CONDOMINIUM OFFERING PLAN
50-62 BAY 32nd STREET CONDOMINIUM
CD07-0677

LOCATION:
50-62 BAY 32nd STREET, BROOKLYN, N.Y. 11228

NUMBER OF UNITS	AMOUNT OF OFFERING
18 Residential Units.....	$9,762,000.00

Sponsor-Selling Agents

BAY 32ND STREET REALTY LLC
203 BAY 8TH STREET
BROOKLYN, N.Y. 11228

DATE OF ACCEPTANCE FOR FILING May 29, 2008
THIS OFFERING PLAN MAY NOT BE USED AFTER MAY 28, 2009
UNLESS EXTENDED BY AMENDMENT

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 THE MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. (SEE SPECIAL RISKS SECTION OF THIS 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 THIS PLAN)

SEE PAGE (I) FOR SPECIAL RISKS TO PURCHASERS

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

ANDREW M. CUOMO
Attorney General

STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

ERIC CORNGOLD
Executive Deputy Attorney General
Division of Economic Justice

KENNETH E. DEMARIO
Bureau Chief
Real Estate Finance Bureau

(212)416-8959

Bay 32nd Street Realty, LLC
c/o Edward Delli Paoli
Attention: Edward Delli Paoli
129 New Dorp Plaza
Staten Island, NY 10306

RE: 50-62 Bay 32nd Street Condominium
File Number: CD070677 Amount Offering $9,762,000.00
Filing Fee: $20,000.00 Receipt Number: 89865
Acceptance Date: 05/29/2008

Dear Sponsor:

The offering literature submitted for the subject premises is hereby accepted and filed. Unless extended by duly filed amendment, the effectiveness of the filing shall expire twelve months from this date. All advertising and solicitation material must be consistent with the contents of the filed offering literature. Any material change of facts or circumstances affecting the property or the offering requires an immediate amendment.

Any misstatement or concealment of material fact in the literature filed renders this filing void ab initio. This office has relied on the truth of the certification of sponsor, sponsor's principals and sponsor's experts, as well as the transmittal letter of sponsor's attorney.

The issuance of this letter is conditioned upon the faithful performance of all of the obligations of the sponsor, its agents and instrumentalities, which are required by law or set forth in the offering literature. If there is a failure or neglect to perform any such obligations when required, the effectiveness of this letter shall be suspended, and all offering and sales shall cease, pending further action by this office. Issuance of this letter is further conditioned on the collection of all fees imposed by law. This letter is your receipt for the above filing fee.

The filing of the offering literature shall not in any way be construed as approval of the contents or terms thereof by the Attorney General of the State of New York. Nor does it waive or limit the Attorney General's authority to take enforcement action for violation of Article 23-A of the General Business Law or other applicable provisions of law.

Very truly yours,

Judith Kaufman

Judith Kaufman
Assistant Attorney General

TABLE OF CONTENTS

Page

Part I

Special Risks.....i
Introduction.....1
Description of property and improvements.....6
Location and Area Information.....7
Offering Prices and related information Schedule A.....9
Budget for First Year of Condominium Operation
Schedule B.....14
Budget for Individual Energy Costs schedule B-1.....18
Compliance with Real Property Law 339(i).....20
Changes in Prices and Units.....21
Procedure to Purchase.....21
Effective Date.....26
Terms of Sale.....29
Unit Closing Costs and Adjustments.....32
Rights and obligations of Sponsor.....35
Control by the Sponsor.....39
Board of Managers.....39
Rights and Obligations of the Unit Owners and
the Board of Managers.....41
Real Estate Taxes.....49
Income Tax Deductions to Unit Owners and Tax Status
of the Condominium.....52
Opinion of Counsel.....54
Working Capital Fund.....57
Reserve Fund.....57
Identity of Parties.....57
Reports to Unit Owners.....59
Documents on File General.....59
Sponsor Statement of Specifications.....60

Part II

Purchase Agreement..... A-1
Power of Attorney..... B-1
Form of Unit Deed..... C-1
Description of Property and Specifications
or Building Condition..... D-1
Floor Plans..... D-19
Declaration of Condominium..... E-1
Condominium By-Laws..... E-11
Escrow Agreement..... F-1
Housing Merchant Implied Warranty Law..... G-1
Dispute Resolution..... H-1
Certifications
Sponsor and principal..... I-1
Sponsors Architect..... I-3
Sponsor's expert concerning adequacy of budget..... I-5

SPECIAL RISKS

1. THERE IS NO MANAGING AGENT OR SUPERINTENDENT PROVIDED FOR IN THE PROJECTED BUDGET. THE CONDOMINIUM WILL THEREFORE NOT HAVE A MANAGER FOR ITS FIRST YEAR OF OPERATION. IF THE CONDOMINIUM DECIDES TO ENGAGE A MANAGEMENT COMPANY AND/OR A SUPERINTENDENT THIS WILL ENTAIL AN ADDITIONAL EXPENSE NOT INCLUDED IN THE BUDGET AS IT NOW APPEARS.THE COMMON CHARGES WOULD THEREFORE INCREASE. IT IS ESTIMATED THAT RETAINING A MANAGEMENT COMPANY WILL INCREASE THE BUDGET BY 20%. Refer to Schedule B Projected Budget at page 15

THE UNIT OWNERS WILL HAVE TO PERFORM ANY MAINTENANCE AND MANAGEMENT TASKS THEM SINCE THE BUDGET DOES NOT PROVIDE FOR A MANAGEMENT AGENT OR LABORORS. THESE FUNCTIONS WOULD INCLUDE MAINTAINING THE BOOKS AND RECORDS OF THE CONDOMINIUM, GENERAL CLEANING AND MAINTENANCE OF THE COMMON AREAS, LANDSCAPING, GARBAGE REMOVAL, AND PAINTING WHEN NECESSARY.

2. SPONSORS WILL COMPLETE THE COMMON ELEMENTS PRIOR TO THE CLOSING OF THE UNIT. NO BOND HAS BEEN POSTED TO INSURE COMPLETION OF THE COMMON ELEMENTS Refer to Rights and Obligations of Sponsor at Page 36

THE SPONSOR IS CONTRACTUALLY RESPONSIBLE FOR OBTAINING A PERMANENT CERTIFICATE OF OCCUPANCY FOR EACH UNIT SOLD. NEVERTHELESS, THE SPONSOR MAY CLOSE TITLE TO A UNIT UPON OBTAINING A TEMPORARY CERTIFICATE OF OCCUPANCY. A TEMPORARY CERTIFICATE OF OCCUPANCY CERTIFIES THAT ALL SYSTEMS ARE FUNCTIONING IN THE UNIT AND THE UNIT IS HABITABLE. IN THE EVENT THAT A PERMANENT CERTIFICATE OF OCCUPANCY IS NOT OBTAINED AND THE TEMPORARY CERTIFICATE OF OCCUPANCY IS NOT EXTENDED, THE CITY OF NEW YORK HAS THE RIGHT TO DECLARE THAT THE UNIT IS NO LONGER HABITABLE. SPONSOR IS RESPONSIBLE FOR EXTENDING THE TEMPORARY CERTIFICATE OF OCCUPANCY UNTIL A PERMANENT CERTIFICATE OF OCCUPANCY IS GRANTED. Refer to Terms of Sale at Page 28

3. THE PURCHASER SHALL BE RESPONSIBLE FOR THE PAYMENT OF THE NEW YORK CITY REAL PROPERTY TRANSFER TAX AND THE New York STATE DOCUMENTARY STAMP TAX. THESE TAXES WHEN COMBINED ARE EQUAL TO 1.825% OF THE PURCHASE PRICE. Refer to Unit Costs and Adjustments at Page 31

4. THE VOTING RIGHTS OF AN UNIT OWNER MAY BE SUSPENDED IN THE EVENT A MEMBER BREAKS THE RULES OF THE CONDOMINIUM. VOTING RIGHTS CANNOT BE SUSPENDED SOLELY FOR ARREARS IN ASSESSMENTS. IN NO EVENT MAY THE MEMBER BE DENIED USE OF THE COMMON ELEMENTS. Refer to Rights and Obligations of Unit Owners and Board at Page 40

5. THE CONTRACT OF SALE REQUIRES THAT ANY EXTRAS ORDERED ARE PAID FOR AT THE TIME OF SUCH ORDER. ALL CONTRACT DOWNPAYMENTS AND PAYMENT FOR EXTRAS WILL BE HELD IN ESCROW BY THE ATTORNEY FOR THE SELLER UNLESS BONDED IN ACCORDANCE WITH REGULATIONS. SPONSOR MAY RETAIN THE EXTRAS DOWNPAYMENT IN THE EVENT THE EXTRAS ARE INSTALLED AND THE PURCHASER WILLFULLY DEFAULTS ON THE CONTRACT TO PURCHASE. Refer to Purchase Agreement in Part II Section A page 9

6. THE DOWNPAYMENT RECEIVED AT THE TIME A CONTRACT OF PURCHASE IS EXECUTED WILL BE PLACED IN AN ATTORNEY IOLA ACCOUNT. SUCH ACCOUNT WILL BE LOCATED IN A FEDERALLY INSURED BANK. HOWEVER, A DEPOSIT OF OVER $100,000. WILL ONLY BE INSURED UP TO THE FEDERAL MAXIMUM OF $100,000. THEREFORE ANY AMOUNT OVER $100,000 WILL NOT BE INSURED. Refer to Procedure to Purchase at Page 21

7. THE OFFERING PLAN DOES NOT PROVIDE FOR A RESERVE FUND SINCE THIS IS NEW CONSTRUCTION AND NO CAPITAL WORK WILL BE REQUIRED FOR A NUMBER OF YEARS. THE CHARGES PAID BY THE UNIT OWNERS WILL PAY FOR ALL NECESSARY MAINTENANCE AND REPAIR TO THE COMMON ELEMENTS Refer to Working Capital and Reserve Fund at Page 53

8. THE SPONSOR APPLIED FOR A 421(A) TAX ABATEMENT ON JANUARY 17, 2007. ALL OF THE PRELIMINARY PAPERWORK HAS BEEN SUBMITTED. THE ABATEMENT CANNOT BE FINALIZED UNTIL CONDOMINIUM TAX LOTS ARE OBTAINED AND CERTIFICATES OF OCCUPANCY ARE ISSUED.

THE 421(A) TAX ABATEMENT ABATES THE REAL ESTATE TAXES ON NEW CONSTRUCTION. AS EXPLAINED IN DETAIL IN THE PLAN, A CONDOMINIUM UNIT WILL RECEIVE A REAL ESTATE TAX REDUCTION FOR A PERIOD OF FIFTEEN YEARS. THE FIRST ELEVEN YEARS REDUCES THE TAXES TO AN AMOUNT WHICH WOULD BE PAYABLE ON VACANT LAND. SPONSOR WILL USE ITS BEST EFFORTS TO OBTAIN THE ABATEMENT BUT DOES NOT WARRANTY THAT IT WILL IN FACT BE ABLE TO OBTAIN THE ABATEMENT Refer to Tax Exemption Benefits at Page 49.

THE DIFFERENCE BETWEEN THE PROJECTED REAL ESTATE TAXES WITH AND WITHOUT THE ABATEMENT ARE REFLECTED IN SCHEDULE A AT PAGE 7 IN COLUMNS 7 & 8 UNABATED AND 10 & 11 ABATED.

9. NEITHER BALCONIES/TERRACES NOR RECREATION ROOMS MAY BE USED FOR ANY TYPE OF OCCUPANCY- INCLUDING BUT NOT LIMITED TO DINING, SLEEPING, LIVING ROOM, OFFICE, STORAGE ETC. TO DO SO MAY RESULT IN A VIOLATION AGAINST THE BUILDING BEING ISSUED BY THE BUILDING DEPARTMENT.

THE STORAGE ROOMS/UNITS MAY NOT BE USED FOR ANY TYPE OF OCCUPANCY- INCLUDING BUT NOT LIMITED TO DINING, SLEEPING, LIVING OFFICE, RECREATION, ETC. TO DO SO MAY RESULT IN A VIOLATION AGAINST THE BUILDING BEING ISSUED BY THE BUILDINGS DEPARTMENT.

IN ADDITION THE STORAGE ROOMS/UNITS MAY NOT BE USED FOR COMBUSTIBLE ITEMS AS DEFINED IN THE BUILDING CODE. NO STORAGE OF CLOTHES, FURNITURE, BOOKS, PAPERS, OR ANY COMBUSTIBLE ITEMS WILL BE PERMITTED.

10. UNIT OWNERS MUST NOTIFY THE MANAGING AGENT IN WRITING WHEN A CHILD OR CHILDREN UNDER THE AGE OF ELEVEN (11) YEARS LIVES OR RESIDES (EVEN TEMPORARILY) IN THE UNIT. EACH RESIDENTIAL UNIT OWNER SHALL INSTALL AT THE RESIDENT'S OWN EXPENSE, THE REQUIRED WINDOW GUARDS IN ALL WINDOWS OF THE UNIT AND SHALL NOT REMOVE THEM UNTIL PERMIT BY LAW IN ANY EVENT, WITHOUT THE FULL KNOWLEDGE OF THE MANAGING AGENT.

11. SPONSOR IS RESERVING THE UNILATERAL RIGHT TO RENT RATHER THAN SELL UNSOLD 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 15 PERCENT NECESSARY TO DECLARE THE PLAN EFFECTIVE AND THE OWNER-OCCUPANTS MAY NEVER GAIN EFFECTIVE CONTROL AND MANAGEMENT OF THE CONDOMINIUM Refer to Introduction at page 1

THE SPONSOR HAS BOTH CONSTRUCTION AND ACQUISITION FINANCING IN PLACE. THERE ARE NO TERMS OF THE LENDER THAT WOULD SET MINIMUM RELEASE PRICES OR MINIMUM PERCENTAGE SALES.

12. BY LAW, THE PLAN MAY BE DECLARED EFFECTIVE ONLY AFTER PURCHASE AGREEMENTS HAVE BEEN EXECUTED BY BONA FIDE PURCHASERS FOR THE SALE OF AT LEAST 15% OF THE UNITS OFFERED. PURCHASERS SHOULD NOTE THAT IN THE CURRENT REAL ESTATE MARKET, BANKS AND OTHER LENDERS MAY IMPOSE VARIOUS RESTRICTIONS ON LOANS. SUCH RESTRICTIONS MAY INCLUDE REQUIRING THAT A CERTAIN PERCENTAGE (SUCH AS 50%) OR MORE OF THE UNITS IN THE CONDOMINIUM BE SOLD BEFORE THE LENDER WILL CONSIDER MAKING A LOAN. THUS IT MAY BE POSSIBLE FOR A PURCHASER TO EXPERIENCE DIFFICULTY OBTAINING A LOAN IN A CONDOMINIUM WHERE THE PERCENTAGE OF UNITS PURCHASED IS LOWER THAN A LENDER'S PARTICULAR SALES MINIMUM. EVEN ONCE A BUILDING UNDERGOES CONVERSION, LENDERS STILL MAY IMPOSE MINIMUM SALES REQUIREMENTS BEFORE GRANTING A LOAN. IT THEN MAY BE DIFFICULT FOR A PURCHASER TO RESELL A UNIT IF PROSPECTIVE BUYERS ARE UNABLE TO OBTAIN A LOAN DUE TO SUCH MINIMUM SALES REQUIREMENTS. See effective Date of Plan section at page 26.

13. BALCONIES MAY NOT BE ENCLOSED WITHOUT FIRST GETTING (IF POSSIBLE) THE PRIOR AUTHORIZATION OF THE New York City DEPARTMENT OF BUILDINGS.

14. THE CONDOMINIUM BOARD DOES NOT HAVE THE RIGHT TO APPROVE OR DISAPPROVE PURCHASERS, THERE IS NO LIMIT ON THE NUMBER OF OWNERS WHO MAY PURCHASE FOR INVESTMENT RATHER THAN FOR PERSONAL OCCUPANCY AND THERE MAY ALWAYS BE A SUBSTANTIAL PERCENTAGE OF OWNERS WHO ARE NON-RESIDENT. See Introduction section page 3.

THE CONDOMINIUM UNITS MAY BE PURCHASED BY NON-RESIDENT OWNERS. THE 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. See Board of Managers section page 37.

15. THE USABLE FLOOR AREA OF THE UNITS MAY BE SIGNIFICANTLY LESS THAN THE SQUARE FOOTAGE CALCULATED ON SCHEDULE A OR THE ARCHITECTS NARRATIVE IN PART II OF THIS PLAN. See Footnotes to Schedule A page 11.

16. THE PURCHASER SHALL REMINBURSE THE SPONSOR AT CLOSING AN AMOUNT EQUAL TO ½ OF 1% OF THE PURCHASE PRICE FOR THE COSTS AND FEES INCURRED IN APPLYING FOR A PARTIAL REAL ESTATE TAX ABATEMENT UNDER SECTION 421(A) OF THE REAL PROPERTY LAW.

THE 50-62 BAY 32nd STREET
CONDOMINIUM PLAN

INTRODUCTION

A. The purpose of the offering plan is to set forth all the material terms of the offer. The plan may be amended from time to time when an amendment is filed with the New York State Department of Law and served on purchasers who have executed and delivered purchase agreements to the sponsor or selling agent and whose purchase agreements are in effect, unit owners and any person entitled to service pursuant to local law or regulation. Amended literature will be served on those entitled thereto under Article 23-A of the General Business Law.

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

B. Bay 32nd Street Realty, LLC with offices at 203 Bay 8th Street, Brooklyn, N.Y. 11228, the record owner of the realty, is the sponsor (hereinafter "Sponsor") under this offering plan (hereinafter "Offering Plan"), and hereby offers to sell eighteen (18) condominium units to the public, which are presently being constructed on approximately 13,533 square feet of land located at 50-62 Bay 32nd Street, Brooklyn, New York. The Sponsor acquired the property comprising the condominium development on July 20, 2006.

The condominium development is composed of eighteen (18) units located in six one cellar and three story buildings with the fourteen parking spaces located at the front or rear of the buildings.

The Sponsor retains the unconditional right to rent rather than sell units. There is no commitment to sell more than the 15 percent necessary to declare the plan effective and owner-occupants may never gain effective control and management of the condominium.

In addition, since the By-laws do not include a provision that, after an initial voting control period a majority of the board of managers must be owner-occupants or member's of an owner-occupant's household who are unrelated to the sponsor and its principals, purchasers for their own occupancy may never gain control of the board of managers under the terms of this plan. 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., purchaser as a home as opposed to as an investment.

If the 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.

The common elements consist of the hallways leading to the units, part of the cellar where the utility room and storage rooms are located, a paved sidewalk, the outdoor parking area and the yards surrounding the buildings. There are four parking spaces located outside front of the buildings and

ten parking spaces located at the rear of the buildings. None of the parking spaces are specifically designated as handicapped parking.

The parking spaces will be allocated by the Sponsor to the first fourteen purchasers who request parking spaces. The Sponsor will allocate a space to a purchaser from those that are still available at the time the purchaser enters into contract. Once allocated these spaces will become a limited common element of the unit to which it has been assigned.

The condominium will have a sanitary and storm sewer connected to the City system.

Sponsor believes that the first condominium units will be ready for occupancy January 1, 2009.

The prices were set by the sponsor alone and are not subject to review or approval by the Department of Law or any other government agency.

The development is new construction. All units offered in this plan are vacant.

The development is composed of six three unit segments attached to each other. Each segment has its own entrance to the three units within that segment. There is no common entrance between segments. The end segments 50 and 62 Bay 32nd Street are mirror images of each other. The four interior segments 52, 54,56, and 60 Bay 32nd Street are mirror images of each other. Please refer to the Floor Plans located in Part II Section D.

No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the units offered in the plan. No deposits or advances of funds have been taken by or on behalf of sponsor in connection with the reservation, sale or transfer of units, prior to submission of the plan to the Department of Law.

The plan, including all Schedules and Parts A, B, and C of the Exhibits constitute the entire offer of sponsor. Copies of the plan, all documents referred to in the plan and all exhibits submitted to the Department of Law in connection with the filing of the plan will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the site whenever the on site sales office is open and at the office of the selling agent or sponsor. Copies of the plan and exhibits will also be available for inspection and copying at a reasonable fee at the Department of Law.

c. **Basic Aspects of Condominium Ownership**

A Declaration submitting the property to Article 9-B of the Real Property Law of the State of New York (hereinafter referred to as the "Condominium Act") and By-Laws will be recorded prior to conveyance of title to the first home by the Sponsor. The Declaration and By-Laws will be substantially similar to those set forth in this Offering Plan, and will not be changed so as to have a material adverse effect on the purchaser.

Each purchaser owns his or her unit outright and is entitled to exclusive possession of that unit together with an interest in and right to use the common elements, and the exclusive right to use their limited common element, if applicable.

In addition, each unit owner will be responsible for the maintenance of his Unit, and may decorate the interior as he desires. His Unit will be taxed as a separate tax lot for real estate tax purposes. Under present Federal and New York State income tax laws, his real estate taxes and the interest paid on the mortgage on his Unit may be deducted from his income.

In addition thereto, a Unit Owner will own, in common with the owners of all other Units, an undivided interest in all parts of the Property other than the Units (the "common elements") and the exclusive right to use limited common elements, as applicable. As a Unit Owner, he will have the right to vote annually for the election of members of the Board of Managers, who will supervise the Property and manage the affairs of the Condominium under the authority of the Declaration, By-Laws and applicable statutes.

The Board of Managers will assess against every Unit Owner, in proportion to his interest in the common elements, charges for the maintenance of the common elements and for the operating costs of the Property (herein referred to as "common charges" or "common expenses") which Unit Owners must pay pursuant the New York Condominium Act, Real Property Law Section 339(i) and (m).

Electricity for each Unit will be separately metered by Consolidated Edison, and each Unit Owners will pay the utility directly for the electricity which he uses for air conditioning, lighting and appliances. Gas for cooking and heating will be provided for each Unit by Keyspan Energy Delivery and also be separately metered and paid for separately by each unit owner. The individual unit owners will each have the obligation to pay for all other utilities, and the upkeep of the interior of the units, as well as insurance on the interior of their units and contents and their own casualty and liability insurance as distinguished from the obligation of the Board of Managers.

The common charges will include electricity for common area lighting, insurance for the building, yearly maintenance as well as City water and sewer charges and miscellaneous common expenses.

Each unit owner is obligated to comply with the declaration, the by-laws, rules and regulations and any other requirements of the board of managers.

Under the New York State Condominium Act, a condominium unit may be owned by an individual, a corporation, a partnership, or a fiduciary. There is no restriction as to who may purchase, except for those considered unqualified pursuant to any applicable statute. There are no restrictions on the use, resale, leasing or mortgaging of a unit.

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

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

DEFINITIONS

For convenience of presentation, general definitions of certain terms which are used in the Plan are set forth below. Such definitions are subject in some cases to the more specific meanings as set forth in the Declaration and By-Laws.

BY-LAWS: The document governing the operation of the Condominium, pursuant to which the Board of Managers is elected and governs, including provisions for calling meetings of unit owners, election of officers, assessments and restrictions.

COMMON CHARGES: Assessments payable to the condominium by the unit owner for the purpose of meeting common expenses on a monthly basis.

COMMON ELEMENTS: The land, all parts of the building other than the units, including the foundations, roofs and supports of the buildings, and all areas or facilities for the common use of certain or all unit owners.

COMMON EXPENSES: The costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the common elements.

COMMON INTEREST: The proportionate interest of each unit owner in the common elements, expressed as a percentage determined in accordance with the declaration. The total

percentage of Common Interests of all unit owners equals 100%. The common interests are the basis of determining the liability for a share of common expenses and share of any distributions upon termination of the condominium.

DECLARATION: The instrument, as amended from time to time, by which the property is submitted to the provisions of the New York Condominium Act. The declaration is set forth in Part II of this plan.

FLOOR PLANS: Floor plans of the building will be filed with the Kings County Clerk's Office simultaneously with the recording of the declaration.

LIMITED COMMON ELEMENT: Those portions of the common elements which are for the exclusive use of one or more units but less than all of the units, including balconies and parking spaces, if applicable.

PROPERTY: The land, the buildings and the appurtenances thereto of the condominium.

PURCHASE AGREEMENT: The contract to purchase a unit pursuant to the plan, the general form of which is set forth in Part II of this plan.

PURCHASER: A purchaser of a unit under a Purchase Agreement.

UNIT, UNITS: Any space designated and defined as a unit in the declaration, consisting generally, of either a specific unit or unit located in the building. All of such units are collectively referred to as the "Units".

UNIT OWNER: An owner of a condominium unit, also known as a Home Owner.

UNSOLD UNITS: Any units owned by sponsor unless used for personal residence by sponsor.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The property upon which the Community is being constructed, is situated in the Borough of Brooklyn, City of New York, lying on Bay 32nd Street near Benson Avenue. Zoning for the property is R5. This zone permits residential use as of right.

The 50-62 Bay 32nd Condominium, Inc. will consist of eighteen condominium units and fourteen off street parking spaces on approximately 13,533 square feet of land. 50 and 62 Bay 32nd Street are mirror images of each other. 52, 54, 56 and 60 Bay 32nd Street are mirror images of each other. The buildings do not have elevators.

Each unit has a laundry closet with hookups for a washer and dryer. These appliances are to be supplied by the purchasers.

There will be four outdoor parking spaces at the front of the buildings and the remaining ten at the rear. These spaces will be allocated by sponsor to purchasers at the time of contract and will be come limited common elements of the unit to which a space is allocated. None of the spaces are designated as handicapped.

Each dwelling unit will have a separate gas-fired furnace and a gas fired hot water heater in the cellar mechanical room. The furnace for heating will be a Weil McLain model #HE 6 approval number M.E.A. 157-81E. The domestic hot water heater will be A.O. Smith model number PGC-50. N.Y.C. approval number180-78-E.The specifications for the boiler and pumps are further described in the Architects narrative description in Part Two of the Plan.

No optional extra features are offered. However, purchasers may initiate negotiations for options or extras based upon their own ideas which sponsor may be able to provide.

The units, and the Building containing them, and all other improvements will comply with all applicable rules, regulations, laws, and other requirements of all governmental authorities having jurisdiction thereof including those governing zoning and construction. The Sponsor, in connection with this plan, has complied and will comply with all applicable rules, laws, regulations and other governmental requirements pertaining thereto, including the Building Code of the City of New York and the Zoning Law, and any other law or regulation that may be determined to apply.

Each unit and the common elements will be constructed in the manner set forth in the Building plans filed with the City of New York and any amendments thereto, which amendments will in all instances be filed with the City of New York. Such plans will no be changed so as to materially adversely affect the unit owner, but in any event may be changed at the request of the purchasers. For a detailed description of such data see Part II.

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, cables, 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 repair or alteration of the Units by the Board of Managers, after damage by fire or other casualty or as a result of condemnation or eminent domain proceedings, or by reason of any alteration made by the Board of Managers to the common elements so that any such encroachment may remain undisturbed so long as a unit stands. Each unit will be subjected 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, limited common elements and to the common elements (irrespective of the restricted nature of such common elements) 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. Other easements which will effect the Condominium may be found in the Declaration and By-Laws.

Units 2B, 2C, 2D, 2E, 3A, 3B, 3C, 3D, 3E and 3F contain balconies off of their living rooms. These are considered limited common elements of the specific unit to which they are attached. The use and enjoyment of such limited common element by the unit owner shall be subject to the terms and conditions found in the Declaration and By-Laws in Section two of this plan.

The front part of the cellars in each building will house a meter room, a boiler room and two storage rooms which will service that building. These spaces are considered a common element. The rear of the cellar area is a recreation room for the basement floor unit.

The development will have a small front yard and driveways at the east and west ends which provide access to the rear parking area. Since the rear yard will be the location of off street parking spaces, the rear yard and the side yards which are exclusively driveways will be mostly paved with asphalt concrete.

The on site sanitary and storm sewer system will be connected to the New York City sanitary and storm sewers which run beneath Bay 32nd Street.

The ground floor units 1A,1B,1C,1D,1E and 1F are duplexes with recreation rooms locate d in the cellar.

III. LOCATION AND AREA INFORMATION

The property is located in Brooklyn on Bay 32nd Street near Benson Avenue in the Bath Beach section of Brooklyn. (See area map). The condominium is new construction built on a 140 by 97 parcel of land.

There are small shops near the site and additional local shopping within a three block radius. There are several established condominium developments nearby.

The Condominium site is in a developed urban area with public transportation, schools, religious facilities, police and fire departments all located in close proximity to the Site. The Condominium faces a public street which is and will be maintained by the City of New York and the Development has the benefit of gas, water and electrical service.

The site is two blocks away from the B and M subway lines and the B1, B6, and B82 bus lines. The 62nd police precinct is ten blocks away as is the local firehouse.

Public School 101 located at 2360 Benson Avenue is four blocks away and Joseph B. Cavallano Jr. High school located at 8787 24th Avenue is a third of a mile away.

Schneider Childrens Hospital located at 8622 bay parkway is three blocks from the site. The US Veterans Hospital at 800 Poly Place is a mile and a half away while the Coney Island Hospital at 2601 Ocean parkway is 1.7 miles away.

Coney Island Astroland and the beach area is within two miles at 1000 Surf Avenue.

SCHEDULE A
OFFERING PRICE AND RELATED INFORMATION
FIRST YEAR OF OPERATION
(Assumes First Year of Operation Begins January 1, 2009 and ends December 31, 2009

Unit	Number of bedrooms and baths (1)	Total square footage (1)	Offering price (3)	Percentage of common interest (2)	Monthly common charges (4)	Projected Monthly real estate taxes no 421(a) (5)	Projected Annual real estate taxes no 421(a)	Projected total monthly charges without 421(a)	Projected monthly real estate taxes with 421(a) (5)	Projected annual real estate taxes with 421(a)	Projected total monthly charges with 421(a)
BUILDING 50 Bay 32nd 1 A	3Bedroom 2 ½ Bath duplex	1,577 square feet	559,000	7.143	214.80	450.50	5406.00	665.30	67.58	810.96	282.38
2 A	3 bedroom 2 bath	1,007 square feet	539,000	4.562	137.18	434.50	5214.00	571.68	65.18	782.16	202.36
3A	3 bedroom 2 bath Balcony	1,129 square feet	549,000	5.115	153.80	442.50	5310.00	596.30	66.38	796.56	220.18
BUILDING 52 Bay 32nd 1 B	2 bedroom 2 ½ bath duplex	1,526 square feet	549,000	6.913	207.88	442.50	5310.00	650.38	66.38	796.56	274.26
2 B	2 bedroom 2 bath balcony	1,007 sq. ft.	519,000	4.562	137.18	420.00	5040.00	557.18	63.00	756.00	200.18
3 B	2 bedroom 2 bath balcony	1,129 sq. ft.	549,000	5.115	153.80	442.50	5310.00	596.30	66.38	796.56	220.18

Unit	Number of bedrooms and baths (1)	Total square footage (1)	Offering Price (3)	Percentage common interest (2)	Monthly Common Charges (4)	Projected Monthly real estate tax no 421(a) (5)	Projected Annual real estate tax no 421(a)	Projected Total monthly charges without 421(a)	Projected Monthly real estate tax with 421(a) (5)	Projected Annual real estate tax with 421(a)	Projected total monthly charges with 421(a)
BUILDING 54 Bay 32nd 1 C	2 bedroom 2 ½ bath duplex	1,526 sq. ft.	549,000	6.913	207.88	442.50	5310.00	650.38	66.38	796.56	274.26
2 C	2 bedroom 2 bath balcony	1,007 sq. ft.	519,000	4.562	137.18	420.00	5040.00	557.18	63.00	756.00	200.18
3 C	2 bedroom 2 bath balcony	1,129 sq. ft.	549,000	5.115	153.80	442.50	5310.00	596.30	66.38	796.56	220.18
BUILDING 56 Bay 32nd 1 D	2 bedroom 21/2 bath duplex	1,526 sq. ft.	549,000	6.913	207.88	442.50	5310.00	650.38	66.38	796.56	274.26
2 D	2 bedroom 2 bath balcony	1,007 sq. ft.	519,000	4.562	137.18	420.00	5040.00	557.18	63.00	756.00	200.18
3 D	2 bedroom 2 bath balcony	1,129 sq. ft.	549,000	5.115	153.80	442.50	5320.00	596.30	66.38	796.56	220.18
BUILDING 60 Bay 32nd 1 E	2 bedroom 2 ½ bath duplex	1,526 sq. ft.	549,000	6.913	207.88	442.50	5320.00	650.38	66.38	796.56	274.26
2 E	2 bedroom 2 bath balcony	1,007 sq, ft.	519,000	4.562	137.18	420.00	5214.00	557.18	63.00	756.00	200.18
3 E	2 bedroom 2 bath balcony	1,129 sq. ft.	549,000	5.115	153.80	442.50	5320.00	596.30	66.38	796.56	220.18

Unit	Number of Bedrooms and Baths (1)	Total Square Footage (1)	Offering Price (3)	Percentage common interest (2)	Monthly Common Charges (4)	Projected Monthly real estate tax no 421(a) (5)	Projected Annual real estate tax no 421(a)	Projected Total monthly charges without 421(a)	Projected Monthly real estate tax with 421(a) (5)	Projected Annual real estate tax with 421(a)	Projected Total monthly charges with 421(a)
BUILDING 62 Bay 32nd 1 F	3 bedroom 2 ½ bath duplex	1,577 sq. ft.	559,000	7.143	214.80	450.50	5406.00	665.30	67.58	810.96	282.38
2 F	3 bedroom 2 bath	1,007 sq. ft	539,000	4.562	137.18	434.50	5214.00	571.68	65.18	782.16	202.36
3 F	3 bedroom 2 bath balcony	1,129 sq. ft.	549,000	5.115	153.80	442.50	5320.00	596.30	66.38	796.56	220.18
TOTALS		22,074 sq. ft.	9,762,000	100.00	3,007	7875.00	94,500.00	10,882.	1,181.32	14,175.84	4,188.32

FOOTNOTES TO SCHEDULE A

1. Rooms and baths are according to N.Y.C. zoning room count. For a complete description of the unit layouts consult the description and floor plans in part two of this Offering Plan. The square footage used is measured as follows: horizontally; approximately to the outside face of the masonry walls and partitions (dividing the units from corridors, stairs and mechanical spaces). Dimensions shall be to the centerline when a partition divides two units. The usable floor area of the units may be significantly less than the above calculated square footage.

2. The percentage of common interest are calculated on floor space, subject to the location of such space and additional factors of relative value to other space in the condominium for each condominium unit pursuant to New York State Real Property Law Section 339-i(1)(iv).

