

THIS PLAN HAS BEEN
AMENDED. SEE INSERTION
ON INSIDE COVER.

CONDOMINIUM OFFERING PLAN

THE 122 NEWTON CONDOMINIUM

Located At

**122 Newton Street
Brooklyn, New York 11211**

NUMBER OF UNITS: 5 RESIDENTIAL APARTMENTS	\$5,978,000.00
TOTAL PURCHASE PRICE.....	<u>\$5,978,000.00</u>

Sponsor:

**124 NEWTON ST LLC
96-20 Atlantic Avenue
Ozone Park, New York 11416**

Selling Agent:

**THE DEVELOPERS GROUP
79 Bridge Street
Brooklyn, New York 11201
(718) 222-1545**

The approximate date of the First Offering to the Public is October 8, 2008. This Plan may not be used after October 7, 2009, unless extended by an amendment to the Plan.

SEE PAGE 1 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.

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SPECIAL RISKS

1. Sponsor will endeavor in good faith, to sell, in a reasonably timely manner, all Residential Units to purchasers for personal occupancy of Purchasers or their immediate families. However, in the event that there is a significant decline in market values of at least 10% from the offering prices set forth in the contracts counted toward effectiveness, Sponsor reserves the right to rent, rather than sell Units until there is an upturn in the market. Sponsor's good faith efforts to sell to Purchasers will include listing Unsold Units with brokers, showing Unsold Units to brokers and prospective Purchasers or their representatives, filing update amendments to this Offering Plan and otherwise engaging in customary sales activity. Nonetheless, it should be noted that Sponsor will have a significant role in the governance of the Condominium by reason of its voting control of the Condominium Board during the Sponsor Board control period. Even thereafter, Sponsor will continue to have a voice in governance due to its right to designate a specified minority of the Residential Board members for so long as Sponsor owns one or more Unsold Residential Units. Moreover, Sponsor and any other non-resident owners will at all times have the same right as owner-occupants to vote on issues that require the approval or consent of Unit Owners (such as the exercise of the Board's right of first refusal to purchase or lease a sold Unit or to borrow money in excess of \$100,000 in any budget year).

There are no limits placed on Sponsor's right to rent rather than sell under the terms of the construction loan for this project.

To further assure that this Plan will create a fully viable Condominium, the By-Laws contain a residency requirement pursuant to which a majority of the Condominium Board must be owner-occupants of the building who are unrelated to Sponsor or its principals, after the end of the Sponsor Board control period (i.e. once Sponsor has sold more than 50% of the Units or the second [2nd] anniversary of the First Unit Closing, whichever occurs first). (See, "Rights and Obligations of Sponsor")

2. The Sponsor reserves the right to enter into an interim lease with any persons who have entered into a Purchase Agreement with the Sponsor for a particular apartment. Any interim lease for a Residential Unit entered into with a Purchaser will provide, however, among other things, that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit which is the subject of the interim lease will constitute a default under the interim lease entitling Sponsor, at its sole option, to terminate such interim lease in accordance with applicable law. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any interim lease with respect to the Unit which is the subject of the Purchase Agreement will constitute a default under the Purchase Agreement entitling Sponsor, at its sole option, to terminate such Purchase Agreement and to exercise any rights and/or remedies provided therein.

Purchasers or any other persons entering into an interim lease for a Residential Unit shall be required to pay the sum of \$500 to Sponsor's counsel for legal fees in connection therewith, upon execution of the interim lease. All other charges or other fees due under an interim lease shall be adjusted as of the Closing to the unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any interim lease(s). Purchasers of a previously occupied Unit shall be purchasing the Unit in its "as is" condition. (See "Rights and Obligations of Sponsor" and "Interim Leases" below.)

3. If a Purchaser makes a down payment in excess of \$100,000 for the purchase of a Unit, such down payment will not be federally insured in excess of \$100,000. (See "Procedure to Purchase" below.)

4. A Purchaser has thirty (30) days to cure a default under the Purchase Agreement after being sent written notice of such default. "time is of the essence" as to Purchaser's obligation to cure such default within such thirty (30) day period. If the Purchaser fails to cure such default on a timely basis, the Sponsor may elect to cancel the Purchase Agreement as a result of Purchaser's default, in which event the Sponsor shall be entitled to retain, as liquidated damages, all payments made under the Purchase Agreement (but in no event an amount in excess of 10% of the purchase price) (See "Procedure to Purchase" below.)

5. A Purchaser of a Unit is obligated to pay New York State documentary stamp taxes and New York City Real Property Transfer Taxes, as well as the cost of preparing these transfer tax forms and the Deed for electronic (i.e. ACRIS) recording, although these charges are customarily paid by the Seller in conventional real estate transactions. When such costs are paid by Purchasers, the effective rate of the New York City Real Property Transfer Tax for Units is equal to approximately 1.01% of the Purchase Price (if the Purchase Price is \$500,000 or less; otherwise the rate is 1.425% of the Purchase Price, and the New York State Deed documentary stamps is equal to \$2.00 for each \$500 (or part thereof) of the Purchase Price. The customary charge for preparing the ACRIS e-forms necessary for e-recording of these transfer tax returns and the Deed ranges from \$150-300, depending upon the exact rates of the Title Company that actually prepares such ACRIS e-forms. (See "Procedure to Purchase" below.)

6. Sponsor and its designees may exercise veto power over some actions of the Condominium Board. Until Sponsor and its designees have conveyed title to seventy-five (75%) percent of all Residential Units, but in no event later than five (5) years after the Closing of the First Residential Unit, the Condominium Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the common elements, or (b) assess any common charges for the creation of, addition to or replacement of all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of employees referred to in the Plan, or (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, or (e) borrow money

on behalf of the Condominium, provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary (and no other alternative is available) to enable the Condominium Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium. In addition, Sponsor or its assigns will continue to control the Board of Managers for so long as Sponsor or its assignees own a majority interest in the Condominium. (See "Control by Sponsor" below).

7. No amendment, modification, addition or deletion of the Declaration, By-Laws or Rules and Regulations of the Condominium shall be effective in any way without the prior written consent of Sponsor or its designee or the owner of any Unsold Residential Unit, as the case may be, with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the rules and regulations modifying the permitted use of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any unsold Residential Unit, as the case may be or otherwise adversely affecting (i.e., economically or in any way restricting any of the rights of) Sponsor or its designee or the owner of any Unsold Residential Unit, as the case may be. (See "Rights and Obligations of Unit Owners and the Board of Managers" below.)

8. Construction is a complicated process requiring the coordination of numerous tasks and the balancing of complex mechanical and architectural systems. No assurance(s) are or can be given with regard to the accuracy of any projected completion dates set forth herein. During the first year of Condominium operations (see, Special Risk # 12 below), construction workers and related personnel will be at the Property from time to time making adjustments and performing various tasks related to the completion of construction. Various building-wide systems, including but not limited to water supply, air conditioning, heating, cooling, ventilating and elevator, might be shut down temporarily in order to make appropriate adjustments. All reasonable steps will be taken by Sponsor to minimize any necessary interruption in Building services while making such adjustments. Sponsor will promptly repair any damage to any sold Unit or common area which may be damaged during the course of Sponsor completing the renovations of the property. Sponsor may not complete the decoration of the corridors in the Building, including but not limited to installing light fixtures, painting and/or hanging wall coverings or laying flooring, until that particular floor is fully occupied by Residential Unit Owners. (See "Description of Property and Improvements" below.)

9. Sponsor will pay all common charges, special assessments and real estate taxes with respect to any Unsold Units. However, no bond or other security has been posted by Sponsor to secure its obligation to pay common charges, special assessments and real estate taxes with respect to the Unsold Residential Units. Sponsor represents that it has the financial resources to meet such obligations with respect to the Unsold Residential Units. Sponsor will pay the common charges for any Unsold Residential Units so long as such Unit(s) is owned by Sponsor. (See "Rights and Obligations of Sponsor" below.)

10. The Purchase Agreement of a pre-qualified Purchaser may be made subject to such Purchaser obtaining a loan commitment for an amount no greater than eighty (80%) percent of the Purchase Price for the Unit (Unit Owners may finance more than eighty [80%] percent of the Purchase Price however the Purchase Agreement may not be made contingent upon such pre-qualified Purchaser obtaining a mortgage loan in an amount greater than eighty [80%] percent). The terms and conditions for being pre-qualified for a mortgage loan and making the Purchase Agreement contingent upon Purchaser obtaining a loan commitment are set forth in the section of the plan entitled "Procedure to Purchase". Purchasers may find it necessary to extend an expiring loan commitment in the event the plan is not yet declared effective or the Sponsor is otherwise unable to close on the Unit for any reason whatsoever. In such event it shall be the Purchaser's obligation to take all necessary steps to extend the loan commitment, including, if applicable, the payment of an extension or other fee. Furthermore, Purchaser's lending institution may decide to renew or extend the loan commitment at interest rates higher than originally provided. If a Purchaser's obligations are contingent on obtaining such financing commitment and the financing commitment lapses or expires prior to Closing and the Purchaser has made a good faith effort to extend the commitment, Sponsor shall grant such Purchaser a right of rescission and a reasonable period of time to exercise such right. (See "Procedure to Purchase" below.)

11. All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's attorney, Turek Roth LLP in connection with the Closing of title to Purchaser's Unit: (i) \$1,500.00 representing Sponsor's legal costs in connection with such Closing transaction; (ii) if the Purchaser requests the Closing to occur other than at the law offices of Turek Roth LLP or such other place as Sponsor may designate in its Closing notice and Sponsor consents to such request, an attendance fee of \$500 for each Unit Closing held within Manhattan and \$700 for each Unit Closing held in any borough of New York City outside Manhattan; (iii) if Sponsor, in its sole discretion, consents to a Purchaser's request for an Assignment of the Purchase Agreement, a fee of \$1,000, payable in advance, for the preparation of an Assignment Agreement; and (iv) Purchaser shall be required to pay the fee payable to the New York City Department of Finance in connection with the electronic recording of the Deed, as well as the fee charged by Purchaser's title company, for preparing the ACRIS e-documents. (See "Closing Costs and Adjustments" below.)

12. Sponsor shall perform all work required to obtain a permanent Certificate of Occupancy in the common areas of the Building ("Common Area Work") and shall perform all work required to obtain a permanent and/or temporary Certificate of Occupancy for all Units. In the event that all Common Area Work is not completed by the time the temporary Certificates of Occupancy expire, continued occupancy of the Building will be illegal subjecting the Unit Owners and Board of managers to penalties under the Multiple Dwelling Law, including eviction of residential occupants. Notwithstanding the foregoing, the Sponsor shall also be held responsible for any violations of fines due to Sponsor's failure to obtain a permanent Certificate of

Occupancy. Sponsor makes no representation or guarantee that the Department of Buildings will issue a permanent Certificate of Occupancy within two (2) years after issuance of the first temporary Certificate of Occupancy. In the event the First Unit Closing occurs prior to the issuance of a permanent Certificate of Occupancy for the building, Sponsor shall obtain a written opinion from its architect or engineer, certifying the amount reasonably necessary to complete all alterations and improvements to the public portions and common areas of the Building, which amount so certified will be retained in a special escrow account as required by GBL §352-e(2-b) until such permanent Certificate of Occupancy is obtained. Sponsor reserves the right to get written amended certifications from its architect or engineer from time-to-time up-dating the amount of money required to complete those alterations and improvements and to withdraw from the special escrow account, any sums in excess of the amount certified at such time as necessary. (See "Rights and Obligations of Sponsor" below.)

Sponsor anticipates that the First Unit Closing will occur on or about March 1, 2009. If such date is delayed by twelve (12) months or more, all Purchasers will be offered the right of rescission by filed amendment to this Offering Plan.

13. The roofs and basement of the Building may include certain mechanical equipment necessary (e.g., elevator machine room, etc.) for the maintenance and operation of the building and the The Condominium Board will be responsible for ensuring that the mechanical equipment is operated in accordance with law, including requirements governing acceptable levels of noise and odor emissions. Sponsor is not responsible for and can make no guarantees regarding the level or noise or odors resulting from the operation of the Building or the Units, after control of the Board of Managers is surrendered to Unit Owners, unless the mechanical equipment or its installation violates any applicable Building Code or the terms of this Offering Plan.

A portion of the roof above the fifth floor will be finished by Sponsor with pavers for use by all building residents as a common area. As such roof improvement is being made as part of the building permit for the renovation of the entire property, no separate permit is necessary for the development of the roof. (See "Description of Property" below.)

14. All Purchasers of Units will be required to execute a Power of Attorney (a) appointing the Board of Managers as their attorney-in-fact to acquire or lease Units on behalf of all Unit Owners, and (b) appointing the Sponsor as their attorney-in-fact to amend the Condominium documents under limited specific conditions. (See "Power of Attorney" below.)

15. Pursuant to existing law and regulation, the Sponsor may declare the Plan effective by selling a minimum of fifteen percent of the residential apartments in the Building. Even if the plan is declared effective with a minimum number of sales, it is possible that the Sponsor may be able to convert the Building with fewer than the minimum number of sales, if Purchasers counted toward effectiveness do not ultimately purchase an apartment.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions include requiring that a certain percentage (50% or more) of the apartments in a building be sold before the lender will consider making a loan. Thus it may be possible for a Purchaser to experience difficulty obtaining a loan in a building where the percentage of Units purchased is lower than a lender's particular sales minimum.

Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to such minimum sales requirements. No representations are made or implied by Sponsor or its Selling Agent, that financing will be available to Purchasers of the Units. (See "Effective Date" below.)

16. After completion of the building renovations, the Sponsor will file for tax abatement benefits under §421-a of the NYC Administrative Code. The Sponsor has retained Moseson & Associates to file for these real estate tax benefits. If the application is granted, 100% of all projected real estate taxes for the Residential Units attributable to the improvements on the Property (i.e. the erection of the new Building) will be fully abated for ten (10) years. As noted in the opinion of Moseson & Associates (copy reproduced below) inasmuch as Sponsor commenced construction on the site based upon approved building plans issued by the Department of Buildings before December 31, 2007, this project will not be adversely affected by any change in the tax abatement laws as contemplated by the changes to the Administrative Code of the City of New York approved by the City Council on December 20, 2006 and signed by Mayor Bloomberg on December 28, 2006 (Intro 486-A) which became effective on January 1, 2008. In the event and to the extent the Building is denied §421-a benefits, the Residential Units will be subject to real estate tax liability as projected in schedule a below. The Sponsor does not anticipate obtaining §421-a benefits prior to the First Unit Closing. Accordingly, any Units sold prior to the Condominium obtaining such 421-a benefits, will be required to pay real estates taxes as projected in Schedule A below (which provides projections on the basis of the Building qualifying for §421-a benefits as well as on the basis of the Building not qualifying for §421-a benefits). (See, "Schedule A", "Footnotes to Schedule A", "Real Estate Taxes" and the opinion of Moseson & Associates, below).

There is no guaranty or assurance that the criteria for continued availability of benefits for the Units will be satisfied. If, for any reason, Sponsor's application for 421-a benefits is not approved, the Units will be subject to full taxation and will receive no benefits under such program. (See, opinion of Moseson & Associates, reproduced below.)

17. Inasmuch as the Property is being improved by a newly constructed Building by Sponsor with all new building systems, the Sponsor does not foresee the need for any replacements and/or improvements to the Property within the first three (3) years

following the First Unit Closing. Accordingly, no provision is made for the establishment of a reserve fund. (See "Working Capital Fund" below.)

18. Unit 1 is a duplex which extend below street grade. Under applicable law and code, no portion of this space below grade may be used as bedrooms or sleeping areas. Accordingly, the area below grade is specifically designated as recreational space only. As recreation rooms may not be used as bedrooms, dining rooms or for any other purpose as a "habitable space" as defined in the New York City Building Code, to do so may result in an Environmental Control Board (ECB) violation being issued by the New York City Department of Buildings. (See "Notes to Schedule A" below.)

19. Any floor plan contained herein is only an approximation of the dimensions and layout of a typical Unit within reasonable tolerances. The actual layout of a Unit may have been altered. Accordingly, each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. The square footage of each Unit listed is rounded out to the nearest tenth of a percent (0.1%) and does not include the area of limited common elements (balconies) appurtenant to such Unit. (See, "Floor Plans", in Part II below.) In addition, it should be noted that each Unit is measured from the outside surface of any exterior wall through the midpoint of any demising wall; as such, the actual interior coverable floor space in each Unit, will be significantly less than the floor space listed for such Unit within this Offering Plan. (See, Footnote 3 to "Schedule A" below.)

20. The managing agent to be retained by the Condominium for the first three (3) years of Condominium operations, is ALG NY Management LLC, whose principals are also the principals of the Sponsor. (See, "Footnote 9 to Schedule B" below). The projected management fee to be paid to ALG NY Management LLC (see "Schedule B" below), is at prevailing rates.

21. Sponsor will construct the Premises in accordance with all applicable building codes and filed plans and specifications. Sponsor shall not be obligated to correct, repair or replace any and all defects relating to construction of the Units, the Common Elements, or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in this Plan. Non-structural cracks in poured concrete as well as natural and other industry common variations in materials used to construct the Building and finish the Units, should be anticipated and Sponsor shall have no obligation to replace such material. Sponsor will not warrant the materials or workmanship of any Unit or any of the Common Elements. The Housing Merchant Implied Warranty Law (GBL Article 36-B) is not applicable to his offering as the subject building contains more than five (5) residential floors. (See "Rights and Obligations of Sponsor", below.)

22. Balconies may not be enclosed without the prior approval of the Condominium's Board of Managers as well as proper authorization from the New York City Department of Buildings (DOB). No representation is made or intended as to whether such requisite Board of Managers approval and/or DOB authorization, will be granted. Balconies and/or terraces may not be used as bedrooms, dining rooms or for any other purpose as a "habitable space" as defined in the New York City Building Code. To do so may result in an Environmental Control Board (ECB) violation being issued by the New York City Department of Buildings. See, Section "Description of Property and Improvements" below.

23. There are four (4) storage rooms located in the cellar area of the Building, for use by the Owners of Units 2 through 5 inclusive. These storage rooms may not be used as bedrooms, dining rooms or for any other purpose as a "habitable space" as defined in the New York City Building Code, to do so may result in an Environmental Control Board (ECB) violation being issued by the New York City Department of Buildings. Additionally, under no circumstance may hazardous or otherwise combustible items (including any item identified as "combustible" in the New York City Building Code) be stored at any time or in any quantity within any of the storage rooms. The Condominium reserves the right to inspect any of the storage rooms to confirm that nothing prohibited hereunder or under applicable law or code is being stored therein. See, Section "Description of Property and Improvements" below.

24. All Residential Unit Owners must notify the Condominium's 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 their sole cost and expense, the required window guards in all windows of the Unit and shall not remove them until permitted by law in any event, without the full knowledge of the Managing Agent. See Section "Description of Property and Improvements" below.

25. Prospective Purchasers of Units in the Building do not require the consent or approval of the Condominium, its Board of Managers or its Managing Agent. (See section 6 of "Introduction" below.)

26. Individual gas-fired furnaces in the mechanical room located in each dwelling unit will provide heating for each Unit. Heat energy will be distributed to spaces within the Units via mechanical duct work throughout each dwelling Unit. The Unit Owners are responsible to maintain, repair and replace such systems as necessary at their sole cost and expense. The heating system in each Unit has the ability to maintain the legally required temperatures and to be controlled via a digital thermostat located within such Unit. The furnaces for each Unit will be a model number HE4 as manufactured by Weil McLain with a New York City approval number MEA #157-81-E. The Sponsor reserves the right to substitute furnaces by same or different manufacturers which are of equal or better quality than noted above.

Domestic hot water will be provided for each Residential Unit by individual gas-fired hot water heaters, in the mechanical room located in each dwelling Unit. The hot

water heater for each unit shall be model number PGC-50, as manufactured by A.O. Smith, with a 50 gallon capacity and with a New York City approval number MEA #180-78-E. The Sponsor reserves the right to substitute the hot water heaters by same or different manufacturers which are of equal or better quality than noted above. The Unit Owners are responsible to maintain, repair and replace such systems as necessary at their sole cost and expense.

Unit #1 shall have central conditioning by way of a two (2) zone split system. All other dwelling Units shall each have central air-conditioning by way of a one (1) zone split system. The air conditioning system has the ability to maintain the minimum legally required temperatures and to be controlled via digital thermostat. The air conditioner shall be three ton 10 seer model number ACO36X1021A with a New York City MEA number 160-00E. The Sponsor reserves the right to substitute air conditioners by same or different manufacturers which are of equal or better quality than noted above. The Unit Owners are responsible to maintain, repair and replace such systems as necessary at their sole cost and expense.

27. No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in any Unit without the consent of the Condominium Board or the Managing Agent. Each Unit Owner who keeps any type of pet in his Unit will be required to: (a) register their pet with the Managing Agent; (b) indemnify and hold harmless the Condominium, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pets; and (c) abide by any and all reasonable Rules and Regulations of the Residential Board adopted with respect thereto.

INTRODUCTION

1. The Offering Plan ("Plan")

The purpose of the Plan is to set forth all of the material terms of this offering. Copies of the Plan, all documents referred to in the Plan and all exhibits submitted to the Department of Law of New York State in connection with the filing of the Plan, are available for inspection without charge (and for copying at a reasonable charge) to prospective Purchasers and their attorneys and at the property whenever the sales office is open and at the office of the Selling Agent and the Sponsor's attorney, during regular business hours.

The Plan may be amended from time to time when an amendment is filed with the Department of Law of New York State. Any such amendment will be served on all Purchasers who have executed and delivered Purchase Agreements to the Selling Agent and are not in default, Unit Owners and any other persons entitled to receive such amendment pursuant to applicable law or regulation.

The Plan contains all the detailed terms of the transaction and is presented in two parts (in one volume) which together constitute the entire Plan. Part I sets forth a general description and the terms of the offer. Part II contains a copy of the basic documents necessary to create the Condominium together with a copy of the Purchase Agreement and other documents necessary to purchase a Unit under the Plan. Prospective Purchasers are advised to consult with their own attorneys and other advisors and to furnish them with a copy of the Plan.

2. Nature of the Transaction

On August 3, 2004, 124 Newton St LLC, acquired fee simple title to the Land and the Building (sometimes referred to as the "Premises") having a street address of 122 Newton Street, Brooklyn, New York. After construction to be undertaken by the Sponsor (see, "Description of Property and Specifications", below), the Premises will consist of one building with a cellar and five (5) stories above, containing five (5) residential apartments.

Sponsor will endeavor in good faith, to sell, in a reasonably timely manner, all residential Units to purchasers for personal occupancy of purchasers or their immediate families. However, in the event that there is a significant decline in market values of at least 10% from the offering prices set forth in the contracts counted toward effectiveness, sponsor reserves the right to rent, rather than sell, Units until there is an upturn in the market. Sponsor's good faith efforts to sell to purchasers will include listing Unsold Units with brokers, showing Unsold Units to brokers and prospective purchasers or their

representatives, filing update amendments to this Offering Plan and otherwise engaging in customary sales activity.

Prospective purchasers should also be aware that the Sponsor and any other non-resident owners may be at odds with owner-occupants on expenditures for items like lobby and hallway decorations and capital improvements. In addition, sponsor will have a significant role in the governance of the Condominium by reason of its voting control of the Condominium Board during the Sponsor Board control period. Even thereafter, the Sponsor will continue to have a voice in governance due to its right to designate a specified minority of the residential Board members for so long as the Sponsor owns one or more Unsold residential Units. Moreover, the Sponsor and any other non-resident owners will at all times have the same right as owner-occupants to vote on issues that require the approval or consent of unit owners (such as the exercise of the board's right of first refusal to purchase or lease a sold unit or to borrow money in excess of \$100,000 in any budget year).

