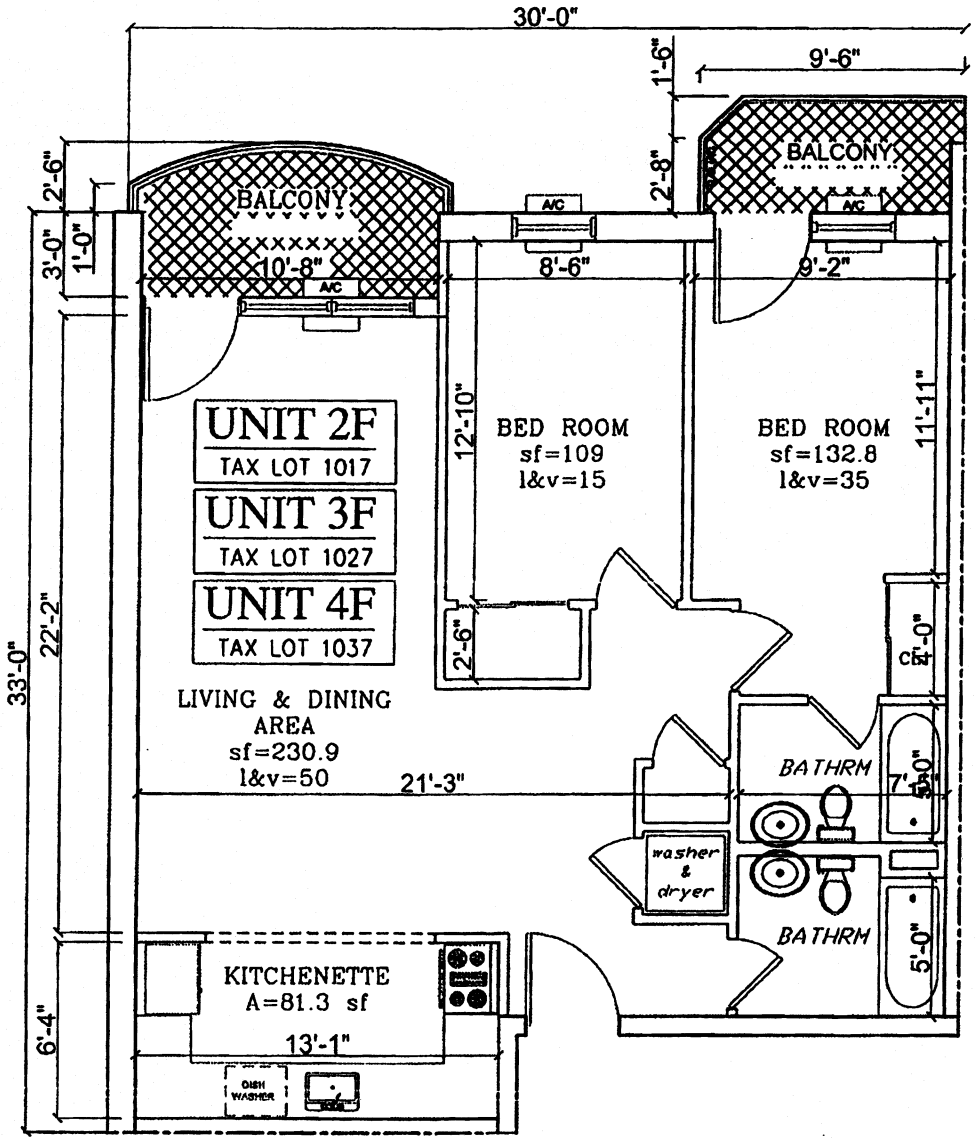
2nd,3rd,4th FLOOR PLAN

KEY PLAN



LEGEND

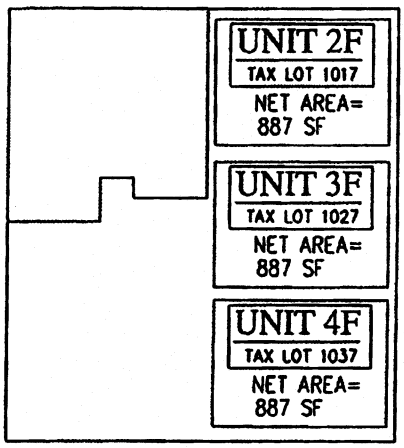
- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT



NET AREA=887 SF

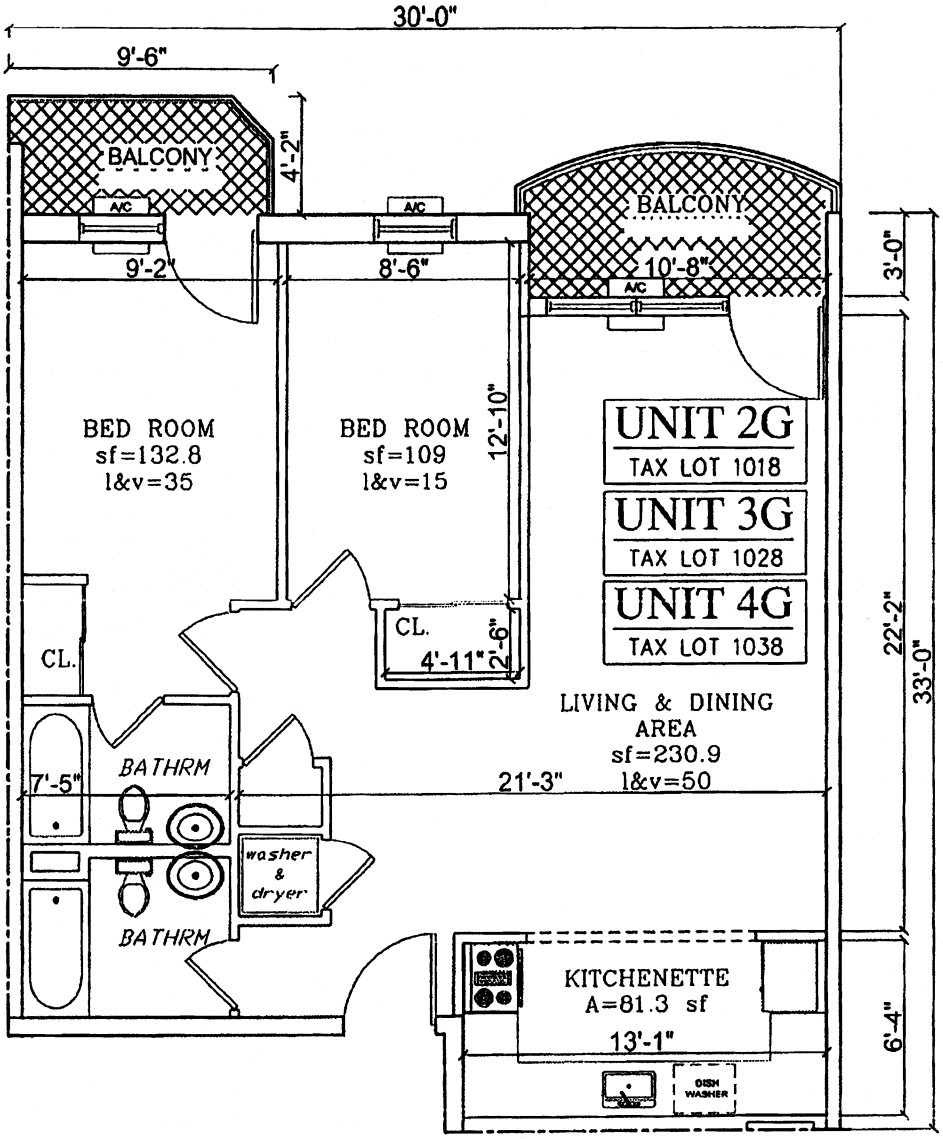
2nd,3rd,4th FLOOR PLAN

KEY PLAN



LEGEND

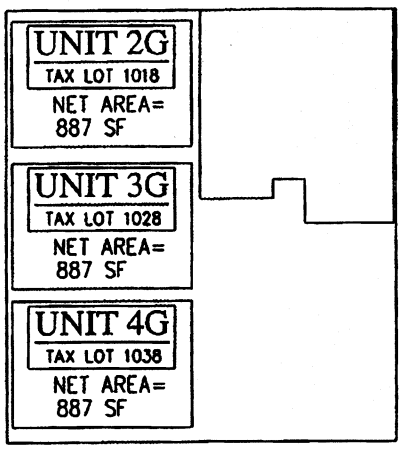
- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT



NET AREA=887 SF

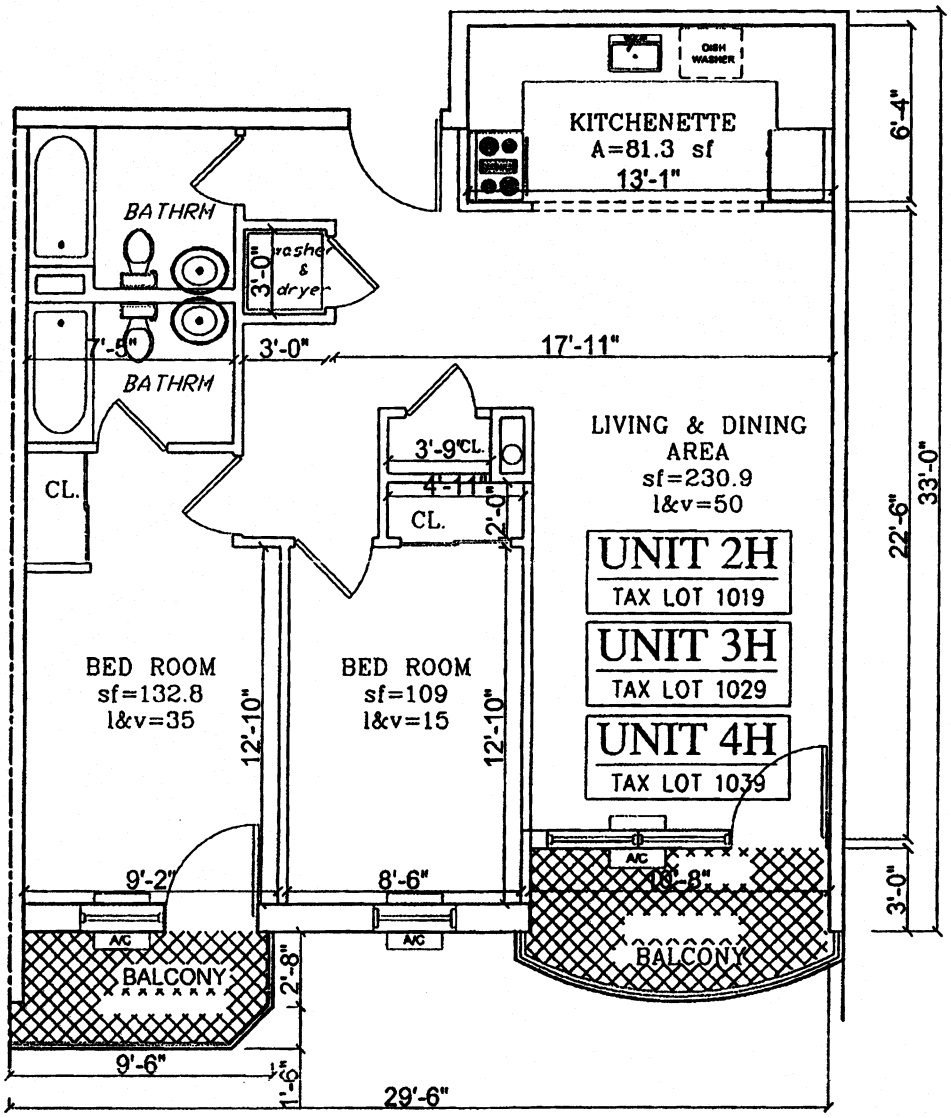
2nd,3rd,4th FLOOR PLAN

KEY PLAN



LEGEND

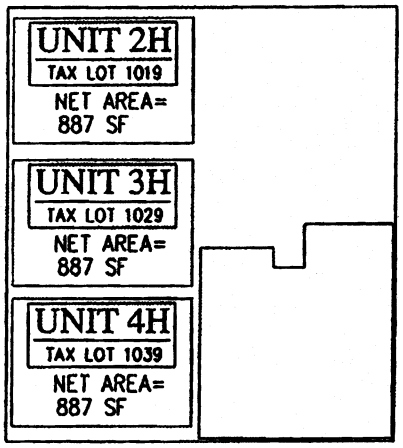
- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT



NET AREA=887 SF

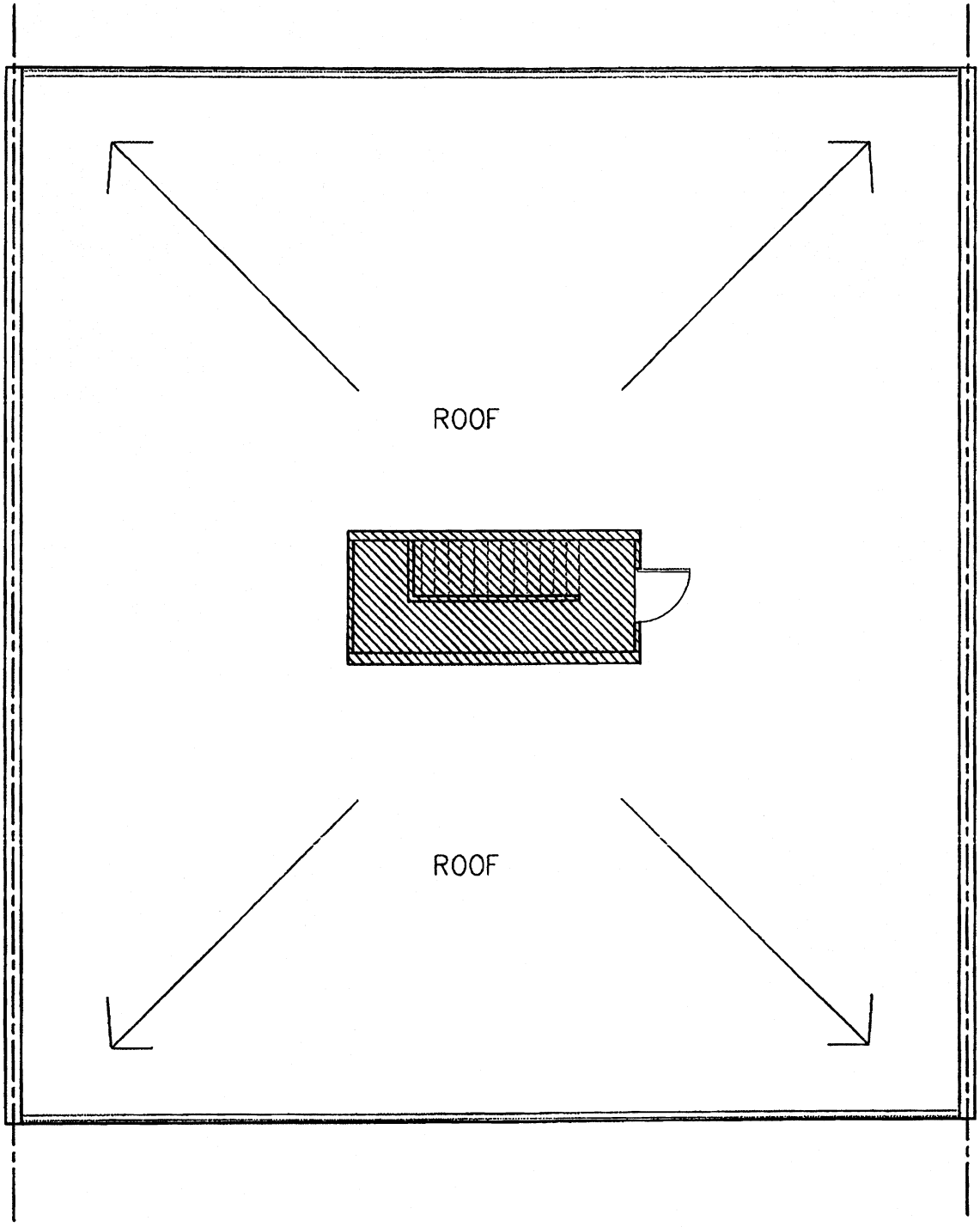
2nd,3rd,4th FLOOR PLAN

KEY PLAN

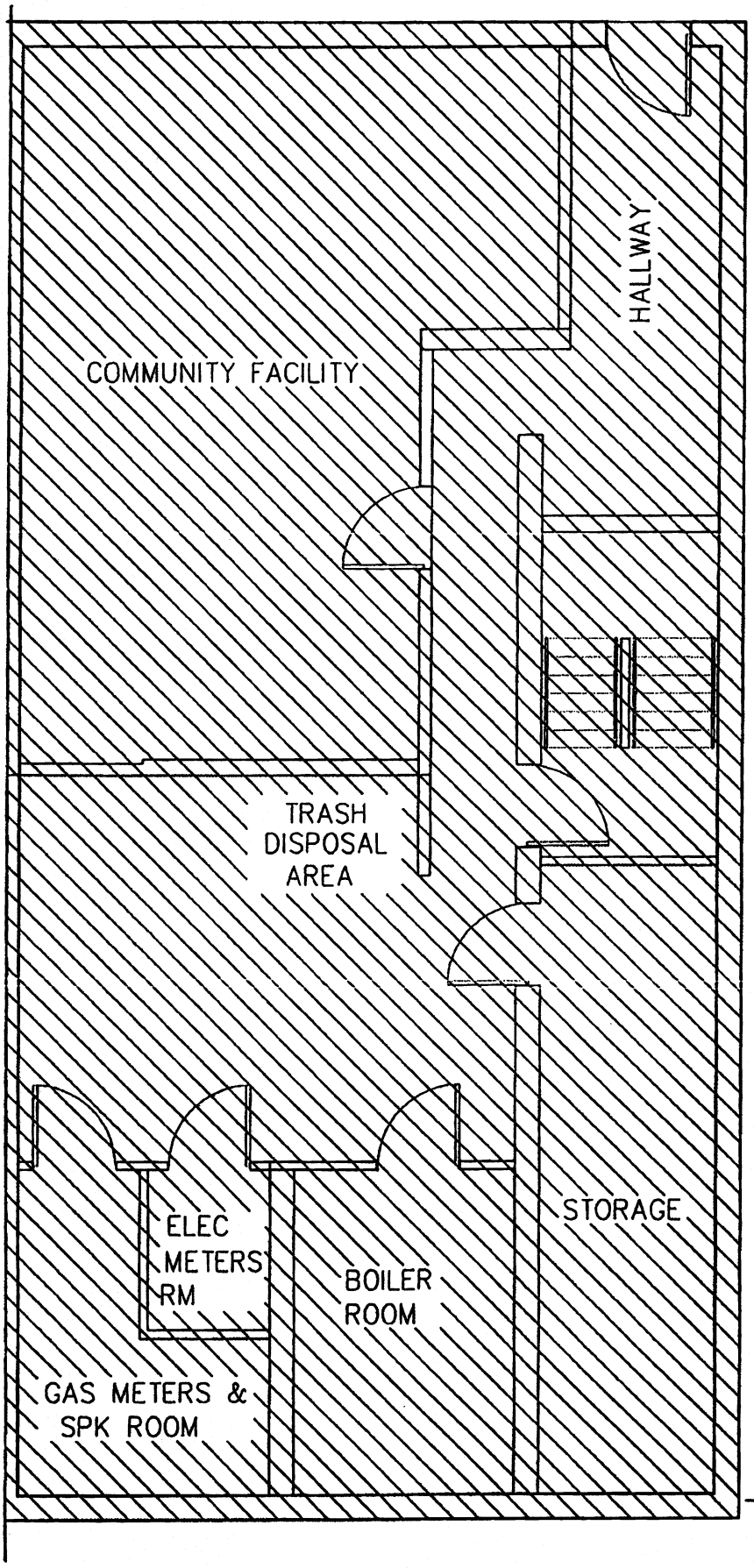


LEGEND

- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT



ROOF PLAN

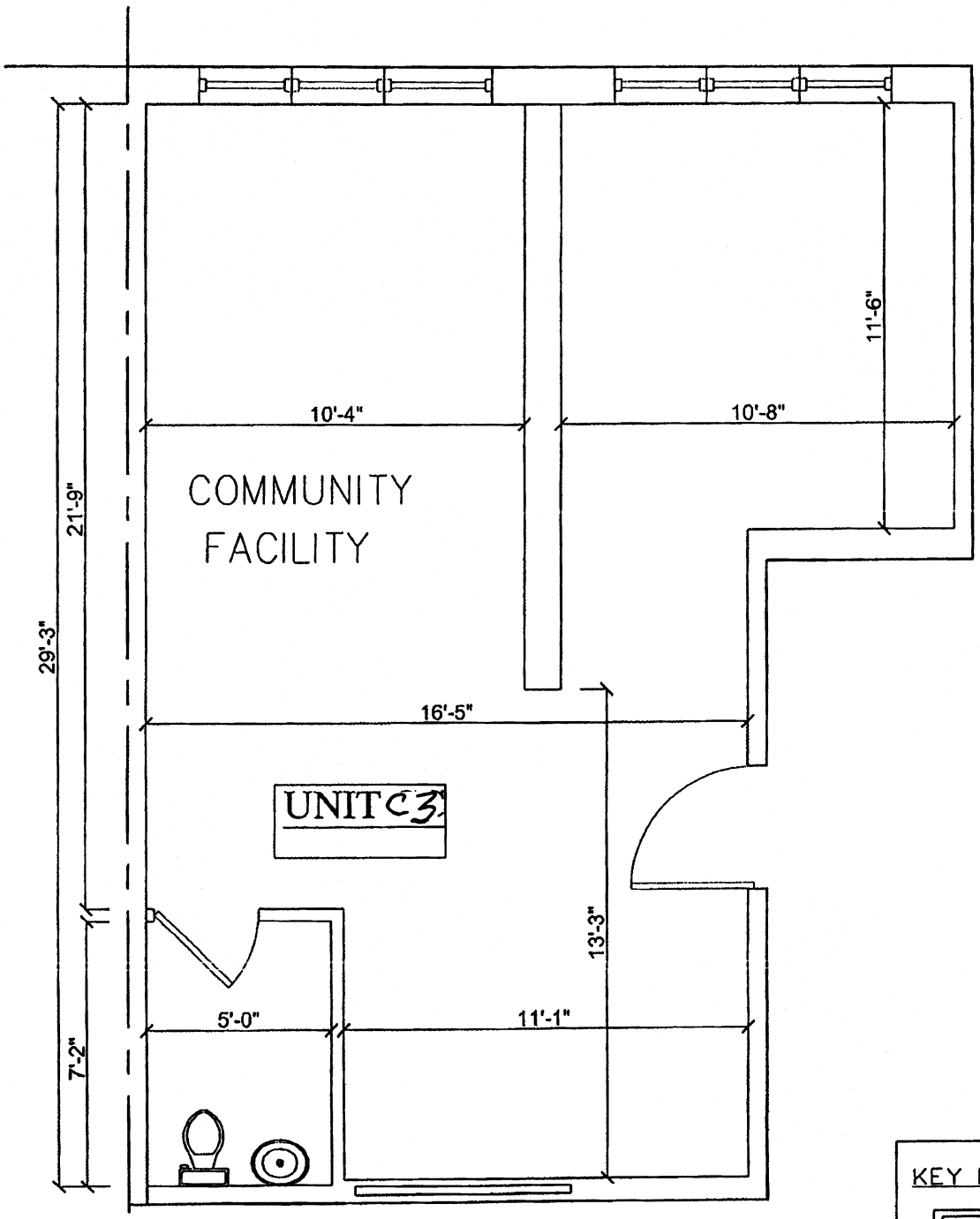


2792
Sedgwick
Avenue

CELLAR PLAN

SCALE 1/4"=1'-0"

N



NET AREA=593 SF

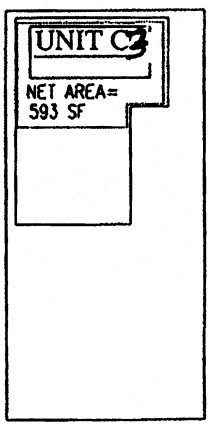
UNIT C3 PLAN

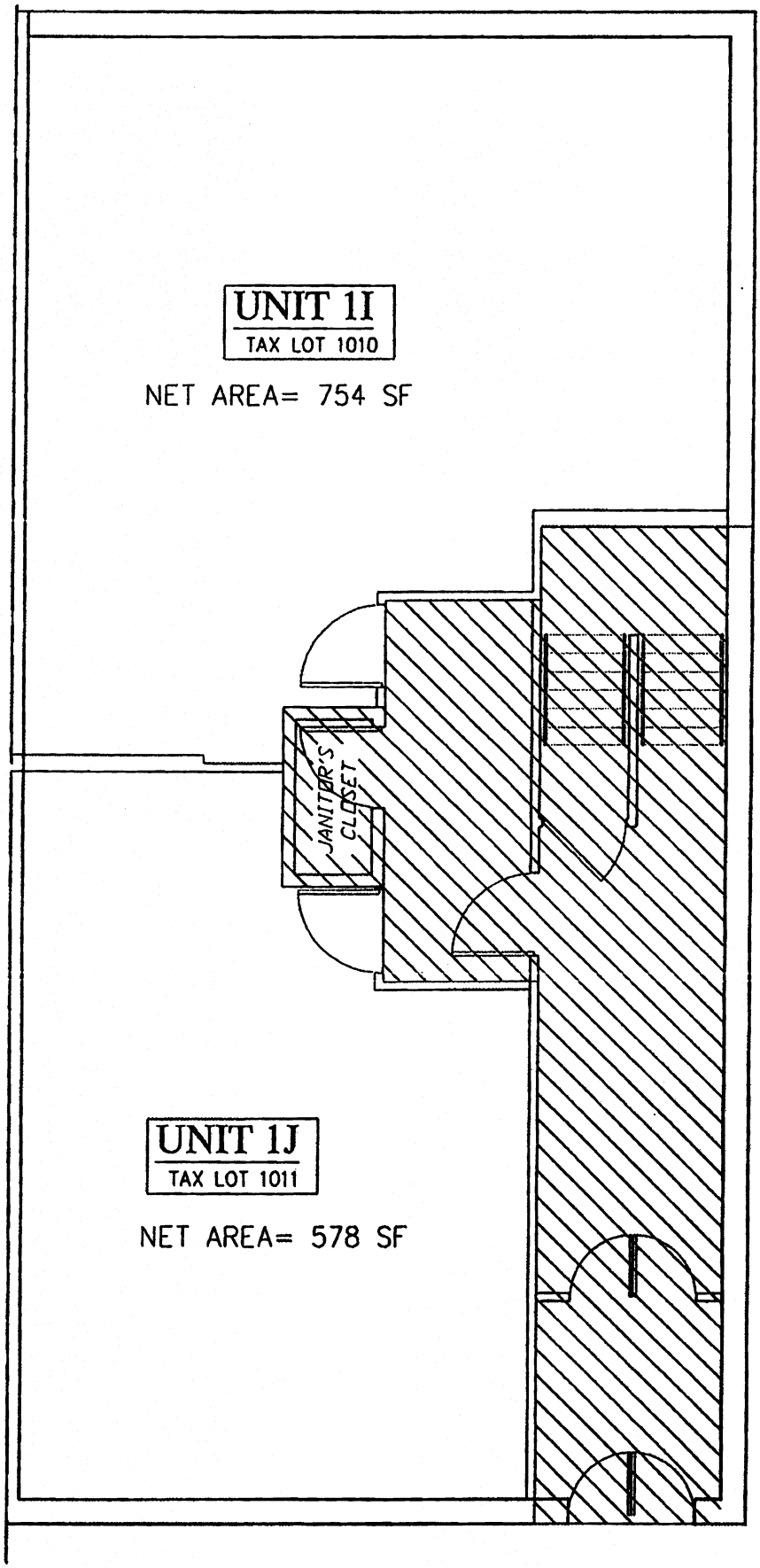
SCALE : 1/4" = 1'-0"

LEGEND

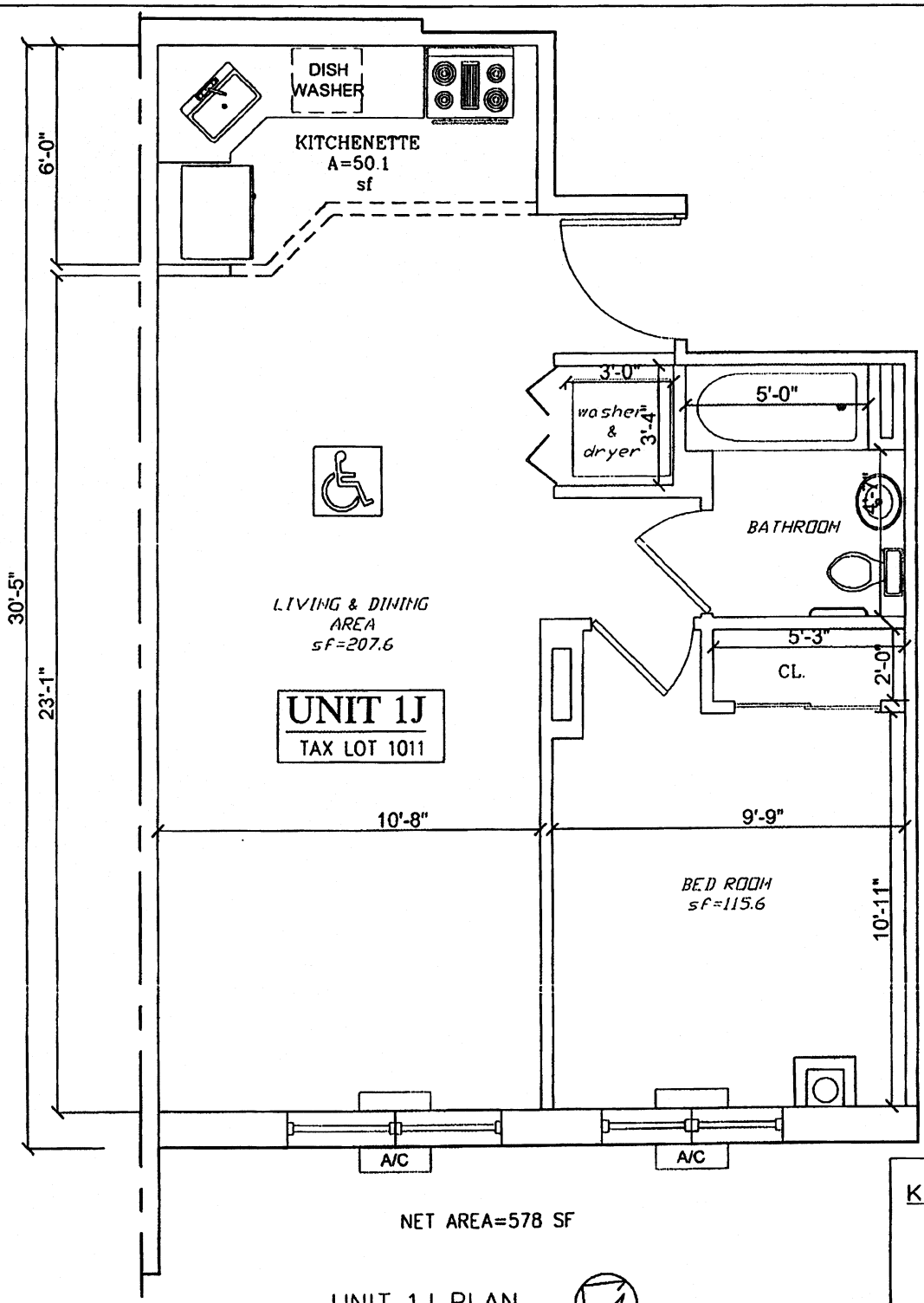
- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT

KEY PLAN




UNIT 1I
TAX LOT 1010
NET AREA= 754 SF
JANITOR'S CLOSET
UNIT 1J
TAX LOT 1011
NET AREA= 578 SF

1ST FL. PLAN

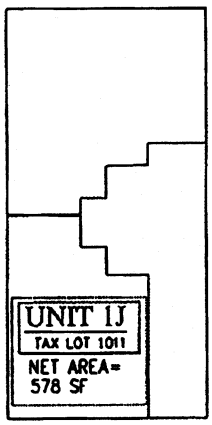


NET AREA=578 SF

UNIT 1J PLAN

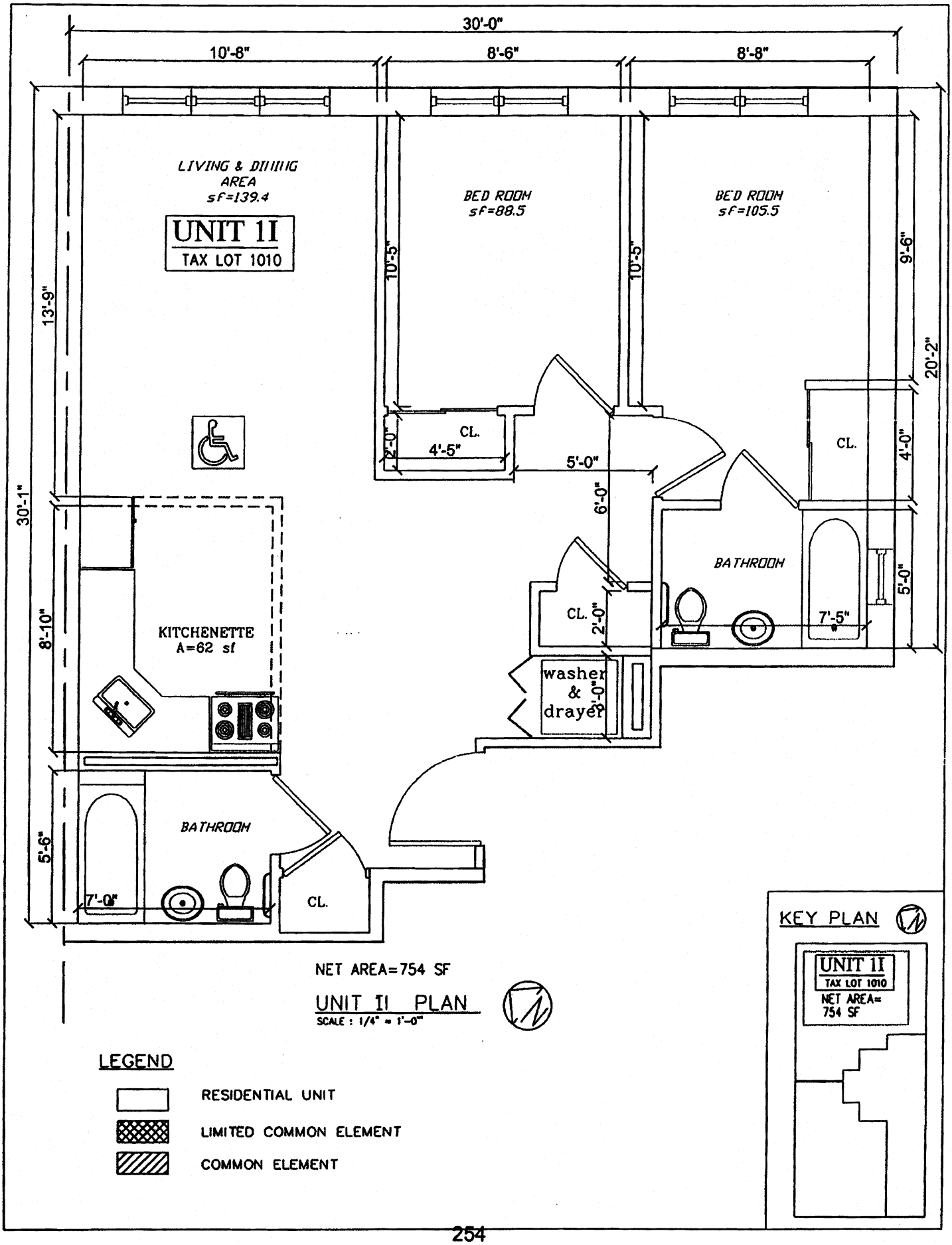
SCALE : 1/4" = 1'-0"

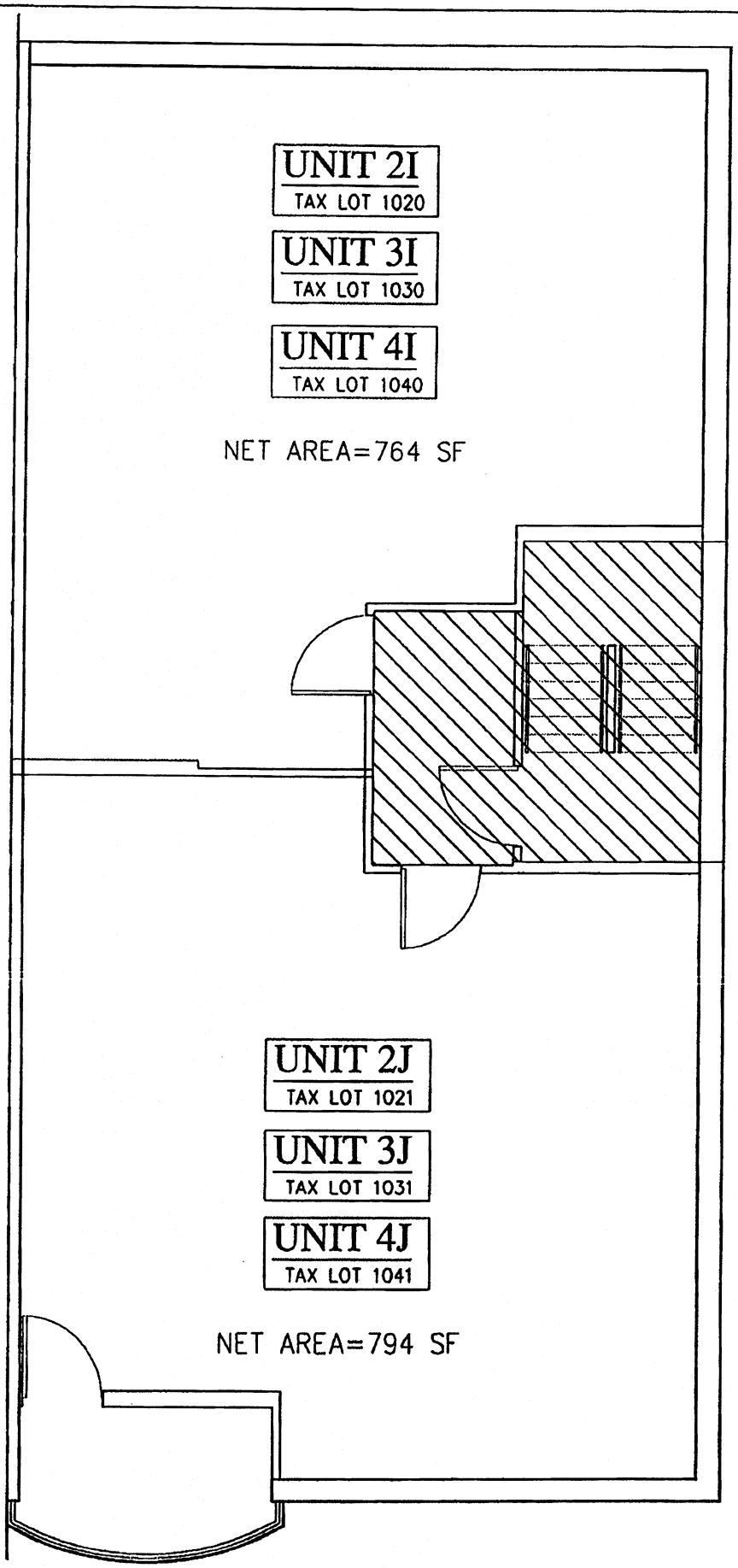
KEY PLAN



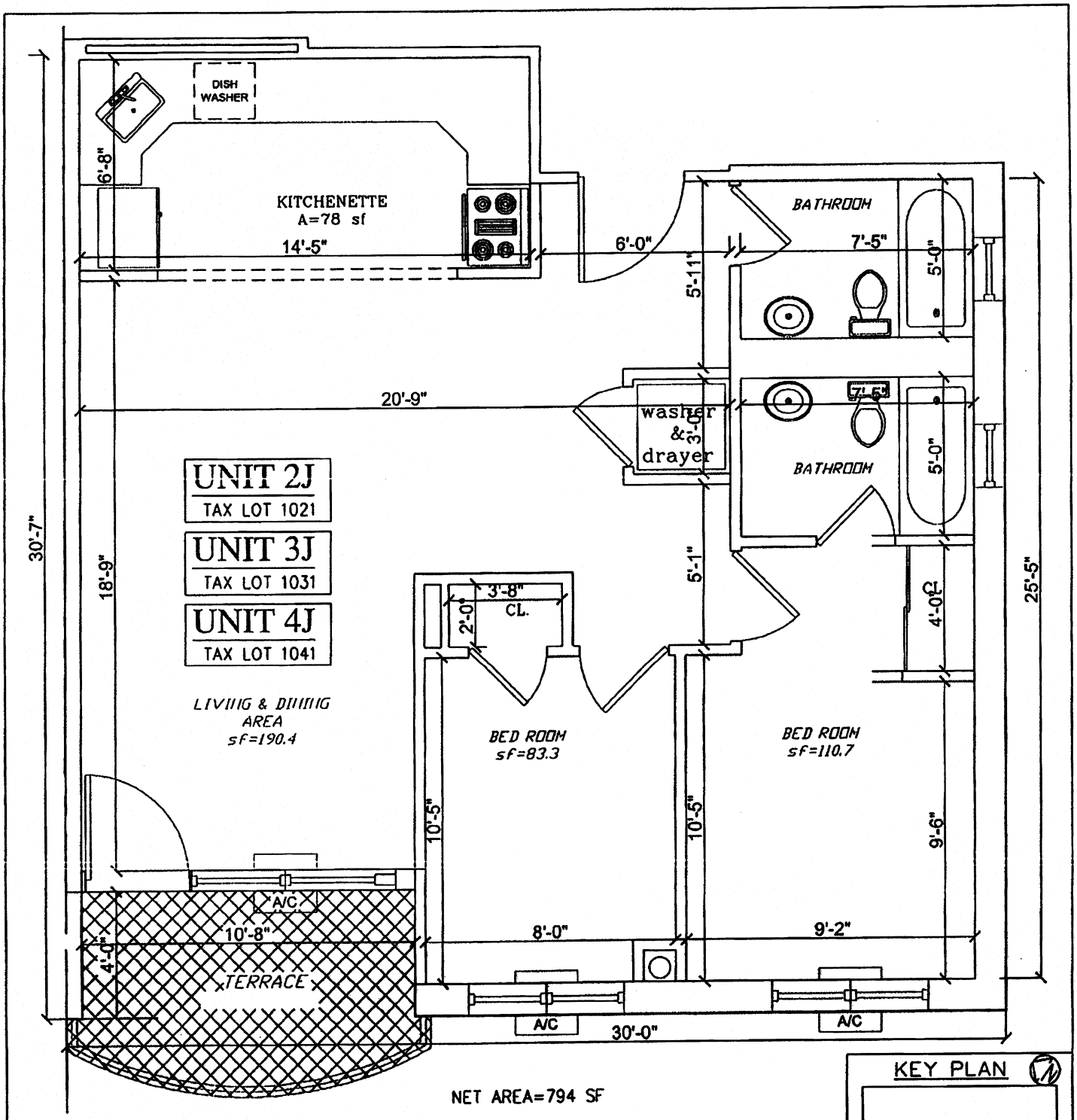
LEGEND

- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT


30'-0"
10'-8"
8'-6"
8'-8"
LIVING & DINING
AREA
sf=139.4
UNIT 1I
TAX LOT 1010
BED ROOM
sf=88.5
BED ROOM
sf=105.5
10'-5"
10'-5"
9'-6"
20'-2"
13'-9"
30'-1"
8'-10"
5'-6"
CL.
4'-5"
2'-0"
5'-0"
6'-0"
CL.
4'-0"
5'-0"
BATHROOM
7'-5"
CL.
2'-0"
KITCHENETTE
A=62 sf
washer
&
drayer
2'-0"
BATHROOM
7'-0"
CL.
NET AREA=754 SF
UNIT 1I PLAN
SCALE : 1/4" = 1'-0"
KEY PLAN
UNIT 1I
TAX LOT 1010
NET AREA=
754 SF
LEGEND
RESIDENTIAL UNIT
LIMITED COMMON ELEMENT
COMMON ELEMENT