3. The total cash purchase prices are subject to change. See "Changes in Prices or Units" for an explanation of any price changes. Please note that prices are negotiable. See "Closing Costs and Adjustments" on page 31 for a description of closing costs. For units priced at $519,000 and $559,000, these would total approximately $ 12,466. and $13,355. respectively plus additional closing costs if purchaser obtains a mortgage, including escrow and attorneys fees, plus working capital of $500.00 per unit and adjustments.

4. The sponsor at this time is not offering or procuring mortgage financing. If the purchaser obtains financing, debt service on such financing will be an additional monthly expense.

Purchasers should note that monthly carrying charges do not include certain housing costs for which the unit owner is generally responsible such as repairs to the interior or the unit, and separately metered gas and electricity for cooking, lighting and air conditioning and heating. Projections for individual gas and electricity usage set forth and explained in Schedule B-1.

5. 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 owner be subject to, any lien arising from the non-payment of taxes on other units. Under the current tax law, real estate taxes paid on a personal residence are tax deductible as an itemized deduction on personal tax returns.

The post construction assessed value for the entire development is estimated to be $9,762,000. The post construction assessed value for each unit is anticipated to be between $31,140 and $33,540. It is anticipated that the completion and reassessment of taxes will be effective for the Fiscal year commencing July 1, 2008. At the present time the tax rate is approximately 15.434%. The City of New York has the ability to increase or decrease this rate in the future.

The projected nonexempt and exempt taxes in schedule A are based upon percentages of common interest and the above projected post construction assessment and tax rate.

The Sponsor has applied for tax abatement benefits for the development. It is anticipated that the taxes under the tax abatement will be $62.74 to $ 67.58 per month per unit. The Sponsor will pay real estate taxes for the first year in the event tax exemption benefits are not granted. There is no guarantee that benefits will be obtained. Please see page 49 for a detailed discussion of the Tax Exemption Benefits.

. In summary the 421(a) partial real estate tax exemption is granted to owners of newly constructed residential condominiums in New York City for a 15 year period. Newly constructed buildings will be fully exempt from real estate tax on the structural component for eleven years after the first taxable status date immediately following completion.

During the twelfth year the abatement will be 80%
During the thirteenth year the abatement will be 60%
During the fourteenth year the abatement will be 40%
During the fifteenth year the abatement will be 20%
After the fifteenth year the unit will pay full taxes.

SCHEDULE B
PROJECTED BUDGET FOR THE
FIRST YEAR OF OPERATION OF THE
50-62 BAY 32nd STREET CONDOMINIUM
BEGINNING JANUARY 1, 2009

Income

Common Charges.....	$	36,086.

Expenses

Labor.....	-0-
Heating (natural gas).....	-0-
Utilities (electricity).....	1,500
Water charges and sewer rent.....	14,456
Repairs, maintenance and supplies.....	3,600
Asphalt repairs.....	1,000
Insurance	13,200
Management fees.....	-0-
Legal Fees and Audit Fees.....	2,000
Asphalt Reserve Fund.....	330
TOTAL..... $	36,086

In the event that the actual or anticipated date of commencement of condominium operation is delayed more than six (6) months from the budget year projected above, the plan must be amended to include a revised budget disclosing current projections. If such amended projections exceed the original projection by twenty-five percent (25%) or more, the sponsor must offer all purchasers the right to rescind and a reasonable 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 down payment to purchasers who rescind within a reasonable period of time. Sponsor may not declare a plan effective where there are material changes to the budget if these changes have not been disclosed by a duly filed amendment to the plan.

FOOTNOTES TO SCHEDULE B

This estimate of operating expenses and income has been made by the Sponsor's expert, Flagg Abstract, Inc. successor to Four Corners Management Inc. 1573 Richmond Road, Staten Island, N.Y. 10304. The estimates are based upon operation of comparable developments in the New York City Area. It cannot be construed as an assurance of the final expenses and is merely based upon information available at this time. These amounts may vary due to changes in operating expenses.

1. LABOR No employees of the condominium are contemplated. As virtually all maintenance of condominium property shall be performed by the Home Owners themselves unless it is voluntarily undertaken by the Condominium Board, no employees are necessary. This is in compliance with all applicable local housing and labor laws.

In the event the unit owners hire a superintendent or porter, the projected amount of common charges will be increased to reflect such employment.

2. HEATING. Each unit will have its own heating and hot water boilers. There is no separate heating system for the buildings as a whole. Please refer to Schedule B-1 for individual heating costs.

3. UTILITIES. Each unit will be separately metered for gas usage of the range and dryer. Each unit will be separately metered for electrical usage for lighting, appliances and unit air conditioners. The estimates supplied by the utilities are provided in Schedule B-1. The electricity usage for the common elements cover the water pump, lighting and small motors etc. Estimate supplied by Twilight Electrical Contracting Corp., 125C Industrial Loop, Staten Island N.Y. 10309. The estimate is based upon 6000 kilowatt hours per year at a cost of 25 cents per kilowatt hour.

4. WATER CHARGES AND SEWER RENTS. The water and sewer charges will be for the six building sections. There is a separate meter for each building which will be combined as one common charge. It is estimated that each two bedroom apartment will house three people and each three bedroom will house four people. The average daily usage per apartment will be 80 gallons. The yearly usage will therefore be 1,752,000 gallons or 2,343 HCF of water. The current base water and sewer charge is $6.17 per HCF. This figure includes applicable sales tax and a 11% inflation factor. The total cost for the six buildings would be $ 14,456 per year. Estimate supplied by William C. Gerakaris Plumbing & Heating Corp. 12-15 37th Avenue, Long Island City, N.Y. 11101.

5. REPAIRS, MAINTENANCE AND SUPPLIES Since the Condominium is new construction, the Sponsor does not feel that the normal repairs and maintenance will be excessive. A conservative estimate of $ 3,600 per annum has been supplied by EIP Leasing Services, Inc. 1561 Arthur Kill Road,StatenIsland,N.Y.10312. This maintenance and repair estimate does not include painting and repairs to the interior of units which are assumed by respective unit owners.

6. The parking area and driveways will require minimum annual maintenance. According to the estimate supplied by EIP Leasing Services, Inc. the yearly expense for pothole repair, drainage etc will not exceed $1,000 per annum.

7. INSURANCE. Estimate supplied by Admiral Insurance Brokerage 5507 Avenue N, Brooklyn, New York 11234.

Based on Construction of Property Values of $500,000, and General Liability Limits of $1,000,000 CSL per occurrence and $2,000,000 Annual Aggregate including Directors Liability;
Boiler and Machinery included. A $2,500 deductible applies.

Coverage applies to entire structure excluding personal property of unit owners, and liability coverage applies to all common areas.

Projected total annual premium $ 13,200 or $2,200 per structure

The fire, casualty and general liability insurance must be on terms that provide (a) that each unit owner is an additional party insured; (b) that there will be no cancellation without notice to the Board of Managers; (c)a waiver of subrogation; (d) a waiver of invalidity because of the acts of the insured and unit owners; and (e) a waiver of pro-rata reduction if unit owners obtain additional coverage.

It is desirable for the individual owners to obtain additional insurance at their own cost to cover such risks as fire and casualty losses to the contents of their unit, and liability coverage for occurrences within their unit.

8.MANAGEMENT FEES. Due to the size and nature of the Condominium, the Sponsor does not believe a management agent is necessary or desirable. In the event that the unit owners desire to retain a management company, the yearly cost will be approximately $5,000. which would increase the common charges by approximately 15%.

9.LEGAL FEES AND AUDIT FEES. The attorney for the Sponsor Morris Flyer, Esq. has agreed to handle routine matters for the Condominium for the first year of operation at no cost. The normal fee for such services would be $1,000.00. The services covered by this fee are routine matters such as review of contracts, interpretation of the Declaration and By-laws and ordinary correspondence with the Managers, Unit Owners and any City Agency.

Annual review of the Condominium expenses, certified financial statements and preparation of tax returns, based upon the written estimate of Leff & Bell 1573 Richmond Road, Staten Island, N.Y. will be $1,000. per annum.

10. ASPHALT REPLACEMENT RESERVE The parking area and driveways are estimated to have a useful life of twenty years. Based upon a 4,400 square foot area and a $1.50 per square foot asphalt cost, the replacement cost will be approximately $6,600. Therefore a reserve of $330 per annum should be collected to fund such replacement. Estimate supplied by EIP Leasing Services, Inc. 1561 Arthur Kill Road, Staten Island, N.Y. 10312.

SCHEDULE B-1

Estimated Individual Utility Expenses
For First Year of Operation
Commencing January 1, 2009

Expenses per unit

GAS for heating, domestic hot water and cooking

Apartment	Square Footage	Therms	Yearly cost
Unit 1 A	1,577	3,374	$6,140
Unit 2 A	1,007	2,400	$4,368
Unit 3 A	1,129	2,800	$5,096
Unit 1 B	1,526	3,374	$6,140
Unit 2 B	1,007	2,400	$4,368
Unit 3 B	1,129	2,800	$5,096
Unit 1 C	1,526	3,374	$6,140
Unit 2 C	1,007	2,400	$4,368
Unit 3 C	1,129	2,800	$5,096
Unit 1 D	1,526	3,374	$6,140
Unit 2 D	1,007	2,400	$4,368
Unit 3 D	1,129	2,800	$5,096
Unit 1 E	1,526	3,374	$6,140
Unit 2 E	1,007	2,400	$4,368
Unit 3 E	1,129	2,800	$5,096
Unit 1 F	1,577	3,374	$6,140
Unit 2 F	1,007	2,400	$4,368
Unit 2 F	1,129	2,800	$5,096

Estimate provided by William C. Gerakaris Plumbing & Heating Corp. 12-15 37th Avenue, Long Island City, N.Y. 11101. This estimate is based upon $1.82 per therm which includes applicable sales tax and a 5% inflation factor.

ELECTRICITY

Air conditioning, lighting and appliances

Apartment	Square footage	Kw-hrs/year	Yearly cost
Unit 1 A	1,577	5,800	$ 1,450
Unit 2 A	1,007	5,000	$ 1,250
Unit 3 A	1,129	5,200	$ 1,300
Unit 1 B	1,526	5,400	$1,350
Unit 2 B	1,007	4,600	$1,150
Unit 3 B	1,129	4,800	$1,200
Unit 1 C	1,526	5,400	$1,350
Unit 2 C	1,007	4,600	$1,150
Unit 3 C	1,129	4,800	$1,200
Unit 1 D	1,526	5,400	$1,350
Unit 2 D	1,007	4,600	$1,150
Unit 3 D	1,129	4,800	$1,200
Unit 1 E	1,526	5,400	$1,350
Unit 2 E	1,007	4,600	$1,150
Unit 3 E	1,129	4,800	$1,200
Unit 1 F	1,577	5,800	$1,450
Unit 2 F	1,007	5,000	$1,250
Unit 3 F	1,129	5,200	$1,300

Estimate supplied by Twilight Electrical Contracting, Inc. 125C Industrial Loop, Staten Island, N.Y. 10309.

Estimate based upon a cost of $0.25 per KW-HR average residential usage. This figure includes a 5% inflation factor and applicable sales taxes. Estimates based upon a two bedroom apartment with occupancy by three persons and a three bedroom apartment with occupancy by four persons.

Paul A. Leff

LICENSED REAL ESTATE BROKER
1573 RICHMOND ROAD
STATEN ISLAND, NEW YORK 10304
TEL: (718) 667-7112
FAX: (718) 667-0038

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-(i)

October 12, 2007

Bay 32nd Street Realty LLC
203 Bay 8th Street
Brooklyn, N.Y. 11228

Re: 50-62 Bay 32nd Street Condominium

Gentlemen:

We have reviewed the percentage common interest for the units shown in the schedule entitled "Schedule A Offering Price and Related Information" for inclusion in the above referenced Offering Plan. The respective percentage of common interest is based upon Real Property Law section 339-(i)(1)(iv), upon floor space, subject to the location of such space and the additional factors of relative value to other spaces 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 our opinion, the percentage common interest as set forth in the offering plan is in compliance with Real Property Law Section 339-(i)1(iv).

The floor space and overall dimensions were calculated and provided to the undersigned by the architect for the project Bricolage Designs 6321 New Utrecht Avenue, Brooklyn, N.Y. 11219.

The undersigned has been a licensed real estate broker for over ten years specializing in new and converted condominiums on Staten Island, Manhattan and Brooklyn.

I have no financial or other beneficial interest in the Sponsor, or in the profitability of the project. I am neither the selling agent nor the prospective managing agent for the property.

You have advised me of your intention to incorporate this letter into the Plan and I hereby consent to such incorporation.

Paul A. Leff

VI. CHANGES IN PRICES AND UNITS

The Units will be offered for sale at the asking prices reflected in Schedule A, plus the prices of any options selected by purchasers. The Schedule A offering prices may only be increased or decreased by a duly filed amendment to the plan when the change in price is an across the board change affecting one or more lines of units or unit models or is to be advertised or is an individually negotiated increase.

However, Sponsor may enter into an agreement with a purchaser to sell one or more units at prices different from those set forth in Schedule A since the prices are negotiable.

No change in the price of a Unit will vary the estimated annual Common Charges for that Unit or its percentage of interest in the Common Elements. Pursuant to this paragraph, purchasers may pay different prices for similar interests.

The Sponsor also reserves the right to substitute for any of the materials specified in Part II Description of property, materials of equal or superior quality in the construction or design of the Condominium due to the unavailability of materials or as may be authorized, approved or required by the lending institution or municipal authorities having jurisdiction there over.

No changes 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

.

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 sponsor for that unit and the purchaser is not in default.

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.

V11. PROCEDURE TO PURCHASE

A. Any person may accept Sponsor's offer to sell the Units by entering into a Purchase Agreement with the Sponsor. The agreement provides that the purchaser will purchase from the Sponsor a designated Unit in the Condominium described in the Declaration creating such Condominium.

Purchasers will be afforded, at the Sponsor's sole option, either (i) no fewer than three (3) business days to review the Plan and all filed amendments prior to executing a purchase agreement, or (ii) a period of no fewer than seven days subsequent to the execution of the Purchase agreement to rescind the purchase agreement.

Upon signing the Purchase Agreement the purchaser shall make a down payment of 10% of the total price of his Unit plus the cost of special work ordered by the Purchaser. At the closing, upon full payment of the purchase price in cash or by mortgage, the purchaser will receive a bargain and sale deed with covenants against grantor's acts and containing the provisions set forth in Section 13 Subdivision 5 of the Lien Law, which will convey good and marketable title of fee ownership in the Unit and such percentage of common interest in the Common Elements as is set forth on Schedule A, free and clear of all liens and encumbrances other than those set forth in the Plan. The purchase agreement may be modified with the consent of the purchaser and the Sponsor in a manner not inconsistent with law subject to the terms of the Plan.

Purchaser obligation to purchase is contingent on obtaining financing. Such contingency is provided for in the purchase contract in Part II exhibit A.

The purchase agreement in Part II at A-3 of this offering plan provides for a mortgage application to be filed within ten days of the contract signing and further provides for a forty five day mortgage approval period thereafter. The Seller may extend the time period for an extra sixty days or give the purchaser a purchase money mortgage. In the event that the financing commitment lapses or expires prior to closing, and the purchaser has made a good faith effort to extend the commitment, the sponsor will grant the purchaser a right of rescission and a reasonable period of time to exercise the right.

Within fifteen days after a purchaser delivers an executed purchase agreement together with the required deposit, the sponsor must either accept the purchase agreement and return a fully executed counterpart to the purchaser or reject the purchase agreement and refund the full deposit previously tendered. If the sponsor takes no action within the above time period, the purchase agreement shall be deemed rejected.

B. Trust Funds

All monies received directly by the Sponsor or through its agents or employees, shall be held in trust pursuant to Section 352-e(2-b) and 352-h of the General Business Law and the escrow and trust fund regulations as promulgated by the Attorney General and effective April 27, 1992.

The Sponsors escrow agreement is attached to this Offering Plan as Section F in Part II.

In summary the terms of this escrow agreement are as follows:

(a) within five business days all deposits, down payments or advances made by purchasers prior to closing on an individual transaction will be placed 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. Deposits in excess of $100,000 will not be federally insured in excess of $100,000.

(b) for the purpose of this account, the escrow agreement appended to this offering plan shall control. The funds shall be in an account designated "Morris Flyer, esq. Attorney Escrow Account" located in the J.P. Morgan Chase Bank at its branch located at 1722 Avenue U, Brooklyn, N.Y. 11229. The signature of Morris Flyer, Esq. 1406 West 5th Street, Brooklyn, N.Y. 11204 shall be required to withdraw any such funds.

(c) The escrow account shall be an Interest-On-Lawyer's Account (IOLA), with all interest credited to the IOLA fund pursuant to Judiciary Law section 497.

(d) 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 attorney as escrow agent.

(e) The Sponsor will comply with Section 71-a(3) of the Lien Law which provides for the escrowing of the down payment as outlined above and restricts the release of the funds as outlined below.

(f) Within ten business days after the tender of the deposit submitted with the purchase agreement, the escrow agent will notify the purchaser that such funds have been deposited in the bank account indicated above and shall provide the account number and initial interest rate if any.

If the purchaser does not receive notice of such deposit within 15 business days after tender of such 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 the regulations and requisite notice was timely mailed to the purchaser.

Before funds are transferred to a new escrow account, of if the escrow agent is replaced, the plan will be amended to provide the same full disclosure with respect to the new account, the escrow agent and the escrow agreement as 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 alternative form of security

C. RELEASE OF ESCROW FUNDS

(1) 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 352-h.

(2) The escrow agent shall hold the funds in escrow until otherwise directed in (a) a writing signed by both Sponsor and Purchaser, (b) a determination of the Attorney General pursuant to the dispute resolution outlined below, (c) a judgment or order of a court of competent jurisdiction, or (d) in the event there is no written agreement concerning the escrow after ten days written notice to the

purchaser unless application has been made pursuant to the dispute resolution provisions of the regulations.

(3) The sponsor shall not object to the release of the escrow funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in this plan or an amendment hereto, or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

(4) The down payment shall be released to Sponsor following sponsor's obtaining a bond or letter of credit and the acceptance of an amendment to this offering plan approving of such bond or letter of credit.

(5) 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 no fewer that (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 the Attorney General's regulations and has notified the escrow agent in accordance with such provisions. A copy of the dispute resolution forms are appended in Part II of this Plan.

D. DISPUTES

(a) In the event of a dispute, the sponsor shall apply and the purchaser or the escrow agent holding the down payment in escrow may apply to the Attorney General for a determination on the disposition of the down payment and any interest earned thereon. A copy of the forms which are available from the Department of Law are annexed to Part II of this agreement. The party applying shall contemporaneously sent to all other parties a copy of such application.

(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.

If the application permitting release of the 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.

The Attorney General shall act upon the application within thirty 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.

(c) If the application seeking release of funds is denied, the escrow agent shall continue to hold the deposit and any interest earned thereon until (i) both the sponsor and the purchaser direct payment to a specified party in accordance with a written direction signed by both the sponsor and

purchaser, (ii) a judgment or order of a court of competent jurisdiction is served on the escrow agent, or (iii) the escrow agent deposits the disputed amount into court.

(d) 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, by order or judgment of a court of competent jurisdiction or by written agreement of the sponsor and the purchaser.

E. GENERAL TRUST FUND PROVISIONS

(a) The escrow agent shall maintain all records concerning the escrow account for seven years after the 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 the successor firm and shall notify the Department of law of such transfer.

(b) The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulations.

(c) 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. This section shall prevail over any conflicting or inconsistent provision in the offering plan or in a purchase agreement.

(d) 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 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.

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

F. MISCELLANEOUS PROVISIONS CONCERNING PURCHASES

(1) The Sponsor anticipates the first closing of a unit will occur on or about January 1, 2009. In the event that the closing is delayed by the Sponsor for twelve months or more, purchaser will be offered rescission of the contract of purchase.

The Sponsor is not limiting the condition under which it will rent rather than sell units. There is no commitment to sell more units that the 15% necessary to declare the plan effective. There are no construction loan contingencies which would affect the sponsor obligation to sell or rent the units.

(2) 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 shall be served no less than thirty (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 this plan or in an amendment thereto.

(3) The Sponsor is obligated to make written demand for payment after default by purchaser and afford the purchaser a thirty day period to cure said default prior to the purchaser forfeiting any money paid under the purchase agreement.

(4) The purchasers will be afforded, at the Sponsor's sole option, either (i) no fewer than three (3) business days to review the Plan and all filed amendments prior to executing a purchase agreement, or (ii) a period of no fewer than seven days subsequent to the execution of the Purchase agreement to rescind the purchase agreement.

(5) The risk of loss from fire or other casualty remains with the Sponsor until legal title to the home or lot has been conveyed to the purchaser.

(6) The purchasers shall sign a power of attorney to the Board of Managers of the Condominium. This power shall be executed at the closing of title to the unit purchased by the purchaser and recorded simultaneously with the Deed to said unit.

(7) Any conflict between the plan and the purchase agreement will be resolved according to the terms of the plan.

(8) The purchase agreement and plan may not contain, or be modified to contain, a provision waiving purchaser's rights or abrogating sponsor's obligations under Article 23-A of the GBL.

(9) The Sponsor will not permit the assignment or transfer of purchase agreements.

EFFECTIVE DATE OF PLAN

Sponsors' offer to sell is contingent upon the plan being declared effective and compliance with the relevant conditions and time periods hereinafter set forth.

The closing of the first unit by the sponsor may not occur before the plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

The 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 the regulations stating that the Plan ids declared effective and submitting an amendment to the Department of Law within five (5) days confirming that the Plan was declared effective on a specific date.

The plan may not be declared effective unless bona fide purchasers, including investors, have signed purchase agreements for at least fifteen percent (15%)(represented by 3units) of the units offered under the plan.

The Plan will not be declared effective based upon purchase agreements:

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

(b) if the purchaser was not afforded (i) not fewer than seven (7) days after delivering an executed purchase agreement together with the required deposit to rescind the purchase agreement and have the full deposit refunded promptly or (ii) not fewer than three (3) business days to review the offering plan and all filed amendments prior to executing a purchase agreement. See Section 20.3(o)(15) of the regulation); or

(c) 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 plan must be declared effective when purchase agreements have been accepted by sponsor for eighty percent (80%)(equaling 15 units) or more of the units offered under the plan.

The plan may be abandoned by the sponsor, at its option, before it is declared effective or, before eighty percent (80%) of the units have been purchased. Within 30 days after abandonment, all monies paid by purchasers shall be refunded to them in full. Sponsor shall promptly submit an amendment to the Department of Law confirming such abandonment and file a notice of abandonment on form RS-3 or such other form as the Department of Law may require and explain the reason for the abandonment and disposition of all funds received.

The plan may be declared effective by filing an amendment to the offering plan. All purchasers shall be identified by name, address, unit purchased, purchase price exclusive of extra features and total purchase price. No closings will be held until the effectiveness amendment has been accepted for filing.

Sponsor also agrees to submit to the Department of Law, if requested, copies of all purchase agreements (and any amendments or modifications) within five (5) business days after the request is made.

The sponsor may not abandon the Plan after the effectiveness amendment is filed for any reason other than (i) a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total amount of the offering, or (ii) substantial damage or destruction of the buildings by fire or other casualty which cannot be cured for less than one-half of one percent of the total amount of the offering, or (iii) the taking of any material portion of the property by condemnation or eminent domain. Sponsor must provide that any stated dollar amount relied upon as basis for abandonment after effectiveness must 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.

IX. TERMS OF SALE

The form of deed to be delivered to a unit owner at closing of title to his unit shall be a bargain and sale deed with covenants against grantor's acts in proper form for recording. A form of unit deed is contained in Part II of the Plan.

Closing of title is the actual transfer of ownership of the condominium unit by Sponsor to the purchaser following the contract of sale. Purchaser will receive not less than thirty (30) days written notice by Sponsor prior to the closing date.

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 this plan and the proposed unit deed.

The Sponsor is obligated to repair any damage from a casualty or other cause that occurs before the closing of a purchase's unit. In the event the damage is extensive and renders the unit uninhabitable, either the sponsor or the purchaser may cancel the contract of sale and receive a full refund of the down payment.

A date for the closing of title will be set by the Sponsor in accordance with the Purchase Agreement. The closing of title to the first Homes are expected to commence on or about January 1, 2009. Closings will only take place after or simultaneously with the happening of the following events:

1. The issuance of a temporary or permanent Certificate of Occupancy to the Home or Building in which the Home is located and any other necessary permits or certificates.

A temporary certificate of occupancy certifies that the unit is habitable and that all systems are functioning but that some work remains to be done prior to the building department issuing a permanent certificate of occupancy. The temporary certificate of occupancy runs for a period of 6 to 9 months and must be renewed by the Seller until the permanent is obtained. Sponsor projects it will obtain a permanent certificate of occupancy for the building within one year.

2. The Sponsor has obtained a construction loan from the Sterling Trust Company. In the event that existing mortgages or the construction loan will not be satisfied at or prior to the closing of the first unit, 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.

3. Recordation and filing of the Declaration, By-Laws, floor plans for the Condominium and such other documents as required by law, in accordance with the New York Condominium Act or applicable state and local law in the office of the Clerk of Kings County.

4. As required by Real Property Law Section 339-r, the discharge or partial release duly recorded of all liens affecting the unit to be closed except any mortgage requested by the purchaser at the time of closing representing a mortgage taken by the purchaser.

5. The purchaser being served with a written notice of the closing date at least thirty days in advance and opportunity to inspect the unit and other property subject to the declaration.

6. Amendment of the plan by sponsor to disclose that it has been declared effective and to confirm that any units to be closed have been constructed in accordance with any applicable plans and specifications and sponsor has complied with the requirements of the applicable regulations.

7. The purchaser shall execute an instrument in the form provided in Part II of this offering plan designating the Board of Managers as his attorneys in fact, coupled with an interest for the purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any homes acquired by the Board of Managers in accordance with any of the provisions of the By-Laws and for purposes consistent with the implementation of the offering plan.

8. Purchaser or the Board of Managers shall receive subcontractors' warranty certificates for heating, plumbing, roofing and appliances relating to the purchaser's Home or the Common Elements respectively, if any, to the extent made by such manufacturers and subcontractors and to the extent such warranties are assignable.

9. If so requested by the purchasers, a title insurance company licensed to do business in New York State shall agree to insure that such purchaser has good and marketable fee title in the Home, free and clear of all liens and encumbrances except those set forth in the offering plan, and subject to the provisions of the Declaration and By-Laws and any mortgage executed by the purchaser and that the Condominium was validly formed pursuant to Article 9-B of the Real Property Law.

The Home Owner, at his option, may purchase title insurance covering his interest in the Home. Title to the Home will be subject to the following:

(1) State of facts of the property as shown on a survey and any additional state of facts which a subsequent survey would show provided such additional state of facts would not render title unmarketable.

(2) Sewer, water, drainage, electric, plumbing, heating, gas telephone, cable television and other utility easements or consents, if any, granted or which may be granted hereafter.

(3) All of the terms, covenants and conditions of the Declaration, the By-Laws, and the Building Plans as filed or recorded and the Offering Plan and amendments thereto.

(4) All easements set forth in the By-Laws and the Declaration as they are subsequently recorded and in the Offering Plan and Purchase Agreement including:

(a) Easements in favor of the Owners of other Homes to use the pipes, wires, conduits, cable television and public utility lines located in the Common Elements or in the Home itself servicing such other Homes and easements of necessity in favor of the other Homes and/or the common elements;

(b) Easements in favor of the Board of Managers, its agents, contractors and employees to have a right of access to the Homes and to the Common Elements to inspect, maintain or repair or to make repairs to the Home to prevent damage to the Common Elements or any other Homes, to make repairs to the Common Elements, to any wires, pipes, conduits or cable television system servicing any of the Homes or to make repairs to any other Home;

(c) Easements in favor of those Homes having restricted use to portions of the Common Elements;

(d) Easements for the continuance of encroachments on the Home or on the Common Elements by other Homes or portions of the Common Elements, now existing by reason of the construction of the Homes, or hereafter occurring by reason of the settling or shifting of the Homes, or by reason of the repair and/or restoration by the Board of Managers of the Homes or such other Homes or such Common Elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings, or by reason of an alteration to the Common Elements made by the Board of Managers, so that any such encroachments may remain so long as the Building within which the Home is located shall stand.

(e) Easements in favor of the Sponsor for sale and construction purposes.

(5) Covenants, restrictions, easements, charges and liens applicable to the Community and the Common Properties upon the filing in the Kings County Clerk's office, prior to the transfer of title to the first Home, of the Declaration of Covenants, Restrictions, Easements, Charges and Liens governing the Properties together with the By-Laws annexed to and made part of said instrument.

The Sponsor has been advised by its counsel that in Counsel's opinion, none of the exceptions to title hereinabove set forth are contrary to the terms of the Purchase Agreement, nor do they interfere with the quiet use and enjoyment of the purchaser's Home as represented in this Offering Plan.

(6) 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 unless specifically excepted in this offering plan.

(7) Prior to the closing, the Sponsor will procure the Real Property Gains Tax Tentative Assessment and Return (or statement of no tax due) and will, at closing ensure that all Real Property Transfer Gains Tax or other transfer taxes due are paid and comply with the requirements of the New York State Department of Taxation and Finance.

(8) The Sponsor has a construction loan with the Sterling Trust Company. At the time of conveyance of the first unit, the mortgagee of each existing mortgage and/or construction loan will either (a) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium units; (b) subordinate the lien of its mortgage to the Declaration of Condominium; (c) release its lien on the condominium unit being conveyed and its interest in the common elements.

X. UNIT CLOSING COSTS AND ADJUSTMENTS

At the time of title closing, the Purchaser will pay the following costs and expenses which rates are as of the date of this plan and subject to change without notice. The costs for a typical unit sale of $519,000.and $559,000, the costs would be as follows:

(a) Title insurance	$ 2,594.	$2,753.	(1)
(b) Recording Deed	200.	200	(2)
(c) Recording Power of atty	200.	200	(2)
(d) State and City transfer taxs	9,472	10,202	(3)
(e) Recording Mortgage	200.	200	(2)
(f) Mortgage Title Insurance	540.	576	(1)
(g) bank atty and misc bank charges	1,000.	1,000	(4)
(h) mortgage tax	8,508.	9,160	(5)
Total	$ 22,714.	24,291	

The above mortgage costs are based upon a $415,000. and $447,000 thirty year mortgage and do not include such things as points or mortgage broker fees if applicable.

(1) The title and mortgage insurance are based upon statutory charts which control the amount of these expenses. The charge is based upon the size of the purchase price and the size of the mortgage.

The chart used to determine the rates is as follows:

On policies up to $35,000. the title insurance is $402. and the mortgage insurance is 343. Above $35,000 for each $1,000 or part thereof add as follows:

Up to	owners	mortgage
35,001-50,000	$ 7.92	$ 6.61
50,001-100,000	4.94	4.10
100,000-500,000	3.98	3.31
500,000-1,000,000	3.56	2.96

When owners and mortgage policies are being issued pursuant to the same closing, the mortgage policy shall be issued at a reduced rate known as the simultaneous mortgage rate. A simultaneous mortgage policy is charged at 30% of the applicable mortgage rate up to the amount of the owners policy

(2) The recording fees are standard charges imposed by the Kings County Registrars office to record the various papers which must be on file in the Registrars office.

(3) As noted as special risk #3 on page (i) the purchaser will be required to pay the transfer taxes which are ordinarily a seller expense. The fee imposed upon a purchase in excess of $500,000 is 1.425% to New York City and .4% to New York State.

This tax is a flat tax based upon the sales price. The following is an example:

Sales price	City Tax	State Tax	total
$450,000	at 1.000%= 4,500.00	at .4%= 1,800	$ 6,300.00
500,000	at 1.425%= 7,250.00	at .4%= 2,000	9,250.00
550,000	at 1.425%= 7,837.50	at .4% = 2,200	10,037.50
600,000.	at 1.425%= 8,550.00	at .4%= 2,400	10,950.00
650,000.	at 1.425%= 9,262.50	at.4%= 2,600	11,862.50

(4) The bank charges listed under this column are imposed by the purchasers lender and will vary by the lender chosen. They include bank attorney fees and such things as inspection and processing fees.

(5) The mortgage tax which is payable by the purchaser is 2.05% of the mortgage and is imposed by statute. The figure provided is based upon a $415,000 or $447,000 mortgage and will change if the mortgage amount is changed. As an example

Mortgage	percentage tax	tax
$360,000	2.05%	$ 7,380
400,000	2.05%	8,200
450,000	2.05%	9,225
499,000	2.05%	10,230
501,000	2.175%	10,897
550,000	2.175%	11,963

Furthermore, purchasers obtaining mortgage loans may be required to escrow with the mortgagee sufficient monies to pay the real estate taxes, insurance, sewer, water, or other items next coming due (the amount of such escrow cannot now be determined and will depend on the number of months remaining between the closing of title and the date these amounts are next due to be paid and the estimated amounts then payable, as well as the discretion of the mortgagee).

To the extent the above escrow is not required by a purchaser's mortgagee, or if purchaser does not have a mortgage, if units have not been separately assessed for real estate tax purposes prior to the closing of title to the first unit, sponsor must place in escrow 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 or until the units are separately assessed, whichever is shorter. Sponsor will pay the real estate taxes from the escrow account when taxes are due and payable and is entitled to a pro rata reimbursement from unit owners.

Purchasers shall also be required to pay $500.00 as working capital. This amount shall be used to reimburse the sponsor for any prepaid expenses of the Condominium, if any. The working capital shall be turned over to the Board of Managers at each closing of unit owners. This working capital will not be used to reduce common charges.

For individuals seeking mortgages in excess of 80% of the sales price, private insurance may be necessary at additional costs, which may include 1/2% of the mortgage at closing plus 1/4% each year until the mortgage principal reaches the level of 80% of the purchase price.

Purchaser will pay to Sponsors attorney at closing a fee of $950 for the preparation of closing documents.

In the event that the units have not been separately assessed for real estate tax purposes prior to the closing of title to the first unit, sponsor will 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. 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 purchasers shall reimburse the Sponsor at closing an amount equal to ½ of 1% of the purchase price for the costs and fees for applying for a partial real estate tax abatement under Section 421 (a) of the Real Property Law.

The Seller has a construction loan on the premises. According to the provisions of Real Property Law 339-ee, a credit will be allowed towards a purchase money mortgage for part of the mortgage tax imposed. Purchaser shall reimburse Seller to the extent of such credit at the closing of title.

RIGHTS AND OBLIGATIONS OF SPONSOR

The sponsor shall be obligated to perform the following:

1. Sponsor retains 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 15% necessary to declare the plan effective and owner-occupants may never gain effective control and management of the condominium. There are no obligations imposed on sponsor by the construction lender with regard to selling and/or renting units.

2. Sponsor is obligated to defend any suits or proceedings arising out of sponsor's acts or omissions and to indemnify the board of managers and the unit owners.