To further assure that this Offering Plan will create a fully viable condominium, the by-laws contain a residency requirement pursuant to which a majority of the Condominium Board must be owner-occupants of the building who are unrelated to sponsor or its principals, after the end of the Sponsor Board control period which expires upon the earlier of (a) the Sponsor's sale of 50% or more of the Residential Units or (b) the second (2nd) anniversary of the First Unit Closing.

Notwithstanding the foregoing, the Sponsor reserves the right to enter into an interim lease with any persons who have entered into a Purchase Agreement with the Sponsor for a particular apartment. Any interim lease for a residential unit entered into with a Purchaser will provide, however, among other things, that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit which is the subject of the interim lease will constitute a default under the interim lease entitling the Sponsor, at its sole option, to terminate such interim lease in accordance with applicable law. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any interim lease with respect to the Unit which is the subject of the Purchase Agreement will constitute a default under the Purchase Agreement entitling the Sponsor, at its sole option, to terminate such Purchase Agreement and to exercise any rights and/or remedies provided therein. Purchasers of previously occupied Units shall acquire such Units in their "as is" condition.

The Sponsor has obtained Acquisition and Building Financing in the combined, total amount of \$2,850,000 from Builder's Bank which is secured by a first and second mortgage lien upon the Property, respectively. The loan documents for each loan provide, among other things, that as individual Units are sold by the Sponsor, such Units will be released by the mortgage lien, provided that 100% of the net sales proceeds of such Unit is paid to the bank in reduction of the construction loan indebtedness and also provided that the Units are not sold for less than the minimum sales prices (\$1,118,000.00 for the duplex and \$926,250 for the other Units) and that the net sale proceeds are not less than the Release Price (\$1,028,560 for the duplex and \$852,150 for

the other Units). There are no limits placed on Sponsor's right to rent rather than sell under the terms of the construction loan for this project.

As presently contemplated the Building will be configured as follows:

<u>FLOORS</u>	<u>USE</u>
Cellar Level	Elevator, Gas, Electric and Mechanical Rooms, Sprinkler Room, Residential Storage Rooms and the Lower Level of the First Floor Duplex Apartment
Ground Level	A Lobby/Vestibule and the Upper Level of the First Floor Duplex Apartment
Second, Third, Fourth and Fifth Floors	One Apartment per Floor and access to Common Roof Terrace
Roof	Private Roof Terrace

Each residential apartment will be a separate Condominium Unit. All of the Residential Units are offered for sale in this Offering Plan. Sponsor also reserves the right to change the number and/or configuration of the Condominium Units. (See, "Changes in Prices and Units", below). Common Areas, such as hallways, lobbies and elevators, are not offered for sale.

As of the date that this Offering Plan was accepted for filing by the Department of Law, construction had already commenced and the Building's foundation was completed. The Sponsor presently contemplates that the Building-wide improvements will be substantially completed by December 1, 2008 and that the First Unit Closing shall occur on or about March 1, 2009 (inasmuch as the Sponsor has to first declare the Plan effective, file an amendment to this Offering Plan incorporating and disclosing such Declaration of Effectiveness and then record the Declaration of Condominium with the City of New York). The Plan will be amended prior to or at the time the Plan is declared effective, to disclose the status, and if necessary any revised time table for the completion of Common Area Work and individual Unit renovations.

The Sponsor presents the Plan for the conversion of the Property to condominium ownership pursuant to the Condominium Act of New York, (Article 9-B of the Real Property Law). The Condominium is subject to and, upon the recording of the Declaration of Condominium as provided for herein, will comply with the New York Condominium Act.

3. The Offer

The Sponsor hereby offers for sale the five (5) individual Residential Units. All of the Units offered for sale are vacant. For each of the Units the purchase price, number of rooms and baths, percentage of Common Interest, projected Common Charges, projected real estate taxes and projected carrying charges, are set forth hereafter in Schedule A "Offering Prices and Related Information."

THE PURCHASE PRICES CONTAINED IN THE PLAN HAVE BEEN SET BY THE SPONSOR WITHOUT ARM'S LENGTH NEGOTIATIONS AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY GOVERNMENTAL AGENCY.

For complete details concerning the purchase of the Unit, the Closing of title to a Unit and the costs and adjustments with respect thereto, see Sections "Procedure to Purchase", "Effective Date" and "Closing and Terms of Sale."

4. The Offerees

This offering is made only to individuals eighteen (18) years of age or older, corporations, limited liability companies, partnerships, trusts and other business entities.

Sponsor has the right to reject a prospective Purchaser without cause or explanation, provided that such rejection is not based on race, creed, color, national origin, marital status, sex, ancestry, or any other ground prohibited by law.

5. Applicable Rent Laws

Inasmuch as there are no residential tenants in the Building prior to or at the time of the submission of this Plan to the Department of Law, there are no rent laws which apply to the Building or this offering.

6. Features of Condominium Ownership

The ownership of a condominium unit is similar, in many respects, to the ownership of a private home. Each Unit Owner will own fee title to his Unit outright and will be entitled to the exclusive possession of such Unit, as well as the exclusive right to use any Limited Common Elements which may be appurtenant to their specific Unit. In addition, each Unit Owner will own in common with every other Unit Owner, an undivided percentage interest in the Common Elements. The Common Elements are comprised of: Portions of the Property serving and benefiting all Units, generally, including for example, the Land upon which the Building stands, exterior walls and foundations and supports of the Building, and generally, all Building-wide plumbing, heating, electrical, ventilating and air conditioning systems and equipment. See the

Declaration (Part II of this Plan) for a detailed description of the Units and Common Elements.

In accordance with Sections 339(i) and (m) of the Condominium Act, the Board of Managers (sometimes referred to herein as the "Condominium Board" or "Board") will, from time to time, assess all Unit Owners in proportion to their respective percentage interests in the Common Elements, the Common Charges for the expenses associated with the Common Elements. Each Unit Owner will be solely responsible for the payment of all Common Charges assessed against his Unit. Each Unit will be assigned a separate tax lot designation by the City of New York. Accordingly, each Unit Owner will be responsible for paying the real estate charges attributable to their Unit. Unless and until separate water meters are installed for each Unit, water charges and sewer rents will not be separately assessed against Unit Owners and are included in the Common Charges. The Board is also empowered by the Declaration as well as its By-Laws to borrow money on behalf of all Unit Owners to cover the cost of certain permitted repairs and on certain conditions, after the fifth anniversary of the First Closing. See Section "Rights and Obligations of the Unit Owners and Board of Managers."

Each Unit Owner is obligated to comply with the Declaration, the Bylaws, the rules and regulations and other requirements duly imposed by the Board of Managers.

A Unit Owner may occupy his Unit for any lawful purpose, as permitted by the Certificate of Occupancy for the Building, and applicable zoning as well as other government requirement.

With certain exceptions, any sale or lease of a Unit will be subject to a right of first refusal in favor of the Board of Managers to acquire or lease such Unit, or to produce a third party to do so, on the same terms as were offered by the owner of such Unit.

Subject to certain conditions contained in the Bylaws, each Unit Owner may freely mortgage his Unit with such lender and in such amount as he chooses. Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

As a Unit Owner, a Purchaser will have the right to vote for the Board of Managers, which will supervise and manage the affairs of the Condominium pursuant to the Bylaws of the Condominium.

As noted above, each Unit will be taxed as a separate tax lot for real estate tax and assessment purposes and no Unit Owner will be responsible for the payment of, nor will his Unit be subject to, any lien arising from the nonpayment of taxes on any other unit. An estimate of the real estate taxes that will be payable for each Unit during the first year of condominium operation of the Property subsequently to the First Closing is set forth in Schedule A. The estimated real estate taxes for each Unit assumes that the New York City taxing authority will allocate real estate taxes among Units in proportion to their respective Common Interests.

Each Unit Owner may decorate the interior of his Unit in any way that he desires, subject to compliance with the Bylaws and the Rules and Regulations and will be solely responsible for the cost and expenses of maintenance and interior paintings of his Unit and for the cost of repairs or replacement of any appliances and improvements thereto. Each Unit Owner will be responsible for the cost of his own liability insurance for occurrences within his Unit as well as for casualty insurance to cover losses to his personal possessions within his Unit.

In accordance with Real Property Law Section 339-jj and the Declaration as well as the By-Laws of the Condominium, the Board of Managers has the right (subject to certain restrictions) to incur debt on behalf of the Unit Owners, under certain circumstances. See section "Board of Managers".

Inasmuch as the Condominium's Board of Managers does not have the right to approve or disapprove Purchasers, there is no limit to the number of Unit Owners who may purchase for investment rather than for personal occupancy and as such, there may always be a substantial percentage of Unit Owners who are non-residents. Accordingly, as noted above (in section 2 of this "Introduction"), prospective Purchasers should be aware that the Sponsor and any other non-resident owners may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing (i.e. the purchase of the Unit as a home as opposed to as an investment).

Units may be owned by individuals, corporations, partnerships, limited liability companies, estates, associations, trusts or other legal entities capable of owning legal title to real property under the laws of the State of New York.

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 TO PURCHASE ANY CONDOMINIUM UNIT.

7. Certain Definitions

General definition of certain terms used in the Plan are set forth below. In the event these definitions are otherwise defined or the Condominium Act, GBL, or the regulations of the New York State Department of Law, or in the Declaration and By-Laws of the Condominium, then such definitions shall prevail over any contrary definition contained herein.

1. Appurtenant Interest: With respect to any Unit, the undivided interest of the owner of such Unit in and to: (i) the Common Elements; (ii) any other assets of the Condominium.

2. Board of Managers: Sometimes "Condominium Board" or "Board". The governing board of the Condominium composed of representatives designated by the Sponsor or selected by Unit Owners voting to supervise and manage the affairs of the Condominium in accordance with the Bylaws of the Condominium.

3. Building: The building known as 122 Newton Street, Brooklyn, New York.

4. Closing Date: The date of the transfer of title to any specific Unit, as scheduled by Sponsor by written notice to any Purchaser (which notice may not be less than 30 days) and any adjournment of such date as may be agreed by Sponsor in writing.

5. Common Area Work: The improvements and renovations to the Common Areas of the Building necessary to obtain a final Certificate of Occupancy pursuant to the Construction Plans and Specifications.

6. Common Charges: Each Unit's proportionate share of the Common Expenses in accordance with its Common Interest.

7. Common Elements: All portions of the Property other than Units, including, but not limited to the land, the foundations, roofs and supports of the Building and all areas or facilities for the common use of the Units and Unit Owners.

8. Common Expenses: The aggregate of (a) expenses of the operation of the Property, and (b) all sums designated as Common Expenses by the Condominium Act, the Declaration or Bylaws. The projected Common Expenses for the first year of operation are set forth in Schedule B.

9. Common Interest: The proportionate undivided interest of each Unit Owner in the Common Elements as determined in accordance with the Declaration. The total of all Common Interest percentages of all Unit Owners equals 100%. The Common Interest of a Unit is the basis for determining, among other things, a Unit Owner's undivided ownership interest in the Common Elements and share of Common Expenses and of any distributions upon termination of the Condominium.

10. Condominium: The Units and Common Elements constituting The 122 Newton Condominium.

11. Condominium Act: Article 9B of the Real property Law of the State of New York.

12. Condominium Board: The Board of Managers of the Condominium.

13. Condominium Documents: The Declaration, the Bylaws, Rules and Regulations and Floor Plans, as same may be amended from time to time.

14. Construction Plan and Specifications. The Plans and Specifications for the Building which are filed with and approved by the New York City Department of Buildings as same may be amended from time to time, pursuant to which the Building will be converted to its intended use as described in this Plan.

15. Declarant. Shall mean 124 Newton St LLC, a New York Limited Liability Corporation, having an address at 96-20 Atlantic Avenue, Ozone Park, New York 11416.

16. Declaration or Declaration of Condominium: The instrument, including the Bylaws, by which the Property is submitted to the provisions of the Condominium Act.

17. Escrow Agent: Turek Roth LLP, 377 Fifth Avenue, 6th Floor, New York, New York 10016, [(212) 223-3562] or its successors, as per an amendment to this Plan.

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

19. First Closing: The Closing of title for the first Unit to be conveyed pursuant to a Purchase Agreement and this Plan.

20. Floor Plans: The floor plans of the Units certified by IMA Engineering, P.C., or such architect designated by Sponsor, and filed with the City Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

21. Land: All that certain tract, plot, piece and parcel of land, situate, lying and being in the County of Kings, State of New York, as more particularly described in Exhibit A to the Declaration, and located at 122 Newton Street, Brooklyn, New York.

22. Limited Common Elements: Portions of the Property which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners, such as the balconies described in this Offering Plan.

23. Managing Agent: ALG NY Management LLC, currently having its office at 96-20 Atlantic Avenue, Ozone Park, New York 11416.

24. Offering Plan: This document, as may be amended from time to time, filed with the New York State Department of Law pursuant to which individual Units in the Condominium are offered for sale.

25. Permitted Mortgage: Any mortgage covering a Unit that is placed thereon in compliance with the terms of the Bylaws.

26. Permitted Mortgagee: Any holder of a Permitted Mortgage.
27. Person: A natural person, corporation, partnership, limited liability company, association, trustee or other legal entity.
28. Power of Attorney: The document, signed by Unit Owners, which appoints: (a) the Board of Managers as attorney-in-fact to acquire or lease Units on behalf of all Unit Owners; and (b) the Sponsor as attorney-in-fact to amend the Condominium Documents under the conditions set forth in the Power of Attorney.
29. Property: Includes the Land, the Building and all other improvements thereon, owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be subject to the provisions of the Condominium Act.
30. Purchaser: Any Person who has entered into an agreement with Sponsor to purchase a Unit and who is not in default thereunder.
31. Residential Unit: Any of the 5 units on floors 1 through 5, inclusive, to be used for residential and other ancillary uses as permitted by the Building's Certificate of Occupancy.
32. Rules and Regulations: The rules and regulations of the Condominium, which are annexed as an addendum to the Bylaws, as they may be amended, from time to time.
33. Selling Agent: The Developers Group LLC, 79 Bridge Street, Brooklyn, New York, 11201.
34. Special Assessments: The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rated in accordance with their respective percentage interest in the Common Elements (except as may be otherwise provided in the Declaration or in the Bylaws).
35. Sponsor: 124 Newton St LLC, a New York limited liability company.
36. Sponsor Designee: Any person designated by the Sponsor to hold title to any Unsold Unit. Sponsor Designee shall have the right to designate person(s) to succeed to its rights and any such designee shall also be deemed a "Sponsor Designee".
37. Unavoidable Delays: Refers to delays due to strike, lockout, or other labor, civil or industrial disturbance, future order of any government, court or regulatory body, war, act of the public enemy, riot, sabotage, blockade, embargo, shortage of, failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body or act of God or any cause similar to any of the

foregoing; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing, shall not be deemed to be a cause similar to the foregoing clauses.

38. Unit: Any one of the 5 Residential Units in the Building together with such Units' Common Interest.

39. Unit Deed: The bargain and sale deed transferring title to a specified Unit from Sponsor to a Purchaser in fee simple absolute.

40. Unit Designation: The number, letter or combination thereof, or other official designation confirming the tax lot number of a Unit.

41. Unit Owner: The person owning a Unit in fee simple absolute. Collectively, the term "Unit Owners" means all of the owners of the Units.

42. Unsold Unit: Any Unit owned by Sponsor or a Sponsor Designee. Collectively, the term "Unsold Units" means all Units owned by Sponsor or a Sponsor Designee.

NOTE: A reference in the Plan to any one gender, masculine, or feminine, includes the other and the singular includes the plural and vice versa, unless the context otherwise requires and any such reference shall be deemed to include any duly formed partnership, corporation, trust, fiduciary, unincorporated association or any other entity permitted to own real property in the State of New York.

The Plan contains all of the material terms of the offering. 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, are available for inspection without charge and for copying at a reasonable charge to prospective Purchasers and their attorneys at the offices of the Sponsor and Selling Agent.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Building

The Building is located at 122 Newton Street, Brooklyn, New York, on the south side of Newton Street between Manhattan and Graham Avenues, in the Greenpoint section of Brooklyn. After the Sponsor's contemplated construction, the Building will consist of 5 stories above a cellar, constructed of steel frame and concrete block. The Sponsor intends to construct this new construction Building in accordance with the Construction Plans and Specifications filed with the Buildings Department of the City of New York, to create a residential Building.

The floor sizes for the Units range between 1,584 and 2,196 square feet. There will be one (1) self-service passage elevator within the Building servicing all of the Residential Units.

The cellar will contain mechanical and storage rooms. All refuse and recyclables will be periodically placed on the street by Building personnel for collection by the City of New York.

The Building will not contain any party facility or any recreational facilities, other than the one recreational area attributable to the first floor duplex Unit, private balconies as well as private terraces.

See Part II of this Plan for a detailed description and outline of specifications of the Building condition.

The Building will be renovated and the Units constructed in accordance with all applicable zoning and building codes and requirements.

The Residential Units

Detailed descriptions of the Units including a finish schedule are set forth in the Declaration and in the "Description of Property" in Part II of the Plan. See also the section entitled "Changes in Prices and Units."

Except as otherwise agreed by the parties, the Units will be delivered to Purchasers with a finish coat of paint. Each Purchaser will be obligated to do all other painting and decorating of his Unit at his own cost and expense. Any special work which a Purchaser desires for his Unit prior to Closing shall only be performed following Sponsor's prior written consent thereto and Sponsor's designation or approval of all contractors and suppliers in connection therewith, which consent and approval shall be within the sole discretion of Sponsor.

Included in the sale of each Unit are the following: Refrigerator/freezer, kitchen cabinets, gas cook-top, electric oven, range hood, wine cooler, microwave and automatic dishwasher. Each Unit will have a washing machine and dryer within such Unit. At the closing on each Residential Unit, the Sponsor shall assign any unexpired appliance warranties to the Purchaser of such Unit. Each Purchaser of a Residential Unit shall be responsible for the maintenance, and if necessary, the replacement of any of the included appliances. The manufacturer, model number and specifications for the foregoing appliances and equipment are set forth in the "Description of Property Specifications", which fixtures, appliances and equipment are subject to change by Sponsor with equipment of equal value. Sponsor may negotiate, to make modifications or changes in any Unit or to do special work therein or to provide different or additional appliances, equipment, furnishings or decorations or to deliver the Unit without any fixtures, appliances or equipment, provided that Sponsor shall not be bound to do so unless agreed

to by Sponsor in a written instrument which is incorporated as an addendum to the Purchase Agreement.

Sponsor and its designee reserve the right, without prior notice or amendment to the Plan, to use Unsold Units on any floor of the Building as sales and leasing offices and model apartments.

A Residential Unit Owner may only use his Residential Unit for a purpose consistent with the local zoning ordinance, as amended from time to time, any other applicable ordinance or statute, and any regulation of a governmental authority with jurisdiction over the Condominium, including, but not limited to, local building codes and the Multiple Dwelling Law, as such statutes, ordinances and regulations may be amended from time to time. In no event may a Residential Unit Owner use his Residential Unit for a use prohibited by the By-Laws.

Balconies and Patios

As indicated in Schedule A: Unit 1 will have exclusive use of a separate yard area; Units 3, 4 and 5 will each have a balcony; and Units 2, 3, 4, 5 will each have a private roof terrace. The yard, balconies and terraces are each Limited Common Elements intended for the private use of the residents of the Units to which each such yard or balcony and/or terrace is allocated. Each private yard, balcony and/or terrace is included in the purchase price of such Unit. Each roof terrace will have rubber or other pavers. Each owner of such Units shall have the exclusive use of their yard and/or balcony as a Limited Common Element, subject to the right of the Condominium to regulate its use and shall be responsible for all normal (non-structural) maintenance and repairs thereto. The cost and expense of any structural repairs or replacements to any yard and/or private balcony shall be charged to all Unit Owners as a Common Expense.

No Unit Owner may enclose or place or maintain any personal property or otherwise make any improvements or changes to any balcony or yard without the express prior written consent of the Board of Managers in each instance. The Condominium Board shall have the right to require a Unit Owner to remove plantings and other installations which have been placed on any such balcony or yard if the Condominium Board determines, in its reasonable discretion, that such plantings or other installations adversely affect the integrity of the balcony or yard or any other Common Area or otherwise interfere with any other Unit. Purchasers are referred to the Architect's Report in Part II of the Plan for further details.

Balconies and/or terraces may not be used as bedrooms, dining rooms or for any other purpose as a "habitable space" as defined in the New York City Building Code. To do so may result in an Environmental Control Board (ECB) violation being issued by the New York City Department of Buildings.

General Common Elements

Generally, the Common Elements consist of all Common Elements other than the Limited Common Elements (if any) and include, among other things, the following: (a) the Land; (b) all foundations, footings, columns, girders, concrete floor slabs and ceilings, beams, supports, and interior load bearing walls, together with those portions of the exterior walls of the Building beyond the Unit side of the glass or concealed block work or concealed concrete structural members of those walls; (c) corridors and all fire staircases, balconies, landings and stairs which are not Limited Common Elements or part of any Unit; (d) the electrical rooms, gas meter room, water meter room, residential and storage, all of which are in the cellar; (e) general illumination fixtures; (f) all passages, hallways, stairs, corridors, mechanical and other rooms, areas and spaces located in the Building which are not Limited Common Elements, or part of any Unit; (g) the roof over the Building, except for those areas which are private roof terraces and are designated as Limited Common Elements; (h) one (1) elevator (including the shaft, pit, machinery and appurtenant facilities); (i) the lobby and the entrances; (j) the refuse accumulation room located in the cellar; and (k) all other parts of the Building and the apparatus, installations, systems, equipment and facilities in the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance or safety of any of the Units. A detailed description of the General Common Elements is set forth in the Declaration.

Limited Common Elements

The Limited Common Elements include those portions of the Building available for the exclusive use of some but not all Residential Unit Owners including, but not limited to balconies, the yard area, the patio for Unit 1 and the roof terraces.

Services and Facilities

Under the present plans, all of the services and facilities described herein will initially be provided and made available to Residential Unit Owners immediately following the First Closing, except as otherwise indicated.

A. Elevator Service

The Building contains one (1) automatic passenger elevator which will be in service twenty-four (24) hours a day, seven (7) days a week, for the exclusive use of Residential Unit Owners, their guests and invitees.

B. Cable Television Service

Each Residential Unit will be pre-wired for cable television service. The charges for primary connections and subsequent monthly fees related to the service will be determined by and payable directly to the cable company of Unit Owner's choice (subject to available service). Sponsor makes no representation that cable television service will be available to any Residential Unit Owner upon its initial occupancy of their Unit.

C. Electrical Systems and Telephone Service

Electrical service will be provided to Residential Unit Owners by Con Edison which will bill such Unit Owners directly for electricity utilized. Local and long distance telephone service will be provided by Verizon or other telephone service provider. Sponsor may enter into an agreement with an independent retailer of local, toll and related telecommunication services (including voice mail and internet services) who will pre-wire each Residential Unit. Such retailer shall have an easement to all common areas for the purpose of running and maintaining cables, etc. Individual Unit Owners will be able to arrange various telecommunication services directly from such retailer at terms to be agreed upon between such Unit Owner and retailer.