2ND FL.
3RD FL
4TH FL
PLAN

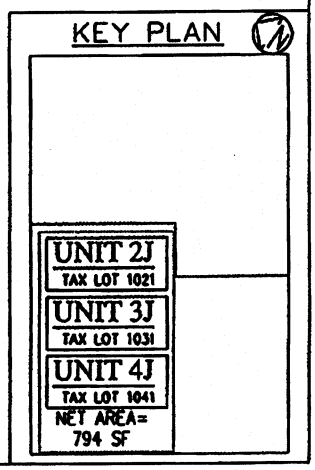


NET AREA=794 SF

UNIT 2,3,4 J PLAN

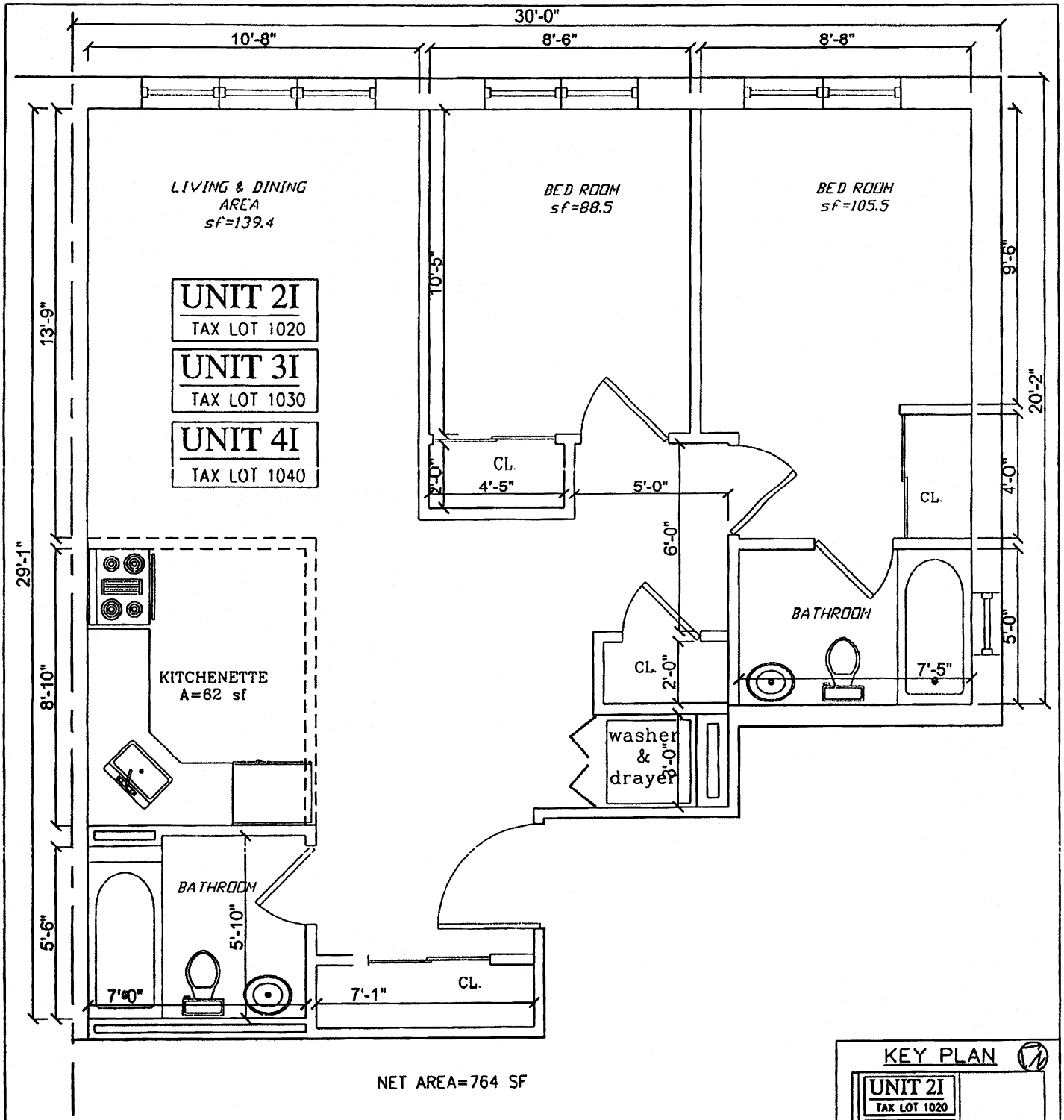
SCALE : 1/4" = 1'-0"

KEY PLAN



LEGEND

- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT

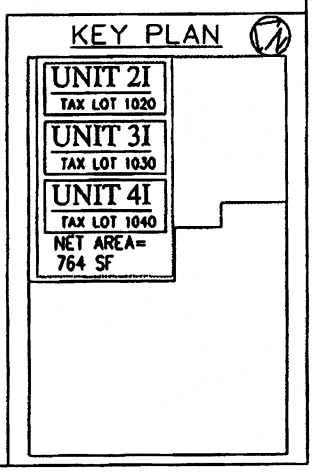


NET AREA=764 SF

UNIT 2,3,4 I PLAN

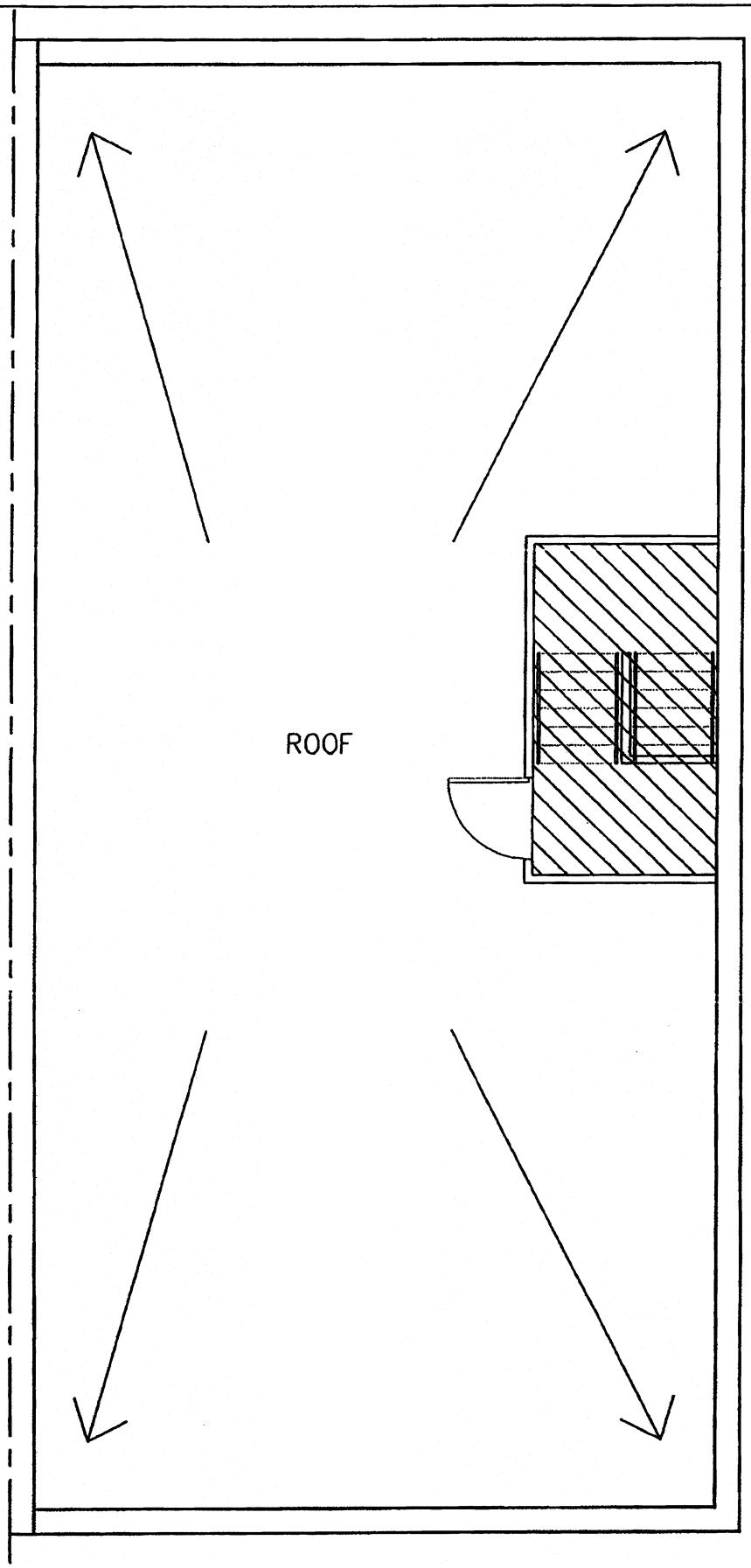
SCALE : 1/4" = 1'-0"

KEY PLAN



LEGEND

- RESIDENTIAL UNIT
- LIMITED COMMON ELEMENT
- COMMON ELEMENT



ROOF PLAN

HOUSING MERCHANT LIMITED WARRANTY

JJ. HOUSING MERCHANT LIMITED WARRANTY

The following is General Business Law §777 which is the Housing Merchant Warrant Law, which the Sponsor excludes in favor of the Limited Warranty contained in this Offering Plan:

New York General Business Law § 777. Definitions:

As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person, corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.

2. "Building code" means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in title twenty-seven of the administrative code of the city of New York.

3. "Constructed in a skillful manner" means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices.

4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

5. "New home" or "home" means any single family house or for-sale Unit in a multi-Unit residential structure of five stories or less in which title to the individual Units is transferred to owners under a Condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or Unit in which the builder has resided or leased continuously for three years or more following the date of completion of construction, as evidenced by a Certificate of Occupancy.

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean:

a. in the case of plumbing systems: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system;

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

New York General Business Law § 777-a. Housing merchant implied warranty:

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

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

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

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

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

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

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

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner.

Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

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

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

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

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

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

New York General Business Law § 777-b. Exclusion or modification of warranties:

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a Limited Warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the Limited Warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the Limited Warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the Limited Warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The Limited Warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A Limited Warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a Limited Warranty which limits implied warranties on the sale of the home; the words "Limited Warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantors;

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the Limited Warranty must be extended to the first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the Limited Warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code, or in the absence of such relevant specific standard a locally accepted building practice, shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a Limited Warranty shall not be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the Limited Warranty, where the court finds that such limitation or exclusion would cause the Limited Warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5-322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

DATED _____ ___, 200__

by and between _____, Purchaser

and Sedgwick Condos LLC, Seller

Limited Warranty

NAME OF PURCHASER(S): _____

ADDRESS OF PURCHASER(S): _____

_____

ADDRESS OF UNIT WARRANTED: Unit _____,
2792, 2794 & 2796 Sedgwick Avenue,
Bronx, New York

NAME OF SPONSOR: Sedgwick Condos LLC
242-01 Braddock Avenue,
Bellerose, New York 11426

WARRANTY DATE: Earlier of date of closing of title or date of possession

SPONSOR'S LIMIT OF TOTAL LIABILITY: In no event shall the Seller's total to Purchaser under this Limited Warranty exceed ten (10%) percent of the purchase price of the Residential Unit less, any insurance proceeds received by Purchaser (the "Maximum Liability of Seller").

THIS LIMITED WARRANTY SHALL BE ONLY TO THE REPAIR OF DEFECTIVE MATERIAL OR WORKMANSHIP AS PROVIDED HEREIN AND EXCLUDES ALL CONSEQUENTIAL AND INCIDENTAL DAMAGES, EXCEPT AS REQUIRED BY NEW YORK STATE LAW.

1. To Whom Given

This Limited Warranty is extended only to the Purchaser named on the Condominium and only for so long as the Purchaser owns the Unit. It does not extend to subsequent owners of the Unit or other persons including, without limitation any mortgagee taking possession of the Unit whether by foreclosure or otherwise.

2. By Whom Made

This Limited Warranty is made exclusively by Sedgwick Condos LLC

3. Final Inspection of the Unit

Before the Purchaser moves into the Unit or accepts the deed, the Sponsor will set up an appointment for final inspection of the Unit with the Purchaser. The purpose of this final inspection is to discover any defects or flaws of a visible or obvious nature including, without limitation, mars, chips, dents, cracks, or scratches that may have occurred during the final stages of finishing the Unit, or any unfinished work. The Sponsor may also point out other defects known to have occurred during the construction process and that remain uncorrected at the time of the inspection.

All defects or flaws found on final inspection of the Unit will be itemized on a Final Inspection Sheet, which will include a schedule for each item that will be corrected. The Final Inspection Sheet will be signed by the Purchaser and the Sponsor before occupancy of the Unit or transfer of the deed.

When the Purchaser moves into the Unit or accepts the deed, the Sponsor's responsibility is limited to:

(a) completion of items shown and as provided on the Final Inspection Sheet.

(b) performance of warranty obligations expressly provided under the provisions of this Limited Warranty. The purpose of the Limited Warranty is to identify the Sponsor's responsibilities for construction defects of a latent or hidden kind that would not have been found or disclosed on final inspection of the Unit.

4. Limited Warranty.

This Limited Warranty excludes all other warranties on the construction and sale of the Unit and its components, both express and implied. There are no warranties which extend beyond the express terms hereof.

5. Warranty Coverages and Periods.

The Warranty Period for all coverages begins on the date that the Purchaser, or member of the Purchaser's family takes title to the Unit or any person begins residential

occupancy of the Unit, whichever date is earlier. It ends at the expiration of the coverages shown below:

FIRST YEAR BASIC COVERAGE:

For one year from the Warranty Date, the Unit will be free from latent defects that constitute:

(a) defective workmanship performed by the Sponsor, and agent of the Sponsor or subcontractor of the Sponsor;

(b) defective materials provided by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor; or

(e) defective design, provided by an architect, engineer, surveyor, or other design professional engaged solely by the Sponsor.

(f) defective installation of appliances sold as part of the Residential Unit by the Seller or an agent, employee or subcontractor of the Seller.

Seller under this coverage is not responsible for any defects in any work or materials ordered directly by Purchaser from Seller's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental or consequential damages resulting from such work or materials.

Workmanship, materials, and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for homes and Condominium Unit in the City of New York, the Building Code of the City of New York) or, in the event such standards do not exist in connection with any warranty item, if they fail to meet the locally accepted building practice.

TWO-YEAR MAJOR SYSTEMS COVERAGE:

For two years from the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Unit which have been installed by the Sponsor are warranted to be free from latent defects that constitute defective installation by the Sponsor.

Installation will be considered to be defective if the Sponsor's workmanship upon the installation fails to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code (or, for Units in the City of New York, the Building Code of the City of New York) or, in the event such standards do not exist in connection with a warranty item, if they fail to meet locally accepted building practice.

The Plumbing Systems means: oil supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, oil and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system.

The Electrical System means: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection.

The Heating, Cooling and Ventilation System means: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

All systems are expressly exclusive of appliances, fixtures and items of equipment.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE:

For six years from the Warranty Date, the Unit will be free from latent defects that are Major Structural Defects, as defined below, and that constitute:

(d) defective workmanship performed by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor;

(e) defective materials provided by the Sponsor, an agent of the Sponsor or subcontractor of the Sponsor; or

(f) defective design, provided by an architect, engineer, surveyor, or other design professional engaged solely by the Sponsor.

Workmanship, materials and design will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the New York State Uniform Fire Prevention and Building Code or, in the event such standards do not exist in connection with a warranty item, if they fail to meet locally accepted building practice.

A Major Structural Defect is a defect resulting in actual physical damage to the following load-bearing portions of the Unit caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the Unit becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems.

By way of example and not in limitation of the foregoing, damage to the following non-load bearing portions of the Unit do not constitute a Material Defect for the Material Defect coverage: roofing and sheathing; drywall and plaster; exterior siding; brick, stone and stucco veneer; floor covering material; wall tile and other wall coverings; non-load bearing walls and partitions; concrete floors in the attached garages and basements that are built separately from foundation walls or other structural elements of the Unit; electrical, plumbing, heating, cooling and ventilation systems; appliances; fixtures and

items of equipment; paint; doors and windows; trim; cabinets; hardware; insulation and items of a similar nature.

6. Exclusions From All Coverages.

The following are expressly excluded from the Basic Coverage, Major System Coverage, and Major Structural Defect Coverage:

(a) Loss or damage caused by workmanship performed by any person other than (i) the Sponsor, (ii) an agent of the Sponsor, or (iii) a subcontractor of the Sponsor.

(b) Loss or damage caused by defective materials supplied by any person other than (i) the Sponsor, (ii) an agent of the Sponsor, or (iii) a subcontractor of the Sponsor.

(c) Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by the Sponsor.

(d) Any fixtures, equipment or appliance included within, without limitation including, stoves, refrigerators, freezers, room air conditioners, dishwashers, washers, dryers and similar items, unless a latent defect is caused by the failure of Sponsor, its agent or subcontractor to have installed same in a skillful manner.

(e) Patent defects including defects shown on the Final Inspection Sheet and defects which an examination of the Unit prior to acceptance of the deed or occupancy of the Unit ought to have revealed.

(f) Defects in outbuilding including but not limited to detached garages and detached carports (except outbuilding which contain the plumbing, electrical, heating, cooling or ventilation systems serving the Unit); site located swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and Plantings); off-site improvements or any other improvements not as part of the Unit itself.

(g) After the first year Basic Coverage, concrete floors of cellars and concrete floor of attached garages that are built separately from foundation walls or other structural elements of the Unit.

(h) Damage to real property which is not part of the Unit covered by the Limited Warranty and which is not included in the purchase price of the Unit.

(i) Any damage to the extent that it is caused or made worse by:

(i) negligence, improper maintenance, or improper operation by anyone other than the Sponsor, its employees, agents, or subcontractors; or

(ii) failure by the Purchaser or anyone other than the Sponsor, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures or items of equipment; or

(iii) failure of the Purchaser to give notice to the Sponsor of any defects or damage within a reasonable time; or

(iv) changes in the grading of the ground by anyone other than the Sponsor, its employees, agents or subcontractors; or

(v) changes, alterations or additions made to the Unit by anyone after the Warranty Date; or

(vi) dampness or condensation due to failure of the Purchaser or occupant to maintain adequate ventilation;

(j) Any condition which does not result in actual physical damage to the Unit;

(k) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightening, windstorm, hail, flood, mud slide, earthquake, volcanic eruption, wind-driven water, changes in the underground water table or other matters not reasonably foreseeable and within the reasonable control of Sponsor;

(l) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a construction defect;

(m) Any damage caused by soil movement, settlement or lumber shrinkage;

(n) Any damage which the Unit Owner has not taken timely action to minimize;

(o) Normal wear and tear and normal deterioration;

(p) Insect damage;

(q) Bodily injury or damage to personal property;

(r) Failure of the Sponsor to complete construction of the Unit;

(s) Loss or damage which arises while the Unit is being used primarily for nonresidential purposes;

(t) Loss or damage due to abnormal loading on floors by the Unit Owner which exceeds design loads as mandated by the Building Code;

(u) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair;

(v) Consequential damages (except where required by state law);

(w) Any claim not filed in a manner set forth below in paragraph 8, "Claims Procedures".

7. Warranty.

If a defect occurs in an item covered by this Limited Warranty, the Sponsor will repair, replace or pay the Purchaser the reasonable cost of repairing or replacing the defective item(s) within a reasonable time after the Sponsor's inspection or testing discloses the problem. The choice among repair, replacement or payment is solely that of the Sponsor.

In no event will the Sponsor's total liability for deficiencies under this Limited Warranty exceed the Sponsor's limit of total liability, which is ten percent (10%) of the purchase price of the Condominium Unit.

Repair, replacement or payment of reasonable cost for any major structural defect is further limited to (i) the repair of damage to the load-bearing portions of the themselves which is necessary to restore their load-bearing function, and (ii) the repair of those items of the Unit damaged by the major structural defect which made the Unit unsafe, unsanitary or otherwise unlivable.

When the Sponsor finishes repairing or replacing the defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the defect must be signed and delivered to the Sponsor.

8. Claims Procedures.

(a) Written notice of any warranty claim must be made on the attached "Notice of Warranty Claim Form" and must be received by the Sponsor, identified on page 1, no later than the first business day after warranty coverage on that item expires. If this Notice of Warranty Claim Form is not properly completed and received by the Sponsor by that deadline, the Sponsor will have no duty to respond to any complaint or demand, and any or all claims may be rejected. **NOTICE OF WARRANTY CLAIM IS NECESSARY TO PROTECT RIGHTS TO WARRANTY PERFORMANCE UNDER THIS LIMITED WARRANTY.**

(b) No steps taken by the Sponsor, Purchaser or any other person to inspect, test or correct defects will extend any time period under this Limited Warranty. The Sponsor's response to any complaint or request, other than a timely and properly completed Notice of Warranty Claim, will not impair, prejudice or otherwise affect any

right of the Sponsor, including but not limited to the Sponsor's right to receive a timely and properly completed Notice of Warranty Claim.

(c) In response to a Notice of Warranty Claim, or any other complaint or request of the Purchaser, Sponsor and the Sponsor's agents will have the right to inspect and test the portion of the Unit to which the claim, complaint or request relates. The Purchaser and occupants of the Unit must provide reasonable access to the Sponsor and the Sponsor's agents during normal business hours to complete inspection, testing and repair or replacement.

(d) The Sponsor will complete inspection and testing within a reasonable time under the circumstances, not to exceed thirty (30) days after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, the Sponsor will determine whether to accept or reject the claim. If the Sponsor rejects the claim, the Sponsor will give written notice of that decision to the claimant at the address shown on the Notice of Claim Form. If the Sponsor accepts the claim, the Sponsor will take corrective action within a reasonable time under the circumstances and, upon completion, will given written notice of completion to the claimant at the address shown on the Notice of Claim Form. The Sponsor will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects necessarily are subject to weather conditions, Acts of God, availability of materials, and other events beyond the Sponsor's control.

9. Legal Actions.

(a) No claim or cause of action under this Limited Warranty may be commenced or asserted in any suit, action, or other legal proceeding against the Sponsor in any Court or forum unless notice of the claim or cause of action has been received by the Sponsor in a timely and properly completed Notice of Warranty Claim Form as provided in paragraph 8 above and Sponsor has had an opportunity to inspect and test the alleged problem as provided in paragraph 7 and 8 above.

(b) No suit, action and proceeding against the Sponsor under this Limited Warranty may be commenced in any Court or forum after the later of: (i) the date of expiration of the applicable warranty coverage under paragraph 5 of this Limited Warranty, or (ii) sixty calendar days after the Warrantor has given written notice of rejection of claim or completion of corrective action as provided in clause 8(d) above.

10. General Provisions.

(a) This Limited Warranty may not be changed or amended in any way.

(b) This Limited Warranty is to be binding upon the Sponsor and the Purchaser.

(c) Should any term, provision or condition contained in this Limited Warranty be deemed unenforceable by a court of competent jurisdiction in any given circumstance, such determination will not affect the enforceability of such term provision or condition in any other circumstance and will not affect the enforceability of the remaining terms, provisions and conditions which shall be given full force and effect in all circumstances.

(d) Use of one gender in this Limited Warranty includes all other genders, and use of the plural includes the singular, as may be appropriate.

(e) This Limited Warranty is to be governed by and in accordance with the laws of the State of New York.

SELLER / SPONSOR:

Sedgwick Condos LLC
a New York Limited Liability Company
Sponsor

By: _____

Name: _____

Title: _____

PURCHASER:

_____
signature
[Print Name]_____

PURCHASER:

_____
signature
[Print Name]_____

KK. NOTICE OF WARRANTY CLAIM FORM

INSTRUCTIONS TO COMPLETE
NOTICE OF WARRANTY CLAIM FORM

To ask the Sponsor to correct a defect in your Condominium Unit that you think is covered by the Sponsor's Limited Warranty, you must complete this form and deliver it to the Sponsor. This is necessary to protect your rights to warranty performance under the Limited Warranty. Even if you believe that the Sponsor is aware of the problem, fill out this form and deliver it to the Sponsor. Do not leave any item blank.

Notice of Warranty Claim Form

Your Name: _____

Mailing Address: 2792, 2794 & 2796 Sedgwick Avenue, Bronx, New York,
Unit No. _____

Phone: _____

Warranty Date: _____

The following is a / are defect(s) which I believe are covered by the Limited Warranty. (Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem):

_____

_____

I FIRST OCCUPIED THE CONDOMINIUM UNIT ON _____ ___, 200__.

I closed title to the Condominium Unit on _____ ___, 200__.

I understand that this form must be completed and signed by the Unit Owner and sent to the warrantor at its address on the first page of the warranty by Certified Mail R.R.R. or by Registered Mail.

_____ _____
(Signature) (Date)

_____ _____
(Signature) (Date)

PERFORMANCE STANDARDS

SITE WORK
Coverage 1st Year Only, Workmanship and Materials

1-0-1 Observation: The ground has settled around the foundation, over utility trenches, or in other areas.

Performance Guideline: Settling of ground around foundation walls, over utility trenches, or in other filled areas shall not interfere with water drainage away from the home.

Corrective Measure: If the contractor provided final grading, upon request by the owner, one time only the contractor will fill areas that settle more than 6 inches and that affect proper drainage. The owner will be responsible for removal and replacement of shrubs, grass, other landscaping, pavement, sidewalks, or other improvements affected by placement of such fill.

1-0-2 Observation: The site does not drain properly.

Performance Guideline: The necessary grades and swales shall have been established by the contractor to ensure proper drainage away from the home. Standing or ponding water shall not remain for extended periods in the immediate area of the house after a rain (generally no more than 24 hours), except in swales that drain other areas or in areas where sump pumps discharge. In these areas a longer period can be anticipated (generally no more than 48 hours). The possibility of standing water after an unusually heavy rainfall should be anticipated by the owner. No grading determination shall be made while frost or snow is on the ground or while the ground is saturated or before any lawn or Plantings are established.

Corrective Measure: The contractor is responsible only for initially establishing the proper grades and swales. The owner is responsible for maintaining such grades and swales once they have been properly established by the contractor.

Discussion: Grass and other landscaping are integral components of the storm water management practice needed to minimize erosion from the site. It is the owner's responsibility to maintain such grass and other landscaping to help ensure proper functioning of the site drainage system. The owner is responsible for maintaining such grades and swales once the contractor has properly established them. If a homeowner, their landscaper or another subcontractor changes the contractor grades or if they create impediments to the original drainage scheme, such as walkways, patios, decks, etc., the contractor is no longer responsible for proper drainage in the areas so affected.

1-0-3. Observation: The site has soil erosion.

Performance Guideline: The contractor shall grade the disturbed areas of the property in accordance with municipal requirements. Contractor is not responsible for soil erosion due to acts of God, or other conditions beyond the contractor's control.

Corrective Measure: No action required. The contractor is not responsible for erosion due to acts of God, site alterations by the owner, lack of maintenance by the owner, or other conditions beyond the contractor's control.

1-0-4 Observation: Water from a nearby or adjacent property flows onto the owner's lot.

Performance Guideline: The contractor is responsible for providing a means of draining water (rain, melting snow or ice) that originates from the lot he is working on (1-0-2). The contractor is not responsible for water flowing from a nearby or adjacent property that he does not own or control, onto the disturbed portions of the owner's lot. The contractor is obliged only to make a reasonable effort in

accordance with the municipal requirements to control water flowing from another lot that he does not own or control or on which no dwelling has been erected by providing proper slopes around the newly erected dwelling.

Corrective Measure: It is the contractor's responsibility to control water only in the area immediately surrounding a new dwelling and in the areas he has disturbed.

1-0-5 Observation: Existing trees, shrubs, or other vegetation are damaged in the course of construction.
Performance Guideline: The contractor is only required to make a reasonable and cost effective effort to preserve and protect existing trees, shrubs, other vegetation and landscaping, if any, that he is trying to save. No attempted savings are guaranteed.

Corrective Measure: No contractor action is needed.

Foundation and Slabs - Coverage 1st Year Only
Workmanship and Materials

General

2-1-1 Observation: The foundation is out of square.

Performance Guideline: As measured at the top of the foundation wall, the diagonal of a triangle with sides of 12 feet and 16 feet shall be no more than 1 inch more or less than 20 feet. Remodeling Specific: A contractor and owner may agree to build an addition out of square in order to keep a new exterior wall on line with an existing wall of an out-of-square house.

Corrective Measure: The contractor will make necessary modifications to the foundation to comply with the performance guidelines for squareness to provide a satisfactory appearance. The contractor may square the first-floor deck or walls by cantilevering over the foundation or locating the deck or walls inset from the outside face of the foundation.

Discussion: Squareness is primarily an aesthetic consideration. The corrective measure emphasizes the primarily aesthetic nature of squareness and makes the criterion for correction "a satisfactory appearance." This allows the contractor to make either a structural change or some cosmetic modification as most appropriate. There are many instances in which the squareness of a foundation is not of consequence because subsequent construction provides an opportunity to make corrections.

2-1-2 Observation: The foundation is not level.

Performance Guideline: This guideline applies only when the levelness of the foundation adversely impacts subsequent construction. As measured at the top of the foundation wall, no point shall be more than 1/2 inch higher or lower than any point within 20 feet. Remodeling Specific: The contractor and the owner may agree to build an addition out of level in order to keep the floor of an addition on the same Plane, and the roof ridge on the same line, as those of an existing, out-of-level structure.

Corrective Measure: The contractor will make necessary modifications to any part of the foundation or to subsequent construction to meet the performance guideline for levelness. This can be affected by leveling the sills with shims, mortar, appropriate fillers, or other methods.

Discussion: There are many instances in which the levelness of a foundation is not of consequence because subsequent construction provides an opportunity to make corrections.

Interior Concrete Slab

2-2-1 Observation: There is a crack in a concrete footing.

Performance Guideline: Cracks greater than 1/4-inch in width are considered unacceptable.

Corrective Measure: The contractor shall repair any cracks in excess of the performance guideline.

2-2-2 Observation: A concrete slab within the structure has separated or moved at control (expansion and contraction) joints.

Performance Guideline: Concrete slabs within the structure are designed to move at control joints.

Corrective Measure: Because this is normal, no corrective action is required.

2-2-3 Observation: Efflorescence is present on the surface of the basement floor.

Performance Guideline: This is a typical condition caused by moisture reacting with the soluble salts in concrete and forming harmless carbonate compounds.

Corrective Measure: Because efflorescence is a typical chemical reaction within concrete, no corrective measures are required of the contractor.

Discussion: Efflorescence is evidenced by the presence of a white film on the surface of the concrete. It is a particularly common occurrence where masonry or concrete are in contact with high moisture levels as may be found in basements.

2-2-4 Observation: Concrete floor or slab is uneven.

Performance Guideline: Except for basement floors or where a floor or portion of floor has been designed for specific drainage purposes, concrete floors in rooms designed for habitability shall not have pits, depressions, or areas of unevenness exceeding 3/8 inch in 32 inches.

Corrective Measure: The contractor will correct or repair the floor to meet the performance guideline. Proper repair can be affected by thoroughly cleaning, filling, and troweling the surface level using a latex-fortified cement mixture or other materials designed to fill cracks and bond with concrete.

2-2-5 Observation: The concrete floor slab is cracked.

Performance Guideline: Minor cracks in concrete floor slabs are normal. Cracks exceeding 3/16-inch in width or 1/8-inch in vertical displacement shall be repaired if the slab is in conditioned space or basements or the crack interferes with the installation of finish flooring which is part of the contractor's responsibility.

Corrective Measure: The contractor will repair cracks that do not meet the performance guideline.

Discussion: Repairs can be made by using a material designed to fill cracks in concrete.

2-2-6 Observation: Interior concrete work is pitting or spalling. Pitting is evidenced by concrete that has flaked or peeled from the outer surface. Spalling is evidenced by concrete that has chipped.

Performance Guideline: Interior concrete surfaces shall not pit, spall or disintegrate. Aggregate pops are normal; minor scaling is not controllable. Exterior surfaces may not be warranted.

Corrective Measure: The contractor will repair defective concrete surfaces using materials designed for this purpose. The contractor is not responsible for deterioration caused by salt, chemicals, mechanical implements, or other factors beyond the contractor's control on interior or exterior concrete surfaces.

2-2-7 Observation: The interior concrete slab has a loose or sandy surface.

Performance Guideline: The surface shall not be so loose or sandy that is shows obvious deterioration.

Corrective Measure: The contractor will repair defective concrete surfaces using materials designed for this purpose. The contractor is not responsible for deterioration caused by salt, chemicals, mechanical implements, or other factors beyond the contractor's control on interior or exterior surfaces.

Concrete Block Foundation Walls

2-3-1 Observation: A concrete block foundation wall is cracked.

Performance Guideline: Cracks in concrete block foundation walls shall not exceed 1/4-inch in width.

Corrective Measure: The contractor will repair cracks to meet the performance guideline.

Discussion: Shrinkage cracks are common in concrete block masonry and should be expected in crawl space and basements walls. Cracks may be vertical, diagonal, horizontal, or stepped-in masonry joints. Repairs can be made by using a material designed to fill cracks in concrete.

2-3-2 Observation: A concrete block wall is out of plumb or bowed.

Performance Guideline: Concrete block walls shall not be out of plumb greater than 1 inch in 8 feet when measured from the base to the top of the wall or bowed more than 1 inch in 20 feet when measured horizontally. Remodeling Specific: If tying into an existing foundation that is out of plum, the contractor and owner will review the existing conditions and scope of work. The contractor will make a reasonable and cost-effective effort to meet the performance guideline while complying with the existing building code.

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline. If the wall is to remain unfinished per contract, and the wall meets building codes as evidenced by passed inspections, then no corrective action is required.

Poured Concrete Foundation Walls

2-4-1 Observation: A poured concrete foundation wall is out of plumb or bowed.

Performance Guideline: Poured concrete walls shall not be out of plumb greater than 1 inch in 8 feet when measured vertically or bow more that 1 inch in 20 feet when measured horizontally. Remodeling Specific: If tying into an existing foundation that is out of plumb or bowed, the contractor and owner will review the existing conditions and scope of work. The contractor will make a reasonable and cost-effective effort to meet the performance guideline while complying with the existing building code.

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline. If the wall is to remain unfinished per contract, and the wall meets building codes as evidenced by passed inspections, then no corrective action is required.

2-4-2 Observation: An exposed concrete wall has pits, surface voids, or similar imperfections in it.

Performance Guideline: Surface imperfections larger than 1 inch in diameter or 1 inch in depth are considered unacceptable.

Corrective Measure: The contractor will repair holes that do not meet the performance guideline.

Discussion: Proper repair can be affected by thoroughly filling the holes and voids in concrete surfaces. The repaired area will not match the color of the surrounding area.

2-4-3 Observation: The basement wall is cracked (horizontal or vertical separation).

Performance Guideline: Cracks in basement walls shall not allow exterior water to leak into the basement. Shrinkage cracks (cracking caused by external or internal restraints as reduction in moisture content develops) are not unusual in concrete foundation walls. Such cracks greater than 1/8 inch in width shall be repaired.

Corrective Measure: The contractor will repair cracks that do not meet the performance guideline when leaks are present or if cracks exceed 1/8 inch in width.

Discussion: Shrinkage cracks are not unusual and are inherent in the drying process. They should be expected in basement walls due to the nature of concrete. Cracks may be vertical, diagonal or horizontal. The only cracks considered under warranty claims are cracks, which permit water penetration or those that exceed 1/8-inch in width.

2-4-4 Observation: A cold joint is visible on exposed poured concrete foundation walls.

Performance Guideline: A cold joint is a visible joint that indicates where the pour terminated and continued. Cold joints are normal and should be expected to be visible. Cold joints should not be an actual separation or a crack that exceeds 1/4-inch in width.

Corrective Measure: The contractor will cosmetically repair any cold joint that exceeds 1/4-inch in width by parging with a material intended for that purpose.

Basement Floor and Walls

Moisture and Leaks

2-5-1. Observation: Dampness is evident on basement wall or floor.

Performance Guideline: Dampness caused by wicking through the basement walls or floor and condensation of water vapor on cool walls and floors are not the responsibility of the contractor.

Corrective Measure: None. Dampness prevention is the responsibility of the owner.

Discussion: The owner's failure to maintain a proper grade (ground level and pitch of said ground) away from the house can contribute to dampness. Condensation of humidity, which is an owner's responsibility, also contributes to dampness.

2-5-2 Observation: The basement leaks.

Performance Guideline: Leaks resulting in actual trickling of water shall be repaired. Leaks caused by landscaping improperly installed by the owner, or by the failure of the owner to maintain proper grades, are not the contractor's responsibility. Walls and floors of new construction may become damp as concrete, mortar, and other materials dry, and dampness alone is not considered a deficiency.

Corrective Measure: The contractor will take such action as necessary to correct basement leaks, except where the cause is determined to result from the owner's actions or negligence. The owner will be responsible for removal and replacement of shrubs, fences and equipment, and other landscaping if they have to be moved so that the contractor may affect the repairs.

Crawl Space

2-5-3. Observation: Flowing or trickling water appears on interior crawl space surfaces.

Performance Guideline: Crawl spaces should be graded and drained properly to prevent water from accumulating deeper than ¾ inch and larger than 9 square feet in the crawl space area. The contractor is not responsible if the exterior grading was provided by the owner or the owner failed to maintain grades established by the contractor.

Corrective Measure: **The contractor will take the necessary corrective measures to create positive flow within the crawl space to discharge to the exterior of the structure.**

2-5-4. Observation: Condensation is evident on the floor or crawl space surfaces.

Performance Guideline: Condensation in the crawl space shall not result from lack of adequate ventilation as required by code. Condensation resulting from other causes is not the responsibility of the contractor.

Corrective Measure: The contractor will ensure that ventilation meets the appropriate code requirements. Further reduction of condensation is an owner maintenance responsibility.

Discussion: Temporary conditions may cause condensation that cannot be eliminated by ventilation and or a vapor barrier because: Night air gradually cools the interior surfaces of the crawl space. In the morning, moisture picked up by sun-warmed air is carried into the crawl space and condenses on cool surfaces. At night, outside air may rapidly cool foundation walls and provide a cool surface on which moisture may condense. If the house is left unheated in the winter, the floors and walls may provide cold surfaces on which moisture in the warmer crawl space air may condense. Excessive moisture inside a heated house may hit the dew point within or on the colder bottom surface of vapor-permeable floor insulation. The condensation can be reduced by placing a vapor barrier between the insulation and the floor sheathing. If condensation must be entirely eliminated, the owner can do so by sealing and dehumidifying or heating the crawl space, or by heating and dehumidifying the houses.

Columns

2-6-1 Observation: An exposed wood column is bowed or is out of plumb.

Performance Guideline: When installed, exposed wood columns shall not be bow or be out of plumb more than 1/2-inch in 8 feet.

Corrective Measure: Exposed wood columns out of plumb in excess of 1/2-inch in 8 feet when measured vertically shall be replaced or repaired.

Discussion: Wood columns may become distorted as part of the drying process. Bows and other imperfections that develop after installation cannot be prevented or controlled by the contractor.

2-6-2 Observation: An exposed concrete column is installed bowed or out of plumb.
Performance Guideline: Exposed concrete columns shall not be installed with a bow in excess of 1 inch in 8 feet. They should not be installed out of plumb in excess of 1 inch in 8 feet.

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline.

2-6-3 Observation: A masonry column is out of plumb.

Performance Guideline: Masonry columns should not be constructed out of plumb in excess of 1 inch in 8 feet.

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline.

2-6-4 Observation: A steel column is out of plumb.

Performance Guideline: Steel columns shall not be out of plumb in excess of 3/8-inch in 8 feet when measured vertically.

Corrective Measure: The contractor shall repair any deficiencies in excess of the performance guideline.

Wood Floor Framing Floor Systems
Coverage 1st Year Only, Workmanship and Materials

Floor Systems

3-1-1 Observation: Springiness, bounce, shaking, or visible sag is present in the floor system.
Performance Guideline: All beams, joists, headers, and other structural members shall be sized and fasteners spaced, according to the National Forest Products Association span tables or local building codes.

Corrective Measure: The contractor will reinforce or modify, as necessary, any floor, wall, ceiling, or roof not meeting the performance guideline.