3. All representations under the offering plan, all obligations pursuant to the GBL, and such additional obligations under the offering plan which are to be performed subsequent to the closing date will survive delivery of the deed.

4. 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 may not be included. The plan may not include any financial limitation on sponsor's liability for failure to perform its obligations under the offering plan.

5. 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. The sponsor will fund its obligations by either funds on hand or proceeds from construction loan commitments. No bond or other security has been furnished to secure sponsors obligations.

6. Sponsor is obligated to repair any damage from a casualty or other cause that occurs before the closing of a purchaser's unit. In the event that there is substantial damage to the structure housing the unit, the purchaser may withdraw from the contract and receive the return of his down payment.

7. Sponsor shall procure fire and casualty insurance pursuant to a replacement value policy or in an amount sufficient to avoid coinsurance.

8. In the event of the dissolution or liquidation of the sponsor or the transfer of twenty percent (20%) or more of the total number of units in the condominium, 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 and regulations.

9. The construction financing is firmly committed. Sterling Trust Company has issued a construction loan. There are no construction loan terms which apply to sponsor's obligation to market the units for sale.

10. The sponsor is obligated to build and complete the condominium in accordance with the building plans and specifications identified in the plan with the right of sponsor to substitute equipment and materials and make modifications of layout and design, provided however, that sponsor may not:

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

(ii) change the size, location of buildings or units other improvements or common elements if such changes affect the percentage 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.

11. Prior to closing the first unit, sponsor must obtain a permanent, 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 agree to obtain a permanent certificate of occupancy for all units within one (1) year after closing of the first unit. Sponsor must obtain the permanent certificate of occupancy before the partial or temporary certificate of occupancy expires, unless extended.

12. In the event any closing of title occurs before the issuance of a permanent certificate of occupancy, sponsor is required to maintain all deposits and funds in the special escrow account required by GBL Section 352-e(2)b unless the sponsor's engineer or architect 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 the sponsor's 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, or provide other collateral acceptable to the Department of Law. The plan must be amended to reflect such alternative security arrangement.

13. Effective March l, l989, a new law went into effect which grants to buyers of most newly constructed units a Housing Merchant Implied Warranty. The following is a brief summary of that law. The full text of the law appears in Part II of the Plan.

l. Housing effected: Newly constructed single-family homes and cooperative and condominium units in buildings of five stories or less.

2. Coverage:

(a) For one year, the home must be free from defects caused by workmanship or materials that do not meet the standards of the applicable building code; for items not covered by code, the construction must be in accordance with locally accepted building practices.

(b) For two years, the plumbing, electrical, heating, cooling and ventilation systems must be free from defects caused by unskillful installation.

(c) For six years, the home must be free from physical defects in the structural elements (foundation, floors, walls, roof framing) which make it unsafe or unlivable.

3. Not covered:

(a) A defect not caused by defective workmanship, materials or design.

(b) A patent defect which was obvious or would have been obvious upon inspection.

(c) Defects in items sold with the home, such as stoves, refrigerator, air conditioners, etc. There are implied warranties from the manufacturers of such goods which are described in other laws.

4. Notice: Buyer must give notice of defects in their home in writing no later than 30 days after the end of the warranty period.

5. Limitation of the Warranty: The Housing Merchant Implied Warranty can be limited. However, the limited warranty cannot permit construction which is below code or below locally accepted building practices, and the limited warranty time periods cannot be shorter than those described above. The Sponsor has limited the warranty as indicated following the purchase agreement in part II of this plan.

The Sponsors warranty obligations reflects this new law. For a fuller explanation of such warranty see the purchase agreement located at page of this Plan and the full text of the law at the end of this Plan.

14. At or prior to the closing of the unit, sponsor must assign any manufacturer's warranties with respect to equipment and appliances installed in the unit to the unit owner and assign any warranties with respect to equipment and appliances installed in the common elements to the board of managers.

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

16. Sponsor shall deliver a set of "as-built" plans to the Board of Managers following completion of construction.

17. No bond or other security other than those required by this Part has been furnished to secure sponsor's obligations including sponsor's obligations to complete construction of condominium.

18. Sponsor has a right of access to complete construction of the condominium. It is obligated to repair any damages caused as the result of its work if notified during the warranty period in the manner set forth above. Sponsor will not interfere with unit owners' reasonable use of their unit during any work period. However, there may be a temporary limitation as to the use of the public areas, and common areas.

It has been customary for units in newly constructed and gut rehab co-ops and condos to close after a TCO covering such units has been issued. Sponsor will send closing notices for units covered by TCOs and purchasers will be required to close with a TCO, rather than a permanent CO in place. TCOs are issued for 3 months at a time.

The NYC Department of Buildings advises purchasers of houses and apartments, who close with only a TCO in place, to consult with their attorneys and engineers to assure that sufficient funds are escrowed or otherwise secured for sponsor to obtain a permanent or final CO. It is strongly recommended that buyers consult the "DOB Website/ Consumer Tips" for its recommendation when buying units in a building that does not have a permanent Certificate of Occupancy.

XII CONTROL BY THE SPONSOR

The initial Board of Managers shall be appointed by the Sponsor. There will be two members of the board. During this period, the Sponsor will have control of maintenance, facilities and services to be provided and will determine the Common charges to be paid by all unit owners, including the Sponsor. The Sponsor will call a meeting of unit owners within sixty (60) days of the first closing to discuss the operation of the Condominium. The Sponsor will remain in control of the Board and Association after such meeting.

The Sponsors control will end at the First Annual meeting of the Unit Owners which will occur within thirty (30) days after the earlier of (i) two (2) years after the closing of the first unit, or (ii) whenever the unsold units constitute less than fifty percent (50%) of the common interests. With this time period, the Sponsor shall call the first Annual Unit Owners meeting. At such meeting a new Board of three Managers unrelated to the Sponsor will be elected by a vote of all unit owners, including the Sponsor. The Sponsor shall be entitled to vote the units standing in its name as of the date of the meeting. The Board of Managers so elected shall serve for a period of one year until the second annual meeting of the unit owners. Thereafter, annual meetings shall be held on the anniversary date of the first meeting.

At the second annual meeting of Unit Owners, a Board of Managers will be elected by a vote of all Unit Owners, including the Sponsor, if Sponsor still owns any Units. However, the Sponsor agrees that at that meeting, it will elect no more than a minority of Board members regardless of the number of Units it then owns.

The Sponsor agrees that the By-laws will not be amended while Sponsor is in control of the Board of Managers unless there is a prior approval of such amendment by the vote of 80% in number and in Common Interest of the Unit Owners (other than Sponsor) at a meeting of Unit Owners held for such purpose.

Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required: (i) to comply with applicable laws and regulations; or (ii) to remedy any notice of violation or; (iii) to remedy an work order by an insurer.

Sponsor may exercise veto power over expenses other than those described above, if the plan so provides, for a period ending not more than five (5) years after the closing of the first unit or whenever the unsold units constitute less than twenty-five percent (25%) of the common interest, whichever is sooner.

XIII BOARD OF MANAGERS

The affairs of the Condominium shall be governed by a Board of Managers. Until the first meeting of the Unit Owners, the Board of Managers shall consist of two (2) persons designated by the Sponsor of the Condominium. The initial Board will be composed of Sebastian Piccininni and Morris Flyer, the principal of the sponsor and the sponsors attorney.

The first annual meeting of owners will take place within thirty (30) days after the earlier of (i) two years after the closing of the first unit, or (ii) whenever the unsold units constitute less than fifty percent of the common interests.

After the first annual meeting of unit owners, the Board of Managers shall consist of three persons elected by all unit owners (including the Sponsor), but the Sponsor's right to elect members of the Board shall be subject to the limitations set forth in the by-laws. The by-laws do not include a provision that a majority of the board of managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the sponsor and its principals after the end of the initial sponsor control period.

Purchasers for their own occupancy may never gain control of the Board of Managers under the terms of this plan. 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.

Subject to the limitation on Sponsor's control, at the first meeting of the unit owners, the term of office of all three members of the Board of Managers shall be fixed at one(1) year. The members of the Board of Managers shall hold office until their respective successors shall have been elected by the unit owners.

A special meeting of the Board of Managers may be called by the President on two (2) days notice of such meeting to each member either personally or by telephone, mail or telegram. Special meetings may be called by the President or Secretary in a like manner and on like notice on the written request of at least two (2) managers.

At any regular or special meeting of unit owners, any one or more of the members of the Board of Managers 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 Directors whose removal has been proposed by the unit owners shall be given an opportunity to be heard at the meeting.

Officers and members of the Board of Managers serve without compensation.

Powers of the Condominium Board include, but shall not be limited to the following:

1. To determine and levy monthly charges (common charges), and to collect and expend them.
2. To make repairs, restore or alter any units or the common elements after damage or destruction.
3. To enter into and upon the unit for maintenance or repair purposes.
4. To open bank accounts on behalf of the Condominium.
5. To insure and keep insured the common elements and units;

6. To collect delinquent assessments by suit and/or enforce compliance with basic documents and abate nuisances.

7. To purchase any Unit at a foreclosure sale on behalf of all unit owners.

8. To make and amend reasonable rules and regulations.

9. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment and to enter into contracts.

10. To bring and defend actions by and against more than one unit owner pertinent to the operation of the Condominium.

11. To act as an agent of each unit owner who has given his written authorization to complain or apply to the local or county real estate tax assessment agency board of review by filing a single complaint on behalf of all such unit owners pursuant to the applicable sections of the Real Property Tax Law.

The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless such contracts shall have been made in bad faith or contrary to the provisions of the Declaration or of the By-Laws.

It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any unit owners 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 there under as his interest in the common elements bears to the interests of all unit owners in the common elements. Every agreement made by the Board of Managers or by the Managing agent or 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 there under (except as unit owners), and that each unit owners liability there under shall be limited to such proportion of the total liability there under as his interest in the common elements bears to the interest of all unit owners in the common elements.

The Unit Owners voting rights are determined by their percentage of common interest. It requires a vote of 80% of the common interest to amend the By-Laws of the Condominium. Any change in the Declaration of the Condominium after it is filed requires a 90% vote of the common interest.

XIV. RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND BOARD

Each Unit Owner is free to sell or lease his Unit provided that he is not in arrears in the payment of Common Charges. A Unit Owner is free to make a gift of his Unit to anyone during his lifetime or to devise his Unit by last will and testament or to have it pass by intestacy without any

restriction provided, however, that such new Unit Owner shall be bound by Condominium Plan. No Unit can be sold or leased without a simultaneous sale or lease of the undivided interest in the Common Elements. These provisions are subject to change by amendment to the By-laws. Procedures for their implementation may be set forth in the Rules and Regulations.

The Sponsor or any mortgagee acquiring title to a Unit in foreclosure can sell or lease a Unit free of any of the foregoing restrictions.

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 as per the By-laws.

(a) The units shall be used by unit owners (other than the Sponsor) only for one family residential use and in compliance with the occupancy restrictions imposed and as amended from time to time. While the Sponsor or its designee owns any unit, it shall have the right to use such unit for general and sales office purposes and as sales models. Except upon the prior written consent of the Board of Managers, occupants of a unit must be members of the family of the unit owner or lessee (or if the unit owner is a partnership, a corporation or a trust, members of the family of a partner or of an officer, director, shareholder or employee of the corporation or of the beneficiary of the trust, as the case may be), but not more than one family may occupy a unit at one time. "Members of the family" as used herein shall be deemed to mean spouse, parents, parent-in-law, brothers, sisters, children and grandchildren.

(b) The common elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of units. No unit owner may place furniture or other object on the common elements except limited common elements.

(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, relating to any portion of the Property, shall be complied with, by and at the sole expense of the unit owners or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

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

(f) Rules and regulations concerning the use of the units 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 five (5) days prior to the time that they become effective.

The Board of Managers does not have a right of first refusal with respect to the sale or lease of a unit or other option to acquire a unit except through foreclosure as set out in the Declaration and By-Laws.

B. Mortgage of Unit By Unit Owner

The Unit Owner may mortgage his Unit at any time after he acquires title thereto (or simultaneously with acquiring title) in whatever amount and under whatever terms he can obtain. Any Unit Owner may, upon the resale of his unit, grant a purchase money mortgage to a purchaser of his unit.

C. Common Charges and Assessments

The Board of Managers will prepare and furnish its budget to the Unit Owners (and their mortgagees if requested) from time to time and at least once a year. Based upon such budget and any modification thereof approved by the Board of Managers, the Unit Owners will be charged for the cost of the operation of the Condominium in accordance with their percentage interest in the Common Elements. The charges assessed by the Board of Managers ("Common Charges"), in addition to the cost of repairing and maintaining the Common Elements, fire and liability insurance covering the Common Elements, water, exterminator services, and management, audit and legal expenses, may include, in the discretion of the Board of Managers, reserves, working capital and other sums necessary to carry on the affairs of the Condominium.

The Common Charges do not include maintenance, repairs or decoration of any or all of the Units or portions thereof, the cost of electricity and gas for the Units which are individually metered, payments required pursuant to the terms of any Unit Owner's mortgages or real estate taxes covering the individual Units.

The Board of Managers may commence the collection of Common Charges upon the closing of title to the first Unit or thereafter in such amount as will be necessary to carry out the duties of the Board of Managers as set forth in this Offering Plan and such Common Charges shall be paid by the Unit Owners and the Sponsor as Owner of the unsold Units in accordance with their respective Common Interest percentages as set forth herein. Each Unit Owner will be responsible to pay the Common Charges allocable to his Unit monthly in advance, commencing with the closing of title to his Unit. Common Charges assessed during the month in which title closes shall be adjusted as of the closing date if collection of charges has commenced.

Where a Unit is damaged by casualty and the proceeds of insurance are not sufficient to cover the repair of the damage, the amount necessary to restore the Unit over and above the proceeds from any fire insurance on the Units will be a Common Charge to all Unit Owners. In order to attempt to protect the Unit Owner against the possibility of such Common Charges, the Board of Managers shall determine the amount of blanket casualty insurance covering all Units (the cost of such insurance is part of the Common Charges) and review the amount of such coverage annually.

The Sponsor shall be liable for monthly Common Charges of all Units, title to which has not been transferred to a bona fide purchaser, commencing with the closing of title to the first Unit.

Under the provisions of Sec. 339-z of the Real Property Law of the State of New York, the Board of Managers, on behalf of the Unit Owners, shall have a lien on each Unit for unpaid Common Charges assessed against such Unit by the Board of Managers. Such lien, however, shall be subordinate to liens for taxes on the Unit and any sums unpaid on a first mortgage of record on such Unit. Any lien for unpaid Common Charges against a Unit shall be effective from and after a filing thereof in the Office of the County Clerk, and until all sums secured thereby with the interest thereon shall have been fully paid or until six years from the date of filing unless foreclosure of such lien is commenced within such six year period, whichever shall be sooner. Such lien may be foreclosed by a suit brought in the name of the Board of Managers, acting on behalf of the Unit Owners, in like manner as a suit for the foreclosure of a mortgage on real property.

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

The obligation to pay common charges ends at the time of the sale of the unit, except for common charges accruing during the time of ownership.

D. Repairs

All maintenance, repairs and replacement to the common elements of the Condominium including but not limited to exterior walls, roof and roof members as well as all maintenance, repairs and replacements to any pipes, wires, conduits, cables and public utility lines, any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and public utility lines as are located in the common elements but service one or more Units shall be made by the Board of Managers and the cost thereof shall be a common expense. The Board of Managers shall repair all plumbing stoppages and electrical problems occurring in the common elements.

Except as is otherwise specifically provided, all maintenance to the Units, including electrical repairs, plumbing stoppages, window cleaning, painting and decorating in the Units, and repairs and

replacements to the Units including windows and doors (including all glass breakage) and repairs to pipes, wires, cables and conduits located in and servicing the same Unit, other than as set forth above, shall be made by the respective Unit Owners at their expense.

All irrevocably restricted common elements shall be maintained and repaired by the Unit Owner to whom such common element is restricted in use. However, the Board of Managers shall repair and replace any pipes, wires, conduits, cables and public utility lines located underground or overhead any restricted common element, except where such repair or replacement is necessitated because of the negligence or misuse or neglect of this Unit Owner to which the common element is restricted in use, in which event such cost and expense shall be assessed to and paid for by such Unit Owner.

In the event that a Unit Owner fails to perform any maintenance, painting or repair, which maintenance, painting or repair is necessary to protect any of the common elements, any other Unit, or, in the event of the service of a Building Department violation notice covering the Unit upon the Board of Managers, the Board of Managers shall have the right to perform such maintenance, painting or repairs (after failure of the Unit Owner to do so after ten (10) days written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge the Unit Owner for the cost of all such repairs, painting and/or maintenance. In the event that the Board of Managers charges a Unit Owner for the painting or maintenance to any common element restricted in use to such Unit Owner, and the Unit Owner fails to make prompt payment, such charges shall be considered additional common charges due from said Unit Owner, and the Board of Managers shall be entitled to bring suit thereon. In the event the Board of Managers brings such suit, the Unit Owner shall be liable for the reasonable attorney fees and costs of such suit or proceeding along with interest on all such sums due.

A unit owner shall grant a right of access to his unit to the manager and/or managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his unit and threatening another unit or the common element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common elements in his unit or elsewhere in the building, or 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 such entry is at a time reasonably convenient to the unit owner and further provided that such right shall be exercised in such manner as will not unreasonably interfere with the use of the unit for residential purposes. In case of an emergency, such right of entry shall be immediate, whether the unit owner is present at the time or not.

E. Additions, Alterations and Improvements

The Unit Owner may make any non-structural alterations or improvements to the Unit he desires without obtaining the consent of the Board of Managers so long as such alterations or improvements do not affect the building in which the Unit is located or any other Common Element.

All painting, decorating, maintenance, repairs and replacements to any Unit or the common elements or limited common elements performed by the Board of Managers shall be charged directly to Unit Owners except as otherwise determined by the Board of Managers.

No Unit Owner shall make any structural addition, alteration or improvement in or to his unit or his limited common elements, without the prior written consent thereto of the Board of Managers. The Board of Managers have the obligation to answer any written request by a unit owner for approval of a proposed structural addition, alteration or improvement in such owners unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement.

The unit owner may not do any construction or build any structures on his limited common element without the prior written permission of the Board of Managers. The Board of Managers will formulate house rules and procedures which shall govern all alterations and decoration of the limited common elements so as to remain in compliance with the Department of Buildings.

Any application to any governmental authority having or asserting jurisdiction, for a permit to make an addition, alteration or improvement in or to any unit or limited common element shall be executed by the Board of Managers only, without however, incurring 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 paragraph shall not apply to a unit owned by the Sponsor or its designee until a deed to such unit has been delivered to a purchaser thereof.

Whenever in the judgment of the Board of Managers the common elements shall require additions, alterations or improvements costing in excess of $ 1,000.00 and the making of such additions, alterations or improvements shall have been approved by 66-2/3% in number and in common interest of the unit owners present in person and/or by proxy and voting at a meeting duly held in accordance with these By-Laws, 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 $1,000.00 or less may be made by the Board of Managers without approval of the unit owners. The cost of such work (unless paid from the Working Capital Fund Supplied by the Sponsor in accordance with the Plan of Condominium Ownership) shall constitute part of the common expenses.

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 such installation or 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 other than the Sponsor shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

F. Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, insurance against loss by fire and other casualties normally covered under broad form fire and extended coverage insurance as written in New York, covering all Common Elements, all structural portions of the Condominium property and all Units, but not including furniture, fixtures, decorations, equipment or the like installed or placed there by Unit Owners. Such insurance shall cover the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as such respective interests may appear, in an amount equal to at least ninety (90) percent of the full replacement value of the Building. Each of such policies shall contain a New York Standard Mortgage Clause in favor of each mortgagee of the Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject to the loss payment provisions of Real Property Law Section339-bb. The premium for such insurance shall be a Common Expense to be paid by monthly assessments levied by the Board of Managers and shall constitute a lien enforceable in accordance with the By-Laws.

The Board of Managers shall also obtain and continue in force and effect insurance against liability for bodily injury and property damage arising from accidents occurring within the Common Elements and Limited Common Elements in amounts satisfactory to mortgagees holding first mortgages on the Units and against liability for personal injury sustained by any person and arising out of an occurrence involving certain named offenses committed in the operation of the Condominium. The amounts of such insurance shall be determined by the Board of Managers and the premiums therefore shall be a Common Expense.

As of the date of the first closing under this Plan, the Sponsor shall insure the project under a Condominium package policy providing for coverage in the following amounts: (assuming 18 Units). Please refer to Schedule B for details of coverage

1.Physical damage to and loss of use of the buildings in the amount of $3,300,000.00;
2.Bodily injury liability and property damage in the amount of $1,000,000.00 per each occurrence and $2,000,000.00 aggregate;
3.Personal injury liability in the amount of $1,000,000.00 per each occurrence.
4.Water damage legal liability in the amount of $100,000.00;
5.Director's and Officer's liability in the amount of $l,000,000.00.

All policies or physical damage insurance shall contain clauses in which:

a. The insurer waives its right to subrogate on a negligence action against any Unit Owner. In other words, in the event the insurer pays a claim based on the negligence of a Unit Owner, the insurer will not attempt to recoup the amount paid from the Unit Owner at fault.

b. The insurer provides that if at the time of loss there is other insurance in the name of a Unit Owner covering the same loss and property covered by Board of Managers' policy, the insurance afforded by the Board of Managers' policy shall be primary and not contributing with such Unit Owner's insurance.

c. The insurer undertakes to honor a claim resulting from property damage even if such property damage is the result of negligence by a Unit Owner. This is termed a "waiver of invalidity", clause.

The Board of Managers shall give at least ten days' written notice of the terms of insurance coverage and of any substantial change thereto, or termination thereof, to each Unit Owner, without prejudice to the right of each Unit Owner to insure his own Unit for his own benefit. The premium for such insurance on the building shall be deemed Common Expenses, provided, however, that in charging the same to the Unit Owners, consideration may be given to the higher premium rates on some Units than on others.

Damage to or destruction of the Building shall be promptly repaired and reconstructed by the Board of Managers using the proceeds of insurance on the Building for that purpose. In the event that the insurance proceeds are insufficient to cover the cost of repairs to the Building the balance of the cost of such repairs shall constitute Common Expenses. However, if three-fourths or more of the Building is destroyed or substantially damaged and seventy-five percent of the Unit Owners do not promptly resolve to proceed with repair or restoration, then the property shall be subject to an action for partition and the net proceeds of sale together with the net proceeds of insurance policies shall be divided among all Unit Owners in proportion to their respective Common Interests after liens on each Unit have been satisfied.

In addition to the insurance set forth herein, the purchaser may desire to insure his personal effects and the interior of the Unit itself against loss by fire and other casualties and against liability. The cost of such insurance, if taken by the purchaser, will be payable by the purchaser directly. Unit Owners will not be prohibited from carrying other insurance for their own benefit provided 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.

G. Restrictions on Occupancy

There is no restriction upon ownership of a Unit. Occupancy of a Unit , however, may only be for residential purposes in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Community.

The By-Laws of the Condominium contains the following use restrictions: No immoral,

improper, offensive or unlawful use shall be made of the Community or any part thereof and all valid laws zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Unit owners, their families, employees, guests and pets shall not use or permit the use of the Units and common elements in any manner that would be illegal, disturbing or a nuisance to other unit owners. No resident shall put any advertisement or posters of any kind in or on the Community without the consent of the Board of Managers. It is prohibited to hang garments, rugs etc. from the window or from the building or to string clothes lines on or over the common elements or use any of the common elements for storage. No unit owner shall paint the exterior surfaces of the windows, walls or doors opening out of his unit or cut through an existing exterior wall in order to put wall air conditioning units in an owners unit.

No unit owner or any of his agents, servants, employees, licensees, or visitors shall at any time bring into or keep in his unit any inflammable, combustible or explosive fluid, material, chemical or substance, except for formal household use.

No animals or reptiles of any kind shall be raised, bred, or kept in any unit or on the common elements, except that dogs, cats or other household pets, not exceeding two per unit, may be kept in the units and in yard areas irrevocably restricted to the owners of the 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. Unit owners shall be required to clean up after their pets at all times.

The Sponsor, its nominees and agents, shall have the right and privilege to maintain general and local sales offices in and about the condominium building or elsewhere throughout the property, and shall have the right and privilege to have their representatives, employees and agents present on the Condominium premises to show the units to prospective purchasers, to utilize the common elements, and without limitation, to do any and all things necessary and incidental to the sale of units, without charge or contribution other than in the form of common charge payments as otherwise provided herein.

XV. REAL ESTATE TAXES

After the units are separately assessed, each unit will be taxed as a separate tax lot for real estate tax purposes. A unit owner will not be responsible for the payment of, nor will the unit be subjected to, any lien arising from the non-payment of taxes on other units.

The Sponsor does not anticipate any delay in obtaining separate assessments for the units and will endeavor to obtain such separate assessments prior to the closing of title to the first unit. Since the actual tax lot separation and the separate tax lot assessment will be made by the City of New York, the date of such assessment will depend upon the work flow in the City of New York assessment office.

In the event that the units have not been separately assessed for real estate tax purposes prior to the closing of title to the first unit, the Sponsor shall pay to the Board of Managers the sum required to satisfy the real estate taxes on all of the unsold units for the tax period covered by the closing of title. At the time that the units are separately assessed the unit owner will reimburse the Board of Managers for the taxes paid on his behalf and the Board of Managers will reimburse the sponsor for the excess taxes he paid to the Board of Managers with reference to the real estate tax period covered by the closing of title.

The real estate taxes on the individual condominium units will be assessed by the City of New York department of Finance. Once the units are separated into individual tax lots, the City tax assessor will assess each unit separately. This will form the basis from which the actual real estate taxes will be derived. A unit with a purchase price of $519,000 will have an assessed value of approximately $31,140 and a unit with a purchase price of $559,000 will have an assessed value of approximately $33,540. Under the current tax rates a yearly real estate tax of approximately $ 5,019 and $5,406 respectively will be charges against the units. This is an estimate which will depend upon the assessed value as well as the tax rate which is in effect at the time.

The assessed valuation for real estate taxes does not depend upon the percentage interest in the common elements of an individual unit. The assessor usually bases his determination of the assed value upon a number of components including percentage of common interest and selling price. It is estimated that the assessed valuation of the entire condominium will be approximately $585,720. based upon the selling price of $$9,762,000. Based upon the current tax rate of 16.118% of assessed value, the unabated real estate taxes for the entire development would be approximately $94,406. The assessed value should enter into the tax rolls for the fiscal year commencing July 1, 2009.

The assessor determines the Fair Market Value for the particular unit which may or may not be the purchase price. The Assessed Value is a straight 6% of the arrived at fair market value. The real estate tax is charged (assessed) against the assessed value. At the present time (tax fiscal year running from July 1, 2007 through June 30, 2008) the tax rate is 16.118% of the assessed value.

The Fair Market Value, Assessed Value percentage and the tax rate may be changed by the City of New York on a yearly basis.

The condominium is new construction. There is no present assessed valuation for an existing building.

The Sponsor is not aware of any tentative changes in the assessed valuation or the tax rates which will effect the condominium unit. There are no tax certiorari proceedings ending.

The Board of Managers is authorized to act as agent for the unit owners to complain or apply to the local taxing authorities to have the assessed value or real estate taxes changed for individual unit owners.

The Sponsor has applied for the 421(a) partial tax abatement. The particulars of this program are discussed in the following section.

XVI. TAX EXEMPTION BENEFITS

Under Section 421-a of the New York State Real Property Tax Law, a partial real estate tax exemption is granted to owners of newly constructed residential property in New York City for a fifteen (15) year period. The New York City Department of Housing Preservation and Development has not approved the property for such exemption as of this date. The Sponsor anticipates receiving a certificate of exemption upon completion of construction and compliance with the other requirements of law. Sponsor has filed for the tax abatement and will use its best efforts to obtain these tax benefits.

Section 421-a provides that newly constructed buildings will have full exemption from real estate taxes for eleven years after the first taxable status date immediately following completion;

During the twelfth year there is an 80% exemption from real estate taxes on the unit;
During the thirteenth year there is a 60% exemption from real estate taxes on the unit;
During the fourteenth year there is a 40% exemption from real estate taxes on the unit;
During the fifteenth year there is a 20% exemption from real estate taxes on the unit.
After the fifteenth year, he will pay a full tax.

Land only taxes are estimated to be $ 63.00 to $ 67.58 for each unit per month during the first eleven years. Sponsor has been informed by its counsel for such purposes that the assessed valuation per unit is anticipated to be as follows: $31,140 for a $ 519,000 unit and $ 33,540 for a $ 559,000 unit. This means full taxes after expiration of Section 421-a benefits shall be approximately$5,019 to $ 5,406 per year. Purchasers should be aware that the estimates are anticipated to increase substantially as assessments and/or tax rates increase.

Sponsor represents that all information submitted and to be submitted to the local taxing authority to secure such benefits is and will be true and correct and does not and will not omit any material fact or matter.

Sponsor will keep all records required by HPD and will make them available to HPD whenever requested to do so. HPD routinely conducts audits, which can result in a reduction or revocation of benefits if proper documentation is not provided.

Upon closing Sponsor will make all tax benefit documents available to the board of managers for inspection and copying for the life of the benefit; and Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

It is expected that benefits will begin as of the date of the closing of the first unit. In the event that the abatement does not begin at the time of the first closing, the units will be taxed at the full non abated rate until the abatement does begin. Purchasers will be entitled to a credit from the City of New York for any overpayments made.

The purchasers shall reimburse the Sponsor for the costs of obtaining the tax abatement. Each purchaser shall reimburse the Seller a sum equal to ½ of 1% of the purchase price of the unit. Such reimbursement shall be made at the time of the closing of their unit.

EDWARD DELLI PAOLI
Attorney at law
129 New Dorp Plaza
Staten Island, New York 10306
(718) 984-5064

Fax (718) 966-5679

October 2, 2007

Bay 32nd Street Realty LLC
203 Bay 8th Street
Brooklyn, N.Y. 11228

Gentlemen:

We have reviewed your offering plan for the 50-62 Bay 32nd Street Condominium and the accompanying documents including the Declaration of Covenants and Restrictions and the By-Laws of the Condominium.

Based upon the present law, the regulations of the State of New York covering condominiums, rulings and decisional law, we are able to offer the following opinion based upon the offering plan.

In our opinion, the Declaration of Covenants and Restrictions exhibited in the Plan when recorded will be legal and valid.

Individual unit owners will not be able to deduct for Federal and State Income Tax purposes any portion of the maintenance assessments which may be used by the condominium to pay real property taxes assessed against the common property owned by the condominium. Owners will not be entitled to a tax deduction for any portion of the annual or special assessments.

Each unit owner will be entitled to the income tax deduction applicable to the real estate taxes on his own unit, interest on a mortgage on the unit and to the other normal deductions a homeowner would be entitled to receive under current Federal, State and City Tax Laws. Under the current New York City real estate tax laws, a unit owner, if he qualifies, may be eligible for a veterans or senior citizens real estate tax exemption.

The condominium will be able to qualify as a tax exempt organization under Section 528 of the Internal Revenue Code of 1986, as amended. The condominium will not be taxed on common charges, dues, fees and assessments received from members of the Condominium so long as such income is received as part of the obligations of ownership of the residential property.

EDWARD DELLI PAOLI
Attorney at law
129 New Dorp Plaza
Staten Island, New York 10306
(718) 984-5064

Fax (718) 966-5679

Under the terms of Section 528 of the Internal Revenue Code, a condominium may apply for such exemption from federal Income tax liability if certain conditions are met. Furthermore, the condominium seeking an exemption must make specific application for exempt status.

In order for a condominium to qualify for an exemption, the following conditions must be met:

(a) The condominium must be organized and operated to provide for management, maintenance and care of commonly owned property;

(b) The condominium must receive 60 percent or more of its gross income from members dues, fees or assessments of owners units in the community;

(c) 90 percent or more of expenditures of the condominium must be for management, maintenance and care of condominium property;

(d) No part of the net earnings of the condominium may inure to the benefit of any private individual.

The Sponsor is in compliance with Real Property Law Section 339(i)1(iv) in assigning the percentage interest to each unit. The square footage method was used and is based upon the opinion of a licensed real estate broker as provided for in the regulations.

In our opinion, the condominium will be eligible for tax-exempt status, if it elects such status, and unit owners will be entitled to income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the sponsor, the sponsor's counsel, the board of managers of the condominium, the selling agent or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause the condominium to cease meeting the requirements of Section 528 of the Internal Revenue Code of 1986, as amended, or the New York State tax law, as amended, and cause the unit owners not to be entitled to income tax deductions.

Very truly your,

Edward Delli Paoli, esq.

EDWARD DELLI PAOLI
Attorney at law
129 New Dorp Plaza
Staten Island, New York 10306
(718) 984-5064

Fax (718) 966-5679

October 2, 2007

Bay 32nd Street Realty LLC
203 Bay 8th Street
Brooklyn, N.Y. 11228

Gentlemen:

We have reviewed those sections of the proposed offering plan which pertain to the 421(a) partial tax exemption benefits. The statements and representations which appear under the section entitled Tax Exemption Benefits and are included in the Schedule A appear to be a fair and reasonable summation of the applicable laws and rules and of its applicability to this condominium development.

Assuming all of the required paperwork and documentation is submitted to the New York City Department of Housing and Preservation, it is our opinion that the development will be entitled to and will receive the benefits of the 421(a) partial tax exemption.

Sincerely.

Edward Delli Paoli, esq.

XVII. WORKING CAPITAL FUND

Purchasers shall be required to pay $500.00 at closing of title as working capital. This amount shall be used reimburse the Sponsor for prepaid Condominium expenses if any. This $500.00 will not be used to reduce common charges. The working capital shall be turned over to the Board of Manager at each closing to a unit owners. The total fund is estimated to be $9,000.00. Sponsor will not contribute.

While Sponsor is in control of the Board of Managers, the working capital fund may not be used to reduce projected common charges in the plan.

Neither the Department of Law nor any other government agency has passed upon the adequacy of the fund.

Any adjustments for prepaid expenses between the sponsor and the Board of Managers may be deducted only from the working capital fund. The Sponsor does not anticipate any prepaid expenses nor is any minimum working capital fund contemplated.

No representation is made that the proposed budget will be adequate to cover current or future expenses including repairs or replacements of common elements. If additional funds are required, it may be necessary to increase the common charges payable by the Unit Owners or to collect a special assessment from each unit owner.

XVIII. RESERVE FUND

There will be no reserve fund for major capital repairs or improvements other than the reserve for asphalt replacement included in the Schedule B budget. The development is new construction and there is no necessity to hold any other reserves for major repairs in the near future.

Neither the Department of Law nor any other government agency has passed upon the adequacy of this fund.