D. Intercom System

The Building will be equipped with an intercom system at the main entrance, connected to panels within each residential Unit, which will permit voice contact between the residential Units and the entrance at the first floor. An electric door release in the first floor entry door, activated by the Unit occupant, will release the door for entrance into the Building.

E. Mail

All incoming mail addressed to the Residential Units will be delivered by the United States Postal Service to the mailboxes in the Building Lobby.

F. Building Personnel

The Condominium's building staff will consist of one non-union, non-resident part-time (5-7 hours per week) superintendent. The superintendent will be supervised by the managing agent and be assigned such hours of duty as are necessary for the comfortable occupancy of Unit Owners.

G. Refuse Disposal & Recycling

Refuse disposal will be the responsibility of each Unit Owner. All refuse will be collected in a common trash closet located on the cellar floor. It will be collected by the Building superintendent and periodically placed on the street by the superintendent for collection by the City of New York.

H. Storage Rooms

There are four (4) storage rooms located in the cellar area of the Building. Each of Units 2 through 5 inclusive will have exclusive use of one of the four (4) storage rooms which are Limited Common Elements. Such Unit Owners shall be permitted to put their own lock (at their sole cost and expense) on the door to their storage room. Under no circumstance shall the Condominium, its Board of Managers or the Condominium's Managing Agent have any responsibility for any item stored in any of the storage rooms. These storage rooms may not be used as bedrooms, dining rooms or for any other purpose as a "habitable space" as defined in the New York City Building Code, to do so may result in an Environmental Control Board (ECB) violation being issued by the New York City Department of Buildings. Additionally, under no circumstance may hazardous or otherwise combustible items (including any item identified as "combustible" in the New York City Building Code) be stored at any time or in any quantity within any of the storage rooms. The Condominium reserves the right to inspect any of the storage rooms to confirm that nothing prohibited hereunder or under applicable law or code is being stored therein.

General

All determinations with respect to the continuance of any of the foregoing services, if initially available, will be made by the Condominium Board, which will be controlled by the Sponsor for so long as the Units owned by Sponsor have appurtenant thereto a majority of the Common Interests of the Condominium. (See section entitled "Control by Sponsor".)

Neither Sponsor, Managing Agent, nor the Condominium Board will in any event be liable for the availability, interruption, discontinuance or quality of any of the foregoing services, including, but not limited to, any services provided by any outside company or person other than Building personnel, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents, except to the extent that any such injury to person or damage to property occurs as a result of the negligence of Sponsor, the Managing Agent or the Condominium Board, as the case may be.

Security Procedures

The Condominium Board is vested with the responsibility of devising and carrying out security procedures with respect to the Condominium. Such procedures may be adopted and from time to time changed by the Condominium Board, as it, in its discretion, determines to be appropriate to secure the Condominium. It is anticipated that the security procedures will be as follows:

a. Entrances and Elevators

Entrance doors will be locked at all times. Visitors will be admitted to the Building interior by Unit Owners by way of an intercom system at the main entrance, connected to panels within each residential Unit, which will permit voice contact between the residential Units and the entrance at the first floor. An electric door release in the first floor entry door, activated by the Unit occupant, will release the door for entrance into the Building.

b. Smoke Detector and Carbon Monoxide Alarms

Smoke detectors and carbon monoxide detectors with alarms shall be provided in each Residential Unit in compliance with applicable codes. It will be the responsibility of each individual Residential Unit Owner to test and maintain the smoke detectors and carbon monoxide alarms located in such Unit Owner's Unit.

c. Window Guards

None of the Units are being sold with window guards. It shall be the obligation of each individual Residential Unit Owner to install, at their sole cost and expense and with prior notice to and approval (as to the manner of installation) from the Condominium's Managing Agent, window guards in their Unit in the event a child under eleven (11) years of age lives or resides (even temporarily) in such Unit.

NO REPRESENTATION OR WARRANTY IS MADE AND NO ASSURANCE IS GIVEN THAT THE SECURITY SYSTEMS AND PROCEDURES OF THE CONDOMINIUM WILL PREVENT PERSONAL INJURY OR DAMAGE TO OR LOSS OF PERSONAL PROPERTY. WHILE UNSOLD UNITS ARE BEING OFFERED FOR SALE OR LEASE BY SPONSOR OR ITS DESIGNEES THERE WILL BE A GREATER NUMBER OF VISITORS TO THE CONDOMINIUM THAN WOULD OTHERWISE BE THE CASE. NO REPRESENTATION OR WARRANTY IS MADE AND NO ASSURANCE IS GIVEN AS TO WHEN SUCH SELLING OR LEASING ACTIVITY WILL TERMINATE. NEITHER SPONSOR OR ITS DESIGNEE NOR THE MANAGING AGENT SHALL BE LIABLE OR RESPONSIBLE FOR ANY PERSONAL INJURY OR FOR ANY LOSS OR DAMAGE TO PERSONAL PROPERTY WHICH MAY RESULT FROM THE FAILURE OF THE CONDOMINIUM'S SECURITY SYSTEMS AND PROCEDURES, INCLUDING,

WITHOUT LIMITATION, THOSE PROCEDURES WITH REGARD TO THE PACKAGE ROOM, PROVIDED THAT ANY SUCH FAILURE IS NOT CAUSED BY THE NEGLIGENCE OF SPONSOR OR ITS DESIGNEES, THE MANAGING AGENT OR THEIR RESPECTIVE AGENTS.

LOCATION AND AREA INFORMATION

The Condominium is located in the Greenpoint neighborhood of Brooklyn in the City of New York, County of Kings, with frontage on Newton Street on the corner of Manhattan Avenues.

New York City has the largest population of any city in the United States and is one of the principal urban centers of the world. Minutes away by subway and/or car, Manhattan is the center of New York City, containing numerous business and financial centers, excellent regional transportation, cultural activities, recreational and open space park areas, educational facilities, superb medical centers and a vast array of restaurants.

New York is the nation's principal financial center. It is the home of the New York Stock Exchange, the American Stock Exchange and the National Over-the-Counter Stock Market; all of which are within walking distance of the Condominium. Manhattan is the corporate headquarters for six of the eight largest banks in the United States with combined assets of approximately four hundred billion dollars. Over seventy of the country's "Fortune 500" industrial corporations have their principal corporate headquarters in Manhattan; almost a quarter of the nation's 400 major law firms, and most of the "big seven" accounting firms maintain offices in Manhattan. Manhattan is also recognized as the national center of the advertising, communications, broadcasting, publishing and garment industries. In the last several years, there has been substantial growth in the number of foreign banks and corporations that have established offices in Manhattan.

The Condominium is served by a variety of transportation facilities. Taxi and limousine service is readily available throughout the city. Municipal bus service is available within short walking distance from the Condominium on Kingsland Avenue and Lombardy Street (B24) and on Bedford and Manhattan Avenues (B61). Entrances to subway service in the vicinity of the Condominium are located on Graham Avenue (L line) and Lorimer Avenue (L and G lines). By automobile, the Brooklyn Queens Expressway is accessed at the McGuinness/Humboldt Streets entrance/exit (heading East) and at the Meeker/Morgan Streets entrance/exit (heading West). The Brooklyn, Queens Expressway is connected to Route 495 (Long Island Expressway), the Belt Parkway system, the Grand Central Parkway and all other Metropolitan area connections to the Federal Eisenhower Highway System connecting the North-East to the rest of the continental U.S. Manhattan is accessible via the three East River bridge crossings as well as the Midtown Tunnel. New York City is serviced by three major airports located within twenty-five (25) miles of the Condominium. Kennedy International and LaGuardia Airports are located in New York City and Newark International is located in Newark, New Jersey.

Excellent educational facilities are located in New York City. The Building is located in School District 14. The schools nearest to the Condominium are P.S. 16, P.S. 17, P.S. 19, J.H.S. 50, Brooklyn Preparatory High School, Williamsburg Preparatory School, Enterprise, Business and Technology High School as well as the Academy for Young Writers.

Police, fire, water, sanitation and snow removal are provided by the City of New York. The Property is located within Police Precinct 94 located at 100 Messerole Avenue, approximately 0.69 miles from the Building. The nearest fire station is Engine 229 located at 75 Richardson Street and Meeker Avenue, approximately 0.40 miles from the Building. The nearest hospital is Wyckoff Heights Medical Center located at 151 Wyckoff Avenue and the closest Post Office is located at 263 South 4th Street.

Many restaurants offering a wide and diverse array of cuisines, are located within walking distance of the Condominium, including (as of this writing) Amarin Café (617 Manhattan Avenue), Baron's Café (97 Nassau Avenue), Enid's (560 Manhattan Avenue), Lola's (455 Graham Avenue), Moon Shadow (643 Manhattan Avenue) and Union Picnic & Rotisserie (577 Union Avenue).

Zoning and Use

The Property is zoned as M1-2/R-6A as designated on Map 13a of the 1961 Zoning Resolution. The class of construction will be 1 C as described under the 1968 Administrative Building Code.

SCHEDULE A
OFFERING PRICES & RELATED INFORMATION (SCHEDULE A),
PURCHASE PRICES, PERCENTAGE OF COMMON INTEREST,
ESTIMATED COMMON CHARGES AND ESTIMATED REAL ESTATE TAXES
FOR THE FIRST YEAR OF CONDOMINIUM OPERATION
MARCH 1, 2009 THROUGH FEBRUARY 28, 2010

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(7)	ESTIMATED TOTAL MONTHLY EXPENSE WITH 421-a BENEFITS	(8) ESTIMATED TOTAL ANNUAL EXPENSE WITHOUT 421-a BENEFITS
UNIT	BED- ROOMS & BATHS	SQUARE FOOTAGE	PURCHASE PRICE	% OF COMMON INTEREST	ESTIMATED MONTHLY COMMON CHARGES	ESTIMATED MONTHLY/ANNUAL REAL ESTATE TAXES WITH 421-a BENEFITS	ESTIMATED MONTHLY/ANNUAL REAL ESTATE TAXES WITHOUT 421-a BENEFITS		
1 ^{D/P/PY}	2+ 2.5	2,196	\$1,540,000	25.7384	\$707.80	\$103.62/\$1,243.44	\$1,506/\$18,068	\$811.42	\$25,072.08
2 ^{PRT}	3+2	1,584	\$1,109,500	18.5654	\$510.55	\$ 74.74/\$ 896.88	\$1,086/\$13,033	\$585.29	\$18,084.72
3 ^{B/PRT}	3+2	1,584	\$1,109,500	18.5654	\$510.55	\$ 74.74/\$ 896.88	\$1,086/\$13,033	\$585.29	\$18,084.72
4 ^{B/PRT}	3+2	1,584	\$1,109,500	18.5654	\$510.55	\$ 74.74/\$ 896.88	\$1,086/\$13,033	\$585.29	\$18,084.72
5 ^{B/PRT}	3+2	1,584	<u>\$1,109,500</u>	<u>18.5654</u>	<u>\$510.55</u>	<u>\$ 74.74/\$ 896.88</u>	<u>\$1,086/\$13,033</u>	<u>\$585.29</u>	\$18,084.72
TOTALS			<u>\$5,978,000</u>	<u>100.0%</u>	<u>\$2,750.00</u>	<u>\$402.58/\$4,830.96</u>	<u>\$5,850/\$70,200</u>	<u>\$3,152.58</u>	<u>\$97,410.96</u>

D = Duplex
P = Patio
PY = Private Yard
B = Balcony
PRT = Private Roof Terrace

**NOTES TO OFFERING PRICES
AND RELATED INFORMATION, SCHEDULE A**

1. None of the Residential Units are subject to any rent regulatory law or regulation. Apartment 1 will have a recreational area in the cellar portion of this duplex Unit. Under applicable law and code, no portion of these spaces below grade maybe used as bedrooms or sleeping areas. Units on the Floors 3-5 inclusive will each contain a balcony; Units 2, 3, 4 and 5 will each have exclusive access to a private roof terrace; Unit 1 will have a patio and yard. All balconies, terraces, patios and yards are designated as Limited Common Elements. Prospective purchasers of the Units including a balcony, private yard or private terrace should consult with their own architect or other professional to ascertain what improvements, if any, can be done to these Limited Common Areas that may be appurtenant to their Unit. However, any type of improvement beyond that which is being done by the Sponsor as outlined in this Plan, shall require the prior consent of the Condominium's Board of Managers.

2. Each Apartment has 2 bedrooms in additional to an open dining area and living room, plus a kitchen.

3. Any floor plan or sketch shown to a prospective Purchaser is only an approximation of the dimensions and layout of a typical Unit. The actual layout of a Unit may have been altered. Accordingly, each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. Each Unit consists of the area measured horizontally from and including the outside face, perimeter brick, block or stucco walls or from the centerline of windowed walls, to the unexposed unit side of walls enclosing the stair and elevator, to the demising wall centerline, to include the columns, chimneys, and the areas measured vertically from the top of the floor to the underside of the plaster ceiling at its highest level. Accordingly, the square footage of each Unit significantly exceeds the actual floor area of such Unit. The square footage of each Unit does not include the area of Limited Common Elements, if any, appurtenant to such Unit. (See, "Floor Plans", in Part II below.)

4. The purchase prices and other terms of sale of Units may be negotiated by Sponsor and, therefore, may be changed. No such change will be made other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease purchase prices or modify other terms of sale without filing an amendment to the Plan at any time during the offering period if such a decrease in the Purchase Price or modification of such other terms of sale does not constitute a general offering or an advertised price but rather the result of an individually negotiated transaction. See, section "Changes in Prices and Units" below.

See section "Procedure to Purchase" for a schedule of Closing costs payable by Purchasers in addition to the Purchase Price contained in Schedule A.

5. Pursuant to Condominium Act 339i(1)(iv), the allocation of Common Interest for each Unit is based upon the amount of 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 share use and the overall dimensions of the particular Unit.

6. Projected Monthly Common Charges do not include the following costs to be borne by each Unit Owner: (i) Unit repairs, maintenance, decorations and painting (including the equipment and appliances contained in the Unit); (ii) insurance (if desired) covering (a) his furniture, and other personal property and liability to others for personal injury or property damage are a result of occurrences in his Unit; and (iii) debt service (interest and amortization) on any loan obtained to finance the purchase of his Unit; and (iv) real estate taxes; and (v) individual utility service to the Unit (e.g., electricity, gas, cable television, internet access, etc.).

7. Each Unit will be taxed as a separate tax lot for real estate tax purposes. Individual Unit Owners will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units. As noted below, the Sponsor intends to apply for real estate tax exemption benefits pursuant to Section 421-a of the Administrative Code of the City of New York. (See Section "Real Estate Taxes" below.) As noted in the opinion of Moseson & Associates (copy reproduced below) inasmuch as Sponsor commenced construction on the site based upon approved building plans issued by the Department of Buildings before December 31, 2007, this project will not be adversely affected by any change in the tax abatement laws as contemplated by the changes to the Administrative Code of the City of New York approved by the City Council on December 20, 2006 and signed by Mayor Bloomberg on December 28, 2006 (Intro 486-A) which became effective on January 1, 2008. If Sponsor is successful in its application, based upon current standards, the property will be exempt from any increase in taxes due to an increase in the assessed valuation of the property resulting from the newly constructed building – as opposed to the real estate taxes attributable to the land – for the first ten (10) years following such approval, as projected by Moseson & Associates, experts on real estate taxation and the Sponsor's expert retained to apply for such benefits; moreover, as opined by Moseson & Associates, at the conclusion of the initial ten (10) year exemption period, the assessed valuation will increase by \$99,000 per year for each of the next five (5) years, until the full amount of the assessed valuation is fully phased in. See copy of the opinion of Moseson & Associates, reproduced below. To the extent that the Building qualifies for 421-a benefits, the assessed valuation will not be increased on the basis of the improvements (ie the building) thereupon; however, there will be some taxes attributable to the land portion of the Property. As such, the Sponsor's real estate tax expert has projected that if the Building qualifies for 421-a benefits, the real estate taxes for the first year of Condominium operations (March 1, 2009 through February 28, 2010) will be \$4,831.00, based upon an assessed valuation of \$40,500.00 with a tax rate of \$11.928 per \$100.00 of assessed valuation. To the extent that 421-a benefits are denied to the Building or are not granted prior to any Unit Closing, such Unit will be subject to real estate taxes as estimated in Schedule A. Accordingly, in the event the Building does not qualify for

such tax benefits, the real estate taxes noted herein are based upon a projected post-construction assessed valuation of \$540,000.00 and a tax rate of \$13.00 per \$100.00 of assessed valuation; in which event the aggregate real estate taxes for all Units during the first year of Condominium ownership would be \$70,200.00.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTY OR WARRANTY THAT (i) THE NEW YORK CITY TAX ASSESSOR WILL ALLOCATE INDIVIDUAL RESIDENTIAL UNIT ASSESSMENTS ON THE BASIS OF EACH RESIDENTIAL UNIT'S PERCENTAGE IN THE COMMON ELEMENTS (ii) THAT THE ASSESSED VALUE OF THE PROPERTY DURING 2009/10 WILL BE \$40,500, (iii) THAT THE TAX RATE ON THE BUILDING WILL BE \$11.928 PER \$100.00 OF ASSESSED VALUATION, (iv) THAT THE PROPERTY WILL QUALIFY OR RECEIVE BENEFITS UNDER THE 421-a PROGRAM, OR (v) THE EXTENT TO WHICH THE 421-a BENEFITS WILL BE GRANTED, IF AT ALL.

SCHEDULE B
BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION
MARCH 1, 2009 through FEBRUARY 28, 2010

PROJECTED INCOME(1):

Common Charges Allocable to All Units: \$33,000.00

PROJECTED EXPENSES:

Labor (2) \$ 6,339.00

Heating Fuel (3) \$ -0-

Electric (4) \$ 5,520.00

Water Charges & Sewer Rents (5) \$ 3,015.00

Repairs, Maintenance & Supplies (6) \$ 1,000.00

Service Contracts (7) \$ 3,860.00

Insurance (8) \$ 1,895.00

Management Fees (9) \$ 6,000.00

Accounting and Legal Fees (10) \$ 3,000.00

Contingency (11) \$ 2,371.00

TOTAL PROJECTED EXPENSES: **\$33,000.00**

NOTES TO BUDGET, SCHEDULE B

1. COMMON CHARGES: \$33,000.00.

The estimate of the annual Common Charges is based upon the assumption that the First Unit Closing will transpire on or about March 1, 2009 and the first year of Condominium operation will be for the year commencing March 1, 2009 through February 28, 2010. The actual first year of operation may be earlier or later than that year.

If the projected commencement date of the first year of condominium operation is six (6) months or more after the anticipated date of commencement of Condominium operations, the Plan will be amended to include a revised budget disclosing then current budget projections. If the annual Common Charges in the revised budget projections exceed the earlier projections by twenty-five (25%) percent or more, the amendment will provide that all Purchasers shall have no less than fifteen (15) days to rescind their Purchase Agreements and have their deposits refunded to them, within ten (10) days from receipt of rescission notice by Sponsor.

2. LABOR: \$6,339.00.

The projected non-union building staff consists of one non-resident, part-time (5-7 hours per week) superintendent. The projected level of staffing complies with all applicable housing and labor laws. The wages exceed state minimum wage laws.

The labor cost shall include the following:

	Superintendent
Base Wages	\$5,000.00 (Including Two (2) Weeks Vacation)
FICA	\$ 383.00
FUTA	\$ 40.00
SUI	\$ 216.00
Workers' Compensation	\$ 450.00
Disability	\$ 250.00

3. HEATING FUEL: \$ -0-

No portion of the common areas of the Building are to be independently heated or cooled.

Individual gas-fired furnaces in the mechanical room located in each dwelling unit will provide heating for each Unit. Heat energy will be distributed to spaces within the Units via mechanical duct work throughout each dwelling Unit. The Unit Owners are

responsible to maintain, repair and replace such systems as necessary at their sole cost and expense. The heating system in each Unit has the ability to maintain the legally required temperatures and to be controlled via a digital thermostat located within such Unit. The furnaces for each Unit will be a model number HE4 as manufactured by Weil McLain with a New York City approval number MEA #157-81-E. The Sponsor reserves the right to substitute furnaces by same or different manufacturers which are of equal or better quality than noted above.

Domestic hot water will be provided for each Residential Unit by individual gas-fired hot water heaters, in the mechanical room located in each dwelling Unit. The hot water heater for each unit shall be model number PGC-50, as manufactured by A.O. Smith, with a 50 gallon capacity and with a New York City approval number MEA #180-78-E. The Sponsor reserves the right to substitute the hot water heaters by same or different manufacturers which are of equal or better quality than noted above. The Unit Owners are responsible to maintain, repair and replace such systems as necessary at their sole cost and expense.

Unit #1 shall have central conditioning by way of a two (2) zone split system. All other dwelling Units shall each have central air-conditioning by way of a one (1) zone split system. The air conditioning system has the ability to maintain the minimum legally required temperatures and to be controlled via digital thermostat. The air conditioner shall be three ton 10 seer model number ACO36X1021A with a New York City MEA number 160-00E. The Sponsor reserves the right to substitute air conditioners by same or different manufacturers which are of equal or better quality than noted above. The Unit Owners are responsible to maintain, repair and replace such systems as necessary at their sole cost and expense.

Each Unit will have its own gas meter and will be responsible for the cost of heating and cooking fuel for their Unit, as well as the cost of maintaining and when necessary, replacing, such heating and air conditioning equipment within their own Units.

See Schedule B-1 immediately following these footnotes to Schedule B, for the projected consumption and cost of these expenses which will be borne by each individual Unit Owner during the first year of condominium ownership, as projected by Andrew Katz, engineer, 1708 Ocean Avenue, Brooklyn, New York 11230.

In view of the current world energy situation it is not possible to predict whether this budgeted amount will reflect the actual cost to be incurred during the first year of Condominium operation following the First Closing. This amount may also vary depending on changes in levels of consumption. In addition it is not possible to forecast with certainty the actual amount of any increases in fuel prices. However, it is believed that the projected amount shown above should be sufficient to cover reasonable increases in the cost of gas during the first year of Condominium operation following the First Closing. Nevertheless, no fuel budget item is guaranteed hereby.

4. ELECTRIC \$5,520.00.

The Common Charges include electricity used in the Common Elements of the Building for common hall and stairway lighting, mechanical room equipment and the elevator. Each Unit Owner will be responsible for the electric charges attributable to their respective Units as measured by individual electric meters.

The budget is based upon the projection of Andrew Katz, engineer, 1708 Ocean Avenue, Brooklyn, New York 11230.

It is not possible to predict how closely the budgeted figure will reflect the actual expenses for electricity to be incurred during the first year of Condominium operation, in part because such expenses will vary with the level of consumption and the applicable electric rates. Many factors affect the cost of electricity including, among others, the cost of oil (which has been highly volatile and unpredictable) used to generate electricity.

5. WATER CHARGES and SEWER RENTS: \$3,015.00.

There is one (1) water meter for the entire Building. The water and sewer expenses are based upon 100% occupancy of the Building, during the first year of condominium ownership, as projected by Andrew Katz, engineer, 1708 Ocean Avenue, Brooklyn, New York 11230. See B-1 attached hereto.

6. REPAIRS, MAINTENANCE and SUPPLIES: \$1,000.00.

Individual repairs and maintenance to the common areas of the Building, including without limitation, entrance, hallways, exterior (including walls, foundations, windows, doors and locks), heating system, plumbing, electrical and cleaning supplies.