Discussion: Deflection may indicate insufficient stiffness in the lumber, or may reflect an aesthetic consideration independent of the strength and safety requirements of the lumber. Joists and rafters are required to meet standards for both stiffness and strength. The span tables allow, under full design loadings, a maximum deflection equal to 1/360 of the span for floor and ceiling joists (3/8 inch in 12 feet), 1/240 for rafters up to 3/12 in pitch (1/2 inch in 12 feet), and 1/180 for rafters over 3/12 in pitch (3/4 inch in 12 feet). Structural members are required to meet standards for both stiffness and strength. When an owner's preference is made known before construction, the contractor and the owner may agree upon a higher standard.

Beams, Columns, and Posts

3-2-1 Observation: An exposed wood column or post is split.

Performance Guideline: Sawn wood columns or posts shall meet the grading standard for the species used. Splits that exceed 3/8-inch in width and more than 4 inches in length at time of installation or that develop during the warranty period are considered unacceptable.

Corrective Measure: The contractor will repair or replace any beam or post that does not meet the guideline. Filling splits is acceptable to have structural members meet the guideline.

Discussion: Some characteristics of drying wood are beyond the control of the contractor and cannot be prevented. Compensation is made in span tables for the probable reduction in strength resulting from splitting caused by drying. Therefore, splitting is primarily an aesthetic concern rather than a structural problem. Checks and splits, which occur during the drying of lumber have the effect of reducing the area in the Plane of shear resistance. Consequently, laboratory data developed for shear parallel to grain are reduced substantially for design purposes in order to accommodate the probability of the occurrence of checks and splits after drying.

3-2-2 Observation: An exposed wood beam is split.

Performance Guideline: Sawn wood beams shall meet the grading standard for the species used. Splits that exceed 3/8-inch in width and 4 inches in length at time of installation or that develop during the warranty period are considered unacceptable.

Corrective Measure: The contractor will repair or replace any sawn wood beam that does not meet the guideline. Filling splits is acceptable to have structural members meet the guideline.

Discussion: Some characteristics of drying wood are beyond the control of the contractor and cannot be prevented. Compensation is made in span tables for the probable reduction in strength resulting from splitting caused by drying. Therefore, splitting is primarily an aesthetic concern rather than a structural problem. Checks and splits, which occur during the drying of lumber, have the effect of reducing the area in the Plane of shear resistance. Consequently, laboratory data developed for shear parallel to grain are reduced substantially for design purposes in order to accommodate the probability of the occurrence of checks and splits after drying.

3-2-3 Observation: An exposed wood beam or post is twisted or bowed.

Performance Guideline: Exposed wood posts and beams shall meet the grading standard for the species used. Posts and beams with bows and twists exceeding 3/4-inch in an 8-foot section shall not be installed, and those that develop bows and twists exceeding 3/4-inch in an 8-foot section are considered unacceptable.

Corrective Measure: The contractor will repair, sister, or replace any beam or post with a defect that exceeds the guideline.

Discussion: Beams and posts, especially those 3 1/2 inches or greater in thickness (which normally are not kiln dried) will sometimes twist or bow as they dry after milling or installation. Twisting or bowing is usually not a structural concern if posts and beams have been sized according to manufacturers' specifications or local building codes.

3-2-4 Observation: An exposed wood beam or post is cupped.

Performance Guideline: Cups exceeding 1/4-inch in 5-1/2 inches are considered unacceptable.

Corrective Measure: The contractor will repair, sister, or replace any beam or post with a defect that does not meet the guideline.

Discussion: Cupped lumber is lumber that has warped or cupped across the grain in a concave or convex shape. Beams and posts, especially those 3-1/2 inches or greater in thickness (which normally are not kiln dried), will sometimes cup as they dry after milling or installation.

Subfloor and Joists

3-3-1. Observation: Floor squeaks or the sub floor appears loose.

Performance Guideline: Squeaks caused by a loose sub floor are unacceptable, but totally squeak-proof floors cannot be guaranteed.

Corrective Measure: The contractor will refasten any loose sub floor or take other corrective action to eliminate squeaking to the extent possible within reasonable repair capability without removing floor and ceiling finishes.

Discussion: Floor squeaks may occur when a sub floor that has come loose from the joists is deflected by the weight of a person and rubs against the nails that hold it in place. The sub floor or joists may be bowed, and the nails also may be expelled from the wood during drying. Movement may occur between the joist and bridging or other floor members when one joist is deflected while the other members remain stationary. Gluing the sub floor is an acceptable method of code compliance in certain jurisdictions. Renailing floor joists with ring-shank nails will also substantially reduce severe floor squeaks. Because the performance guideline requires the contractor to make a reasonable attempt to eliminate squeaks without requiring removal of floor and ceiling finishes, nailing loose sub flooring with casing nails into the carpet surface and countersinking the head is an acceptable practice.

3-3-2. Observation: Sub floor is uneven.

Performance Guideline: Floors shall not have more than a ¼-inch ridge or depression within any 32-inch measurement. Allowable floor and ceiling joist deflections are governed by the local approved building codes. Measurements should not be made at imperfections that are characteristic of the code-approved material used. This guideline does not cover transition points between different materials.

Corrective Measure: The contractor will correct or repair to meet the performance guideline.

3-3-3. Observation: Sub floor is out of square.

Performance Guideline: The diagonal of a triangle with sides of 12 feet and 16 feet along the edges of the floor shall be no more than ½ inch plus or minus 20 feet. Remodeling Specific: The owner and the contractor may agree to build a wood floor out of square in order to match or otherwise compensate for pre-existing conditions.
Corrective Measure: The contractor will make the necessary modifications to any floor not complying with the performance guideline for squareness. The modification will produce a satisfactory appearance and may be either structural or cosmetic.

Discussion: Squareness is primarily an aesthetic consideration. Regularly repeated geometric patterns in floor and ceiling coverings show a gradually increasing or decreasing pattern along an out of square wall. The guideline tolerance of plus or minus ½ inch in the diagonal allows a maximum increasing or decreasing portion of about 3/8-inch in a 12-foot wall of a 12 x 16-foot room. However, a contractor and client may agree to build an addition out of square in order to keep a new exterior wall on line with an existing wall of an out of square house. The corrective measure emphasizes the primarily aesthetic nature of squareness and makes the criteria for correction "a satisfactory appearance." This criterion allows the contractor to make either a structural change, if the defect is discovered in time, or some cosmetic change to hide the defect, if the construction is in the finishing stages when the defect is discovered.

3-3-4 Observation: A floor is out of level.

Performance Guideline: The floor should not slope more than l/2-inch in 20 feet. Crowns and other lumber characteristics that meet the standards of the applicable grading organization for the grade and species used are not defects. Allowable floor joist deflections are governed by the applicable building codes. Deflections due to overloading by the owner are not the contractor's responsibility. Remodeling Specific: The contractor and the owner may agree to build an addition out of level in order to keep the floor of an addition on the same Plane, and the roof ridge on the same line, as those of an existing, out-of-level structure, or to compensate for some other pre-existing condition.

Corrective Measure: The contractor will make a reasonable and cost-effective effort to modify the floor that does not comply with the performance guideline. Allowances should be allowed for shrinkage, cantilevers, and concentrated loads.

Discussion: Sloped floors have both an aesthetic and functional consideration. Measurements for slope should be made across the room, not in a small area.

3-3-5 Observation: Deflection is observed in a floor system constructed of wood I-joists, floor trusses, or similar products.

Performance Guideline: All wood I-joists and other manufactured structural components in the floor system and its components shall be sized and installed as provided in the manufacturers' instructions and code requirements.

Corrective Measure: The contractor will reinforce or modify as necessary any floor component not meeting the performance guideline.

Discussion: Deflection may indicate an aesthetic consideration independent of the strength and safety requirements of the product. When an owner's preference is made known before construction, a higher standard may be agreed upon in writing by the contractor and the owner.

3-3-6 Observation: Remodeling Specific: Wood flooring is not level at the transition of an existing floor to a room addition floor.

Performance Guideline: Flooring at a transition area shall not slope more than l/8-inch over 6 inches unless a threshold is added. Overall step-down, unless previously agreed upon with the owner, shall not exceed 1-1/8 inches. Variations caused by seasonal or temperature changes are not a defect.

Corrective Measure: The flooring transition shall be corrected to meet the performance guideline. The contractor may add threshold or transition material, or pull up the flooring and reduce the high spot, or if possible, shim under new framing to bring floor within guideline.

Discussion: All wood members shrink and expand seasonally, with variations in temperature and humidity, and with aging. After installation, 2x dimensional lumber can shrink up to 1/2-inch. If the flooring, sub floor, or underlayment was not purposely overlapped onto the existing floor, the resulting irregularity is not a defect, but a natural result and characteristic of the wood's aging process. The drier the house becomes, the more shrinkage may be experienced. Either the old or the new floors may slope along the floor joist span. Joists in older homes may have deflected under load. This and other conditions may cause a hump at the juncture of the old to new.

3-3-7 Observation: Remodeling Specific: The floor pitches to one side in the door opening between the existing construction and the addition.

Performance Guideline: If the pitch is the result of the floor of the existing dwelling not being level, then in most situations a transition threshold may be the most appropriate and acceptable means of addressing the condition.

Corrective Measure: The contractor will make a reasonable and cost-effective effort to meet the performance guidelines.

Walls

Coverage 1st Year Only, Workmanship and Materials

Rough Carpentry

4-1-1. Observation: Wood framed wall is out of plumb.

Performance Guideline: Wood framed walls shall not be more than 1/4-inch out of plumb for any 32 inches in any vertical measurement. Remodeling Specific: The owner and contractor may agree to intentionally build walls out of plumb to match the existing structure to accommodate or compensate for inaccuracies in the existing structure, and to disregard the performance guideline to match a pre-existing structural condition of the existing structure.

Corrective Measure: The contractor will repair to meet the performance guideline.

4-1-2 Observation: The wall is bowed.

Performance Guideline: Walls shall not bow more than l/2-inch out of line within any 32-inch horizontal measurement, or l/2-inch out of line within any 8-foot vertical measurement. Remodeling Specific: If new wall cladding is installed on existing framed walls, the owner and contractor may agree to straighten the wall as part of scope of work, to install new cladding over existing framing, and to disregard the performance guideline to match a pre-existing structural condition of the existing structure.

Corrective Measure: The contractor will repair the wall to meet the performance guideline.

Discussion: All interior and exterior walls have slight variances in their finished surface. On occasion, the underlying framing may warp, twist, or bow after installation.

4-1-3. Observation: Exterior wall leaks because of inadequate caulking or failure of the caulking material.

Performance Guideline: Joints and cracks in exterior wall surfaces and around penetrations shall be properly caulked to prevent the entry of water.

Corrective Measure: The contractor will repair or caulk joints and cracks in exterior wall surfaces, as required to correct deficiencies, one time only during the warranty period. Even when properly installed, caulking will shrink and must be maintained by the owner.

Insulation

4-2-1 Observation: Wall insulation is insufficient.

Performance Guideline: The contractor shall install insulation according to R-values designated in the contract documents or local code, as applicable. Insulation shall be installed according to locally accepted practices.

Windows, Mirrors

4-3-1 Observation: A window is difficult to open or close.

Performance Guideline: Windows should require no greater operating force than that described in the manufacturer's instructions. Remodeling Specific: The contractor is not responsible for inoperable windows not covered by the remodeling contract.

Corrective Measure: The contractor will correct or repair the window as required to meet the performance guideline.

4-3-2 Observation: Window grids (muntins) fall or become out of level.

Performance Guideline: Window grids shall not disconnect, fall, or become out of level.

Corrective Measure: Window grids will be repaired or replaced at the contractor's discretion one time only.

4-3-3 Observation: Mirror or glass surfaces are scratched.

Performance Guideline: Glass or mirror surfaces shall not have scratches visible from 10 feet under normal lighting conditions at the time of substantial completion of the project. Remodeling Specific: This guideline does not apply to existing windows unless they are part of the remodeling contract or are damaged by the contractor. The owner and contractor should examine existing windows prior to contract execution.

Corrective Measure: The contractor shall replace any scratched glass or mirror surface if noted prior to substantial completion of the project.

4-3-4. Observation: During rains, water appears on interior corner of glazed window Unit.

Performance Guideline: Water leakage from improper installation is unacceptable.

Corrective Measure: The contractor shall repair any deficiencies attributable to improper installation.

Discussion: Leakage at the glazing interface is covered under the manufacturer's warranty.

4-3-5 Observation: Window glass is broken and/or a screen is missing or damaged.

Performance Guideline: Glass should not be broken and screens should not be damaged at the time of substantial competition of the project. Screens required by the contract shall be installed.
Corrective Measure: Broken glass and/or missing or damaged screens reported to the contractor before closing will be installed or replaced. Broken glass and/or screens not reported prior to substantial completion of the project are the owner's responsibility.

4-3-6 Observation: A mirror backing is deteriorating.

Performance Guideline: While looking at the mirror, from 10 feet away there should be no noticeable imperfections in the mirror as a result of damage to the mirror backing at the time of substantial completion of the project.

Corrective Measure: The contractor will replace or repair the mirror.

Exterior Doors

4-4-1 Observation: An exterior door is warped.

Performance Guideline: Exterior doors shall not warp to the extent that they become inoperable or cease to be weather-resistant. A 1/4-inch tolerance as measured diagonally from corner to corner is acceptable.

Corrective Measure: The contractor will correct or replace exterior doors that do not meet the performance guideline.

Discussion: Exterior doors will warp to some degree because of the difference in the temperature between inside and outside surfaces. Warping may also be caused by improper or incomplete finishing of the door. The contractor is not responsible for warpage if painting of doors is not within contractor's scope of work.

4-4-2 Observation: Raw wood shows at the edges of inset panel on exterior door.

Performance Guideline: Wooden panels will shrink and expand because of temperature and/or humidity changes, and may expose unpainted surfaces. This does not constitute a defect.

Corrective Measure: None.

4-4-3 Observation: A wooden door panel is split.

Performance Guideline: A split in a panel shall not allow light to be visible through the door.

Corrective Measure: One time only, the contractor will repair, paint, or stain the split panel that does not meet the performance guideline. Caulking and fillers are acceptable. The repainted area may not match the remainder of the door or other doors on the house.

Discussion: Wooden inserts are loosely fitted into the door to allow the inserts to move; this minimizes splitting of the panel or other damage to the door. On occasion, a panel may become "locked" by paint or expansion of the edges with changes in temperature and humidity and no longer "float" between the rails. This may result in the panel splitting.

4-4-4 Observation: An exterior door sticks.

Performance Guideline: Exterior doors shall operate smoothly, except that doors may stick during occasional periods of high humidity or with variations in temperature.

Corrective Measure: The contractor will adjust or replace the door to meet the performance guideline.

Discussion: Exterior doors may warp or bind to some degree because of the difference in the temperature and/or humidity between inside and outside surfaces. The contractor is not responsible for warpage if painting of doors is not within the contractor's scope of work or if the door is repainted by the owner in a color other than those recommended by the door manufacture.

4-4-5 Observation: An exterior door will not shut completely.

Performance Guideline: Exterior doors shall shut completely.

Corrective Measure: The contractor will adjust or replace the door to meet the performance guideline.

Discussion: Exterior doors may warp or bind to some degree because of the difference in the temperature and/or humidity between inside and outside surfaces. The contractor is not responsible for warpage if painting of doors is not within the contractor's scope of work or if the door is repainted by the owner in a color other than those recommended by the door manufacture.

4-4-6 Observation: The plastic molding on the primary door behind the storm door melts from exposure to sunlight.

Performance Guideline: The plastic moldings behind storm doors should not melt if the storm panel is removed and reinstalled by the owner as a part of normal seasonal maintenance operations (i.e., removed in the spring and reinstalled in the fall).

Corrective Measure: No corrective action is required.

Discussion: Plastic moldings may melt or deform if the exterior door is covered by a storm door panel during a warm season, or if it faces the sun. This is not a defect of the door, but a problem caused by the trapping of heat between the storm panel and the door. The owner is also cautioned to follow the manufacturer's recommendations on painting the moldings with a dark color, with or without the use of a storm panel. Dark colors should be avoided.

4-4-7 Observation: Caulking or glazing on the primary door behind the storm door cracks or peels.

Performance Guideline: Glazing or caulking behind storm doors should not crack or peel if the storm panel is removed and installed by owner as part of seasonal maintenance operations (i.e., removed in the spring and reinstalled in the fall).

Corrective Measure: No corrective measure is required.

Discussion: High temperatures may cause glazing and caulking to harden and/or fail prematurely if the door is covered by a storm panel during a warm season or if it faces the sun. This is not a defect of the door caulking, or glazing, but a problem caused by the trapping of heat between the door and the storm panel. The owner is reminded that dark colors tend to accumulate heat and are more likely to cause problems.

4-4-8 Observation: A door swings open or closed by the force of gravity.

Performance Guideline: Exterior doors shall not swing open or closed by the force of gravity alone. Remodeling Specific: For remodeling projects, this guideline does not apply where a new door is installed in an existing wall that is out of plumb.

Corrective Measure: The contractor will adjust the door to prevent it from swinging open or closed by the force of gravity.

4-4-9 Observation: Gaps are visible around an exterior door edge, doorjamb, and/or threshold.

Performance Guideline: Gaps between adjacent components shall not vary by more than 3/16-inch. Remodeling Specific: This applies unless the existing building is out of square or plumb.

Corrective Measure: The contractor will repair the existing Unit to meet performance guideline.

Discussion: Doors must have gaps at their perimeter to accommodate expansion/contraction due to variations in temperature and/or humidity and to enable the door to operate over a wide range of environmental conditions.

4-4-10 Observation: Exterior door hardware or kick plate has tarnished.

Performance Guideline: Finishes on door hardware or kick plates installed by the contractor are covered by the manufacturer's warranty.

Corrective Measure: The owner should contact the manufacturer.

4-4-11. Observation: Sliding patio door or screen will not stay on track.

Performance Guideline: Sliding patio doors and screens shall slide properly on their tracks at the time the job is accepted. The use, cleaning and maintenance necessary to preserve proper operation are an owner responsibility.

Corrective Measure: The contractor shall repair once during the warranty period.

Discussion: Proper operation should be verified by the owner and the contractor at the time the job is accepted.

4-4-12. Observation: Sliding patio door does not roll smoothly.

Performance Guideline: Sliding patio doors shall roll smoothly at the time the job is accepted. The use, cleaning and maintenance necessary to preserve proper operation are an owner responsibility.

Corrective Measure: The contractor shall repair once during the warranty period.

Discussion: Proper operation should be verified by the owner and the contractor at the time the job is accepted.

4-4-13 Observation: A doorknob, deadbolt, or lockset does not operate smoothly.

Performance Guideline: A doorknob, deadbolt, or lockset should not stick or bind during operation.

Corrective Measure: One time only during the warranty period, the contractor will adjust, repair, or replace knobs that are not damaged by abuse.

Wood and Manufactured Siding

4-5-1 Observation: Siding is bowed.

Performance Guideline: Bows exceeding 1/2-inch in 32 inches are considered unacceptable. Remodeling Specific: If new wall covering is installed on existing framed walls, the owner and contractor may agree to straighten out the walls as part of the scope of work. Alternatively, the parties may agree to install new wall covering over existing framing and disregard the performance guideline to match a pre-existing structural condition of the existing structure.

Corrective Measure: The contractor will replace any wood or manufactured lap siding with bows that does not meet the performance guideline, and will finish the replacement siding to match the existing siding as closely as practical.

Discussion: If the siding is fastened by nails driven into studs, expansion caused by changing relative temperatures and/or humidity may cause bulges or waves. Even with proper installation, siding will tend to bow inward and outward in adjacent stud spaces.

4-5-2 Observation: An edge or gap is visible between adjacent pieces of siding or siding panels and other materials.

Performance Guideline: Gaps wider than 3/16-inch or in excess of the manufacture's standard are considered unacceptable. This guideline does not apply to adjacent pieces or panels that have shiplap or similar joints.

Corrective Measure: The contractor will repair gaps that do not meet the performance guideline.

Discussion: Proper repair can be affected by providing joint covers or by caulking the gap. This is important if the gaps were intentionally made for expansion joints. If the siding is painted, the contractor will paint the new caulking to match the existing caulking as closely as practical, but an exact match cannot be ensured.

4-5-3 Observation: Lap siding is not parallel with the course above or below.

Performance Guideline: A piece of lap siding may not be more than l/2 inch off parallel with contiguous courses in any 20-foot measurement, unless the owner and the contractor have previously agreed to disregard the performance guideline to match a pre-existing condition. Remodeling Specific: The owner and contractor may agree to install siding to match existing conditions on existing structure and to disregard the performance guideline for this item.

Corrective Measure: The contractor will reinstall siding to meet the performance guideline for straightness, and will replace with new siding any siding damaged during removal.

Discussion: For remodeling projects, if the contractor and the owner have agreed that the floor of an addition is to be on a different Plane from an existing floor (e.g., out of level), the siding on the addition may not be parallel and in line with the existing siding.

4-5-4 Observation: Face nails are driven below the surface of the hardboard siding.

Performance Guideline: Siding nails should not be driven below the surface of hardboard siding such that visible fiber of the siding is exposed.

Corrective Measure: The contractor shall repair as necessary to meet performance guideline. The following repairs are appropriate in most instances: If visible fiber of hardboard siding is exposed, paint

surface to coat fiber. If nail is 1/16 to 1/8-inch below the surface, fill or caulk and touch-up paint. If nail is more than 1/8-inch below the surface, fill or caulk and add an additional nail flush to the surface.

Tongue and Groove Wood Siding

4-5-5 Observation: Siding Boards have buckled.

Performance Guideline: Boards that project more than 3/16-inch from the face of adjacent Boards are considered unacceptable.

Corrective Measure: The contractor will repair or replace any Boards that don't meet the performance guideline.

Discussion: Buckling is caused by wood expanding as a result of increased temperature and/or relative humidity. It can be minimized by leaving space between the tongues and grooves to allow room for expansion and by storing the product outside for a few days to allow it to adjust to the ambient conditions prior to installation.

Wood Shake Siding

4-5-6 Observation: Cedar shakes or shingles have "bled" through paint or stain applied by contractor.

Performance Guideline: Resins and extractives bleeding through paint or stain, or blackening of shakes or shingles are unacceptable. This performance guideline does not apply if "natural weathering" or semi-transparent stain, or other similar products, are specified for the job.

Corrective Measure: One time during the warranty period the contractor will clean and treat shakes to provide a reasonable appearance and prevent further bleeding.

Plywood or Other Veneer Siding

4-5-7 Observation: Siding has delaminated (layers have separated from one another).

Performance Guideline: Siding shall not delaminate.

Corrective Measure: The contractor will replace delaminated siding that is not covered under manufacturer's warranty, unless the delaminating was caused by the owner's actions or negligence. The repaired area may not precisely match the original siding.

4-5-8 Observation: Joints between sidings have separated.

Performance Guideline: Joint separations exceeding 3/16-inch are considered unacceptable.

Corrective Measure: The contractor will caulk or repair siding as necessary to fill the joint. The repaired area may not match the original siding precisely.

Discussion: Plywood siding, like all wood products, will expand and contract with changes in temperature and/or humidity.

4-5-9 Observation: Siding is bowed.

Performance Guideline: Bows exceeding 1/2-inch in 32 inches are unacceptable.

Corrective Measure: The contractor will install additional nails in siding to meet acceptable nailing schedules and will replace any siding that does not meet the guideline because of bows.

Discussion: Some waviness in siding is to be expected because of bows in studs. However, proper nailing of siding will straighten most bows.

Aluminum or Vinyl Lap Siding

4-5-10 Observation: Aluminum or vinyl siding is bowed or wavy.

Performance Guideline: Some waviness in aluminum or vinyl lap siding is to be expected because of bows in studs. Waves or similar distortions in aluminum or vinyl lap siding are considered unacceptable if they exceed 1/2- inch in 32 inches.

Corrective Measure: The contractor will correct any waves or distortions to comply with the performance guideline by reinstalling or replacing siding as necessary.

Discussion: This problem is often caused by the siding being nailed too tightly to the house instead of loosely "hung" in the center of the nail slots, or by not allowing adequate room for the siding to expand at the ends.

4-5-11 Observation: Siding color is faded.

Performance Guideline: Any color siding, when exposed to the ultra-violet rays of the sun, will fade and this condition cannot be prevented by the contractor.
Corrective Measure: The owner should contact the siding manufacturer.

Discussion: Color warranties are provided by the siding manufacturer. The owner should contact the manufacturer with questions or claims regarding changes in color of vinyl or aluminum siding. Color and fade imperfections beyond an expected degree may be covered by the manufacturer's warranty, except where siding is shaded differently from the rest of the wall, such as under shutters or behind vegetation.

4-5-12 Observation: Aluminum or vinyl lap siding trim is loose from house.

Performance Guideline: Trim shall not separate more than ¼-inch from the house.

Corrective Measure: The contractor will reinstall trim or repair separations as necessary to comply with the performance guideline.

4-5-13 Observation: Aluminum or vinyl lap siding courses are not parallel with eaves (the horizontal edge at the low side of a sloping roof) or wall openings.

Performance Guideline: Any piece of aluminum or vinyl lap siding more than ½-inch off parallel in 20 feet with contiguous courses, or contiguous break such as a soffit line, is unacceptable. Remodeling Specific: The owner and contractor may agree to disregard the performance guideline to match a pre-existing structural condition.
Corrective Measure: The contractor will reinstall siding to comply with the performance guideline and replace any siding damaged during removal with new siding.

Discussion: Remodeling Specific: If the contractor and the owner agree that the floor of an addition is to be on a different Plane from the existing floor (for example, a pre-existing out of level condition), the siding on the addition may not be parallel and in line with existing siding.

4-5-14 Observation: Aluminum or vinyl lap siding nail shows under window, door, or eave.

Performance Guideline: All facing nails shall be of a color to match the trim they affix. No nail heads in the field of the siding shall be exposed.

Corrective Measure: The contractor will install trim as necessary to cover the nails.

Discussion: Vinyl siding generally should not be face nailed. However, there are appropriate and typical occasions when a single face nail may be needed to reinforce a joint or hold the siding to the wall when it is cut to fit around window frames, doors, roofs, or other obstructions on the wall. In most cases (the only exception would be the top piece on a gable end), vinyl siding should never need to be face nailed when proper accessory products are used. For example, under a window application the trim (J- channel) can be utilized in conjunction with utility trim and snap-punching the top of the modified vinyl siding. If face nailing is the only option, a 1/8-inch diameter hole should be pre-drilled to allow for expansion and contraction.

4-5-15 Observation: Aluminum or vinyl lap siding trim accessory is loose from caulking at windows or other wall openings.

Performance Guideline: Siding trim accessories shall not separate from caulking at windows or other wall openings during the warranty period.

Corrective Measure: The contractor will repair or recall as necessary once during the warranty period to eliminate the separation.

4-5-16 Observation: Aluminum or vinyl lap siding is cut crooked.

Performance Guideline: Visible cuts in siding shall be straight, plumb, and neat. Crooked cuts greater than 1/8-inch from true are not acceptable. Remodeling Specific: The owner and contractor may agree to install siding to match conditions on the existing structure and to disregard the performance guideline for this item.

Corrective Measure: The contractor will repair or replace siding, which has visible crooked cuts.

Discussion: Cut edges of vinyl siding should never be visible when proper trim and accessories are used.

4-5-17 Observation: Aluminum or vinyl lap siding is not correctly spaced from moldings.

Performance Guideline: Prescribed spacing between siding and accessory trim is typically 1/4-inch, or should comply with the manufacturer's installation instructions. Remodeling Specific: The owner and contractor may agree to install siding to match conditions on existing structure and to disregard the performance guideline for this item.

Corrective Measure: The contractor will correct to meet the guideline.

Masonry Cement and Veneer Board Siding

4-5-18 Observation: Cement Board siding is cracked or chipped.

Performance Guideline: A cement product, this siding is susceptible to the same characteristic limitations as other cement products. Cracks more than 2 inches in length and 1/8-inch in width are considered unacceptable. Chips or dents not reported at time of substantial completion of the project are not covered.

Corrective Measure: Cracked or chipped cement Board will be repaired or replaced as necessary, as determined by the contractor.

4-5-19 Observation: Cement Board siding is improperly fastened.

Performance Guideline: Siding shall be nailed flush and perpendicular per the manufacturer's instructions. Staples shall not be used.

Corrective Measure: Overdriven nail heads or nails driven at an angle shall be filled with cementitious patching compound to match the existing area as closely as possible.

Discussion: The manufacturer's instructions include guidelines to reduce chipping or cracking of siding.

4-5-20 Observation: Masonry or veneer wall is cracked.

Performance Guideline: Cracks visible from distances in excess of 20 feet or larger than 1/4-inch in width are not acceptable.

Corrective Measure: The contractor will repair cracks in excess of the performance guideline by tuck pointing (removing deteriorated mortar from the surface of the existing wall, and inserting fresh mortar), patching, or painting. The contractor will not be responsible for color variations between original and new mortar.

Discussion: Small hairline cracks resulting from shrinkage are common in mortar (a substance used to join masonry Units, consisting of cementitious materials, fine aggregate and water) joints in masonry construction.

4-5-21. Observation: Exterior cut bricks (less than full) are of different thickness below openings.

Performance Guideline: Cut bricks used in the course directly below an opening shall not vary from one another in thickness by more than ¼-inch. The smallest dimension of a cut brick should be greater than 1 inch.

Corrective Measure: The contractor will repair the wall to meet the performance guideline.
Discussion: Bricks are cut to achieve required dimensions at openings and ends of walls when it is not possible to match Unit/mortar coursing.

4-5-22 Observation: A masonry or brick veneer course is not straight.

Performance Guideline: No point along the bottom of any course shall be more than 1/4-inch higher or lower than any other point within 10 feet along the bottom of the same course, or 1/2-inch in any length. Remodeling Specific: The owner and contractor may agree to install brick veneer to match conditions on the existing structure and to disregard the performance guideline for this item.

Corrective Measure: The contractor will rebuild the wall as necessary to meet the performance guideline.

Discussion: Dimensional variations of the courses depend upon the variations in the brick selected.

4-5-23 Observation: Brick veneer is spalling.

Performance Guideline: Spalling of newly manufactured brick should not occur and is considered unacceptable. Spalling of used brick is acceptable.

Corrective Measure: The contractor will repair or replace newly manufactured bricks that have spalled. An exact match of brick and mortar cannot be assured.

4-5-24 Observation: Mortar stains are observed on exterior brick or stone.
Performance Guideline: Exterior brick and stone shall be free from mortar stains detracting from the appearance of the finished wall when viewed from a distance of 20 feet.

Corrective Measure: The contractor will clean the mortar stains to meet the performance guideline.

4-5-25 Observation: Efflorescence is present on the surface of masonry or mortar.

Performance Guideline: This is a common condition caused by moisture reacting with the soluble salts in the mortar.

Corrective Measure: No corrective actions are required of the contractor.

Discussion: Efflorescence is evidenced by the presence of a white film on the surface of masonry or mortar. It is a particularly common occurrence where masonry or concrete are in contact with high moisture levels as may be found in basements.

Stucco and Parge

4-5-26 Observation: An exterior stucco wall surface is cracked.

Performance Guideline: Cracks in exterior stucco wall surfaces shall not exceed l/8-inch in width.

Corrective Measure: One time only, the contractor will repair cracks exceeding l/8-inch in width. Caulking and touch-up painting are acceptable. An exact color or texture match may not be unattainable.

Discussion: "Stucco" includes cementitious coatings and similar synthetically based finishes.

4-5-27 Observation: The colors of exterior stucco walls do not match.

Performance Guideline: The colors of new exterior stucco walls may not perfectly match the colors of old exterior stucco walls, nor is it expected that exact matches will be attained for the same material that is applied on different days or under differing environ-mental conditions (e.g., temperature, humidity, etc.).

Corrective Measure: No corrective measure is required. Because of the unique nature of stucco finishes, exact match of color may not be possible.

Discussion: Coloring of stucco is affected by a number of variables. It is impractical to achieve a color match between stucco coatings applied at different times.

4-5-28 Observation: The textures of exterior stucco wall finishes do not match.

Performance Guideline: Texture of new exterior stucco walls applied at different times may not perfectly match the textures of old exterior stucco walls. Remodeling Specific: The texture of new exterior stucco walls may not perfectly match the textures of old exterior stucco walls.

Corrective Measure: No corrective measure is required. Because of the unique nature of stucco finishes, exact match of texture finish may not be possible.

Discussion: "Stucco" includes cementitious coatings and similar synthetically based finishes. Approved samples prior to installation can minimize misunderstandings about color and texture.

4-5-29 Observation: Separation of coating from base on exterior stucco wall.

Performance Guideline: The coating shall not separate from the base on an exterior stucco wall during the warranty period.

Corrective Measure: The contractor will repair areas where the coating has separated from the base.

4-5-30 Observation: Lath is visible through stucco.

Performance Guideline: Lath should not be visible through stucco, nor should the lath protrude through any portion of the stucco surface.

Corrective Measure: The contractor will make necessary corrections so that lath is not visible. The finish colors may not match.

4-5-31 Observation: Rust marks are observed on the stucco finish coat.

Performance Guideline: Rust marks on the stucco surface are considered unacceptable if more than 5 marks measuring more than 1 inch long occur per 100 square feet.

Corrective Measure: The contractor may repair or replace affected subsurface components, or seal the rusted areas and recolor the wall.

4-5-32 Observation: There is water damage to interior walls as a result of a leak in the stucco wall system.

Performance Guideline: Stucco walls should be constructed and flashed to prevent water penetration to the interior of the structure under normal weather and water conditions. Damage to the stucco system caused by external factors out of the contractor's control that result in water penetration is not the contractor's responsibility.

Corrective Measure: If water penetration is the result of a system failure and doesn't result from external factors, the contractor will make necessary repairs to prevent water penetration through the stucco wall system.

Discussion: Water penetration resulting from abnormal external factors, such as windblown moisture or sprinkler systems, are not the contractor's responsibility.

Exterior Trim

4-6-1. Observation: Gaps show in exterior trim.

Performance Guideline: Joints between exterior trim elements, including siding and masonry, shall not result in joints opened wider than ¼-inch. In all cases the exterior trim shall perform its function of excluding the elements.

Corrective Measure: The contractor will repair open joints that do not meet the performance guideline. Caulking is acceptable.

4-6-2 Observation: Exterior trim Board is split.

Performance Guideline: Splits wider than l/8-inch are considered unacceptable.

Corrective Measure: The contractor will repair splits by filling with a durable filler. Touch-up painting may not match the surrounding area.

4-6-3 Observation: Exterior trim Board is bowed or twisted.

Performance Guideline: Bows and twists exceeding 3/8-inch in 8 feet are considered unacceptable.

Corrective Measure: The contractor will repair defects that do not meet the performance guideline by refastening or replacing deformed Boards. Touch-up painting may not match the surrounding area.

4-6-4 Observation: Exterior trim Board is cupped.

Performance Guideline: Cups exceeding 3/l6-inch in 5 1/2 inches are considered unacceptable.

Corrective Measure: The contractor will repair defects that do not meet the performance guideline by refastening or replacing deformed Boards. Touch-up painting may not match the surrounding area.

Paint, Stain, and Varnish

4-7-1 Observation: Exterior painting, staining, or refinishing is required because of repair work.

Performance Guideline: Repairs required under these performance guidelines shall be finished to match the immediate surrounding areas as closely as practical.

Corrective Measure: The contractor will finish repaired areas as indicated.

Discussion: Touch-up painting, staining, or refinishing may not match the surrounding area.

4-7-2 Observation: Exterior paint or stain has peeled, flaked, or physically deteriorated.

Performance Guideline: Exterior paints and stains shall not fail during the warranty period.

Corrective Measure: If exterior paint or stain has peeled, developed an alligator pattern, or blistered, the contractor will properly prepare and refinish affected areas and match the color as closely as practical. Where deterioration of the finish affects more than 50 percent of the piece of trim or wall area, the contractor will refinish the entire wall.

4-7-3 Observation: Exterior paint or stain has faded.
Performance Guideline: Fading of exterior paints and stains is common. The degree of fading depends on environmental conditions.
Corrective Measure: Because fading is a common occurrence in paint and stains, no corrective action is required.

4-7-4 Observation: Varnish or lacquer finishes have deteriorated.

Performance Guideline: Clear finishes used on exterior surfaces may deteriorate rapidly. This is beyond the contractor's control.

Corrective Measure: Heat and sunlight can cause rapid deterioration of clear finishes. Maintenance is the owner's responsibility. No corrective action is required of the contractor.

4-7-5 Observation: There is paint or stain overspray on surfaces not intended for paint or stain.

Performance Guideline: Paint or stain overspray on surfaces not intended for paint or stain that is visible at a distance of 6 feet under normal natural lighting conditions is not acceptable.

Corrective Measure: The contractor shall clean affected surfaces without damaging the surface.

4-7-6 Observation: Cabinet stain is uneven. Cabinet paint is not uniform or is mismatched.

Performance Guideline: Uneven stain color on wood cabinets is considered acceptable and is a result of the natural wood grain. Painted cabinets should appear uniform under normal lighting conditions at a distance of 6 feet.
Corrective Measure: The contractor will repaint or replace painted cabinets that do not meet the performance guideline.

4-7-7 Observation: Mildew or fungus is visible on exterior painted surfaces.

Performance Guideline: Painted or finished surfaces shall be free of observable mildew and fungus at the time of substantial completion of the job. However, mildew or fungus may form on painted surfaces over time because of warmth and moisture.

Corrective Measure: The contractor will remove mildew and fungus before substantial completion of the job. Subsequent mildew or fungus formation is a condition the contractor cannot control. The owner is responsible for future cleaning of the painted item as necessary to prevent or remove mildew and fungus.

ROOFS

Coverage 1st Year Only, Workmanship and Materials

5-1-1 Observation: The roof ridge beam has deflected.

Performance Guideline: Roof ridge beam deflection greater than 1 inch in 8 feet is considered unacceptable. Remodeling Specific: If this is not in the scope of work, the guideline will be disregarded.

Corrective Measure: The contractor shall repair affected ridge beams that do not meet the performance guideline.

5-1-2 Observation: A rafter or ceiling joist bows (up or down).

Performance Guideline: Bows greater than 1 inch in 8 feet are unacceptable. Remodeling Specific: If this is not in the scope of work, the guideline will be disregarded.

Corrective Measure: The contractor shall repair affected rafters or joists that bow in excess of the performance guideline.

Roof Sheathing

5-2-1 Observation: Roof sheathing is wavy or appears bowed.

Performance Guideline: Roof sheathing shall not bow more than 1/2-inch in 2 feet. Remodeling Specific: If new sheathing is installed over existing rafters, the sheathing will follow the bows of the existing rafters. The owner and contractor should agree on whether or not the rafters are to be straightened. If they are not to be straightened, the performance guideline for this item will be disregarded.

Corrective Measure: The contractor will straighten bowed roof sheathing as necessary to meet the performance guideline.

Discussion: In rare instances, the contractor might have to install blocking between the framing members to straighten the sheathing.

Roof Vents

5-3-1 Observation: An attic vent or louver leaks.
Performance Guideline: Attic vents and louvers shall not leak. However, infiltration of wind-driven rain and snow are not considered leaks and are beyond the control of the contractor.

Corrective Measure: The contractor shall repair or replace the roof vents as necessary to meet the performance guideline.

Discussion: Properly installed louvers or vents may at times allow penetration of rain or snow under strong wind conditions and are not deficiencies.

Roof Installation and Leaks

Asphalt Shingles

5-4-1 Observation: The roof or flashing leaks.

Performance Guideline: Roofs and flashing shall not leak under normal conditions, except where the cause is determined to result from ice build-up or the owner's actions or negligence.

Corrective Measure: The contractor will repair any verified roof or flashing leaks not caused by ice build-up, leaves, debris, or the owner's actions or negligence. It is the owner's responsibility to keep the roof drains, gutters, and downspouts free of debris.

5-4-2 Observation: Ice builds up on the roof.

Performance Guideline: During prolonged cold spells ice is likely to build up on a roof, especially at the eaves. This condition naturally can occur when snow and ice accumulates.

Corrective Measure: No action is required of the contractor. Prevention of ice build-up on the roof is a owner maintenance item.

Discussion: In the event ice builds up on the roof and then melts causing damage, this consequential damage is also the owner's responsibility.

5-4-3 Observation: Shingles have blown off.

Performance Guideline: Shingles shall not blow off in winds less than stated in the manufacturer's warranty or applicable building codes.

Corrective Measure: If shingles were not installed properly, they will be repaired or replaced in the affected area.

5-4-4 Observation: Shingles are not horizontally aligned.

Performance Guideline: Shingles should be installed according to the manufacturer's instructions. Remodeling Specific: The owner and the contractor may agree prior to installation that the horizontal line of shingles on the roof of an addition need not line up with those of the existing structure if the floors (and hence, the eaves and ridge) are not to be built on the same Plane.
Corrective Measure: The contractor will remove shingles that do not meet the performance guideline, and will repair or replace them with new shingles that are properly aligned.

Discussion: The bottom edge of dimensional shingles may be irregular; the irregularity is an inherent part of the design.

5-4-5 Observation: New shingles do not match existing shingles.

Performance Guideline: Because of weathering and manufacturing variations, the color of new shingles will not exactly match the color of existing shingles.

Corrective Measure: The contractor is not responsible for precisely matching the color of existing shingles.

5-4-6 Observation: Asphalt shingle edges or corners are curled or cupped.

Performance Guideline: Asphalt shingle edges and corners shall not curl or cup more than 1/2-inch.

Corrective Measure: No corrective action is required of the contractor. Cupping in excess of 1/2-inch should be reported to the manufacturer.

5-4-7 Observation: Asphalt shingles do not overhang the edges of the roof, or hang too far over the edges of the roof.

Performance Guideline: Asphalt shingles shall overhang roof edges by not less than 1/4-inch and not more than 3/4-inch unless the manufacturer's instructions indicate otherwise.

Corrective Measure: The contractor will reposition or replace shingles as necessary to meet the performance guideline.

5-4-8 Observation: Shading or a shadowing pattern is observed on a new shingle roof.

Performance Guideline: Shading or shadowing is a defect only if it results from failure to use shingles of the type specified in the contract.