XIX - IDENTITY OF PARTIES

The sponsor and selling agent is Bay 32nd Street Realty LLC a domestic New York limited liability company having its principal office at 203 Bay 8th Street, Brooklyn, N.Y. 11228. The Sponsor acquired the property where the condominium is to be located

The sole shareholder, officer and principal of the Limited Liability Company is Sebastian Piccininni of 203 Bay 8th Street, Brooklyn, N.Y. 11228. The Sponsor has not had any interest in any condominium, cooperative, homeowners association, planned unit development or time share within the last five years.

The principal of the Sponsor Mr. Piccininni has had an interest in the following condominiums within the last five years:

1. The 2230-2232 Benson Avenue Condominium CD040314 which was accepted for filing on April 4, 2005 and was completely sold out and transferred to the owners prior to 2007.

2. The 6809,6813,6815 17th Avenue Condominium CD060222 accepted for filing October 20, 2006; the 8729 & 8733 17th Avenue Condominium CD060321 accepted for filing November 30, 2006; the 677 & 681 88th Street Condominium CD070002 accepted for filing April 25, 2007; and the 213 & 215 Bay 7th Condominium CD070014 accepted for filing April 25, 2007. All of these condominiums have current purchase contracts outstanding and have been declared effective.

3. The 203 & 205 Bay 8th Street Condominium CD070052 accepted for filing April 27, 2007 which has outstanding contract but has not yet been declared effective.

Mr. Piccininni and the above sponsor entities are current in all their obligations to the above developments.

The attorney for the sponsor, Morris Flyer, esq. 1406 5th Avenue, Brooklyn, N.Y. 11204 10309 will represent the sponsor at all contracts and closings and will act as escrow agent for purchaser's down payments.

Edward Delli Paoli, esq. of 129 New Dorp Plaza, Staten Island, New York 10306 prepared the offering plan.

The Sponsor will act as its own selling agent. The principal of the sponsor Sebastian Piccininni has had extensive experience building one and two family houses as well as small condominium developments over the last twenty years. He has acted as selling agent for all of his projects.

The firm of Bricolage Designs A.I.A. 6321 New Utrecht Avenue, Brooklyn, N.Y. 11219 prepared and obtained approval of the condominium plans. The firm has had substantial experience in preparing architectural plans for a variety of projects. The firm has specialized in condominium developments similar to the present development over the last ten years.

There is no relationship between the sponsor and its principals and the engineer or architect or any person or firm who will provide services to the condominium subsequent to the commencement of condominium operation. As already noted Mr. Piccininni the principal of the sponsor will also act as selling agent.

XIX. REPORT TO OWNERS

It is the obligation of the Board of Managers of the condominium to give all unit owners annually the following:

1. A financial statement of the condominium prepared by a certified public accountant or public accountant by a specific date; such statement shall be certified while the sponsor is in control of the Board of Managers.

2. Prior notice of the annual unit owners meeting.

3. A copy of the proposed annual budget of the condominium by a specified number of days prior to the date of 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 section 20.4(d) of the regulations promulgated by the attorney general.

XX. DOCUMENTS ON FILE

The Sponsor shall keep copies of the plan, all documents referred to in the plan and all exhibits submitted to the Department of Law in connection with the filing of the plan, on file and available for inspection without charge and copying at a reasonable charge at the office of the Sponsor for six years from the date of first closing. The sponsor shall deliver to the board of managers a copy of all documents filed with the appropriate recording office at the time of the closing of the first unit.

XXI. GENERAL

There are no lawsuits, administrative proceedings or other proceedings the outcome of which may materially affect this offering, the property, sponsor's capacity to perform all its obligations under the plan, the condominium or the operation of the condominium.

The property has not been the subject of any prior cooperative or condominium offerings. There have been no preliminary binding agreements entered into nor has any money been collected from prospective purchasers. The sponsor has not conducted any market test pursuant to cooperative policy Statement No. 1.

No contracts or agreements, written or oral, have been entered into for the sale or transfer of any of the units offered in the plan. No deposits or advances have been taken by or on behalf of sponsor in connection with the reservation, sale or transfer of units, prior to submission of the plan to the Department of Law.

The Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation or other grounds prohibited by law.

If there is a material amendment to the offering plan that adversely affects the purchasers, the Sponsor will grant purchasers a right of rescission and a reasonable period of time that is not less than fifteen (15) days after the date of presentation to exercise the right. Any deposit or down payment will be returned to purchasers who rescind.

XXII. SPONSORS STATEMENT OF BUILDING CONDITIONS

Sponsor adopts the description of Property and Building Conditions set forth in Part II of this 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.

PART II

SECTION A

PURCHASE AGREEMENT

AGREEMENT, made and dated the day of ,2008 between with offices located at 203 Bay 8th Street, Brooklyn, New York, 11228 hereinafter called the "Seller" and

residing at

(hereinafter called the "Purchaser").

WITNESSETH:

That the SELLER agrees to sell and convey, and the PURCHASER agrees to purchase, the Condominium Unit designated as Unit No: , as shown on the Floor Plans for the building which forms a part of the Offering Plan for the 50-62 Bay 32nd Street Condominium together with an % undivided interest in the common elements appurtenant thereto.

PREMISES IS ALSO KNOWN AS 50-62 Bay 32nd Street, Brooklyn, N.Y.

1. The closing deed shall contain such a description of the premises as shall be acceptable by the lending institution or the title company insuring such lender.

2. The SELLER has delivered to the PURCHASER and the PURCHASER acknowledges receipt of the Offering Plan for the 50-62 Bay 32nd Street Condominium at least 72 hours prior to the execution of this Purchase Agreement and has read and agrees to be bound by the proposed Declaration, By-laws and Offering Plan of the said Condominium (and the Schedules, Plans and Exhibits attached thereto) all of which are incorporated by reference and made a part of this Agreement with the same force and effect as if set forth in full herein. Any conflict between the Offering Plan and this Agreement is to be resolved in favor of the Offering Plan.

3. The Declaration and By-Laws when recorded by SELLER, will be substantially the same in form and substance to the Declaration and By-Laws set forth in the Offering Plan delivered to PURCHASER and any changes therein will not adversely affect the PURCHASER.

4. The PURCHASER acknowledges that he is purchasing a Condominium Unit in a Condominium to be formed, and that, except as stated in this Agreement (and as set forth in the Declaration, By-laws, Exhibits and Offering Plan), he has not relied on any representations or other statements of any kind or nature made by the SELLER or otherwise except those made in the Offering Plan, including but not limited to any relating to the description, size or dimension of the Unit or rooms therein, and the estimated Common Charges or other expenses in connection therewith.

5. (A) PURCHASE PRICE. The purchase price is $ payable as follows:

(i) $ as a deposit on the signing of this Agreement, the receipt whereof is accepted subject to collection

(ii) $ by loan in that amount, to be procured by the Purchaser from a lender which shall include interest at the prevailing rate of interest charged by such financial institution, the proceeds of which shall be turned over to the Seller at closing.

(iii)$ by certified or bank cashier's check on closing of title.

(iv) $ Total Price.

6. The deed shall be delivered upon receipt of all payments due hereunder at the office of Morris Flyer, esq. 1406 West 5th Street, Brooklyn, N.Y. 11204 or at any other place designated by the SELLER on or about the day of , or at any other time and date designated by the SELLER pursuant to the terms of this agreement. In the event PURCHASER or PURCHASER'S mortgage lender requires that the closing take place outside of the SELLERS attorneys office PURCHASER agrees to pay to SELLERS attorney a travel fee at closing of title of $250.00 for closings within New York City and $500.00 for closings outside of New York City.

7. CLOSING COSTS AND ADJUSTMENTS. The PURCHASER further agrees to pay to the SELLER, at the closing of title, the applicable New York State Real Estate Transfer Tax and the New York City Real Property Transfer Tax; and the actual fee for recording the deed to the unit as well as the applicable New York State sales tax on any items of personal property.

8. In the event the PURCHASER shall obtain a purchase money mortgage, he shall also pay all applicable fees connected therewith including but not limited to origination fees, fees for credit reports, the actual cost of appraisal and inspection fees, mortgage tax, mortgage title insurance, bank's attorney's fees for preparation of documents necessary for the mortgage loan or recording fees and all other governmental charges assessed on the loan. All applicable real estate taxes, and other usual and normal closing charges during the month that title closes or established as a reserve, shall be adjusted as of the closing date based upon the last bill rendered for such taxes or charges. The purchaser shall pay the fee of his own attorney and the premium for a fee title insurance policy, if he desires such coverage. PURCHASER shall make the required deposits with the lending institution for future payments of taxes and insurance premiums.

9. PURCHASER agrees at closing of title to reimburse SELLER an amount equal to ½ of 1% of the purchase price for costs in applying for a partial real estate tax abatement under Section 421(a) of the Real Property Tax Law. PURCHASER is hereby advised that said tax abatement may commence at a date before or after closing of title and that real estate taxes mat be based on the full

assessed value of the Premises until such time as the abatement goes into effect. Furthermore, PURCHASER is advised that the amount of tax abatement that is received is unknown at this time and will be based upon applicable 421(a) regulations and will be influenced by the prior or present tax classification' real property assessment and the existence of prior improvements on the Premises. SELLER, therefore, makes not representation whatsoever as to the amount of the tax abatement benefits that will accrue to the Premises and whether such application will be approved.

The Seller has or may have a construction loan on the premises prior to the date of closing. According to the provisions of Real Property Law 339-ee, a credit will be allowed towards a purchase money mortgage for part of the mortgage tax imposed. Purchaser shall reimburse Seller to the extent of such credit at the closing of title.

The Purchaser shall pay to the Seller's Attorney at closing a fee of $950.00 for the preparation of closing documents. If a Purchaser fails to close on the date set for the first closing, or adjourns a schedule closing date on less than three (3) days notice, there shall be a late adjournment fee of $150.00 added to the above.

10. PURCHASER agrees to apportion with the SELLER and to pay the apportioned amount found to be due at the time of closing for taxes, sewer and water rates, common charges and other items which are normally apportioned at a closing of title. PURCHASER agrees that any errors or omissions in computing said apportionments at closing shall be corrected and the proper adjustment made after closing of title within ten (10) days of receipt of written notice from SELLER to PURCHASER specifying the claimed error. This provision shall survive closing of title.

11. The closing of title shall take place on the closing date set forth herein or at such other date and time designated by SELLER upon fifteen (15) days written notice to PURCHASER or his attorney. If the PURCHASER fails to close title at the time and date so fixed and designated by the SELLER, then in that event, any delay in closing by PURCHASER beyond seven (7) days shall be upon the express condition that all adjustments, including interest on the balance of the purchase price at 16% per annum, shall be made and paid by the PURCHASER as of the date originally fixed and designated by the SELLER for closing of title. Nothing herein contained shall be construed to require SELLER to consent to or grant any adjournment of the closing beyond fifteen (15) days.

12.PURCHASERS do hereby agree to make diligent, truthful and proper application to a lending institution approved by the SELLER within ten (10) days from the date of this contract which approval SELLER agrees not to unreasonably withhold and without delay to furnish such verifications of bank accounts and employment or any other instruments or information as may be required by said lending institution in the processing of PURCHASER'S application, for the mortgage loan described below. Failure to comply with the foregoing will be deemed a willful, material breach of this Contract by PURCHASER. The said loan is to be secured by a first mortgage against the premises herein described.

A first mortgage in the amount of $ at the term of 25/30 years at the prevailing rate of interest, and to be payable in monthly installments which may include amortization of principal, interest, taxes, water and/or sewer charges, fire and other hazard insurance for the premises, and such other provisions as may be required by the lending institution. Notwithstanding anything to the contrary herein, the PURCHASER agrees that the conventional mortgage loan provided for herein will close at the maximum allowable interest rate permitted by the laws of the State of New York at the time of closing.

If the application for the mortgage loan hereinabove set forth is approved and the commitment issued, the PURCHASER does hereby agree to execute, acknowledge and deliver such bond, mortgage, assumption, extension and/or modification agreements, affidavits, statements, or any other instruments which may be necessary or required by the lending institution, and/or the title company insuring the mortgage, in order to properly effectuate the placing of the mortgage loan above described.

In the event the lending institution shall refuse to approve the application aforesaid for the amount set forth within 45 days from the date of contract, then SELLER, in its sole discretion, may elect (i) to require the PURCHASER, within ten (10) days thereafter, to submit truthful and proper applications to a second lender designated by SELLER or its agents, and if SELLER elects to require the PURCHASER to make a mortgage application to a second lending institution, the time period referred to above shall be extended for an additional sixty (60) day period, or (ii) to terminate this contract, in which case this Contract shall be deemed canceled and the monies paid hereunder shall be refunded to PURCHASER, and upon repayment the parties hereto shall be released from any and all liability, or (iii) to grant the PURCHASER a first mortgage, in the amount of the mortgage provided for above, upon the terms and conditions for the type of mortgage (e.g. one year adjustable) contained in the PURCHASER mortgage application, except that the rate of interest shall be equal to the rate of interest offered by Citibank, N.A. seven days prior to the closing date. In the event SELLER elects to grant PURCHASER a first mortgage pursuant to this subsection (iii) the Purchase Money Note and Mortgage and related documents and statements shall be drawn on the standard forms approved and/or required by FNMA by the attorney for the SELLER. At the closing of title, the PURCHASER shall pay all expenses concerning the Purchase Money Note and Mortgage, including, without limitation, the mortgage recording tax, recording fees and $750.00 to SELLER'S attorney for the preparation of the Purchase Money Note and Mortgage.

If the mortgage loan applied for is approved in a reduced amount, the PURCHASER agrees to accept the terms and agrees to pay the difference at the closing in cash or certified check so that the total purchase price shall not vary. PURCHASERS represent that their combined income exceeds $, (ii) they have never filed bankruptcy; (iii) there are no liens, loans, judgments or claims made against them which would impair their ability to obtain the mortgage loan herein above referred to. Purchaser shall pay off any outstanding personal loans prior to closing if so requested by the lending institution granting the mortgage and/or SELLER, if SELLER is granting the mortgage.

The mortgage loan contingency contained in this Section 12 shall be deemed fulfilled, and this contract shall be considered firm and binding on PURCHASER even though the commitment contains conditions to be satisfied by PURCHASER as a prerequisite to funding the mortgage loan including, but not limited to (i) proofs and confirmations regarding the credit worthiness of PURCHASER or any co-applicant and existing bank accounts of PURCHASER or any co-applicant and any balances thereof, (ii) continuing employment of PURCHASER or any co-applicant, (iii) sale of any house, property or other asset required to be sold by PURCHASER or any co-applicant and (iv) satisfaction of a debt by PURCHASER or any co-applicant. THE RISK OF COMPLYING WITH ALL CONDITIONS OF THE COMMITMENT IN SUFFICIENT TIME TO BE ABLE TO CLOSE TITLE AT THE TIME, PLACE AND DATE SET FORTH IN SELLER'S NOTICE OF CLOSING, IS EXCLUSIVELY ON PURCHASER, AND THE FAILURE OF THE LENDER TO FUND THE LOAN BECAUSE OF PURCHASER'S FAILURE TO COMPLY WITH ALL CONDITIONS OF THE COMMITMENT SHALL NOT EXCUSE PURCHASER FROM CLOSING TITLE AND PAYING THE BALANCE OF ALL SUMS DUE UNDR THIS CONTRACT ON THE DATE OF CLOSING.

If the commitment expires prior to the closing, PURCHASER shall obtain renewals or extensions of the commitment through the date of closing on such terms and conditions at at such interest rate as the lender may require, and shall pay any fees and charges required to so renew or extend the commitment.

13. DEED AND SUBJECT TO. The closing deed shall be a Bargain and Sale Deed with Covenants Against Grantor's Act, shall be duly executed and acknowledged by the Seller so as to convey to the Purchaser the fee simple title to the said premises, free and clear of all liens and encumbrances, except as herein stated, and shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law.

The SELLER shall give and the PURCHASER shall accept such title as a title insurance company designated by the SELLER shall be willing to approve and insure, subject to the following which may be given and recorded at any time prior or subsequent to the delivery of the deed and such deed shall be deemed subject thereto:

(a) Zoning and building restrictions and regulations of the jurisdiction wherein the building is or is to be located and amendments and additions thereto in effect at the date of closing of title, provided same does not prohibit the erection and maintenance of the structure referred to herein; and

(b) Any state of facts an accurate survey or physical inspection may show, in accordance with the terms hereof, provided the same does not render title unmarketable; and

(c) Encroachments of stoops, areaways, party walls, steps, trim, fences, curbs and/or retaining walls or party walls; and

(d) Sewer, water, gas, drainage, electric and telephone easements, and any other utility easements; and

(e) Covenants, easements, agreements, declarations, restrictions, reservations, set-back lines, driveway and party wall agreements, affecting said premises, providing same does not prohibit the erection and maintenance of the structure referred to herein; and

(f) Approval, and the conditions thereof, by the building department and any other governmental boards, departments or agencies as to the building, plot layout, plot grade, retaining or curb walls and street; and

(g) City Planning Commission, Board of estimate and Zoning Lot Declarations, and or agreements; and

(h) Terms and Conditions of the Condominium Offering Plan, the Declaration, the By-Laws and any rules and regulations promulgated by the Board of Managers.

SELLER may pay and discharge any liens or encumbrances not provided for in this contract out of the moneys to be paid by PURCHASER at the closing. The existence of unpaid taxes or liens or encumbrances of any kind at the time of closing shall not constitute an objection to title provided that the title company insuring the mortgage hereinbefore set forth shall be willing to insure against collection of the same from the premises.

14. DELIVERY OF DEED, INCOMPLETE HOME AT TIME OF CLOSING. The closing of title shall take place at the office to be designated by the seller or by the lending institution within fifteen days after SELLER has forwarded a copy of a temporary certificate of occupancy to the PURCHASER or their attorney. The SELLER shall be entitled to a reasonable adjournment in the closing of title as set forth in paragraph 11 of this Agreement or in the event of delay by reason of weather conditions, strikes or material shortages, or delays in inspections and reports thereon, or other requirements. In the event the dwelling or its environs are not completed on the date set by the SELLER for closing of title, same shall not constitute an objection to closing title, provided lending institution shall issue an inspection report and Seller shall, by a "punchlist" to survive title closing, agrees to complete any open items within thirty (30) days after closing weather and circumstances permitting and provided temporary certificate of occupancy is issued.

If SELLER is unable to transfer title for any reason whatsoever, or SELLER otherwise terminates this Contract in accordance with any provision herein, SELLER, at its sole discretion, may elect to terminate this Contract in which event SELLER'S sole liability shall be limited to the return of PURCHASER'S down payment hereunder and upon the return of said sum, this Contract shall be and become null and void, and neither the SELLER nor the PURCHASER shall have any further rights against each other. SELLER shall not be required to incur any expense or start any lawsuit or other proceedings to clear title.

15. BREACH OF PURCHASE AGREEMENT BY PURCHASER. Should PURCHASER willfully violate, repudiate or fail to keep any of the promises made under this Agreement which default remains uncured for fifteen (15) days after written notice of such default from SELLER, SELLER, may, at its option, retain all or any part of the monies paid on account hereunder, including price of any custom work ordered, as liquidated damages, in which event the parties shall be discharged of all further liability hereunder. The provisions shall apply whether or not construction has commenced and regardless of any sale of the property subsequent to PURCHASER'S default, if such default results in a delay in the closing of title from the date and time fixed pursuant to this Purchase Agreement, the PURCHASER will only be permitted to cure the default and close within such fifteen (15) day period on condition that all adjustments shall be made as of the date originally fixed for the closing of title. In addition, PURCHASER shall reimburse SELLER for all mortgage or other interest charges incurred by SELLER from the date originally fixed for the closing of title.

16. SUBORDINATION OF PURCHASE AGREEMENT TO BUILDING LOAN MORTGAGE. The PURCHASER agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage 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 incurred, pursuant to the terms thereof, to the full extent thereof without the execution of any further legal documents by the PURCHASER. The subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of the lender's right to make advances before they become due in accordance with the schedule of payments. The SELLER shall satisfy all such mortgages or obtain a release of the unit from the lien of such mortgage at or prior to the closing date, except for the individual mortgage covering the mortgage loan taken out by the Purchaser, if any, whether same be by extension, assumption, consolidation or otherwise.

17. RISK OF LOSS. The risk of loss of damage to the unit by fire or any other cause until the delivery of the deed is assumed by the SELLER, provided that the PURCHASER has not taken possession of the premises.

18. LACK OF LABOR MATERIALS, SELLER'S RIGHT TO CANCEL. It is understood and agreed that the construction of the premises herein described is either about to be or has already been started. In view of the present economic conditions , current and/or future wage and price controls, and the subsequent uncertainty in the obtaining of labor and/or materials for residential construction in quantities and at prices presently contemplated, and the general uncertainty associated with new home construction, the parties hereto hereby agree as follows: that the SELLER in its sole discretion, may elect to terminate this contract 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 Government bureau, department, or subdivision thereof shall impose restrictions on the sale, manufacture, distribution and/or use of materials necessary in the construction of residential housing and such restrictions shall prevent SELLER from obtaining such materials and/or labor from its regular suppliers of from using the same in the construction and/or completion of the unit or building; or

(b) That economic conditions are such that the SELLER cannot obtain labor and/or materials in quantities and/or at prices presently contemplated; or

(c) That the SELLER is unable to obtain materials and/or labor from its usual sources due to strikes, lockouts, war, insurrection, military operations and/or requirements of national emergencies etc.; or

(d) Any occurrence, event, delay, accident, or act of God which limits, in its sole discretion, SELELR'S ability to perform under the terms of this contract; or

(e) That the installation of utilities is delayed, restricted or curtailed.

In the event the SELLER is unable to convey title to said unit on or before twelve months after the date of delivery of title set forth above, except as a result of PURCHASER'S default, PURCHASER shall have the option to cancel this agreement and to have the down payment advanced by him returned together with interest, if any. SELLER shall in any event be required to erect the unit and all utilities or systems necessary to support normal occupancy within two years from the date of this agreement.

19. POSSESSION BY PURCHASER PRIOR TO CLOSING. 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 cancelled, 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 closing of title herein.

20. ACCEPTANCE OF DEED . FULL COMPLIANCE BY SELLER, WAIVER OF JURY TRIAL. Anything in the contrary herein contained notwithstanding, it is specifically understood and agreed by the parties hereto that 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 representations contained in the Offering Plan shall survive delivery of the deed. The parties hereto do hereby agree that trial by jury in any action, proceeding or counterclaim arising out of or from this Agreement is hereby waived.

21. MUNICIPAL CERTIFICATES. At the closing of title the SELLER will deliver a temporary or permanent certificate of occupancy. It is further agreed that title will not close without PURCHASER'S consent until a temporary certificate of occupancy has been issued covering the building in which the unit is located.

22. CONSTRUCTION OF UNIT BY SELLER. The SELLER agrees at its own cost and expense, to erect and complete the aforementioned Condominium building and unit accordance with the requirements as to materials and workmanship of the Building Department of The City of New York and further agrees that when completed, same will be substantial accordance with the plans as filed with the Building Department.

All work on the unit shall be done by either SELLER or their authorized subcontractors after receiving written approval from SELLER. No work of any nature shall be done on the premises by the PURCHASER or contractors of the PURCHASER.

The SELLER has or will have a model unit open for inspection at the job site. The parties hereto specifically acknowledge that the furnishings, fixtures, mirror work, etc., on exhibit in the model are for exhibition purposes only and are not included in the unit for sale under this agreement unless specifically included.

23. CHANGES IN MATERIALS, ETC. The SELLER, at its sole discretion, expressly reserves the right to, and the PURCHASER recognizes that the SELLER may, without diminution of the purchase price:

(a) make such changes or substitutions of equipment, fixtures, personal property, materials and construction which may be required, authorized or approved by, or acceptable to, the lending institution or any governmental agencies having jurisdiction thereof, provided such changes and/or substitutions are of comparable or better quality; and

(b) determine the exterior and design of buildings, grading and design of all plots and dwellings to fit into the general pattern of the community;

(c) determine elevation and location of foundations including reversal of the unit layout, walks and streets to conform with topographical conditions ;

(d) determine whether trees or shrubs currently on the property are to be removed;

(e) add or remove related walks on the lots or common areas where required by grade conditions.

The SELLER agrees to notify the PURCHASER of any major changes, specifications, deviations, additions or deletions which may be beyond the scope of the limitations set forth hereinabove. In the event that SELLER notifies PURCHASER in writing of such changes and modifications, PURCHASER shall be deemed to have approved of same, unless SELLER receives PURCHASER'S written disapproval of such modifications and amendments within ten (10) days from the date of the aforesaid notice by SELLER. In such event SELLER may at this option, elect to

withdraw its proposed changes and modifications and shall have thirty (30) days from receipt of PURCHASER'S notice of disapproval, return of all monies deposited hereunder by PURCHASER, with interest earned, if any, at which time the parties hereto shall be relieved of all further obligations hereunder.

SELLER reserves the right to change the layout of the kitchen and bathroom as well as the position of the kitchen cabinets, bathroom vanity, bowl, sink and tub.

24. SELECTION OF COLORS, OPTIONS, ETC., BY PURCHASER, 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 seven (7) days after demand thereof and such selection shall be made from SELLERS samples only. The selections are to be made at SELLER'S sales and display offices or at the display showrooms arranged for by the SELLER for this purpose. 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 by ordinary mail addressed to the PURCHASER at the address herein set forth.

25. EXTRAS. Any extras ordered by PURCHASER shall be paid for in full at the time of selection. If for any reason the SELLER fails to install said extras in accordance with the work order, the limit of the SELLER liability is a refund of the amount of the charge.

26. EXECUTION OF REQUIRED DOCUMENTS. PURCHASER agrees to deliver to SELLER all documents and to perform all acts required by SELLER to carry out the provisions of all applicable laws and regulations. This paragraph shall survive delivery of the deed.

27. ASSIGNABILITY NOTICE. The parties agree that the stipulations and agreements herein contained shall be binding upon them, their respective heirs, executors, administrators and/or assigns. The PURCHASER agrees that he will not record or assign this Agreement or any of the rights hereunder. It is expressly understood and agreed that the PURCHASER will in no event assign this contract without the written consent of the SELLER. Any notice to be given hereunder shall be in writing and sent by mail to the parties at the addresses given or at such address as either party may hereafter designate to the other in writing.

28. THE HOUSING MERCHANT IMPLIED WARRANTY APPLIES TO THIS CONTRACT. SUCH WARRANTY HAS BEEN MODIFIED AS PROVIDED IN THE LIMITED WARRANTY ANNEXED TO THIS AGREEMENT AS EXHIBIT A. THE EXPRESS TERMS OF THE LIMITED WARRANTY ARE HEREBY INCORPORATED IN THIS AGREEMENT AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE THEREOF. The PURCHASER acknowledges that a written copy of the express terms of the Limited Warranty has been provided in writing to the PURCHASER prior to the time of the PURCHASERS execution of

this Agreement in lieu of any other warranties, express and implied, in connection with this transaction. The terms and conditions of the Limited Warranty shall survive delivery of the Deed.

29. TRUST FUNDS.

All monies received directly by the SELLER or through its agents or employees, shall be held in trust pursuant to Section 352-e(2-b) and 352-h of the General Obligations Law and the escrow and trust fund regulations as promulgated by the Attorney General and effective April 27, 1992.

The SELLER hereby adopts the escrow agreement which is attached to the Offering Plan as an exhibit.

In summary the terms of this escrow agreement are as follows:

(a) within five business days all deposits, down payments or advances made by PURCHASERS prior to closing on an individual transaction will be placed in a segregated special escrow account in a bank doing business in the State of New York which account is covered by federal bank deposit insurance.

(b) For the purposes of this account, the escrow agreement appended to this Offering Plan shall control. The funds shall be in an account named " Morris Flyer, esq. Special Escrow Account" in the J.P. Morgan Chase Bank at its branch located at 1722 Avenue U, Brooklyn, New York 11229. The signature of Morris Flyer, esq. shall be required to withdraw any of such funds.

(c) The escrow account shall be an IOLA account pursuant to Judiciary Law Section 497. All interest shall all be turned over to the IOLA Fund. The interest rate earned shall be the prevailing rate for such accounts. The interest shall begin to accrue at the date of deposit.

The down payment may be released upon the sponsor obtaining a bond agreement upon a prior amendment to the plan.

The liquidated damages shall not exceed 10% of the purchase price plus the cost of extras ordered by the PURCHASER. In the event of a failure by the SELER to convey title as set forth herein to any home as set forth in the respective Purchase Agreement, except for the PURCHASER'S default, the purchaser will have the option to cancel the agreement and to have the down payment returned by the SELLER to the purchaser forthwith.

30. BROKER: The parties agree that no Broker other than brought about the sale and PURCHASER agrees to indemnify SELLER against any claim brought by anyone else for brokerage fees based upon PURCHASER'S Act. SELLER agrees to pay the broker pursuant to separate agreement. Such commission shall not be deemed to be earned nor shall the same be due or payable unless and until title closes pursuant to the provisions hereof.

31. PURCHASERS AGENTS FOR EACH OTHER. If two or more persons are named as the PURCHASER herein, any one of them is hereby made agent for the other in all matters of any and every kind of nature affecting the premises herein or this Agreement.

32. SELLERS RIGHT TO ENTER. It might be necessary for the SELLER to enter into, upon, over and under the premises during normal working hours, and upon reasonable notice in order to complete the development. The PURCHASER agrees to allow the SELLER the right to enter for a period of one (l) year after date of delivery of deed. Any damages incurred shall be repaired at the cost of the SELLER who shall restore the property to its prior condition.

PURCHASER further agrees to cooperate in the obtaining of the Permanent Certificate of Occupancy and will refrain from taking any action or making any alteration or improvement which will interfere with or delay the issuance of the certificate of occupancy for these premises. This article shall survive delivery of the deed.

33. PURCHASER'S RIGHT TO ENTER. PURCHASER understands and agrees that at no time may he enter his or any premises under construction without the express written consent of the SELLER and in the presence of the designated employees of the SELLER.

34. MORTGAGE COMMITMENT. Once the mortgage commitment is issued by the lender, its withdrawal by said lender based upon any willful change in PURCHASER'S circumstances shall still obligate PURCHASER to close or his deposit shall belong to the SELLER. It is the obligation of PURCHASER to keep the Mortgage commitment in full force until the closing of title.

35. CERTIFICATE OF OCCUPANCY. SELLER agrees to deliver a permanent certificate of occupancy for the dwelling but title closing shall not be adjourned for lack of same. It being understood and agreed that a sum not to exceed $2,500.00 from the Seller's money will be held in escrow by lending institution or SELLER'S Attorney pending production and delivery of such permanent certificate. No closing will occur, however, without SELLER first obtaining a temporary certificate of occupancy.

36. SINGULAR AND PLURAL. If two or more persons constitute either the SELLER or PURCHASER, the word "SELLER" or the word "PURCHASER" shall be construed as if it read "SELLERS" or "PURCHASERS" whenever the sense of this Agreement so requires.

37. FILING OF DOCUMENTS. PURCHASER herein irrevocably appoints SELLER as his attorney-in-fact to execute any and all documents required by the City of New York to obtain the permanent Certificate of Occupancy and secure the final tax abatement. The provisions of this article shall survive closing of title and delivery of the deed.

_____
Seller

_____
Purchaser

_____
Purchaser

PURCHASER(S) ACKNOWLEDGE RECEIPT OF THE HEREINBELOW LIMITED WARRANTY PURSUANT TO THE PROVISIONS OF THE CONTRACT OF SALE TO WHICH THIS LIMITED WARRANTY IS ANNEXED.

Rev. 4/2/90

EXHIBIT A

LIMITED WARRANTY

Warranty No._____

NAME OF PURCHASER(S) _____

ADDRESS OF PURCHASER(S) _____

_____

DESIGNATION OF
HOME WARRANTED _____

_____

NAME OF BUILDER _____

ADDRESS OF BUILDER _____

_____

BUILDERS LIMIT OF TOTAL LIABILITY:

Seventy-five (75%) percent of the purchase price of the Home set forth in the Purchase Agreement to which this Limited Warranty is annexed as an exhibit.

NOTE: THIS LIMITED WARRANTY EXCLUDES ALL CONSEQUENTIAL, INCIDENTAL SPECIAL AND INDIRECT DAMAGES EXCEPT AS REQUIRED BY LAW. THIS LIMITED WARRANTY EXCLUDES ALL OTHER WARRANTIES OF EVERY KIND, EXPRESS AND IMPLIED, ON THE CONSTRUCTION AND SALE OF THE HOME, ITS WORKMANSHIP AND MATERIALS, AND ITS FITNESS FOR USE AND HABITABILITY. THIS LIMITED WARRANTY IS ACCEPTED BY THE PURCHASER IN LIEU OF ALL OTHER WARRANTIES. THE BUILDER MAKES NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF. THE PURPOSE OF THIS LIMITED WARRANTY IS TO IDENTIFY THE BUILDER'S RESPONSIBILITIES FOR DEFECTS OF A LATENT OR HIDDEN NATURE THAT WOULD NOT HAVE BEEN FOUND OR DISCLOSED ON THE FINAL INSPECTION.

1. TO WHOM GIVEN. This Limited Warranty is extended exclusively to the Purchaser named on page 1 of this Limited Warranty, while the named Purchaser owns the Home. It does not extend to subsequent owners of the Home, tenants or mortgagees in possession of the Home, any Person who may succeed to the rights of the Purchaser or to any other Person.

2. BY WHOM MADE. This Limited Warranty is made exclusively by the Builder whose name and address appear on page 1 of this Limited Warranty.

3. FINAL INSPECTION OF THE HOME. Before the Purchaser moves into the Home or accepts the deed, the Builder will set up an appointment for the Final Inspection with the Purchaser. The purpose of the Final Inspection is to discover any Defects of a visible, apparent or patent nature, or any unfinished work.

Defects in the Home found on the Final Inspection will be itemized on a Final Inspection Form, annexed hereto as Schedule D, that includes a schedule for each item that will be corrected or completed. The Final Inspection Form will be signed by the Purchaser and the Builder before occupancy of the Home or transfer of the deed.

The purpose of this Limited Warranty is to identify the Builder's responsibilities for Defects of a latent or hidden kind that would not have been found or disclosed on the Final Inspection.

When the Purchaser moves into the Home or accepts the deed, the Builder's responsibility is limited to:

(a) completion of items shown on the Final Inspection Form, as provided in the Final Inspection Form, and

(b) performance of warranty obligations under the provisions of this Limited Warranty, as contained in this document.

4. DEFINITIONS. As used in this Limited Warranty, the following terms have the following meanings:

(a) "Builder" means the Person identified as the Builder on page 1 of this Limited Warranty.

(b) "Building Code" means the Building Code of the City of New York, Title 27 of the Administrative Code of the City of New York, as the Code exists on the Warranty Date.