Work performed in the individual Units, including but not limited to, painting, decorating and appliance repairs, are not included as these will be the obligations of the respective Unit Owners.

7. SERVICE CONTRACTS: \$3,860.00.

<u>Service</u>	<u>Contractor</u>	<u>Annual Fee</u>
Elevator Maintenance	To Be Arranged	\$3,500.00
Exterminator	To Be Arranged	\$ 360.00

These amounts are based upon the projections of Andrew Katz, engineer, 1708 Ocean Avenue, Brooklyn, New York 11230. See opinion of Andrew Katz, reproduced below.

8. INSURANCE: \$1,895.00

The following insurance coverage is recommended for the Property by Ohlert-Ruggiere, Inc, 89-11 Jamaica Avenue, Woodhaven, New York 11421, insurance brokers, for the first year of Condominium operation.

<u>COVERAGE</u>	<u>AMOUNTS or LIMITS</u>
Building Coverage	\$2,054,000 with a \$1,000 Deductible (100% replacement cost, no co-insurance)
General Liability	\$2,000,000 Per occurrence, \$4,000,000 Aggregate
Boiler & Machinery	(Included)
Employee Dishonesty	\$25,000 (Included)

In addition, optional coverage's available are as follows: (1) Excess liability in the amount of \$1,000,000 is available for an estimated additional premium of \$1,000.00 per year and (2) Directors and Officers Liability (based on 5 directors and 5 Units) in the amount of \$1,000,000 for each occurrence and \$1,000,000 aggregate limit for an estimated additional premium of \$1,500.00 per year.

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

In the opinion of Ohlert-Ruggiere, Inc, the amount of insurance coverage is adequate to avoid co-insurance. The policy will be written on a replacement cost basis.

This coverage does not include claims for personal injury or property damage resulting from occurrences in Units nor does it include coverage of the furniture or personal property of Unit Owners. Each Unit Owner should consider the desirability of obtaining additional insurance at his own cost covering: (i) fire and casualty losses to the contents of his Unit and any structural elements, replacements, additions, fixtures, upgraded features and improvements therein; (ii) personal property; and (iii) liability for personal injury as a result of occurrences in the Unit. Ohlert-Ruggiere, Inc. has advised the Sponsor that such individual insurance coverage is available, at premiums starting at approximately \$300.00 per year, depending upon the value of such personal property being insured and the extent of the personal liability coverage.

9. MANAGEMENT FEES: \$6,000.00.

The management fee is based upon a Management Agreement to be entered into with ALG NY Management LLC, 96-20 Atlantic Avenue, Ozone Park, , New York

11416, at the Closing of Title for a term of three (3) years at an annual fee of \$6,000. The principals of the management company are also principals of the Sponsor. The Sponsor believes that the annual management fee is comparable to the rates that would be charged by an independent managing agent. The Managing Agent will provide a fidelity bond at the Closing at the Condominium's sole cost and expense. See Section "Management Agreement, Contracts and Leases" for a full discussion of the terms of the Management Agreement.

10. ACCOUNTING and LEGAL FEES: \$3,000.00.

This amount is based upon actual estimates of \$2,500 from Palmetto, Mollo, Molinaro & Sciacca, LLP, 91 Broadhollow Road, Melville, NY 11747-2500 certified public accounts, to prepare the necessary financial and income tax reports for the Condominium Board of Managers, as well as Certified Statements of Income and Expenses of the Condominium. It also includes an estimate for initial miscellaneous legal services required in connection with meetings of the Condominium Board and Unit Owners.

11. CONTINGENCY: \$2,371.00.

This item will provide a fund for possible increases in operating expenses not now foreseen. The budget may be modified from time to time prior to the commencement of, or during Condominium operation, to adjust both income and expense items which will adjust this fund. This fund is in addition to the Working Capital Fund.

NOTE: At the First Closing, the Sponsor and the Condominium Board will adjust various items of income and expense in accordance with the period that each owns or operates the Property. If the net credit is in favor of Sponsor, the same will be paid by the Condominium Board in twelve (12) equal, consecutive, monthly installments commencing six months subsequent to the First Closing with no interest, pursuant to twelve (12) negotiable promissory notes to be executed by the Condominium and delivered to Sponsor at the First Closing. In such event, although these notes are not directly included as a separate expense of this budget, payment of the notes represents, in effect, payment of certain expenses reflected in this budget that has been prepaid by Sponsor. See Section "Working Capital Fund."

In the opinion of Salon Realty Corp., 338 East 92nd Street, New York, NY 10128, the projected income is adequate to meet the estimated expense for the first year of Condominium operation. The foregoing budget is not intended and should not be taken as a guarantee by anyone that the annual common charges, or common expenses for the first or any subsequent of operation of the Property by the Condominium Board will be as set forth in said budget.

It is likely that the actual income and expenses for the first year of Condominium operation will vary from the amounts shown in the budget.

Sponsor has reserved the right to enter into service, maintenance, employment, and other agreements that will be binding on the Condominium Board upon commencement of Condominium operation. In such event, the Plan will be amended accordingly. Sponsor will not enter into any such agreement that will materially increase the first year's projected common charges or that will be binding on the Condominium Board for a period of more than two (2) years from the commencement of Condominium operation, unless disclosed in an amendment to this Plan.

ANDREW KATZ
ENGINEERS

TEL: (718)252-8735
FAX: (718)253-2712

February 20, 2008

(Page 1 of 3)

Attorney General
New York State Department of Law
Att: Real Estate Financing Bureau
120 Broadway
New York, NY 10007

Re: **Annual Utility Charges**
122 Newton Street
Brooklyn, NY

Dear Sirs:

The following is an energy analysis showing utility costs for five (5) family 5-story residential condominium containing two bedroom units. The building contains common electric charges for one(1) elevator, hall lighting, mechanical rooms equipment, exterior lighting, stair lighting and common charges for water and sewer. Each unit has its own hot water heater for domestic water and gas boiler for heating. Heat losses were calculated from Building Department plans prepared by IMA Engineering. Calculations are based on roof "R" value = 19, wall "R" value = 11, glass "R" value = 1.45.

1. Unit Owner Costs
A. 122 Newton Street

<u>Floor</u>	<u>Unit#</u>	<u>Electric</u> <u>(\$ per year)</u>	<u>Gas (Heat, hot water & cooking)</u> <u>(\$ per year)</u>
1 st fl/cellar	1	1650	1850
2 nd fl	2	1200	1550
3 rd fl	3	1200	1550
4 th fl	4	1200	1550
5 th fl	5	1200	1650

- B. Air Conditioning Costs: Unit owner costs during summer months add additional \$450 per year for each 12,000 btu/h air conditioning unit.

2. Common Costs: 122 Newton Street

- A. **Electricity** will be used for the common hall lighting, mechanical room equipment, exterior lighting, stair lighting and one(1) elevator. Electric consumption is estimated at 24,000 KWH per year at an average cost of \$0.23 per KWH average for a total cost per year of **\$5,520**. This included taxes and fuel adjustments but no inflation factor.
- B. **Water Costs:** Based upon metering of the estimated water consumption of 300 gallons per day per unit (300 gal x 5 units = approx. 1500 gallons x 365 days = 547,500 gallons annually), when converted to cubic feet by dividing 547,500 gallons by 7.45 = 73,500 cubic feet and using the rate of \$1.6 per 100 cubic feet of water per year, the approximate water cost is equal to **\$1,175 annually**.
- C. **Sewer Costs:** Based upon metering of the estimated water consumption of 300 gallons per day, the sewer cost is at the rate of 159% of the total water cost or at the rate of \$2.5 per 100 cubic feet of water. Therefore, $\$2.5 \times 735 =$ **\$1,840 annually**.
- D. **Maintenance:** One (1) elevator with maintenance of **\$3,500 annually**.

3.	Natural Gas:	First 6 Therms or less	\$24.53
		Next 24 Therms	\$ 2.10/Therm
		Next 70 Therms	\$ 1.84/Therm
		Over 100 Therms	\$ 1.61/Therm
4.	Electric:		
	Winter:	First 250 KWH	\$0.235/KWH
		Over 250 KWH	\$0.215/KWH
	Summer:	First 250 KWH	\$0.21/KWH
		Over 250 KWH	\$0.23/KWH

Gas costs are based on Therms ratings mentioned above, including taxes and fuel adjustments but no inflation factor.

(Page 3 of 3)
122 Newton Street

Electric costs are based on a KWH rating mentioned above, including taxes and fuel adjustments but no inflation factor.

The above costs are estimated only, and are based on conditions outlined herein and the following natural gas, electric and water rates currently in effect which include the latest utility company surcharges for fuel adjustments plus applicable taxes. It also takes in account the variation of family size and lifestyle.

The above costs may also vary depending upon the setting of the apartments' thermostats and the maintenance of the equipment in good and efficient condition. Calculations were based upon 70 degrees F in the apartments when the outside temperature is 0 degrees F with 15 mph wind. The figures are not intended to be a guarantee.

Very truly yours,

Andrew Katz, P.E.



the DEVELOPERS GROUP

COMPLIANCE WITH REAL PROPERTY LAW 339(i)

May 2, 2008

The 122 Newton Condominium
122 Newton Street
Brooklyn, New York 11211

Re: Conversion to Condominium Ownership

Dear Sirs:

It is our opinion that each unit in your condominium has appurtenant thereto a common interest as expressed in your Declaration which are in compliance with Section 339-i(1)(iv) of the Condominium Act (Article 9-B of the Real Property Law).

The allocation of common interests are based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use and the overall dimensions of the particular Unit.

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

Very truly yours,



Highlyann Krasnow
Executive Vice President
The Developers Group, LLC

79 Bridge Street, Brooklyn, NY 11201 • Tel: 718.222.1545 • Fax: 718.222.0445 •
www.thedevelopersgroup.com

CHANGES IN PRICES AND UNITS

Changes in Prices

Sponsor reserves the right at any time in its sole discretion before and after the recording of the Declaration, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Unit, except that no such change with respect to any Unit for which a Purchase Agreement is then in effect and with respect to which the Purchaser is not in default may be made without the consent of the Purchaser. Such price change shall not alter the Common Interest of, or the amount of the Common Charges payable by, the owners of such Units. The Purchase Prices set forth in Schedule A may only be changed by a duly filed amendment to the Plan when the change in Purchase Price is an across the board increase or decrease affecting one or more lines of Units, or is to be advertised, or is a price increase for an individual Purchaser. Sponsor reserves the right to reduce the Purchase Price for a Unit or Units without filing an amendment to the Plan at any time if such price reduction does not constitute a general offering but is rather the result of individual negotiations. As a result of the negotiability of the offering prices and Sponsor's right to change prices, certain Purchasers may pay or may have paid more or less than other Purchasers for similar Units.

Changes in Size, Layout and Number of Units

In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective Purchasers, or for any other or no reason, Sponsor reserves the right (except to the extent prohibited by law) at any time, before and after the recording of the Declaration, without prior notice, and without the consent or approval of the Board of Managers, the Managing Agent any Unit Owner or mortgagee to (i) change the layout of, or number of rooms in, any Unsold Unit; (ii) change the size and/or number of Unsold Units by subdividing one or more such Unsold Units into two or more separate Unsold Units, combining separate unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units, altering any boundary walls of any Unit or unsold Unit, or otherwise, including, without limitation, incorporating within any Unit or Unsold Unit any wall, hallway space or other portion(s) of the Common Elements which is adjacent to or services or benefits only, such Unit or Unsold Unit to the extent that such portion(s) of the Common Elements are neither used for ingress or egress by other Unit Owners nor interferes with any systems (such as electric, heating, plumbing or ventilation) servicing any other Unit; and (iii) if appropriate, reapportion among the Unsold Units affected by any such change their respective Common Interests subject to the requirements of Real Property Law §339(i)(1)(iv); however (a) the aggregate amount of the Common Interest of all of the Units in the Condominium shall always remain at 100%, and (b) Sponsor may not change

the size or location of Common Elements if such change(s) affect(s) the percentage of common interests or adversely affect(s) the value of any Unit to which title has already 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(s).

To the extent not prohibited by law, if the size or configuration of a Unit is changed in compliance with the Plan and the Condominium Documents and, in connection therewith, a wall, space, hallway or other area forming a part of the Common Elements servicing and benefiting only such Unit and not affecting access to any other Unit is demolished or incorporated in the Unit, then such Common Element shall be deemed a Limited Common Element for the exclusive use and benefit of the owner of such Unit and the Unit's Common Interest will remain the same.

After the Declaration is recorded, no change may be made in the number of Units nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls or otherwise, nor may the Common Interest of any Unit be changed, unless the Declaration is amended and such amendments are duly recorded and filed and the Plan is amended to reflect such change, subject to the prior consent of any Unit Owner whose Unit is so changed. As more particularly provided in the Declaration, Sponsor or the owner of an Unsold Unit, will have the right to amend the Declaration to the extent required, or to cause the Board of Managers to do so in order to reflect such changes.

It should be noted that so long as the layout and dimensions of a Unit substantially (i.e., do not vary by more than 5%) correspond to the Floor Plans submitted in connection with the Declaration, a Purchaser will not be excused from purchasing his Unit and will not have any claim against Sponsor or the Selling Agent, by reason of any variance in such layout or dimensions. (See, "Rights and Obligations of Sponsor" below.)

No change will be made in the size or number of units and/or their respective percentages of common interest, and no material change will be made in the size or quality of Common Elements, except by filed amendment to the Plan and, when applicable, by amendment to the Declaration. Furthermore, unless an affected Purchaser consents, no material change will be made in Unit size, layout, or percentage of Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default of their obligations under the Purchase Agreement. Moreover, 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.

INTERIM LEASES

Any Purchaser of a Unit then vacant, or which will become vacant thereafter, may enter into a lease ("interim lease") for that Unit on the terms set forth below and take

occupancy pursuant thereto prior to the Closing of title on such Unit, provided that the Sponsor has obtained a Certificate of Occupancy (permanent or temporary) prior to the effectiveness of such interim lease.

The interim lease may be prepared on a standard form of apartment lease published by the Real Estate Board of New York, Inc. or in such other form as may be required by Sponsor and as may be amended to comply with the terms hereof. The interim lease will be for such rent and upon such other terms as may be mutually agreed upon. The term of such interim lease shall be for a period which will expire on the date of Closing or for either one or two years after the date of execution of such interim lease. There are no rent protection laws (such as rent control or rent stabilization) applicable to any interim lease. Accordingly, upon the termination of any interim lease, either at the expiration of its term or earlier termination, the tenants of such interim lease(s) shall not be entitled by law or regulation to any extension of the lease; that in the event Sponsor or the owner of any Unit occupied under an expired or otherwise terminated interim lease, agrees, in their sole and absolute discretion, to extend the term of such interim lease, there shall be no law, rule or regulation which would control the amount of rent which the Sponsor or such Unit Owner may charge the Tenant. The interim lease may not be renewed or assigned, and the Unit may not be sublet unless the Plan is abandoned. If the Plan is abandoned, the Purchaser, as tenant, shall have the choice of either (i) becoming a rent stabilized tenant should the building be subject to rent stabilization or a free market tenant, or (ii) rescinding their interim lease and vacating from the Unit within ninety (90) days after giving written notice to the Sponsor. The interim lease will also provide that an uncured default by the Purchaser under his Purchase Agreement will constitute a default under the interim lease entitling the Sponsor, at its sole option, to immediately terminate such interim lease.

In addition, if a Purchaser fails to cure a default under his interim lease within the applicable grace period, if any, such default shall be a default under the Purchase Agreement entitling Sponsor, in its sole and absolute discretion to cancel the Purchase Agreement.

The Purchaser shall be required to vacate the Unit within thirty (30) days after notice of cancellation of the Purchase Agreement is sent to him. If the Purchaser defaults under the interim lease, an order of eviction or other judgment or order of a court or agency of competent jurisdiction against the Purchaser must be obtained or the Purchaser must have vacated the Unit before Sponsor may declare the down payment under the Purchase Agreement forfeited.

No portion of the rent paid under such interim lease will be credited towards the Unit's Purchase Price. Rents due under an interim lease shall be adjusted as of the Closing date.

Sponsor does not presently offer the right to rescind the Purchase Agreement. However, should such right be offered in the future, and exercised by a Purchaser, then the Purchaser's right to rescind will be conditioned upon his canceling the interim lease

(and any sublease) and surrendering possession of the Unit and leaving the same vacant, in good condition and broom clean within thirty (30) days after he elects to rescind. He must also pay any rent due under his interim lease through the date that possession is actually surrendered. Nothing contained herein shall relieve any Purchaser of liability for any damage caused to the Unit.

Purchasers or any other persons entering into an Interim Lease for a Residential Unit shall be required to pay the sum of \$500.00 to Sponsor's counsel for legal fees in connection therewith upon execution of the interim lease. All other charges or other fees due under an interim lease shall be adjusted as of the Closing to the Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any interim lease.

Sponsor or its designee further reserves the right to use or occupy any Unsold Unit itself or to rent or lease any Unsold Unit to a tenant who is not a Purchaser (for such rent and term [but not beyond the fifth (5th) anniversary of the First Unit Closing – provided that there is an economically feasible market for such apartments at the end of such five (5) year period] and on such other conditions as may be agreed to between such parties) and residents of the Condominium may be comprised of both Unit Owners and tenants.

Accordingly, a Purchaser may be acquiring a Unit that has been previously occupied, but such Unit will be delivered at Closing either (i) free and clear of all leases, tenancies and rights of occupancy other than interim leases with such Purchaser or other leases or rights of occupancy of such Unit which Sponsor agreed to enter into at the request of the Purchaser of such Unit or (ii) subject to, the rights of any existing tenant or occupancy of the Unit. A Purchaser of a previously occupied Unit shall be acquiring such Unit in its "as is" condition.

PROCEDURE TO PURCHASE

A person desiring to purchase a Unit must (1) execute a Purchase Agreement, in triplicate in the form contained in Part II of the Plan, (2) execute and have notarized in triplicate the New York State Combined Real Property Transfer Tax Return and Credit Line Mortgage Certificate (TP-584) and (3) return all such documents to the Selling Agent together with a check for the down payment in the amount of 10% of the Purchase Price, drawn on a New York bank payable to the order of "Turek Roth LLP, - The 122 Newton Condominium Special Acct." The balance of the Purchase Price will be payable simultaneously with the delivery of the Deed to the Unit.

Purchase Agreements will only be binding on the Sponsor, if, as and when they have been executed by Sponsor and a fully executed original of the Purchase Agreement is mailed or personally delivered to the prospective Purchaser. Purchasers will be notified that their Purchase Agreement has been approved or rejected within thirty (30) days from the date Sponsor or Selling Agent receives the Purchaser's executed Purchase Agreements and down payment and executed and notarized the Tax Return (Form TP-

584). If a copy of the Purchase Agreement is not signed by Sponsor and returned to the Purchaser, or a notice of Sponsor's rejection of the Purchase Agreement is not received within the thirty (30) day period, such Purchase Agreement shall be deemed rejected and not accepted and any down payment will be returned promptly. Sponsor may reject any Purchase Agreement, without cause or explanation, so long as such rejection is not based upon race, creed, color, national origin, ancestry, sex, disability, marital status or any other ground proscribed by law.

Purchasers shall be afforded not less than seven (7) calendar days after delivering an executed Purchase Agreement together with their down payment, to rescind their Purchase Agreements by written notice to Sponsor or the Selling Agent either delivered personally or by mail postmarked within such seven (7) day period. Any Purchaser exercising such right of rescission shall receive a refund of the down payment promptly after receipt of such notice by Sponsor or the Selling Agent, as the case may be.

All down payments will be placed promptly in a segregated special interest bearing attorney escrow account as provided below. In the event the Plan is abandoned or withdrawn for any reason, then such monies shall be fully returned to the Purchasers within ten (10) days of abandonment or withdrawal, with interest, except that Sponsor will retain the down payment (not to exceed 10% of the purchase price), as liquidated damages of any Purchaser who is then in default under his Purchase Agreement at least thirty (30) days after written demand for payment after default. Such funds shall be released upon the signature of either Allen M. Turek or Jeremy Roth, attorneys for Sponsor, at the Closing, or prior to Unit Closing if the Purchaser rescinds or defaults or if the Plan is abandoned. Messrs. Turek and Roth are both admitted to practice law in the State of New York and will comply with the Appellate Division rules for the preservation of client funds, as same are applicable.

After the Plan has been declared effective and an amendment incorporating the declaration of effectiveness is accepted for filing by the Department of Law, Purchasers will be given not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to the Unit and for the payment of the balance of the Purchase Price by unendorsed certified personal check or official cashier's check drawn on or by a member of the New York Clearing House Association, payable to the order of Sponsor. Such thirty (30) days notice may be waived by individual Purchasers as provided in the amendment incorporating the declaration of effectiveness. Sponsor reserves the right - without any undertaking any obligation - to adjourn any Closing Date in its sole and absolute discretion. Any adjournment of a Closing Date must be in writing and signed by the Sponsor in order to be effective. At the Closing, each Purchaser shall sign and deliver a Power of Attorney coupled with an interest to the Board of Managers of the Condominium in the form contained in Part II of this Plan, and a New York City Real Property Transfer Tax Return in connection with such tax.

The following shall constitute "Events of Default" under the Plan and Purchase Agreement:

(i) Purchaser's failure to pay the balance of the Purchase Price on the Closing Date designated by Sponsor or any adjournment thereof as Sponsor may have agreed to in writing;

(ii) Purchaser's failure to execute and deliver within five (5) days of written demand any tax return, affidavit or other document required to be executed by Purchaser;

(iii) If Purchaser is a tenant of the Unit pursuant to an interim or other lease agreement, Purchaser's default under his lease which has resulted in his eviction from the Unit or his abandonment of the Unit;

(iv) If Purchaser becomes a tenant of the Building after the Plan is accepted for filing, Purchaser's failure to cure a default under his interim lease within the applicable grace period (if any); or

(v) Purchaser's failure to deliver the Power of Attorney executed in recordable form; or

(vi) The failure to perform or observe any of Purchaser's other obligations under the Purchase Agreement.

Upon the occurrence of an Event of Default, Sponsor shall have the right to cancel the Purchase Agreement by sending Purchaser written notice of such default. If Sponsor sends such notice, Purchaser shall have thirty (30) days from the giving of such notice within which Purchaser must cure the specified default. TIME IS OF THE ESSENCE TO REMEDY SUCH DEFAULT WITHIN SAID THIRTY (30) DAY PERIOD before forfeiture of the down payment. If the default is not timely cured, then Sponsor shall have the right to retain as and for liquidated damages the down payment (not to exceed 10% of the purchase price) and any sums held by Sponsor in excess thereof shall be returned to Purchaser within forty-five (45) days thereafter. Upon cancellation of the Purchase Agreement and making such refund (if any) to Purchaser, Purchaser, Sponsor and Selling Agent will be deemed automatically released and discharged of all further liability and obligations under the Purchase Agreement and under the Plan. Thereafter, the Unit may be sold to another as though the Purchase Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale.

If a Purchaser fails for any reason to close title to his Unit on the originally scheduled Closing Date the Closing apportionments described in the Section entitled "Closing Costs and Adjustments" will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs.