Corrective Measure: The contractor will replace shingles not conforming to the manufacture's standards.

5-4-9 Observation: Asphalt shingles have developed surface buckling.

Performance Guideline: Asphalt shingle surfaces need not be perfectly flat. Buckling higher than 1/4-inch is considered unacceptable. Remodeling Specific: If an owner elects to re-roof over an existing roof owner must be aware that the new roof will follow the contours of the underlying roof.

Corrective Measure: The contractor will repair or replace the affected shingles to meet the performance guideline.

5-4-10 Observation: Sheathing nails have loosened from framing and raised asphalt shingles.

Performance Guideline: Nails shall not loosen from roof sheathing to raise asphalt shingles from surface.

Corrective Measure: The contractor shall repair all areas as necessary to meet the performance guideline.

Discussion: It is not uncommon for nails to "work themselves out" due to variations in temperature. The contractor can re-drive or remove and replace fasteners that withdraw from the framing. Any resulting holes should be sealed or the shingle should be replaced (a perfect color/shade match cannot be assured).

5-4-11 Observation: Roofing nails are exposed at the ridge or hip of a roof.

Performance Guideline: Nail heads shall be sealed.

Corrective Measure: The contractor shall repair areas to meet the performance guideline.

5-4-12 Observation: Holes from construction activities are found in asphalt shingles.

Performance Guideline: Holes from construction activities shall be flashed or sealed below the asphalt shingle tab to prevent leakage. If the patch is visible from the ground, the shingle should be replaced.

Corrective Measure: The contractor will repair or replace the affected shingles to meet the performance guideline.

5-4-13 Observation: Remodeling Specific: Existing roof shingles are telegraphing through new asphalt shingles.
Performance Guideline: Remodeling Specific: Some telegraphing is common when re-roofing over existing roofing.

Corrective Measure: Because this is a common occurrence, no corrective action is required.

Roll Roofing

5-4-14 Observation: Water is trapped under roll roofing.

Performance Guideline: Water shall not become trapped under roll roofing.

Corrective Measure: If water becomes trapped under roll roofing during the warranty period, the contractor will repair or replace the roofing as necessary to meet the performance guideline.

5-4-15. Observation: Roofing is blistered but does not admit water.

Performance Guideline: Surface blistering of roll roofing is caused by unusual conditions of heat and humidity acting on the asphalt and cannot be controlled by the contractor.

Corrective Measure: None.

5-4-16 Observation: Water is standing on a flat roof.

Performance Guideline: Water shall drain from a flat roof except for minor ponding within 24 hours of a rainfall. Minor ponding shall not exceed 3/8-inch in depth.
Corrective Measure: The contractor will take corrective action to ensure proper drainage of the roof.

Chimney

5-5-1 Observation: A crack in a masonry chimney cap or crown causes leakage.

Performance Guideline: It is common for caps to crack due to expansion and contraction. As a result, leaks may occur.

Corrective Measure: If cracking causes leakage the contractor will repair the cap or crown. Caulking or other sealant is acceptable.

5-5-2 Observation: New chimney flashing leaks.

Performance Guideline: New chimney flashing shall not leak under normal conditions.

Corrective Measure: The contractor will repair leaks in new chimney flashing that are not caused by ice build- up, other common occurrences, or by the owner's actions or negligence.

Discussion: The accumulation of ice and snow on the roof is a natural occurrence and cannot be prevented by the contractor.

Gutters and Downspouts

5-6-1 Observation: The gutter or downspout leaks.

Performance Guideline: Gutters and downspouts shall not leak.

Corrective Measure: The contractor will repair leaks in gutters and downspouts. Sealants are acceptable.

5-6-2 Observation: The gutter overflows during a heavy rain.

Performance Guideline: Gutters may overflow during a heavy rain.

Corrective Measure: The contractor shall repair the gutter if it overflows during normal rains.

Discussion: The owner is responsible for keeping gutters and downspouts free from debris that could cause overflow.

5-6-3 Observation: Water remains in the gutter after a rain.

Performance Guideline: The water level shall not exceed 1/2-inch in depth if the gutter is unobstructed by ice, snow, or debris.

Corrective Measure: The contractor will repair the gutter to meet the performance guideline. The owner is responsible for maintaining gutters and downspouts and keeping them unobstructed.

Discussion: Contractors usually install residential gutters with minimal slope in order to maintain an attractive appearance. Installing gutters with 1/32-inch drop in 1 foot generally will prevent water from standing in the gutters. Even so, small amounts of water may remain in some sections of the gutter for a time after a rain. In areas with heavy rainfall and/or ice build-up, a steeper pitch or additional downspouts may be desirable.

Skylights

5-7-1 Observation: Skylight leaks.

Performance Guideline: Skylights shall be installed in accordance with manufacturer's specifications. Leaks resulting from improper installation are unacceptable. Condensation on interior surfaces is not a leak and not considered a defect.

Corrective Measure: The contractor will repair any improperly installed skylight to meet the performance guideline.

Discussion: Leaks are often caused by other factors such as improper flashing of vents, chimneys or vertical walls. These defects often show up at the skylight opening. Before deeming the skylight to be defective other possible causes should be ruled out by careful examination and a thorough water test.

Plumbing
Coverage 1st Year Only, Workmanship and Materials

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

Water Supply System

6-1-1 Observation: Condensation appears on pipes, fixtures and plumbing supply lines.

Performance Guideline: Condensation on pipes, fixtures, and plumbing supply lines may occur at certain combinations of temperature and indoor humidity. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The owner is responsible for controlling humidity in the home.

Discussion: The owner may insulate pipes and supply lines.

Plumbing Fixtures

6-1-2 Observation: A faucet or valve leaks.

Performance Guideline: No faucet or valve shall leak because of defects in material or workmanship. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will repair or replace the leaking faucet or valve.

Discussion: Leakage caused by worn or defective washers or seals is homeowner maintenance item.

6-1-3. Observation: Water pipe is noisy.

Performance Guideline: Because of the flow of water and pipe expansion, the water pipe system will emit some noise. However, the pipes should not make the pounding noise called "water hammer" (noise occurring in a water pipe when air is trapped in the pipe).

Corrective Measure: The contractor cannot remove all noises caused by water flow and pipe expansion. However, the contractor will correct the system to eliminate "water hammer."

Plumbing Fixtures

6-2-1 Observation: A plumbing fixture, appliance, or trim fitting is defective.

Performance Guideline: Plumbing fixtures, appliances, and trim fittings shall not be damaged or defective at the time of substantial completion of the project. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: If the fixtures, appliances or trim were supplied by contractor and they are not in accordance with the manufactures guidelines they must be repaired or replaced. If supplied and or installed by the owner no action is required of the contractor. Defective trim fittings, appliances, and fixtures are covered under manufacturers' warranties.

6-2-2 Observation: The surface of a plumbing fixture is cracked or chipped.

Performance Guideline: Cracks, scrapes and chips in surfaces of bathtubs and sinks are considered unacceptable if they are visible from 3 feet away in normal lighting conditions. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: If the fixtures were supplied by the contractor and they do not meet the performance guideline they must be repaired or replaced. If supplied and or installed by the owner no action is required of the contractor. The contractor is not responsible for repairs unless the damage is reported to the contractor prior to substantial completion of the project. Defective fixtures are covered under manufacturers' warrantees.

Discussion: Fiberglass and acrylic fixtures often may be repaired.

6-2-3 Observation: A fiberglass tub or shower enclosure base flexes.

Performance Guideline: The tub or showers are to be installed according to the manufacturer's instructions. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor shall repair the base to meet the performance guideline.

6-2-4 Observation: A vanity top is cracked.

Performance Guideline: Vanity tops shall not have cracks at drain connections when installed. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor shall repair or replace the vanity top to meet the performance guidelines. Cracks must be noted prior to substantial completion of the project.

6-2-5 Observation: Staining of plumbing fixtures due to high iron content in water.

Performance Guideline: None.
Corrective Measure: None. High iron content in the water supply system will cause staining of plumbing fixtures.

Discussion: Maintenance and treatment of the water is the owner's responsibility.

Electrical
Coverage 1st Year Only, Workmanship and Materials

Fuses and Circuit Breakers

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

7-1-1 Observation: A fuse blows or a circuit breaker trips.

Performance Guideline: Fuses and circuit breakers shall not be tripped by normal usage. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will check wiring circuits and components for conformity with applicable electrical code requirements. The contractor will correct noncompliant elements.

Discussion: Blown fuses and tripped breakers are symptoms of a problem in some part of the electrical system in the home or some consumer product connected to the system. Although defective components are possible, most electrical malfunctions are caused by consumer-owned fixtures and appliances. The consumer should unplug or disconnect fixtures and appliances on the circuit and then replace the fuse or reset the breaker. If the problem recurs, the contractor should be notified.

7-1-2 Observation: A ground fault circuit interrupter (GFCI) or arc fault circuit interrupter (AFCI) trips frequently.

Performance Guideline: Ground fault and arc fault circuit interrupters shall perform as designed. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will install ground fault and arc fault circuit interrupters in accordance with applicable electrical codes. Tripping is to be expected and is not covered unless it is caused by a component failure or incorrect installation.

Discussion: Both ground fault and arc fault circuit interrupters are very sensitive devices and are easily tripped. GFCI's protect outlets in wet areas (for example, bathrooms, kitchens, garages, exterior, etc.). Outlets protected by GFCIs may be connected in series; it may not be readily apparent that an inoperative convenience outlet is the result of a tripped GFCI in another room (and not necessarily in the electrical panel). AFCIs sometimes are installed to protect bedroom circuits. The most common cause of tripping by AFCIs is damaged cords or plugs on owners' lamps, small appliances, or other devices. AFCIs are usually found in the electrical panel.

7-2-1 Observation: A light fixture is tarnished.

Performance Guideline: Finishes on light fixtures may be covered under the manufacturer's warranty. Remodeling Specific: See Note at beginning of chapter.
Corrective Measure: No action is required of the contractor. Owner should contact manufacturer.

7-2-2 Observation: Receptacle or switch covers protrude from the wall.

Performance Guideline: Receptacle or switch covers should not be more than 1/16-inch from the adjoining wall surface. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will adjust the covers to meet performance guideline.

7-2-3 Observation: The owner's 220-volt appliance cord does not fit the outlet provided by the contractor.

Performance Guideline: The contractor shall install electrical outlets required by applicable electrical code. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: No action is required of the contractor.

Discussion: The owner is responsible for obtaining an appliance cord that fits the outlets provided by the contractor.

7-3-1 Observation: A ceiling fan vibrates and/or is noisy.

Performance Guideline: The contractor shall install ceiling fans in accordance with the manufacturer's instructions (including blade balances). Remodeling Specific: See Note at beginning of chapter.
Corrective Measure: The contractor shall correct any fan installation not in accordance with the performance guideline if the fan was supplied and installed by the contractor.

7-3-2 Observation: An exhaust fan discharges into attic or crawl space.

Performance Guideline: Fans shall discharge as required by applicable codes. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor shall repair to meet performance guideline.

7-4-1 Observation: A smoke detector "chirps."

Performance Guideline: A smoke detector should not "chirp" at substantial completion of the project. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will repair or replace the smoke detector to eliminate chirping.

Discussion: Most smoke detectors are powered by both the home's electrical power and a backup battery. "Chirping" is an indication that the battery is weak or is not installed. If the chirping occurs on a new smoke detector, the contractor will check the battery, verify that the detector is wired correctly, and replace the device if necessary. Safety officials recommend that owners change the batteries in smoke detectors semi-annually when daylight-saving time begins and ends.

7-5-1 Observation: Electrical outlets, switches, or fixtures malfunction.

Performance Guideline: All electrical outlets, switches, and fixtures shall operate as designed. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will repair or replace malfunctioning electrical outlets, switches, and fixtures, if supplied and installed by the contractor.

7-5-2 Observation: Carbon monoxide alarm goes off excessively.

Performance Guideline: Carbon monoxide sensors shall be installed in accordance with manufacturer's standards and applicable codes.

Corrective Measure: None. The contractor is responsible to properly install the sensor.

Interior Climate Control
Coverage 1st Year Only, Workmanship and Materials

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

Air Infiltration and Drafts

8-1-1 Observation: Air infiltrates around exterior doors or windows.

Performance Guideline: Some infiltration is usually noticeable around doors and windows, especially during high winds. No daylight shall be visible around the frame when the window or door is closed. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor shall repair to meet the performance guideline.

Discussion: Proper repair can be performed by adjusting or installing weather stripping around doors and windows. In high-wind areas, the owner may elect to have storm windows and doors installed to further reduce drafts.

8-1-2 Observation: A draft comes through an electrical outlet.

Performance Guideline: Electrical outlets and switch boxes on exterior walls may allow cold air to flow through or around an outlet into a room. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: No action is required of the contractor. The owner may elect to install foam insulation pads under switch and outlet plates to help decrease drafts.

Humidity Control and Condensation

8-2-1 Observation: Water, ice, or frost is observed on a window.

Performance Guideline: Windows will be installed in accordance with the manufacturer's instructions and applicable building code, Remodeling Specific: See Note at beginning of chapter.
Corrective Measure: No action is required of the con-tractor unless the water, ice, or frost is directly attributed to faulty installation (i.e., that deviates from the manufacturer's instructions and/or applicable building code).

Discussion: Condensation usually results from conditions beyond the contractor's control. Moisture in the air can condense into water and collect on cold surfaces, particularly in the winter months when the outside temperature is low. Blinds and drapes can prevent air within the building envelope from moving across the cold surface and picking up the moisture. Occasional condensation (water) in the kitchen, bath, or laundry area is common. It is the owner's responsibility to maintain proper humidity by properly operating heating and cooling systems and allowing moving air within the home to flow over the interior surface of the windows.

8-2-2 Observation: There is moisture between the panes of a double glazed window.

Performance Standard: Moisture between the panes of double glazed windows during the manufacturer's warranty period is unacceptable.

Corrective Measure: The owner should contact the manufacturer.

Air Distribution and Ventilation

8-3-1 Observation: The attic or crawl space is inadequately ventilated.

Performance Guideline: The attic and crawl space shall be ventilated as required by the applicable building code.
Corrective Measure: The contractor will provide for adequate ventilation. The contractor is not responsible for actions by the owner that interfere with the ventilation system.

8-3-2 Observation: There is airflow noise at a register.

Performance Guideline: The register should be correctly installed according to the manufacturer's instructions. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: No action is required unless registers are not installed in accordance with manufacturer's instructions.

Discussion: Under certain conditions, some noise may be experienced with the normal flow of air, even when registers are installed correctly. See the manufacturer's instructions.

8-3-3 Observation: There are gaps between HVAC (Heating, Ventilating and Air Conditioning) vent or register cover and the wall or ceiling.

Performance Guideline: This is a normal condition beyond the contractor's control. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: None.

Discussion: It is the inherent nature of the heating and cooling system to cause vents and registers to bend over time. This can result in gaps occurring between the vent or register cover and the wall. As long as the vent or register is securely attached, this is not a warranty item.

8-3-4 Observation: A condensate drain line is clogged.

Performance Guideline: The contractor will provide unobstructed condensate lines at the time of substantial completion of the project. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor shall unclog any clogged condensate line at the time of substantial completion of the project. Condensate lines will eventually clog under normal use and they must be kept free of all clogs to operate properly. The owner is responsible for maintaining them in proper condition.

8-3-5 Observation: There is condensation on the outside of air handlers and ducts.

Performance Standards: Air handlers and ducts will collect condensation on their exterior surfaces when extreme temperature differences and high humidity levels occur. Condensation usually results from humid conditions within the home that are created by the owner or during the curing process in a new space.

Corrective Measure: Unless the condensation or frost is directly attributed to faulty installation, it usually results from conditions beyond the control of the contractor. No corrective action is required.

Discussion: Condensation usually results from conditions beyond the contractor's control. Moisture in the air can condense (to form water) and collect on cold duct surfaces, particularly in the summer months when the outside humidity is high.

8-5-5 Observation: Kitchen or bath fans allow air infiltration.

Performance Guideline: Bath and kitchen fans shall be installed in accordance with the manufacturer's instructions and code requirements. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: No action is required of the contractor if fans meet the guideline.

Discussion: It is possible for outside air to enter the house through a ventilation fan. The dampers in most fans do not seal tightly. Its is possible for the damper to be lodged open due to animal activity (including nesting in the outside opening), or the accumulation of grease, lint, and other debris. Maintenance of ventilating fans is the owner's responsibility.

INTERIOR

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

Coverage 1st Year Only, Workmanship and Materials
Interior Doors

9-1-1. Observation: Interior door is warped.

Performance Guideline: Interior doors (full openings) shall not warp in excess of ¼-inch. Remodeling Specific: see Note at beginning of chapter.

Corrective Measure: The contractor will correct or replace and refinish defective doors to match existing doors as nearly as practical during the warranty period.

Discussion: In bathroom or utility areas, exhaust fans or an open window must be used to remove moisture to eliminate or limit warpage of door Units. If customer is responsible for painting the door, the contractor is not responsible if the door is not painted to manufacturer's specifications.

9-1-2 Observation: Bifold doors come off their tracks during normal operation.

Performance Guideline: Bifold doors shall slide properly on their tracks at the time of substantial completion of the project. Cleaning and maintenance necessary to preserve proper operation are owner responsibilities. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: One time only, the contractor will repair any bifold door that will not stay on its track during normal operation.

Discussion: Proper operation should be verified by the owner and the contractor at the time of substantial completion of the project.

9-1-3 Observation: A pocket door rubs in its pocket during normal operation.

Performance Guideline: Pocket doors shall not rub in their pockets during normal operation if they are installed according to the manufacturer's instructions. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: One time only, the contractor will repair the pocket door to meet the performance guideline.

Discussion: Pocket doors commonly rub, stick, or derail due to the inherent nature of the product. It is common, however, for the door to operate against the guides provided by the manufacturer.

9-1-4 Observation: A wooden door panel has shrunk or split.

Performance Guideline: Wooden door panels shall not split to the point that light is visible through the door. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: One time only, the contractor will fill splits in the door panel with wood filler and will match the paint or stain as closely as practical.

9-1-5 Observation: Door rubs on jambs or contractor-installed floor covering, or latch does not work.

Performance Guideline: Doors shall operate smoothly and door latches shall operate correctly.
Corrective Measure: The contractor will repair the door and the door latch as necessary to meet the performance guideline.

9-1-6 Observation: A door edge is not parallel to the doorjamb.

Performance Guideline: When the contractor installs the doorframe and door, the door edge shall be within 3/16-inch of parallel to the doorjamb. Remodeling Specific: Where the contractor installs the door in an existing frame that is out of square, the guideline does not apply. See Note at beginning of chapter.

Corrective Measure: The contractor will adjust the door as necessary to meet the guideline one time.

9-1-7 Observation: A door swings open or closed by the force of gravity.

Performance Guideline: Doors shall not swing open or closed by the force of gravity alone. Remodeling Specific: This guideline does not apply where a door is installed in an existing wall that is out of plumb. See Note at beginning of chapter.

Corrective Measure: The contractor shall repair door operation to meet the performance guideline one time.

9-1-8 Observation: Interior doors do not operate smoothly.

Performance Guideline: Doors shall move smoothly with limited resistance. Remodeling Specific: See Note at beginning of chapter.
Corrective Measure: The contractor shall repair door operation to meet the performance guideline one time.

Interior Stairs

9-2-1. Observation: Interior stair tread deflects too much.

Performance Guideline: The maximum vertical deflection of an interior stair tread shall not exceed 1/8-inch within a 36-inch span at 200 pounds of static weight.

Corrective Measure: The contractor will repair the stair to meet the performance guideline.

9-2-2 Observation: Gaps exist between interior stair risers, treads, and/or skirts.

Performance Guideline: Gaps between adjoining parts that are designed to meet flush shall not exceed 1/8-inch in width.

Corrective Measure: The contractor will fix the gap with filler or replace parts as necessary to meet the performance guideline.

9-2-3. Observation: Squeaking stair riser or tread.

Performance Guideline: Loud squeaks caused by a loose stair riser or tread are unacceptable, but totally squeak-proof stair risers or treads cannot be guaranteed.

Corrective Measure: The contractor will refasten any loose risers or treads or take other corrective action to eliminate squeaking to the extent possible within reasonable repair capability without removing treads or ceiling finishes.

Discussion: Squeaks in risers or treads may occur when a riser has come loose from the tread, and is deflected by the weight of a person and rubs against the nails that hold it in place. Movement may occur between the riser and the tread or other stairway members when one tread is deflected while the other members remain stationary. Using trim screws to fasten the tread to the riser from above will sometimes reduce squeaking. If there is no ceiling below, gluing or renailing the riser to the tread or shimming will reduce squeaks but the total elimination of squeaks is practically impossible. The performance guideline requires the contractor to make a reasonable attempt to eliminate squeaks without requiring removal of treads or ceiling finishes. Note: Most cellar stairs are not designed to be squeak resistant.

9-2-4 Observation: Gaps exist between interior stair railing parts.

Performance Guideline: Gaps between interior stair railing parts shall not exceed 1/8-inch in width.

Corrective Measure: The contractor will ensure that individual parts of the railing are securely mounted. Any remaining gaps will be filled or parts replaced to meet the performance guideline.

9-2-5. Observation: Interior stair railing lacks rigidity.

Performance Guideline: Interior stair railings shall be attached to structural members in accordance with applicable codes.
Corrective Measure: The contractor will repair any stair railings as necessary to comply with applicable codes.

Trim and Moldings

9-3-1 Observation: There are gaps at non-mitered trim and molding joints.

Performance Guideline: Openings at joints in trim and moldings, and at joints between moldings and adjacent surfaces, shall not exceed1/8-inch in width at the time of installation.

Corrective Measure: The contractor will repair joints to meet the performance guideline.

Discussion: Separation of trim and moldings in excess of the performance guidelines may be caused by lack of control of indoor relative humidity. Joints that separate under these conditions are not considered defective. It is the owner's responsibility to control temperature and humidity in the home.

9-3-2. Observation: Nails are not properly set or, where puttied, nail holes are not properly filled.

Performance Guideline: Setting nails or filling nail holes are considered part of painting and finishing. After painting or finishing, except stained or natural finished woodwork, nails and nail holes shall not be

readily visible from a distance of 6 feet under normal lighting conditions at the time of substantial completion of the project.
Corrective Measure: Where the contractor is responsible for painting, the contractor shall take action necessary to meet the performance guideline.

9-3-3. Observation: Inside corner is not coped or mitered.

Performance Guideline: Trim edges at inside corners shall be coped or mitered. However, square edge trim may be butted.

Corrective Measure: The contractor will finish inside corners to meet the performance guideline.

9-3-4. Observation: Trim or molding miter edges do not meet.

Performance Guideline: Gaps between miter edges in trim and molding shall not exceed 1/8-inch at time of installation.

Corrective Measure: The contractor will repair gaps that do not meet the performance guideline. Caulking or puttying with materials compatible to the finish is acceptable.

9-3-5 Observation: Interior trim is split.

Performance Guideline: Splits, cracks, and checking greater than 1/8-inch in width are considered unacceptable.

Corrective Measure: One time only, the contractor will repair the affected area to meet the guideline.

9-3-6. Observation: Hammer marks are visible on interior trim.
Performance Guideline: Hammer marks on interior trim shall not be readily visible from a distance of 6 feet under normal lighting conditions.

Corrective Measure: The contractor will fill hammer marks and refinish or replace affected trim to meet the performance guideline. Refinished or replaced areas may not match surrounding surfaces exactly.

Cabinets and Counter Tops

9-4-1 Observation: Cabinets do not meet the ceiling or walls.

Performance Guideline: Gaps greater than 1/4-inch in width are considered unacceptable.

Corrective Measure: The contractor will repair the gap with caulk, putty, or scribe molding, or will reposition/ reinstall cabinets to meet the performance guideline.

Discussion: Remodeling Specific: When installed in rooms with out-of-plumb walls or out-of-level floors and ceilings, "square" cabinets cannot be installed parallel to walls and ceilings and still keep the cabinets on line. For example, if the floor is not level and the installer measures up from it, "snaps" a line on which to place the tops of the wall cabinets, and then plumbs the first cabinet, one corner of the cabinet will leave the line, and the bottom of successive cabinets will not be in line. Similarly, cabinets will not line up with each other if they are installed on a level line, starting against an out-of-plumb wall instead of a plumb wall. The contractor should explain the aesthetic options to the owner and select the best option with the owner.

9-4-2 Observation: Cabinets do not line up with each other.

Performance Guideline: Cabinet faces more than 1/8-inch out of line, and cabinet corners more than 3/16- inch out of line, are considered unacceptable, unless the owner and the contractor agree to disregard the guideline in order to match or otherwise compensate for pre-existing conditions.

Corrective Measure: The contractor will make necessary adjustments to meet the performance guideline.

Discussion: Remodeling Specific: In remodeling projects, many times the rooms are out of square, walls are not plumb, and floors are not level. Cabinets and countertops may have to be shimmed or otherwise adjusted to make the cabinets and countertops fit together properly. Cabinets may not fit flush against the walls on the ends or bottoms and may not fit flat against the floor the contractor should explain the aesthetic options to the owner and select the best option with the owner. In rooms with out of plumb walls or out of level floors and ceilings, "square" cabinets cannot be installed parallel to walls and ceilings and still keep the cabinets on line. For example, if the floor is not level and the installer measures up from it, "snaps" a line on which to place the tops of the wall cabinets, then plumbs the first cabinet, one corner of the cabinet will leave the line, and the bottom corners of successive cabinets will leave the line, and the bottom corners of successive cabinets will not be in line. Similarly, cabinets will not line up with each other if they are installed on a level line, starting against an out of plumb wall instead of being plumbed. The contractor should explain the aesthetic options to the owner and select the best option with the owner.

9-4-3. Observation: Cabinet is warped.

Performance Guideline: Cabinet warpage shall not exceed ¼-inch as measured from the face frame to the point of furthermost warpage, with the door or drawer front in closed position.

Corrective Measure: The contractor will correct or replace doors and drawer fronts as necessary to meet the performance guideline.

9-4-4. Observation: Cabinet door or drawer binds.

Performance Guideline: Cabinet doors and drawers shall open and close with reasonable ease.

Corrective Measure: The contractor will adjust or replace doors and drawers as necessary to meet the performance guideline.

9-4-5 Observation: Cabinet door will not stay closed.

Performance Guideline: The catches or closing mechanisms for cabinet doors shall be adequate to hold the doors in a closed position.

Corrective Measure: The contractor will adjust or replace the door catches or closing mechanisms as necessary to meet the performance guideline.

9-4-6 Observation: Cabinet doors or drawers are cracked.

Performance Guideline: Panels and drawer fronts shall not crack.
Corrective Measure: The contractor may replace or repair cracked panels and drawer fronts. No contractor action is required if the cracked drawer fronts or panels result from the owner's abuse.

Discussion: Paint or stain on the repaired or replaced panel or drawer front may not match the paint or stain on the existing panels or drawer fronts.

9-4-7 Observation: A cabinet door is warped.

Performance Guideline: Cabinet door warpage shall not exceed 1/8-inch as measured diagonally from corner to corner.

Corrective Measure: The contractor may replace or repair warped doors to meet the performance guideline.

9-4-8 Observation: Cabinet doors do not align when closed.

Performance Guideline: Gaps between doors should not exceed1/8-inch.

Corrective Measure: The contractor shall adjust doors to meet the performance guideline.

9-4-9. Observation: Shrinkage of insert panels of cabinet doors and drawers show raw wood edges.

Performance Guideline: Panels will shrink and expand and may expose unpainted or unfinished surface.

Corrective Measure: None.

Countertops

9-5-1 Observation: High-pressure laminate on a countertop is delaminated.

Performance Guideline: Countertops fabricated with high-pressure laminate coverings shall not delaminate.

Corrective Measure: The contractor will repair or replace delaminated coverings, unless the delamination was caused by the owner's misuse or negligence.

Discussion: Owners should refrain from leaving any liquids near the countertop seams or allowing the surface to become excessively hot.

9-5-2. Observation: The surface of high-pressure laminate on countertop is cracked or chipped.

Performance Guideline: Countertops shall be free of cracks and chips at the time of substantial completion of the job. Cracks or chips occurring after acceptance of the job are the owner's responsibility.

Corrective Measure: The contractor will repair or replace cracked or chipped countertops only if they are reported prior to acceptance of the job.

9-5-3 Observation: Solid surface countertops are visibly scratched.

Performance Guideline: At the time of substantial completion of the project, solid surface countertops shall be free of scratches visible from 6 feet away under normal lighting conditions.
Corrective Measure: The contractor shall repair scratches in the countertop to meet the performance guideline.

9-5-4 Observation: A countertop is not level.

Performance Guideline: Countertops shall be no more than 3/8-inch in 10 feet out of parallel with the floor. Remodeling Specific: For projects where the floor is out of level, the countertop may be installed proportionately out of level.

Corrective Measure: The contractor will make necessary adjustments to meet the performance guideline.

Discussion: Remodeling Specific: In remodeling projects, many times the rooms are out of square, walls are not plumb, and floors are not level. Cabinets and countertops may have to be shimmed or otherwise adjusted to make the cabinets and countertops fit together properly. Cabinets may not fit flush against the walls on the ends or bottoms and may not fit flat against the floor: The contractor should explain the aesthetic options to the owner and select the best option with the owner.

9-5-5 Observation: A tile countertop has uneven grout lines.

Performance Guideline: Grout lines should be straight and fairly consistent in width. However, if working with hand made tiles or tiles with broken edges grout lines may vary in width and straightness.

Corrective Measure: If applicable the contractor shall make corrections as necessary to bring the grout lines into compliance with the performance guideline.
Discussion: Different tiles require different widths of grout lines. Some tiles are designed to have varied-width grout lines.

9-5-6 Observation: Tile countertop grout lines are cracked.

Performance Guideline: Tile grout is a cement product and is subject to cracking. Cracks that result in loose tiles or gaps in excess of 1/16-inch shall be repaired.

Corrective Measure: The contractor will repair the grout lines by adding grout, caulking, or replacing grout one time. New grout may not perfectly match previously grouted areas.

9-5-7 Observation: A granite, marble, stone, or solid surface countertop is cracked at the time of substantial completion of the project.

Performance Guideline: Cracks at the time of substantial completion are considered unacceptable.

Corrective Measure: If the crack is found to be caused as a result of faulty installation or product, the contractor will repair or replace the countertop.

Discussion: Some granite, marble or stone have natural cracks and crevices these are allowed within the Performance Guideline and are not to be considered a defect. Some granite, marble and stones may develop cracks and crevices after substantial completion of the project and are not to be considered defects if properly installed.

9-5-8 Observation: A granite, marble, stone, or solid surface countertop has texture or color variations.

Performance Guideline: Color variations are acceptable. The contractor has no responsibility for countertop texture or color variations when the owner selects the material.

Corrective Measure: No action is required of the contractor.

9-5-9 Observation: A granite, marble, stone, or solid surface countertop is chipped at the time of substantial completion of the project.

Performance Guideline: Chips greater than 1/32-inch in width are considered unacceptable.

Corrective Measure: The contractor will repair or replace affected areas to meet the performance guidelines.

9-5-10 Observation: The surface of countertop tile has unacceptable lippage of adjoining tile.

Performance Guideline: Lippage greater than 1/16-inch is considered unacceptable, except for materials that are designed with an irregular height (such as hand-made tile).

Corrective Measure: The contractor will repair or replace the tile to meet the performance guideline.

9-5-11 Observation: A solid surface or laminate countertop has a bubble, bum, stain, or other damage. **Performance Guideline:** Solid surface or laminate countertops shall be free of bubbles, bums, or stains at the time of substantial completion of the project.

Corrective Measure: The contractor will repair or replace the countertop to meet the performance guideline.

Discussion: Solid surface and laminate products may be subject to damage by hot surfaces placed on or near the product. The owner is responsible for maintaining the countertop and protecting it from damage.

Interior Wall Finish

Lath and Plaster

9-6-1 Observation: Cracks are visible on a finished wall or ceiling.

Performance Guideline: Cracks shall not exceed 1/16-inch in width. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: One time only, the contractor will repair cracks exceeding 1/16-inch in width. The contractor will touch up paint on repaired areas if the contractor was responsible for the original interior painting. A perfect match between original and new paint cannot be expected and the contractor is not required to paint an entire wall or room.

Gypsum WallBoard

9-6-2. Observation: Nail pop, blister, or other blemish is visible on finished wall or ceiling.

Performance Guideline: Slight "imperfections" such as nail pops, seam lines and cracks not exceeding 1/16-inch in width are common in gypsum wallboard installations and are considered acceptable. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will repair such blemishes only once during the warranty period. The contractor will touch up paint-repaired areas if the contractor was responsible for the original interior painting. A perfect match between original and new paint cannot be expected, and the contractor is not required to paint an entire wall or room. The contractor is not required to repair defects that are covered by wallpaper or other wall coverings.

Discussion: When drywall has been placed on lumber surfaces which are subject to shrinkage and warpage and which are not perfectly level and plumb, problems often occur through stress and strain placed on drywall during the stabilization of the lumber, which is inherent in the construction of the home. Due to the initial stabilization problem that exists with the new home, it is impossible to correct each defect as it occurs, and it is essentially useless to do so. The entire house will tend to stabilize itself. Some imperfections will not be visible under normal lighting but will become apparent under strong, high or diagonal lighting or strong sunlight. These imperfections are not to be considered defects. Nail and screw pops, showing seam lines and spackle cracks result from wood shrinkage, normal settlement and changes in temperature and humidity. These factors are normal and beyond the contractor's control, they should not be considered defects or unusual.

9-6-3 Observation: Cracked corner bead, excess joint compound, trowel marks, or blisters in tape joints are observed on the drywall surface.

Performance Guideline: Defects resulting in cracked corner bead, trowel marks, excess joint compound or blisters in tape are considered unacceptable. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor shall repair the affected area of the wall to meet the performance guideline one time within the warranty period.

9-6-4 Observation: Joints protrude from the surface.

Performance Guideline: Any joints that are visible from a distance of 6 feet under normal lighting conditions are considered unacceptable. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: One time only, the contractor will repair affected areas.

Discussion: Joints often occur in long walls, stairwells, and areas of two-story homes where framing members have shrunk and caused the drywall to protrude.

9-6-5 Observation: The texture of gypsum wallboard does not match.
Performance Guideline: Any variations that are readily visible from a distance of 6 feet under normal lighting conditions are considered unacceptable. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will repair the affected area to meet the guideline.

Discussion: There will usually be some variation in texture between the wall Board and the joint compound.

9-6-6 Observation: Angular gypsum wallboard joints are uneven.

Performance Guideline: This is a natural condition that occurs with randomly applied materials. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: No action is required of the contractor. This is a common condition.

9-6-7 Observation: Drywall is cracked.

Performance Guideline: Drywall cracks greater than 1/16-inch in width are considered unacceptable. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: One time only, the contractor will repair cracks and touch up paint in affected areas. The texture and paint color may not exactly match the existing texture and paint color.

9-6-8 Observation: Blown or textured ceilings have uneven textures.
Performance Guideline: This is a common condition that occurs with randomly applied materials. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: No action is required of the contractor. This is a common condition.

Paint, Stain, and Varnish

9-6-9 Observation: Interior paint does not "cover" the underlying surface.

Performance Guideline: The surface being painted shall not show through new paint when viewed from a distance of 6 feet under normal lighting conditions. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will recoat affected areas as necessary to meet the guidelines as closely as practical.

9-6-10 Observation: An interior surface is spattered with paint.

Performance Guideline: Paint spatters shall not be readily visible on walls, woodwork, floors, or other interior surfaces when viewed from a distance of 6 feet under normal lighting conditions. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will remove paint spatters to meet the performance guideline.

9-6-11 Observation: Brush marks show on interior painted surface.
Performance Guideline: Brush marks shall not be readily visible on interior painted surfaces when viewed from a distance of 6 feet under normal lighting conditions. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will refinish as necessary to meet the performance guideline and match affected areas as closely as practical.

9-6-12 Observation: Lap marks show on interior painted or stained areas.

Performance Guideline: Lap marks shall not be readily visible on interior painted or stained areas when viewed from a distance of 6 feet under normal lighting conditions. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will refinish as necessary to meet the guideline and match affected areas as closely as practical.

9-6-13 Observation: Interior painting, staining, or refinishing is required because of repair work.

Performance Guideline: A perfect match between original and new paint cannot be expected. Repairs required under these performance guidelines shall be finished to match the immediate surrounding areas as closely as practical. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: Where the majority of the wall or ceiling area is affected, the area will be painted from break line to break line. The contractor is not required to paint an entire room.

Discussion: The contractor is only responsible if he or she painted the home as part of the original contract.

9-6-14 Observation: Resin has bled through the paint on interior trim.

Performance Guideline: This is a common condition that can be expected to occur with natural materials such as wood. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: No action is required of the contractor. This is a common condition.

9-6-15 Observation: Varnish or clear lacquer finishes have deteriorated.

Performance Guideline: Clear finishes on interior woodwork shall not deteriorate during the warranty period.

Corrective Measure: The contractor will retouch affected areas of clear-finish interior woodwork and match the original finish as closely as practical; provided the owner has not used improper cleaning materials, including ammonia, or other improper methods.

Discussion: Finishes on window sills with south facing exposure may deteriorate due to climatic conditions.

Wallpaper and Vinyl Wall Coverings

9-6-16 Observation: The wall covering has peeled.

Performance Guideline: The wall covering shall not peel off the walls. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will reattach or replace the loose wall covering if the contractor installed the covering.

Discussion: Wallpaper applied in high moisture areas is exempted from this guideline because the problem results from conditions beyond the contractor's control.

9-6-17 Observation: Patterns in wall covering are mismatched.

Performance Guideline: Patterns in wall coverings shall match. Irregularities in the patterns themselves are the manufacturer's responsibility. Remodeling Specific: See Note at beginning of chapter. The guideline does not apply if material is installed on existing out-of-plumb walls or where trim is not square with corners.

Corrective Measure: The contractor shall correct the wall covering to meet the performance guidelines.

FLOOR FINISHES
Coverage 1st Year Only, Workmanship and Materials

Carpeting

10-1-1 Observation: Carpet does not meet at the seams.

Performance Guideline: It is not unusual for carpet seams to show. However, a visible gap at the seams is considered unacceptable.

Corrective Measure: If the carpet was installed by the contractor, the contractor will eliminate visible gaps at carpet seams.

10-1-2 Observation: Carpeting loosens, or the carpet stretches.

Performance Guideline: When stretched and secured properly, wall-to-wall carpeting installed as the primary floor covering shall not come up, loosen, or separate from the points of attachment.

Corrective Measure: If the carpeting was installed by the contractor, the contractor will restretch or resecure the carpeting, once during the first year, as necessary to meet the guidelines.

10-1-3 Observation: Carpeting is faded or discolored.

Performance Guideline: Fading or discoloration of carpet is a manufacturer's responsibility.

Corrective Measure: No action is required of the contractor.

Discussion: Fading or discoloration may result from the owner spilling liquids on the carpet, exposure to sunlight, or the owner's failure to properly maintain the carpet.

10-1-4 Observation: Dead spots are observed in padding areas below the carpet surface.

Performance Guideline: Carpeted areas shall have full coverage of padding consistently throughout the flooring area.

Corrective Measure: The contractor will repair/replace padding in the affected areas to meet the performance guidelines.

Roll Vinyl and Resilient Tile Flooring

10-2-1 Observation: Nail pops are observed on the surface of resilient flooring.

Performance Guideline: Readily visible nail pops on resilient flooring are considered unacceptable.

Corrective Measure: The contractor will repair the nail pops that are readily visible.

Discussion: The contractor will repair or replace, at the contractor's option, the resilient floor covering in the affected areas with similar materials. The contractor is not responsible for discontinued patterns or color variations when replacing the floor covering.

10-2-2 Observation: Depressions or ridges are observed in resilient flooring because of sub floor irregularities.

Performance Guideline: Readily apparent depressions or ridges exceeding 1/8-inch shall be repaired. The ridge or depression measurement is taken at the end of a 6-inch straightedge centered over the depression or ridge with 3 inches of the straightedge held tightly to the floor on one side of the affected area. Measure under the straightedge to determine the depth of the depression or height of the ridge.

Corrective Measure: The contractor will take corrective action as necessary to bring the affected area within the acceptable tolerance so that the depression or ridge is not readily visible and is not more than 1/8-inch. The con-tractor will not be responsible for discontinued patterns or color variations when replacing the floor covering.

Discussion: Contractor is not responsible for homeowner neglect or abuse or installations performed by others.

10-2-3 Observation: Resilient flooring has lost adhesion.

Performance Guideline: Resilient flooring shall not lift, bubble, or detach.

Corrective Measure: At the contractor's option, the contractor will repair or replace the affected resilient flooring as necessary. The contractor is not responsible for discontinued patterns or color variations when replacing the floor covering.

10-2-4 Observation: Seams or shrinkage gaps show at vinyl flooring joints.
Performance Guideline: Gaps at joints/seams in vinyl flooring shall not exceed 1/16-inch in width. Where dissimilar materials abut, the gaps shall not exceed l/16-inch.

Corrective Measure: At the contractor's option, the contractor will repair or replace the vinyl flooring as necessary to meet the performance guideline. The contractor will not be responsible for discontinued patterns or color variations when replacing the floor covering.

Discussion: Proper repair can be accomplished by sealing the gap with seam sealer.

10-2-5 Observation: Bubbles are observed on roll vinyl flooring.

Performance Guideline: Bubbles resulting from trapped air and that protrude higher than l/16-inch from the floor is considered unacceptable.

Corrective Measure: The contractor will repair the floor to meet the guideline.

Discussion: The performance guideline does not apply to perimeter attached vinyl floors.

10-2-6 Observation: The patterns on roll vinyl flooring are misaligned.

Performance Guideline: Patterns at seams between adjoining pieces shall be aligned to within l/16-inch.

Corrective Measure: The contractor will correct the flooring to meet the performance guideline.

10-2-7 Observation: A resilient floor tile is loose.

Performance Guideline: Resilient floor tiles shall be securely attached to the floor.

Corrective Measure: The contractor will attach loose resilient floor tiles securely to the floor. The old adhesive will be removed if necessary to resecure the tiles.

10-2-8 Observation: The corners or patterns of resilient floor tiles are misaligned.