(c) "Consumer Product" shall include, but not be limited to, any appliance, piece of equipment, or other item which is a "consumer product" under the Magnusson-Moss Warranty Act, 15 USC section 2301 et seq., and which is installed in the Home by the Builder. Examples of Consumer Products include, when installed by the Builder: air purifiers, kitchen appliances, refrigerators, freezers, ovens, stoves, microwaves, mixers, sinks,

toilets, bathtubs, compactors, garbage disposals, dishwashers, fans, faucets and plumbing fixtures, clothes washers, clothes dryers, water heaters, water softeners, humidifiers, pumps, furnaces, oil tanks, gas tanks, heaters, air conditioners, light fixtures, circuit breakers, floor coverings, windows, doors, door openers, siding, brick, and roofing.

(d) "Defect" means defective workmanship performed by the Builder and defective materials supplied by the Builder, determined solely by reference to the specific standards of the Building Code and the Locally Accepted Building Practices. The term Defect does not include a condition in the Home that would have been apparent or ascertainable upon the Final Inspection. A condition that is disclosed to the Purchaser at any time prior to acceptance of the deed, by notation on the Final Inspection Form or otherwise, is not a Defect within the meaning of this Limited Warranty. Unless otherwise indicated, the term "Defect" shall be deemed to include "Major Structural Defects".

(e) "Electrical System" means the following items, if installed in the Home by the Builder: electrical wiring, electrical boxes, switches, outlets and connections up to the public utility connection; cable television systems; intercom systems; burglar, fire and smoke alarm systems. The Electrical System does not include any Consumer Product.

(f) "Final Inspection" means the final inspection of the Home prior to the Purchaser's acceptance of the deed as referred to in Paragraph 12 of the purchase agreement to which this warranty is annexed as a exhibit.

(g) "Heating/Cooling/Ventilation System" means the following items, if installed in the Home by the Builder: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers. The Heating/Cooling/Ventilation System does not include any Consumer Product.

(h) "Home" means the property constructed by the Builder and sold to the Purchaser, as identified in the purchase agreement between the Builder and the Purchaser.

(i) "Locally Accepted Building Practices" means the performance standards annexed to and incorporated in this Limited Warranty as Schedule A.

(j) "Major Structural Defects" means Defects resulting in actual physical damage to the Major Structure of the Home caused by failure of the Major Structure which affects its load-bearing functions to the extent that the Home becomes unsafe, unsanitary or otherwise unlivable.

(k) "Major Structure" means the following portions of the Home that are load-bearing: foundation systems and footings, beams, girders, lintels, columns, walls and partitions, floor systems, and roof framing systems. Major Structure does not include nonload-bearing portions of the Home such as: roofing and sheathing; roof shingles and tar paper; drywall, lathes and plaster; exterior siding; brick, stone, stucco and veneer; flooring and subflooring material; floor covering material; wall tile or paper and other wall coverings; non-load bearing walls and partitions; concrete floors in attached garages and basements that are built separately from foundation walls or other structural elements of

the Home; Electrical System, Plumbing System, Heating/Cooling/Ventilation System; Consumer Products, appliances, fixtures and items of equipment; paint and stains; doors and windows; trim; cabinets; hardware; insulation.

(l) "Person" means any individual, partnership, corporation, or other legal entity.

(m) "Plumbing System" means the following items, if installed in the Home by the Builder: gas supply lines and fittings; water supply, waste and vent pipes and their fittings; septic tanks and their drain fields; water, gas and sewer service piping, and their extensions to the tie-in of a public utility connection, or on-site well and sewage disposal system. The Plumbing System does not include any Consumer Product.

(n) "Purchaser" means the Person identified as the Purchaser on page 1 of this Limited Warranty, while such Person owns the Home.

(o) "Purchaser's Family" means "Family Member" as defined in Section 2520.6 (o) of the Rent Stabilization Code for Rent Stabilized Apartments in New York City.

(p) "Residential Occupancy" means occupancy of any portion of the Home for residential purposes by any Person, their designee or invitee.

(q) "Warranty Date" means the date that the Purchaser, or a member of Purchaser's Family, takes title to the Home, or the date on which any Person begins Residential Occupancy of the Home, whichever date is earlier.

5. PRODUCTS AND PARTS COVERED BY LIMITED WARRANTY. Coverage A of this Limited Warranty applies to those parts of the Home that have been constructed by the Builder and to those Consumer Products that have been installed in the Home by the Builder. Coverage A does not apply to any part of the Home that has been constructed, altered or damaged by any Person other than the Builder or to any Consumer Product that has been installed, altered or damaged by any Person other than the Builder.

Coverage B of this Limited Warranty applies to those products or parts of the Plumbing System, Electrical System, and Heating/Cooling/ Ventilation System that have been installed by the Builder. Coverage B does not apply to any products or parts that have been installed, altered or damaged by any Person other than the Builder. Coverage B does not extend to any Consumer Product.

Coverage C of this Limited Warranty applies to those parts of the Major Structure that have been constructed by the Builder. Coverage C does not apply to any part of the Major Structure that has been constructed, altered or damaged by any Person other than the Builder.

Coverages A, B and C are subject to the definitions, limitations, exclusions, and all other terms and conditions of this Limited Warranty.

6. WARRANTY COVERAGE PERIODS. Warranty coverages A, B and C begin on the Warranty Date. The warranty coverages end as follows:

COVERAGE A: one year following the Warranty Date;
COVERAGE B: two years following the Warranty Date;
COVERAGE C: six years following the Warranty Date.

No fact, condition or circumstance delays or extends the Warranty Date or any time or period of warranty coverage.

7. WARRANTY COVERAGES

COVERAGE A: The Builder warrants to the Purchaser that, for one year following the Warranty Date, the Home will be free from Defects due to failure by the Builder to have constructed the Home in accordance with the specific standards of the Building Code or due to noncompliance by the Builder with the Locally Accepted Building Practices. The above coverage shall include, but not be limited to, Builder's warranty that the roof and basement of the Home shall be free from leaks.

The Builder further warrants to the Purchaser that, for one year following the Warranty Date, Consumer Products installed in the Home by the Builder will be free from Defects due solely to faulty installation by the Builder. (For Consumer Products, see further details in paragraph 10 of this Limited Warranty, below.)

COVERAGE B: The Builder warrants to the Purchaser that, for two years following the Warranty Date, the Plumbing System, Electrical System, and Heating/Cooling/Ventilation System of the Home will be free from Defects due to failure by the Builder to have installed such systems in the Home in accordance with the specific standards of the Building Code or due to noncompliance by the Builder with the Locally Accepted Building Practices.

The Builder reserves the right to substitute to the Purchaser at closing written warranties of the Builder's plumbing, electrical, heating, cooling, or ventilation system subcontractors, by providing written copies of such warranties to the Purchaser. Said warranties will be in substantial conformance with the performance standards annexed hereto as Schedule A. In the event of such substitution, the Purchaser's coverage will be limited to said substituted warranties and the Purchaser will address any requests for warranty service under Coverage B and any warranty claims under Coverage B to the subcontractor, with a copy of any written request or claim to the Builder.

COVERAGE C: The Builder warrants to the Purchaser that, for six years after the Warranty Date, the Major Structure of the Home will be free from Major Structural Defects due to faulty workmanship performed by the Builder or defective materials supplied by the Builder.

The Builder reserves the right to substitute to the Purchaser at closing insurance coverage from a licensed insurance carrier or risk retention group to be selected by the Builder by providing written copies of such insurance policy to the Purchaser substantially in conformance with the terms and conditions contained in the standard insurance policy issued by Home Buyers Warranty Corporation for six year structural coverage. In the event of such substitution, the Purchaser's coverage will be limited to said substituted insurance policy and the Purchaser will address any requests for warranty service under Coverage C and any warranty claims under Coverage C to the insurance carrier or risk retention group, with a copy of any written request or claim to the Builder.

8. SPECIAL PROVISIONS FOR CONDOMINIUMS. If the Home is a condominium unit, see the Condominium Rider annexed hereto as Schedule E for special provisions affecting condominium units.

9. EMERGENCY ACCESS: Purchaser also understands and agrees that if emergency repairs are needed on Purchaser's Home or adjoining Home(s) and the Purchaser cannot be contacted within a reasonable period of time, the Purchaser waives advance notice. Such entry, with or without notice, shall be made with as little inconvenience as possible to the Purchaser.

10. CONSUMER PRODUCTS This Limited Warranty covers Consumer Products only during the first year and only to the extent of Defects caused solely by faulty installation by the Builder. Damage caused or made worse by any manufacturer's or distributor's defect, by installation by any Person other than the Builder, from misuse by the Purchaser or user, or from a malfunction of an electric company, gas company, water supplier or any other utility is not covered.

The Builder conveys and assigns to the Purchaser, to the extent that they are assignable, all warranties provided to the Builder on any Consumer Products and manufactured items that have been installed by the Builder in the Home. The Purchaser accepts this assignment and acknowledges that the Builder's only responsibility relating to such assigned warranties is to lend assistance to the Purchaser in settling claims under the assigned warranties.

11. EXCLUSIONS FROM COVERAGE. The following are excluded from coverages A, B, and C, except as otherwise noted below:

(a) Loss or damage caused by workmanship performed by any person other than the Builder.

(b) Loss or damage caused by defective materials supplied by any person other than the Builder.

(c) Loss or damage caused by defective design, unless the design professional was retained exclusively by the Builder.

(d) Loss or damage that would have been apparent or ascertainable upon the Final Inspection.

(e) Loss or damage that is disclosed to the Purchaser at any time prior to acceptance of the deed, by notation on the Final Inspection Form or otherwise.

(f) Defects in outbuildings including, but not limited to, detached garages and detached carports (except outbuildings which contain the Plumbing System, Electrical System, or Heating/Cooling/Ventilation System serving the Home); site located swimming pools and other recreational facilities; driveways; walkways; patios; boundary walls; retaining walls; bulkheads; fences; landscaping (including sodding, seeding, shrubs, trees and plantings); deck areas; curbs; sidewalks; off-site improvements or any other improvements not a part of the dwelling structure itself.

(g) Defects in concrete floors of basements or concrete floors of attached garages that are built separately from foundation walls or other structural elements of the Home.

(h) Damage to real property which is not part of the Home covered by this Limited Warranty and which is not included in the purchase price of the Home.

(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 Builder; or

(ii) failure by the Purchaser or anyone other than the Builder to comply with the warranty requirements of manufacturers or suppliers of Consumer Products, appliances, fixtures or items of equipment; or

(iii) failure of the Purchaser to give notice to the Builder of any Defects or damage in the manner set forth in paragraph 14 of this warranty; or

(iv) changes in the grading of the ground by anyone other than the Builder; or

(v) changes, alterations or additions made to the Home by anyone after the Warranty Date shown on page 1; or

(vi) dampness or condensation due to failure of any Person other than the Builder to maintain adequate ventilation.

(j) Any condition which does not result in actual physical damage to the Home, including but not limited to uninhabitability or health risk due to the presence or consequence of unacceptable levels of radon gas, formaldehyde, or other pollutants and contaminants, or the presence of hazardous or toxic on-site materials.

(k) Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects, aircraft, vehicles, Acts of God, lightning, windstorm, hail, flood, hurricane, tornado, mudslide, earthquake, volcanic eruption, wind-driven water, or changes in the underground water table.

(l) Loss or damage caused by seepage of water unless such loss or damage is the direct result of a Defect and is not due to condensation or improper grading of land other than the grades established by the Builder.

(m) Loss or damage caused by soil movement for which compensation is provided by legislation.

(n) Changes, alterations, or additions made to the Home by anyone after initial occupancy or acceptance of the deed, except those performed by the Builder to meet warranty obligations under this Limited Warranty.

(o) Loss or damage which is covered under any other warranty or insurance policy.

(p) Loss or damage which the Purchaser has not taken timely action to mitigate.

(q) Normal wear and tear and normal deterioration.

(r) Insect, vermin and/or rodent damage and infestation, or damage caused by other animals or pests.

(s) Bodily injury, personal injury, death, or loss or damage to personal property.

(t) Failure of the Builder to complete construction of the Home.

(u) Loss or damage which arises while the Home is being used primarily for nonresidential purposes or which arises as the result of nonresidential use.

(v) Loss or damage due to loading on floors by the Purchaser which exceeds design loads as established by the Building Code.

(w) Costs of shelter, transportation, food, moving, storage or other incidental expenses related to inconvenience, relocation, or loss of use, during repair.

(x) Consequential, incidental, special and indirect damages.

(y) Loss or damage arising from any claim not filed in strict compliance with the procedures set forth below in paragraph 14, "Step-by Step Claims Procedures" with respect

to any claim. PURCHASER'S FAILURE TO COMPLY WITH ANY OF THE PROCEDURES SET FORTH IN PARAGRAPH 14 WITH RESPECT TO A CLAIM WILL VOID SAID CLAIM UNDER THIS LIMITED WARRANTY.

(z) Loss or damage of any kind in excess of the Builder's Total Limit of Liability, as indicated on page 1 of this Limited Warranty.

(aa) Loss or damage to any improvements or additions to the Home made by the Purchaser.

(bb) Loss or damage to the Home which cannot be remedied due to the Builder's inability to gain reasonable access to the affected area because of the Purchaser's improvements or additions to the Home.

(cc) Defects in any work or materials ordered directly by the Purchaser from the Builder's subcontractors or suppliers or other outside suppliers or subcontractors or for incidental, consequential, special or indirect damages resulting from such work or materials;

(dd) Raised butt joints; ridging, scuffing on kitchen cabinet or vanity surfaces; variations of wood grain or staining of kitchen cabinets or vanities; shading variations of the exterior siding staining (on the face surface or grooves) and on facias from staining; doors and windows sticking because of weather; adjustment of bi-fold doors; chips, scratches, marks, breaks, or other blemishes in windows, sliding doors, screens, electric fixtures and globes, woodwork and doors; dented appliances; broken screens; and minor chips (nicks) to cultured marble floors and countertops;

12. PURCHASER'S RESPONSIBILITIES

The Home requires active maintenance effort on the Purchaser's part to reduce the likelihood of damage due to neglect, improper maintenance, abnormal use or any other use proscribed under applicable law. Some specific Purchaser's responsibilities are set out in the performance standards of the Locally Accepted Building Practices, attached to and included in this Limited Warranty as Schedule A. The Purchaser is required to abide by all operating instructions provided by the Builder or by any manufacturer or supplier of component parts of the Home.

The Purchaser is required, prior to the time that the Builder has received notice of a claim, to use reasonable efforts to timely mitigate damages caused by a Defect. Except in the event of an actual emergency, the Purchaser's obligation to mitigate damages will not require the Purchaser to expend any monies to mitigate damages. The Builder will be required to reimburse the Purchaser for any monies reasonably expended by the Purchaser to mitigate damages in the event of an actual emergency.

NOTE: DAMAGE CAUSED OR MADE WORSE BY HOME OWNER NEGLIGENCE, IMPROPER MAINTENANCE, IMPROPER OPERATION, ILLEGAL USE OR THE PURCHASER'S FAILURE TO TIMELY MITIGATE DAMAGES IS EXPRESSLY EXCLUDED FROM COVERAGE UNDER THIS LIMITED WARRANTY.

Further responsibilities of the Purchaser are described in section 14 of this Limited Warranty, below.

13. WHAT THE BUILDER WILL DO. If a Defect occurs in an item covered by this Limited Warranty, the Builder will repair, replace or pay the Purchaser the reasonable fair market cost of repairing or replacing the defective item(s) within sixty (60) days after the Builder's inspection or testing discloses the problem, subject to Acts of God, weather conditions, availability of materials and other events and circumstances beyond the Builder's control. The choice among repair, replacement or payment is solely that of the Builder. In making any repairs or replacements, the Builder will have the sole right to select the method and materials to be used in performing such repairs or replacements.

In the case of a Defect that is identified in the Locally Accepted Building Practices, the Builder will respond according to the "Builder Correction" as described in the Locally Accepted Building Practices.

In no event will the Builder's total liability for deficiencies under this Limited Warranty exceed the Builder's Limit of Total Liability, shown on page 1. Any payments made by the Builder or the fair market cost of repairs and/or replacements made by the Builder will be applied to reduce the Builder's Limit of Total Liability set forth on page 1 of this Limited Warranty.

Repair, replacement or payment of reasonable cost for any Major Structural Defect is further limited to (i) the repair of damage to the load-bearing portions of the Home themselves which is necessary to restore their load-bearing function; and (2) the repair of those items of the Home damaged by the Major Structural Defect which made the Home unsafe, unsanitary or otherwise unlivable.

When the Builder finishes repairing or replacing the Defect or pays the reasonable cost of doing so, a full release of all legal obligations with respect to the Defect must be signed by the Purchaser and delivered to the Builder. In the event the Purchaser fails to execute a full release, the Builder will notify the Purchaser as to what action(s) it has taken with respect to the applicable Defect and thereafter the Builder will be deemed to have complied with all of its obligations under this Limited Warranty with respect to the applicable Defect.

14. STEP BY STEP CLAIMS PROCEDURES. If the Purchaser believes that a Defect has occurred in an item covered by this Limited Warranty, the Purchaser must take the following steps:

(a) Written notice of any warranty claim must be made on the "Notice of Warranty Claim Form" annexed hereto as Schedule B, and must be actually received by the Builder identified on page 1, no later than the tenth (10th) business day after warranty coverage on that item expires. Notice of any warranty claim must be given by the Purchaser to the Builder as follows: (1) by hand, with a written acknowledgement receipt from the Builder, or (2) by certified or registered mail, return receipt requested. If this Notice of Warranty Claim Form is not properly completed and received by the Builder by that deadline, the Builder will have no duty to respond to any complaint or demand, and any or all claims may be rejected. FAILURE TO COMPLETE AND DELIVER THE NOTICE OF WARRANTY CLAIM TO THE BUILDER VOIDS ANY CLAIMS UNDER THIS LIMITED WARRANTY.

(b) No steps taken by the Builder, Purchaser or any other person to inspect, test or correct defects will extend the period of warranty coverage or any other time period under this Limited Warranty. Steps taken by the Builder in response to an improperly completed or untimely Notice of Warranty Claim will not give rise to any liability of the Builder to the Purchaser and will not prejudice or otherwise affect any right of the Builder, including but not limited to the Builder'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, the Builder and the Builder's agents will have the right to inspect and test the portion of the Home to which the claim, complaint or request relates. The Purchaser and occupants of the Home must provide Reasonable Access to the Builder and the Builder's agents during normal business hours, Monday through Friday, to complete inspection, testing and repair or replacement.

"Reasonable Access" by the Purchaser for inspection, testing and completion of the work will (a) require the Purchaser or its representative to be physically present during any work period and (b) require the Purchaser and occupants of the Home to allow the Builder to inspect, test and complete the work and not obstruct the Builder in any way during the Builder's performance of its duties. In the event, after a work appointment has been set by the Builder and the Purchaser, the Purchaser (and/or occupants, as required) fails to provide Reasonable Access to the Builder, the Builder will have the right to assess the Purchaser a $50.00 service fee.

IN THE EVENT, AFTER A SECOND WORK APPOINTMENT HAS BEEN SET BY THE BUILDER AND THE PURCHASER, THE PURCHASER (AND/OR OCCUPANTS, AS REQUIRED) AGAIN FAILS TO PROVIDE REASONABLE ACCESS TO THE BUILDER, THE PURCHASER WILL BE ESTOPPED FROM ASSERTING ANY CLAIMS WITH RESPECT TO THE APPLICABLE DEFECT UNDER THIS LIMITED WARRANTY AND THE BUILDER WILL BE DEEMED TO HAVE COMPLIED WITH ALL OF ITS OBLIGATIONS UNDER THIS LIMITED WARRANTY WITH RESPECT TO THE APPLICABLE DEFECT.

(d) The Builder is not responsible for repairs performed by anyone other than the Builder or an authorized service representative of the Builder. The Builder will not reimburse the Purchaser for the costs of any unauthorized work or materials. The Builder will not repair or replace an item that has been repaired, altered or replaced by anyone other than the Builder or the Builder's authorized service representative. A LIST OF THE BUILDER'S AUTHORIZED SERVICE REPRESENTATIVES IS ATTACHED TO THIS LIMITED WARRANTY AS SCHEDULE C. USE OF UNAUTHORIZED SERVICE VOIDS ANY CLAIMS UNDER THIS LIMITED WARRANTY.

15. 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 Builder in any court or forum unless notice of the claim or cause of action has been received by the Builder in a timely and properly completed Notice of Warranty Claim Form as provided in paragraph 14 above.

(b) No suit, action and proceeding against the Builder under this Limited Warranty may be commenced in any court or forum more than thirty (30) days after the expiration of the applicable warranty coverage under paragraph 6 of this Limited Warranty.

16. GENERAL PROVISIONS.

(a) This Limited Warranty may not be changed or amended in any way.

(b) This Limited Warranty is to be binding upon the Builder and the Purchaser, their heirs, executives, administrators, successors and assigns.

(c) Should any provision of the Limited Warranty be deemed unenforceable by a court of competent jurisdiction, the determination will not affect the enforceability of the remaining provisions.

(d) Use of one gender in this Limited Warranty includes all other genders, and use of the plural includes the singular.

(e) This limited warranty is to be governed in accordance with the laws of New York State.

NOTICE OF WARRANTY CLAIM FORM

Dear Purchaser:

To ask the Seller to correct a defect in your Home that you think is covered by the Seller's Limited Warranty, you must complete this form and deliver it to the Seller. This is necessary to protect your rights to warranty performance under the Limited Warranty.

The information you will need to fill out the form will be on page 1 of the Limited Warranty. However, if you do not know the answers to any questions, write "Don't know." Please do not leave any item blank.

Your Name: _____

Mailing Address: _____

_____

Phone: _____

Limited Warranty No.: _____

Effective Date of the Warranty: _____

Describe the defect(s) which you think are covered by the Limited Warranty. Be sure to include when each defect first occurred or when you first noticed it. Use additional sheets, as necessary, to fully describe the problem:

_____ _____

(signature) (date)

_____ _____

(signature) (date)

This completed and signed form must be sent to Seller at its address listed on the first page of the warranty by certified or express mail, return receipt requested.

SECTION B

POWER OF ATTORNEY

I (We) the owners of the Condominium Unit No in the Condominium known as the 50-62 Bay 32nd Street Condominium and also designated as Tax Lot in Block 6382 on the Tax Map of the Real Property Assessment Department of the City of New York located in the County of Kings. covering the property in the Borough of Brooklyn, County of Kings, and State of New York, do hereby nominate, constitute and appoint members of the Board of Managers of the 50-62 Bay 32nd Street Condominium and their successors, jointly, my true and lawful attorneys-in-fact coupled with an interest and with the power of substitution, in my name and on behalf to acquire, in their own name or in the name of their designees by deed on behalf of all owners of Condominium units in said property, any Condominium Unit together with its Appurtenant Interests, whose owner desires to abandon the same, or which shall be the subject of a foreclosure sale or a deed in lieu of foreclosure sale, at such price and on such terms as my said attorney-in-fact shall, in their sole discretion, deem proper and thereafter convey, sell, lease, sublease, mortgage, vote and otherwise deal in such Condominium Unit so acquired, at such terms as my attorney-in-fact may in their sole discretion determine, granting to my said attorney-in-fact the power to do all things in the said premises which I could do if I were personally present.

I (We), do hereby further irrevocably nominate, constitute and appoint Bay 32nd Street Realty LLC and its successors, my true and lawful attorney-in-fact coupled with an interest in my name and on my behalf to vote at any Unit Owners meeting for, and to file an amendment to the Declaration of the 50-62 Bay 32nd Street Condominium, permitting the certification by a registered architect or professional engineer, certifying that the floor plans filed as part of an Amended Declaration are an accurate copy of portions of the plans of the building and fully and fairly depict the layout, location, designation and approximate dimensions of the units as built or amending such Declaration to create any utility easements or to carry out any of the provisions of the Offering Plan of such Condominium.

This power of attorney shall be irrevocable and shall be limited to the powers enumerated herein.

In witness Whereof, I (We) have hereunto set my (our) hand(s) and seal(s) this day of , 2008.

_____

_____

SECTION C

CONDOMINIUM UNIT DEED

THIS INDENTURE, made the day of , between Bay 32nd Street Realty LLC with offices at 203 Bay 8th Street, Brooklyn, New York 11228, as Grantor and party of the first part; and

residing at

as Grantee and party of the second part:

WITNESSETH

That the Grantor, in consideration of ten dollars and other valuable consideration paid by the Grantee, does hereby grant and release unto the Grantee, and the heirs or successors and assigns of the Grantee, forever:

All that certain plot, piece or parcel of real property with the improvements therein contained, situate, and being a part of a condominium in the City of New York, County of Kings State of New York, known and designated as Unit No. . Tax Lot together with a undivided interest in the common elements of the condominium hereinafter described as the same is defined in the Declaration of Condominium hereinafter referred to:

The real property above described is a Unit shown on the plans of a condominium and filed in the Office of the County Clerk of the County of Kings on the th day of , as Map defined in the Declaration of Condominiums entitled 50-62 Bay 32nd Street Condominium made by Bay 32nd Street Realty LLC. under Article 9-B of the New York Real Property Law dated , , and recorded in the office of the Clerk of the County of Kings on the day of , in Reel of Conveyances at Page , covering the property therein described.

This transaction is made in the regular course of business of the corporation with the unanimous consent of the shareholders.

The area of the Condominium property is described as follows:

ALL that certain piece or parcel of land in the Borough of Staten Island, County of Kings, City and State of New York, bounded and described as follows:

Bearing and coordinates are in the United States Coast and Geodetic Survey System for the Borough of Brooklyn

.

TOGETHER with the appurtenances and all the estate and rights of the party of the first part in and to said premises;

TOGETHER with, and subject to, the rights, obligations, easements restrictions, and other provisions set forth in the Declaration, floor plans and the by-laws of the 50-62 Bay 32nd Street Condominium, as each of the same may have been, and may in the future be, amended from time to time (said by-laws and any amendments thereto are hereinafter collectively referred to as the "By-Laws"), all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest of estate in the unit, as though recited and stipulated at full length herein;

TOGETHER with the benefits, rights, privileges and easements and SUBJECT to the burdens, covenants, restrictions, by-laws, rules, regulations and easements all as set forth in the Condominium Documents;

TOGETHER with and SUBJECT to an easement for the continuance of all encroachments by the unit or any adjoining units or common elements now existing as a result of construction of the building or which may come into existence hereafter as a result of settling or shifting of the building, or as the result of repair or restoration of the building, or of the unit after damage or destruction by fire or other casualty or after the taking in condemnation or eminent domain proceedings made by or with the consent of the Board of Managers so that any such encroachments may remain so long as the building shall stand;

TOGETHER with an easement in common with the owners of other units to use any pipes, wires, ducts, cables, conduits, public utility lines and other common elements located in any of the other units or elsewhere on the property and servicing the unit;

TOGETHER with and SUBJECT to all easements of necessity in favor of the units or in favor of the other units or common elements;

SUBJECT also to an easement in favor of the other units to use the pipes, wires, ducts, conduits, cables, public utilities lines and other common elements located in the unit or elsewhere on the property and serving such other units;

SUBJECT also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record as pertain to the premises

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

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 the terms and provisions thereof.

AND the party of the first part covenants that the party of the first part has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid.

And the party of the first part in compliance with Section 13 of the Lien Law, covenants that the party of the first part will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

The use for which the home is intended is that of a ONE FAMILY residence, subject to the applicable governmental regulations and the restrictions contained in the Declaration.

BEING part of the same property conveyed by deed dated , recorded on , in Reel Page , made by . to .

The word "party" shall be construed as if it reads "parties" whenever the sense of this indenture so requires.

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

Bay 32nd Street Realty LLC

by_____

SECTION D

ENGINEER'S REPORT

PREMISES KNOWN AS THE 50 - 62 BAY 32ND STREET CONDOMINIUM

50, 52, 54, 56, 60 & 62 Bay 32nd Street
Brooklyn, New York
Tax Block Number, 6382
Tax Lot Number to be F/K/A, 62, 63, 64, 65, 66 & 67



Prepared By:

Abraham Hertzberg, P.E.
295 Northern Boulevard
Great Neck, N.Y. 11021
(516) 482-3558
August 9th, 2007

This "**Report**" describes the buildings to be known as **THE 50 - 62 BAY 32ND STREET CONDOMINIUM**, located in the Bath Beach Section of the Borough of Brooklyn, County of Kings, City and State of New York; in Tax Block 6382 and designated as Tax Lot Number to be F/K/A, 62, 63, 64, 65, 66 & 67.

ZONING AND PERMISSIBLE USE

The site is located in an R5 (Infill) Zone, as designated on Map 28c of the 1961 Zoning Resolution (ZR). This zone permits residential use as-of-right.

STATUS OF CONSTRUCTION

The buildings will be constructed under Plans which were filed with, and approved by the Brooklyn Office of the New York City, Department of Buildings. The building plans have been assigned the following Department of Buildings application numbers :

Building # 50	Application # 302225633.
Building # 52	Application # 302225642.
Building # 54	Application # 302225651.
Building # 56	Application # 302225660.
Building # 60	Application # 302225679.
Building # 62	Application # 302225688.

CONSTRUCTION CLASSIFICATION

The Class of Construction will be II-B, as described under the 1968 Administrative Building Code. Each building will be issued a Certificate of Occupancy when the work is completed to the satisfaction of the Department of Buildings.

SITE

The site is located on the Northwesterly side of Bay 32nd Street, 200'-0" Northeasterly from the corner formed by the Northeasterly side of Benson Avenue and the Northwesterly side of Bay 32nd Street.

The site has a frontage of 140'-0" along Bay 32nd Street and a depth of 96'-8" perpendicular to Bay 32nd Street.

The site has an area of approximately 13,533 square feet.

STREETS

The streets beyond the lot lines are existing New York City sidewalks, curbs and roadways.

The existing concrete sidewalk and curb fronting the property will be replaced with new concrete sidewalk and curb when construction is near completion, as directed by the New York City Department of Transportation and as is required for all new buildings.

The roadway fronting the property is asphalt paved. The roadway, fronting the property, will be repaired as necessary when construction is near completion, as directed by the New York City Department of Transportation.

Catch basins are located along the roadway to drain the storm water run-off, into the existing New York City Sewer System. Catch basins are located along Bay 32nd Street.

Street lighting is provided by the City of New York, and consists of vertical stanchions surmounted with mercury arc lamps.

UTILITIES

Water, will be provided by the City of New York, and water consumption will be a common charge.

Natural **Gas,** will be provided by the Keyspan Energy Delivery Company, for cooking and heating; and each unit will be separately metered and billed directly.

Electricity, will be provided by the Consolidated Edison Company, and each unit will be separately metered and billed directly.

Telephone service, will be provided by the Verizon company, and each unit will be billed directly.

The entire **Sanitary** waste, will be carried from the building into the existing New York City Sewer System. Some of the **Storm** water runoff will be carried to the existing N.Y. City Sewer System. The rest of the storm water run-off will be dissipated through drywells.

SUB-SOIL CONDITIONS

No unusual water conditions such as flooding, ponding, or wetness were observed in the area, and no water was apparent on the surface.

BUILDING SIZE

There will be six (6) buildings, each with a cellar, basement and (2) stories.

Each building will be a total height of approximately 33'-0" measured from grade to the ridge of the roof above the Second floor.

The lowest level in each building will be the cellar, with a floor to ceiling height of approximately 8'-0". There will be three floors above the cellar, each with a floor to ceiling height of approximately 9'-0".

The approximate measurements; (gross square footage) of each building is as follows:

Cellar	approximately	= 1,006 sq. ft.
Basement	approximately	= 1,006 sq. ft.
First Floor	approximately	= 1,068 sq. ft.
Second Floor	approximately	= 1,068 sq. ft.

STRUCTURAL SYSTEM

The structural system for the buildings is classified mainly as a bearing wall type.

There will be interior and exterior load bearing masonry walls. Each building will share a common intermediate load bearing masonry wall with the adjacent building. The load bearing masonry walls will support the wood floor joists, which will span between them.

The foundations will consist of reinforced spread footings of concrete on earth, for support of the exterior and interior foundation walls. The foundation walls shall be of reinforced concrete. The bearing walls at the exterior of the buildings shall be of load bearing bricks bonded to load bearing masonry blocks.

The interior floor at the cellar areas shall be a concrete slab on grade. The interior floor assembly at the upper floors shall be a solid hard wood finished floor on plywood sub-flooring, supported by wood joists, which in turn shall be supported by the masonry bearing walls at the ends.

The roof above the second floor will be a pitched roof finished with asphalt shingles on exterior grade plywood and rigid insulation, supported by wood joist rafters; bearing on the masonry bearing walls.

The construction classification of the buildings shall be combustible, Construction Class II-B as per the N.Y. City Building Code.

EXTERIOR OF BUILDING

The exterior walls shall be of load bearing brick bonded to concrete blocks. The interior surfaces of the masonry walls shall be finished with fiberglass batt insulation with a minimum R value of 11 and gypsum wall board.

The exterior wall composition shall have a maximum thermal performance value (Uo) of 0.215 to comply with Table E502.2 of the New York State Energy Conservation Construction Code.

WINDOWS

Windows are to be double-glazed, and mainly of the casement types as manufactured by Andersen.

Air infiltration rate of windows shall not exceed 0.5 cfm per square foot in compliance with Table E502.1.4.2 of the New York State Energy Conservation Construction Code. The manufacturer guarantees one year, parts and hardware, and five years glazing.

Windowsills shall be constructed of masonry. Lintels above window opening shall be of steel fabrication.

There will be no lot line windows in the buildings.

The Sponsor reserves the right to provide windows by different manufacturers, which are equal to or better than noted above.

AREAWAYS

Each building will have two (2) areaways.

There will be one (1) areaway located at the front and one (1) at the rear façade of each building.

The areaway at the front of each building will contain exterior steps which will provide access from grade to the cellar floor level of the building.

The areaway at front of each building will vary in depth between grade level and the cellar floor level.

The areaways to the rear of each building will provide light and air to the cellar floor level of the building.

The areaway at the rear of each building will measure approximately two feet (2'-0") in width (measured perpendicular to the rear façade of each building) and four feet (4'-0") in length (measured parallel to the rear façade of each building). Each areaway shall have a depth of approximately five feet (5'-0") below the adjacent grade level.

The openings around the areaways to the rear of each building shall be protected with a metal grating set flush with the adjacent grade. The open sides of the perimeter of the areaways to the front of each building shall be protected with metal guardrails or with a minimum height 3'-6" above the adjacent grade level. The maximum spacing between vertical railings shall be approximately four inches (4") as required by the N.Y. City Building code.