Sponsor anticipates that the First Closing will occur by the date set forth in Schedule B as the commencement date for the first year of Condominium operation. If the First Closing does not occur within six (6) months after the date set forth in Schedule B as the commencement date for the first year of Condominium operation, Sponsor will

amend the Plan to update the budget. If the annual Common Charges in the revised budget projected exceed the earlier projected budget by twenty-five (25%) or more, the amendment will offer Purchasers the right to rescind their Purchase Agreements within fifteen (15) days after the presentation of the amendment disclosing the updated budget, and any Purchaser electing rescission will have their down payments and any interest earned therein returned within ten (10) days thereof. If the First Closing is delayed twelve (12) months or more, Sponsor will offer all Purchasers the right to rescind their Purchase Agreements.

From and after the Closing of each Unit, Purchaser will become obligated for the payment of Common Charges in proportion to the Purchaser's Common Interest, real estate taxes and assessments (including water charges and sewer rents, if separately assessed) and all other expenses with respect to his Unit, whether or not he has taken possession of his Unit, and whether or not all work required to be performed by Sponsor or anyone else in or to his Unit or the Building has been completed.

Each Purchaser may elect to make his/her Purchase Agreement contingent upon obtaining mortgage financing. The Purchase Agreement, as set forth in Part II of the Plan, contains a mortgage financing contingency clause for Purchasers of a Unit which must be completed by Purchaser in order to qualify for the mortgage contingency. If Purchaser elects such financing contingency, Purchaser must:

(a) first be pre-qualified for such loan by Seller's designated mortgage lender. Presently On The Bay Capital, Attn: Anthony Gagliardi, 163-33 Cross Bay Blvd., Howard Beach, NY 11414, (917) 567-7582. It should be noted that the principal of On The Bay Capital is a blood relative of one of the principals of the Sponsor. Sponsor reserves the right to appoint a different designated mortgage lender however, any Purchaser who is pre-qualified by a former designated mortgage lender will remain so pre-qualified regardless of any change in such designation. Such pre-qualification shall not bind Purchaser to applying for a loan with such designated mortgage lender (meaning that such Purchaser shall be able to make its own application to the licensed lender of its choice as noted below) and shall be at no cost to the Purchaser;

(b) make a prompt (i.e. within ten [10] days after Sponsor accepts and delivers the fully executed Purchase Agreement) application with a license mortgage lender for a mortgage loan in an amount no greater than eighty (80%) percent of the Purchase Price (although there is no prohibition on Purchaser's obtaining financing in any amount, the maximum amount of mortgage financing that any Purchase Agreement may be made contingent upon is eighty [80%] percent of the Purchase Price) (the "Mortgage Loan");

(c) truthful, accurate and complete information, data and documents on Purchaser and members of Purchaser's family, as required, and promptly submit such further information, data and documents requested by the institutional lender, if any;

(d) pay all fees, points and charges required in connection with such application(s) and the Mortgage Loan;

- (e) pursue such application(s) with diligence;
- (f) cooperate in good faith with the institutional lender, if any, to the end of securing the Mortgage Loan;
- (g) promptly give notice to Seller of the name and address of the institutional lender, if any, to which Purchaser has made such application; and
- (h) comply with all requirements of the Commitment (or of any Commitment accepted by Purchaser) and furnish Seller with a copy thereof promptly after receipt thereof.

The obligations of Purchaser set forth in (a) through (h) above are, collectively, referred to herein as the "Financing Obligations". Purchaser shall agree to diligently comply with all of the Financing Obligations in order to qualify for the finance contingency in the Purchase Agreement.

The mortgage financing contingency clause provides that Purchaser shall have sixty (60) days from the date Sponsor accepts and delivers the fully executed Purchase Agreement to obtain a written loan commitment for financing. In the event Purchaser fails to obtain a written loan commitment within such time period or in the event the loan commitment is subsequently withdrawn, Purchaser must notify Sponsor of same within five (5) days subsequent to such sixty (60) day period or the date the loan commitment is withdrawn, whichever is applicable, or the financing contingency is deemed waived.

If Purchaser obtains a mortgage loan commitment within the time period set forth above, the Purchase Agreement shall nonetheless be subject to Purchaser's loan commitment being in full force and effect as of the Unit Closing, provided, however, that any expiration of a commitment as a result of Purchaser's refusal, inability or unwillingness to close title or delay in closing title or the revocation of a commitment by a lending institution resulting from Purchaser's acts or omissions, including but not limited to, Purchaser's failure to satisfy any of the conditions of the commitment accordingly, shall be excepted from this requirement, and Purchaser shall be deemed to have waived any financing contingency within the Purchase Agreement. Purchaser shall take all possible steps to maintain his/her commitment, including good faith application for an extension of such commitment. In the event Purchaser notifies Sponsor within thirty (30) days after the expiration date of his previous loan commitment by registered mail of his/her inability to obtain an extension of such previous loan commitment or a new loan commitment the Purchase Agreement shall be null and void and Purchaser's Down Payment together with any interest earned thereupon shall be returned by Sponsor. Failure to provide such notification shall be deemed a waiver of the mortgage contingency by Purchaser and that the Purchase Agreement is deemed binding.

The Unit and the Common Elements are being sold in the condition as described in the "Sponsor's Statement of Building Condition" and the "Description of Property and

Specifications" below, subject to ordinary wear and tear and/or natural deterioration. Sponsor's obligation to make repairs in any Unit shall cease upon the Closing of title to such Unit.

Each prospective Purchaser should note that Sponsor is only obligated to provide the equipment, fixtures and furnishings described in the "Description of Property" set forth in Part II of this Plan or their substantial equivalent (i.e., substitute equipment or materials of equal or greater quality and/or design). In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Unit to Purchaser unless Purchaser agrees to pay Sponsor an amount determined by Sponsor in addition to the Purchase Price for such Unit.

Conflicts between the Purchase Agreement and the Plan shall be resolved according to the terms of the Plan.

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

ESCROW PROVISIONS

All down payments received by Sponsor under a Purchase Agreement will be held in escrow in conformity with the provisions set forth below.

Sponsor will comply with the escrow and trust fund requirements of New York State Lien Law Section 71-A, New York State General Business Law Sections 352-e(2-b) and 352-h and the New York State Attorney General's regulations promulgated pursuant thereto. Consummation of the Offering Plan will not relieve the Sponsor of its obligations pursuant to GBL §352-h.

Any provision of any Purchase Agreement, whether oral or in writing, by which a Purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void. The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the Plan or in a Purchase Agreement. Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All down payments made by Purchasers prior to the Closing of each individual Unit, will be placed, within five (5) business days after tender of the down payment by Purchaser to Sponsor or Selling Agent, in a segregated, special interest bearing escrow sub-account of the Turek Roth LLP, the escrow agent (the "Escrow Agent"), whose address is 377 Fifth Avenue, 6th Floor, New York, New York 10016 and whose telephone number is (212)223-3562. The sole signatories on this account authorized to withdraw funds are Allen M. Turek, Esq. and Jeremy Roth, Esq. Messers. Turek and

Roth are admitted to practice law in the State of New York and will comply with the Appellate Division rules for the preservation of client funds, as same are applicable. Escrow Agent will establish a master escrow account at JPMorgan Chase Bank, N.A., at its branch located at 349 Fifth Avenue, New York, New York 10016 entitled "Turek Roth LLP – The 122 Newton Condominium Special Escrow Account" (the "Master Escrow"). Each Purchaser is required to deliver either a valid social security number or a completed and signed Form W-9 (Request for Taxpayer Identification Number) in the form set forth in Part II of the Plan or a Form W-8 (Certificate of Foreign Status) in the form set forth in Part II of the Plan, as applicable, to Sponsor or Selling Agent at the Purchaser tenders the down payment and the Purchase Agreement. At such time as the down payment is released (in accordance with GBL §§352-e(2-b) and 352-h as well as the Attorney General's Regulations promulgated pursuant thereto), the down payment will be transferred from the individual sub-escrow savings account to a non-interest bearing checking portion of the Escrow Agent's Master Escrow Account so that checks may be drawn thereon. JPMorgan Chase Bank is covered by F.D.I.C. insurance to a maximum of \$100,000 per individual deposit. The following are special risks of this offer: (i) if a Purchaser makes a down payment in excess of \$100,000 for the purchase of a Unit, such down payment will not be federally insured in excess of \$100,000; and (ii) while the down payment is in the non-interest bearing checking portion of the Master Escrow Account, the down payment may not be fully insured even if the down payment does not exceed \$100,000.

The down payment may be tendered by Purchaser to Sponsor or Selling Agent by either personal delivery, delivery by messenger or courier service or mailed by certified mail, return receipt requested, overnight courier or express mail service. The down payment shall be deemed tendered by Purchaser on the date it is actually received by Sponsor or Selling Agent.

Acceptance of the down payment by Sponsor or Selling Agent and the down payment thereof by Escrow Agent into escrow shall not be deemed a binding agreement by Sponsor to sell to Purchaser unless and until Purchaser executes a Purchase Agreement (in triplicate) and Sponsor or Selling Agent executes a duplicate thereof and delivers such duplicate original, fully executed Purchase Agreement to Purchaser in accordance with the terms of the Plan.

The checking account portion of the Master Escrow Account will not be interest bearing. The sub-escrow savings portion of the Master Escrow Account will be interest bearing. All interest will be credited to Purchaser at such time as (i) there is a Closing under the Purchase Agreement, or (ii) Purchaser is entitled to a return of the down payment. All interest will be credited to Sponsor only in the event Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts which varies. On January 23, 2008, the interest rate on an JPMorgan Chase Bank Escrow Account is 0.35%. Interest will begin to accrue within (i) one (1) business day, if the down payment is cash or cash equivalent, or (ii) three (3) business days, if the down payment is other than cash or cash equivalent, of the transfer of the down payment from the checking

account portion of the Master Escrow Account into the sub-escrow savings account portion of the Master Escrow Account.

All instruments shall be made payable to the order of "Turek Roth LLP, as Escrow Agent". Endorsed instruments will not be accepted.

In the event a down payment check delivered by a Purchaser fails collection, the Purchase Agreement will be deemed void ab initio (i.e., as if the Purchase Agreement had never been executed) at the option of the Sponsor who reserves the right to exercise this option in its sole and absolute discretion by written notice to Purchaser given within five (5) business days of Sponsor receiving notice from Escrow Agent of such failure of collection.

Within ten (10) business days after tender of the down payment, Escrow Agent will notify Purchaser that such funds have been deposited into escrow and will provide the account number and the initial interest rate, if any. If Purchaser does not receive notice of such down payment within fifteen (15) business days after tender of the down payment, Purchaser may cancel the Purchase Agreement and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the down payment. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the down payment was timely deposited and requisite notice was timely mailed to Purchaser in conformity with the Attorney General's regulations. Before any escrow funds are transferred to a new escrow account, if the Escrow Agent is replaced, the Plan will be amended to provide all pertinent information concerning such new escrow account or replacement escrow account.

In the event of a dispute regarding any escrowed funds, the Sponsor shall – while the Purchaser and/or Escrow Agent may on their own initiative – apply to the Attorney General for a determination on the disposition of the down payment and any interest earned thereupon. The form for this purpose is available from the Department of Law and is also reproduced in Part II hereof. The party so applying to the Attorney General shall contemporaneously send to all other parties a copy of such application. Pending the determination of the Attorney General to grant or deny such application, the Sponsor, Purchaser and Escrow Agent shall abide by any interim directive(s) issued by the Attorney General. If the application permitting the release of escrow funds is granted, the down payment and any interest earned thereupon shall be disposed of in accordance with the determination of the Attorney General, subject to any court action in which preliminary relief is granted. Under no circumstance shall the Sponsor apply for release of the Escrow Funds of a defaulting Purchaser until after the consummation of the Offering Plan (i.e. the First Unit Closing).

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

If the application seeking release of escrow funds is denied, the Escrow Agent will continue to hold the down payment in escrow until otherwise directed in:

- (a) a writing signed by both Sponsor and Purchaser directing payment to a specified party; or
- (b) a judgment or order of a court of competent jurisdiction is served on the Escrow Agent; or
- (c) A determination of the Attorney General .

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

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

Sponsor will not object and will be deemed to have agreed, without the need for a written agreement, to the release of the down payment 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.

Purchaser will not object and will be deemed to have agreed, without the need for a written agreement, to the release of the down payment to Sponsor in the event Sponsor and Purchaser close title under the Purchase Agreement.

Escrow Agent shall be permitted to act as counsel to the Sponsor in any dispute as to the disbursement of the down payment or any other dispute between Sponsor and a Purchaser whether or not Escrow Agent is in possession of the down payment and continues to act as Escrow Agent.

Sponsor has agreed to indemnify Escrow Agent from all costs, claims, expenses and damages incurred in connection with or arising out of the Escrow Agreement or the performance or non-performance of Escrow Agent's duties under the escrow agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the escrow agreement or involving gross negligence of

Escrow Agent. A copy of the Escrow Agreement and the form of Application for Determination in connection with the Escrow Funds are included in Part II, below.

Sponsor has agreed to compensate Escrow Agent for services rendered in connection with Escrow Agent's duties under the Escrow Agreement, if any. Escrow Agent's fees and disbursements will neither be paid by Sponsor from the down payment nor deducted from the down payment by any financial institution under any circumstance.

Escrow Agent will maintain all records concerning the Master Escrow Account and all sub-accounts for seven (7) years after the release of funds.

The risk of loss to any Unit by fire or other casualty until the Closing for such Unit, is assumed by Sponsor (unless and until a Purchaser takes possession of such Unit, at which time such risk shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Unit, the Purchase Agreement shall continue in full force and effect, and, thereafter, Purchaser shall have the right to reject title or receive a credit against, or abatement in, the Purchase Price for the subject Unit. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Condominium Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of a Purchase Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see Section entitled "Rights and Obligations of Unit Owners and Board of Managers"), the Purchase Agreement shall be deemed canceled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited thereunder, together with interest earned thereof, if any, whereupon the parties to the Purchase Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan; provided, however, notwithstanding anything to the contrary herein, if Purchaser is then in default under the Purchase Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

Before Escrow Funds are transferred to a new escrow account or if the Escrow Agent is replaced, the Sponsor will amend this Offering Plan to provide the same full disclosure with respect to such new account, the Escrow Agent and the Escrow Agreement as contained herein and in accordance with the requirements of the Department of Law.

Alternatives to Escrow Account

The Sponsor reserves the right to apply to the Attorney General to use security in the form of Surety Bonds or a Letter of Credit in lieu of escrow of such down payment funds. As part of such application, the Sponsor will, among other things, submit an affidavit to the Department of Law, which contains full information as to the proposed usage of such down payment funds, the Sponsor's financing of the rehabilitation of the Building, the expected completion date, the terms and conditions of the proposed Surety Bonds or Letter of Credit and the required undertakings of covenants therein. If such application is granted by the Department of Law, the terms of such alternative security shall be disclosed in an amendment to this Plan.

ASSIGNMENT OF PURCHASE AGREEMENTS

Purchaser shall not have the right to assign or transfer this Purchase Agreement without the prior written consent of the Sponsor which consent may be withheld or delayed at Sponsor's sole and absolute discretion. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Purchase Agreement, the Purchaser shall be required to pay Sponsor's attorney a fee of \$1,000.00, in advance, for the preparation of an Assignment Agreement. Any purported assignment or transfer by Purchaser which is not made in strict compliance with this paragraph shall be void.

EFFECTIVE DATE

The offer to sell the Units hereunder is contingent upon the Plan being declared effective. The Plan may be declared effective if written Purchase Agreements have been executed and delivered to Sponsor or the Selling Agent for at least 15% (ie, one [1] Unit) of all Units offered under the Plan. The Plan must be declared effective when Purchase Agreements have been executed and accepted by Sponsor for eighty percent (80%) (ie, four [4] Units) of all Units offered under the Plan.

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

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

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

(iii) from Purchaser(s) whose Purchase Agreement(s) were delivered to the Sponsor or its Selling Agent, within seven (7) days of the date the Plan is declared effective.

The Plan will be declared effective by (a) an amendment to the Plan duly filed with the Department of Law, or (b) written notice to all Purchasers sent by mail or personally delivered followed by an amendment disclosing the declaration of effectiveness, to be submitted for filing, within five (5) days after such notice is given to all Purchasers. The Closing of title to any Unit shall not be held until the Plan is declared effective and such amendment is accepted for filing by the Department of Law.

Sponsor may declare the Plan abandoned for any or no reason before Purchase Agreements have been executed and accepted for eighty percent (80%) or more of the Units offered hereunder. Once the Plan has been declared effective or the eighty percent (80%) quota referred to above has been reached, the Plan may not be abandoned, except (a) for a defect in title which cannot be removed, cured or complied with, without litigation or cost in excess of .5% of the Total Purchase Price in the aggregate for all Units; (b) any substantial damage to the Property by fire or other casualty and the cost to repair same would exceed 1/2 of 1% of the Total Purchase Price in the aggregate for all Units, unless Sponsor elects to repair the same; or (c) the taking of any material portion of the Property by condemnation or by eminent domain. Any stated dollar amount relied upon as basis for abandonment of the Plan 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.

In the event the Plan is withdrawn or abandoned, all down payments, together with interest earned thereon, if any, will be returned to Purchasers within ten (10) days following such withdrawal or abandonment. Upon the return or retention of the down payments, together with any interest earned thereon, the Purchase Agreements will be null and void and Sponsor will have no further obligation or liability to Purchasers under the Plan or the Purchase Agreements. Sponsor shall promptly submit an amendment to the Department of Law confirming such abandonment or withdrawal or shall 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.

TERMS OF SALE

A date for the First Closing(s) will be set by Sponsor, no sooner than thirty (30) days after the Plan is declared effective. Title to each Unit will be transferred by bargain and sale deed with covenants against grantor's acts. A form of Unit Deed is contained in the Plan.

The Closing of title to each Unit will be held at the offices of Sponsor's counsel, Turek Roth LLP, 377 Fifth Avenue, 6th Floor, New York, New York 10016 or such other place in the City of New York, as Sponsor shall designate. Sponsor has the right to

postpone the Closing date and to fix a new Closing Date, but in no event shall such adjourned date set by the Sponsor be more than 180 days from the originally scheduled Closing Date. In such event, Sponsor shall give the Purchaser not less than ten (10) days' notice of the new date and time of Closing.

The First Unit Closing will only take place concurrently with or after the occurrence of the following events:

1. The filing of an amendment to the Plan by Sponsor to disclose that the Plan has been declared effective.
2. The recording or filing in the Register's Office of the City of New York, County of Kings, of the Declaration of Condominium, by-laws and floor plans and such other documents as required by law, in accordance with the New York Condominium Act.
3. The issuance of a temporary or permanent Certificate of Occupancy for the entire Building or the issuance of a partial, temporary or permanent Certificate of Occupancy for the Unit(s) to be closed.
4. Discharge or partial release duly recorded of all liens affecting the Unit to be closed.
5. The Holder of any blanket mortgage on the Property shall either (1) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Units and their appurtenant interests in the Common Elements, or (2) subordinate the lien of its mortgage to the Declaration of Condominium, or (3) release its lien on the Condominium Unit being conveyed and such Unit's appurtenant interest in the Common Elements.

The Sponsor has obtained Acquisition and Building Financing in the combined, total amount of \$2,850,000 from Builder's Bank which is secured by a first and second mortgage lien upon the Property, respectively. The loan documents for each loan provide, among other things, that as individual Units are sold by the Sponsor, such Units will be released by the mortgage lien, provided that 100% of the net sales proceeds of such Unit is paid to the bank in reduction of the construction loan indebtedness and also provided that the Units are not sold for less than the minimum sales prices (\$1,118,000.00 for the duplex and \$926,250 for the other Units) and that the net sale proceeds are not less than the Release Price (\$1,028,560 for the duplex and \$852,150 for the other Units). There are no limits placed on Sponsor's right to rent rather than sell under the terms of the construction loan for this project.

6. Purchaser's Execution of a Power of Attorney, in the form provided in the Plan, designating the Board of Managers as his attorney-in-fact, coupled with an interest

(i.e., thereby effectively precluding such Purchaser from unilaterally revoking such designation).

7. The assignment to the Purchaser of any manufacturers' warranties (to the extent available and/or assignable) with respect to all equipment and appliances owned by Sponsor and installed in the Unit and the assignment of any warranties (to the extent available and/or assignable) with respect to all equipment and appliances installed in Common Elements to the Board Managers. It should be noted that the duration of any warranties that are assignable to the Unit Owners and/or the Condominium shall begin to run from the date of delivery or installation or completion (depending upon the nature of the warranty) and not from the date that the Purchaser closes on such Unit.

8. The delivery of a bargain and sale deed with covenants against grantor's acts conveying title to the Unit to Purchaser, in proper form for recording.

9. If ordered by Purchaser, the issuance of a title policy by a title insurance company licensed to do business in New York State and a member of the New York Board of Title Underwriters, to insure that (a) the Purchaser has good and marketable fee title in the Unit, free and clear of all liens and encumbrances, except for (1) permitted encumbrances and standard permitted exceptions; (2) liens and encumbrances (other than Permitted Encumbrances) to which said Unit is subject, which have been expressly accepted by Purchaser; and (3) any mortgage and related security documents that Purchaser executes in connection with the financing of the Purchase Price of the Unit; and (b) the Condominium has been validly created pursuant to the Condominium Act

10. Sponsor will not be obligated to bring any action or to expend any sum except as discussed above to render title to any Unit marketable. If Sponsor fails or refuses to correct any title defect, then, provided Purchaser is not then in default, Purchaser's sole right will be to either (i) take title subject to the title defect (without abatement in or credit against the Purchase Price or claim or right of action against Sponsor for damages or otherwise) or (ii) cancel the Purchase Agreement by written notice to Sponsor, in which event the Sponsor shall return to Purchaser within thirty (30) days, all monies deposited by Purchaser (with interest earned thereon, if any). Upon making such refund, the parties shall be relieved of all further obligations and liabilities under the Purchase Agreement and the Plan.

The existence of mortgages, liens and/or encumbrances other than Permitted Encumbrances, shall not be objections to title, provided bonds or properly executed instruments in form for recording necessary to satisfy or release Units from such impermissible liens or encumbrances are delivered at Closing and proper adjustments are made for the cost of recording or filing such instruments. Sponsor shall bear the responsibility and cost of recording or filing such instruments.

With respect to all violations noted before the First Closing (other than those to be cured by tenants or which result from the acts or omissions of tenants or which will be cured by the completion of the Building construction substantially in accordance with the

"Description of Property and Specifications", more fully set forth in Part II of this Plan), Sponsor will complete all corrective work by the First Closing or within a reasonable period of time thereafter. In the event the Sponsor elects to complete the corrective work after the First Closing then the Sponsor shall establish an escrow account in an amount equal to the cost of curing such violations in accordance with the escrow provisions contained in the Plan. Notwithstanding the foregoing, Sponsor shall not be obligated to correct or remove any violations that are the obligations of tenants to cure or which result from the acts or omissions of tenants or violations noted with respect thereto.

Title to each individual Unit and its appurtenant interest in the common elements will be conveyed at the Closing free and clear of all liens, encumbrances and title exceptions, other than those described in the Plan and the proposed Unit deed, provided that such liens, encumbrances and title exceptions (including the state of facts shown on any current or subsequent survey) do not render title unmarketable.