Performance Guideline: The corners of adjoining resilient floor tiles shall be aligned to within l/8-inch. Misaligned patterns are not covered unless they result from improper orientation of the floor tiles.

Corrective Measure: The contractor will correct resilient floor tiles with misaligned corners to meet the performance guideline.

10-2-9 Observation: Yellowing is observed on the surface of vinyl sheet goods after installation and before substantial completion of the project.

Performance Guideline: The contractor shall install vinyl flooring per the manufacturer's instructions.

Corrective Measure: Yellowing resulting from a manufacturer's defect or from the owner's misuse or lack of maintenance is not covered by the contractor.
Discussion: Some chemical compounds, such as the tar residue from a recently paved asphalt driveway, may cause a chemical reaction with the flooring material and result in permanent damage to the floor. The owner is responsible for the proper use and maintenance of the floor. Yellowing caused by the owner's improper use of or inadequate maintenance of the floor is not the contractor's or the manufacturer's responsibility.

Wood Flooring

10-3-1 Observation: Gaps exist between strip hardwood floorboards.

Performance Guideline: Gaps between strip hardwood floorboards shall not exceed l/8-inch in width at the time of installation.

Corrective Measure: The contractor will repair gaps that do not meet the performance guideline.

Discussion: Wood floors are subject to shrinkage and swell due to seasonal variations in the humidity level of home. While Boards may be installed tight together, gaps or separations may appear during heating seasons or periods of low humidity. Gaps or separations that close during non-heating seasons are not considered deficiencies. Homeowners should be familiar with the recommended care and maintenance requirements of their wood floor. Repeated wetting and drying, or wet mopping, may damage wood finishes. Dimples or scratches can be caused by moving furniture or dropping heavy objects, and certain high heel style shoes may cause indentations. These conditions are not covered by this Warranty. Relative humidity of the home can cause noticeable fluctuations in gaps between floor

Boards. This is a normal phenomenon in spaces that experience significant shifts in humidity. The owner is responsible for maintaining proper humidity levels in the home. Proper repair can be affected by filling the gap.

10-3-2 Observation: Strip hardwood floor Boards are cupped.

Performance Guideline: Cups in strip hardwood floorboards shall not exceed 1/16-inch in height in a 3-inch maximum span measured perpendicular to the long axis of the Board. Cupping caused by exposure to moisture beyond the contractor's control is not covered.

Corrective Measure: The contractor will correct or repair cupped Boards to meet the performance guideline.
Discussion: The owner is responsible for proper maintenance of the floor and for maintaining proper humidity levels in the home.

10-3-3 Observation: Excessive lippage is observed at the junction of prefinished wood flooring products.

Performance Guideline: Lippage greater than 1/16-inch is considered unacceptable.

Corrective Measure: The contractor will repair lippage in the affected areas to meet the performance guideline

10-3-4 Observation: Voids ("holidays") are observed in the floor finish.

Performance Guideline: Voids that are readily visible from a distance of 6 feet under normal lighting conditions are considered unacceptable.
Corrective Measure: The contractor will repair the floor finish in the affected area(s) to meet the performance guideline.

10-3-5 Observation: The top coating on hardwood flooring has peeled.

Performance Guideline: Field-applied coating shall not peel during normal usage. Prefinished coatings are the manufacturer's responsibility.

Corrective Measure: The contractor shall refinish any field-applied finishes that have peeled.

Discussion: The owner should contact the manufacturer regarding factory-applied finishes that have peeled.

10-3-6 Observation: Strip flooring has crowned.

Performance Guideline: Crowning in strip flooring shall not exceed 1/16-inch in depth in a 3-inch maximum span when measured perpendicular to the long axis of the Board.

Corrective Measure: The contractor will repair the affected area to meet the performance guideline.

10-3-7 Observation: Hardwood flooring has buckled from the substrate.

Performance Guideline: Hardwood floor should not become loose from the substrate.

Corrective Measure: The contractor will repair the affected area to meet the performance guideline.
10-3-8 Observation: Unacceptable knots and color variations are observed in strip hardwood flooring.

Performance Guideline: The contractor will install the grade of hardwood specified for the project. All wood should be consistent with the grading stamp as specified.

Corrective Measure: The contractor shall replace any improperly graded wood.

Discussion: Hardwood is a natural product and consequently can be expected to exhibit variations in color, grain, and stain acceptance.

10-3-9 Observation: Slivers or splinters are observed in strip flooring.

Performance Guideline: Slivers or splinters that occur during the installation of the flooring are considered unacceptable.

Corrective Measure: The contractor will repair flooring in the affected areas to meet the performance guideline.

Discussion: Slivers or splinters that occur during installation can be shaved and the area filled prior to sanding and finishing.

10-3-10 Observation: "Sticker bum" is observed on the surface of strip flooring.

Performance Guideline: Discoloration from stacking strips in hardwood flooring is considered unacceptable in certain grades of flooring.

Corrective Measure: The contractor shall repair or replace areas with sticker bum if they are not permitted in the grade of wood specified for the project.

Tile, Brick, Marble, and Stone Flooring

10-4-1 Observation: Tile, brick, marble, or stone flooring is broken or loosened.

Performance Guideline: Tile, brick, marble, and stone flooring shall not be broken or loose.

Corrective Measure: The contractor will replace broken tiles, bricks, marble, and stone flooring, and resecure loose tiles, bricks, marble, and stone, unless the flooring was damaged by the owner's actions or negligence. The contractor is not responsible for discontinued patterns or color variations when replacing tile, brick, marble, or stone flooring.

10-4-2 Observation: Cracks are observed in the grouting of tile joints or at the junctures with other materials, such as a bathtub.

Performance Guideline: Cracks in grouting of ceramic tile joints commonly result from normal shrinkage conditions. Cracks that result in loose tiles or gaps in excess of 1/16-inch shall be repaired.

Corrective Measure: The contractor will repair grouting, if necessary, one time only. The contractor is not responsible for color variations or discontinued colored grout. The owner is responsible for regrouting these joints after the contractor's one-time repair.
Discussion: The use of an elastic substance at junctures between tile and other materials is often more effective than grout.

10-4-3 Observation: There is excessive lippage at adjoining marble or ceramic tile.

Performance Guideline: Lippage greater than 1/16-inch is considered unacceptable, except where the materials are designed with an irregular height (such as hand-made tile).

Corrective Measure: The contractor will repair lippage in the affected areas to meet the performance guideline.

Discussion: Lippage is the vertical distance between floor tiles or marble tiles at the point where they abut one another.

10-4-4 Observation: A grout or mortar joint is not a uniform color.

Performance Guideline: After the grout has cured, any color variation that is readily visible from a distance of 6 feet under normal lighting conditions is considered unacceptable.

Corrective Measure: One time only, the contractor will repair the joint to meet the performance guideline.

Discussion: When grout repairs are done a perfect match between the original grout and new grout cannot be expected. The contractor is not required to re-grout an entire floor, wall or room.

Miscellaneous
Coverage 1st Year Only, Workmanship and Materials

Fireplace and Wood Stove

11-1-1. Observation: Fireplace or chimney does not consistently draw properly.

Performance Guideline: A properly designed and constructed fireplace and chimney shall function correctly.

Corrective Measure: The contractor shall correct as necessary if the problem is caused by a design or construction flaw.

Discussion: High winds can cause temporary negative or down drafts. Negative drafts can also be caused by obstructions such as tree branches, steep hillsides, adjoining homes, and interior furnaces.

11-1-2 Observation: The chimney is separated from the structure.

Performance Guideline: Newly built fireplaces will often incur slight amounts of separation. The amount of separation from the main structure shall not exceed 1/2-inch in any ten-foot vertical measurement.

Corrective Measure: The contractor will repair gaps that do not meet the performance guideline.

Discussion: Proper repair can be affected by caulking unless the cause of the separation is due to a structural failure of the chimney foundation itself. In that case, caulking is unacceptable.

11-1-3 Observation: The firebox paint is damaged by a fire in the fireplace.

Performance Guideline: Heat and discoloration is a common occurrence.

Corrective Measure: No action is required of the contractor.

Discussion: The owner should obtain the proper paint from the manufacturer if he or she chooses to touch up the interior of the firebox for aesthetic reasons.

11-1-4 Observation: A firebrick or mortar joint is cracked.

Performance Guideline: Heat and flames from normal fires can cause cracking.

Corrective Measure: No corrective action is required of the contractor.

11-1-5 Observation: A simulated firebrick panel has cracked.

Performance Guideline: This is a common condition.

Corrective Measure: No corrective action is required of the contractor.

11-1-6 Observation: Rust is observed on the fireplace damper.

Performance Guideline: This is a common condition.

Corrective Measure: No corrective action is required of the contractor.

Concrete Stoops and Steps

11-2-1. Observation: Stoops or steps have settled, heaved, or separated from the house structure.

Performance Guideline: Stoops and steps shall not settle, heave in excess of 1 inch, or separate in excess of 1 inch from the house structure.

Corrective Measure: The contractor will take whatever corrective action is required to meet the performance guideline.

11-2-2 Observation: Water remains on stoops or steps after rain has stopped.

Performance Guideline: Water shall drain off outdoor stoops and steps. Minor amounts of water can be expected to remain on stoops and steps for up to 24 hours after rain.

Corrective Measure: The contractor will take corrective action to ensure proper drainage of stoops and steps.

Garage

11-3-1 Observation: The garage floor slab is cracked.

Performance Guideline: Cracks in concrete garage floor greater than 3/16-inch in width or 1/8-inch in vertical displacement are unacceptable.

Corrective Measure: The contractor shall repair to meet the performance guideline.

Discussion: Proper repair can be affected by thoroughly cleaning, filling, and troweling the surface using latex-fortified cement mixture or other materials designed to fill cracks and bond concrete.

11-3-2. Observation: Garage concrete floor has settled, heaved, or separated.

Performance Guideline: The garage floor shall not settle or heave in excess of 1 inch, or separate in excess of 1 inch from the structure.

Corrective Measure: The contractor will take whatever corrective action is required to meet the performance guideline.

Discussion: The repaired area may not match the existing floor in color and texture.

11-3-3 Observation: Garage doors fail to operate properly under normal use.

Performance Guideline: Garage doors shall operate properly.
Corrective Measure: The contractor will correct or adjust garage doors as required, except where the owner's actions or negligence caused the problem.

Discussion: The contractor is not responsible for the door operation if the owner has installed a garage door opener.

11-3-4 Observation: Garage doors allow the entry of snow or water.

Performance Guideline: Garage doors shall be installed as recommended by the manufacturer. Some snow or water can be expected to enter under normal conditions.

Corrective Measure: The contractor will adjust or correct the garage doors to meet the manufacturer's installation instructions.

Driveways and Sidewalks

11-4-1. Observation: Asphalt driveway develops cracks.

Performance Guideline: This is a normal condition.

Corrective Measure: None.

11-4-2 Observation: Standing water is observed on an asphalt pavement surface.

Performance Guideline: Standing water greater than1/8-inch in depth shall not remain on the surface 24 hours after a rain. It is not unusual to have some standing water after heavy rains.
Corrective Measure: The contractor shall repair or replace the affected area to meet the guideline if the warranty covers the driveway. Patched areas will generally be noticeable and not blend in with the rest of the driveway.

11-4-3 Observation: Exterior concrete flat work is pitting or spalling. Pitting is evidenced by concrete that has flaked or peeled from the outer surface. Spalling is evidenced by concrete that has chipped.

Performance Guideline: Exterior concrete surfaces shall not pit, spall or disintegrate. Aggregate pops are normal; minor scaling is not controllable at all.

Corrective Measure: The contractor will repair defective concrete surfaces using materials designed for this purpose. The contractor is not responsible for deterioration caused by salt, chemicals, mechanical implements, or other factors beyond the contractor's control.

Wood Decks

11-5-1 Observation: A wood deck is springy or shaky.

Performance Guideline: All structural members in a wood deck shall be sized, and fasteners spaced, according to appropriate building codes and manufacturers' instructions.

Corrective Measure: The contractor will reinforce or modify, as necessary, any wood deck not meeting the performance guidelines.
Discussion: Deflection may indicate insufficient stiffness in the lumber, or may reflect an aesthetic consideration independent of the strength and safety requirements of the lumber. Structural members are required to meet standards for both stiffness and strength. When an owner's preference is made known before construction, the contractor and the owner may agree upon a higher standard.

11-5-2 Observation: The spaces between decking Boards are not uniform.

Performance Guideline: The spaces on opposite sides of individual deck Boards shall not differ in average width by more than 3/16-inch at the time of substantial completion of the project, unless otherwise agreed upon by the owner and the contractor.

Corrective Measure: One time only, the contractor will realign or replace decking Boards to meet the performance guideline.

Discussion: The spaces will naturally tend to change over time because of shrinkage and expansion of individual Boards. The contractor is only responsible for correct spacing at the time of substantial completion of the project.

11-5-3 Observation: The railings on wood decking contain slivers in exposed areas.

Performance Guideline: Railings on wood decks shall not contain slivers longer than 1/8-inch in exposed areas at the time of substantial completion of the project.
Corrective Measure: One time only; the contractor will repair railings as necessary to remove slivers prior to substantial completion of the project. Repair of slivers after that time is an owner maintenance responsibility.

Discussion: Slivers can develop when unprotected wood weathers. The proper finishing of wood surfaces helps prevent slivers from forming.

11-5-4 Observation: A wood deck is out of level.

Performance Guideline: No point on the deck surface shall be more than l/2-inch higher or lower than any other deck surface point within 10 feet on a line parallel to the house, or in proportional multiples of the preceding dimensions (unless a slope is incorporated in the design). Remodeling Specific: The owner and contractor may agree to intentionally build a wood deck out of level in order to match or compensate for inaccuracies in the existing structure.

Corrective Measure: The contractor will repair the deck as necessary to meet the performance guideline.

Discussion: A slope of approximately l/8-inch per foot is desirable in the perpendicular direction to shed water and prevent ice build-up.

11-5-5 Observation: Wood decking Boards are split, warped, or cupped.

Performance Guideline: At the time of substantial completion of the project, splits, warps, and cups in wood decking Boards shall not exceed the allowances established by the official grading rules issued by the agency responsible for the lumber species specified for the deck Boards.

Corrective Measure: The contractor will replace decking Boards as necessary to meet the performance guidelines

11-5-6 Observation: A wood deck has stain color variations.

Performance Guideline: Stain color variations are not acceptable if they result from improper stain application or failure to mix the stain properly. Stain color variations resulting from other causes-such as weathering or varying porosity of the wood used to build the deck-are common and are not covered by this guideline.

Corrective Measure: The contractor will restain the affected area to meet the performance guideline.

11-5-7 Observation: A nail head protrudes from a wood decking Board.

Performance Guideline: Nail heads shall not protrude from the floor of the wood deck at the time of substantial completion of the project.

Corrective Measure: The contractor will refasten nails whose heads protrude from the floor of the deck so that the heads are flush with the surface.

Discussion: Nails should be driven flush when the deck is installed, but they may pop from the deck over time as the wood shrinks and expands.

11-5-8 Observation: Nails on a wood deck are "bleeding."

Performance Guideline: Nail stains extending more than 1/2-inch from the nail and readily visible from a distance of more than 3 feet are not acceptable.

Corrective Measure: The contractor will eliminate nail stains to meet the performance guideline.

Discussion: This guideline does not apply if "natural weathering" or semi-transparent stains are specified.

11-5-9 Observation: A wood deck railing lacks rigidity.

Performance Guideline: Wood deck railings shall be attached to structural members in accordance with applicable building codes.

Corrective Measure: The contractor will repair wood deck railings as necessary to comply with applicable building codes.

Landscaping
Coverage 1st Year Only, Workmanship and Materials

Note: Moving or protecting Plants, trees, shrubs, and any other landscaping items prior to and during construction are the responsibility of the owner and must be dealt with before construction begins. Other handling of these items must be specified in the contract to designate the responsible party.

12-0-1 Observation: Tree stumps have been left in a disturbed area of the property.

Performance Guideline: If tree stumps were on the property in the disturbed area prior to the substantial completion of the project, the contractor is responsible for their removal.

Corrective Measure: The contractor will remove the stumps from the area.

12-0-2 Observation: Dead shrubs, Plants, trees, or sod Planted in disturbed area of property.

Performance Guideline: Any shrub, Plant, tree, or sod Planted by the contractor as part of the landscape package that are alive as of the acceptance of the project and die after that acceptance are not the responsibility of the contractor.

Corrective Measure: None.

12-0-3 Observation: Grass seed does not germinate.

Performance Guideline: Germination is dependent on certain climatic conditions, which are beyond the contractor's control.

Corrective Measure: The contractor is only responsible for seeding per the supplier's instructions.

Discussion: After installation, proper lawn and landscape care are the owner's responsibility.

12-0-4 Observation: Outdoor Plants moved during work die after substantial completion of the project.
Performance Guideline: Plants that must be physically transported during the work shall be moved, maintained, and replanted by the owner.

Corrective Measure: No action is required of the contractor.

Discussion: The contractor shall not be responsible for delays in the schedule when Plants are moved by the owner.

Systems: First and Second Years
Plumbing System
Coverage 1st and 2nd Year, Systems

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

Water Supply System

13-1-1 Observation: The water supply system fails to deliver water.

Performance Guideline: All on-site service connections to the municipal water main or private water supply are the responsibility of the contractor. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will repair the water supply system if the failure results from improper installation or failure of materials and if the connections are a part of the construction agreement. Conditions beyond the control of the contractor that disrupt or eliminate the water supply are not covered.

13-1-2 Observation: Pipes leak.

Performance Guidelines: No leaks of any kind shall exist in any soil, waste, vent, or water pipe.

Corrective Measure: The contractor will make repairs to eliminate leakage.

13-1-3 Observation: Water in plumbing pipes freezes, and the pipes burst.

Performance Guideline: Drain, waste, vent, and water pipes shall be adequately protected to prevent freezing as required by the applicable plumbing code for normally anticipated cold weather and in accordance with the de-sign temperatures established by the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE). Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will correct situations not meeting the applicable code. The owner is responsible for draining or otherwise protecting pipes and exterior faucets exposed to freezing temperatures.

Discussion: Leaks occurring due to owner's neglect and consequential damage are not contractor's responsibility. The owner is responsible to maintain suitable temperature in the home to prevent pipes from freezing and bursting. Homes which are periodically occupied such as summer homes, or where there will be no occupancy for an extended period of time must be properly winterized or periodically checked to insure that a reasonable temperature is maintained.

13-2-1 **Observation:** Septic system fails to operate properly.

Performance Guideline: Septic system shall function adequately during all seasons, under climatic conditions normal or reasonable anticipated (based on local records) for the location of the home. Septic system shall be designed and installed to comply with applicable, approved code requirements.

Corrective Measure: Contractor will repair, or otherwise correct, a malfunctioning or non operating system, if failure is caused by inadequate design, faulty installation, or other cause relating to actions of the builder or contractors or subcontractors under the contractor's control. Contractor will not be responsible for system malfunction or damage which is caused by owner negligence, lack of system maintenance, or other causes attributable to actions of the owner or other owner's contractors, not under the control of the contractor, including, but not necessarily limited to: the addition of fixtures, items of equipment, appliances or other sources of waste or water to the plumbing system served by the septic system; and damage, or changes, to the septic system installation or surrounding soil conditions critical to the system's functioning.

13-2-2 Observation: Sewers, fixtures, or drains are clogged.

Performance Guideline: Sewers, fixtures, and drains shall drain. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will not be responsible for sewers, fixtures, and drains that are clogged because of the owner's actions or negligence. If a problem occurs, the owner should consult the contractor for corrective action. If defective installation is the cause, the contractor is responsible for correcting the problem. If the owner's actions or negligence is the cause, the owner is responsible for correcting the problem.

Discussion: With respect to septic systems, owner actions that constitute negligence under this guideline include but are not limited to the following:

- Connection of sump pump, roof drains, or backwash from a water conditioner into the system.
- Placement of nonbiodegradable items into the system.
- Use of a food waste disposer not supplied or approved by the contractor the contractor.
- Placement of surfaces not permeable to water over the disposal area of the systems.
- Allowing vehicles to drive or park over the disposal area of the system.
- Failure to pump out the septic tank periodically, as required.
- Use, which exceeds the system's design standards.

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

Heating System

14-1-1 Observation: The heating system is inadequate.

Performance Guideline: The heating system shall be capable of producing an inside temperature of 70 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor under local, outdoor winter design conditions as specified in the ASHRAE Handbook: Fundamentals. National, state, or local energy codes shall supersede this performance guideline where such codes have been locally adopted. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will correct the heating system to provide the required temperature in accordance with the performance guideline or applicable code specifications. The contractor will re-balance a warm air system once during the first heating season. However, the owner will be responsible for balancing the system thereafter and for adjusting dampers and registers and for making other minor adjustments.

Discussion: For new living spaces created by remodeling jobs, heating guidelines may not apply to areas where living space has been created without resizing the HVAC system.

Central Air-Conditioning System

14-2-1 Observation: Cooling of rooms is inadequate.

Performance Guideline: If air-conditioning is installed by the contractor, the cooling system shall be capable of maintaining a temperature of 78 degrees Fahrenheit, as measured in the center of each room at a height of 5 feet above the floor under local outdoor summer design conditions as specified in the ASHRAE Handbook: Fundamentals. In the case of outside temperatures exceeding 95 degrees Fahrenheit, the system shall keep the inside temperature 15 degrees Fahrenheit cooler than the outside temperature. National, state, or local codes shall supersede this guideline where such codes have been locally adopted. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will correct the cooling system to provide the required temperature in accordance with the performance guideline or applicable code specifications. The contractor will re-balance an air-conditioning system once during the first cooling season. However, the owner will be responsible for balancing the system thereafter and for adjusting dampers and registers and for making other minor adjustments.

Discussion: For new living spaces created by remodeling jobs, heating guidelines may not apply to areas where living space has been created without resizing the HVAC system.

14-2-2 Observation: There is a refrigerant leak.

Performance Guideline: Refrigerant lines and fittings shall not leak during normal operation. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will repair leaking refrigerant lines and recharge the air-conditioning Unit unless the damage was caused by the owner's actions or negligence.

Ventilation System
Coverage 1st and 2nd Year, Systems

14-3-1 Observation: The ductwork is separated or detached.

Performance Guideline: Ductwork shall remain intact and securely fastened. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will reattach and secure all separated or unattached ductwork.

14-3-2 Observation: The ductwork makes noises.

Performance Guideline: Ductwork will be constructed and installed in accordance with applicable mechanical code requirements. When metal is heated, it expands, and when cooled, it contracts. The resulting "ticking" or "crackling" sounds generally are to be expected and do not constitute a defect. Remodeling Specific: See Note at beginning of chapter.
Corrective Measure: Unless the duct is not in compliance with the local code, no corrective action is required.

14-3-3 Observation: The ductwork produces excessively loud noises commonly known as "oil canning."

Performance Guideline: The stiffening of the ductwork and the thickness of the metal used shall be such that ducts do not "oil can." The booming noise caused by oil canning is considered unacceptable. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will correct the ductwork to eliminate noise caused by oil canning.

14-3-4 Observation: The air handler or furnace vibrates.

Performance Guideline: These items shall be installed in accordance with the manufacturer's instructions and applicable codes. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: If installed incorrectly; the contractor will correct the items according to the manufacturer's instructions and code requirements.

Discussion: Under certain conditions some vibrating may be experienced with the normal flow of air, even when air handlers and furnaces are installed correctly. See the manufacturer's instructions.

Electrical System
Coverage 1st and 2nd Year, Systems

Note: Remodeling Specific: The contractor is responsible only for areas of the property worked on and specified in the contract, and not for the entire house.

15-1-1 Observation: Wiring fails to carry its designed load.

Performance Guideline: Wiring shall be capable of carrying the designed load for normal residential use. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will verify that wiring conforms to applicable electrical code requirements. The contractor will repair wiring not conforming to code.

15-1-2 Observation: Electrical outlets, switches, or fixtures malfunction.

Performance Guideline: All electrical outlets, switches, and fixtures shall operate as designed. Remodeling Specific: See Note at beginning of chapter.

Corrective Measure: The contractor will repair or replace malfunctioning electrical outlets, switches, and fixtures, if supplied and installed by the contractor.

Major Structure
Coverage through 6th Year, Material Defects

Load-Bearing Portions of the Home

16-1-1 Observation: The failure of any of the following load bearing portions of the home: foundation systems and footings, beams, girders, lintels, columns, structural walls and partitions, floor systems, and roof framing systems. (Note: load-bearing portions do not include, for example: roofing and sheathing, drywall and plaster, exterior siding, brick or stone or stucco veneer, floor covering material, wall coverings, non-load bearing walls and partitions, concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of the home, electrical systems, plumbing systems, heating or cooling systems, ventilation systems, appliances, fixtures and items of equipment, paint, doors and windows, trim, cabinets, hardware or insulation.)

Performance Guideline: The failure of these load-bearing portions of the home shall not affect their load bearing functions, making the home unsafe, unsanitary or unlivable.

Corrective Measure: The contractor will repair or replace the defective item(s), or will pay the owner the reasonable cost of such repair or replacement. The contractor's total liability is limited to the amount specified in the Limited Warranty. The choice as to repair, replacement or payment is solely that of the contractor.

Repair of defective item(s) is limited to (1) the repair of damage to the load-bearing portions of the home, which are necessary to restore their load-bearing function; and (2) the repair of those items of the home damaged by the material defect, which make the home unsafe, unsanitary or otherwise unlivable.

GLOSSARY OF COMMMON TERMS

AFCI (ARC FAULT CIRCUIT INTERRUPTER) – A TYPE OF CIRCUIT BREAKER THAT IS DESIGNED TO REDUCE THE LIKELIHOOD OF FIRE CAUSED BY ELECTRICAL ARCING FAULTS.
BEAM – A STRUCTURAL MEMBER THAT TRANSVERSELY SUPPORTS A LOAD.
BIFOLD DOORS – DOORS THAT ARE HINGED AT THE CENTER AND GUIDED BY AN OVERHEAD TRACK.
BLOCKING – A SOLID, TIGHT CLOSURE USED BETWEEN FRAMING MEMBERS.
BREAKLINE – A DIVIDING POINT BETWEEN TWO OR MORE SURFACES.
BRICK VENEER – A NON-STRUCTURAL OUTER COVERING OF BRICK.
BRIDGING – WOOD OR METAL STRUCTURAL MEMBERS BETWEEN HORIZONTAL (JOISTS) OR VERTICAL (STUDS) FRAMING THAT PROVIDE LATERAL RIGIDITY TO THE MEMBERS TO WHICH APPLIED.
BUG HOLES – PITS, SURFACE VOIDS, AND SIMILAR IMPERFECTIONS IN A CONCRETE WALL. BUG HOLES GENERALLY ARE UP TO 1 INCH WIDE OR DEEP.
CANTILEVER – CONSTRUCTION THAT IS UNSUPPORTED AT ONE END AND THAT PROJECTS OUTWARD FROM THE SITE OF THE STRUCTURE TO CARRY LOADS FROM ABOVE OR BELOW.
CEILING JOIST – THE HORIZONTAL STRUCTURAL MEMBERS TO WHICH THE CEILING IS FASTENED. SOME MEMBERS MAY SUPPORT A FLOOR ABOVE.
CHECKING – CRACKS IN WOOD.
CHIMNEY CAP – A METAL OR MASONRY SURFACE THAT COVERS THE TOP PORTION OF A CHIMNEY THAT PREVENTS THE PENETRATION OF WATER.
CIRCUIT – THE COMPLETE PATH OF ELECTRICITY AWAY FROM AND BACK TO ITS SOURCE.
CIRCUIT BREAKER – A DEVICE THAT AUTOMATICALLY INTERRUPTS AN ELECTRICAL CIRCUIT WHEN IT BECOMES OVERLOADED.
COLD JOINT – A JOINT IN POURED CONCRETE THAT INDICATES WHERE THE POUR TERMINATED AND CONTINUED.
CONTROL JOINT – A JOINT THAT IS MOLDED OR CUT IN CONCRETE TO ALLOW FOR EXPANSION AND CONTRACTION AND TO ATTEMPT TO CONTROL RANDOM CRACKING.
CORNER BEAD – A STRIP OF WOOD OR METAL FASTENED OVER A CORNER FOR PROTECTION.
CRAWL SPACE – AN AREA UNDER A HOME WHICH IS NOT A BASEMENT OR CELLAR.
DAMPER – A DEVICE USED TO REGULATE DRAFT IN A FURNACE OR FIREPLACE CHIMNEY.
DEAD SPOTS – AREAS BELOW A CARPETED SURFACE WHERE PADDING APPEARS TO BE MISSING OR IMPROPERLY INSTALLED.
DEFLECTION – THE AMOUNT A TRUSS OR BEAM BENDS UNDER A LOAD.
DEW POINT – **THE TEMPERATURE AT WHICH MOISTURE IN THE AIR CONDENSES INTO DROPS.**
DISTURBED AREA – **ANY AREA ADJACENT TO A DWELLING WHERE ORIGINAL VEGETATION HAS BEEN ALTERED OR REMOVED.**
DOWNSPOUT – **A PIPE THAT CARRIES RAINWATER FROM THE ROOF TO THE GROUND OR TO A SEWER CONNECTION.**
DRYWALL – GYPSUM WALLBOARD.
DUCT – A ROUND OR RECTANGULAR PIPE USED TO TRANSMIT AND DISTRIBUTE WARM OR COOL AIR FROM A CENTRAL HEATING OR COOLING UNIT.
EAVE – THE LOWER OR OUTER EDGE OF A ROOF THAT PROJECTS OVER THE SIDE WALLS OF A STRUCTURE.
EFFLORESCENCE – A WHITE POWDER THAT APPEARS ON THE SURFACE OF MASONRY WALLS. IT IS USUALLY CAUSED BY MOISTURE REACTING WITH THE SOLUBLE SALTS IN CONCRETE AND FORMING HARMLESS CARBONATE COMPOUNDS.
FINISH FLOORING – THE TOP FLOORING MATERIAL THAT COVERS THE SUBFLOORING SURFACE; USUALLY CARPETING, HARDWOOD, TILE, VINYL, ETC.
FLASHING – STRIPS OF METAL OR PLASTIC MATERIAL USED TO PREVENT MOISTURE FROM ENTERING ROOFS, WALLS, WINDOWS, DOORS, AND FOUNDATIONS.
FLOOR JOIST – A HORIZONTAL FRAMING MEMBER TO WHICH FLOORING IS ATTACHED.
FOOTING – A FLANGE-LIKE PART AT THE BASE OF A FOUNDATION WALL WHICH TIES AND DISTRIBUTES LOADS FROM THE FOUNDATION INTO THE GROUND AND PREVENTS SHIFTING AND SETTLING.
FOUNDATION – THAT PART OF A BUILDING WHICH IS BELOW THE SURFACE OF THE GROUND AND ON WHICH THE SUPERSTRUCTURE RESTS.
FROST LIFT – A CONDITION CAUSED BY WATER FREEZING AND CAUSING SOIL TO EXPAND, WHICH CAN CAUSE TWO OVERLYING, ADJOINING SURFACES TO SEPARATE FROM EACH OTHER. FROST LIFT SOMETIMES OCCURS AT THE JUNCTION OF A GARAGE FLOOR AND DRIVEWAY.

GFCI (GROUND FAULT CIRCUIT INTERRUPTER) – A TYPE OF CIRCUIT BREAKER THAT IS EXTREMELY SENSITIVE TO MOISTURE AND CHANGES IN RESISTANCE TO AN ELECTRICAL CURRENT FLOW. A GFCI PROTECTS AGAINST ELECTRICAL SHOCK OR DAMAGE.
GYPSUM – HYDROUS CALCIUM SULPHATE MINERAL ROCK.
GYPSUM WALLBOARD – SEE "DRYWALL."
HARDBOARD – A WOOD FIBER PANEL WITH A DENSITY RANGE OF 50 TO 80 POUNDS PER CUBIC FOOT. IT IS MADE OF WOOD FIBERS PRESSED INTO SOLID BOARDS BY HEAT AND PRESSURE.
HARDWOOD – A TERM USED TO DESIGNATE WOOD FROM DECIDUOUS TREES (WHICH LOSE THEIR LEAVES ANNUALLY).
HEADER – A STRUCTURAL MEMBER PLACED ACROSS THE TOP OF AN OPENING TO SUPPORT LOADS ABOVE.
HINGE-BOUND – A CONDITION OF A PASSAGE OR ENTRY DOOR WHERE HINGE FUNCTION IMPEDES PROPER OPERATION.
HOLIDAYS – VOIDS OR INCONSISTENCIES IN A FINISHED SURFACE.
HONEYCOMB – VOIDS IN A CONCRETE WALL THAT ARE LARGER THAN BUG HOLES (SEE "BUG HOLES").
HVAC – THE ABBREVIATION FOR HEATING, VENTILATING, AND AIR CONDITIONING SYSTEMS.
JAMB – THE SIDE FRAMING OR FINISH MATERIAL OF A WINDOW, DOOR, OR OTHER OPENING.
JOIST – AN ON-EDGE-HORIZONTAL LUMBER MEMBER, SUCH AS A 2x6, 2x8, 2x10, OR 2x12, WHICH SPANS FROM WALL TO WALL OR BEAM TO PROVIDE MAIN SUPPORT FOR FLOORING, CEILING, OR ROOFING SYSTEMS.
JUNCTION BOX – A BOX THAT FORMS JUNCTIONS BETWEEN SECTIONS OF HOUSE WIRING.
LATH – ANY MATERIAL USED AS A BASE FOR PLASTERING OR STUCCO SURFACING.
LIPPAGE – THE DIFFERENCE IN SURFACE ALIGNMENT BETWEEN TWO MATERIALS.
MORTAR – AN ADHESIVE AND LEVELING MATERIAL USED IN BRICKWORK, STONE, BLOCK, AND SIMILAR MASONRY CONSTRUCTION.
MUNTINS – STRIPS OF WOOD, METAL, OR PLASTIC THAT DIVIDE A WINDOW INTO PANES. MUNTINS CAN BE INSTALLED WITHIN TWO PIECES OF GLASS OR ON THE SURFACE OF THE GLASS.
PARGING – A ROUGH COAT OF MORTAR APPLIED OVER A MASONRY WALL.
PITCH – THE DEGREE OF INCLINE IN A SLOPED ROOF OR STRUCTURE.
PLUMB – A MEASUREMENT OF TRUE VERTICAL.
RAFTER – STRUCTURAL MEMBERS WHICH SHAPE AND FORM THE SUPPORT FOR THE ROOF DECK AND THE ROOF COVERING.
RAVELING – A CONDITION IN WHICH AGGREGATE IS LOOSE FROM ASPHALT PAVEMENT.
REGISTER – A LOUVERED DEVICE THAT ALLOWS AIR TRAVEL FROM THE DUCTS INTO A ROOM.
RISER (STAIRWAY) – A VERTICAL STAIR MEMBER THAT SUPPORTS A TREAD.
RISER (PLUMBING) – A WATER PIPE THAT EXTENDS VERTICALLY ONE FULL STORY OR MORE TO CONVEY WATER TO BRANCHES OR TO A GROUP OF FIXTURES.
ROOF RIDGE – THE APEX OF A ROOF SYSTEM.
SCALING – THE FLAKING OR PEELING AWAY OF A SURFACE PORTION OF HARDENED CONCRETE.
SETTING – THE DRIVING OF A FASTENER FLUSH OR BELOW THE SURFACE OF A MATERIAL.
SHAKES – SPLIT WOODEN SHINGLES THAT ARE RANDOM IN THICKNESS.
SHEATHING – THE APPLICATION OF PANELS TO THE FACE OF FRAMING MEMBERS. ALSO KNOWN AS "DECKING."
SHIM – A THIN, TAPERED PIECE OF MATERIAL (USUALLY WOOD) THAT IS USED TO ADJUST OR PROVIDE SUPPORT FOR A MEMBER.
SILL – A FRAMING MEMBER PLACED ON TOP OF AND AROUND A FOUNDATION TO SERVE AS A LEVEL BASE ON WHICH TO SUPPORT EXTERIOR WALL STUDS.
SLAB – A CONCRETE FLOOR/SURFACE.
SOFFITT – THE ENCLOSED UNDER SURFACE OF AN EAVE.
SPALLING – THE BREAKING AWAY OF A SMALL PIECE OF CONCRETE.
STAIR SKIRT – A FINISHING BOARD THAT MAY COVER THE OUTSIDE STAIRCASE EDGE.
STUD – A VERTICAL FRAMING MEMBERS.
SUBFLOORING – A FLOOR DECKING MATERIAL LAID ON TOP OF THE FLOOR JOISTS.
SUBSTANTIAL COMPLETION OF THE PROJECT – A PROJECT HAS MET SUBSTANTIAL COMPLETION WHERE THE AREAS ARE FUNCTIONAL FOR THEIR INTENDED USE AS STATED BY THE CONTRACT (EXCEPT FOR ITEMS NOTED PRIOR TO FINAL PRESENTATION), AND CLEAN-UP ON THE SITE HAS BEEN COMPLETED.
SUMP PUMP – A PUMP THAT IS INSTALLED IN A CRAWL SPACE, BASEMENT, OR OTHER LOW AREA TO DISCHARGE WATER THAT MIGHT COLLECT.
SWALE – A SHALLOW DEPRESSION IN THE GROUND THAT IS USED AS A DRAINWAY FOR WATER.

TELEGRAPHING – A CONDITION OF A SUBSURFACE PROJECTING THROUGH THE FINISH MATERIAL.
TREAD – A HORIZONTAL STAIR MEMBER. A TREAD IS THE PART YOU STEP ON WHEN WALKING UP OR DOWN STAIRS.
TRUSS – AN ENGINEERED ASSEMBLY OF WOOD OR METAL COMPONENTS THAT GENERALLY IS USED TO SUPPORT ROOFS OR FLOORS.
VAPOR RETARDER – PLASTIC FILM OR OTHER MATERIAL USED TO LIMIT THE AMOUNT OF MOISTURE VAPOR THAT PASSES THROUGH A MATERIAL OR WALL ASSEMBLY.
WARRANTY PERIOD – THE DURATION OF THE APPLICABLE WARRANTY PROVIDED BY THE CONTRACTOR OR ANY OTHER PERIOD AGREED TO BY THE PARTIES.
WEATHER STRIPPING – MATERIAL PLACED AROUND DOORS, WINDOWS, AND OTHER OPENINGS TO PREVENT THE INFILTRATION OF AIR, DUST, RAIN, ETC.

DECLARATION OF CONDOMINIUM

PART II,
SECTION "LL"

Declaration

Establishing a Plan of Condominium
Ownership of Premises Located at
2792, 2794 & 2796 Sedgwick Avenue,
City of New York, County of Bronx, State of New York

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

Name: **SEDGWICK CONDOMINIUM**

Sponsor: **Sedgwick Condos LLC**
242-01 Braddock Avenue,
Bellerose, New York 11426

Date of Declaration: _____ ___, 200__

Section Number:

Block Number: 3249

Lot Numbers: FKN: 238, 239 & 257
NKA: 1001-1006

County of Bronx

Record and Return To:

GARY ROSEN LAW FIRM, P.A.
249-02 Jericho Turnpike
Floral Park, New York 11001

LL. DECLARATION OF CONDOMINIUM

Article	Description
1.	Submission of Property
2.	Area and Location of Land
3.	Description of the Building
4.	Name of Condominium
5.	Units
6.	Definitions
7.	Use of Building and Units
8.	Common Elements
9.	Determination of Percentages in Common Elements
10.	Encroachments
11.	Easements
12.	Power of Attorney to Board of Managers
13.	Acquisition of Units by Board of Managers
14.	Person to Receive Service of Process
15.	Amendment of Declaration
16.	Changes in the Sponsor-Owned Units
17.	Covenants Running with the Land
18.	Covenant of Further Assurances
19.	Successors and Assigns
20.	Termination of Condominium
21.	Definition of "Sponsor-designee", "Sponsor-affiliate"
22.	Invalidity

23. Waiver

24. Captions

25. Gender

26. General

Schedule A – Property Description

Schedule B – Unit Descriptions

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

Declaration Establishing a Plan for Condominium Ownership of Premises to be known as SEDGWICK CONDOMINIUM located in Bronx County, City and State of New York, Pursuant to Article 9-B of the Real Property Law of the State of New York.

Sedgwick Condos LLC, a Limited Liability Company organized and existing under the laws of the State of New York, whose principal office is situated at 242-01 Braddock Avenue, Bellerose, New York 11426, hereinafter referred to as "the Sponsor," does hereby declares as follows:

Article 1. – Submission of Property.

The Sponsor is the fee owner of the Land, Building and Improvements described on Schedule "A" attached hereto (the "Property") and all other property, real, personal or mixed, intended for use in connection therewith and submits to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), and pursuant thereto does hereby establish a Condominium to be known as "SEDGWICK CONDOMINIUM" (sometimes referred to as the "Condominium").

Article 2. – Area and Location of Land.

The land consists of all that certain tract, plot, piece and parcel of land situate, lying and being in the County of Bronx, City and State of New York, more particularly described in Schedule "A" annexed hereto and made a part hereof, together with all easements, rights, privileges., and hereditaments appurtenant thereto (collectively sometimes herein referred to as the "Land"). The Land is owned by the Sponsor in fee simple.

The buildings are located at 2792, 2794 & 2796 Sedgwick Avenue, Bronx, New York, and known on the City of New York, County of Bronx, Tax Map as parcel: Block 3249, Lots 238, 239 & 257. Tax Lots 238, 239 & 257 will become new lots, whereby each Condominium Unit will be an individual lot number.

Article 3. – Description of the Building.

There are three (3) newly constructed buildings containing four (4) stories plus a cellar and forty (40) residential Units, three (3) community facility Units, one superintendent's apartment, three (3) tandem parking spaces, one (1) indoor parking space and twenty five (25) outdoor parking spaces. The structure is of non-combustible construction. The building consists of brick and block walls, with the floor construction

of 3" concrete slab on 1 ½" metal deck 20 GA on 12" steel joists supported by reinforced masonry bearing walls. The foundation for the building is poured in place reinforced concrete walls resting on reinforced poured spread concrete footings.

Article 4. – Name of Condominium.