Areaways shall be of reinforced concrete construction and shall be provided with drains at the lowest points connected to each building's storm drainage system.

EXTERIOR ENTRANCES

There will be a total of four (4) entrances located at the front facade of each building. There will be one (1) entrance providing access to the cellar level and one (1) entrance providing access to the unit located at the basement floor level. The other two (2) entrances will be located at the first floor level and will provide access to the units located at the first and second floor levels.

MAILBOXES

U.S. Approved type mailboxes will be provided for each unit at a central location at grade level to the front of each building.

ROOF AND ROOF STRUCTURES

There will be a hipped roof located above the second floor level of each building. The roof will slope from the central ridge, running the length of each building. The roof finish shall be of asphalt shingles as manufactured by GAF Corp. (M.E.A. # 30-70), on exterior grade ply board and rigid insulation and supported by wood joist rafters.

Penetration of ducts, pipes, skylights, etc. shall be properly flashed and waterproofed. Batt insulation, with a minimum R value of 15, shall be provided at the underside of the roof in the space between the metal joists. The expected life span of the roof type is ten (10) years. No bond or guarantee other than the five (5) year warranty on all construction materials and workmanship will be furnished.

The Sponsor reserves the right to provide roof covering by a different manufacturer, which is equal to or better than noted above.

ROOF DRAINAGE

The roof areas, shall be pitched at a minimum slope of approximately 4:12, and drained to metal gutters and vertical metal leaders. The run-off from the roof areas will be transported via the leaders and below grade horizontal drains, partially to a storm drain, which leads to the existing, street storm sewer, located beneath the roadway of Bay 32nd Street. The rest of the storm runoff will be dissipated to drywells located to the rear of each building.

SKYLIGHTS

There will be no skylights at the roof of any of the buildings.

INTERIOR STAIRS

Interior stairs within the units shall be of wood construction with wood handrails.

INTERIOR DOORS AND FRAMES

All interior doors; providing access to the units from common hallways, to mechanical spaces and to gas and electrical meter rooms are to be fireproof self-closing metal doors with a minimum fire rating of 1 ½ hr. and shall be set in metal frames.

Doors within units shall be of wood and do not have to be fire rated.

EXTERIOR DOORS

Exterior doors shall be of wood or metal and do not have to be fire rated.

EXTERIOR STAIRS

There will be two (2) exterior stairs, located to the front of each building, providing access to the cellar and first floor levels.

Exterior stairs shall be of concrete construction. The perimeter of stairwells and stair landings shall be protected with metal guardrails, with a minimum height of three feet, six inches (3'-6") above the adjacent grade or level of the landing. The maximum spacing between vertical railings shall be approximately four inches (4") as required by the N.Y. City Building Code.

BALCONIES

There will be balconies located at the front of each building at the first and second floor levels.

Balconies shall be constructed of concrete reinforced with wire mesh, and supported with steel beams and channels. Balconies shall be protected at perimeter with metal guardrails, with a minimum height of three feet, six inches (3'-6") above the finished balcony level. The maximum spacing between vertical railings shall be approximately four inches (4") as required by the N.Y. City Building code.

ELEVATORS

There will be no elevators in any of the proposed buildings.

YARDS

Buildings number **52, 54, 56 & 60** will each have one (1) front yard and one (1) rear yard. Buildings number **50 & 62** will each have one (1) front yard, one (1) side yard and one (1) rear yard.

The front yards will be approximately 18'-0" in depth measured perpendicular to the façade of the buildings at the basement level, facing Bay 32nd Street. The rear yards will be approximately 30'-0" in depth measured perpendicular to the rear facade of each building.

The side yards at buildings number **50 & 62** will be approximately 8'-0" in width measured perpendicular to the façade of each building. Side yards will be accessible from Bay 32nd Street.

The yard areas will be used partially as parking and driveways and will be mostly paved with concrete. Yard areas will be provided with area drains connected to the buildings storm drainage system.

COMMON AREAS

The main common areas in each building shall be: parts of the cellar area towards the front of the buildings, mechanical spaces at the cellar level, as well as parts of the yard areas to the front, rear and side of the buildings.

LAUNDRY AREAS

Each residential unit will be provided with a laundry closet within the unit, with hookups to accommodate a washing machine and dryer. Laundry closets shall be provided with exhaust vent ducts to the outside air for dryers.

The actual laundry equipment will be the responsibility of each unit's owner. Laundry equipment to be installed shall be U.L. approved or N.Y. City M.E.A. or B.S. and A. approved if necessary.

PLUMBING AND DRAINAGE

Water will be supplied to the units through connections to the building, from the New York City Water Distribution System. There will be a minimum 2" copper water main conveying the water into each building. Each unit is to be supplied with cold water from 1" copper piping. Each unit will have its own hot water heating unit, located in the mechanical room at the cellar floor level.

The buildings rely on normal New York City water pressure for raising the water to the second floor level so that no water tanks are required.

DOMESTIC HOT WATER

Domestic hot water shall be provided for each residential unit by separate, gas fired domestic hot water heaters located within the mechanical room at the cellar level.

The proposed hot water heater for the units shall be Model **PGC-50**, as manufactured by **A.O. Smith**, with a N.Y. City approval number **(M.E.A. # 180-78-E)**, each with an input rating of approximately 44,000 B.T.U. per hour which should be adequate to provide hot water for each unit.

The Sponsor reserves the right to provide heaters of different manufacturers, which are equal to or better than listed above.

HEATING

Heating of each unit will be provided by gas fired, furnaces, located in the mechanical room at the cellar floor level. Heat will be delivered to the spaces within each unit via baseboard radiators, which will provide radiant heat. There shall be at least one radiator within each bedroom and living room area.

The furnace for each unit will be Model **# HE 6** as manufactured by **Weil McLain**, with a N.Y. City approval number **(M.E.A. # 157-81 E)**. Each furnace has an input rating of approximately 167,000 B.T.U. per hour and an efficiency rating of approximately eighty (80%) percent, which will be adequate to provide heat for each unit.

The Sponsor reserves the right to provide boilers by different manufacturers, which are equal to or better than noted above.

Cooling of each unit shall be achieved by through the wall portable air conditioning units, for which air conditioning sleeves will be provided. Air conditioning sleeves; will be provided at he exterior walls of bedroom and living room areas, to accommodate the installation of the portable units.

Air conditioning equipment shall be provided and installed as necessary by each unit's owner. Air conditioning units installed shall be U.L. approved and N.Y. City, M.E.A. or B.S.A. approved, if necessary.

CHIMNEYS

There shall be a vertical metal flue located in each building, for the ventilation of mechanical room equipment. Each flue shall be as manufactured by Amerivent and shall have a B.S.A. approval number **(M.E.A. 294-56 SM)**.

The Sponsor reserves the right to provide flues by different manufactures, which are equal to or better than noted above.

VENTILATION

The spaces that require mechanical ventilation in the units are the interior bathrooms, toilet rooms, and kitchenettes. These spaces shall be equipped with vertical ducts with a fan, which terminates to the outside air.

The minimum rate of exhaust ventilation shall be 50 cfm., for bathroom and toilet room areas as required by the New York City Building Code.

Exhaust equipment shall be New York City M.E.A. or B.S.A. approved.

SANITARY SEWAGE SYSTEM

The sanitary waste will be conveyed to the New York City sewer system via extra heavy cast iron sewer pipes at each locale, will lead to a house trap of extra heavy cast iron. House traps will be located in the cellar area towards the front of each building, facing Bay 32nd Street.

Beyond the house trap there will be a new 6" extra heavy cast iron connection conveying the sewage to the existing 8" sanitary sewer located in the roadway beneath Bay 32nd Street.

STORM DRAINAGE SYSTEM

The storm drainage system for each building will consist of, exterior gutters and leaders, exterior area drains and below grade horizontal drains and drywells.

The run-off from part of the roof areas will be conveyed to a new 6" extra heavy cast iron, horizontal drain located towards the front of the building facing Bay 32nd Street. The horizontal drain will lead to the existing 12" storm sewer, located in the roadway beneath Bay 32nd Street.

The run-off from the rest of the roof areas and the paved areas shall be to concrete drywells, which will be located in the yard areas at the rear of each building. The drywells will dissipate water to the surrounding soil.

The horizontal drainpipes, throughout the building shall be of extra heavy cast iron.

REFUSE DISPOSAL

Refuse disposal will be the responsibility of each unit's occupant. They will collect their own garbage and carry it to the outside where it will be collected by the New York City Sanitation Department.

GAS SUPPLY

Gas service will be provided by, the Keyspan Energy Delivery Company. The gas will be used for domestic cooking, and for heating. All piping shall be of black iron.

ELECTRICAL SYSTEM

The electrical service to each building will be brought in from the terminal point of the Consolidated Edison Co. The service supplied to each building, shall be a 208 Volt single phase service, providing 200 Amps, to each building.

The main feed will bring the service to a minimum of four (4) separate meters in each building, one (1) for service to each individual unit and one (1) for the common areas in the building. Each residential unit will be supplied with 100 Amps. There will be a minimum of four (4) main panels in each building, one (1) for each residential unit and one (1) for the common spaces.

There will be approximately six (6) circuits equipped with circuit breakers for each residential unit; which will separate, air conditioning equipment, dishwashers, kitchen appliances, lights and outlets etc.

The service will be adequate for the usage of modern equipment and appliances.

INTERCOM

Each residential unit will be equipped with an intercom system at the entrance connected to panels within the unit, which will permit voice contact between the residential units and their entrances. The intercom system shall be model number LAF 3, as manufactured by Airphone.

The Sponsor reserves the right to provide equipment, which is equal or better than noted above.

PUBLIC AREA LIGHTING

Lighting fixtures shall be provided in the common hallways in each building. Fixtures shall be capable of providing illumination of at least ten (10) watts per twenty-five (25) square feet of floor area. Each lighting fixture shall be provided with one or more lights of a total of not less than sixty (60) watts.

In addition, lighting fixtures shall be provided at the front entrance of each building, providing an aggregate illumination of one hundred and fifty (150) watts incandescent illumination or its equivalent. There shall be at least one centrally located, overhead lighting fixture in each mechanical room at the cellar floor level.

There shall also be provided, for buildings number **50 & 62** (in the yard area to the side and rear of each building) at least one light fixture, of at least forty (40) watts incandescent illumination. Buildings number **52, 54, 56 & 60** (in the yard area to the rear of each building) shall be provided with at least one light fixture, of at least forty (40) watts incandescent illumination.

The above requirements shall be in compliance with the New York City Housing Maintenance Code and Multiple Dwelling Laws.

PARKING AREAS

There will be a total of fourteen (14) open parking spaces located in the yard areas of the buildings.

There will be one (1) parking space in the rear yard area of buildings number **50 & 62**. There will be one (1) parking space in the front yard area and two (2) spaces in the rear yard area of buildings number **52, 54, 56 & 60**.

There shall be an easement provided at the rear and side yard areas of the buildings to provide access to the parking spaces from Bay 32nd Street.

Parking spaces shall be paved with asphalt concrete and each space shall be approximately 8'-6"x 18'-0".

Parking spaces will be allocated by the Sponsor to specific units at a later point in time.

UNITS

Each building will have three (3) residential units for a total of eighteen (18) units.

There will be one unit located at the basement level, one unit located at first floor level and one unit located at the second floor level of each building.

Part of the cellar floor level of each building will be used in conjunction with the units at basement floor level. There will also be storage rooms and mechanical rooms located at the cellar floor level of each building.

UNIT DESCRIPTION

Units 1A and 1F will each consist of:
Three (3) bedrooms, two and one half (2 ½) bathrooms, living/dining room, kitchen, recreation room and a laundry closet.

Units 1B, 1C, 1D and 1E will each consist of:
Two (2) bedrooms, two and one half (2 ½) bathrooms, living/dining room, kitchen, recreation room and a laundry closet.

Units 2A and 2F will each consist of:
Three (3) bedrooms, two (2) bathrooms, living/dining room, kitchen and a laundry closet.

Units 2B, 2C, 2D and 2E will each consist of:
Two (2) bedrooms, two (2) bathrooms, living/dining room, kitchen and a laundry closet.

Units 3A and 3F will each consist of:
Three (3) bedrooms, two (2) bathrooms, living/dining room, kitchen and a laundry closet.

Units 3B, 3C, 3D and 3E will each consist of:
Two (2) bedrooms, two (2) bathrooms, living/dining room, kitchen and a laundry closet.

UNIT SIZES

Dimensions of the units are approximate and are located horizontally, to the outside face of masonry work at the exterior walls of the buildings and approximately to the unit side of walls and partitions (dividing the units from corridors, stairs and mechanical spaces). Dimensions shall be to the centerline when a partition divides two (2) units.

The approximate, net square footages for each unit are as follows:

Building #50		
Unit 1A	Cellar	571 sq. ft.
	Basement Floor	+1,006 sq. ft.
		=1,577 sq. ft.
Unit 2A	First Floor	=1,007 sq. ft.
Unit 3A	Partial First	61 sq. ft.
	Second Floor	+1,068 sq. ft.
		=1,129 sq. ft.
Building #52		
Unit 1B	Cellar	520 sq. ft.
	Basement Floor	+1,006 sq. ft.
		=1,526 sq. ft.
Unit 2B	First Floor	=1,007 sq. ft.
Unit 3B	Partial First	61 sq. ft.
	Second Floor	+1,068 sq. ft.
		=1,129 sq. ft.
Building #54		
Unit 1C	Cellar	520 sq. ft.
	Basement Floor	+1,006 sq. ft.
		=1,526 sq. ft.
Unit 2C	First Floor	=1,007 sq. ft.
Unit 3C	Partial First	61 sq. ft.
	Second Floor	+1,068 sq. ft.
		=1,129 sq. ft.

Building #56

Unit 1D	Cellar	520 sq. ft.
	Basement Floor	+1,006 sq. ft.
		=1,526 sq. ft.
Unit 2D	First Floor	=1,007 sq. ft.
Unit 3D	Partial First	61 sq. ft.
	Second Floor	+1,068 sq. ft.
		=1,129 sq. ft.

Building #60

Unit 1E	Cellar	520 sq. ft.
	Basement Floor	+1,006 sq. ft.
		=1,526 sq. ft.
Unit 2E	First Floor	=1,007 sq. ft.
Unit 3E	Partial First	61 sq. ft.
	Second Floor	+1,068 sq. ft.
		=1,129 sq. ft.

Building #62

Unit 1F	Cellar	571 sq. ft.
	Basement Floor	+1,006 sq. ft.
		=1,577 sq. ft.
Unit 2F	First Floor	=1,007 sq. ft.
Unit 3F	Partial First	61 sq. ft.
	Second Floor	+1,068 sq. ft.
		=1,129 sq. ft.

UNIT INTERIORS

The units will be finished as described herein.

The finished floor of the living/dining and bedroom areas shall be of a solid hard wood finished flooring. Thereafter, unit owners may finish with carpeting or another material of their own choice and at their own expense.

The walls and ceilings shall be gypsum wallboard. When finished the walls and ceilings shall be primed and painted. Thereafter the unit owners may decorate by finishing with paint, wallpaper, paneling, mirrors, etc. of their own choice.

Kitchens will have ceramic tile covering the floors, and gypsum wallboard walls and ceilings.

Full bathrooms shall be equipped with a washbasin, medicine cabinet, water closet and a combination bathtub/shower. Bathrooms shall have ceramic tile floors. Tile around the bathtubs shall extend to the ceiling. All other bathroom walls shall be of tile and moisture resistant, gypsum wallboard.

There shall be at least one centrally located, overhead, incandescent, lighting fixture, provided in each bedroom, living room, kitchen and bathroom within each residential unit. There shall also be an overhead fixture provided in hallways within the units. Each lighting fixture shall be capable of providing at least 60 watts of incandescent illumination. Lighting fixtures and electrical outlets; shall be installed by a licensed electrician, and in compliance with the N.Y. City Electrical Code and the N.Y. City Building Code.

Parking spaces shall be of asphalt concrete on grade.

FINISHES

When completed, the following interior finishes will be installed.

Location	Floors	Base	Walls	Ceilings
1. Living/Dining Room	Wood	Wood	G.W.B. Painted	G.W.B. Painted
2. Bedroom	Wood	Wood	G.W.B. Painted	G.W.B. Painted
3. Kitchen	Ceramic Tile	Wood	G.W.B. Painted	G.W.B. Painted
4. Bathroom	Ceramic Tile	Ceramic Tile	Tile/G.W.B. Painted	G.W.B. Painted
5. Mechanical Room	Concrete	Mas./G.W.B.	G.W.B. Painted	G.W.B. Painted
6. Storage Room	Concrete	Mas./G.W.B.	G.W.B. Painted	G.W.B. Painted
7. Parking	Asphalt Concrete			

Note:
G.W.B : Gypsum Wallboard
Mas. : Masonry
All appliances not specified within this report are to be supplied by the unit occupant.

FIXTURE SCHEDULE

A. Water closets shall be by Kohler, Model number K423; and shall be of vitreous china., floor mounted and with syphon flushing action. Water closets are also to be equipped with a vacuum breaker and shall meet water saving performance standards as per New York City, Local Law 29/89.
B. Countertop lavatory: shall be by Kohler, Model number K5964 and shall be of vitreous china; with faucet by Delta and set in a plastic laminate finished, particle board, vanity countertop.
C. Bathtubs shall be by Kohler, Model number K715, and shall be of enameled exterior, with flow outlet, and shower head and trimby Delta.

The sponsor reserves the right to provide fixtures by different manufactures which are equal to or better than to those listed above.

KITCHEN EQUIPMENT

The kitchen will generally be provided with the following fixtures, appliances and equipment:

1. Laminated, wall and base cabinets and laminated countertops.
2. Stainless steel sink by Kohler model# K-5964, with faucet by Delta model number 400.
3. One, Four burner gas range by Magic Chef, model # 31000P.s

Note:

Additional kitchen appliances and fixtures including additional gas ranges will be the responsibility of the unit owners.

HANDICAPPED ACCESS

Each building provides access for the handicapped in that the basement floor level will be approximately at grade level. The units located at that level will be accessible from grade level.

Doors and accessible paths within the units, shall comply with N.Y. City Local Law 58/87 and A.N.S.I., A117.1-1986.

PERMITS

All required permits and signoffs, including a Certificate of Occupancy, are to be obtained by the Sponsor.

LANDSCAPE

There will be no landscaping at the exterior of the buildings. Yard areas will be mostly paved with concrete and asphalt concrete.

Abraham Hertzberg, P.E.

295 Northern Boulevard
Great Neck, N.Y. 11021
Phone : (516) 482-3558

ADDENDUM TO ENGINEER'S REPORT

50, 52, 54, 56, 60 & 62 Bay 32nd Street, Brooklyn, New York

File No. CD 07-0677

1. STREETS OWNED OR MAINTAINED BY THE PROJECT

Existing catch basins are located along Bay 32nd Street. The existing catch basins are constructed of concrete and metal and are in good condition.
The existing Street Lighting along Bay 32nd Street are in good condition.
The existing catch basins and street lighting are installed by and comply with the standards of the N.Y. City Department of Transportation.
The existing concrete sidewalk and curb will be replaced with new concrete sidewalk and curb when construction is near completion. The new concrete sidewalk and curb will be installed as directed by and as per the standards of the New York City Department of Transportation.

2. BIULDING SIZE

There will be a mechanical room with boilers and hot water heaters and meter rooms located at the cellar floor level of each building. Meter rooms will contain gas and electric meters and a house trap for each building.
There will be no parapets. There will be a hipped roof above the second floor level of each building.

3. PARAPETS AND COPING

There will be no parapets at the roof areas of the buildings. There will be a hipped roof above the second floor level of each building separated by a common masonry, party wall which will extend approximately twelve inches above the low point of each roof. The masonry, party wall will be capped with a cast stone coping which will be anchored to the masonry with metal dowels.

4. CHIMNEYS AND CAPS

Flues shall be of stainless steel or non-corrosive metal.

5 BALCONIES AND TERRACES

Doors to balconies and terraces shall be double glazed sliding glass doors, set in wood framing, with a rigid vinyl clad exterior finish.

6. EXTERIOR ENTRANCES

There are no vestibule doors in any of the buildings.
Each residential unit will have a direct entrance to the unit. Each entrance door shall be a hardwood or metal, non fire rated door. Doors shall be set in metal frames and shall be equipped with an entry type lockset.
A wall mounted, lighting fixture shall be provided at the main entrances to the front of the building, providing an aggregate illumination of one hundred and fifty (150) watts incandescent illumination, or its equivalent.

7. SERVICE ENTRANCES

There will be no separate service entrances or gates at the exterior of each building.
There will be one entrance at the exterior of each building that will provide access to the common mechanical and meter rooms, located at the cellar floor level of each building.
Each cellar, entrance door shall be of wood or hollow metal set in metal frames and shall be equipped with an entry type lockset.
Each entrance will be accessible via exterior concrete steps from grade level.
Exterior stairs shall be equipped with non-corrosive, metal handrails. The perimeter of exterior stairwells; shall be protected with non-corrosive, metal guardrails, with a minimum height of three feet, six inches (3'-6") above the adjacent finished levels. The maximum spacing between the vertical mullions of the railings shall be approximately four inches (4") as required by the N.Y. City Building code.

8. ROOF AND ROOF STRUCTURES
Non-corrosive metal flashing and counter flashing shall be provided where the sloping roof areas meet the common masonry wall between the buildings.

9. DRAINS
Gutters and leaders shall be of extruded aluminum.

10. BULKHEADS
There will be no bulkheads at the roof above the second floor level of the buildings.

11. METALWORK AT ROOF LEVELS
There will be no metal stairs, railings, hatches or skylights at the roof areas of the building.

12. FIRE ESCAPES
There will be no fire escapes at the exterior of the buildings as they will be new construction and fire escapes are not permitted as per the N.Y. City Building Code.

13. YARDS AND COURTS
Yard areas shall be paved with concrete and shall be equipped with metal area drains connected to each building's storm drainage system. Below grade drain pipes shall be of cast iron.
The railings at the perimeter of the stairwells in the yard areas to the front of each building shall be of non-corrosive metal.
There will be a chain link fence enclosing the properties at the perimeter of the yard areas to the rear and side of the buildings.

14. INTERIOR STAIRS
There will be two interior stairs in each building.
There will be one interior stair which will provide access between the cellar and basement floor levels of each building. The other interior stair will provide access to the unit located at the second floor level from the first floor level of each building.

15. INTERIOR DOORS AND FRAMES
All interior doors providing access to mechanical rooms and to gas and electrical meter rooms at the cellar floor level are to be fireproof self-closing metal doors with a minimum fire rating of 1 ½ hours and shall be set in metal frames. Doors within the residential units shall be of hollow core wood or of another material and shall be non fire rated doors set in wood or metal frames.
All fireproof doors will meet or exceed the requirements of the New York City Building Code.

16. FIRE PROTECTION SYSTEMS
Each of the three units within each building will have a separate entrance therefore there will be no common interior stairs that will require a sprinkler system.
There will be a concealed, pendant type sprinkler head provided at the top and bottom of each stair that provides access to the units located at the second floor level. The sprinklers will be connected to the domestic water supply system.

17. WATER PRESSURE
The water pressure at the site will be approximately 50 psi.

18. PERMIT(S) REQUIRED
Copies of all permits obtained will be provided by the Sponsor.

19. HEATING SYSTEM
The heating system will be designed to maintain a minimum inside temperature of 70 degrees Fahrenheit, when the outside temperature is 15 degrees Fahrenheit with a 15 mph wind (in accordance with ASFRAE, 2001 Fundamentals Handbook, Climatic Design Information, Table 1A, for New York City, JFK Airport).
Each residential unit will be equipped with a thermostat for control of the temperature within the unit.

20. **ELECTRICAL SYSTEM**
The electrical meters and transformers supplying power to the meter boards will be located in the electrical meter room at the cellar floor level towards the front of each building.
Each unit will be equipped with a 100 Amp circuit breaker.

21. **TELEVISION RECEPTION**
The buildings will be wired for cable television. Each unit's owner will be responsible for providing their own antennae or for securing their own cable television service from a cable service provider.

22. **PARKING SPACES**
Parking spaces will be unattended.

23. **PERMITS AND CERTIFICATIONS**
A list of all applicable permits and inspections will be provided by the Sponsor.

24. **VIOLATIONS**
There are two ECB violations listed as open, at Building number 54 Bay 32nd Street, according to the N.Y. City Department of Buildings website.
Violation number 062606CSST1B02 was issued on 06/26/06, for failure to post a Contractor's sign at the site.
Violation number 062606CSST1B03 was issued on 06/26/06, for failure to post a Permit for work at the site.
The violations have been corrected by the Sponsor.

25. **SAFETY AND WARNING DEVICES**
There will be a hardwired, combined smoke and carbon monoxide detector provided in each residential unit at a maximum distance of fifteen feet from any bedroom door within the unit as required by the N.Y. City Building Code.
There will be concealed, pendant type sprinkler heads located above the stairs providing access to the units located at the second floor level of each building.
The smoke and carbon monoxide detectors and sprinkler heads are the fire and smoke safety devices required by the N.Y. City Building Code.
All required safety devices required shall be installed and are subject to inspection by the N.Y. City Department of Buildings.

Dated: January 22nd, 2008



ABRAHAM HERTZBERG, P.E.
N.Y.S. LIC. # 29007

ABRAHAM HERTZBERG, P.E.
295 NORTHERN BOULEVARD
GREAT NECK, N.Y.11021
Phone # (516) 482-3558

Abraham Hertzberg, P.E.

295 Northern Boulevard
Great Neck, N.Y. 11021
Phone : (516) 482-3558

ADDENDUM TO ENGINEER'S REPORT

50, 52, 54, 56, 60 & 62 Bay 32nd Street, Brooklyn, New York

File No. CD 07-0677

ROOF AND ROOF STRUCTURES

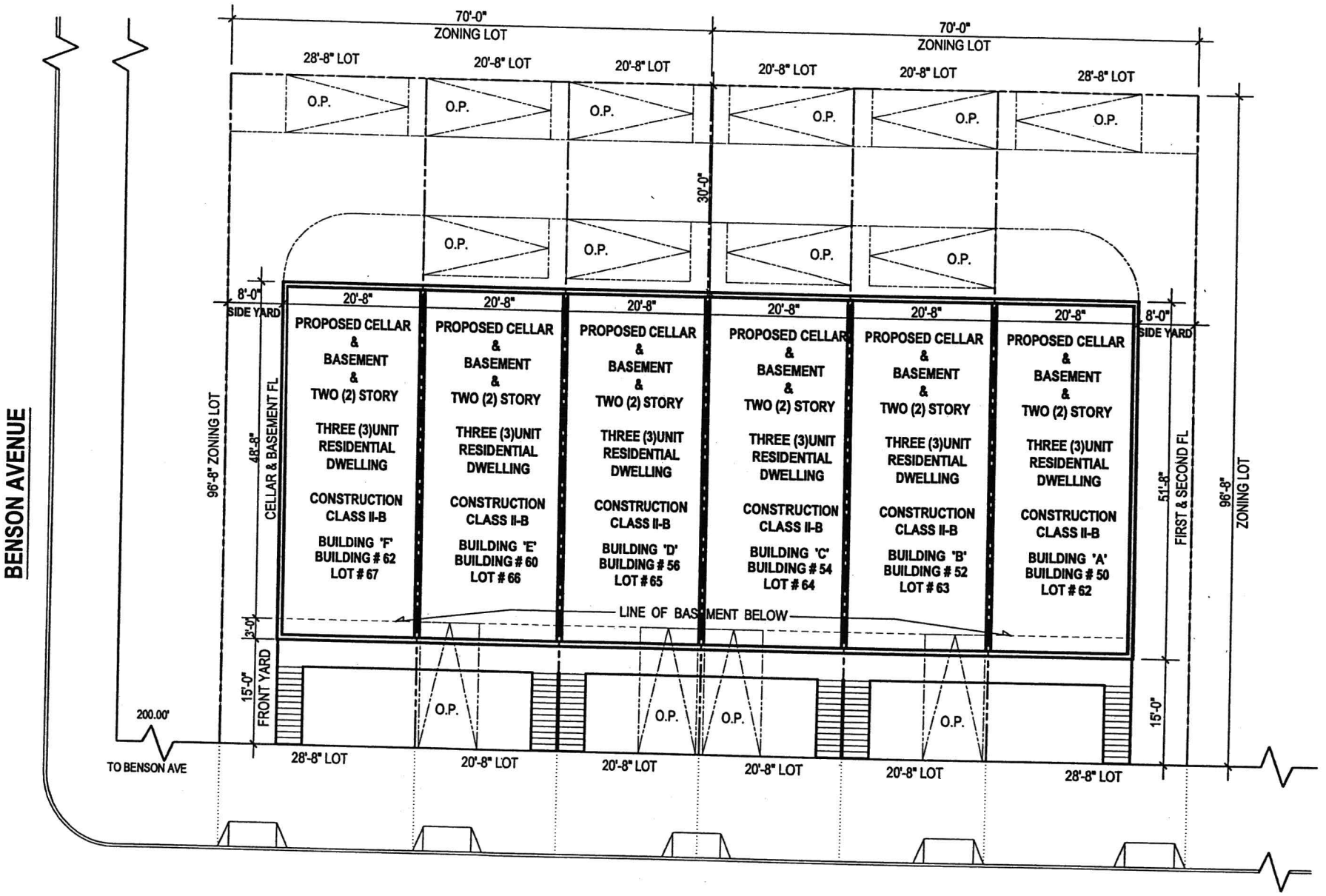
Copper fabric flashing and counter flashing shall be provided at the roof areas where the sloping roof areas meet the common masonry wall between the buildings.