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 of Condominium is filed, that is owned by the Sponsor, is included in the conveyance, unless specifically excepted in this Offering Plan. Sponsor shall not be obligated to repair any damage from a casualty that occurs before the Closing of a Unit. Purchaser of said Unit shall have the right to cancel the Purchase Agreement in the event Sponsor fails to agree within 30 days of said damage to repair the Unit

All representations under the Plan, and/or pursuant to the General Business Law, and such additional obligations under the Plan which are to be performed subsequent to the Closing Date will survive delivery of the Unit Deed. The Purchaser of a Unit shall inspect such Unit prior to the Closing Date and shall execute at such time an inspection statement acknowledging Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan, provided that if Purchaser finds that Sponsor's improvements have not been completed as described in the Plan then Sponsor and the Purchaser in question will agree to include on the inspection statement a list of incomplete work of a material nature to be completed in the Unit by Sponsor following the Closing Date. Sponsor shall have no obligation to complete any work described herein which is not specifically designated by the Purchaser on the inspection statement. A Purchaser shall receive five (5) business days notice that a Unit is available for inspection pursuant to this Paragraph. A Purchaser who fails to inspect such Unit within said five (5) day period shall be deemed to have accepted the Unit in good condition and in accordance with the terms of the Plan.

UNIT CLOSING COSTS AND ADJUSTMENTS

As more particularly set forth in the Purchase Agreement, at the time of title Closing to any Unit, each Purchaser will pay certain closing costs, legal fees of Purchaser's counsel and the closing fees of the Sponsor's attorney described hereafter. In addition, each Purchaser will be required to pay at Closing the amount of any net credit in favor of the Sponsor resulting from Closing adjustments described below. Recording

charges, fees and taxes are based upon rates in effect on the date of each Unit Closing and are subject to change without further notice.

A. Closing Costs

1. Purchaser may elect to obtain fee title insurance from Royal Abstract LLC, having an office at 500 Fifth Avenue, Suite 1940, New York, New York 10110, (212) 376-0900, or any other title insurer of its choice. Regardless of which title company it chooses, Purchaser will pay the premium therefor, which will vary depending upon the Purchase Price of the Unit. If ordered from Royal Abstract of New York LLC, the premiums as of the date of this Plan will be discounted by reason of the initial sale of the Unit by the Sponsor. The discounted premium for owner's title insurance is seventy percent of the sum of \$402 for the first \$35,000 of fee insurance plus from \$6.67 to \$2.76 for each \$1,000 of additional fee insurance or fraction thereof depending on the amount of insurance. Mortgage title insurance may also be obtained by a Purchaser or his mortgagee. Such insurance is commonly required by banks and other institutional lenders for condominium mortgage loans. The mortgage title insurance rates are similarly discounted and are seventy percent of the sum of \$344 for the first \$35,000 of coverage plus from \$5.55 to \$2.31 for each \$1,000 of additional mortgage title insurance or fraction thereof depending on the amount of insurance. Royal Abstract of New York LLC will insure lenders at additionally discounted simultaneous rates if a fee policy and mortgage policy are both obtained by Purchaser. Each Purchaser may obtain title insurance from any company of their choice other than Royal Abstract.

2. A fee for recording the Unit Deed and Owner's power of attorney in favor of the Board of Managers, being \$42.00 for each Deed and \$17 for each additional instrument plus \$5.00 per page as collected by Royal Abstract of New York LLC (each title company establishes its own additional service and surcharges in this regard).

3. If Purchaser obtains a mortgage loan, he will pay:

- (a) a fee and service charge for recording the mortgage at the same rates given above for recording the deed; and
- (b) a mortgage recording tax in the amount provided for by law. At the date of the Plan, the tax is 2% of the face amount of the mortgage for mortgages under \$500,000 and 2.125% for mortgages of \$500,000 or more (less \$25 irrespective of the amount of the mortgage). Certain institutional lenders may be required to pay a portion of the mortgage recording tax equal to 1/4% of the loan amount which would reduce Purchaser's obligation to 1.25% or 1.375% of the amount of the loan.

Section 339-ee(2) of the Condominium Acts provides for a credit against the mortgage recording tax described above upon the first conveyance of each Unit. In the event that such mortgage recording tax credit becomes available it shall inure to the benefit of the Sponsor so that Purchaser shall pay to Sponsor at Closing the amount of any such mortgage recording tax credit allowed. Purchaser shall execute and deliver such forms or affidavits required by the Sponsor in connection with such mortgage recording tax credit.

4. All Closing costs and expenses in connection with obtaining a mortgage loan to finance the purchase of the Unit in amounts determined by the lender. In the case of banks and other institutional lenders, these costs customarily include, loan application fee, origination fees, commitment fees, fee for credit checks, mortgage title insurance, bank attorneys' fees and appraisal fees.

In addition, the lender may require a financing Purchaser to deposit monthly with the lender, an escrow for the payment of annual real estate taxes using the actual or anticipated assessed valuation. The amount of the escrow, if any, commonly depends on the number of months remaining between the Closing of title and the date these amount are next due to be paid and the estimated amounts then payable.

No representation or warranty is made or intended with respect to the amounts of such closing costs and expense associated with mortgage loans or the availability or cost of mortgage loans from any sources.

5. The Purchaser of a Unit will be required to pay the New York State Documentary Stamps and the New York City Real Property Transfer Taxes (collectively, "Transfer Taxes") at Closing, although such taxes are customarily paid by the seller in conventional real estate transactions. The current effective rate of the New York City Real Property Transfer Tax for a Unit of \$500,000 or less is 1.01% of the Purchase Price (1.425% if the Purchase Price is over \$500,000), and the New York State Documentary Stamp Tax is \$2.00 for each \$500.00 (or part thereof) of the Purchase Price of a Unit.

6. If the Purchase Price of a Residential Unit is \$1,000,000 or more, the New York State Additional Tax pursuant to Article 31 of the Tax Law, currently calculated at 1% of the Purchase Price.

7. Closing Fees of Sponsor's attorneys in the amount of \$1,500 per Unit, payable at Closing. If a Purchaser does not close on the date designated for the transfer of title by the Sponsor, the Purchaser shall pay an additional legal fee at Closing to Sponsor's attorney of \$300. If the Purchaser requests the Closing to occur other than at Turek Roth LLP or such other place as Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of \$500 for each Unit Closing held within Manhattan and \$700 for each Unit Closing held in any borough of New York City outside Manhattan (closings will not take place outside of New York City). In addition, if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of

the Purchase Agreement, a fee of \$1,000, payable in advance, for preparation of an assignment agreement. Purchaser may pay more than one fee pursuant to this paragraph with respect to a single Unit. In addition to an attendance fee in connection with a completed Unit transfer, Sponsor's attorneys shall also be entitled to an attendance fee if they attend a scheduled Closing but the Closing is adjourned due to Purchaser's failure to comply with its Closing obligations, the determination of which shall be within the sole discretion of Sponsor's attorneys. In addition, more than one assignment fee shall be payable if Sponsor consents to more than one request.

8. Any and all fees charged by Purchaser's title company in connection with the preparation of the electronic recording forms (if Purchaser elects to use Royal Abstract Company to provide title insurance, the cost of preparing such recording forms shall be \$350, payable at the Closing on such Unit).

9. The brokerage commission of any real estate broker with whom Purchaser has dealt in connection with the purchase of his Unit other than the Selling Agent.

10. The fee of Purchaser's attorney, accountant or other advisors.

If Units have not been separately assessed for real estate tax purposes prior to the First Closing and the Condominium has not qualified at such time (if ever) for real estate tax exemption, the Sponsor shall place in a special escrow account on behalf of the Board of Managers an amount estimated to be sufficient to pay real estate taxes for the entire property for half of the tax year following the half of tax year in which the first Closing occurs (the "Half Tax Year"). The Board of Managers will pay out of such escrow account the real estate taxes as and when same become due and payable.

To the extent necessary as provided in the foregoing paragraph, at the Closing of each Unit, the Managing Agent of the Board of Managers will collect from each Purchaser a sum reasonably estimated to pay the real estate taxes for the Half Tax Year. Such sums shall be held in a separate escrow account by the Board of Managers pending payment of such real estate taxes. Upon the payment of such real estate taxes, the Board of Managers will promptly reimburse the Sponsor for the sum deposited in escrow by it for the Half Tax Year in an amount equal to the proportionate share of the real estate taxes allocable to the Units for which title has closed prior to the Half Tax Year.

If the actual taxes due for any period for which the Board of Managers collected from the Unit Owners are higher than such estimated sums for real estate taxes, the Board shall nevertheless reimburse Sponsor as indicated and bill Unit Owners for their proportionate share of any deficiency. If the actual taxes are lower, the Board of Managers shall also reimburse the Sponsor with the actual sum due it, and shall return to Purchasers their proportionate share of any excess actually paid by such Purchaser.

As an example, the following closing costs would be applicable if the Purchase Price for Unit 4 was \$1,109,500 (expressly excluding any costs associated with financing,

Purchaser's legal fee, brokerage commission [if Purchaser has dealt with any broker other than Selling Agent], real estate taxes, moving expenses or other costs and/or expenses incidental to Purchaser's unique circumstances [such as closing costs and expenses in connection with Purchaser's sale of an existing home]:

A.	Fee Title Insurance	\$ 4,910.00
B.	Recording of Deed and Power of Attorney	\$ 79.00
C.	NYS Documentary Stamps	\$ 4,520.00
D.	NYC Real Property Transfer Tax	\$16,098.91
E.	E-Recording Document Fee:	\$ 350.00
F.	Sponsor's Attorney's Legal Fees:	\$ 1,500.00
	-Adjournment Fee (if applicable)	\$ 300.00
	-Attendance Fee within Manhattan (if applicable)	\$ 500.00
	-Attendance Fee outside Manhattan (if applicable)	\$ 700.00
G.	Mansion Tax	\$11,297.48
H.	Assignment Fee (if applicable)	<u>\$ 1,000.00</u>
		<u>\$41,255.39</u>

This Plan will be amended by Sponsor in the event any of the foregoing Closing Costs increase by 25% or more.

B. Closing Adjustments

At the Closing of title to each Unit, Sponsor and the Purchaser shall apportion, as of midnight of the day preceding the Closing:

(i) Rent and any other accrued charges pursuant to any interim lease (if applicable) paid by Purchaser for the month in which the Closing occurs;

(ii) Common Charges for the month in which the Closing occurs;

(iii) real estate taxes and assessments, if any (including water charges and sewer rents if separately assessed), on the basis of the period for which they are assessed. If the Units have not been separately assessed for such period, the Purchaser will pay his share of said payments in proportion to said Purchaser's Common Interest.

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

(a) employee's wages

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

- (c) cost of fuel;
- (d) charges for electricity, gas and other utilities for the Common Elements;
- (e) payments under assignable service and maintenance contracts and concession agreements, if any;
- (f) water and sewer charges;
- (g) premiums for transferable insurance policies; and
- (h) cost of building supplies on hand, at Sponsor's cost, plus sales tax.

The "Customs in Respect to Title Closings" recommended by the Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned, except as otherwise provided therein. Any errors or omissions in computing apportionments at Closing shall be corrected and payments made to the proper party promptly after discovery. This provision will survive the Closing of title.

RIGHTS AND OBLIGATIONS OF SPONSOR

The rights and obligations of the Sponsor pursuant to the Plan and subject to its terms and conditions, shall include the following:

1. The Sponsor has no obligation to defend any suits or proceedings, nor to indemnify the Board of Managers and Unit Owners, except with respect to claims arising out of the acts, omissions or representations expressly set forth in the Sponsor's Plan.
2. All representations and additional obligations under the Plan and all obligations of Sponsor pursuant to the General Business Law which are to be performed subsequent to the Closing shall survive delivery of the Deed of the applicable Unit, until the stated or legal expiration of any such representation or obligation.
3. The Sponsor will pay all Common Charges, Special Assessments and real estate taxes for all Unsold Units. Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. Sponsor will fund its financial obligations from the proceeds realized from the sales of Units, rental income from Commercial Tenants, rental income from residential tenants (if any) and financing. Sponsor has not furnished any bond or other security for the performance of such obligations.
4. In the event of dissolution or liquidation of Sponsor or the transfer of ten (10%) percent or more of the total Units of the Condominium, the principals of Sponsor

will provide financially responsible entities or individuals who will assume the obligations of Sponsor under the Plan, applicable laws or regulations for those Units.

5. Sponsor shall not be obligated to repair any damage from a casualty that occurs before the Closing of a Unit. Purchaser of said Unit shall have the right to cancel the Purchase Agreement in the event Sponsor fails to agree within 30 days of said damage to repair the Unit.

6. The Sponsor will bear all costs and expenses to be incurred in connection with the creation of the Condominium and the preparation, filing and distribution of the Plan.

7. Immediately following the First Closing, the Sponsor will assign all assignable service and maintenance contracts and agreements relating to the Property, if any, to the Condominium Board, and the Condominium Board will, on behalf of all Unit Owners, assume the same and indemnify the Sponsor against all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the First Closing occurs. Purchasers should be aware that warranties vary in length, depending partly upon when the appliances, equipment and fixtures covered by such warranties are first installed. Sponsor makes no representation as to which, if any, of the warranties will continue to remain in force upon the Closing Date of any particular Unit.

8. Sponsor further reserves the right, without prior notice or amendment, to use any vacant Unit(s) as sales office(s) or model Units.

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

- (i) any materials, appliances, equipment and fixtures which Sponsor may substitute shall be similar products of substantially equal or better quality or design; and
- (ii) Sponsor shall not materially change the size or location of the Units or Common Elements or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement is in effect, except as more specifically provided in the Section entitled "Changes in Prices and Units."

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

10. Sponsor shall perform all work required to obtain a permanent Certificate of Occupancy in the Common Areas of the Building (the "Common Area Work") and shall perform all work required to obtain a temporary Certificate of Occupancy for those Units which are purchased, in the manner disclosed in the "Description of Property and Specifications", as set forth in Part II of the Plan. In order for the Units and the entire Building to obtain a permanent Certificate of Occupancy it will be necessary for Sponsor to complete the Common Area Work and the work within the Units. In the event Sponsor defaults on its obligations hereunder, Unit Owners may have to raise Common Charges or assess to complete such work. Notwithstanding the Sponsor's continuing liability for failure to perform any obligation imposed by applicable statute or regulation including without limitation, the Sponsor's responsibility for completing construction and the payment of any penalties for failing to do so, Purchasers are advised that in the event that all Common Area Work is not completed by the time the temporary Certificates of Occupancy expire, continued occupancy of the Building will be illegal and the Building and all Unit Owners may become subject to the posting of violations, which may result in fines or even eviction from the Building. In such event, Sponsor's obligations shall continue and Purchasers shall have such rights and remedies against Sponsor as are available under applicable law and code.

It has been customary for Units in newly constructed condominiums to close after the Sponsor obtains a temporary Certificate of Occupancy covering such Units. Sponsor will send closing notices for Units covered by temporary Certificates of Occupancy and Purchasers of such Units will be required to close with a temporary Certificate of Occupancy rather than a permanent Certificate of Occupancy in place. Temporary Certificates of Occupancy are issued for three (3) months at a time.

The New York City Department of Buildings advises Purchasers of condominium units who close with only a temporary Certificate of Occupancy in place, to consult with their attorneys and engineers to assure that sufficient funds are escrowed or otherwise secured for the Sponsor to obtain a permanent or final Certificate of Occupancy. 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 final Certificate of Occupancy.

11. If Sponsor does not obtain a permanent Certificate of Occupancy for the Property prior to the First Closing, Sponsor will be obligated to: (i) direct the Escrow Agent to hold and maintain those monies received pursuant to all Purchase Agreements (see Section entitled "Procedure to Purchase") which would otherwise be payable to Sponsor in the special trust account required by the General Business Law of the State of

New York, Sections 352-2(2)(b) and 352(h), provided, however, that if Sponsor's Architect certifies that a lesser amount than the amount held in the special trust account is reasonably necessary to complete the Common Area Work, then the amount exceeding the sum so certified by Sponsor's Architect shall be released from the special escrow account to Sponsor; or (ii) Sponsor, in accordance with the Attorney General's regulations, shall deposit with Escrow Agent an unconditional, irrevocable letter of credit, deposit cash or post a surety bond, or provide other collateral acceptable to the Department of Law, in an amount Sponsor's Architect, from time to time, certifies is reasonably necessary to complete the Common Area Work. Any amount held in escrow, in excess of the amount certified as reasonably necessary to complete the Common Area Work, can be released from escrow upon receipt by Escrow Agent of a written request by Sponsor. In the event Sponsor fails to obtain the permanent Certificate of Occupancy within two years from the issuance of the first temporary Certificate of Occupancy and the Condominium Board undertakes to obtain same, the funds in the special escrow account will be released to the Condominium Board to the extent funds are required to obtain the permanent Certificate of Occupancy. Notwithstanding anything to the contrary set forth above, in the event that the amount escrowed is insufficient to complete the Common Area Work, Sponsor shall nevertheless complete the Common Area Work at its sole cost and expense.

12. Each Unit and the fixtures and personal property contained herein, are being sold and delivered as described in the Plan, at the time of transfer of title to such Unit, unless Sponsor and Purchaser otherwise agree. Sponsor will maintain each Unit, and the fixtures and personalty contained therein, up to the time of the transfer of title to the Unit in question; however, Purchasers who obtain possession of their Unit prior to Closing on such Unit, shall be responsible for maintaining their Unit subsequent to the date that they obtained possession of their Unit. The Purchaser of a Unit shall inspect such Unit prior to the Closing Date and shall execute at such time an inspection statement acknowledging Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if the Purchaser finds that Sponsor's improvements have not been completed, although such improvements have been substantially completed (i.e., completed to the condition that a reasonable person could safely and comfortably reside in the Unit), then Sponsor and Purchaser in question will immediately thereafter agree to include on the inspection statement a list of incomplete work of a nature to be completed in the Unit by Sponsor following the Closing for the Unit in question. The failure of Sponsor to complete such work shall not be an automatic ground for Purchaser delaying the Closing; rather, if any such incomplete work is material to the ability of the Purchaser to live in the Unit comfortably, purchaser shall not be required to close on the Unit until such work is completed. Except as otherwise expressly provided in this Plan, Sponsor shall have no obligation to complete any work described herein which is not specifically designated on the inspection statement by Purchaser, except for work necessary to cure violations.

13. Sponsor will construct the Premises in accordance with all applicable building codes and filed plans and specifications. Sponsor shall not be obligated to correct, repair or replace any and all defects relating to construction of the Units, the

Common Elements, or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in this Plan. Non-structural cracks in poured concrete as well as natural and other industry common variations in materials used to construct the Building and finish the Units, should be anticipated and Sponsor shall have no obligation to replace such material. Sponsor will not warrant the materials or workmanship of any Unit or any of the Common Elements. The Housing Merchant Implied Warranty Law (GBL Article 36-B) is not applicable to his offering as the subject building contains more than five (5) residential floors.

14. Prior to the Closing of title for each Unit, Sponsor will cause such Unit and its appurtenant Common Interest, benefits, rights and easements as described in the Declaration and By-Laws to be released from the lien of any mortgages or security agreements encumbering the Unit (other than any mortgage or security agreements obtained by the Purchasers).

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

16. Sponsor shall have only such obligation to defend any suit or proceeding arising out of Sponsor's acts or omissions or to indemnify the Board of Managers or Unit Owner(s) in any such action or proceeding as is required by law.

17. Following the issuance of a permanent Certificate of Occupancy for the Building, Sponsor will deliver to the Condominium Board a complete set of "as built" mechanical, electrical and plumbing drawings for the entire Building.

18. In accordance with Section 339-p of the Condominium Act, a registered architect or licensed professional engineer shall certify within reasonable tolerances that the Floor Plans are an accurate copy of portions of the plans of the Building as filed with and approved by the municipal or other governmental authority having jurisdiction over the issuance of permits for the renovation of the Building, and, in addition, such architect or professional engineer shall make periodic inspections at various stages of construction to determine that the Building is renovated in accordance with such plans.

19. Sponsor will initially procure on behalf of the Board of Managers (and at the expense of the Condominium) fire and casualty and any other insurance relating to the Condominium which is required to be maintained by the Board of Managers in accordance with the provisions of the By-Laws (see the Section entitled "Rights and Obligations of Boards of Managers") the cost of which insurance has been reflected in the Projected Budget set forth in Schedule B. As noted in Footnote 8 to Schedule B, the Sponsor has obtained an opinion from a licensed insurance broker, that the amount of insurance coverage is adequate to protect against co-insurance.

20. Pursuant to the provisions of Section 352-e of the New York General Business Law, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection, by prospective Purchasers and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of six years from the date of the recording of the Declaration. In addition, a set of Floor Plans showing the layout, location and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of the City of New York as conforming to the official tax lot number for each such Unit, will be filed in the City Register's Office when the Declaration is recorded, and an additional set will be furnished to the Board of Managers.

21. Except for the Sponsor's obligations to pay Common Charges and to perform other duties as a Unit Owner with respect to any Unsold Unit (for as long as the Sponsor owns same), the foregoing sets forth the entire extent of the obligations of the Sponsor under the Plan and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of Purchasers relative to their Units under their respective Purchase Agreements. The Sponsor makes no representations or warranties other than as set forth in this Section.

22. At or prior to the closing of any Unit, the Sponsor shall assign any manufacturer's warranties with respect to equipment and appliances installed in the Unit, to the Purchasers thereof and shall assign any warranties with respect to equipment and appliances installed in the Common Elements, to the Board of Managers prior to the First Unit Closing. It should be noted that the duration of any warranties that are assignable to the Unit Owners and/or the Condominium shall begin to run from the date of delivery or installation or completion (depending upon the nature of the warranty) and not from the date that the Purchaser closes on such Unit.

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

Obligations of the Sponsor under this Section with respect to the Condominium and the Common Elements shall be enforceable only by the Condominium Board on behalf of all Unit Owners. It should be noted that it may be difficult to enforce such rights and obligations during the period that the Sponsor controls the Condominium Board of Managers. In no event shall any obligations of the Sponsor be enforceable by individual unit Owners unless the Condominium Board fails to take reasonable action to enforce

such obligations within ninety (90) days following the giving of written notice of such claims by an Unit Owner to the Condominium Board.

Except as may be set forth above or as required by law or governmental regulation, Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. The ability of Sponsor to perform its obligations hereunder will partly depend upon its financial condition at the time it is called upon to perform. No representation can be made that it will be financially able to perform any or all of such obligations. Unless expressly provided to the contrary herein, the obligations of Sponsor under the Plan shall survive the delivery of the respective Unit deeds.

Sponsor will endeavor in good faith, to sell, in a reasonably timely manner, all residential units to purchasers for personal occupancy of purchasers or their immediate families. However, in the event that there is a significant decline in market values of at least 10% from the offering prices set forth in the contracts counted toward effectiveness, sponsor reserves the right to rent, rather than sell, units until there is an upturn in the market. Sponsor's good faith efforts to sell to purchasers will include listing unsold units with brokers, showing unsold units to brokers and prospective purchasers or their representatives, filing update amendments to this offering plan and otherwise engaging in customary sales activity.

Sponsor has obtained construction financing from Builders Bank, 1001 Franklin Avenue, Suite 210, Garden City, NY 11530 for the construction of the new Building and anticipates obtaining a permanent Certificate of Occupancy for the Building within two (2) years after the First Closing. There are no limits placed on Sponsor's right to rent rather than sell under the terms of the construction loan for this project.

CONTROL BY SPONSOR

Under the Condominium By-laws, until the first meeting of Unit Owners, the Board of Managers will consist of three (3) members designated by the Sponsor. The Sponsor will call the first meeting of Unit Owners within four (4) months of the First Closing. At the first meeting of Unit Owners, a new Board shall be elected.