The Condominium shall be known as "SEDGWICK CONDOMINIUM". Sponsor shall own and control all rights and interests, and shall be responsible for all obligations and liabilities, appurtenant to the name of the Condominium. Only Sponsor shall have the right to change or assign the name of the Condominium. In addition, Sponsor shall have the right, for so long as the Property is a Condominium, to maintain a plaque identifying Sponsor, or any of its affiliates, as the Sponsor of the Condominium offering, together with such other information as Sponsor determines in its sole discretion.

For so long as Declarant owns any Units the Building, Declarant shall own and control all rights and interests appurtenant to the name of the Condominium and/or the Building. For so long as Declarant owns any Units in the Building, only Declarant shall have the right to change or assign the name of the Condominium and/or the Building.

Article 5. – Units.

List and Description.

Annexed hereto and made part hereof as Exhibit B is a list of all Condominium Units, their designations and tax lot numbers, locations, approximate areas, number of rooms in each Unit, Common Elements to which each has immediate access all as shown on the floor Plans of the Building, certified by REZA KHAMCY, P.E., ("the floor Plans"), intended to be filed in the Office of the Register of the City of New York, County of Bronx, simultaneously with the recording of this Declaration, and the percentage of interest of each Unit in the Common Elements. The location of the Building is shown on the site Plan intended to be filed in the said Office of the Register of the City of New York, County of Bronx, as part of this Declaration.

Dimensions.

In addition to the meaning prescribed to it in Article 9-B of the Real Property law of the State of New York, a "Condominium Unit" as hereinafter referred to shall be defined as follows:

Each Condominium Unit consists of the area enclosed: (a) vertically from the top of the concrete or wood flooring to the underside of the sheetrock on the ceiling and (b) horizontally from the inside face of sheetrock walls of the interior of the unit to the inside face of sheetrock walls of the interior of the unit

Doors and windows which open from a Unit and interior walls of a Unit shall be deemed to be part of the Unit.

The description of the Units set forth herein pertains to the location of the walls, floors and ceilings of the Unit as they are finally set forth in the certified "as built" floor Plans to be filed simultaneously with the recording of the declaration. All dimensions set forth on the Plans are approximate and may vary from floor to floor and Unit to Unit.

Each Unit includes, and each Unit Owner shall be responsible for the Unit side of the front entrance door and any other entrance doors to the Unit, the interior walls, partitions, floors and floor coverings and plastered ceilings affixed, attached or appurtenant to the Unit, smoke detectors, carbon monoxide detectors, window panes, all plumbing, gas and heating fixtures and air conditioning equipment and equipment such as refrigerators, dishwashers, heating, ventilating and heating / air conditioning Units (including the fans inside the Units), heating equipment, ranges and other appliances, sinks, bathtubs, waterclosets, and all other facilities as may be affixed, attached or appurtenant to the Unit and serving the Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wires or ductwork within the walls, ceilings or floors (unless installed by Unit Owner). Each Unit shall also include all lighting and electrical fixtures and appliances within the Unit and any special equipment, fixtures or facilities affixed, attached or appurtenant to the Unit, to the extent located within a Unit from the panel and serving or benefiting only that Unit.

Any Common Elements located within a Unit shall not be considered a part of such Unit.

Notwithstanding anything contained in this Article to the contrary, each Unit Owner will have the right, subject to the provisions of the By-Laws, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including without limitation, painting, finishing, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surface of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and (with respect to Residential Units, to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like), provided that no such installation shall impair the consistent exterior appearance, the structural integrity, sound integrity and mechanical and electrical systems of such Unit or of the Building or violate Law.

As of the date of the filing of this Declaration with the Register's Office, fee simple absolute title shall automatically vest in Sponsor in all Units, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

Article 6. – Definitions.

"Appurtenant Interest" shall mean with respect to any Unit, the undivided interest of the owner thereof, pursuant to Section 339-x of the Condominium Act.

"Assessments" shall mean the charges allocated and assessed by the Board of Managers to the Unit Owners, pro rata, in accordance with their respective Common Interest (except as otherwise provided in the Declaration or in the By-Laws).

"Board" or "Board of Managers" or "Condominium Board" means the Board of Managers of the Condominium which is the overall governing body of the Condominium which represents all the Unit Owners and Managers the Condominium pursuant to the provisions of the Declaration, By-Laws, and of the Plan.

"Building" or "Building" means the building structures known by the address 2792, 2794 & 2796 Sedgwick Avenue, Bronx, County of Bronx, City and State of New York which is located on the Land, in which the Condominium will be located.

"Building Department" or "Department of Buildings" shall mean the New York City Department of Buildings or any successor agency.

"By-Laws" means the By-Laws governing the operation of the Condominium, the form of which is set forth in Part II of the Plan, as the same may be amended from time to time.

"Closing" or **"Closing of Title"** shall be the time, place and procedure by which fee title to the Unit in question is conveyed to a Purchaser pursuant to a fully executed Purchase Agreement.

"Closing Date" shall be the date upon which a Closing occurs.

"Code" means the Internal Revenue Code of 1986, as amended.

"Common Charges" means any charges allocated and/or assessed by the Condominium Board against any Unit Owner and/or each Unit's proportionate share of the Common Expenses in accordance with its common interest.

"Common Elements" means all portions of the Condominium other than the Units, including without limitation the land, roofs, walls and structural elements of the building, windows, hallways, boiler rooms, electric meter rooms, gas meter and sprinkler meter rooms, trash disposal rooms, storage rooms, vestibule, staircases, rear yard, front yard and certain other portions of the building to be set aside for common use.

"Common Expense" means all costs and expenses incurred or paid generally by the Board in connection with the operation of the Condominium, which pursuant to the Plan, the Declaration and the By-Laws, are, except as set forth in the Plan and the

Condominium By-Laws, to be paid by the Unit Owners in proportion to their Common Interest, as summarized in "Rights and Obligations of Unit Owners and Board of Managers; Summary of By-Laws" and as more fully described in the Declaration and the By-Laws.

"Common Interest" means the proportionate undivided interest each expressed as a numerical percentage in the Common Elements appurtenant to each Unit, as determined in accordance with the Declaration. The total of all Common Interest percentages appurtenant to all Units equals 100%. The Common Interest attributable to each Unit is set forth on Schedule B annexed to the Declaration.

"Condominium" means SEDGWICK CONDOMINIUM which is established pursuant to the terms of the Declaration and which is governed pursuant to the terms of the By-Laws and is composed of the Unit Owners.

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

"Condominium Board" shall mean the Board of Managers of the Condominium who will manage the affairs the Condominium.

"Condominium Documents" means collectively this Plan, the Declaration, the By-Laws and the Rules and Regulations thereunder, as the same may be amended from time to time.

"Declaration" or "Declaration of Condominium" means the instrument by which the property is submitted to the provisions of the Condominium Act, and such instrument as from time to time amended, consistent with the provisions of the Condominium Act and of the By-Laws.

"Department of Law" means the Real Estate Financing Bureau of the New York State Department of Law, 120 Broadway, New York, New York 10271.

"Deposit" shall mean all deposits, Downpayments, advances or payments made by Purchasers prior to the closing of each individual transaction.

"Designee" means any individual or entity so designated in writing by a Unit Owner or Sponsor as the case may be authorized to make such designation.

"Effective Date" shall mean the date upon which Sponsor has declared the Offering Plan effective pursuant to the provisions of the General Business Law of the State of New York.

"Exhibits" means collectively Exhibits A, B, C and D which were submitted to the Department of Law in connection with the submission of this Plan to such Department.

"Facilities" shall mean all personal property and fixtures now or hereafter existing in, on, or under the Land or the Building and either existing for the common use of the Units or the Unit Owners or necessary or convenient for the existence, maintenance, or safety of the Property.

"Filing Date" means the date that the Offering Plan or an amendment to the Offering Plans is or was accepted for filing by the New York State Department of Law.

"First Unit Closing" or **"First Closing"** shall mean the first date that title to a Condominium Unit is transferred to a Purchaser under the Plan.

"First Year's Budget" shall mean the Section of the Plan entitled "Schedule B – First Year's Budget". The First Year's Budget is sometimes referred to herein as "Schedule B".

"Floor Plans" means the floor Plans of the Units and Building certified to by a professional engineer or registered architect, to be filed with the Office of the City Register, simultaneously with the recording of the Declaration, together with any supplemental floor Plans thereto, copies of which are reproduced in Part II of the Plan.

"GBL" or **"General Business Law"** shall mean the New York State General Business Law.

"Land" means the parcel of land located in the Borough of Bronx on the Tax Map of the Real Property Assessment Department of the City of New York, as Block 3249, Lots 238, 239 & 257 and more particularly described in Schedule A to the Declaration.

"Law" means the laws and ordinances of any or all of the Federal, New York State, New York City and County (where the Condominium is located) governments, the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental, public, or quasi-public authorities having jurisdiction over the property and/or the Condominium, and/or the direction of any public officer pursuant to law.

"Limited Common Elements" means, with respect to each Unit, those Common Elements, if any, which are so designated on the Floor Plans or in the Declaration and which serve or benefit exclusively some, but not all, of the Unit Owners and areas which are irrevocably restricted in use to specified Unit Owners, subject to the right of the Board of Managers, or their designees to enter upon any restricted area for maintenance, repair and inspection of a Unit or Common Elements and subject to the rules of the Board of Managers. Limited Common Elements include but are not limited to unit entrances, terraces and balconies.

"Majority" means a more than sixty-six and two-thirds percent (66 2/3rds) in Common Interest in the aggregate, as may be specified herein or in the Declaration or the Bylaws with respect to any matter or matters. Any specified percentage of Unit Owners means such percentage in Common Interest in the aggregate, as may be specified herein or in the aggregate, as may be specified herein or in the Declaration or the Bylaws with respect to any matter or matters, provided, however that different percentages in interest and in number of Units may be so specified.

"Managing Agent" shall mean a person or entity employed by the Condominium Board to undertake and perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium shall delegate, subject to the limitations contained in the Bylaws.

"Offering Plan" shall mean the document filed with the New York State Department of Law which describes the Condominium property and pursuant to which individual Units in the Condominium are offered for sale, as the same may be amended from time to time.

"Operation of the Property" means the administration and operation of the Property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the Common Elements.

"Parking Space" means a Parking Space as designated as a Parking Space in the Declaration which will be Limited Common Element.

"Party Wall" as hereinafter referred to shall be defined as a wall which is common to and separates two or more Units.

"Permanent Certificate of Occupancy" shall mean the permanent Certificate of Occupancy issued or to be issued by the New York City Department of Buildings for the Building.

"Permitted Encumbrances" shall mean those matters encumbering title to a Unit subject to which a Purchaser agrees to take title, as more particularly described on Schedule A annexed to the form of Purchase Agreement.

"Permitted Mortgage" means a mortgage placed on a Unit made to a bank, a trust company, an insurance company, a federal savings and loan association, a pension fund or other institutional lender, the Sponsor, a Sponsor-designee, or the Seller of the Unit.

"Permitted Mortgagee" means the holder of a Permitted Mortgage.

"Person" means a natural person, corporation, partnership, limited liability company, trust, trustee, estate, fiduciary, unincorporated association, syndicate, joint

venture, organization, government or any department or agency thereof, or any other legal entity.

"Plan" means the Condominium Offering Plan for SEDGWICK CONDOMINIUM promulgated by the Sponsor pursuant to Section 352-e of the General Business Law of the State of New York and any and all amendments thereto.

"Plans and Specifications" shall mean the Plans and specifications for the construction of the Building which (to the extent required by Law) have been or will be filed with the Building Department and which may from time to time be amended in accordance with the provisions of the Plan.

"Power of Attorney" means the document signed by Unit Owners which (i) appoints the Board of Managers as attorney in fact to acquire on behalf of all Unit Owners, any Unit that the Unit Owner of which wishes to sell or abandon, together with the Appurtenant Interest thereto, and to deal with any such Units so acquired as they may determine and (ii) appoint the Sponsor, as attorney in fact, to amend the Declaration, the Bylaws, the Rules and Regulations of the Condominium, or any of said documents under certain conditions set forth in the Power of Attorney.

"Property" means and includes collectively the Land and the Building, and all other improvements thereon, owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be submitted to the provisions of the New York State Condominium Act..

"Purchase Agreement" The agreement to purchase a Unit pursuant to the Offering Plan, the form of which is set forth in Part II of the Plan.

"Purchaser" shall mean a Purchaser of a Unit pursuant to a Purchase Agreement.

"Register's Offices" shall mean the Office of the Register of the City of New York of Bronx County.

"Residential Unit" or "Condominium Unit" or "Unit" means a Unit of residential housing now or hereafter situated on the property. A Residential Unit is equivalent to the term "Unit" as the same is used in Article 9-B of the Real Property Law. A Residential Unit shall be used for residential purposes only, including home occupancy, and not more than one family may occupy a Residential Unit at one time. A Residential Unit may not be used for any "dormitory", "bed and breakfast" or other transient hotel-type entity. A Residential Unit may be used for any other lawful purpose, provided such use is permitted by, and complies with Law, does not violate the then existing Certificate of Occupancy covering the Building and the Condominium Board, in its sole discretion, grants permission for such use.

"Rules and Regulations" means the rules and regulations made in accordance with the By-Laws of the Condominium as the same may be amended from time to time, provided that they are not in conflict with the terms of the Condominium Act, the Declaration or the Bylaws.

"Schedule A" shall mean the Section of the Plan entitled "Schedule A – Offering Prices of Units and Related Information".

"Schedule B" shall mean the Section of the Plan entitled "Schedule B – First Year's Budget". Schedule B is sometimes referred to herein as the First Year's Budget.

"Schedule B-1" shall mean the Section of the Plan entitled "Schedule B-1 – for Individual Energy Costs".

"Selling Agent" means the Sponsor, or any Selling Agent named in the Plan or any successor Selling Agent at any time in question.

"Service Equipment" shall mean all of the following now or hereafter installed in the Building, serving one or more Units or the Limited Common Elements, if any, appurtenant thereto: (i) pipes, wires, ducts, risers, cables, conduits and (ii) mechanical, electrical and other equipment, including antennas, satellite dishes and other communication devices.

"Signs" means any sign, advertisement, notice or other lettering.

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

"Sponsor" means the promoter of the project and/or the Offering Plan to convert or create the particular parcel of property to Condominium Ownership. The Declarant under the declaration of Condominium for the Property is the Sponsor of the Offering Plan. Sedgwick Condos LLC is the Sponsor and Declarant.

"Sponsor Designee" means any person designated by Sponsor to hold title to any Unit. Sponsor's statement in writing that a person is a Sponsor-designee shall be conclusive evidence of such status so as to entitle such Person to all of the rights of a Sponsor-designee. A Sponsor-designee shall have the right to designate a Person to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".

"Unit" means any space designated as a Unit in the Declaration.

"Unit Deed" shall mean the deed transferring title to a specified Unit from Sponsor to Purchaser in fee simple absolute.

"Unit Designation" shall mean the number, letter or combination thereof or other official designations conforming to the tax lot number, if any, designating the Unit in the Declaration and on the Floor Plans.

"Unit Owner" or **"Unit Owners"** means any owner or owners of a Condominium Unit in the Condominium. All of such Unit Owners are collectively referred to as "Unit Owner". "Unit Owner" and shall have the meaning ascribed to it in Article 9-B of the Real Property Law of the State of New York. Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common or tenancy by the entirety.

"Unsold Unit" means any Unit held by the Sponsor or Sponsor's designee or any Construction Lender or Sponsor or Receiver appointed by such Construction Lender or a Purchaser at a foreclosure sale held by such Construction Lender or any designee of such Construction Lender or any entity acquiring Sponsor's Units by a deed in lieu of foreclosure. The owner of Unsold Units shall have the same rights, privileges, exemptions and benefits with respect to its Unsold Units as Sponsor has under this Plan and the Declaration and By-Laws with respect to the Units owned by Sponsor.

Article 7. – Use of Building and Units.

A. The building shall be used as a Residential Condominium for residential use only, except that Community Facility Units may be used for any lawful purposes pursuant to the New York City Zoning Code.

B. The Sponsor or its designees shall have the right to maintain a general sales office in any Unit owned by it and to use such Unit as a model and for other promotional purposes.

C. Except to the extent prohibited by law, Declarant or its designee shall have the right, without the vote or consent of any Condominium Board, other Unit Owners, or the Mortgage Representatives (as such term is defined in the Bylaws), if any, to :

(a) make alterations, additions or improvements to any Unsold Units;

(b) change the use or layout of, or number of rooms of any Unsold Units from time to time;

(c) change the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Units, converting a Unit or any portion thereof to a General Common Element or a Limited Common Element, altering the boundary walls between any Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway used

exclusively by the occupant(s) of such Unsold Unit) which exclusively benefit an Unsold Unit into such Unit;

(d) designate a General Common Element or a Limited Common Element, as part of a newly created Unit or Limited Common Element, or designate all or part of a Unit as a newly created General Common Element;

(e) amend the Certificate of Occupancy; and

(f) if appropriate, reapportion among the Unsold Units affected by such change in size, use or number pursuant to the preceding clauses (b) and (c) their percentage interests in the Common Elements; provided, however, that

(i) the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the owners of such Units shall consent thereto;

(ii) Declarant or its designee, as the case may be, shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold each Condominium Board and all other Unit Owners harmless from any liability arising therefrom.

The provisions of this Article may not be added to, amended, modified or deleted without the prior written consent of Declarant or its designee.

By written permission of the Condominium Board, which permission shall not be unreasonably withheld, any other Unit Owner may be given, with respect to his or her Unit, the same rights and be subject to the same limitations and conditions as are set forth in this Article with respect to Unsold Units. Notwithstanding the other provisions of this Article, no reapportionment of the interests in the Common Elements appurtenant to any Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the percentage interests of the respective Units in the Common Elements immediately after such reapportionment, will be 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. The certification referred to in the preceding sentence shall be delivered (i) at Declarant's election, by Declarant, the managing agent of the Condominium or any other person reasonably acceptable to the Condominium Board in the case of any Unsold Unit, and (ii) by either the managing agent of the Condominium, or any other person reasonably acceptable to the Condominium Board in the case of any other Unit.

D. The Building shall be used solely for the purposes for which the Units contained therein may be used under law.

Article 8. – Common Elements.

The Common Elements of the Condominium ("Common Elements") shall consist of all parts of the Property other than the Units and are comprised of (i) the general Common Elements (the "General Common Elements") which are described in this Article and the Limited Common Elements described herein.

General Common Elements.

The General Common Elements consist of:

(1) The Land, Building and Improvements contained thereon, described in Schedule A to this Declaration;

(2) Any of the following: all foundations, footings, columns, joists, exterior walls, interior walls, partitions, girders, floor slabs and ceilings, beams, and supports and interior load bearing walls, window casements and frames, roofs and ceilings in, on or under the Building, separating a Unit from a General Common Element, and that portion of all such interior walls, partitions, floors and ceilings separating a General Common Element from a Residential Unit and/or Residential Common Elements and/or a Limited Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such General Common Element, as the case may be;

(3) The cellars (except areas located inside of the Community Facility Units);

(4) Hallways, boiler rooms, electric meter rooms, gas meter and sprinkler meter rooms, trash disposal rooms, storage rooms, rear yard, front yard;

(5) All portions of the exterior walls beyond the hidden face of the interior gypsum board; all portions of the walls and partitions separating a Unit from other Units or Common Elements, located beyond the unexposed sides of the dry walls; the space between the hidden face of the ceiling board and the roof of the Buildings;

(6) All masonry walls, partitions, floors and ceilings in, on or under the Building, separating a Unit from another Unit;

(7) All central and appurtenant installations for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems, waste piping and roof drains (including all pipes, flues, ducts, wires, cables and conduits used in connection therewith, whether located in Common Elements or in the Units);

(8) All stairways, bulkheads, shafts, pits and equipment rooms and the hallways;

(9) All interior portions of the Building, to the extent that the same are not expressly included as part of the General Common Elements pursuant to the terms herein;

(10) All other parts of the Property and all apparatus and installations existing in the Building or on the Property for common use or necessary or convenient to the existence, maintenance or safety of the Property.

The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring, or shall have the right to bring, any action for partition or division thereof, except as is expressly permitted pursuant to the terms of this Declaration and the By-Laws.

Limited Common Elements.

The Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of one or more specified Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Limited Common Elements include the following:

1. Each Unit Owner shall have the exclusive use of the entrance to his Unit.

2. The portion of equipment, fixtures or facilities serving or benefiting one Unit, to the extent located within another Unit or within a common element to which there is no direct and exclusive access from the interior of a Unit. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, the Unit Owner who is so served or benefited by such Limited Common Element shall have the exclusive right to use such Limited Common Element and shall be responsible for the normal operation, maintenance and repair thereof at such Residential Unit Owner's sole cost and expense;

3. Balconies,

The cost of maintaining and repairing the Unit entrances will be included in the common charges payable by all Unit Owners. All other Limited Common Elements shall be repaired and maintained by the Unit Owners having exclusive use thereof.

No construction on or enclosures are permitted on the roof, balconies or terraces. The roof, roof decks and balconies may not be enclosed.

Article 9. – Determination of Percentage of Common Interest in the Common Elements.

The undivided percentage of interest of each Unit in the Common Elements is based upon floor space, subject to the location of such space and 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 Condominium Unit in accordance with Real Property Law Section 339-i.1(iv), based upon.

The percentage interest of all Units in the Common Elements is apportioned in the same proportion that the Units at the date of this Declaration bears to the then aggregate Common Interests of all of the Residential Units in the Condominium.

Article 10. – 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 the construction of the Building, or if any such encroachment shall occur hereafter as a result of settling or shifting of the Building, or by reason of the repair and/or restoration by the Board of Managers of the Building, any Unit or the Common Elements, a valid easement for the encroachment and for the maintenance of the same so long as the Building stands, shall exist. In the event the Building, a Unit, any adjoining Unit, or any adjoining Common Element shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, any and then rebuilt, encroachments of parts of the Common Elements upon any Unit or of any Unit upon any other Unit or upon any portion of the Common Elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the Building shall stand.

Article 11. – Easements.

(a) Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, flues, wires, ducts, cables, conduits, utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the owners of all other Units to use the pipes, flues, ducts, cables, wires, conduits, utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit to inspect the same, to prevent damage thereto, to remove violations therefrom and to maintain, repair or replace the Common Elements contained therein or elsewhere in the Property subject to any restrictions on such right as may from time to time be provided in the By-Laws. Each Unit and the Common Elements shall have an easement of support, subjacency and necessity and shall be subject to such easement in favor of all the Units and the Common Elements.

(b) The Sponsor, Sponsor-affiliates (hereinafter defined) and its designees, invitees, licensees, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, renovations, installation, maintenance, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts,

wires and cables, and (ii) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

(c) The Sponsor, its designees and invitees, licensees, contractors employees and tenants (i) shall have an easement without the necessity of obtaining the consent of the Board of Managers and/or Unit Owners to erect, maintain, repair and replace from time to time one or more signs on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of the Offering Plan for the Property as same may be amended, and Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements and (ii) reserve the right to establish, grant and create easements for any additional underground electric, transformer, amplifier, oil, cable television, telephone, water, storm drainage, sewer or other utility lines and appurtenances in, under and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements on any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Sponsor or its designee shall deem it necessary or desirable for the proper operation and maintenance of the Property of any portion thereof, or for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for dwelling purposes. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such rights of access is exercised in such a manner as not unreasonably to interfere with the use of the Units.

(d) The user of any easement granted by subparagraphs "b," and "c" of this Article "11" shall have the responsibility of repairing any damage resulting therefrom.

(e) The Sponsor and its designees, as the case may be (without the necessity of obtaining the consent of the Board of Managers or the Unit Owners) and the Board of Managers (without the necessity of obtaining the consent of the Board of Managers or the Unit Owners) shall each have the right to establish, grant and create easements for any additional electric, transformer, amplifier, oil, cable television, telecommunication (including, without limitation internet facilities), telephone, water, sewer or other utility lines, flues, ducts and appurtenances including such equipment rooms as may be required in connection with the foregoing in, under and through the Property, including, without limitation, within any of the Units, and to relocate any existing utility, sewer and drainage easements in any portion of the Property including, without limitation, within any of the Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of a Unit (or the Limited Common Elements appurtenant thereto) after construction thereof without the consent of the owner of such Unit.

Article 12. – Power of Attorney to Board of Managers

Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest (in such form and content as the Condominium Board shall determine, following due authorization if required from the Unit Owners), to:

(a) 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, or is acquired or leased pursuant to a right of first refusal, on behalf of all Unit Owners and

(b) to convey, sell, lease, mortgage or otherwise deal with any such Unit so acquired or to sublease any Unit so leased by the Board of Managers;

(c) each Unit Owner shall grant to Sponsor and its designees and to the Board of Managers an irrevocable power of attorney coupled within interest and granted for valuable consideration, to execute, acknowledge and deliver any application, declaration, document or other instrument affecting the Condominium that the Sponsor or the Board of Managers deems necessary and appropriate to comply with any Law, zoning regulation, or requirement of the Department of Buildings or any other governmental authority applicable to the rehabilitation, maintenance, demolition, alteration, restoration or repair of the Property or any part thereof.

Article 13. – Acquisition of Units By Board of Managers.

In the event any Unit Owner shall surrender 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 other Units acquired by the Board of Managers or its designee on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests") pursuant to the provisions of Section 339-x of the New York Condominium Act, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective common interests. The lease covering any Unit leased by the Board of Managers, or its designee, corporate or otherwise, shall be held by the Board of Managers, or its designee, on behalf of all Residential Unit Owners, in proportion to their respective common interests.

Article 14. – Person to Receive Service of Process.

The Secretary of State of the State of New York is designated as agent of the Board of Managers of the Condominium (the "Board of Managers" or the "Board") upon

whom process against it may be served at the Office of the New York State Department of State in the manner provided by applicable law. The Board of Managers shall file with the Secretary of State the name and post office address of the Condominium for purposes of receiving copies of any process served against the Board of Managers.

Article 15. – Amendment of Declaration.

(a) This Declaration may be amended with the approval of at least 66 2/3% in number and in common interest of all Unit Owners, in accordance with the provisions of the By-Laws, provided, however, that the common interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the consent of all Unit Owners affected.

(b) The Sponsor or its designee shall have the right without vote or consent of other Unit Owners, the Board of Managers or the holders of Unit mortgages, to execute or (on its request) to require the Board of Managers to execute and record in the Office of the Register of the City of New York, County of Bronx and elsewhere if required by law, an amendment or amendments to this Declaration (together with such other documents, Plan and maps as may be required to effectuate the same) to reflect (i) any changes in Units and the reapportionment of the common interests resulting therefrom, made by the Sponsor or its designees) in accordance with Article 15 hereof or (ii) the completion of construction of the Building which shall not have been completed on the date of recording of this Declaration, including, but without being limited to, the final location, dimensions or size of the Building and the Units therein.

Article 16. – Changes in the Sponsor-Owned Units.

For any Unit owned by the Sponsor or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Sponsor or its designee(s) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to:

(i) make alterations, additions, or improvements in, to and upon the Unit;

(ii) change the layout or number of rooms in the Unit;

(iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and

(iv) reapportion among such Units affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that the Sponsor or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

In accordance with law, the Common Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. Contract vendees, if any pursuant to Purchase Agreements with Sponsor or its designees for a Unit adversely affected as result of the above changes, Purchasers shall have the right to rescind their Purchase Agreements and receive a refund of any deposit or Down Payment. The above changes, if made, will be disclosed in an amendment to the Offering Plan for the Property. For purposes, of this paragraph, the above changes shall not be considered adverse changes if made in the Offering Plan.

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior to subsequent to this Declaration.

Article 17. – Covenants Running with the Land.

(a) All provisions of this Declaration, the By-Laws and the Rules and Regulations (true copies of which are annexed hereto and made a part hereof), including, without limitations, the provisions of this paragraph shall, to the extent applicable and unless otherwise expressly herein and therein provided to the contrary, be perpetual and be construed to be covenants running with the land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create nor shall they be construed as creating any rights in or for the benefit of the general public. All present and future owners, tenants and occupants of the Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into a lease or the entering into occupancy of any 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 recited and stipulated at length in each and every deed or conveyance or lease thereof.

(b) If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the New York Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the New York Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the property and

their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the New York Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the New York Condominium Act.

(c) Subject to the provisions of Article "18"(b), if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the New York Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable law with the same force and effect as if, immediately after the recording of the Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the land.

Article 18. – Covenant of Further Assurances.

(a) Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, an occupant of a Unit, a member or officer of the Board, or otherwise, shall, at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of 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 transition.

(b) If any Unit Owner, the Board or any other party which is subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses, within 10 days after request therefore, to take any action which the Board, Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Board which represents such Unit Owner or other party 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.

(c) If any Unit Owner, the Board or any other party subject to the terms of this Declaration fails to execute, acknowledge or deliver any instrument, or fails or refuses,

within 10 days after request therefore, to take any action which the Board, Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration at the request of Sponsor, then Sponsor is hereby authorized as attorney-in-fact for such Unit Owner, Board 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, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

Article 19. – Successors and Assigns.

The rights and/or obligations of Sponsor or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Sponsor or its designee or, with the consent of Sponsor or its designee, any transferee of all then Unsold Units. Subject to the foregoing, Sponsor, or its designee, shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by merger, consolidation, lease, assignment or otherwise.

Article 20. –Termination of Condominium.

The Condominium shall continue and shall not be subject to an action for partition until (a) terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws or (b) such time as withdrawal of the Property from the provisions of the New York Condominium Act is authorized by a vote of at least 80% in number and in common interest of all Unit Owners. Sponsor or its designee will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least 80% in number and in common interest of all other Unit Owners so elect for such withdrawal, at which time Sponsor or its designee may choose to vote either in favor of or against withdrawal from Condominium ownership, as it sees fit. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective common interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of his share of such net proceeds all liens on his Unit, in the order of priority of such liens.

Article 21. – Definition of "Sponsor-designee"; "Sponsor-affiliate".

The term "Sponsor-designated (alternatively referred to as designee of Sponsor or Sponsor-affiliate) as used in this Declaration shall mean any person or entity designated by the Sponsor to acquire title to a Unit. A "Sponsor-designee" shall have the right to designate a person or entity to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".

Article 22. – Invalidity.

The invalidity of any provision of this Declaration 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 provision had never been included herein.

Article 23. – Waiver.

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

Article 24. –Captions.

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

Article 25. – Gender.

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

Article 26. – General.

A reference in this Declaration to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural and vice versa, unless the context otherwise requires. The terms "herein", "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Declaration.

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

Sedgwick Condos LLC
A New York Limited Liability Company

By: _____
Name: Neil J. Weissman
Title: Member

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 Neil J. Weissman, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____
Notary Public

SCHEDULE A
TO THE DECLARATION OF
SEDGWICK CONDOMINIUM

PROPERTY DESCRIPTION

Former Lot # 196:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough and County of Bronx, City and State of New York, known and designated as Lot Nos. 158, 159 and 160 on map entitled, "Map of 471 Lots of the Claflin Estates, Property of Mrs. Arthur Claflin and Grange Realty co. located at West Kingsbridge Road, Sedgwick Avenue, Reservoir Avenue, Webb Avenue, Clafin Avenue and University Avenue, Eames Place, West 195th Street, Strong Street and West 197th Street, Borough of the Bronx, City of New York" made by George C. Hollerith, August 22, 1919 and filed in the Office of the Register of Bronx County on September 16, 1919 as Map No. 357, more particularly bounded and described as follows:

BEGINNING at a point on the easterly sides of Sedgwick Avenue, distant 175 feet and 33.01 of a foot southerly, as it curves, from the corner formed by the intersection of the easterly side of Sedgwick Avenue and the southerly side of West 197th Street;

RUNNING THENCE easterly and parallel wit the southerly side of West 197th Street, 139 feet and 11.01 of a foot to a point, which point is distant 175 feet southerly from the southerly side of West 197th Street;

THENCE southerly at right angels with the last mentioned course, 75 feet;

THENCE westerly at right angels to the last mentioned course, 129 feet and 3.01 of a foot to the easterly side of Sedgwick Avenue;

THENCE northerly as measured along the easterly side of Sedgwick Avenue, 75 feet and 68.01 of a foot to the point or place of BEGINNING.

Former Lot # 495:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough and County of Bronx, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Sedgwick Avenue, distant 261.14 feet southerly along the same as it curves from the corner formed by the intersection of the said easterly side of Sedgwick Avenue with the southerly side of West 197th Street;

RUNNING THENCE easterly parallel with the southerly side of West 97th Street, 127.40 feet;

THENCE northerly at right angles to the last mentioned course, 10 feet to the division line between Lot Nos. 161 and 162 on "Map of 471 Lots of the Claflin Estates, Property of Mrs. Arthur Claflin and Grange Realty co. located at West Kingsbridge Road, Sedgwick Avenue, Reservoir Avenue, Webb Avenue, Clafin Avenue and University Avenue, Eames Place, West 195th Street, Strong Street and West 197th Street, Borough of the Bronx, City of New York" made by George C. Hollerith, August 22, 1919 and filed in the Office of the Register of Bronx County on September 16, 1919 as Map No. 357";

THENCE westerly along said division line on said map and again parallel with the southerly side of West 197th Street, 129.03 feet to the easterly side of Sedgwick Avenue;

THENCE southerly along the easterly side of Sedgwick Avenue, 10.13 feet to the point or place of BEGINNING.

Former Lot # 199:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough and County of Bronx, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Sedgwick Avenue, distant 100.05 feet southerly from the corner formed by the intersection of the easterly side of Sedgwick Avenue with the southerly side of West 197th Street;

RUNNING THENCE southerly along the easterly side of Sedgwick Avenue, 75.28 feet;

THENCE easterly on a line forming an angel of 06 degrees 13 minutes 49 seconds on its northerly side of the radial line, 139.11 feet;

THENCE northerly along a line at right angles to the last mentioned course, 75 feet;

THENCE WESTERLY IN A STRAIGHT LINE, 145.43 FEET TO THE EASTERLY SIDE OF SEDGWICK AVENUE, TO THE POINT OR PLACE OF BEGINNING.

EXHIBIT B / SCHEDULE B TO THE DECLARATION OF
THE SEDGWICK CONDOMINIUM
2792, 2794 & 2796 SEDGWICK AVENUE
COUNTY OF BRONX, NEW YORK 10468
BLOCK 3249
F/K/A LOT 238, 239& 257, N/K/A 1001-1075

Address	Unit No.	Tax Lot	Location (Floor)	Usage	Percent of Common Interest	Bed Rooms / Baths	Limited Common Elements Balcony sq.ft.	Rear Yard sq.ft.	Terrace sq.ft.	Room Count	Floor Area sq.ft.
2792 Sedgwick Avenue	2792-C3	1001	Cellar	Community Facility	1.50%	Community Facility / 1/2 Bath				Community Facility / 1/2 Bath	593
2792 Sedgwick Avenue	2792-1J	1002	First	Residential	2.00%	1 Bedroom / 1 Bath				1 Bedroom / 1 Bath	578
2792 Sedgwick Avenue	2792-1I	1003	First	Residential	2.20%	1 Bedroom / 1 Bath				1 Bedroom / 1 Bath	754
2792 Sedgwick Avenue	2792-2J	1004	Second	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	794
2792 Sedgwick Avenue	2792-2I	1005	Second	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	764
2792 Sedgwick Avenue	2792-3J	1006	Third	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	794
2792 Sedgwick Avenue	2792-3I	1007	Third	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	764
2792 Sedgwick Avenue	2792-4J	1008	Fourth	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	794
2792 Sedgwick Avenue	2792-4I	1009	Fourth	Residential	0.90%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	764
2794 Sedgwick Avenue	2794-C2	1010	Cellar	Community Facility	1.25%	Community Facility / 1/2 Bath				Community Facility / 1/2 Bath	1,549
2794 Sedgwick Avenue	2794-CA	1011	Cellar	Super's Apt	0.00%	1 Bedroom / 1 Bath (Super)				1 Bedroom / 1 Bath (Super)	592
2794 Sedgwick Avenue	2794-1E	1012	First	Residential	1.75%	1 Bedroom / 1 Bath				1 Bedroom / 1 Bath	644
2794 Sedgwick Avenue	2794-1F	1013	First	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	874
2794 Sedgwick Avenue	2794-1G	1014	First	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	874
2794 Sedgwick Avenue	2794-1H	1015	First	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	917
2794 Sedgwick Avenue	2794-2E	1016	Second	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	887
2794 Sedgwick Avenue	2794-2F	1017	Second	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	887
2794 Sedgwick Avenue	2794-2G	1018	Second	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	887
2794 Sedgwick Avenue	2794-2H	1019	Second	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	887
2794 Sedgwick Avenue	2794-3E	1020	Third	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	887
2794 Sedgwick Avenue	2794-3F	1021	Third	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	887
2794 Sedgwick Avenue	2794-3G	1022	Third	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	887
2794 Sedgwick Avenue	2794-3H	1023	Third	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	887
2794 Sedgwick Avenue	2794-4E	1024	Fourth	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	887
2794 Sedgwick Avenue	2794-4F	1025	Fourth	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	887
2794 Sedgwick Avenue	2794-4G	1026	Fourth	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	887
2794 Sedgwick Avenue	2794-4H	1027	Fourth	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	887
2796 Sedgwick Avenue	2796-C1	1028	Cellar	Community Facility	1.00%	Community Facility / 1/2 Bath				Community Facility / 1/2 Bath	941
2796 Sedgwick Avenue	2796-1A	1029	First	Residential	1.50%	1 Bedroom / 1 Bath				1 Bedroom / 1 Bath	485
2796 Sedgwick Avenue	2796-1B	1030	First	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	866
2796 Sedgwick Avenue	2796-1C	1031	First	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	866
2796 Sedgwick Avenue	2796-1D	1032	First	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	909

EXHIBIT B / SCHEDULE B TO THE DECLARATION OF
THE SEDGWICK CONDOMINIUM
2792, 2794 & 2796 SEDGWICK AVENUE
COUNTY OF BRONX, NEW YORK 10468
BLOCK 3249
F/K/A LOT 238, 239& 257, N/K/A 1001-1075

					Percent	Bed	Limited Common Elements				Floor
Address	Unit	Tax	Location		of Common	Rooms /	Balcony	Rear Yard	Terrace	Room	Area
	No.	Lot	(Floor)	Usage	Interest	Baths	sq.ft.	sq.ft.	sq.ft.	Count	sq.ft.
2796 Sedgwick Avenue	2796-2A	1033	Second	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	878
2796 Sedgwick Avenue	2796-2B	1034	Second	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	878
2796 Sedgwick Avenue	2796-2C	1035	Second	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	878
2796 Sedgwick Avenue	2796-2D	1036	Second	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	878
2796 Sedgwick Avenue	2796-3A	1037	Third	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	878
2796 Sedgwick Avenue	2796-3B	1038	Third	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	878
2796 Sedgwick Avenue	2796-3C	1039	Third	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	878
2796 Sedgwick Avenue	2796-3D	1040	Third	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	878
2796 Sedgwick Avenue	2796-4A	1041	Fourth	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	878
2796 Sedgwick Avenue	2796-4B	1042	Fourth	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	878
2796 Sedgwick Avenue	2796-4C	1043	Fourth	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	878
2796 Sedgwick Avenue	2796-4D	1044	Fourth	Residential	2.20%	2 Bedroom / 2 Baths				2 Bedroom / 2 Baths	878
Outdoor Parking Space	PK-1	1045	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-2	1046	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-3	1047	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-4	1048	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-5	1049	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-6	1050	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-7	1051	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-8	1052	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-9	1053	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-10	1054	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-11	1055	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-12	1056	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-13	1057	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-14	1058	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-15	1059	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-16	1060	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-17	1061	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-18	1062	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-19	1063	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-20	1064	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-21	1065	Ground	Parking	0.35%	Parking Space				Parking Space	-

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F/K/A LOT 238, 239& 257, N/K/A 1001-1075

					Percent	Bed	Limited Common Elements				Floor
Address	Unit	Tax	Location		of Common	Rooms /	Balcony	Rear Yard	Terrace	Room	Area
	No.	Lot	(Floor)	Usage	Interest	Baths	sq.ft.	sq.ft.	sq.ft.	Count	sq.ft.
Outdoor Parking Space	PK-22	1066	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-23	1067	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-24	1068	Ground	Parking	0.35%	Parking Space				Parking Space	-
Outdoor Parking Space	PK-25	1069	Ground	Parking	0.35%	Parking Space				Parking Space	-
Indoor Parking Space	PK-26	1070	Ground	Parking	0.50%	Parking Space				Parking Space	-
Tandem Parking Spaces (2)	PK-27 & 28	1071	Ground	Parking	0.55%	Parking Space				Parking Space	-
Tandem Parking Spaces (2)	PK-29 & 30	1072	Ground	Parking	0.55%	Parking Space				Parking Space	-
Tandem Parking Spaces (2)	PK-31 & 32	1073	Ground	Parking	0.55%	Parking Space				Parking Space	-

Notes to Schedule B

All public streets and adjoining property will be improved with street pavement, curbs and sidewalks in accordance with Department of Highways rules and regulations. Off-site and on-site drainage will comply to the Department of Sewers and Building Code requirements. All storm water runoff shall be collected at yard drains and gutters and connected to the storm drywells, and to the storm sewer in the city street. All piping to be installed as per the Approved Drainage Plan.

CONDOMINIUM BY-LAWS

Condominium By-Laws

Name: **SEDGWICK CONDOMINIUM**

Sponsor: **Sedgwick Condos LLC**
242-01 Braddock Avenue,
Bellerose, New York 11426

GARY ROSEN LAW FIRM, P.A.
249-02 Jericho Turnpike
Floral Park, New York 11001

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BY-LAWS
of
SEDGWICK CONDOMINIUM

ARTICLE I. Plan of Unit Ownership

Section 1 - Unit Ownership.

The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium, as well as certain obligations of the Unit Owners therein.

All terms used in these By-Laws which are capitalized and are not defined herein shall have the same definition as in the Declaration of which these By-Laws are a part (such Declaration as amended from time to time being herein referred to as the Declaration").

The land and building located in the County of Bronx, City of New York, State of New York, at 2792, 2794 & 2796 Sedgwick Avenue, Bronx, New York (hereafter called the "Property") has 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 County Clerk of the City of New York, County of Bronx simultaneously herewith and shall hereinafter be known as SEDGWICK CONDOMINIUM (hereafter called the "Condominium"). The apartments are herein sometimes called "the Units." The owner of a Unit is herein referred to as a "Unit Owner".