Dated: February 19th, 2008

STATE OF NEW YORK
ABRAHAM HERTZBERG
29007
LICENSED PROFESSIONAL ENGINEER

ABRAHAM HERTZBERG, P.E.
N.Y.S. LIC. # 29007

ABRAHAM HERTZBERG, P.E.
295 NORTHERN BOULEVARD
GREAT NECK, N.Y.11021
Phone # (516) 482-3558

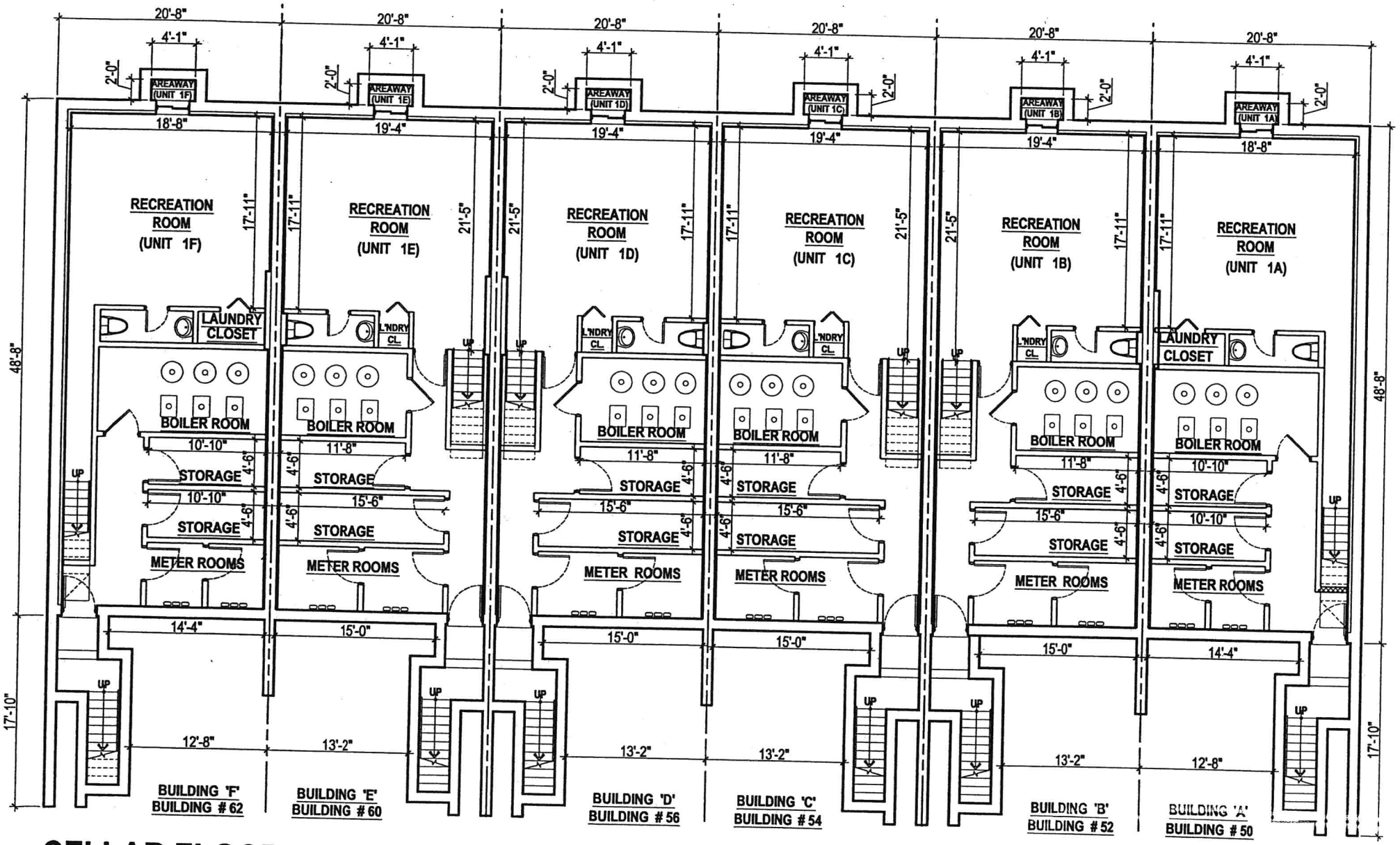


PLOT PLAN

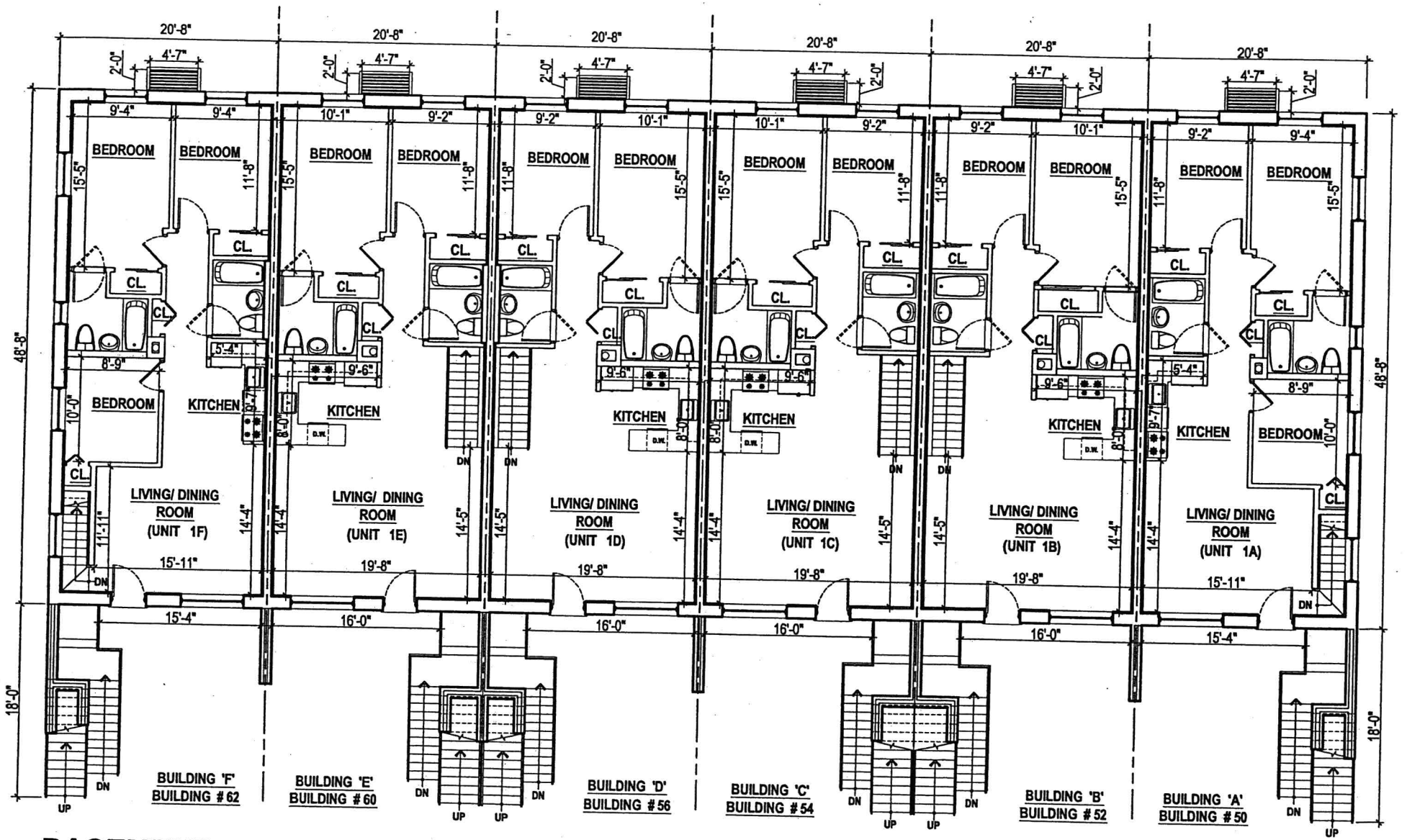
BLOCK : 6382

LOT : 62, 63, 64, 65, 66 & 67

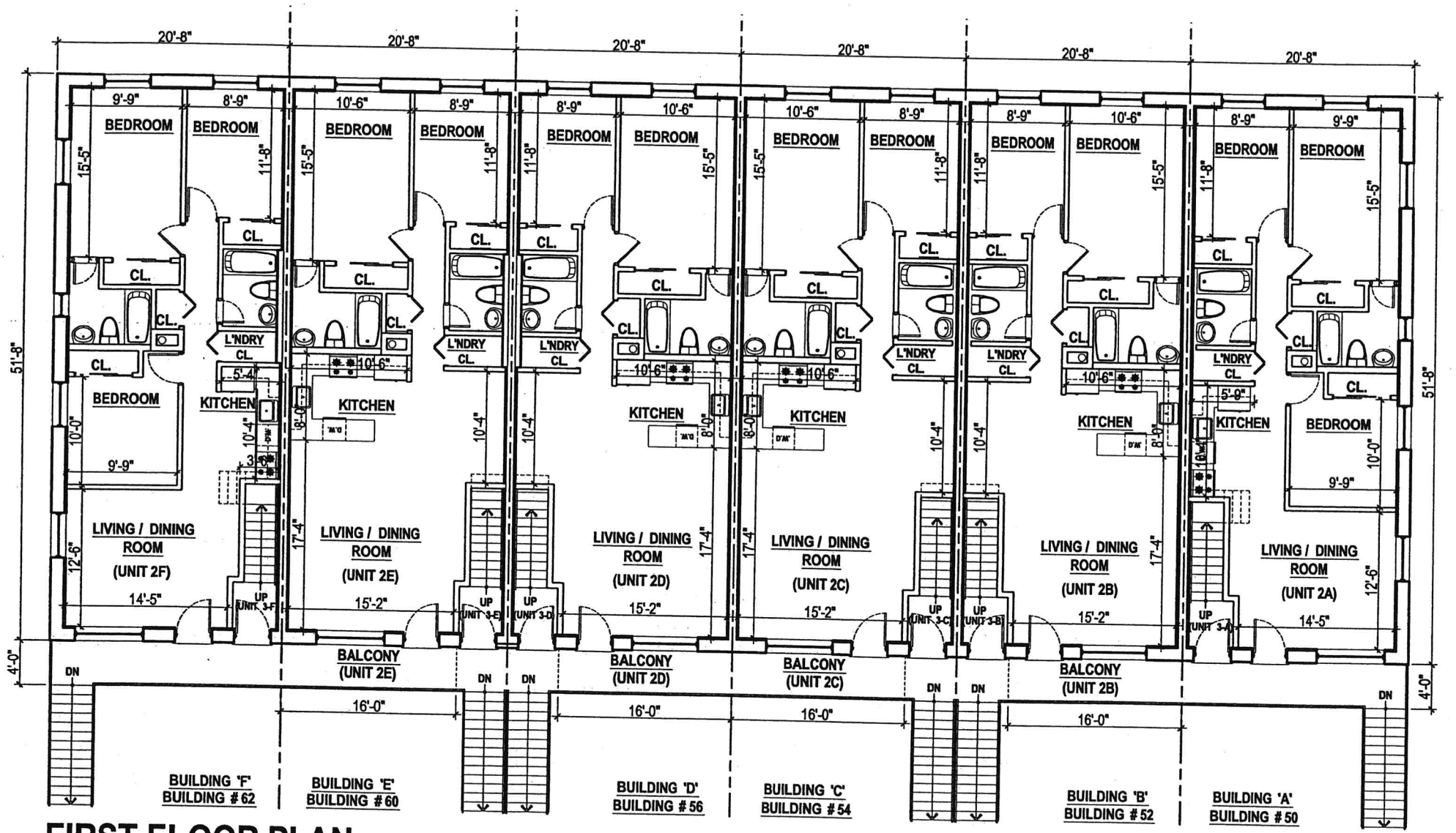
O.P. : DENOTES OPEN PARKING SPACES APPROXIMATELY 8'-6" x 18'-0"



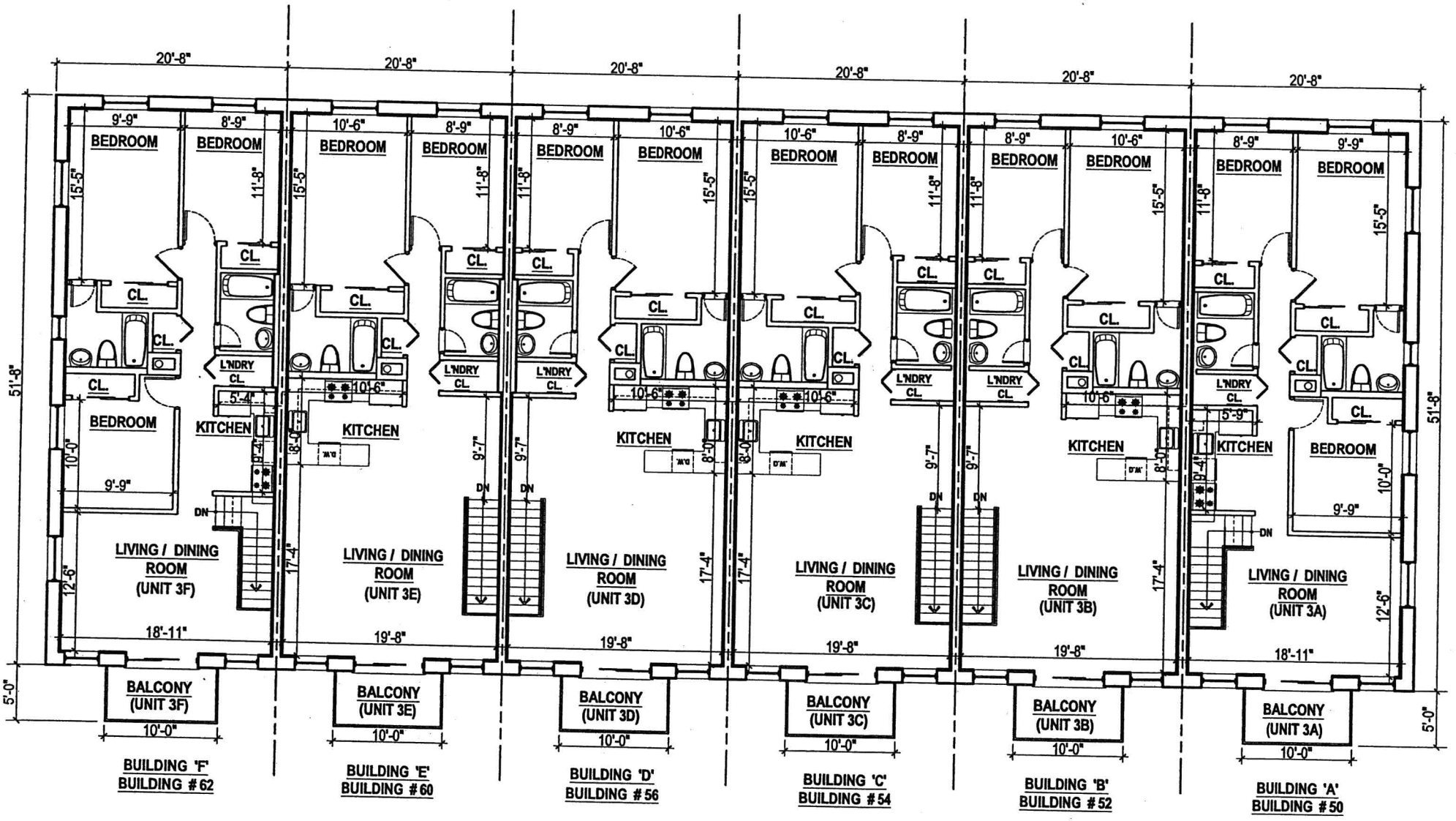
CELLAR FLOOR PLAN



BASEMENT FLOOR PLAN



FIRST FLOOR PLAN



SECOND FLOOR PLAN

SECTION E

DECLARATION

ESTABLISHING A PLAN OF A CONDOMINIUM OWNERSHIP FOR PREMISES LOCATED AT 50-62 BAY 32nd STREET, IN THE BOROUGH OF BROOKLYN, COUNTY OF KINGS, CITY AND STATE OF NEW YORK, PURSUANT TO ARTICLE 9-B OF THE REAL ESTATE PROPERTY LAW OF THE STATE OF NEW YORK.

NAME: 50-62 BAY 32ND STREET CONDOMINIUM
203 Bay 8th Street, Brooklyn, N.Y. 11228

SPONSOR: BAY 32ND STREET REALTY LLC
203 Bay 8th Street, Brooklyn. N.Y. 11228

DATE OF DECLARATION: December 1, 2007

THE LAND AFFECTED BY THE WITHIN INSTRUMENT LIES IN SECTION , IN BLOCK 6382, F/K/A LOTS 62,63, 64,65,66 &67 N/K/A LOTS THROUGH ON THE TAX MAP OF THE BOROUGH OF BROOKLYN, COUNTY OF KINGS, CITY AND STATE OF NEW YORK.

RECORD AND RETURN
MORRINS FLYER, ESQ.
Attorney for Sponsor
1406 West 5th Avenue
Brooklyn, N.Y. 11204
(718) 232-7990

DECLARATION OF THE
50-62 BAY 32nd STREET CONDOMINIUM
PURSUANT TO ARTICLE 9-B OF THE REAL PROPERTY
LAW OF THE STATE OF NEW YORK

In the Borough of Brooklyn, County of Kings, City and State of New York on this 1st day of December 2007, Bay 32nd Street Realty LLC., whose principal office is situated at 203 Bay 8th Street, Brooklyn, New York, hereinafter referred to as the "Sponsor", does hereby state:

FIRST: Submission of Property. By this Declaration, the Sponsor submits the property described in this Declaration to the provisions of Article 9-B of the Real Property Law of the State of New York.

SECOND: Description of Property. The Sponsor owns all of that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, being more particularly bounded and described on Schedule "A" which is annexed hereto and made part of this Declaration.

THIRD: Definitions.

(a). The record owner of each Unit is hereinafter referred to as the "Unit Owner". 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. Where such ownership is joint, in common or tenancy by the entirety, majority vote of such owners shall be necessary to cast the Unit Owner's vote as referred to in this Declaration.

(b) A "Unit" as hereinafter referred to shall be defined as follows: Each unit shall consist of the area enclosed horizontally by the unexposed faces of the drywalls forming the exterior walls of the Unit and vertically by the upper face of the sub-floor of the Unit to the unexposed face of the drywall forming the ceiling 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 set forth in the building plans filed simultaneously with the recording of this Declaration.

The Condominium shall contain a total of eighteen residential units.

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

(d) "Condominium" as hereinafter referred to shall mean 50-62 Bay 32nd Street Condominium which is composed of the unit owners.

FOURTH: Community. The Sponsor is constructing six adjacent buildings to be owned as condominium units located at 50-62 Bay 32nd Street, Brooklyn, N.Y. according to the floor plans filed simultaneously with the recording of this Declaration in the Kings County Clerk's office which plans set forth a description of the buildings stating the number of stories, the number of units and the principal materials of which they are to be constructed.

The Community will consist of eighteen units located in six, three story buildings, all as set forth in the floor plans filed as part of this Declaration. Each of the units has access to each other unit and the street upon which the Condominium abuts by means of hallways and staircases which form a part of the common elements of the community. For the purposes of describing the approximate area, type and number of rooms of each unit and the common elements to which each unit has immediate access, the units are fully described on the filed floor plans and on Schedule "B".

Each unit will be sold to one or more owners, each owner obtaining fee ownership in and exclusive right of occupancy and possession of the unit, together with an undivided interest in the common elements of the community, as listed hereinafter in this Declaration, and referred to as the "Common Elements", all of the above in accordance with Article 9-B of the Real Property Law of the State of New York.

The aforesaid community which is located in two, three story buildings covers a plot area of approximately 13,533 square feet which includes the building and the yard areas.

FIFTH: Common Elements. The Common elements of the community will consist of all of the Community, except the units, including without limitation, outside walls and roofs of units, the land, building and improvements (other than the units) comprising the community, including the land under the building and under the improvements, all utility or other pipes and material located outside of the units, grass areas and sidewalks.

The common elements shall remain undivided and no unit owner shall bring any action for partition or division unless otherwise provided by Law. Each unit owner shall have the right to use the common elements, other than such portions, if any, which by the terms of this Declaration or the annexed By-Laws are irrevocably restricted in use to other unit owners, in accordance with the purpose for which such common elements are intended, without hindering the exercise of or encroaching upon the rights of the other unit owners.

The percentages of undivided interest in the Common elements and the rights and obligations of unit owners respecting irrevocably restricted portions of the common elements established herein shall not be changed except with the consent of all of the affected unit owners expressed in a duly recorded amendment to this Declaration.

The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the unit even though such interest is not expressly mentioned or described in the conveyance or other instruments.

SIXTH: Easements. All pipes, wires, conduits, cable lines, and public utility lines located within each unit shall be owned by such unit owner. Any portion of such pipes, wires, conduits, cable lines and public utility lines located in the common elements will be owned in common by the unit owners. Every unit owner shall have an easement in common with the owners of other units to maintain and use all pipes, wires, conduits, cable lines and public utility lines located in other units and servicing such owners unit. Each unit shall be subject to an easement in favor of the owners of other units to maintain and use the pipes, wires, conduits, cable lines and public utility lines servicing such other units which are located in such unit.

The Board of Managers shall have a right of access to each unit for maintenance, repair or improvement to any pipes, wires, conduits, cable lines and public utility lines located in any unit and servicing any other unit. The cost of such repairs shall be a common expense.

The Board of Managers shall have a right of access to all common elements for maintenance, repair or improvement whether such common elements are limited or not.

The Sponsor, on behalf of itself and its successors and assigns who may take title to portions of the Condominium for purposes of development and sale, reserves the right to continue to use the common elements and any facilities, sales offices, model units, and signs located on the common elements, in it efforts to market units in the Condominium. This paragraph shall not be amended without the written consent of the Sponsor.

SEVENTH: Service of Process and Building Code Violations. Service of process on the unit owners in any action with relation to the common elements or more than one unit and with regard to any violation of local building codes, zoning ordinances and other related building and zoning laws by the Common Elements or one or more units shall be made upon the Board of Managers of the Condominium. The Board of Managers shall have the principal responsibility for curing any violations of such building and zoning laws and service upon the Board of Managers shall be deemed service upon the owner or owners of the Condominium unit or units in which any such violation exists. The provisions of this Article shall not be amended without the consent of the Department of Buildings or any city agency which is a successor thereto.

EIGHTH: Common Interest. Each unit owner shall have a percentage interest in the Common Elements and shall bear such percentage of the common expenses of the Condominium. The percentage interest of each unit in the common elements has been determined by the Sponsor and is set forth in the Offering Plan of the Condominium and is recorded with the Plan.

Each unit owner shall have one vote for all voting purposes at any meeting of the unit owners unless otherwise mandated by law or expressly provided for herein or in the By-Laws.

NINTH: Administration. The administration of the condominium, the Community and the parcel of land described herein shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are made a part of this Declaration and are attached hereto.

TENTH: Amendment and Withdrawal. The property shall not be withdrawn from condominium ownership unless at least 90% of the unit owners in number and common interest and the first mortgagees, if any, of each of these same units agree to such removal by duly recorded instruments. Such withdrawal of the property from condominium ownership shall not take effect until the withdrawal documents are duly recorded in the office of the clerk of the county of Kings.

Except as provided pursuant to real Property Law section 339-p, the provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of 90% of the unit owners in number and in common interest held at a duly called meeting of the unit owners provided, however, that:

(i) No amendment shall alter the percentage interest in the common elements appurtenant to any unit or alter any rights or obligations respecting portions of the Common Elements irrevocably restricted in use to the owners of any units without the consent of the affected unit owners and the first mortgagees, if any, of the same units, which consents shall be expressed in the instruments of amendment.

(ii) No amendment shall add any parcel of land or units to or divest any parcel of land or units from the Condominium property unless 90% of the unit owners in number and common interest and the first mortgagees, if any, of each of these same units agree to such change on the instrument or amendment.

(iii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees.

There shall be a presumption for a period of 60 days subsequent to the recording of the amendment that the vote of the unit owners was made at a duly called meeting and that the requisite voting percentages were obtained. After the 60 day period, such presumption will be deemed conclusive. Any amendment to this Declaration shall not take effect until it is recorded in the Office of the Clerk of the County of Kings.

ELEVENTH: Subject to Declaration, By-Laws, etc. All present and future unit owners, tenants, future tenants, or any other person that might use the facilities of the Community in any manner are subject to the provisions of this Declaration, the By-Laws and Rules and regulations of the Condominium and the mere acquisition or rental of any of the units of the Community or the mere act of occupancy of any of the said units shall signify that the provisions of the Declaration, By-Laws and Rules and regulations of the Condominium are accepted and ratified and all such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

TWELFTH: Common Charges. All sums assessed as common charges by the Board of Managers of the Condominium but unpaid, together with interest at the maximum legal rate thereon, chargeable to any unit owner shall constitute a lien on his unit prior to all other liens except: (a) tax or assessment liens on the unit by the taxing subdivision of any governmental authority, including but not limited to State, City, County and School District taxing agencies; and (b) all sums unpaid on any first mortgage of record encumbering any unit. Such lien may be foreclosed, when past due in accordance with the laws of the State of New York, by the Condominium, in like manner as a mortgage on real property, and the Condominium shall also have the right to recover all costs incurred including reasonable attorneys fees (but such right shall not be a lien against the unit).

In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid common charges, the unpaid balance shall be charged to all unit owners as a common expense. However, where the holder of an institutional mortgage of record, or other purchaser of a unit at a foreclosure sale of an institutional mortgage, obtains title to the unit as a result of foreclosure, or the institutional mortgage holder obtains title by conveyance in lieu of foreclosure, such acquirer of title, his successors or assigns, shall not be liable and the unit shall not be subject to a lien for the payment of common charges chargeable to such unit which were assessed and became due prior to the acquisition of title to such unit by such acquirer. In such event, the unpaid balance of common charges shall be charged to all other unit owners as a common expense. The term "institutional mortgage" herein shall mean a first mortgage granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, pension fund, trust company, agency of the United States Government or of the City or State of New York or other similar institutional lender or a purchase money mortgage granted by the Sponsor.

Every unit owner shall pay the common charges assessed against him when due and no unit owner may exempt himself from liability for the payment of common charges assessed against him by waiver of the use or enjoyment of any of the common elements or by the abandonment of his unit. However, no unit owner shall be liable for the payment of any common charges accrued subsequent to a sale, transfer or other conveyance by him of such unit made in accordance with Section 339-x of the Real Property Law or in accordance with the provisions of this Declaration and the By-Laws.

THIRTEENTH: Units acquired by the Board. In the event any unit owner shall convey his unit to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any unit in a foreclosure sale, title to such unit or the rights to the lease of such unit shall be held by the Board of Managers or its designee on behalf of the other unit owners.

In order to carry out the provisions of this paragraph, each unit owner shall, upon becoming such, grant an irrevocable power of attorney, coupled with an interest, to the Board of Managers and their successors to acquire title or lease any such unit under whatever terms the Board may in its sole discretion deem proper and sell, lease, sublease, mortgage, vote or otherwise deal with such unit under such terms as the Board in its sole discretion shall deem proper.

FOURTEENTH: Encroachments. The unit owners agree that if any portion of a unit or the common elements (whether restricted in use to an individual unit owner or not) encroaches upon another or shall hereinafter encroach upon another as a result of construction, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the building is partially or totally destroyed as a result of fire or other casualty or a result of condemnation or eminent domain proceedings and are rebuilt, the unit owners agree that encroachments of any portion of the unit or the common elements as herein described due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Building or reconstructed building shall stand.

FIFTEENTH: Unit Ownership. Upon the closing of title to a unit, a purchaser shall automatically become a unit owner in the Condominium subject to the Declaration, By-Laws and other effective rules and regulations and shall remain such until such time as he ceases to own a unit for any reason.

SIXTEENTH: Conveyance of a Unit. In any conveyance of a unit, either by voluntary instrument, operation of law or judicial proceeding in accordance with this Declaration or the By-Laws, the grantee of the unit shall be jointly and severally liable with the Grantor for any unpaid common charges against the Grantor assessed and due up to the time of the grant or conveyance without prejudice to the Grantee's right to recover from the grantor the amount paid by the grantee therefore. Any such grantee shall be entitled to a statement from the Board of Managers setting forth the amount of unpaid common charges against the Grantor and such Grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for any unpaid common charges against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include either the holder of an institutional mortgage of record or other purchaser of a unit at a foreclosure sale of an institutional mortgage.

SEVENTEENTH: Covenants and Restrictions. The use of the unit by the unit owner or other occupant shall be subject to the rules, regulations and provisions of this Declaration, the By-Laws and rules and regulations of the Board of Managers and the following covenants and restrictions:

(a) The unit and area restricted to the unit owner's use shall be maintained in good repair and overall appearance.

(b) No alterations to the exterior of the unit or any part of the common elements may be made without the written consent of the Board of Managers. No alterations to the inside of a unit which would impair the structural soundness of the Building may be made without the written consent of the Board of Managers. Consent may be requested by mailing a letter, certified mail, return receipt requested, to the Management Agency, if any, or to the President of the Board of Managers, if no Management Agent is employed. The Board of Managers shall have an obligation to answer within thirty days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

(c) Any unit owner who mortgages or sells his unit shall notify the Board of Managers providing the name and address of his mortgagee or purchaser.

(d) The Board of Managers shall, at the request pf the mortgagee of the unit, report any unpaid common charges due from the Unit owner of such unit.

(e) No nuisance shall be allowed upon the property nor shall any use or practice be allowed which is a source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents.

(f) No immoral, improper, offensive or unlawful use shall be made of the property nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(g) Regulations promulgated by the Board of Managers concerning the use of the property shall be observed by the unit owners provided, however, that copies of such regulations are furnished to each unit owner prior to the time the said regulation becomes effective.

(h) The common charges shall be paid when due.

(i) The use for which the units are intended is residential occupancy, provided that, subject to all applicable governmental laws and regulations, any unit may be used as a professional office if the owner thereof resides therein.

EIGHTEENTH: Utilities. Gas and electricity consumed in or on the common elements and water covering the units and the common elements shall be paid for by the Board of Managers as an item of common expense, unless otherwise billed separately by the supplier. Each unit shall be individually metered for gas and electricity and the expense of such utilities consumed within the unit shall be paid for by the owner of the unit.

The Sponsor, while in control of the Community, and the Board of Managers and the unit owners thereafter shall maintain all internal sewers and drains at all times throughout the life of the Condominium. They shall be responsible for the abatement of any nuisance due to the use of the "internal drains" that would have an adverse effect on the health, safety and welfare of the City and State of New York.

The charges and assessments for maintenance and operation of internal drains, shall be a charge upon the land against which the same are made and shall be a continuing lien upon the property so charged and assessed, and in addition, that charge or assessment shall be a personal obligation of the record owner of the unit against which the same is made.

The Sponsor and/or the Board of Managers on behalf of the Condominium and each and every member thereof, shall utilize the "internal drains" in such a manner, that it will not in any way have an adverse effect on the City of New York's completed or pending sanitary and storm water drainage plans for the tributary drainage area of the separate sewer outlets.

NINTEENTH: General Provisions

A. Enforcement

The Condominium, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Condominium or by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

B. Severability

Invalidation of any one of these covenants or restrictions by judgment or court order shall in no manner affect the validity of any other provision, all of which shall remain in full force and effect.

C. Amendment

The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Unit Owners, and thereafter by an instrument signed by not less than ninety percent (90%) of the Unit Owners. Any amendment must be recorded.

In Witness Whereof, the undersigned, being the Declarant herein, has hereunto set its hand and seal this day of , 2007.

Bay 32nd Street Realty LLC

by_____

BY-LAWS
OF
THE 50-62 BAY 32nd STREET CONDOMINIUM

ARTICLE I

Plan of Unit Ownership

Section 1. The property located at 50-62 Bay 32nd Street, Brooklyn, New York (hereinafter 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 Clerk of Kings County simultaneously herewith and shall hereinafter be known as 50-62 Bay 32nd Street Condominium, Inc, a Condominium (hereinafter the Condominium). The residential apartments as herein sometimes called the Units.

Section 2. The provisions of these By-Laws are applicable to the property of the Condominium and to the land and the building and improvements thereon (including the units and the common elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, real, personal, or mixed, 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. All present and future owners, mortgagees, lessees, tenants, their families, guests, licensees, agents and their employees, and other persons who may use the facilities of the Community in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations. The mere acquisition or rental of any of the units or the mere act of occupancy of any of the said units will signify that these By-Laws, the Declaration, and the Rules and Regulations are accepted, ratified and will be complied with.

Section 4. The office of the Condominium and of the Board of Managers shall be located at 50 Bay 32nd Street, Brooklyn, N.Y.

ARTICLE II

Voting

Section 1. The Condominium shall be limited to unit owners. Unit Owners as referred to herein shall mean all of the deed owners of each Unit.

Section 2. Each unit owner (including the Sponsor and the Board of Managers, if the Sponsor and Board of Managers shall own or hold title to one or more units), shall be entitled to cast one vote at all unit owners meetings for each unit owned by such unit owners, but the Board of Managers shall not cast any votes for the election of any member of the Board.

Section 3. Unit Owners who represent at least 51% of the common interest in the aggregate of all unit owners who are present in person or represented by written proxy shall constitute a quorum at all meetings of the unit owners for the transaction of business, except as otherwise provided by Statute, by the Declaration, or by these By-Laws. If, however, such quorum is not present or represented at a called meeting of the unit owners, the unit owners present shall have the power to adjourn the meeting without notice other than an announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called

Section 4. When a quorum is present at any meeting, the vote of a majority of the unit owners present in person or represented by written proxy shall decide any question brought before such meeting. Such vote shall be binding upon all unit owners, unless the question is one upon which, by express provisions of the Declaration, Statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. At any meeting of unit owners, every unit owner having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

Section 6. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which such proxies are to be used. A notion of such proxies shall be made in the minutes of the meeting.

Section 7. Whenever the vote of unit owners at a meeting is required or permitted by any provision of the Declaration, Statutes, or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of the unit owners may be dispensed with if all unit owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Meetings shall be held at such suitable place convenient to the unit owners as may be designated by the Board of Managers.

Section 9. Within thirty (30) days after the earlier of (i) two (2) years after the closing of the first unit, or (ii) whenever the unsold units constitute less than fifty percent (50%) of the common interest, the Sponsor shall call the first annual Unit Owners meeting. At such meeting a new Board of three Managers shall be elected by the unit owners and the former members of the Board shall thereupon resign. Thereafter, annual meetings shall be held on the anniversary of such date each succeeding year. At such meetings there shall be elected by ballot of the unit owners a Board of Managers in accordance with these By-laws. The unit owners may transact such other business of the Condominium as may properly come before them.

ARTICLE III
Board of Managers

Section 1. The affairs of the Condominium shall be governed by a Board of Managers. Until the first meeting of unit owners pursuant to Section 9 of Article II, the Board of Managers shall consist of two people designated by the Sponsor of the Condominium.

After the first meeting of the unit owners, the Board of Managers shall consist of three persons elected by all unit owners (including the Sponsor), but the Sponsor's right to elect members of the Board shall be subject to the limitations set forth in Section 1(c) of Article V of these By-Laws. A majority the Board of Managers shall be owners-occupants or members of an owner-occupants household who are unrelated to the sponsor and its principals, 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, shall be designees of the Sponsor.

Section 2. Vacancy and Replacement. If the office of any Manager becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Managers though less than a quorum, at a special meeting of Managers duly called for this purpose, shall choose a successor, who shall hold office for the unexpired term in respect of which such vacancy occurred and until his successor is duly elected and qualified. If the vacancy occurs with respect to any member of the Board of Managers who has been designated by the Sponsor, the Sponsor shall have the sole right to choose such Manager's successor to fill the unexpired portion of his term.

Section 3. Removal. Managers may be removed for cause by an affirmative vote of a majority of the Unit Owners. No Manager other than a designee of the Sponsor, shall continue to serve on the Board if, during his term of office, he shall cease to be either a Unit Owner, or a lessee or occupant entitled to the access of the Common Elements in lieu of the Unit Owner renting or permitting him to occupy the unit in which he resides.

Section 4. Powers.

(a) The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute, Declaration, Certificate of Incorporation or by these By-Laws, directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but not be limited to the following:

1. To determine and levy monthly assessments (Common Charges) to cover the cost of operating and maintaining the Common Elements, and providing repairs and maintenance, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses. Said increase can only be assessed among the unit owners pro rata to their respective common interest.

2. To collect, use and expend the assessments collected to maintain and care for and preserve the units, building and other common elements.

3. To enter into and upon the units when necessary and at as little inconvenience to the unit owners as possible in connection with the maintenance, care and preservation of the property.

4. To make repairs, restore or alter any units or the common elements after damage or destruction by a casualty or as a result of condemnation or eminent domain proceedings.

5. To open bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts.

6. To insure and keep insured the Common Elements in accordance with Article XII of these By-laws.

7. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from unit owners for violations of the house rules or rules and regulations herein referred to.

8. To make reasonable rules and regulations and to amend the same from time to time. Such rules and regulations and amendments thereto shall be binding upon the unit owners when the Board has approved them in writing and delivered a copy of such rules and all amendments to each unit owner. Such rules and regulations may, without limiting the foregoing, include reasonable limitations on access to the Common Elements.

9. To employ workmen and purchase supplies and equipment, to enter into contracts, and generally to have the powers of Managers in connection with the matters hereinabove set forth.

10. To bring and defend actions by or against more than one unit owner and pertinent to the operation of the Condominium. The Board may, in its discretion, fund the cost of any such litigation out of the common charge assessments. The Board shall also have the right to engage in any litigation it deems necessary to carry out the provisions of the Declaration of the Condominium and these By-Laws and may fund the cost of such litigation out of the common charge assessments. Without limiting the foregoing, the Board may engage in litigation pertaining to the maintenance and operation of the common elements.

11. To purchase any Unit at a foreclosure sale on behalf of all unit owners.

12. To acquire units in foreclosure or as a result of abandonment and to take any and all steps necessary to repair or renovate any unit so acquired and to vote as unit owner, offer such unit for sale or lease or take any other steps regarding such unit as shall be deemed proper by the Board of Managers.

13. To grant utility or other easements as may, at any time, be required for the benefit of the Condominium and unit owners without the necessity of consent thereto, or joinder therein, by the unit owners or any mortgagee.

14. To act as an agent of each unit owner who has given his written authorization to complain or apply to the local and county real estate assessment agency board of review by filing a single complaint on behalf of all such unit owners pursuant to the applicable sections of the Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of all unit owners for which it is acting as agent and charge all such unit owners a pro rata share of expenses, disbursements, and legal fees for which charges the Board of Managers shall have a lien pursuant to these By-Laws.

(b) The Board of Managers may, by resolution or resolutions, passed by a majority of the whole Board, designate one or more committees, each of such committees to consist of at least three (3) Managers or unit owners one of whom shall be a Manager, which to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Managers in the management of the business and affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolution or resolutions shall specifically so provide. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Managers. Committees established by resolution of the Board of Managers shall keep regular minutes of their proceedings and shall report the same to the Board as required.

(c) Notwithstanding anything to the contrary contained in these By-Laws, for two years after the filing of the Condominium Declaration so long as the Sponsor or its designee shall continue to own units representing 5% or more in common interest, the Board of Managers may not, without the Sponsor's prior written consent (i) make any addition, alteration or improvements to the common elements or to any units, (ii) assess any common charge for the creation of, or addition to or replacement of all or part of a reserve for contingencies provided in the estimate of receipts and expenses for the first year of operation set forth in Schedule B of the Plan of Condominium Ownership 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 a unit or (v) borrow money on behalf of the Condominium.

Section 5. Compensation. Managers and officers, as such shall receive no compensation for their services.