Sponsor as the owner of Unsold Units will be able to exercise voting control of the Condominium Board for so long as Sponsor has sufficient votes at any meeting of the Unit Owners to elect a majority of the Condominium Board Within thirty (30) days after the later of the date when Sponsor no longer owns Unsold Units constituting less than fifty (50%) percent of the Common Elements and the second (2nd) anniversary of the First Unit Closing, Sponsor shall call a special meeting of the Unit Owners for the purpose of electing a new Board of Managers, which shall not be controlled by the Sponsor. Notice of such special meeting of the Unit Owners shall be given prior to such meeting in the manner prescribed by the Condominium's By-Laws. In addition, Sponsor, for so long as Sponsor owns at least two (2) Units, shall have the right, at is option, to designate at least one member of the Condominium's Board of Managers; but in no

event, shall the Sponsor be able to designate more than the number of managers that the Sponsor could elect into office by virtue of the percentage of common interest still owned by the Sponsor at such time. During the period that Sponsor controls the Condominium Board, Sponsor will thus have control of maintenance, facilities and services to be provided to Unit Owners and will determine the Common Charges to be paid by all Unit Owners and the enforcement of Sponsor's obligations by said Board(s).

Until Sponsor or its designee has conveyed title to seventy-five (75%) percent of the Residential Units, but in no event later than five (5) years after the First Closing, whichever shall first occur, the Condominium Board may not take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make any addition, material alteration or improvement to the Common Elements or to any Residential Unit, (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of employees referred to in the Plan, (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Residential Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Condominium Board to (i) comply with applicable laws, rules or regulations of any governmental authority having jurisdiction over the Condominium; (ii) to remedy any notice of violation; or (iii) to remedy any work ordered by an insurer.

So long as the Sponsor owns at least one Unit, the Sponsor will be entitled to vote its interest in the Condominium in favor of any candidate to the Board of Managers, without restriction.

BOARD OF MANAGERS

The affairs of the Condominium shall be governed by the Board of Managers, which shall consist initially of three (3) members designated by the Sponsor. At the first meeting of the Unit Owners, which will be held not later than four (4) months after the First Closing, the Board of Managers shall resign in favor of new Condominium Board, to be elected by Unit Owners (including Sponsor in its capacity as a Unit Owner) at such meeting. Thereafter, elections to the Condominium Board shall be held at the regular annual meeting of Unit Owners held in January of each succeeding year. The Condominium's By-Laws provide (Section 2.5) that within thirty (30) days after the later of (a) the date when the Sponsor or its designee no longer owns Unsold Units constituting more than fifty (50%) percent of the Common Elements and (b) the second (2nd) anniversary of the First Unit Closing, Sponsor shall call a special meeting of the Unit Owners for the purpose of electing a new Board of Managers of which a majority of its Managers shall be owner-occupants or members of an owner-occupant's household who

are unrelated to the Sponsor and/or its principals. Special meetings of Unit Owners may be called by resolution of the Board of Managers or on petition of Unit Owners having in the aggregate not less than 25% of the Common Interest of all Unit Owners. Managers need not be Unit Owners, but must be at least 18 years of age.

At present, Sponsor intends to designate the following persons (all of whom are either principals or employees of the Sponsor) as the initial managers: Anthony Gurino, Kathleen Roan and Angelo Gurino.

Members of the Condominium Board are subject to removal, with or without cause, by vote of Unit Owners owning a majority of the Common Interest attending a meeting at which a quorum is present. However, members elected by the Sponsor or its designee may only be removed by the Sponsor or said designee, who alone will have the right to designate a replacement. Any officer may be removed, without cause, by vote of a majority of the Condominium Board at a meeting called for such purpose.

The term of office of each of the members of the Board of Managers shall normally be one year.

Each Unit Owner shall be entitled to cast one vote at all meetings of the Unit Owners for each .01% of Common Interest attributable to the Unit(s) owned by him and shall have the right to cumulate his votes in favor of any one or more members to be elected. Elections of members of the Condominium shall be determined by plurality vote. See Section "Control By Sponsor" for special voting rights held by the Sponsor or its designee.

The Board of Managers will be responsible for management and maintenance of the Condominium. It shall have the powers and duties necessary for the administration of the affairs of the Condominium and may perform any acts necessary therefor, consistent with the Condominium Documents and applicable law. Such acts include determination, collection and enforcement of the obligation of Unit Owners to pay common charges, employment and dismissal of personnel, providing for insurance as to Common Elements and adoption of rules relating to use and operation of Condominium property.

In accordance with Section 339-JJ of the Real Property Law, the Board of Managers, on behalf of the Unit Owners, may incur debt. In connection with any debt incurred by it, the Board of Managers on behalf of the Unit Owners may (a) assign the rights in and to receive future income and Common Charges, (b) create a security interest in, assign, pledge, mortgage or otherwise encumber funds that it holds, (c) agree that, all Common Charges received and to be received by the Board of Managers, and the right to receive such funds, shall constitute trust funds for the purposes of paying such debt and the same shall be expended for such purpose before expending any part of such funds for any other purpose, and (d) agree that at the lender's direction, it will increase Common Charges to the extent necessary to pay any amounts when due under any debt agreement.

The members of the Board of Managers shall not be liable to the Unit Owners for any error in judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith (e.g., self dealing or any other conduct which is prohibited by law).

All Unit Owners shall severally indemnify each member of the Condominium Board against any liability or claim, except those arising out of the bad faith or willful misconduct of such member. However, the liability of any Unit Owner on account of such indemnification will be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners. The insurance coverage contemplated in Schedule B, includes Directors and Officers Liability Insurance. All members of the Board of Managers shall serve without compensation

The officers shall consist of President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board of Managers. The President and the Vice President must be members of the Board of Managers. The Board may appoint such other officers as in its judgment may be necessary or appropriate. All officers shall serve without compensation from the Condominium.

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. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York.

The Vice President shall act as the President when the President is not available to do so and to perform such other duties as may from time to time be required by the Board of Managers.

The Secretary shall keep the minutes of all meetings of Unit Owners and the Board of Managers. He shall, in general, perform all of the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

The Treasurer shall have the responsibility for Condominium funds and shall be responsible for keeping full and accurate financial records and books of account. He shall, in general, perform all duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

As more fully set forth in the By-Laws, (i) all determinations required to be made by the Condominium Board shall be by majority of the votes cast at any meeting at which a quorum is present, and (ii) determinations required to be made by the Condominium Board shall be by majority of the votes cast at any meeting at which a quorum is present.

Any member of the Condominium Board who is a designee of Sponsor may contract or deal with Sponsor and/or its designee in connection with any matter other than

the affairs of the Condominium, except to the extent that such contracting or dealing constitutes self-dealing at the expense of the Condominium. In any event, the Board shall disclose such contracting or dealing to the Unit Owners.

Generally, subject to certain exceptions concerning, among other things, Sponsor, and provided that required consents of the mortgagee, if any, are obtained, any provision of the Declaration, By-Laws or Rules and Regulations may be amended, modified, added to or deleted by affirmative vote of at least 66-2/3% in number and in Common Interest of all Unit Owners; provided, however, that the Common Interest appurtenant to each Unit may not be altered without the written consent of all Unit Owners directly affected thereby.

Every contract made by or on behalf of the Condominium Board or by any managing agent or manager thereof shall state that (a) it is made by such Condominium Board, managing agent or manager, only as agent for all Unit Owners and such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Unit Owner with respect to such contract shall be limited to (i) such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, and (ii) to the extent permitted by law, unless otherwise determined by the Condominium Board in its sole and absolute discretion, such Unit Owner's interest in his Unit and its appurtenant Common Interest. To the extent permitted by applicable law, Board Members shall have no liability to Unit Owners except that a Board member shall be liable for his own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member against any liability or claim except those arising out of such Board member's own bad faith or willful misconduct. The Condominium Board may contract or effect any transaction with any Board member, any Unit Owners, Sponsor or its designee, or any affiliate of any of them without incurring any liability for self-dealing except in cases of bad faith or willful misconduct.

Notwithstanding any provision contained in the By-Laws to the contrary, no amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of the Sponsor or its designee or the owner of any Unsold Unit with respect to any amendment, modifications, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Unit, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Unit or (b) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Residential Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses such Unsold Unit or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Unit

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

A. Sale or Lease of Unit/Right of First Refusal of Board of Managers

Each Unit Owner has the right to sell or lease his Unit provided that he shall first give to the Board of Managers thirty (30) days prior written notice of the terms of any bona fide sale or lease which he desires to make. If the Board of Managers disapproves the transaction, it shall, within such 30day period, either (a) produce a Purchaser who will purchase or lease the Unit, upon the same terms as stated in the Unit Owner's notice to the Board of Managers, or (b) agree to purchase or lease the Unit on behalf of all other Unit Owners upon the same terms as stated in the Unit Owner's notice to the Board of Managers. The Board of Managers, however, may not purchase or lease a Unit without the approval of a majority of the Unit Owners. If the Board of Managers does not have sufficient funds on hand for the purchase or lease of a Unit, the Board of Managers may either borrow such funds or may assess the Unit Owners therefor in proportion to their respective Common Interests after either consent by each Unit Owner or a majority vote by the Board of Managers. If the Board of Managers does not either produce a Purchaser or lessee for the Unit or agree to purchase or lease the Unit within the aforesaid 30day period, the Unit Owner shall have the right to consummate the sale or lease on the terms submitted to the Board of Managers.

Notwithstanding anything contained herein to the contrary, prior to the closing of title to a Unit, the Purchase Agreement prohibits Purchaser from listing such Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease, without Sponsor's prior written consent.

Any Unit acquired or leased by the Board of Managers or its designee shall be held on behalf of all Unit Owners in proportion to their respective Common Interests. The rents received or the proceeds from the lease or sale of such Units, after deduction of expenses incurred in generating same, shall constitute income to the Unit Owners.

With respect to the leasing of a Unit, any lease for such Unit (other than an Unsold Unit) shall be in the form of apartment lease then approved by the Real Estate Board of New York, Inc., except for such changes thereto as may be provided for in the Bylaws.

The Board of Managers may not discriminate against any prospective Purchaser or tenant on the basis of race, creed, color, national origin, sex, age, disability, marital status, sexual preference or other grounds prohibited by law.

Any such Deed given by a transferor of a Unit shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to

time. Any such lease shall be consistent with the By-Laws and shall provide that it may not be materially modified, amended, or extended without the prior consent in writing of the Condominium Board, that the tenant shall not assign the lease or sublet the demised premises or any part thereof without the prior consent in writing of the Condominium Board, and that the Condominium Board, if permitted by applicable law, shall have the power to terminate such lease and/or bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Condominium Board.

The restrictions upon the sale and lease of Units shall not: (a) restrict a Unit Owner from transferring, or leasing his Unit to any of his adult Family Members; (b) apply to the Sponsor, or its designee, and (c) apply to a mortgagee acquiring title in foreclosure or by deed in lieu of foreclosure; all of whom shall be free to sell or lease without first notifying or obtaining the consent of the Board of Managers. Moreover, the terms of any lease which the Sponsor or its designee may desire to enter into regarding the renting of their respective Units, shall not be subject to state or local rent laws. The Board of Managers shall cooperate in providing appropriate physical access to any such Unit and the Common Elements, as well as all financial information regarding same.

No part of an Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all affected Unit Owners.

Any Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to Closing. In addition, the Condominium Board may establish reasonable fees for the processing of sale and lease notices, which shall be payable by the selling or leasing Unit Owner, as the case may be, to the Managing Agent.

B. Mortgaging of Units

Each Unit Owner shall have the right to mortgage his Unit, without restriction subject to the Condominium Documents. Each Unit Owner (other than the Sponsor or owner of an Unsold Unit) shall inform the Board of Managers of the identity of any mortgagee and, if requested, to furnish a copy of the mortgage to the Board.

A mortgage on any Unit shall not be a lien on any other Unit, without the express written consent of the owner of such other Unit.

C. Common Charges and Assessments

The Board of Managers will prepare from time to time and at least annually, a budget setting forth a projection of the Common Expenses for the Condominium. Common Charges include expenses for maintenance and operation of the Common Elements, such as those provided for in Schedule B and such other costs and expenses set forth in the Bylaws. Subject to the rights of Sponsor as noted in "Control by Sponsor" above, the Board of Managers may include in the Common Charges amounts for a reserve for capital expenditures.

Each Unit Owner shall pay Common Charges and any assessments proportionate to his respective interest in the Common Elements. A Unit Owner's liability for Common Charges and assessments attributable to their respective Unit, terminates only with the (i) sale of such Unit in accordance with the terms of this Offering Plan, the Declaration of Condominium and the Condominium's by-laws or the Termination of the Condominium in accordance with Article 15 of the Declaration of Condominium which may be triggered in the event of (a) a significant casualty loss, condemnation or eminent domain or (b) withdrawal of the Property from the provisions of the Condominium Act upon the affirmative vote of at least 80% of all the Unit Owners, in both number and in aggregate Common Interests.

Any Unit Owner may, subject to the terms and conditions specified in the Bylaws, convey his Unit to the Board of Managers or its nominee on behalf of all other Unit Owners, without any compensation. In such event the Unit Owner shall be exempt from Common Charges thereafter assessed.

Under the provisions of Section 339z of the Condominium Act, the Board of Managers, on behalf of the Unit Owners, will have a lien on each Unit for unpaid Common Charges assessed by the Board of Managers. This lien will be subordinate only to liens for real estate taxes and to sums unpaid on a first mortgage of record thereon. Such lien may be foreclosed by a suit, brought in the name of the Board of Managers, similar to a foreclosure of a mortgage on real property or an action may be brought by the Board of Managers to recover the unpaid Common Charges, without filing the lien. So long as Sponsor is in control of the Condominium Board, the Sponsor will cause the Board of Managers to file a lien as provided in Section 339-aa of the Condominium Act on which the Sponsor is more than thirty (30) days in arrears of its Common Charge obligations to the Condominium.

D. Repairs and Maintenance, Units and Common Elements

Generally, all painting, decorating, maintenance, repairs and replacements (a) to any Unit shall be performed by the Owner of such Unit at his sole cost and expense; (b) to the Common Elements shall be performed by the Board of Managers as a Common Expense. However, any such maintenance, repair and replacement to the Common

Elements that is necessitated by the negligence, misuse, or abuse of a Unit Owner, will be made by the Board of Managers at such Unit Owner's sole cost.

In the event that any Unit Owner fails to maintain or repair his Unit or in the event of any breach of the Condominium Documents, then the Board of Managers shall have certain rights to perform such maintenance or repairs, or to cure such breach, at such Unit Owner's expense.

E. Rights of Access

The Board of Managers, the managing agent, the superintendent and other authorized persons will have a right of reasonable access to any Unit for the purposes of making inspections, or removing violations of governmental laws or regulations against any Unit, curing defaults committed by the Owner of such Unit, making general repairs or correcting any conditions originating in such Unit and threatening another Unit. In addition, Sponsor and its contractors, subcontractors, agents and employees will have a right of reasonable access to each Unit and to all of the Common Elements for purposes of fulfilling Sponsor's obligations under the Plan, provided that access to any Unit shall be exercised to the extent reasonably practicable, in such a manner as will not unreasonably interfere with the use of such Unit for its permitted purposes. Sponsor and/or its contractors will make reasonable efforts to give each Unit Owner written advance notice each and every time such access is required. Nevertheless, it should be anticipated that until such time as Sponsor concludes its renovation of the Building, that certain Building services (such as plumbing, electrical and limited elevator) may be temporarily interrupted in order to complete such renovations.

F. Alterations, Additions and Improvements of Units and Common Elements

No Unit Owner (except Sponsor), may make any structural alteration, to his Unit without the prior written approval of the Board of Managers, which approval shall not be unreasonably withheld or delayed. No Unit Owner may make any alteration, to the Common Elements. Nonstructural alterations or decorations to a Unit do not require the consent of the Condominium Board. However, each Unit Owner shall be responsible for obtaining any permits or other municipal approvals as may be required by local law in connection with such alterations.

The Sponsor shall have the right, without the approval of the Board of Managers, to: (a) make alterations, additions, improvements or repairs to any Unsold Unit, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, and (b) subdivide, combine and change the boundary walls of Unsold Units. However, no change will be made in the size or number of Units and/or their percentage of Common Interest. No material change will be made in the size or quality of Common Elements, except by amendment to this Plan and when applicable, to the Declaration. Furthermore, unless all Purchasers, if any, consent, no material change will be made in the size and no material adverse change will be made in the quality of the Common Elements. See Section "Changes in Prices and Units".

Notwithstanding the above, all normal maintenance, repairs and replacements of any Limited Common Area shall be made by the Unit Owner having direct access to same, at his own cost and expense, but any structural repairs to such Limited Common Area (including any leaks which are not caused by the negligence of the Unit Owner having access to the same) will be made by the Condominium and the cost and expense thereof will be charged to all Condominium Unit Owners as a Common Expense. Any Unit having direct access to a Limited Common Area shall keep it free of snow, ice and accumulation of water. In accordance with the By-Laws, the Condominium Board may require a Unit Owner to remove plantings and other installations on such Limited Common Area, if the Condominium Board, in its sole reasonable discretion determines that such plantings and/or other installments adversely affects the integrity of such Limited Common Area and/or any other portion of the Building. The interior and exterior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and the interiors and exteriors are to be washed and cleaned by the Unit Owner at such Unit Owner's sole cost and expense. Any replacement of glass windows in any Unit because of breakage or otherwise shall be made by the Condominium at the sole cost and expense of the owner of such Unit (unless such breakage is caused by the Condominium Board or the negligence of any other Unit Owner, in which event such replacement of glass windows will be the sole cost and expense of the Condominium Board or such other Unit Owner).

The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in first class condition (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or the Condominium whichever is responsible for the maintenance thereof. In the event any Unit Owner fails to keep his Unit in such condition, the Condominium Board may, at the expense of such Unit Owner, enter such Unit and perform such acts are necessary to cure such default at such Unit Owner's expense.

The By-Laws further require that those public or other areas of the Building exposed to public view that are required to be maintained by each Unit Owner as a Limited Common Element, be kept in good appearance in conformity with the dignity and character of the Building by such Unit Owner.

At the request of a Unit Owner, the Board of Managers will execute any application or other document required to be filed with any governmental authority having jurisdiction in connection with any addition, alteration, improvement, or repair proposed to be made by such Unit Owner provided that such request complies with the rules and regulations as may be promulgated by the Board of Managers, at which time such Unit Owner shall indemnify and hold harmless the Condominium, Board of Managers, and the other Unit Owners from any expense or liability by virtue of such work.

G. Insurance

The Board of Managers will secure and maintain, to the extent obtainable: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements normal for a condominium of this type insuring the Property, including all of the Units, partitions, floors and ceilings within the Units (but not including any wall, ceiling or floor decorations or coverings or furniture or other personal property within the Unit), in an amount of not less than 80% of the full replacement value of the Building (exclusive of the cost of excavations and foundations) which in any event shall be in an amount to avoid coinsurance; (2) water damage legal liability insurance; and (3) such other insurance as the Board of Managers may determine.

The proceeds of all such policies of physical damage insurance shall be payable to the Condominium Board. Such proceeds shall be applied for the purpose of repairing, restoring, or rebuilding the Building, unless otherwise determined by a majority of the Unit Owners.

If the insurance proceeds are insufficient to cover the cost of repairs or restorations, the Condominium Board may assess all Unit Owners for such deficit as a Common Expense. Any surplus insurance proceeds shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there has first been paid, out of his share of such funds, such amounts as may be necessary to reduce and/or satisfy unpaid liens on his Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

All policies of physical damage insurance shall provide that each Unit Owner is an additional insured party and shall contain, to the extent obtainable, waivers of subrogation and of any defense based on coinsurance or of pro rata reduction of liability or of invalidity arising from any acts of the insured, and shall provide that such policies may not be canceled by the insurance carrier or substantially modified without at least ten (10) days' prior written notice to all of the insured, including all mortgagees of Units.

The amount of fire insurance to be maintained on the Building until the first meeting of the Board of Managers elected by the Unit Owners will be \$2,054,000. (See, Schedule B, above.)

The Board of Managers shall also obtain and maintain to the extent obtainable: (1) fidelity insurance covering the Managing Agent and all employees and members of the Board of Managers who handle Condominium funds; (2) workmen's compensation insurance for Condominium employees; (3) rent insurance; (4) elevator liability and collision insurance; (5) boiler and machinery insurance; and (6) public liability insurance covering each member of the Board of Managers and each Unit Owner in such limits as the Board of Managers may deem proper, and covering all claims for bodily injury with respect to any one occurrence.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit at their own expense. Unit Owners are strongly urged to consider the advisability of obtaining insurance to cover personal property as well as other items not included in the policies obtained by the Board of Managers.

H. Restrictions on Uses and Occupancy

The Bylaws provide that the use of the Units shall be in accordance with the following provisions:

(a) Units shall be used only as a residence (except as described below), and not more than one family may occupy a Residential Unit at one time. A Residential Unit owned or leased by an individual, corporation, partnership, fiduciary or other entity (including, but not limited to, embassies and consulates or foreign governments) may only be occupied by said individual, an officer, director, stockholder or employee of such corporation, a partner or employee of such partnership, the fiduciary or beneficiary of said fiduciary, a principal or employee of such other entity, respectively, or by members of the immediate family, guests or domestic employees of any of the foregoing. A Unit may be used for any lawful purpose which does not violate the then existing Certificate of Occupancy covering such Unit, complies with all applicable governmental regulations and the Board of Managers, in its sole discretion, grants permission for such use. NO REPRESENTATION IS MADE OR INTENDED TO THE EFFECT THAT ANY RESIDENTIAL UNIT MAY BE LAWFULLY UTILIZED FOR ANY PURPOSE OTHER THAN AS A RESIDENCE.

(b) Notwithstanding the preceding paragraph, Sponsor or its designee may, without the permission of the Board of Managers (a) use or grant permission for the use of any Unsold Unit as a professional office or for any other purpose, provided such use is permitted by law, does not violate the then existing Certificate of Occupancy covering such Unit and the user of such Unit complies with all applicable governmental regulations and (b) retain ownership of one or more Residential Units for use as a model and sales, rental and/or promotion offices in connection with the sale or rental of the other Units in the Condominium or in buildings in the vicinity in which principals of Sponsor may have an interest.

(c) The current zoning law permits a person who resides in a Unit to use up to one-third (1/3) of the floor area of his Unit (but in no event to exceed 500 square feet) for certain home occupations including a fine arts studio, professional offices (e.g., lawyer, doctor or dentist) and teaching of not more than four persons.

(d) No nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Residential Units or any Common Element or Limited Common Element. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof relating to any portion of the Property shall be complied with at the sole expense of the respective Unit Owners or the Condominium Board, whoever or whichever shall have the obligation to maintain or repair such portion of the Property.

(e) No "For Sale", "For Rent", "For Lease" sign, or any other sign evidencing a similar purpose, or other window display or advertising shall be maintained or permitted in any Unit, except that these sign restrictions shall not apply with respect to Unsold Units.

(f) No awnings, air conditioning equipment or ventilators shall be installed or modified in any Unit(s) without the prior written approval of the Condominium Board. No radio or television aerial or other similar device shall be erected by individual Unit Owners on the roof or exterior walls of the Building or on the Property, without obtaining in each instance the written consent of the Condominium Board.

(g) No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition) may be kept in any Unit without the consent of the Condominium Board or the Managing Agent. Each Unit Owner who keeps any type of pet in his Unit will be required to: (a) register their pet with the Managing Agent; (b) indemnify and hold harmless the Condominium, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pets; and (c) abide by any and all reasonable Rules and Regulations of the Residential Board adopted with respect thereto.