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 and Limited Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which 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, sublessees, 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, each as amended from time to time.

The acceptance of a deed or conveyance or the entering into of a lease or sublease for, 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 – Principal Office.

The principal office of the Condominium and the Board of Managers shall be located at the Property or at such other place within the County of Bronx, State of New York reasonably convenient thereto as may be designated by the Board of Managers.

ARTICLE II. Board of Managers

Section 1 - Number and Qualification.

Until all Units are sold and closed, all three (3) members of the Board of Managers shall be appointed by the Sponsor.

The first meeting of Unit Owners will be held once all Units are sold and closed.

Annual meetings will be held each annual anniversary from the first meeting of the Unit Owners although no change in control will occur until the provisions set forth herein are met.

The By-Laws authorize 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 and presented to the secretary by not less than 25% in common interest, in the aggregate, of the Unit Owners.

After the initial Sponsor control period expires, the By-Laws do not require that the majority of the Board consist of owner occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., as a home as opposed to an investment.

After the initial Sponsor control period, a majority of Board Members will not be Sponsor affiliates.

All members of the Board of Managers (other than the designees of the Sponsor) shall be Unit Owners, mortgagees of Units, partners or employees of a partnership owning a Unit or a mortgage covering a Unit, shareholders, officers, directors or employees of corporate owners or corporate mortgagees of Units, or fiduciaries or officers or employees of fiduciaries who are owners or mortgagees of Units.

The term of office of the members of the Board of Managers shall be one year or until their successors are elected, whichever is later.

All terms of the members of the Board of Managers term shall expire annually.

All members of the Board of Managers shall be owners, spouses of owners, or mortgagees of Units, or, in the case of partnership owners or mortgagees, shall be members or employees of such partnership, or in the case of corporate owners or mortgagees, 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 in the case of the Sponsor or Sponsor-affiliates, shall be designees of the Sponsor.

Persons designated by the Sponsor or Sponsor-affiliate under this Article need not be Unit Owners.

As used in these By Laws, the term "Sponsor-affiliate" shall mean any person or entity which the Sponsor may designate to acquire title to a Unit. Such term is used interchangeably with and is intended to have identical meaning with the term "Sponsor-designee" as used in the Declaration, Offering Plan and other documents related to the Condominium. A "Sponsor-affiliate" shall have the right to designate a person or entity to succeed to its rights, and any such designee shall also be deemed a "Sponsor-affiliate".

Each member may be re-elected any number of times.

Section 2 - Powers and Duties.

The Board of Managers shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

(a) Operation, use, care, upkeep, maintenance and replacements of the Common Elements and Limited Common Elements as described in the Declaration;

(b) Determination of the common charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property and the Units;

(c) Collection from the Unit Owners of the common charges of the Condominium;

(d) Employment and dismissal of the personnel necessary for the maintenance and operation of the Common Elements (which shall be determined by the Board of Managers, in its sole discretion);

(e) Adoption of an amendment and additions to the Rules and Regulations subject to the limitations hereinafter set forth in these By-Laws, covering the details of the operation and use of the Property;

(f) Opening and maintaining of bank accounts on behalf of the Condominium and designating the signatories required therefore;

(g) Accepting the conveyance of Units surrendered by Unit Owners to the Board of Managers, or purchasing or leasing or otherwise acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their owners to the Board of Managers;

(h) Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners;

(i) Acquiring in the name of the Board of Managers, or its designee, corporate or otherwise, on behalf of all Unit Owners, rights and interest in real and personal property for use in connection with ownership and operation of the Property as a Condominium, as described in the Declaration and these By-Laws;

(j) Obtaining insurance for the Property, including the Units, pursuant to the provisions of Article V, Section 2 hereof;

(k) Making of repairs, additions and improvements to or alterations of the property and making of 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;

(l) Leasing portions of the Common Elements and granting of licenses for vending machines;

(m) Selling, leasing, mortgaging, 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;

(n) Organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units or rights and interest in real and personal property for use in connection with the ownership and operation of the property as a residential Condominium, on behalf of all Unit Owners;

(o) Granting of licenses of Common Elements;

(p) Borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of a two-thirds percent (66 2/3rds) of all Unit Owners in number and in common interest obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws shall be required for the borrowing of any sum in excess of $5,000.00 in any one fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements, or except as expressly permitted in Section 339-jj of the Real Property Law, without the consent of the Unit Owner and (iii) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Board of Managers pursuant to the subparagraph (p) is not repair by the Board of Managers, any Unit Owner who pays to the creditor thereunder such proportion thereof as his Common Interest bears to the Common Interests of all the Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or shall have the right to file against such Unit Owner's Unit.

(q) Enforcing obligations of Unit Owners, including without limitation, levying reasonable fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Condominium;

(r) Adjusting and settling claims under insurance policies obtained pursuant to Article V, Section 2 and executing and delivering releases upon settlement of such claims on behalf of all Unit Owners;

(s) Executing, acknowledging and delivering of any declaration or other instrument affecting the Property (i) which the Board of Managers deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of any governmental authorities applicable to the maintenance, demolition, construction, alteration, repair or restoration of the Property, permitted hereunder or under the Declaration or (ii) upon request of a Unit Owner;

(t) Preparing, executing and recording on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest (i) amendments of the Declaration and/or these By-Laws, whenever in the judgment of the Board of Managers it is advisable to consolidate and restate all amendments theretofore made to the Declaration and/or By-Laws;

(u) Granting utilities or other easements as may, from time to time, be required for the benefit of the Condominium and Unit Owners and controlling power shut-offs and other interruptions of the normal functioning of the Condominium, to facilitate repairs to and renovations of particular Units and/or of the Common Elements. In making determinations in this area, the Board of Managers will make all reasonable

efforts to disrupt the operations of the Unit Owners as little as possible under the circumstances then prevailing;

(v) Investing any excess funds in savings accounts, treasury bills, certificates of deposit or other such money market instruments and funds which invest in any such instruments.

(w) To impose move-in fees and charges and transfer fees in connection with the sale or lease of a Residential Unit, provided no such fees or charges or other conditions of transfer or lease may be imposed upon Sponsor;

(x) To hire or employ professionals to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate.

Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or any Sponsor-affiliate shall continue to own a Unit, the Board of Managers may not, without the Sponsor's or Sponsor-affiliate's prior written consent, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any common charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund or (iii) hire any employee in addition to the employees referred to in the Plan of Condominium Ownership or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of title to an apartment Unit or (v) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient) or (vi) amend the Declaration or these By-Laws so as to in any way adversely affect the Sponsor or its designees.

At no time will the Board of Managers interfere with: the offer and sale or leasing of Units; operation of general or sales and leasing offices on the premises, actions necessary for construction, renovation, repair or correction on the premises, as required by Sponsor. The Sponsor or Sponsor-affiliate shall have the right to withhold its consent to any of the foregoing actions.

Section 3 - Managing Agent and Manager.

The Board of Managers may employ a managing agent and/or manager (including the Sponsor or a corporation organized or controlled by the Sponsor) for the Condominium at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize.

The Board of Managers may delegate to any manager or managing agent all of the powers granted to the Board of Managers by these By-Laws including but not limited to the duties listed in subdivisions (a), (c), (d), (j) and (k) of Section 2 of this Article II.

However, in no event may the Board of Managers delegate to the manager or managing agent, the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (l), (m), (n), (o), (p), (q), (r), (s), (t), (u), and (v) of Section 2 of this Article II.

The Board of Managers may terminate or replace the managing agent, if any, employed for the operation of the property at any time by a majority vote of the Board of Managers.

The Board of Managers may retain such attorneys, accountants and other professionals as it deems advisable in exercising any of the powers enumerated in Section 2 of this Article II.

Section 4 - Election and Term of Office.

The term of office of the members of the Board of Managers elected by Unit Owners other than the Sponsor or a Sponsor-affiliate at the first meeting of Unit Owners held pursuant to Section 1 (a) of Article III of these By-Laws shall expire on the date of the second meeting of Unit Owners held pursuant to Section 1 (b) of Article III of these By-Laws.

Except as provided in Section 1(d) of Article III, at the second meeting of the Unit Owners the term of office of the new members of the Board of Managers shall be fixed at one (1) year and the members of the Board shall serve until a new Board of Managers is elected at the next annual meeting.

Section 5 - Resignation and Removal of Members of the Board of Managers.

Resignation.

Any member of the Board of Managers may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the President or Secretary of the Condominium. Such resignation shall take effect at the time specified therein provided no resignation shall be effective prior to receipt thereof by the President or Secretary. Acceptance of such resignation shall not be specifically requested or required.

Removal.

At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor or a Sponsor-affiliate, may be removed with or without cause by a majority of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. A member of the Board of Managers designated by the Sponsor or a Sponsor-affiliate,

may only be removed by the Sponsor or a Sponsor-affiliate, respectively, and only they shall have the right to designate a replacement.

Member of Board of Managers Who Has Sold Unit.

If a member of the Board of Managers ceases to be a Unit Owner or Unit mortgagee (or a partner, officer, director, stockholder or employee of a partnership or corporate owner or mortgagee or fiduciary owner or mortgagee), unless such member is a designee of the Sponsor or a Sponsor-affiliate, he shall be deemed to have resigned effective as of the date such ownership or mortgage interest ceased.

Section 6 - Vacancies.

Vacancies in the Board of Managers caused by any reason other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Managers held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until the next annual meeting of the Unit Owners, at which meeting a successor shall be elected for such member.

Notwithstanding the foregoing, vacancies of members designated by the Sponsor or a Sponsor-affiliate, shall be filled only by the Sponsor or Sponsor-affiliate, respectively.

Section 7 - First Meeting of Board of Managers.

The first meeting of the members of the Board of Managers shall be held immediately following the first meeting of the Unit Owners and no notice shall be necessary to the newly elected members of the Board of Managers legally to constitute such meeting, provided that a majority of the members of the Board of Managers shall be present at such first meeting.

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 (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or facsimile transmission, at least three (3) business days prior to the day named for such meeting.

Section 9 - Special Meetings.

Special meetings of the Board of Managers may be called by the President on three (3) business days notice to each member of the Board of Managers, given by mail

or facsimile transmission, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Managers.

Section 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 the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers.

If at any meeting of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time.

At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board or the committee consent in writing are filed with the minutes of the proceedings of the Board or the committee.

Section 12 - Fidelity Bonds.

The Board of Managers may obtain adequate fidelity bonds for all officers and employees of the Condominium and or the managing agent handling or responsible for Condominium funds. The Board of Managers may obtain such other fidelity bonds as it deems proper. The premiums for such bonds shall constitute a common expense.

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.

The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith.

The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all liability to others arising from their acts as, or by reason of the fact that such person was, a member of the Board of Managers. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Condominium shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners) and that any liability of a Unit Owner thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements. Members of the Board of Managers designated by the Sponsor or a Sponsor-affiliate shall not incur any liability for self-dealing in connection with any contract made by the Board of Managers on behalf of the Unit Owners with the Sponsor or a Sponsor-affiliate, respectively, provided that any compensation paid under such contract shall be at then competitive rates for similar goods and services in the County of Bronx, City and State of New York.

Section 15 - Executive Committee.

The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of one (1) or more members of the Board of Managers, at least one of whom shall be a member designated by the Sponsor, or a Sponsor-affiliate so long as the Sponsor, or a Sponsor-affiliate has the right to designate a member of the Board.

Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee shall not have power (a) to

determine the common charges and expenses required for the affairs of the Condominium, (b) to determine the common charges payable by the Unit Owners to meet the common charges and expenses of the Condominium, (c) to adopt or amend the Rules and Regulations covering the details of the operation and use of the Property or (d) to exercise any of the powers set forth in subdivisions (g), (h), (i) and (o) of Section 2 of Article II.

Section 16 - Other Committees.

The Board of Managers may by resolution create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be designated by the Sponsor, or a Sponsor-affiliate so long as the Sponsor, or a Sponsor-affiliate has the right to designate a member of the Board, shall be appointed by the President of the Condominium. Such committee shall not have power to do any act which the Executive Committee may not do under subsections (a)-(d) of Section 15 of Article II.

ARTICLE III. Unit Owners

Section 1 - Annual Meetings.

(a) First Meeting.

The Sponsor shall call the first meeting of Unit Owners upon the closing of the last Unit offered for sale.

Within 90 days after (i) the Sponsor's conveyance of title to all Units or (ii) the fifth anniversary of the First Closing, whichever shall first occur, or sooner at the Sponsor's option, the Sponsor shall call the first meeting of Unit Owners for the election by all Unit Owners (including the Sponsor or Sponsor-affiliates) of a three (3) member Board of Managers.

(b) Sponsor's Right to Elect Members of the Board of Managers.

The Sponsor or its designees shall have voting control of the Board of Managers until all Units are sold and closed.

At that time, the three (3) members designated by the Sponsor will resign and a vote will be held to elect three (3) new members to the Board of Managers to comprise a three (3) member Board of Managers elected by all Unit Owners.

(c) Annual meetings.

Annual meetings of Unit Owners shall be held on the first anniversary of the first meeting of Unit Owners and annually thereafter unless such day shall fall on a Saturday, Sunday or legal holiday, in which event the meeting for that year shall be held on the succeeding Monday.

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 and presented to the Secretary by not less than 25% in common interest, in the aggregate, of Unit Owners. 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 deliver or mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) but not more than twenty (20) days prior to such meetings, 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. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least thirty (30) days prior to such meeting. The delivery or mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5 - Adjournment of Meetings.

If any meeting of Unit Owners cannot be held because a quorum has not attended, a majority in common interest of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 6 - Order of Business.

The order of business at all meetings of the Unit Owners shall be as follows:

(a) Roll call.

(b) Proof of notice of meeting.

(c) Reading of minutes of preceding meeting.

(d) Reports of officers.

(e) Report of Board of Managers and/or Managing Agent.

(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.

The order of business of all special meetings of the Unit Owners shall conform to the foregoing to the extent practicable.

Section 7 - Title to Units; Status of Holder of Title as Unit Owner.

Title to Units may be taken in the name of an individual or in the names of two or more persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary, non-profit organization or governmental entity (upon waiver of diplomatic immunity, as, if and when required by the Board of Managers). The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. The above shall not constitute consent or approval of any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

Section 8 - Voting.

The owner or owners of each Unit (except the Board of Managers), or some person designated by such owner or owners to act as proxy on his or their behalf and who need not be an owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the owner or owners so designating. Any or all of such owners may be present at any meeting of the Unit Owners and (those constituting a group acting unanimously) may vote or take any other action as a Unit Owner either in person or by proxy.

The total number of votes of all Unit Owners shall be 100 and each Unit Owner (including the Sponsor or Sponsor-affiliates, if the Sponsor or Sponsor-affiliates shall then own or shall then hold title to one or more Units) shall be entitled to cast a vote at all meetings of the Unit Owners equal to his percent of interest in the Common Elements applicable to his Unit.

A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity.

When voting for members of the Board of Managers, the voting shall be by ballot and each ballot shall state, among other things, the name of the Unit Owner voting and the Common Interest appurtenant to this Unit and in addition the name of the proxy if such ballot is cast by a proxy.

No designation to act as a proxy shall be effective for a period in excess of six months except a designation of a Permitted Mortgagee to act as the proxy of its mortgagor.

Section 9 - Majority of Unit Owners.

As used in these By-Laws the term "majority of Unit Owners" shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners present in person or by proxy at any meeting of the Unit Owners, determined in accordance with the provisions of Section 8 of this Article III.

Section 10 - Quorum.

Except as otherwise provided in these By-Laws or the Declaration, the presence in person or by proxy of Unit Owners having one-third of the total authorized votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

Section 11 - Majority Vote.

The vote of a majority of Unit Owners by percentage of common interest at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where in the Declaration, these By-Laws, or by law, a higher percentage vote is required.

Section 12 - Action Without Meeting.

Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or applicable law consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

ARTICLE IV. Officers

Section 1 - Designation.

The principal officers of the Condominium shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, need be members of the Board of Managers. Any single person may hold any combination of offices except that the office of President and Vice President shall be held by different persons.

Section 2 - Election of Officers.

The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers.

Section 3 - Removal of Officers.

Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose. However, a member of the Board of Managers may not be removed by the Board of Managers without the express written consent of the Sponsor.

Section 4 - President.

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

Section 6 - Secretary.

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

Section 7 - Treasurer.

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

Section 8 - Agreement, Contracts, Deeds, Checks, etc.

All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two persons who shall be officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

Section 9 - Compensation of Officers.

No officer shall receive any compensation from the Condominium for acting as such.

Section 10 - Liability of Officers.

No officer shall be liable to the Unit Owners for any mistake of judgment negligence or otherwise, except for willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the officers of the Condominium against all liability to others arising from their acts as, or by reason of the fact that such person was an officer. It is intended that officers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is also intended that the liability of any Unit Owner arising out of any contract made by any officer or out of the aforesaid indemnity in favor of the officers shall be limited to such proportion of the total liability thereof as his interest in the Common Elements bears to the interests of all Unit Owners in the Common Elements. Every agreement

made by any officer 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 agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners) and that any liability of a Unit Owner thereunder shall be limited to such proportion of the total liability of a Unit Owner thereunder as his interest in the Common Elements bears to the interests of all Unit Owners in the Common Elements. Officers designated by the Sponsor or Sponsor-affiliate shall not incur any liability for self-dealing in connection with any contract made by such officers on behalf of the Unit Owners with the Sponsor, or a Sponsor-affiliate, provided that any compensation paid under such contract shall be at then competitive rates for similar goods and services in the County of Bronx, City and State of New York.

ARTICLE V. Operation of the Property

Section 1 - Determination of Common Expenses and Fixing of Common Charges.

The Board of Managers shall from time to time, and 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. The Common Expenses shall include 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 V. The Common Expenses may also include such amount as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for Working Capital of the Condominium, for a general operating reserve, 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 may be required for the purchase or lease by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of common charges and Common Expenses payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of each budget on which such common charges and expenses are based to all Unit Owners (and their respective mortgagee, if required). Until the Sponsor or Sponsor-affiliate has conveyed title to all the Units to Purchasers thereof, the Board of Managers can reduce the amount of common charges allocated to the Units and payable by Unit Owners (including the Sponsor or Sponsor-affiliate as owner of any unsold Units) provided that so long as the Sponsor or Sponsor-affiliate controls the Board of Managers the common charges will not be reduced below the amount necessary to operate the Property.

The Sponsor or Sponsor-affiliate shall be responsible for the common charges assessed against a Unit owned by it from the date of the first conveyance of title to a

Unit in the building in which such Sponsor-owned Unit is located until such Unit is sold to a bona fide Purchaser.

Section 2 - Insurance.

The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance:

Property coverages:

Blanket Real & Personal Property / Building Ordinance	**$6,000,000.00 limit**
"All Risk", Agreed Amount Replacement Cost - Deductible - $1,000.00	

Liability coverages:

Commercial General Liability	
General Aggregate – Per Location	$1,000,000.00 limit
Each Occurrence	$1,000,000.00 limit
Fire Damage Legal Liability	$ 50,000.00 limit
Workers Compensation	Statutory Limits

And such other insurance as the Board of Managers may determine.

The amount of fire insurance to be maintained until the first meeting of the Board of Managers following the second meeting of the Unit Owners shall be equal to 100%, replacement value.

All policies of physical damage insurance shall, if possible, contain waivers of subrogation and waivers of any defense based on insurance or of pro-rata reduction of liability or of invalidity arising from any acts of the insured, 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 insured, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance or any renewal thereof, the Board of Managers shall 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.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager, and each Unit Owner and covering all claims for bodily injury or property damage, arising out of any occurrence in the Common Elements or

the Units, except such policy shall not cover liability of a Unit Owner arising from an occurrence within his own Unit. Such public liability coverage shall also cover cross liability claims of one insured against another. The Board of Managers shall review such limits once each year.

Until the first meeting of the Board of Managers following the second meeting of the Unit Owners, such public liability insurance shall be a single limit of not less than **$1,000,000** covering all claims for bodily injury or property damage arising out of one occurrence and including property damage and water damage legal liability claims.

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

Insurance proceeds with respect to loss shall be payable to the Board of Managers or the Unit Owner entitled to adjust such loss.

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 such damage or destruction shall give a Unit Owner or lienor a right of partition as provided by Article 9-B of the Real Property Law of the State of New York), the Board of Managers shall arrange for the prompt repair and restoration of the building.

If 75% or more of the Building is destroyed or substantially damaged and 75% or more in Common Interest of all Unit Owners do not within sixty (60) days from the date of such damage or destruction, duly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common in accordance with the provisions of Article 9-B of the Real Property Law of the State of New York, the Property will not be repaired and the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) shall be divided by the Board of Managers among all the Unit Owners in proportion to their respective common interest, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Section 4 - Payment of Common Charges.

The term "Common Charges" shall mean any charge assessed by the Board of Managers against any Unit Owner. All Unit Owners shall be obligated to pay to the Board of Managers the general common charges assessed to it by the Board pursuant

to these By-Laws at such time or times (but not less than monthly) as the Board determines. All Unit Owners shall be obligated to pay the common charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article V which charges shall be payable in advance on the first day of each month or at such time or times as the Board of Managers shall subsequently determine. The common charges payable by each Unit Owner will be computed in accordance with his proportionate interest in the Common Elements.

No Unit Owner shall be liable for the payment of any part of the common charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VII hereof. A Purchaser of a Unit shall be liable for the payment of common charges assessed against such Unit prior to the acquisition by him of such Unit, except that a mortgagee or other Purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for, and such Unit shall not be, subject to a lien for the payment of common charges assessed prior to the foreclosure sale other than as permitted by existing law at the time of the foreclosure sale.

Section 5 - Default in Payment of Common Charges and Violations.

In the event any Unit Owner fails to make payment of Common Charges when due to the Condominium, such Unit Owner shall be obligated to pay (a) a "late charge" equal to the greater of $150.00 or one percent (1%) of such amounts which remain unpaid for more than ten (10) days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid, and (b) interest at the rate of two percent (2%) per month (but in no event in excess of the maximum rate permitted by law) on which unpaid amounts computed from the due date, thereof, together with all costs and expenses, including without limitation, reasonable attorneys' fees paid or incurred by the Board of Managers or by any managing agent in any proceeding brought to collect such unpaid Common Charges or in any action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by law. All such "late charges", interest, reasonable attorneys' fees, costs and expenses shall be added to and shall constitute Common Charges due to the Condominium payable by such Unit Owner.

Board of Managers shall have the right to levy against Unit Owners such just and appropriate fines as it deems advisable for noncompliance with any of the provisions of the Declaration, these By-Laws or the Rules and Regulations of the Condominium. All such fines shall be added to and shall constitute Common Charges payable by such Unit Owner. Until such time as the By-Laws or Rules and Regulations are amended, the fine for each violation of any portion of the By-Laws or Rules and Regulations shall be $100.00 for the first offense and $250.00 for the second offense within and $1,000.00 for the third and any subsequent violation in any six month period.

Section 6 - Foreclosure of Liens for Unpaid Common Charges.

In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to (other than for the election of members of the Board of Managers), convey or otherwise deal with the same. An action 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 a foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficiency.

No Unit Owner shall be liable for the payment of any part of the Common Charges against his Unit accruing subsequent to a sale or other conveyance by him of such Unit, together with its Appurtenant Interest, provided that no violation of any provision of the Declaration or these By-Laws then exists with respect to such Unit. Any Unit Owner may, by conveying his Unit and its Appurtenant Interest to the Board of Managers, or its designee, corporate or otherwise, exempt himself from the liability for Common Charges accruing after such conveyance, subject to the terms and conditions of these By-Laws provided that at the time of such conveyance (a) such Unit is free and clear of liens and encumbrances other than a Permitted Mortgage and the statutory lien for Common Charges and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then exists with respect to such Unit. A Purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by him of such Unit, except as hereinafter provided. A Purchaser of a Unit at a foreclosure sale pursuant to a Permitted Mortgage against such Unit (including, without limitation, such Permitted Mortgagee) shall not be liable, sand such Unit shall not be subject to a lien, for the payment of Common Charges, accrued and unpaid against such Unit prior to the acquisition by said Purchaser of such Unit. However, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Chargers which accrued prior to such sale.

Section 7 - Statement of Common Charges and Assessments.

The Board of Managers (or a 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 and assessments due from such Unit Owner.

Section 8 - Abatement and Enjoinment of Violations by Unit Owner.

The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Law contained herein, or the breach of any provision of the

Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws: (a) upon reasonable notice to the Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach. In connection with the foregoing, the Board of Managers shall have all of the rights of enforcement granted pursuant to Section 339-j of Article 9-B of the Real Property Law of the State of New York.

Section 9 - Maintenance and Repairs.

(a) All maintenance, repairs and replacements to a Unit and Limited Common Elements to which a Unit Owner has exclusive use, whether structural or non-structural, ordinary or extraordinary, (other than maintenance of and repairs to any Common Elements contained therein, and not necessitated by the negligence, misuse or neglect of the owner of such Unit) shall be made by the owner of the Unit.

Electrical, plumbing, heating, and hot water equipment remains the sole responsibility of the condominium as common elements. Each Unit Owner shall be responsible for all damages to any and all other Units and/or to the Common Elements including the electrical system, plumbing system and heating and hot water systems within their Unit, that his failure to do so may engender.

(b) All maintenance, repairs and replacements to the Common Elements (other than the Limited Common Elements described in Section 9(a) above), whether located inside or outside of the Units, (unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be made by the Board of Managers and be charged to all the Unit Owners as a common expense.

(c) Notwithstanding the above, the Board of Managers shall have the responsibility (which shall constitute its only responsibility regarding those items) of painting or refinishing the exterior of the frames of windows opening out of the Units.

(d) In the event that there are "lot line" windows, meaning that there are some or all windows that must be closed and/or sealed if the New York City Department of Buildings requires same, the cost of doing so will be borne by all of the Unit Owners as a Common Expense of the Condominium.

(e) The interior and exterior glass surfaces of all windows located in any Unit shall not be colored or painted and no neon or colored lights may emanate therefrom

and neither the windows, window frames nor mullions may be modified, altered or replaced without the consent of the Board of Managers.

(f) The interior and exterior glass surfaces of all windows located in any Unit shall be washed and cleaned by the Unit Owner or occupant thereof at such Unit Owner's sole cost and expense. No Unit Owner or occupant shall clean or permit to be cleaned any window or require, permit or allow it to be cleaned from the outside in violation of Section 202 of the Labor Law of the State of New York, or any future law or like import, or (if applicable) in violation of the rules of the Board of Standards and Appeals of the City of New York or any other governmental authority having jurisdiction over the Land or the Building. Each Unit Owner shall indemnify the Condominium Board and the other Unit Owners, and their respective agents and employees, for all losses, damages or fines suffered by any of them as a result of a violation of the aforesaid laws, ordinances, regulations or rules. Any replacement of glass windows located in any Unit because of breakage or otherwise shall be made by the Unit Owner thereof at the sole cost and expense of the Owner (unless such breakage is caused by the Condominium Board or the negligence of any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner). Notwithstanding the foregoing, prior to the replacement of any glass window, the Unit Owner must obtain the prior written approval of the Condominium Board, with respect to the type of replacement windows installed. The public areas of the Building and those residential areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building as determined by the Condominium Board in its sole discretion, by (i) the Condominium, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior surfaces of windows and window treatments in, or appurtenant to the Unit.

(g) The exterior of all front doors of Units shall not be painted or decorated other than with the consent of the Board.

(h) It shall be the obligation of the Board of Managers to clean the sidewalks surrounding the Building and to remove snow therefrom. The cost of such cleaning and snow removal, and the cost of repairing and replacing the sidewalks shall be a Common Expense.

(i) It shall be the obligation of the Board of Managers to clean the parking areas and to remove snow therefrom. The cost of such cleaning and snow removal shall be a Common Expense.

Section 10 - Violation of Maintenance Obligations.

In the event that any Unit Owner, after receipt of written notice from the Board, fails or neglects in any way to perform any obligations of his with respect to the painting, decorating, maintenance, repair or replacement of Limited Common Elements or his Unit as provided in this Article V or any Common Elements for which such Unit Owner is responsible under the Declaration or these By-Laws, the Board may perform or cause to be performed such painting, decorating, maintenance, repair or replacement unless such Unit Owner, within five days after receiving notice of such default by the Board, cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such painting, decorating, maintenance, repair or replacement, together with interest thereon at the rate of five percent (5%) per month (but in no event in excess of the maximum rate permitted by law), shall be immediately payable by such Unit Owner to the Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

Section 11 - Limited Common Elements.

The Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of one or more specified Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Limited Common Elements include the following:

1. Each Unit Owner shall have the exclusive use of the entrance to his Unit.

2. The portion of equipment, fixtures or facilities serving or benefiting one Unit, to the extent located within another Unit or within a common element to which there is no direct and exclusive access from the interior of a Unit. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, the Unit Owner who is so served or benefited by such Limited Common Element shall have the exclusive right to use such Limited Common Element and shall be responsible for the normal operation, maintenance and repair thereof at such Residential Unit Owner's sole cost and expense;

3. Balconies,

The cost of maintaining and repairing the Unit entrances will be included in the common charges payable by all Unit Owners. All other Limited Common Elements shall be repaired and maintained by the Unit Owners having exclusive use thereof.

The cost of maintaining and repairing the Unit entrances will be included in the common charges payable by all Unit Owners. All other Limited Common Elements shall be repaired and maintained by the Unit Owners having exclusive use thereof.

No construction on or enclosures are permitted on the roof, roof decks, areaways or balconies.

The Board of Managers will have the responsibility of maintaining and repairing the entrance to each Unit, and the cost thereof will be included in the common charges payable by all Unit Owners unless necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense shall be charged to such Unit Owner. All other Limited Common Elements shall be repaired and maintained by the Unit Owners having exclusive use thereof;

Section 12 - Heating, Hot Water and Air-Conditioning Systems.

All maintenance, repairs and replacements to the heating systems and hot water heaters shall be made by the Condominium at a Common Expense. Any maintenance, repairs and replacements of the air conditioning systems, heating systems and hot water heaters located inside each Condominium Unit, excluding the piping, shall be made by the Unit Owner at the Unit Owner's expense;

Section 13 - Restrictions on Use of Units.

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

(a) All residential Units shall be used by Unit Owners (other than the Sponsor or Sponsor-affiliates) for residences. The Sponsor or Sponsor-affiliates shall have the right, without charge, (i) to maintain general and sales offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; and (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the building and to comply with its obligations;

(b) The Common Elements and Limited 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 unreasonably 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 and its appurtenant interests) may be rented, and no transient tenants may be accommodated therein;

(f) Rules and regulations concerning the use of the Units, the Common Elements and the Limited Common Elements may be promulgated and amended from time to time by the Board of Managers provided that copies of such rules and regulations are furnished to each Unit Owner not less than 5 days prior to the time that they become effective. Any Rule or Regulation may be rescinded by vote of 70% of the Unit Owners at a meeting duly called for such purpose. No such Rule or Regulation shall interfere with the possession, maintenance, use or enjoyment of any Unit owned by Sponsor or a Sponsor-affiliate. The Condominium's initial Rules and Regulations are attached hereto as Schedule A.

(g) Occupancy shall be limited to residential use unless permission for other use is granted by the Board of Managers and meets approvals of government agencies and authorities;

(h) No two (2) bedroom Units may be occupied for overnight accommodations by more than four (4) persons at any time and No three (3) bedroom Units may be occupied for overnight accommodations by more than six (6) persons at any time.

Section 14 - Additions, Alterations or Improvements by Board of Managers.

Subject to the provisions of Section 2 Article II of these By-Laws, whenever in the judgment of the Board of Managers the Common Elements or the Limited Common Elements shall require additions, alterations or improvements costing in excess of $5,000 and the making of such additions, alterations or improvements shall have been approved by more than 50% in number and in common interest of the Unit Owners (including the Sponsor or any Sponsor-affiliate if then a Unit Owner) in accordance with these By-Laws (and by the holders of first mortgages on Units, if their approval is required), the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a common charge. Any additions, alterations or improvements costing $5,000 or less may be made by the Board of Managers without approval of the Unit Owners or mortgagees of Units and the cost thereof shall constitute part of the Common Expenses. So long as the Sponsor or any Sponsor-affiliate shall own at least 15% of the apartment Units, the Board of Managers may not make any addition, alteration or improvement to the Common Elements without the Sponsors prior written consent.

Section 15 - Additions, Alterations or Improvements By The Owners.

No Unit Owner shall make any structural addition, alteration or improvement in or to his Unit or which may affect the value of other Units, without the prior written consent thereto of the Board of Managers and, if required, of his mortgagee. The Unit Owner must submit a written request (along with documentation reasonably required by the Board of Managers) for approval the Board of Managers of a proposed structural addition, alteration or improvement in such Unit Owner's Unit. The Board of Managers shall respond within thirty (30) days after such request advising of its approval or disapproval of the request; failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement. Any application to any governmental authority having or asserting jurisdiction, for a permit to make an addition, alternation or improvement in or to any Unit shall be executed by the Board of Managers only, without, however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor, materialman, architect or engineer 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.

The provisions of this Section 15 shall not apply to a Unit owned by the Sponsor or Sponsor-affiliate.

The Board of Managers shall execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such installation or structural addition, alteration or improvement made by the Sponsor or Sponsor-affiliate to any Unit provided, however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

Non-structural alterations and improvements to Units that do not affect the exterior of the building or the value of other Units may be made without the prior approval of the Board of Managers.

Section 16 - Use of Common Elements and Facilities.

(a) A Unit Owner shall not store any furniture, packages or objects of any kind in any part of the Common Elements or Limited Common Elements.

(b) The Common Elements and Limited Common Elements and related facilities shall be used only for those purposes for which they are reasonably suited and capable. No Unit Owner shall make any addition, alteration, improvement or change in or to any common element or Limited Common Elements (including, but without limitation, the exterior of the building) without the prior written consent of the Board of Managers (and the holders of Unit first mortgagees, if required). The Sponsor and any Sponsor-affiliate shall have the right to use the Common Elements, without charge, for the purposes set forth in Section 13 of this Article V.

(c) The Board of Managers has the authority to adopt or amend administrative rules and regulations governing the details of the operation and use of the Common Elements.

Section 17 - Right of Access.

A Unit Owner shall grant a right of access to his Unit to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections when necessary or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a common element or Limited Common Element, or any condition originating in his Unit constituting a violation of law or for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services or other Common Elements in his Unit or Limited Common Elements elsewhere in the building or to correct any condition which violates the provisions of any mortgage covering another Unit, provided that requests for 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 a manner as will not unreasonably interfere with the proper 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. The foregoing shall not be deemed as prohibiting a Unit Owner from having a representative present when such access is given to the Board of Managers.

Section 18 - Utilities.

Electricity.

Electricity to Condominium Units will be supplied by the public utility companies serving the area through individual meters and billed by such companies to each Unit Owner. Except as provided for in the Declaration, a Unit Owner shall not exceed the capacity of existing feeders, risers or wiring installations and shall not use any electrical equipment which in the reasonable opinion of the Board of Managers will overload such feeders, risers or installations.

The cost of electricity for the public spaces outside the Units and for the common areas, as measured by one or more building meters, will be borne by the Unit Owners and will be included in the common charges therefore.

Gas.

Gas to Condominium Units will be supplied by the public utility companies serving the area to each Unit for cooking, heating and hot water purposes through three meters servicing each Condominium Units and will be billed to the Condominium by the utility as a Common Expense paid by Unit Owners through Common Charges.

Water.

Water will be supplied to all Units and sewage treatment will be provided by the municipality and the cost thereof will be included in the common charges.

The Board of Managers shall have the right to interrupt all utilities for the purposes of dealing with accidents, strikes, repairs, alterations, improvements, and the like. The Board of Managers shall have no liability to any Unit Owner for any such interruption. However, the Board of Managers shall make all reasonable efforts to minimize the extent of such interference.

ARTICLE VI. Mortgages

Section 1 - Notice to Board of Managers.

A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units".

Section 2 - Notice of Unpaid Common Charges or Other Default.

The Board of Managers, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any then unpaid common charges or assessments levied by the Board of Managers due from, or any other default by, the owner of the mortgaged Unit. The Board of Managers, when giving notice to a Unit Owner of any default, shall also send a copy of such notice to each holder of a mortgage covering such Unit whose name and address shall have theretofore been furnished to the Board of Managers.

Section 3 - Notice of Default.

The Board of Managers, when giving notice to a Unit Owner of a default in paying common charges or assessments or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore 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 and records of the Condominium at reasonable times, on business days, but not more than once each month, at the office of the Condominium or the managing agent.

ARTICLE VII. Sales, Leases and Mortgages of Units

Section 1 - Sales and Leases.

FOR THE PROPOSED RESALE OF A CONDOMINIUM UNIT:

Any Unit Owner shall have the right to sell his or her Unit under the following terms and conditions:

A. The Unit Owner shall first give the Board of Managers thirty (30) days prior written notice of the terms of any bona fide sale, together with a copy of a contract of sale executed by a prospective Purchaser, which the Unit Owner desires to execute. Written notice with a copy of the contract of sale shall be sent to the managing agent, if any, or to the President of the Condominium by Certified Mail or overnight mail by via a nationally recognized overnight courier service with proof of delivery being retained by the Unit Owner;

B. The Board of Managers may require the prospective Purchaser to complete an application and/or questionnaire for consideration by the Board of Managers or Sponsor of the proposed transaction. (The 30 day period as discussed above shall commence from the time that the managing agent or the President of the Condominium receives a fully completed application in the event that the Condominium requires applications to be completed by prospective Purchasers). The Board of Managers shall require photo identification of all persons who are prospective Purchasers and who may reside in the Condominium Unit; the names, addresses and social security numbers of all proposed occupants shall be provided to the Board of Managers with the proposed contract of sale. Any prospective Purchaser of any Condominium Unit consents to the Board of Managers obtaining a criminal background check on the proposed Purchasers. The Board of Managers may not discriminate against any proposed Purchaser or proposed occupant on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law.

If the Board of Managers fails to act within such thirty (30) day period, it shall be deemed to have consented to the proposed transaction;

Any such deed to convey any Condominium Unit 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.

C. If the Board of Managers refuses to consent to the transaction, it shall, within the thirty (30) day period, either:

(i) Produce a Purchaser who will purchase the Unit upon the same terms as stated in the Unit Owner's notice to the Board of Managers and the contract of sale executed by the proposed Purchaser, or

(ii) Agree to purchase the Unit on behalf of all other Unit Owners on the same terms stated in the contract of sale submitted to the Board of Managers.

If the Board of Managers desires to purchase the Condominium Unit from a Unit Owner, at the closing, the Unit Owner shall convey the Unit (and Appurtenant Interests) 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 transfer and other taxes arising out of such sale. Real estate taxes, mortgage interest and common charges and expenses shall be apportioned between the Unit Owner and the Board of Managers, or its designee, as of the closing date. The closing shall occur within 45 days from the date that the Board of Manager exercises its right of first refusal to purchase the Condominium Unit. The closing shall occur at the offices of the attorney for the Condominium.

In connection with the foregoing, the Board of Managers may not purchase a Unit without the approval of a majority of the Unit Owners (as such term "majority" is defined in the By-Laws). In the event that the Board of Managers does not have sufficient funds on hand for the purchase of a Unit which has been approved by the majority of the Unit Owners, the Board of Managers may borrow such funds or may assess the Unit Owners in proportion to their respective common interests to the extent of the purchase price amount. In the event that the Board of Managers exercises its right to purchase the Condominium Unit, it may do so on the same terms and conditions (including but not limited to the mortgage contingency provisions and closing date provisions set forth in the contract executed by the proposed Purchaser). In the event that the Board of Managers does not either produce a Purchaser for the Unit or agree to purchase the Unit on behalf of all of the Unit Owners as set forth above within the stated thirty (30) day period, the Unit Owner shall have the right to consummate the sale on the terms submitted to the Board of Managers and in accordance with the terms set forth in the contract of sale executed by the proposed Purchaser. The proposed Purchaser must comply with the requirements set forth in the Declaration and By-Laws.

The restrictions upon the sale of Units, set forth in this Section shall not apply to the Sponsor, or its designee, or to a mortgagee (including the holder of a construction loan, if any) acquiring title in foreclosure or by deed in lieu of foreclosure. The foregoing persons shall be free to sell without first notifying or obtaining the consent of the Board of Managers or Sponsor. The Board of Managers and the Sponsor, as the case may be, shall be required to cooperate in providing appropriate physical access to any such Unit and the Common Elements, as well as all financial information regarding same.

A Unit acquired by the Board of Managers pursuant to the Right of First Refusal described herein may be sold, leased, mortgaged or otherwise dealt with in the

discretion of the Board of Managers. The proceeds of such disposition will be received by the Board of Managers on behalf of all Unit Owners in proportion to their respective common interests.

FOR THE PROPOSED LEASING OF A CONDOMINIUM UNIT BY A UNIT OWNER:

Any Unit Owner shall have the right to lease their Condominium Unit under the following terms and conditions, giving the Board of Managers the right of first refusal to lease the Condominium Unit from the Unit Owners desiring to lease their Condominium Unit:

The Unit Owner shall first give the written notice by Certified Mail or via a nationally recognized overnight courier service with proof of delivery being retained by the Unit Owner to and for approval by the (a) Sponsor if Sponsor is in control of the Board of Managers, or (b) the Board of Managers if Sponsor is no longer in control of the Board of Managers, of no less than thirty (30) days written notice of the terms of any bona fide proposed lease and tenant, together with a copy of a completed lease to be executed by a prospective tenant, or if executed by the prospective tenant, the lease must include the following provision:

For a lease:

"THIS LEASE IS SUBJECT TO THE RIGHT OF FIRST REFUSAL OF THE BOARD OF MANAGERS OF SEDGWICK CONDOMINIUM. THIS LEASE IS NOT VALID UNLESS THE BOARD OF MANAGERS ISSUES A LETTER STATING THAT THE CONDOMINIUM HAS WAIVED ITS RIGHT OF FIRST REFUSAL".