Section 6. Repairs and Maintenance. All maintenance, repairs and replacement to the common elements of the Condominium including but not limited to exterior walls, roof and roof members as well as all maintenance, repairs and replacement to any pipes, wires, conduits, cables and public utility lines, any portion of which is located in one unit and services another unit or more then one unit or so much of any pipes, wires, cables, conduits and public utility lines as are located in the common elements but service one or more units shall be made by the Board of Managers and the cost thereof shall be a common expense. The Board of Managers shall repair all plumbing stoppages and electrical problems occurring in the common elements.

Except as is otherwise specifically provided, all maintenance to the units, including electrical repairs, plumbing stoppages, window cleaning, painting and decorating in the units, and repairs and replacements to the units including windows and doors (including all glass breakage), and repairs to pipes, wires, cables and conduits located in and servicing the same unit, other than as set forth above, shall be made by the respective unit owners at their own expense.

All irrevocably restricted common elements shall be maintained and repaired by the unit owner to whom such common element is restricted in use. However, the Board of Managers shall repair and replace any pipes, wires, conduits, cables and public utility lines located underground or overhead any irrevocably restricted common element, except where such repair or replacement is necessitated because of the negligence or misuse or neglect of the unit owner to which the common element is restricted in use, in which event such cost and expense shall be assessed to and paid for by such unit owner.

The Board of Managers and its agents, employees, and contractors shall have a right of access to any unit and to all portions of the common elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration of the Condominium. All repairs, painting or maintenance, whether made by the unit owner or by the Board of Managers to the doors, windows, or the exterior surface of the building, including the roof, or to any generally visible portion of the common elements shall be carried out in such manner as to conform to the materials, style and color initially provided by the Sponsor.

In the event that a unit owner fails to perform any maintenance, painting or repair, which maintenance, painting or repair is necessary to protect any of the common element, any other unit, or, in the event of service of a Building Department violation notice covering the unit upon the Board of Managers, the Board of Managers shall have the right to perform such maintenance, painting or repairs (after failure of the unit owner to do so after ten (10) days written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge the unit owner for the cost of all such repairs, painting and/or maintenance. In the event that the Board of Managers

charges a unit owner for the painting or maintenance to any common element restricted in use to such unit owner, and the unit owner fails to make prompt payment, such charges shall be considered as additional common charges due from said unit owner, and the Board of Managers shall be entitled to bring suit thereon. In the event the Board brings such a suit, the unit owner shall be liable for the reasonable attorneys fees and costs of such suit or proceeding together with interest on all sums.

Section 7. Meeting of Board of Managers

(a) The first meeting of each Board newly elected by the unit owners shall be held immediately following the adjournment of the meeting at which they are elected, providing a quorum shall then be present or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the unit owners meetings, and immediately after the adjournment of such meeting, at which time the dates, places and times of regularly scheduled meetings of the Board shall be set.

(b) Regularly scheduled meetings of the Board may be held without special notice.

(c) Special meetings of the Board may be called by the President on two (2) days notice to each Member either personally or by telephone, mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least three (3) Managers.

(d) At all such meetings of the Board, a majority of the Managers shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Managers present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by statute or by the Declaration or these By-Laws. If a quorum is not present at any meeting of Managers, the Managers present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

(e) Before, or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

(f) Managers or members of any committee of the Board of Managers may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 8. Annual Statement. The Board of Managers shall furnish to all unit owners, their mortgagees and the Department of Law of the State of New York and shall present annually (at the annual meeting) and when called for by a vote of the unit owners at any special meeting of the unit owners, a full and clear statement of the business conditions and affairs of the Condominium,

including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the unit owners and a notice of the holding of the annual meeting of unit owners.

Section 9. Fidelity Bonds. The Board of Managers may require that all officers and employees of the Condominium handling or responsible for Condominium funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense of the Condominium.

Section 10. Management Agent. The Board of Managers may employ for the Condominium a management agent under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to all of the duties of the Board listed in this Article.

Section 11. The members of the Board of Managers shall not be liable to the unit owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The unit owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Condominium unless such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws.

It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium. 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 there under as his interest in the common elements bears to the interests of all 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 there under (except as unit owners), and that each unit owner's liability there under shall be limited to such proportion of the total liability there under as his interest in the common elements bears to the interest of all unit owners in the common elements.

ARTICLE IV OFFICERS

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and shall be a President, a Vice President, a Secretary and a Treasurer. The Board of Managers may also choose one or more Assistant Secretaries and Assistant Treasurers and such other officers as in their judgment may be necessary. All officers must be either members of the Board of Managers or Unit Owners. Two or more offices may not be held by the same person.

Section 2. Election. The Board of Managers, at its first meeting after each annual meeting of unit owners, shall elect a President, a Vice President, a Secretary and a Treasurer. Only the President must be a member of the Board.

Section 3. Appointive Offices. The Board may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term. The officers shall hold office for the term to which they are elected and appointed and until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Managers.

Section 5. The President. The President shall be the chief executive officer of the Condominium; he shall preside at all meetings of the Unit Owners and the Board of Managers, shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a corporation organized under the Not-for-Profit Corporation Law of the State of New York.

Section 6. The 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 and shall have such other powers and duties as are usually vested in the office of Vice President of a corporation organized under the Not-for-Profit Corporation Law of the State of New York.

Section 7. The Secretary. The Secretary and/or Assistant Secretary shall attend all sessions of the Board and all meetings of Unit Owners and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of Unit Owners and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President, under whose supervision he shall be.

Section 8. The Treasurer. The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all monies and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers.

He shall disburse the funds of the Condominium as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Directors, at the regular meetings of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

He shall keep detailed financial records and books of accounts of the Condominium, including a separate account for each Member, which, among other things, shall contain the amount of each assessment, the date when due, the amounts paid thereon and the balance remaining unpaid.

Section 9. Agreements, etc. All agreements and other instruments shall be executed by the President or such other person as may be designated by the Board of Managers.

ARTICLE V UNIT OWNERS

Section 1. (a) Within 30 days after (i) the Sponsor's conveyance of title to all units or (ii) the first anniversary of the date of filing the Declaration, whichever shall first occur, the Sponsor shall call the first meeting of unit owners for the election by all unit owners (including Sponsor) of a three member Board of Managers.

(b) Annual meetings of unit owners shall be held March 30th each year beginning in the year following the first meeting of unit owners held pursuant to Section 1(a) unless another date is chosen by the Board of Managers.

(c) So long as the Sponsor of the Condominium or its designee shall continue to own units representing at least 20% in common interest, the Sponsor or its designee shall have the right to elect one of the three members of the Board of Managers. Members of the Board of Managers elected by the Sponsor or its designee shall serve a term of one year. All other members of the Board of Managers shall be elected by the unit owners. The unit owners may transact such other business at such meetings as may properly come before them.

Section 2. 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. 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 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. It shall be the duty of the Secretary to mail or deliver a notice of each annual or special meeting of the unit owners, at least ten days but not more than twenty days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each unit owner of record, at the building or at such other address as such unit owner shall have designated by notice in writing to the Secretary. If the purpose of any meeting shall be to act upon a proposed amendment to the Declaration or to these By-Laws, the notice of meeting shall be mailed at least thirty days prior to such meeting. The mailing of a notice of meeting in the manner provided for in this section shall be considered service of notice.

Section 5. 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. The order of business at all meetings of the unit owners shall be as follows:

(a) Roll Call
(b) Proof of notice of meeting
(c) Reading of Minutes of preceding meeting
(d) Reports of Officers
(e) Report of Board of Managers
(f) Reports of Committees
(g) Election of inspectors of election
(h) Election of Board of Managers (when so required)
(i) Unfinished business
(j) New Business

Section 7. Title to units may be taken in the name of an individual or in the name 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 in the name of a fiduciary.

ARTICLE VI NOTICES

Section 1. Definition. Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers or to any Manager or Unit Owners, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letterbox in a postpaid sealed wrapper, addressed to the Board of Managers, such Manager or owner at such address as appears on the books of the Condominium.

Section 2. Service of Notice-Waiver. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VII OPERATION OF THE PROPERTY

Section 1. The Board of Managers shall from time to time, and at least annually, prepare a budget for the Condominium, determine the amount of common charges payable by the unit owners to meet the common expenses of the Condominium, and allocate and assess such common charges and expenses among the unit owners according to their respective common interests. The common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of these By-Laws.

The common expenses also include such amounts as the Board of Managers may deem proper of 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 expenses payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and shall furnish copies of such budget on which the common charges and expenses are based, to all unit owners. Until the Sponsor has conveyed title to all the units to purchasers, the Board of Managers can reduce the amount of common charges allocated to the units and payable by unit owners (including the Sponsor or its designee as owners of any unsold units) provided that so long as the Sponsor or its designee controls the Board of Managers the common charges will not be reduced below the amount necessary to operate the Property with the services to be provided as set forth in the Plan of Condominium Ownership.

Section 2. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (i) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the building (including all of the units and the bathroom and kitchen fixtures installed therein on the date of recordation of the Declaration, partitions, flooring and ceilings within the units, but not including furniture, furnishings or other personal property provided or installed by unit owners), together with all service machinery contained therein and covering the interests of the Condominium, the Board of Managers and all unit owners and their

mortgagees, as their interest may appear, in an amount equal to the full replacement value of the Building (exclusive of excavation and foundations), without deduction for depreciation,; each of said policies shall contain a New York Standard mortgagees clause in favor of each mortgagee of a unit which shall provide that the loss, if any, there under shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; (ii) water damage legal liability insurance; (iii) rent insurance in an amount equal to the aggregate common charges and expenses payable to the Board of Managers; and (iv) such other insurance as the Board of Managers may determine.

All policies of physical damage insurance shall contain waivers of subrogation and waivers of any defense based upon co-insurance or a pro-rata reduction of liability or of invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days prior written notice to all of the insured, including all mortgagees of units.

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 the 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, 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. 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.

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 additional insurance carried by any unit owner.

Section 3. In 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 (including any damaged units, and any kitchen or bathroom fixtures installed therein on the date of the recording of the Declaration, partitions, flooring and ceilings within the units but not including any wall ceiling, or floor

decorations or coverings or other furniture, furnishings fixtures or equipment installed by unit owners in the units), 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 unit owners for such deficit as part of the common charges.

If, as a result of the damage to or destruction of the Building, by fire or other casualty, the Property becomes 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 interests, after first paying out of the share of each unit owner the amount of unpaid liens on his unit, in the order of the priority of such liens.

Section 4. All unit owners shall be obligated to pay the common charges assessed by the Board of Managers pursuant to the provisions of this Article at such time or times as the Board of Managers shall determine.

No unit owner shall be liable for the payment of any part of the common charges assessed against his unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Article IX of these By-Laws) of such unit, together with the appurtenant interests.

In addition, any unit owner may, subject to the terms and conditions specified by these By-Laws, provided that his unit is free and clear of liens and encumbrances other than a permissible mortgage and the statutory lien for unpaid common charges, convey his unit, together with the appurtenant interests to the Board of Managers, or its designee, corporate or otherwise, on behalf of all other unit owners, and in such event be exempt from common charges thereafter assessed.

A purchaser of a unit shall be liable for the payment of common charges 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.

Section 5. The Board of Managers shall assess common charges against the unit owners from time to time and at least annually and shall take prompt action to collect any common charges due from any unit owner which remains unpaid for more than 30 days from the due date for payment thereof.

Section 6. In the event of default by any unit owner in paying to the Board of Managers the common charges as determined by the Board of Managers, such unit owner shall be obligated to pay interest at the legal maximum rate on such common charges from the due date thereof, together with all expenses, including attorney's fees, incurred by the Board of Managers in any proceeding brought to collect such unpaid common charges. The Board of Managers shall have the right and duty to attempt to recover such common charges, together with interest thereon, and the expenses of the proceeding, including attorney's fees, in an action to recover the same brought against such unit owner, or by foreclosure of the lien on such unit granted by section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof.

Section 7. In any action brought by the Board of Managers to foreclose a lien on a unit because of unpaid common charges, the unit owner shall be required to pay a reasonable rental for the use of his unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all unit owners, shall have the power to purchase such unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to (except that such votes shall not be cast by the Board of Managers for the election of any members of the Board of Managers), convey or otherwise deal with the same. A suit to recover a money judgment for unpaid common charges shall be maintained without foreclosing or waiving the lien securing the same.

Section 8. The Board of Managers shall promptly provide any unit owner so requesting the same in writing, with a written statement of all unpaid common charges due from such unit owner.

Section 9. The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-Laws contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other rights set forth in these By-Laws: (a) to enter the unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Managers shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach.

Section 10. All maintenance of and repairs to any unit, 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 such unit. Each unit owner shall be responsible for all damages to any and all other units and/or to the common elements, that his failure to maintain or repair may engender.

All maintenance, repairs and replacements to the common elements, whether located inside or outside of the units, shall be charged directly to the unit owners, except as the Board of Managers shall otherwise determine.

Section 11. All maintenance, repairs and replacements to the air conditioning system, the heating system and the hot water heater servicing a unit shall be made by the unit owner at the unit owner's expense.

Section 12. In order to provide for congenial occupancy of the Property and for the protection of the values of the units, the use of the property shall be restricted to and shall be in accordance with the following provisions:

(a) The units shall be used by unit owners (other than the Sponsor) for residences only and in compliance with the occupancy restrictions imposed and as amended from time to time. While the Sponsor or its designee owns a unit, it shall have the right to use such unit for general and sales office purposes and as a sales model. Except upon the prior written consent of the Board of Managers, occupants of a unit must be members of the family of the unit owner or lessee (or if the unit owner is a partnership, a corporation or a trust, members of the family of a partner or of an officer, director, shareholder or employee of the corporation or of the beneficiary of the trust, as the case may be), but not more than one family my occupy a unit at one time. "Members of the family" as used herein shall be deemed to mean spouse, parents, parents-in-law, brothers, sisters, children and grandchildren.

(b) 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.

(c) 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.

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

(e) Rules and regulations concerning the use of the units 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 no less than 5 days prior to the time that they become effective.

Section 13. Whenever in the judgment of the Board of Managers the common elements shall require additions, alterations or improvements costing in excess of $1,000. And the making of such additions, alterations or improvements shall have been approved by 66 2/3% of the unit owners present in person and/or by proxy and voting at a meeting duly held in accordance with these By-

Laws, and by the representative or representatives, if any, appointed pursuant to Section 5 of Article VIII hereof by the holders of mortgages constituting first liens upon units, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all unit owners for the cost thereof as a common charge. Any additions, alterations or improvements costing $1,000 or less may be made by the Board of Managers without approval of the unit owners, or the representative or representatives, if any, of mortgagees of units and the cost thereof shall constitute part of the common expenses.

Section 14. No unit owner shall make any structural addition, alteration or improvement in or to his unit and/or his limited common element (terrace, balcony, roof deck, yard), without the prior written consent thereto of the Board of Managers. The Board of Managers shall have the obligation to answer any written request by a unit owner for approval of a proposed structural addition, alteration or improvement in such unit owner's unit, within thirty (30) days after such request, and failure to do so within the stipulated time shall constitute a consent by the Board of Managers to the proposed addition, alteration or improvement. Any application to any governmental authority having or asserting jurisdiction for a permit to make an addition, alteration or improvement in or to any unit shall be executed by the Board of Managers only, without, however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor, material man, 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 there from. The provisions of this section 14 shall not apply to a unit owned by the Sponsor or its designee until a deed to such unit has been delivered to a purchaser thereof.

The Board of Managers will 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 its designee to any unit provided, however, that neither the Board of Managers nor the unit owners other than the Sponsor or its designee shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

Section 15. (a) A unit owner shall not place or cause to be placed in the common areas or common facilities, other than the areas designated as storage areas, any furniture, packages or objects of any kind.

(b) The common elements and 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 without the prior written consent of the Board of Managers.

(c) While the Sponsor or its designee owns any unit, it shall have the right to maintain general and sales offices on or about the Property, to have its employees present on the Property, to use the common elements and to do all things necessary and appropriate to sell units, to complete construction of the Building and to comply with its obligations under the Plan of Condominium Ownership, including but without being limited to, the right to erect and maintain signs on the

common elements. Sponsor shall be obligated to repair and maintain the portions of the Property used by it for such purposes so long as such use by the Sponsor shall continue.

Section 16. 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 of the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his unit and threatening another unit or the common element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other common elements in his unit or elsewhere in the Building, or to correct any condition which violates the provisions of any mortgage covering another unit, providing 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 manner as will no unreasonable interfere with the use of the units for residential purposes. In case of an emergency, such right of entry shall be immediate, whether the unit owner is present at the time or not.

Section 17. Rules and regulations concerning the use of the units and the common elements may be promulgated and amended by the Board of Managers. Copies of such rules and regulations shall be furnished by the Board of Managers to each unit owner prior to the time when the same shall become effective. Initial rules and regulations, which shall be effective until amended by the Board of Managers, are annexed hereto and made a part hereof as Schedule A.

Section 18. Electricity shall be supplied by the public utility company serving the area directly to each unit through a separate meter and each unit owner shall be required to pay the bills for electricity consumed or used in his unit directly to the utility company. The cost of electricity for the public spaces outside the units, including but not limited to the hallways and walkways, as measured by one or more building meters, will be borne by the unit owners and will be included in the common charges.

ARTICLE VIII MORTGAGES

Section 1. 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. The Board of Managers, whenever so requested in writing by a mortgagee of a unit, shall promptly report any then unpaid common charges due from, or any other default by, the owner of the mortgaged unit.

Section 3. The Board of Managers, when giving notice to a unit owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such unit whose name and address has theretofore been furnished to the Board of Managers.

Section 4. Each unit owner and each mortgagee of a unit shall be permitted to examine the books of account of the condominium at reasonable times, on business days, but not more than once a month.

Section 5. The holders of mortgages constituting first liens on the units may, at their election, appoint one or more (but not more than three) representatives who shall be empowered to act on behalf of all mortgagees (first or subordinate) with respect to any matter requiring the consent or approval of mortgagees under the Declaration or these By-Laws. If such representative or representatives are appointed and written notice thereof given to the Board of Managers the act of such representative or representatives shall be deemed binding upon the holders of all mortgages which are liens on units. If no such representative shall be appointed or written notice of the appointment shall not be given to the Board of Managers then notwithstanding any other provision of the Declaration of these By-Laws, the consent of mortgagees shall not be required to any act of the Board of Managers or the unit owners.

ARTICLE IX

Sales, Leases and Mortgages of Units

Section 1. (a) No unit owner may sell his unit or any interest therein except by complying with the following provisions:

Any unit owner who receives a bona fide offer (hereinafter called an "Outside Offer") for the sale of his unit together with: (i) the undivided interest in the common elements appurtenant hereto; (ii) the interest of such unit owner in any units theretofore acquired by the Board of Managers, or its designee, on behalf of all unit owners, or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such unit owner in any other assets of the Condominium (hereinafter called the "Appurtenant Interests"), which he intends to accept, shall give notice to the Board of Managers of such offer and of such intention, the name and address of the proposed purchaser, and such other information as the Board of Managers may reasonably require.

Such deed to an Outside Offeror shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and regulations as the same may be amended from time to time.

(b) No unit owner may lease his unit except by complying with the following provisions:

Any unit owner who receives a bona fide offer for a lease of his unit which he intends to accept shall give notice to the Board of Managers of such offer and of such intention, the name and address of the proposed lessee, references and such other information as the Board of Managers may reasonably require.

Any such lease shall be consistent with theses By-Laws.

The Board of Managers shall have the right to terminate the lease on not less than 30 day's prior written notice upon the foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York. Except as hereinbefore set forth, the form of any such lease shall be the then current form of apartment lease recommended by the Real Estate Board of New York, Inc. With such modifications as shall be approved in writing by the Board of Managers.

Any purported lease of a unit in violation of this section shall be voidable at the election of the Board of Managers and if the Board should so elect, the unit owner shall be deemed to have authorized and empowered the Board of Managers to institute legal proceedings to evict the purported tenant in the name of the said unit owner as the purported landlord.

Any purported sale of a unit in violation of this Section shall be voidable at the election of the Board of Managers.

Section 2. No unit owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interest, 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 3. Any unit owner shall be free to convey or transfer his unit by gift, or to devise his unit by will, or to pass the same by intestacy, without restriction.

Section 4. No unit owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his unit unless and until he shall have paid in full to the Board of Managers all unpaid common charges and expenses theretofore assessed by the Board of Managers against his unit and until he shall have satisfied all unpaid liens against such unit, except permitted mortgages.

Section 5. Each unit owner shall have the right to mortgage his unit without restriction provided that any such mortgage shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be 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 6. This article IX of the By-laws shall not apply to sales or rentals made by the Sponsor. The Board of Managers shall not have any control over the sale, rental or other disposition of Sponsor owned units.

ARTICLE X
Condemnation

In the event of a taking in condemnation or by eminent domain of part or all of the common elements, the award made by such taking shall be payable to the Board of Managers. If 75% or more of the unit owners duly and promptly approve the repair and restoration of such common elements, the Board of Managers shall arrange for the repair and restoration of such common elements, and the Board of Managers shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments.

In the event that 75% or more of the unit owners do not duly and promptly approve the repair and restoration of such common elements, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds when there is no repair or restoration of the damage as provided by these By-Laws.

ARTICLE XI Records

The Board of Managers or the managing agent shall keep detailed records of the actions of the Board of Managers and the managing agent, minutes of meetings of the Board of Managers, minutes of the meetings of 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 of 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 XII AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called meeting of unit owners, provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment and (2) that the amendment shall be approved by vote of eighty percent (80%) of the unit owners in number and common interest; and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment will affect or impair the validity or priority of the unit owners' interests and the interests of holders of a mortgage encumbering a unit or units.

The provisions of the By-Laws affecting the Sponsor and the Sponsors rights may not be amended without the consent in writing of the Sponsor or its designee so long as the Sponsor or its designee shall be the owner of one (1) or more units.

ARTICLE XIII GENERAL PROVISIONS

Section 1. All notices hereunder shall be sent by registered or certified mail to the Board of Managers c/o the Managing agent, or if there is no managing agent, to 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 unit owners shall be sent by registered or certified mail 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.

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. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of the Statute or the Declaration, the provision of the Statute or of the Declaration, whichever the case may be, shall control.

SECTION F

ESCROW AGREEMENT

AGREEMENT made this 15th day of October, 2007, between Bay 32nd Street Realty LLC sponsor of the 50-62 Bay 32nd Street Condominium hereinafter referred to as the Sponsor and Morris Flyer, esq. hereinafter referred to as "ESCROW AGENT".

WHEREAS, Bay 32nd Street Realty LLC is the Sponsor of an offering plan to convert to condominium ownership the premises located at 50-62 Bay 32nd Street to be known as the 50-62 Bay 32nd Street Condominium and

WHEREAS, Morris Flyer, esq. is authorized to act as Escrow Agent hereunder, in accordance with General Business Law (GBL) Section 352-e(2-b), and the Attorney General's regulations promulgated there under; and

WHEREAS, the Sponsor desires that the Escrow Agent act as escrow agent for deposits and payments made 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:

ESTABLISHMENT OF THE ESCROW ACCOUNT

1. a. The Sponsor and Escrow Agent hereby establish an escrow account with the Escrow Agent for the purposes of holding deposits or payments made by Purchasers or Subscribers. This escrow account has been opened with JP Morgan Chase Bank, at its branch located at 1722 Avenue U, Brooklyn , N.Y. 11229

b. The name of the account is "Morris Flyer, Esq. Special Escrow Account". The Escrow Agent shall be the sole signatory on the account.

d. The escrow account shall be an interest bearing account as disclosed in the Offering Plan.

e. The escrow account shall be an IOLA, (Interest on Lawyer's Account), established pursuant to Judiciary Law Section 497.

DEPOSITS INTO THE ESCROW ACCOUNT

2. a. Purchasers who have received the plan and all filed amendments will be afforded not fewer than three business days to review the offering plan and all filed amendments prior to executing a purchase agreement. Any conflict between the plan and the contract of sale will be resolved according to the terms of the Plan.

The purchase agreement and Plan shall not contain, or be modified to contain, a provision waiving purchaser's rights or abrogating sponsor's obligations under article 23-A of the general Obligations Law.

b. Within ten days after a purchaser delivers an executed contract of sale together with the required deposit, the sponsor must either accept the contract and return a fully executed counterpart to the Purchaser or reject the contract and refund the full deposit previously tendered. If the sponsor takes no action within this time period, it shall be assumed that the sponsor has accepted the contract.

c. All funds received from prospective purchasers or subscribers prior to the 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 Morris Flyer, esq. as escrow agent for the 50-62 Bay 32nd Street Condominium.

Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five (5) business days following receipt of such instrument by the Escrow Agent. In the event of such return of funds, the instrument shall be deemed not to have been delivered to the Escrow Agent pursuant to the terms of this Agreement.

d. Within ten (10) business days after tender of the deposit submitted with the purchase agreement or subscription, the Escrow Agent shall notify the Purchaser or Subscriber of the deposit of such funds in the Bank indicated in the Offering Plan provide the account number, and disclose the initial interest rate. If the purchaser does not receive notification of such deposit within fifteen (15) business days after tender of the deposit, the Purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with the regulations and requisite notice was timely mailed to the purchaser or subscriber.

RELEASE OF FUNDS

3. a. The 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.

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

b. The Escrow Agent shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both Sponsor and Purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a Court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

c. 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.

d. Sponsor anticipates the first closing of a unit to occur about January 1, 2009. If a date set for closing is delayed by the Sponsor 12 months or more, the purchaser will be offered rescission.

e. 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 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 the Escrow Agent in accordance with such provisions.

f. In the event of a dispute, the sponsor shall apply, and the purchaser and escrow agent may apply, to the Attorney General for a determination on the disposition of the down payment and any interest earned thereon. The party applying shall contemporaneously send a copy of such application to all other parties. Pending determination of the Attorney General, all parties shall abide by any interim directive issued by the Attorney General.

RECORD KEEPING

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

b. Upon the dissolution of the 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.

c. Escrow Agent shall make available to the Attorney General, upon his request, all books and records of the Escrow Agent relating to the funds deposited and disbursed hereunder.

d. The Department of Law may perform random reviews and audits of any records involving escrow accounts.

GENERAL OBLIGATIONS OF ESCROW AGENT

5. a. Escrow Agent shall maintain the accounts called for in this Agreement under the direct supervision and control of the Escrow Agent.

b. A fiduciary relationship shall exist between Escrow Agent and Purchasers and Escrow Agent acknowledges its fiduciary obligations.

c. Any provision of any contract or agreement by which purchaser purports to waive or indemnify obligations of the escrow agent is absolutely void.

RESPONSIBILITY OF SPONSOR

6. a. 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.

b. Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and compliance with the Attorney General's regulations.

c. The purchase agreement and the Plan shall comply with section 71-a(3) of the Lien Law and any other applicable provisions of law.

TERMINATION OF THIS AGREEMENT

7. a. This agreement shall remain in effect unless and until it is cancelled, by either:

(i) 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

(ii) 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

(iii) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

b. Upon termination of the duties of Escrow Agent as described in paragraph 7(a) above, the 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.

SUCCESSORS AND ASSIGNS

8. This agreement shall be binding upon the Sponsor and Escrow Agent and their successors and assigns.

GOVERNING LAW

9. This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

ESCROW AGENTS COMPENSATION

10. Sponsor agrees that Escrow Agent's compensation shall not be paid from escrowed principal nor from any interest accrued thereon and that compensation to Escrow Agent, if any, shall not be deducted from escrowed funds by any financial institution under any circumstances.

SEVERABILITY

11. If any provision of this Agreement or the application thereof to any person or circumstances is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

ENTIRE AGREEMENT

12. This agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitute the entire agreement between the parties with respect to the subject matter hereof.

In Witness Whereof, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT

By _____
Morris Flyer

SPONSOR

Bay 32nd Street Realty LLC

By _____
Sebastian Piccininni

SECTION G

NEW WARRANTY LAW

General Business Law Article 36-B

WARRANTIES ON SALES OF NEW HOMES

Section 777. Defininitions
777-a. Housing Merchant Implied Warranty
778-b. Exclusion or Modification of Warranties

Section 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 use of materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevent specific standard, such term means that workmanship and use of materials meet or exceed the standards of locally accepted building practice.

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 which the builder has resided in 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 succcessor in title to the home and any mortgagee in possession. Owner does not include the builder of the 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.

Section 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, elecrtical, heating, cooling and ventilation systems of the home will be free from defects due to a failure by the builder to have installed such system 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 diferent 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 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 the 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 of 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.

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. An 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 hmoe 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 slae 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 oe 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 such 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 incidential 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.

SECTION H

C:\WP51\DATA\ATTYGEN.APP-95

APPLICATION TO THE ATTORNEY GENERAL FOR A DETERMINATION ON THE DISPOSITION OF DOWNPAYMENTS

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

Re: _____
Address of Building or
Name of Project

File Number: _____

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

1. Name of Applicant _____

2. Address of Applicant _____

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

_____

_____

4. This is an application for

   [ ] return of downpayment.
   [ ] forfeiture of downpayment.
   [ ] other: _____

   _____

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

6. The project is structured as
   [ ] a cooperative.
   [ ] a condominium.

[ ] a homeowners association.
[ ] a timeshare.
[ ] other: _____

7. Name and Address of Sponsor: _____

_____

8. Name and Address of Escrow Agent: _____

_____

9. If downpayments are maintained in an escrow account:

(a) Name of account _____

(b) Name and address of bank _____

(c) Account number (if known) _____

(d) Initial interest rate (if known) _____

10. If downpayments have been secured by bonds:

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

_____

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

_____

_____

_____

_____

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

(a) Name and address of bank which issued the letter of credit: _____

_____

_____

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

_____

12. Plan information:

(a) Date of filing of plan: _____

(b) Plan

[ ] has been declared effective. Approximate date: _____

[ ] has not been declared effective.

(c) If effective, the plan

[ ] has closed or the first unit has closed. Approximate date: _____

[ ] has not closed.

[ ] don't know.

(d) Downpayments are secured by

[ ] escrow account.

[ ] bonds..

[ ] letter of credit.

13. Contract information:

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

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

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

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

(e) Names and addresses of subscribers or purchasers affected by this application:

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

15. I am contemporaneously sending a copy of this application to the following persons:

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions

concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ Date: _____

Name (Printed): _____

Telephone: (Home) _____ (Business) _____

Mailing Address: _____

2/6/92

SECTION I

Certification of Sponsor Pursuant to Section 20.4(b) of the Regulations issued Pursuant to General Business Law Article 23-A, as Amended.

New York State Department of Law
120 Broadway
New York, New York 10271
Attn: Investment Protection Bureau

RE: The 50-62 Bay 32nd Street Condominium

The undersigned, Bay 32nd Street Realty, LLC and Sebastian Piccininni certify as follows:

We are the sponsor and principal of the sponsor of the condominium offering plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20, and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

(i) set forth the detailed terms of the transaction and be complete, current and accurate;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Bay 32nd Street Realty, LLC

by _____ _____
Sebastian Piccininni Sebastian Piccininni

Sworn to before me this
12th day of October, 2007

_____
Notary Public

PAUL A. LEFF
Notary Public, State of New York
No. 02LE5050680
Qualified in Nassau County
My Commission Expires August 5, 2010

Abraham Hertzberg, P.E.

295 Northern Boulevard
Great Neck, N.Y. 11021
Phone : (516) 482-3558

CERTIFICATION BY SPONSOR'S ENGINEER
PURSUANT TO PART 20.4 OF THE REGULATIONS
ISSUED PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED

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

Re: 50, 52, 54, 56, 60 & 62 Bay 32nd Street
Brooklyn, New York

The Sponsor of the Offering Plan to convert the captioned property to condominium ownership has retained our firm to prepare a report describing the construction and/or renovation of the property (hereinafter "the Report"). I visually inspected existing portions of the renovated property, if any on July 12th 2007. I examined the building plans and specifications, prepared by Bricolage Designs, 6321 New Utrecht Avenue, Brooklyn N.Y. 11219, dated April 2nd 2007, and prepared the report dated, August 9th, 2007, a copy of which is intended to be incorporated into the Offering Plan, so that prospective purchasers may rely thereupon. I am a licensed Engineer, registered in the State in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20, insofar as they are applicable to this "Report".

I have read the entire Report and investigated the facts set forth therein 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 does:

(i) set forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications which I examined.

(ii) in our professional opinion, afford 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 construction provided that construction is in accord with the plans and specifications which I examined.

(iii) not omit any material fact;

(iv) not contain any untrue statement of a material fact;

(v) not contain any fraud, deception, concealment, or suppression;

(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 statement or representation 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 statements made.

I further certify that I am not owned or controlled by, and have no beneficial interest, in the Sponsors, and that my compensation for preparing the Report is not contingent on the conversion of the property to condominium ownership, 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.

ABRAHAM HERTZBERG, P.E.
N.Y.S. LIC. # 29007

ABRAHAM HERTZBERG, P.E.
295 NORTHERN BOULEVARD
GREAT NECK, N.Y. 11021
Phone # (516) 482-3558

Sworn to before me this
9th day of August, 2007

Notary Public

THERESA WEISSMULLER
Notary Public, State of New York
No. 01WE6136355
Qualified in Nassau County
Commission Expires Nov. 7, 2009

FLAGG ABSTRACT, INC.
1573 RICHMOND ROAD
STATEN ISLAND, NEW YORK 10304
(718) 667-7112

50-62 Bay 32nd STREET CONDOMINIUM

STATE OF NEW YORK)
) SS:.
COUNTY OF RICHMOND)

The Sponsor of the condominium offering plan for the captioned property retained our firm to review Schedules B, and B-1containing projections of income and expenses for the first year of condominium operation. Our experience in this field includes:

We have been in the business of managing developments for approximately nineteen years. Management of Milton Avenue Homeowners Association, budgetary and financial advise to Morley Avenue Condominium Association, Red Hill Mountaintop Property Owners Association, Stanwich Estates Homeowners Association and Olympia Manor Homeowners Association.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedules B and B-1.

We have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances, and the projected income will be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that the Schedules:

(I)set forth in detail the projected income and expenses for the first year of condominium operation;

(ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) does not omit any material fact;

(iv) does not contain any untrue statement of a material fact;

(v) does not contain any fraud, deception, concealment or suppression;

(vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth, or (d) did not have knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income or expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

DATED: October 5, 2007

FLAGG ABSTRACT, INC.

By: _____
Paul A. Leff, president

STATE OF NEW YORK)
) SS.:
COUNTY OF RICHMOND)

Sworn to before me this 5th day
of October, 2007

_____
NOTARY PUBLIC
Edward Delli Paoli, esq.
Notary Public, State of New York
No. 43-4957194
Qualified in Richmond County
Commission Expires October 10, 2010