Written notice must be sent by the Unit Owner by Certified Mail or via a nationally recognized overnight courier service with proof of delivery being retained by the Unit Owner to the Sponsor if the Sponsor is still in control of the Board of Managers, or to the President of the Condominium if the Sponsor is no longer in control of the Board of Managers.

If the Board of Managers fails to exercise its right of first refusal, then the Tenant may execute the lease with the proposed tenant.

The Board of Managers may require the prospective tenant to complete an application and/or questionnaire for consideration by the Board of Managers or Sponsor of the proposed leasing transaction. (The 30 day period as discussed above shall commence from the time that the managing agent or the President of the Condominium receives a fully completed application in the event that the Condominium requires applications to be completed by prospective Purchasers). The Board of Managers shall require photo identification of all persons who are prospective tenants and occupants who shall reside in the Condominium Unit which is the subject of the lease. The names, addresses and social security numbers of all persons who will reside in the Condominium Unit must be submitted to the Board of Managers with the proposed

lease. Any prospective tenant of any Condominium Unit consents to the Board of Managers obtaining a criminal background check on the proposed tenants and occupants. The Board of Managers may not discriminate against any proposed Purchaser or proposed occupant on the basis of race, creed, color, national origin, sex, sexual orientation, age, disability, marital status or other grounds prohibited by law.

Any purported leasing of a Condominium Unit in violation of this Section shall be voidable at the election of the Board of Managers or Sponsor as the case may be.

The restrictions upon the leasing of Condominium Units, set forth in this Section shall not apply to the Sponsor, or its designee, or to a mortgagee (including the holder of a construction loan, if any) acquiring title in foreclosure or by deed in lieu of foreclosure. The foregoing persons shall be free to lease, without first notifying or obtaining the consent of the Board of Managers or Sponsor. The Board of Managers and the Sponsor, as the case may be, shall be required to cooperate in providing appropriate physical access to any such Unit and the Common Elements, as well as all financial information regarding same.

Any lease of a Unit shall be in the form recommended for apartments by the Real Estate Board of New York, except as otherwise provided in the By-Laws.

Notwithstanding the foregoing, no Unit Owner may sell or lease his Unit if he is in arrears on payment of common charges.

Unit Owners will be free, without restriction, to sell or lease their respective Units to a spouse or, any adult children, without first offering the Unit for sale or lease to, or obtaining the consent of the Board of Managers. Furthermore, a Unit Owner is free, without restriction, to make a gift of his Unit to anyone during his lifetime, to devise such Unit by will or pass such Unit by intestacy. No Unit can be sold, leased or in any way transferred apart from its appurtenant interest in the Common Elements.

The Board of Managers may make further restrictions on or conditions to sale or lease of Units in the future consistent with the Condominium Declaration, By-Laws and applicable law.

Every Unit Owner shall be required to pay a processing fee of $100.00 per transaction to the Board of Managers for each sale (other than the initial purchase by the Unit Owner) or lease of his or her Unit.

Section 2 - Consent of Unit Owners to Purchase of Units by Board of Managers.

The Board of Managers shall not exercise any option previously set forth herein to purchase or lease any Unit without the prior approval of a majority of the Unit Owners in number and in common interest present in person or by proxy at a meeting duly held in accordance with these By-Laws.

Section 3 - No Severance of Ownership.

No Unit Owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his or her Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such 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 the Declaration and/or By-Laws may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be leased, sold or conveyed, free and clear of the provisions of such Section.

Section 5 - Certificate of Termination of Right of First Refusal.

A certificate, executed and acknowledged and in recordable form by the President and Secretary of the Condominium, stating that the provisions of the By-Laws and/or Declaration concerning the Condominium's Right of First Refusal on the sale or leasing of any Condominium Unit have been met by a Unit Owner, or have been duly waived by the Board of Managers, and that 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 the By-Laws and Declaration with respect to whom the provisions of such section have been waived, upon request.

Section 6 - Financing of Purchase of Units by Board of Managers.

Acquisition 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

ownership in the Common Elements, as a common charge, which assessment shall be enforceable in the same manner as provided in Sections 5 and 6 of Article V, 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 - Gifts and Devises, etc.

Any Unit Owner shall be free to convey or transfer his or her Unit and Appurtenant Interests by gift, or devise his or her Unit and Appurtenant Interests 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 subject to the provisions of this Article VII.

Section 8 - Waiver of Right of Partition with Respect to Such Units as Are Acquired by the Board of Managers, or Its Designee, on Behalf of All Unit Owners as Tenants in Common.

In the event that a Unit shall be acquired by the Board of Managers, or its designee, on behalf of all Unit Owners as tenants in common, all such Units owners shall be deemed to have waived all rights of partition with respect to such Unit.

Section 9 - Payment of Common Charges and Assessments.

The term "Common Charges" shall mean any charge assessed by the Board of Managers against any Unit Owner. All Unit Owners shall be obligated to pay to the Board of Managers the general common charges assessed to it by the Board pursuant to these By-Laws at such time or times (but not less than monthly) as the Board determines. All Unit Owners shall be obligated to pay the common charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article V which charges shall be payable in advance on the first day of each month or at such time or times as the Board of Managers shall subsequently determine. The common charges payable by each Unit Owner will be computed in accordance with his proportionate interest in the Common Elements.

No Unit Owner shall be liable for the payment of any part of the common charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VII hereof. A Purchaser of a Unit shall be liable for the payment of common charges assessed against such Unit prior to the acquisition by him of such Unit, except that a mortgagee or other Purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for, and such Unit shall not be, subject to a lien for the payment of common charges assessed prior to the foreclosure sale other than as permitted by existing law at the time of the foreclosure sale.

Section 10 - Mortgage of Units.

Each Unit Owner shall have the right to mortgage his or her 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 necessary in order to permit a particular bank, trust company, insurance company, savings and loan association or other institutional lender to make the mortgage loan.

Section 11 - Exceptions.

The provisions of Section 1 of this Article VII shall not apply with respect to (a) any sale, conveyance or lease by a Unit Owner of his or her Unit and Appurtenant Interests to his or her spouse or to any of his or her children over the age of 18 years or to his parent or parents or to his brothers or sisters, or any one of more of them, or (b) the acquisition, conveyance, sale or lease of a Unit and Appurtenant Interests by the Sponsor, a Sponsor-affiliate or a designee of same, or (c) the acquisition, sale or lease of a Unit, together with the Appurtenant Interests, by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. The Board shall be required to cooperate in providing appropriate physical access to any Unit (and related Common Elements) described in Subdivision "a" and "b" of this Section 11, as well as all financial information regarding same.

ARTICLE VIII. Condemnation

In the event of the taking in condemnation or by eminent domain of all or any part of the Common Elements, the Board of Managers subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the Common Elements so taken which, pursuant to the provisions of these By-Laws are required to be maintained by the Board. The award made for any such taking shall be payable to the Board of Managers as aforesaid. Such award shall be held by the Board of Managers and shall be disbursed to the contractors engaged in the repair and restoration, if any, of the Common Elements in appropriate progress payments. If the net proceeds of any such award are insufficient to cover or if such net proceeds exceed, the cost of any repairs and restorations, the deficit or surplus, as the case may be will be (a) borne and shared by all Unit Owners with respect to any taking of the general Common Elements pro rata in accordance with their common interests and (b) borne and shared by all Residential Unit Owners with respect to any taking of the residential Limited Common Elements pro rata in accordance with their common interests.

Notwithstanding any provisions contained herein to the contrary, in the event that 75% or more in common interest of all Residential Unit Owners and all Unit Owners do not duly and promptly resolve to proceed with such repair or restoration of the residential Limited Common Elements or general Common Elements, respectively, such repairs or restorations shall not be made and net proceeds of any such award with respect thereto shall be divided among the Unit Owners in proportion to their respective

common interests, after first paying out the shares of each Unit Owner the amount of any unpaid liens on such Units other than mortgages which are not permitted mortgages. As used in this paragraph, the words "promptly resolved" shall mean not more than sixty (60) days from the date of such taking.

ARTICLE IX. Records

The Board of Managers or the Managing Agent shall keep detailed records of the actions of the Board of Managers, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of common charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. An annual report of the receipts and expenditures of the Condominium, audited by an independent certified public accountant, shall be rendered by the Board of Managers to all Unit Owners and to all mortgagees of Units who have requested the same, promptly after the end of each fiscal year. The cost of such report shall be paid by the Board of Managers as a common expense.

ARTICLE X. Arbitration

(a) General Procedure. Any dispute between the Unit Owner and the Board of Managers shall be resolved in Arbitration. Arbitration provided for in these By-Laws shall be conducted before one arbitrator in the City of New York by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. Notwithstanding the foregoing, any arbitration held pursuant to the Declaration or these By-Laws with respect to a dispute which arose prior to the first annual meeting of Unit Owners, shall be non-binding except as provided in subparagraph (c) hereof. In the event that the American Arbitration Association shall not then be in existence and has no successor, any arbitration hereunder shall be conducted in the City of New York before one arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of Bronx. The decision of the arbitrator so chosen shall be given within ten (10) days after his appointment. All expenses of arbitration hereunder, including the fees and expenses of counsel and experts, shall be a General Common Expense. Any arbitrator appointed or selected in connection with the arbitration hereunder shall be a member of a law firm whose principal office is in the City of New York and which has at least three members.

(b) Agreement by Parties. The parties to any dispute required or permitted to be subject to arbitration hereunder may, by mutual agreement between them, vary any of the provisions of (a) with respect to the arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set

forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Determination of Disputes".

ARTICLE XI. Miscellaneous

Section 1 - Notices.

All notices hereunder shall be sent by registered, certified mail, overnight mail or personal delivery to the Board of Managers in care of the managing agent or if there is no managing agent, at the office of the Board of Managers or to such other address as the Board of Managers may hereafter designate from time to time, by notice in writing to all Unit Owners and to all mortgagees of Units.

All notices to any Unit Owner shall be delivered to the Unit or sent by registered, certified mail, overnight mail or personal delivery to the building or to such other address as may have been designated by him from time to time, in writing, to the Board of Managers.

All notices to mortgagees of Units shall be sent by registered or certified mail to their respective addresses, as designated by them from time to time, in writing, to the Board of Managers except that notice of meetings sent pursuant to Article III, Section 4 hereof may be sent by regular mail.

All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been given when received.

Section 2 - 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 3 - Captions.

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

Section 4 - 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 5 - Waiver.

No restriction, condition, obligation or provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 6 - Definition of "Mortgagee".

As used in these By-Laws, the term "mortgagee" or "holder of a first mortgage" shall include the holder of any construction loan mortgage which shall be a lien on a Unit.

ARTICLE XII. Amendments to By-Laws

Except as hereinafter provided otherwise, these By-Laws may be modified or amended by approval of 66 2/3% in number and in common interest of all Unit Owners at a meeting of Unit Owners duly held for such purposes.

The following provisions of these By-Laws may not be amended without the consent in writing of the Sponsor or Sponsor-affiliate so long as it shall be the owner of one or more Units.

(a) Section "1" of "Article III" - Insofar as it provides that the Sponsor or Sponsor-affiliate so long as it is the owner of a Unit, shall be entitled to elect members of the Board of Managers, which members need not be Unit Owners.

(b) Section "2" of "Article II" - Insofar as it provides that the, Board of Managers may not exercise certain powers without the Sponsor's or Sponsor-affiliate prior written consent so long as the Sponsor or Sponsor affiliate shall continue to own any Unit.

(c) Section "15" and "16" of "Article II" - Insofar as they provide for representation of the Sponsor or Sponsor-affiliate on the Executive Committee or any other committee created by the Board of Managers so long as it is the owner of one or more Units.

(d) Section "8" of "Article III" - Insofar as it provides that the Sponsor, or Sponsor-affiliate, so long as it is the owner of one or more Units, may vote the votes appurtenant thereto.

(e) Section "14" of "Article V" - Insofar as it provides that the provisions of such Section shall not apply to any Units owned by the Sponsor, Sponsor-affiliate or any designee of the same.

(f) Section "11" of "Article VII" - Insofar as it applies to the Sponsor or a Sponsor-affiliate.

(g) This "Article XII".

Notwithstanding anything to the contrary herein contained, no provision of these By-Laws may be amended so as to adversely affect the Sponsor, Sponsor-affiliate or any designee of same, without the consent thereof.

ARTICLE XIII. Conflicts

These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

SCHEDULE A Rules and Regulations

1. The Condominium Units shall be used for residences only, except that Community Facility Units may be used for uses permitted by the New York City Zoning Code. Parking Space Units may be used to park passenger vehicles only.

2. No industry, business, trade, occupation or professional of any kind, Commercial, educational of otherwise, designed for profit, altruism, or otherwise shall be conducted, maintained or permitted on any part of the Residential Units.

3. "For Sale"', "For Rent" or "For Lease" signs or other window displays or advertising are prohibited to be installed, 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. Notwithstanding the above, the right is reserved by the Sponsor or Sponsor-affiliate or the Board of Managers, or their agent, to (a) place, "For Sale", "For Rent" or "For Lease" signs on any unsold or unoccupied Units, and (b) to erect, lease, manage and maintain commercial and recreational facilities on various portions of the property as permitted by applicable law and regulation, and as contemplated by the Offering Plan, as amended.

4. Nothing shall be done or kept in any Unit or the Common Elements or Limited Common Elements which will increase the rate of insurance of any of the building, or contents thereof, without prior written consent of the Board of Managers. No Unit Owner shall permit anything to be done or kept in his Unit in the Common Elements or Limited Common Elements which will result in the cancellation of insurance on any of the building, or contents thereof, or which would be in violation of any law. No Unit Owner or occupant or any of his agents, servants, employees, licensees or visitors shall at any time bring into or keep in his Unit, any Limited Common Element appurtenant thereto, or vestibule, any flammable, combustible or explosive fluid, material, chemical or substance (except gasoline in automobile tanks). No waste shall be committed in the Common Elements or Limited Common Elements.

5. No public hall or public vestibule of the Building shall be decorated or furnished by any Unit Owner in any manner.

6. 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 thereof, 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. No such installation shall interfere with reception of the Master-T.V. antenna.

7. Nothing shall be done in any Unit or in, on or to the Common Elements or Limited Common Elements which will impair the structural integrity of the building or which would structurally change the buildings.

8. Nothing shall be altered or constructed in or removed from the Common Elements or Limited Common Elements, except upon the written consent of the Board of Managers.

9. No animals, birds, or reptiles of any kind shall be raised, bred, or kept in any Unit or in the common elements or limited common elements, except that dogs, cats or other household pets, not to exceed two per Unit, without the written consent of the Board of Managers, may be kept in Units, subject to the rules and regulations adopted by the Board of Managers, provided, that they are not kept, bred or maintained for any Commercial purposes; and provided further that any such pet causing or creating a nuisance or unreasonable disturbance or noise shall be permanently removed from the property subject to these restrictions upon three (3) days written notice from the Board of Managers.

In no event shall any dog be permitted in any portion of the common elements unless carried or on a leash, or in any grass or garden plot under any circumstances.

10. No noxious or offensive activity shall be carried on in any Unit or in the Common Elements or Limited Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance to the other Unit Owners or occupants.

11. There shall be no obstruction of the Common Elements or Limited Common Elements nor shall anything be stored in the Common Elements or Limited Common Elements without prior written consent to the Board of Managers except as hereinafter expressly provided. Each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit and Limited Common Elements to which such Unit Owner has exclusive use in accordance with the provisions of the By-Laws.

12. Except in recreational or other areas designated as such by the Board of Managers or in the Declaration, 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 (except that Limited Common Elements may be used for the intended purposes). Storage by owners in areas designated by the Board of Managers or in the Declaration shall be at their own risk.

13. No clothes, sheets, blankets, laundry or other articles of any kind 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, nor shall any rugs or mops be shaken or hung from or on any of the windows, doors railings, or vestibules, nor shall a Unit Owner sweep or throw or permit to be swept or thrown therefrom any dirt or other substance.

14. Each Unit Owner shall keep his Unit or Limited Common Elements to which such Unit Owner has exclusive use in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit and Limited Common Elements to which such Unit Owner has exclusive use in accordance with the provisions of the By-Laws.

15. The sidewalks, entrances, passages, courts, lobby and stairways of the buildings shall not be obstructed or used for any other purpose than ingress to and egress, from the Units.

16. Unless express written consent to the contrary is given by the Board of Managers as to the particular Unit in question, eighty percent (80%) of the floor area of each Unit (with the exception of baths, kitchens, closets and foyers) shall always be covered with carpet, rugs or material equally efficient for noise reduction.

17. Each Unit Owner shall be responsible for the cleaning and repair of all windows and window panes forming a part of the respective owner's Unit.

18. The agents of the Board of Managers or the managing agent, and any contractor or workman authorized by the Board of Managers or the managing agent, may enter any room or Unit in the building 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.

19. The Board of Managers, or its designated agent, may retain a pass key to the Unit. No Unit Owner shall alter any lock or install a new lock or a knocker on any door of the Units and storage areas without the written consent of the Board of Managers. In case such consent is given, the Unit Owner shall provide the Board of Managers, or its agent, with an additional key pursuant to its right of access to such premises. If entry is required in an emergency and the key has not been furnished to management as required by these Rules, the managing agent (with authorization from an officer of the Board) may forcibly enter the Unit without liability for damages or trespass, provided that reasonable care is exercised.

20. No window guards, window shades or window decorations shall be used in or about any Unit, unless otherwise required by law, except such as shall have been approved in writing by the Board or managing agent. Each Unit Owner must notify the Managing Agent, or the Board of Managers if there is no Managing Agent, when a child or children ages ten (10) years and under lives or resides, permanently or temporarily in the Condominium Unit. Each Unit Owner must install at the Unit Owner's sole cost and expense the required window guards in all windows of the Unit. The Unit Owner must maintain all window guards installed in the Unit and shall not remove same until permitted by applicable law and in any event, without the written consent of the Managing Agent or the Board of Managers.

21. No window frames or mullions may be removed, altered or replaced without the written consent of the Board.

22. No heat, ventilator, fan or air conditioning device or shall be installed in any Unit without the prior written approval of the Board of Managers, which approval may be granted or refused in the sole discretion of the Board of Managers.

23. If any key or keys are entrusted by a Unit Owner or occupant or by his agent, servant, employee, licensee or visitor to an employee of the Board of Managers, whether for such Unit or in an automobile, trunk 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.

24. 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.

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

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

27. Sinks and Toilets shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags, grease or any other article or substance be thrown into the same. Any damage resulting from misuse of any toilet or sink in a Unit shall be repaired and paid for by the owner of such Unit causing the damage.

28. In order to retain the structural integrity and aesthetic appearance of the building, no additional window or through-the-wall air-conditioning appliances may be installed in any Unit and no radio, television aerial or awning shall be attached to or hung from the exterior of the building by the Unit Owner without consent of the Board and otherwise in accordance with applicable laws and rules.

29. Painting of doors to the individual residential Units or any portion of the property outside of the Condominium Unit is prohibited.

30. Corridor and entrance doors to the building are to be kept locked at all times, except when in actual use for ingress or egress.

31. Complaints regarding the services of the building shall be in writing to the Board of Managers or the managing agent.

32. No tag sales, tours or exhibition of any Unit or its contents may be conducted without the prior written consent of the Board of Managers.

33. Repairs, alterations or improvement may only be made to a Condominium Unit on weekdays, excluding Saturday and Sunday, between the hours of 9:00 a.m. and 5:00 p.m., unless the Board of Managers grants written permission to perform the work at other times.

34. No Unit Owner shall make or permit any disturbing noises or activity in the building, to do or permit anything to be done therein, which will interfere with the rights, comfort or convenience of other Unit Owners or the tenants or occupants of the building. No Unit Owner shall play or suffer to be played any musical instrument, or practice or suffer to be practiced vocal music, or operate or permit to be operated a radio, stereo, c.d. player, d.v.d. player, television, computer or other loud speaker in such Unit Owner's Unit between 11:00 p.m. and the following 7:00 a.m., if the same shall disturb or annoy any other occupants of the building, unless the same shall have the prior written consent of the Board of Managers.

35. No barbeques or permanently affixed chairs or furniture are permitted on any portion of the building or land, without the express written consent of the Board of Managers.

36. No persons are permitted on the roof without express written permission from the Board of Managers, except that residential Unit Owners may use common roof recreation areas

These Rules and Regulations may be altered or amended by vote of the Board of Managers, as set forth in the By-Laws.

DECLARATION OF EASEMENTS

PART II.
Schedule "NN"

NN. Declaration of Easements

Covering the premises known as
SEDGWICK CONDOMINIUM
2792, 2794 & 2796 Sedgwick Avenue, Bronx, New York
County of Bronx, Borough of Bronx, State of New York

Declarant: Sedgwick Condos LLC
242-01 Braddock Avenue,
Bellerose, New York 11426

Date of Declaration: _____ ___, 200__

Section Number: ____

Block Number: 3249

Lots: 238, 239 & 257

County of Bronx

Record and Return To:

GARY ROSEN LAW FIRM, P.A.
249-02 Jericho Turnpike
Floral Park, New York 11001
516-437-3400

DECLARATION OF EASEMENTS, USE AND MAINTENANCE

Declaration of Easements, Use and Maintenance (hereinafter referred to as the "Declaration") made this ___ day of _____ , 200__ by Sedgwick Condos LLC, a New York Limited Liability Company with offices at 242-01 Braddock Avenue, Bellerose, New York 11426 (hereinafter referred to as the "Declarant").

WHEREAS, The Declarant is the owner of certain land and the building and improvements erected thereon known as 2792, 2794 & 2796 Sedgwick Avenue, Bronx, New York (the "premises") and more particularly described in Schedule A annexed hereto and by this reference made a part hereof; and

WHEREAS, The Declarant desires to develop as a residential Condominium whereby there will be residential Units on the Premises which together will be known as SEDGWICK CONDOMINIUM (hereinafter referred to as "the Condominium") which will have title to such portions of the Common Elements of the Premises and defined elsewhere herein as its "Respective Portion" of the Common Area which is more particular described in Schedule B annexed hereto and by this reference made a part here of; and

WHEREAS, The Declarant desires to provide for certain easements, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof.

NOW THEREFORE, The Declarant, for itself, its successors and assigns, declares that the real property described in Schedule A is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions and easements (sometimes referred to as "covenants and restrictions") hereinafter set forth.

1. Ingress and Egress Easements. The Declarant does hereby establish and create to the benefit of Declarant, all owners of Condominium Units at the Premises ("Owners") and tenants of the Premises, their successors and assigns, their permitees, licensees, invitees and guests, non-exclusive easements over and across the portions of the Common Area described on Schedule C annexed hereto and by this reference made a part hereof, for pedestrian ingress and egress.

2. Utility Easements. The Declarant does hereby establish and create for the benefit of Declarant, Owners and Tenants at the Premises, their successors and assigns non-exclusive easements on and across the portions of the Common Area described on Schedule D annexed hereto and by this reference made a part hereof for utility services; including without limitation, water, sewer, sprinkler systems, electric, gas, telephone, cable television, garbage disposal, air conditioning, and heating; including without limitation the right to connect with, maintained, repair and replace utility lines, ducts, chutes and equipment. Owners, tenants and all other persons shall do nothing, which interferes with or impairs utility services using such easements.

3. Support Easements. The Declarant does hereby establish and create for the benefit of Declarant, Own and Tenants at the Premises, their successors and assigns non-exclusive easements on and across the portions of the Common Area described on Schedule E annexed hereto and by this reference made a part hereof, for support of building and improvements.

4. Roof Easement. Declarant shall have right of access to the roof through the stairwell of the premises.

5. Binding Effect. The Premises are and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, charges and liens set forth herein and the same shall be binding upon Declarant, the Condominium, their successors and assigns, as well as upon all persons claiming under them and each and all subsequent owners their heirs, personal representatives, successors or assigns of any interest in the Premises.

6. Waiver. The failure by Declarant or the Condominium, their successors or assigns, to enforce any easement, covenant, restriction, charge or lien in, or created by, this Declaration shall not be deemed a waiver of the right to enforce the same thereafter as to the same breach, nor as to one occurring prior or subsequent thereto. Any waiver made by any party subject to this Declaration must be duly made in writing in order to be considered a waiver, and the waiver of one provision shall not be considered a waiver of any other provision unless specifically made in writing as aforementioned.

7. Amendment and Modification, This Declaration may be amended, or modified, in whole or in part, only by written instrument, in record able form, executed by Declarant and the Condominium or their successors and assigns. If any portion of the Premises subject to this Declaration is subject to the Condominium form of ownership, any such amendment or modification shall not require the approval or consent of the Condominium Unit Owners. The consent of the Board of Managers of any Condominium shall sufficient. If any portion of the Premises subject to this Declaration is to be subject to the Condominium form of ownership, prior to any conveyance of Condominium Units, the prospective Unit Owner must deliver to the Board of Managers an irrevocable power of attorney granting the board complete authority to act on behalf of the Unit Owner under this Declaration.

8. Invalidity. The invalidity, in whole or in part, of any covenant or restriction, or any section, subsection or other provision of this Declaration, as the same may be amended from time to time, shall not affect the validity of the remaining portions thereof.

9. Interpretation. Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of plural shall include the singular, and the singular shall include the plural. Provisions of this Declaration shall be liberally construed to effectuate its purposes.

10. Captions. Captions used in this Declaration are inserted solely as a matter of convenience, and shall not be relied upon and/or used in construing the effect or meaning of the text of this Declaration.

11. Definitions. For purposes of this Declaration, the following terms shall have the meanings indicated below:

(a) "Premises" shall mean the land with a building and improvements erected thereon known as 2792, 2794 & 2796 Sedgwick Avenue, Bronx, New York.

12. Communications. All notices, demands, requests or other communications which may be or are required to be given, served or sent under this Declaration shall be in writing and shall be deemed to have been properly given or sent (a) if personally served upon Declarant, the Condominium or any other party subject to this Agreement (or an officer, director, general partner or a member of the Board of Managers thereof) or (b) if mailed by registered or certified mail with postage prepaid, return receipt requested, addressed to the other party at the following address:

(i) Declarant:
Sedgwick Condos LLC
242-01 Braddock Avenue
Bellerose, New York 11426

(ii) The Condominium:
President
SEDGWICK CONDOMINIUM
2792, 2794 & 2796 Sedgwick Avenue,
Bronx, New York 10468

Either party, their successors or assigns or any other party subject to this Declaration may designate by notice or writing as aforesaid a new address to which any notice, demand, request or communication should thereafter be so given, served or sent. Each notice, demand, request or communication which shall be mailed to the other party in the manner provided in this Paragraph shall be deemed sufficiently given, served or sent for all purposes hereunder on the earlier of: (i) receipt or (ii) five (5) days after the mailing thereof by certified registered mail in any Post Office or branch Post Office regularly maintained by the United States Postal Service in the continental United States.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

By: _____

Neil J. Weissman, Member

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

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

_____
NOTARY PUBLIC

SCHEDULE A

PROPERTY DESCRIPTION

Former Lot # 196:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough and County of Bronx, City and State of New York, known and designated as Lot Nos. 158, 159 and 160 on map entitled, "Map of 471 Lots of the Claflin Estates, Property of Mrs. Arthur Claflin and Grange Realty co. located at West Kingsbridge Road, Sedgwick Avenue, Reservoir Avenue, Webb Avenue, Clafin Avenue and University Avenue, Eames Place, West 195th Street, Strong Street and West 197th Street, Borough of the Bronx, City of New York" made by George C. Hollerith, August 22, 1919 and filed in the Office of the Register of Bronx County on September 16, 1919 as Map No. 357, more particularly bounded and described as follows:

BEGINNING at a point on the easterly sides of Sedgwick Avenue, distant 175 feet and 33.01 of a foot southerly, as it curves, from the corner formed by the intersection of the easterly side of Sedgwick Avenue and the southerly side of West 197th Street;

RUNNING THENCE easterly and parallel wit the southerly side of West 197th Street, 139 feet and 11.01 of a foot to a point, which point is distant 175 feet southerly from the southerly side of West 197th Street;

THENCE southerly at right angels with the last mentioned course, 75 feet;

THENCE westerly at right angels to the last mentioned course, 129 feet and 3.01 of a foot to the easterly side of Sedgwick Avenue;

THENCE northerly as measured along the easterly side of Sedgwick Avenue, 75 feet and 68.01 of a foot to the point or place of BEGINNING.

Former Lot # 495:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough and County of Bronx, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Sedgwick Avenue, distant 261.14 feet southerly along the same as it curves from the corner formed by the intersection of the said easterly side of Sedgwick Avenue with the southerly side of West 197th Street;

RUNNING THENCE easterly parallel with the southerly side of West 97th Street, 127.40 feet;

THENCE northerly at right angles to the last mentioned course, 10 feet to the division line between Lot Nos. 161 and 162 on "Map of 471 Lots of the Claflin Estates, Property of Mrs. Arthur Claflin and Grange Realty co. located at West Kingsbridge Road, Sedgwick Avenue, Reservoir Avenue, Webb Avenue, Clafin Avenue and University Avenue, Eames Place, West 195th Street, Strong Street and West 197th Street, Borough of the Bronx, City of New York" made by George C. Hollerith, August 22, 1919 and filed in the Office of the Register of Bronx County on September 16, 1919 as Map No. 357";

THENCE westerly along said division line on said map and again parallel with the southerly side of West 197th Street, 129.03 feet to the easterly side of Sedgwick Avenue;

THENCE southerly along the easterly side of Sedgwick Avenue, 10.13 feet to the point or place of BEGINNING.

Former Lot # 199:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough and County of Bronx, City and State of New York, bounded and described as follows:

BEGINNING at a point on the easterly side of Sedgwick Avenue, distant 100.05 feet southerly from the corner formed by the intersection of the easterly side of Sedgwick Avenue with the southerly side of West 197th Street;

RUNNING THENCE southerly along the easterly side of Sedgwick Avenue, 75.28 feet;

THENCE easterly on a line forming an angel of 06 degrees 13 minutes 49 seconds on its northerly side of the radial line, 139.11 feet;

THENCE northerly along a line at right angles to the last mentioned course, 75 feet;

THENCE WESTERLY IN A STRAIGHT LINE, 145.43 FEET TO THE EASTERLY SIDE OF SEDGWICK AVENUE, TO THE POINT OR PLACE OF BEGINNING.

SCHEDULE B

Common Area to the Condominium

bulkhead

parapet walls

roof

stairways

utility lines

meters

pipes

conduits

closets

shafts

chutes

ducts and all similar items and equipment used in connection with the provision of utility service, including, without limitation, those described in paragraph 2 of this Agreement,

SCHEDULE C

Easements for Ingress and Egress.

shaftsways

stairways

cellar

meter and pump rooms

Roof

SCHEDULE D

Utility Easements

Utility lines

meters

pipes

conduits

closets

shafts

chutes

ducts and all similar items and equipment used in connection with the provision of utility services, including, without limitation, those described in paragraph 2 of this Declaration.

SCHEDULE E

Easements of Support

Building superstructure.

CERTIFICATIONS

OO. CERTIFICATIONS

OO-1. CERTIFICATION BY SPONSOR AND PRINCIPAL OF SPONSOR

We are the Sponsors and the principal of Sponsor of the Condominium Offering Plan for the captioned property.

We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, Purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where I:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

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."

Sedgwick Condos LLC

by: _____
Neil J. Weissman, Member

_____
Neil J. Weissman

_____
Jacob Rad

_____
Francesca Madruga

Sworn to before me this
July 16, 2007

_____
Notary Public, State of New York

SONNIA TORRES
Notary Public, State of New York
No. 01TO6107173
Qualified in Nassau County
Commission Expires Mar. 22, 2008

OO-2. CERTIFICATION BY ARCHITECT OR ENGINEER PURSUANT TO 13 NYCRR 20.4(C) (1)

REZA KHAMCY, P.E.
26 Allenwood Road,
Great Neck, New York 11023

July 16, 2007

State of New York
Department of Law
120 Broadway -
New York, New York 10271

RE: SEDGWICK CONDOMINIUM
2792, 2794 & 2796 Sedgwick Avenue,
Bronx, New York

The Sponsor of the Offering Plan to convert the captioned property to Condominium ownership retained me to prepare a report describing the construction of the property (the "Report"). I have examined the building Plans and specifications that I prepared for Building Department Application # 201056169, # 201056150 & # 201056141 approved on August 24, 2006, and prepared the Report dated July 13, 2007, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

I am a Professional Engineer in the State in which the property is located.

I understand that I am/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 this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

(i) sets forth in narrative form the description 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 I examined;

(ii) in my/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 I examined;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where I:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a Condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Very truly yours,

REZA KHAMCY, P.E.

STATE OF NEW YORK
REZA KHAMCY
EXCELSIOR
08 635
LICENSED PROFESSIONAL ENGINEER

Sworn to before me this
July 16, 2007

NOTARY PUBLIC

SONNIA TORRES
Notary Public, State of New York
No. 01TO6107173
Qualified in Nassau County
Commission Expires March 22, 2008

OO.3 CERTIFICATION BY SPONSOR'S EXPERT CONCERNING THE OF ADEQUACY OF BUDGET

SCHEDULE B AND SCHEDULE B-1
PURSUANT TO 13 NYCRR 20.4 (d)

BARNETT MALLER
CONDOMINIUM, CO-OP, AND CONSTRUCTION CONSULTANT
LICENSED REAL ESTATE BROKER
249-02 JERICHO TURNPIKE
Bellerose, N.Y. 11001-4003
516-437-1224

July 16, 2007

State of New York
Department of Law
120 Broadway
New York, NY 10271

Re: SEDGWICK CONDOMINIUM
2792, 2794 & 2796 Sedgwick Avenue,
Bronx, New York

The Sponsor of the Condominium Offering Plan for the captioned property retained me firm to review or prepare Schedule(s) B and B-1, containing projections of income and expenses for the first year of Condominium operation. My experience in this field includes:

I have been actively involved in the construction and development of residential real estate for over 25 years; and have built and developed more than 750 homes in Queens, Suffolk and Nassau Counties. For such developments, I handled all phases of the construction operation. I am past President of the Long Island Builders Institute, New York State Builders Association, Honorary Life Director of the National Association of Home Builders and Life Director of the Long Island Builders Institute.

I have been involved in Condominium consulting work for Sponsor/developers since June 1985. In addition to preparing certifications of budgets for submission to the New York State Department of Law, I have been actively involved in the day to day management as a consultant with the Sponsors until such times as management was turned over to the Unit Owners of more than twenty five (25) separate Condominium developments in the metropolitan area since 1985. In addition, I have been involved in management of two (2) family homes in Queens for over twenty eight (28) years.

Some of the Condominiums with which I have been involved include Paerdegat Bay Condominium II, Bronx, New York; Flatlands Gardens Condominium, Bronx, New York; Canarsie Gardens Condominium Bronx, New York; Bay Ridge Plaza Condominium,

Brooklyn, New York; Dyker View Condominium, Bronx, New York; Queens Royale Condominium, Queens, New York; Cambridge Gardens Condominium, Queens, New York; and Woodview Condominium, Staten Island, New York, Bergen Cove Condominiums I, II, III & IV, Bronx, New York.

I have been a member of the Deepdale Gardens Board of Directors, a self-managed co-op of 1,396 Units in Queens, New York for more than ten years. During this period I have been President, Chairman of the Operations Committee and have worked on budgetary matters for the preparation of the annual budgets.

I understand that I am are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedule(s) B and B-1.

I have reviewed the Schedule(s) and investigated the facts set forth in the Schedule(s) and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential building.

I certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of Condominium operation.

I certify that the Schedule(s):

(i) sets forth in detail the projected income and expenses for the first year of Condominium operation;

(ii) affords potential investors, Purchasers and participants an adequate basis upon which to found their judgment concerning the first year of Condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment, or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where I:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representation or statement made.

I further certify that I am are not owned or controlled by the Sponsor. I understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of Condominium operation. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

Barnett Maller

Sworn to before me this
July 16, 2007

Notary Public

GARY ROSEN
Notary Public, State of New York
NO. 01RO4747968
Qualified in Queens County
Expires March 30, 2011

ESCROW AGREEMENT

PP. ESCROW AGREEMENT

Agreement made this JULY 16, 2007 between

Sedgwick Condos LLC ("SPONSOR") as Sponsor of the Offering Plan
and
Gary Rosen Law Firm, P.A. ("ESCROW AGENT") as escrow agent.

WHEREAS, Sedgwick Condos LLC is the Sponsor of an Offering Plan to convert to Condominium ownership the premises located at 2792, 2794 & 2796 Sedgwick Avenue, Bronx, New York which premises are known as SEDGWICK CONDOMINIUM and,

WHEREAS, Gary Rosen Law Firm, P.A. is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e (2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by Purchasers and subscribers, pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1.0 ESTABLISHMENT OF THE ESCROW ACCOUNT.

SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits of payments made by Purchasers or subscribers. The escrow account has been opened with North Fork Bank, 252-25 Union Turnpike, Bellerose, New York 11426.

1.1 The account number is PENDING.

1.2 The name of the account is the "Gary Rosen Law Firm, P.A., Sedgwick Condominium IOLA Escrow Account ".

1.3 Escrow Agent is the sole signatory on the account.

1.4 The escrow account shall be an IOLA (non-interest bearing) account as disclosed in the Offering Plan.

2.0 DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All funds received from prospective Purchasers or subscribers prior to closing whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account., All

instruments to be deposited into the escrow account shall be made payable to, or endorsed by the Purchaser or subscriber to the order of the Gary Rosen Law Firm, P.A., Sedgwick Condominium IOLA Escrow Account. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective Purchaser or subscriber promptly, but in no event more than five business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within ten (10) business days after tender of the deposit submitted with the subscription or purchase agreement, ESCROW AGENT shall notify the Purchaser of the deposit of such funds in the bank-indicated in the Offering Plan, provide the account number, and disclose the initial interest rate. If the Purchaser does not receive notification of such deposit within ten (10) business days after tender of the deposit, the Purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or Purchaser.

3.0 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 (a) otherwise directed in a writing signed by both Sponsor and Purchaser, (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 to (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan or (b) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

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

4.0 RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

4.2 Upon the dissolution of a law firm which was ESCROW AGENT, the former partners or members of. the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon his request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5.0 GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

6.0 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.

7.0 TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is cancelled, by either:

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or

(c) All shares or Units offered pursuant to the Plan have been sold and all sales transactions have been consummated.

(d) Escrow Agent shall have no responsibility to verify qualifications of any successor escrow agent.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

8.0 SUCCESSORS AND ASSIGNS.

8.1 This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

9.0 GOVERNING LAW.

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10.0 ESCROW AGENT'S COMPENSATION.

10.1 SPONSOR agrees that ESCROW AGENT'S compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

11.0 SEVERABILITY.

11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12.0 ENTIRE AGREEMENT.

12.1 This Agreement, read together with GBL Section 352-e (2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

13.0 NOTICES.

13.1 Any notice required to be given or given hereunder shall be given by depositing such notice in a post-paid wrapper, in an official depository under the exclusive care and custody of the United States Postal Service within New York State, or by Express Mail, FedEx, Airbourne Express, facsimile transmission, messenger service (with proper receipt thereof), addressed to the party at the address hereinabove set forth with a copy of any such notice by regular mail to the attorney for such party as follows:

IF TO ESCROW AGENT: GARY ROSEN LAW FIRM, P.A.
249-02 Jericho Turnpike
Floral Park, New York 11001

IF TO SPONSOR: Sedgwick Condos LLC
242-01 Braddock Avenue,
Bellerose, New York 11426

Any notice may be given by the attorney for a party and shall have the same force as if given by the party. Either party may, by notice, change the address at which notices are to be given hereunder.

14.0 CAPTIONS AND HEADINGS

14.1 The captions and headings used in this Agreement are intended for convenience and reference only and shall not imply or convey any additional meanings to the contents of the respective provisions.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT
Gary Rosen Law Firm, P.A.

By:_____
Gary Rosen, Esq.

Sedgwick Condos LLC

By:_____

Name: Neil J. Weissman
Title: Member

APPLICATION FOR DISPOSITION OF DOWN PAYMENT

QQ. APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWN PAYMENTS

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

Re: **SEDGWICK CONDOMINIUM**
2792, 2794 & 2796 SEDGWICK AVENUE,
BRONX, NEW YORK

File Number: **CD-07-**_____

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

1. Name of Applicant _____

2. Address of Applicant:

_____

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

_____

_____

_____

4. This is an application for:

   [ ] return of Down Payment .
   [ ] forfeiture of Down Payment .
   [ ] other: _____

5. The project is:

   [ ] a conversion of occupied premises.
   [X] newly constructed or rehabilitated.
   [ ] vacant (as is).

6. The project is structured as:

[ ] cooperative.
[X] Condominium.
[ ] homeowners association.
[ ] timeshare.
other:_____

7. Name and Address of Sponsor:

Sedgwick Condos LLC
242-01 Braddock Avenue,
Bellerose, New York 11426

8. Name and Address of Escrow Agent:

GARY ROSEN LAW FIRM, P.A.
249-02 Jericho Turnpike
Floral Park, New York 11001

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

(a) Name of account: "Gary Rosen Law Firm, P.A., Sedgwick Condominium IOLA Escrow Account ".

(b) Name and address of bank (if known):

North Fork Bank,

252-25 Union Turnpike,

Bellerose, New York 11426

(c) Account number pending.

(d) Initial interest rate (if known):

10. If down-payments have been secured by bonds:

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

_____

_____

_____

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

_____

_____

_____

11. If down-payments have been secured by a letter of credit:

(a) Name and address of bank which issued the letter of credit:

_____

_____

_____

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

12. Plan information:

(a) Date of filing of Plan: _____

(b) 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.

(c) Down-payments are secured by:

[ ] escrow account.

[ ] bonds

[ ] letter of credit

13. Contract information:

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

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

(c) Date(s) of down-payment(s) _____

(d) Total amount of down-payment(s): _____

(e) Names and addresses of affected by this application subscribers or Purchasers affected by this application:

_____

_____

_____

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach Copies of any relevant documents.

_____

_____

_____

15. I am contemporaneously sending a copy of this application to the following persons:

_____

_____

_____

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature:_____ Date: _____

Signature:_____ Date: _____

Name (Printed): _____

Name (Printed): _____

Telephone: (Home) _____ (Business) _____

Mailing Address: _____

_____