(h) Each Unit Owner shall keep his Unit in good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair his own Unit in accordance with the provisions of the By-Laws and the rules and regulations of municipal departments or agencies having jurisdiction thereof. The Rules and Regulations concerning the use of Units may be amended from time to time by the Condominium Board provided that copies thereof are furnished to each Unit Owner prior to the time that they become effective (except that no amendment thereof affecting the Unsold Units may be made unless agreed to by the Sponsor or its designee, as the case may be). Further restrictions on the use and leasing of Units are set forth in the By-Laws and Rules and Regulations, as same may be amended from time to time.

I. Liability of Boards of Managers and Unit Owners

Every contract made by or on behalf of the Condominium Board or by any managing agent or manager thereof shall state that (a) it is made by such Condominium Board, managing agent or manager, only as agent for all Unit Owners and such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Unit Owner with respect to such contract shall be limited to (i) such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, and (ii) to the extent permitted by law, unless otherwise determined by the Condominium Board in its sole and absolute discretion, such Unit Owner's interest in his Unit and its appurtenant Common Interest. To the extent permitted by applicable law, Board Members shall have no liability to Unit Owners except that a Board member shall be liable for his own bad faith or willful misconduct. All Unit Owners shall severally, to

the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member against any liability or claim except those arising out of such Board member's own bad faith or willful misconduct. The Condominium Board may contract or effect any transaction with any Board member, any Unit Owners, Sponsor or its designee, or any affiliate of any of them without incurring any liability for self-dealing except in cases of bad faith or willful misconduct.

J. Reports to Unit Owners

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Condominium Board and to all Unit Owners within four months after the end of each fiscal year. See section "Reports to Unit Owners", below.

K. Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain as provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so of at least eighty (80%) percent in number and in Common Interest of all Unit Owners. Such vote shall not be effective, however, unless written consents are obtained from Sponsor, until such time as Sponsor and its designees have conveyed title to all Units, provided that in no event shall Sponsor's consent be required more than five (5) years after the First Closing. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his Unit (other than mortgages which are not Permitted Mortgages), in order of priority of such liens.

L. Procedure to Review Real Estate Tax Assessments

The Condominium Board, on behalf of and as agent for all Unit Owners, will be authorized to commence, pursue and settle tax protests and/or certiorari proceedings to obtain reduced real estate tax assessments with respect to Units. All Unit Owners will share the costs in connection therewith and the benefits derived therefrom based on their respective Common Interests. In the event any Unit Owner individually seeks to have the assessed valuation of his Unit reduced by bringing a separate certiorari proceeding, the Condominium Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing such reduction, provided that such Unit Owner indemnifies the Condominium from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

M. Mechanics' Lien

Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the Common Elements or Limited Common Elements except with the unanimous consent of all Unit Owners affected thereby. Liens may arise or be created against only the several Units and their respective Common Interests. Labor performed on, or materials supplied to, a Unit may not be the basis for a mechanic's lien against the Unit or a Unit Owner not expressly consenting to or requesting such work, except in the case of emergency repairs. Labor performed on, or materials supplied to the Common Elements or Limited Common Elements may be the basis for a mechanic's lien thereon. However, all Common Charges received by the Board of Managers or its agents shall constitute trust funds for the purpose of paying the cost of labor performed or materials supplied at the Board's request.

N. Easements and Name of Condominium

In order to facilitate the operation and maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of Sponsor, other Unit Owners and the Condominium Board. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and the Common Elements, and an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace the Limited Common Elements, provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the normal use of the Units for their permitted purposes. Sponsor shall have an easement to erect, maintain, repair and replace lights and lighting fixtures and to erect, maintain, and replace satellite communication equipment and similar equipment, as permitted by law, on the roofs of the Property which shall entitle Sponsor to utilize such easement for its own account or the account of any licensee of Sponsor for the purpose of servicing the Condominium. In addition, Sponsor and its designees shall have an easement to erect, maintain, repair and replace any sign permitted by law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit and the operation of any business of a tenant or occupant of any Unit.

As set forth in the Declaration, the Condominium and the Building shall be designated and known as "The 122 Newton Condominium". Any and all rights and interests appurtenant to such name, if same exist are owned and controlled by Sponsor. Similarly, any and all obligations and liabilities appurtenant to such name shall be the sole responsibility and obligation of Sponsor. Only Sponsor shall have the right to change the name of the Condominium and/or Building, and such right may be exercised by Sponsor at any time without the vote or consent of any Board or Unit Owner.

O. The Declaration and By-Laws

A copy of the Declaration and a copy of the By-Laws are set forth in Part II of the Plan. A prospective Purchaser should read the Plan in its entirety including the Declaration and By-Laws.

P. Compliance with the Terms of the Condominium Documents

Each Unit Owner must strictly comply with the provisions of the Condominium Documents, as the same may be amended from time to time pursuant to the terms thereof. Failure to strictly comply with the provisions of the Condominium Documents is grounds for an action for damages, injunctive relief, or both.

REAL ESTATE TAXES

Each Unit will be taxed as a separate tax lot for real estate tax purposes. The Unit Owner will not be responsible for the payment, nor will his Unit be subjected to any lien arising from the nonpayment of taxes on other Units. Generally, the Units will not be separately assessed until the tax year following the tax year in which the Declaration is recorded.

Until the Units are separately assessed by the New York City Department of Finance (the assessing authority), the Condominium Board will pay all real estate taxes with respect to the Property and will allocate the cost thereof among all Unit Owners in proportion to each Unit's Common Interest. See Section "Unit Closing Costs and Adjustments".

Section 581 of the Real Property Tax Law provides that real property owned on a condominium basis shall be assessed for real estate tax purposes at a sum not exceeding the assessment which would be placed thereon if the Property were not owned on a condominium basis. Section 339y of the Condominium Act provides in part that each condominium unit and its common interest shall be separately assessed for tax purposes and that in no event shall the aggregate of the assessment of the units plus their common interests exceed the total valuation of the property were the property assessed as one parcel.

Assuming the Property does not receive any relief from real estate taxes pursuant to §421-a (see below), it is estimated that the aggregate real estate taxes attributable to all Unit Owners for the first year of Condominium operation will total approximately \$540,000.00, based on an opinion prepared by Moseson and Associates, dated July 16, 2008 (reproduced below) which assumes (a) an assessed valuation upon completion of the Building renovation of the Property of \$540,000 and (b) a projected tax rate of \$11.928 per \$100 of assessed valuation. SPONSOR MAKES NO REPRESENTATION

THAT THE ASSESSED VALUES OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATES WILL NOT BE CHANGED.

Sponsor intends to apply for tax relief with respect to the Building pursuant to Section 421-a of the Real Property Tax Law. As noted in the opinion of Moseson & Associates (copy reproduced below) inasmuch as Sponsor commenced construction on the site based upon approved building plans issued by the Department of Buildings before December 31, 2007, this project will not be adversely affected by any change in the tax abatement laws as contemplated by the changes to the Administrative Code of the City of New York approved by the City Council on December 20, 2006 and signed by Mayor Bloomberg on December 28, 2006 (Intro 486-A) which became effective on January 1, 2008. In light of the process time under the Program, the earliest commencement date of benefits under the Program, if any, is July 1, 2009, although it is possible that such benefits may not commence until July 1, 2010. Based upon the opinion of Moseson & Associates, Sponsor anticipates that the Property will be 100% exempt from any increase in its assessed valuation attributable to the new constructed Building (but not the land) for the first ten (10) years, decreasing thereafter by twenty (20%) percent per year resulting in an 100% fully phased in assessed valuation and full taxes being due and payable by the Unit Owners in year 15 of the tax exemption period. As such, the Sponsor's real estate tax expert has projected that if the Building qualifies for 421-a benefits, the real estate taxes for the first year of Condominium operations (March 1, 2009 through February 28, 2010) will be \$4,830.84, based upon an assessed valuation of \$40,500 with a tax rate of \$11.928 per \$100.00 of assessed valuation. Accordingly, Schedule A above includes two alternate projections of real estate taxes based upon (i) full 421-a benefits, and (ii) no 421-a benefits, for the first year of Condominium operation. (A copy of the opinion of Moseson & Associates is reproduced below.)

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTY OR WARRANTY THAT (i) THE NEW YORK CITY TAX ASSESSOR WILL ALLOCATE INDIVIDUAL RESIDENTIAL UNIT ASSESSMENTS ON THE BASIS OF EACH RESIDENTIAL UNIT'S PERCENTAGE IN THE COMMON ELEMENTS (ii) THAT THE ASSESSED VALUE OF THE PROPERTY DURING 2008/09 and 2009/10 WILL BE \$40,500, (iii) THAT THE TAX RATE ON THE BUILDING WILL BE \$11.928 PER \$100.00 OF ASSESSED VALUATION, (iv) THAT THE PROPERTY WILL QUALIFY OR RECEIVE BENEFITS UNDER THE 421-a PROGRAM, OR (v) THE EXTENT TO WHICH THE 421-a BENEFITS WILL BE GRANTED, IF AT ALL OR (vi) THAT THE TAXING AUTHORITY WILL NOT INCREASE THE ASSESSED VALUATION FOR OTHE REASONS, OR ON THE LAND PORTION, DURING SUCH FIFTEEN (15) YEAR EXEMPTION PERIOD.

Although Sponsor will use "best efforts" to obtain such 421-a benefits, PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) that the New York City tax assessor will allocate individual Unit assessments on the basis of each Unit's percentage interest in the Common Elements; (ii) that the transitional assessed valuation of the Property during the 2008/09 and 2009/10 fiscal tax years will be \$40,500, (iii) the tax rate will be \$11.928 per

\$100 of assessed value, or (iv) that the Property will qualify for or receive benefits under §421-a of the Real Property Tax Law, or (v) the extent to which the 421-a benefits will be granted, if at all, or (vi) that the taxing authority will not increase the assessed valuation for other reasons, or on the land portion, during such fifteen (15) year exemption period. As part of the process of applying for 421a benefits, the Sponsor must request a Preliminary Certificate of Eligibility from the New York City Department of Housing Preservation and Development ("HPD"). Sponsor represents that it will keep all records required by HPD and will make them available to HPD whenever requested to do so. Sponsor is advised that HPD routinely conducts audits of 421-a applications, which can result in the reduction or revocation of benefits if proper documentation is not provided.

Upon the First Unit Closing, Sponsor will make all tax benefit documents available to the Board of Managers for inspection and copying for the life of such benefits. Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits. The Board of Managers shall cooperate with Sponsor if such cooperation is necessary, in order to maintain such 421-a benefits.

The By-Laws (Section 2.3[xxiii]) provide that the Board is entitled to execute and deliver documents necessary in connection with proceedings to obtain reduced real estate tax assessments with respect to Unit Owners, for the benefit and on behalf of (i) all Unit Owners, or (ii) for individual Unit Owners, provided that each such Unit Owner indemnifies the Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings. As of the date of this Plan, there are no outstanding certiorari proceedings pending or contemplated.

There is no guaranty or assurance that the criteria for continued availability of benefits for the Units will be satisfied. If, for any reason, Sponsor's application for 421-a benefits is not approved, the Units will be subject to full taxation and will receive no benefits under such program.

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. Generally, Units may not be separately assessed until the tax year following the tax year in which the Declaration of Condominium is recorded. Until the Units are separately assessed and billed, each Unit Owner shall pay his pro rata share (in the proportion that his Unit's Common Interest bears to the aggregate Common Interest of all Units) of all real estate taxes with respect to the Property to the Condominium Board as Common Charges.

**TUREK ROTH LLP
ATTORNEYS AT LAW**

377 FIFTH AVENUE
6TH FLOOR
NEW YORK, NEW YORK 10016

Allen M. Turek
Jeremy S. Roth

Tel: 212-223-3562

Fax: 212-223-3593

Email: aturek@tureklaw.com

Etan Moskovic (NY & NJ)
Alanna C. Iacono (Pending Admission)
Ann Marie Gibilaro (Legal Assistant)

Charles L. Mester, Of Counsel (NY & NJ)

September 24, 2008

The 122 Newton Condominium
c/o 124 Newton St LLC
96-20 Atlantic Avenue
Ozone Park, NY 11416

Re: Offering Plan for the conversion of premises
122 Newton Street, Brooklyn, New York (the "Premises")
to Condominium Ownership

**COUNSEL'S OPINION LETTER REGARDING
PROJECTED REAL ESTATE TAX BENEFITS**

Dear Gentlpersons:

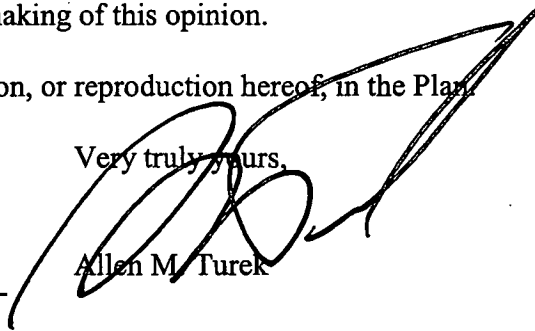
As of the date hereof, the subject Premises are not benefiting from any real estate tax benefits pursuant to §421-a of the Real Property Tax Law.

We are advised however, that Sponsor has retained Moseson & Associates to apply for such §421-a benefits on behalf of the Condominium. We are further advised by Moseson & Associates that if certain enumerated conditions are met, the Premises would appear to be eligible for partial real estate tax benefits under §421-a. Annexed hereto is a copy of the written opinion issued by Moseson & Associates, which outlines the conditions that must be met in order for the Condominium to qualify and obtain such §421-a benefits, as well as a projection of the anticipated benefits.

It should be noted that our firm has not made any independent inquiry as to the correctness and/or completeness of the attached Moseson & Associate opinion and that Turek Roth LLP is relying upon same in the making of this opinion.

I hereby authorize the use of this opinion, or reproduction hereof, in the Plan.

Very truly yours,


Allen M. Turek

MOSESON & ASSOCIATES

769 Empire Avenue
Far Rockaway, NY 11691

Telephone (718) 327-5779
Fax (718) 327-5737

July 16, 2008

120 Newton, LLC
Tahoe Development Corp.
96-20 Atlantic Avenue
Ozone Park, New York 11416

RE: 5 units at 122 Newton Street, Brooklyn
Block: 2719 Lot:11

Dear Sir:

You have requested me to advise you with respect to the applicability of The City of New York's program for partial real estate tax exemption under Section 421-a of the Real Property Tax Law and the procedure therefore.

You and your architect have represented to us that:

1. You have commenced construction on the site of the building based on approved building plans issued by the Department of Buildings of the City of New York before December 31, 2007 and therefore will not be subject to the new tax abatement laws following June 31, 2008.

2. Upon completion of construction, the Building will be classified as multiple dwellings pursuant to the Multiple Dwelling Law.

3. The Site was unimproved 36 months prior to the commencement of construction (as defined in the site requirements of section 2.5(1) (a) of the Regulations).

4. The building will be substantially used for dwelling purposes for a period of at least fifteen years following its completion.

5. Construction of the building will be completed on or before Dec. 31, 2010.

6. An application for Preliminary Certificate of Eligibility will be filed with HPD upon start of construction.

7. Upon completion, the project will consist of a condominium consisting of five units.

CONCLUSION

Based solely on these representations, and if (i) the building is constructed substantially in accordance with the plans and specifications approved by the New York City Department of Buildings and comply with the requirements of section 421-a, the Regulations and HPD, and HPD is notified of any modifications to the plans for the building or the "sell-out" price; (ii) HPD determines that the property was "underutilized" (pursuant to the provisions of Section 421-a) 36 months prior to commencement of construction; (iii) a preliminary Certificate of Eligibility is issued by HPD after commencement of construction and prior to the issuance of a temporary Certificate of Occupancy; (iv) temporary Certificates of Occupancy for all of the residential areas of the building or permanent Certificates of Occupancy for the building is issued and filed with HPD no later than six months after an application for a Final Certificate of Eligibility is filed with HPD, or prior to December 31, 2010 which ever is earlier; (v) a copy of such Final Certification and of the temporary or permanent Certificate of Occupancy for the residential units is filed with the New York City Department of Finance succeeding the issuance of such Final Certificate of Eligibility; and (vi) there is no change in Section 421-a, the Regulations and decisional law, the Building would appear to be eligible for the partial real estate tax exemption prided under Section 421-a.

The units of the condominium should be entitled to Section 421-a tax benefits under present law. Generally, for predominantly residential buildings, under section 421-a, 100% of the increased assessed value of the property resulting from the improvement thereon (i.e., the assessed value above the pre-construction assessed value) is exempt from taxation during construction and during the ten (10) years following the first taxable status date immediately following completion of construction. The exemption declines to 80% of the increased assessed value for the eleventh (11) year and is further reduced by an additional 20% for each of the succeeding years. Following the 15-year period, the Unit Owners will pay real estate taxes based on the full assessed valuation of their Units and the tax rate then in effect, without the benefit of any exemption.

The total assessed value of the property (i.e., the aggregate assessment of all units) following completion of construction is estimated to be approximately 540,000. Using the foregoing estimate of assessed value upon completion, assuming completion to be on or before December 31, 2010 and assuming the tax rate remains the same as the current rate (i.e., \$11.928, per \$100 of assessed value) during the 15 year abatement period and upon completion of construction, and using a pre-construction assessed value of the property of 40,500.00 then upon completion of the 15 year tax abatement the real estate taxes will be approximately \$64,411.00. You are advised that this projection is an estimate as it is unlikely that

the post-construction assessed value or tax rate will remain constant for the 15- year Section 421-a exemption period. Thus, the actual assessment and real estate tax for each Unit may be more or less than the Unit's proportionate share of the total assessment and tax amount shown. If any of the foregoing requirements or conditions, however, should not be met to the satisfaction of HPD, or if any of the foregoing representations should prove to be inaccurate, then, unless the Regulations are modified to remove or change any requirement or condition that is not met, the building would not qualify for the partial real estate tax exemption provided under Section 421-a.

<u>Fiscal Year</u>	<u>Benefit Year</u>	<u>Total Assessed Valuation</u>	<u>Taxes Without 421-A</u>
2009/10	1	\$540,000.00	\$70,200.00
2010/11	2	\$561,600.00	\$73,008.00
2011/12	3	\$584,064.00	\$75,928.00
2012/13	4	\$607,427.00	\$78,966.00
2013/14	5	\$631,724.00	\$82,124.00
2014/15	6	\$656,993.00	\$85,409.00
2015/16	7	\$683,273.00	\$88,825.00
2016/17	8	\$710,604.00	\$92,379.00
2017/18	9	\$739,028.00	\$96,074.00
2019/20	10	\$768,589.00	\$99,917.00
2020/21	11	\$799,333.00	\$103,913.00
2021/22	12	\$831,306.00	\$108,070.00
2022/23	13	\$864,558.00	\$112,393.00
2023/24	14	\$899,140.00	\$116,888.00
2024/25	15	\$935,106.00	\$121,564.00

Notes:

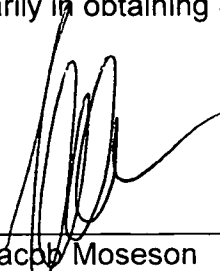
The project is projected to be completed before July 15, 2009.

The annual Total Assessed Value for the term of the abatement is projected to increase at four (4%) percent per annum. The taxes without the 421-A benefits are projected at a fixed rate of 13.0, which tax rate is currently 11.928. With no certain basis for projecting annual increases in assessed values and annual tax rates these analyses are estimates only.

We have been retained by you to undertake the procedures outlined in this letter and consent to the inclusion of this letter in any offering plan with respect to the project. We make no representations and express no opinion as to whether or not any or all of the requirements and conditions set forth herein will be fulfilled.

Although the estimate of the post completion Actual Assessed Valuation is a good faith estimate, it is not possible to estimate it with any degree of certainty, and thus such assessed valuation when actually made, may be lesser or greater than as estimated. In no event will my firm, the Sponsor, the Sponsors' counsel, the Condominium Board or any other person be liable if the assessed valuation when actually made, is lesser or greater than predicted if the Administrative Code and the applicable rules and regulations of the City of New York are in the future changed or if the facts as represented to my firm prove to be untrue.

As president of Moseson & Associates a real estate tax consulting firm, I have represented homeowners, real estate developers, attorneys, and corporations since 1983 in dealings with the NYC Department of Housing Preservation and Development. I specialize primarily in obtaining Section 421a, 421b, ICIP, & J51 tax abatements for my clients.



Jacob Moseson

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

The following discussion of certain income tax consequences of the ownership of Units is based upon the income tax opinion of Sponsor's counsel, Turek Roth LLP, a copy of which is set forth in the Plan. The opinion of Turek Roth LLP does not address the tax consequences which might result from ownership of a Unit in connection with the Unit Owner's trade or business or for purposes of investment or the production of income or which may result to a foreign Unit Owner by reason of his foreign status.

**EACH PURCHASER SHOULD CONSULT WITH HIS OWN TAX COUNSEL
OR ADVISOR AS TO THE TAX CONSEQUENCES OF OWNERSHIP OF A UNIT.**

It is the opinion of Turek Roth LLP that under present law, Unit Owners who use their Units solely as their primary or secondary residence and who itemize their deductions will, in general, be entitled to a deduction for mortgage interest and real estate taxes for Federal, New York State and New York City income tax purposes in the taxable year in which the same are actually paid or accrued by such Unit Owners in accordance with their method of accounting.

Pursuant to Section 458 of the New York Real Property Tax Law, certain owners of condominium units who are veterans of the United States Armed Forces or who are related to such veterans may under certain circumstances be entitled to exemptions covering part of the real estate taxes otherwise assessed by the tax authorities against their units.

Common Charges will be borne by the Unit Owners and assessed and collected by the Condominium Board. The status of the Condominium Board for Federal, New York State and New York City income tax purposes is uncertain. If the Condominium Board were deemed to be merely a conduit for the Unit Owners, all income earned by the Condominium Board, less the expenses incurred in earning such income, would be deemed income to the Unit Owners and taxable to them. Common Charges would not be considered income to the Condominium Board.

The Internal Revenue Service may contend that the Unit Owners, acting through the Condominium Board, constitute an association taxable as a corporation because of certain of its features such as centralized management, the attempt to limit the contractual liability of the Unit Owners and the possibility of perpetual life. If the Unit Owners, acting through the Condominium Board, were treated as an association taxable as a corporation, such association would be subject to Federal, New York State and New York City corporate income tax on earned income, if any, for the portion of the Common Charges deemed to constitute gross income less deductible expenses.

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

- (i) The Condominium must be organized and operated solely to provide for the acquisition, construction, management, maintenance and care of association property;
- (ii) Sixty percent or more of the gross income of the Condominium must consist of assessments from residential unit owners ("Exempt Function Income");
- (iii) Ninety percent of the expenditures of the Condominium must be for the acquisition, construction, management, maintenance, and care of the Condominium's property;
- (iv) No part of the net earnings can inure to the benefit of private individuals other than by the acquisition, construction, management, or maintenance of the Condominium's property or by rebates of excess assessments; and
- (v) Substantially all of the Units must be used as residences.

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

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

If the Condominium Board either cannot qualify or chooses not to elect the benefits of §528, certain published rulings of the Internal Revenue Service implicitly state that a condominium management association will be treated as an association taxable as a corporation. Consequently, unless a valid election pursuant to §528 has been made, it appears that the Condominium Board would be taxable on that portion of the Common Charges which exceeds the deductible expenses paid or incurred by the Condominium Board for the operation of the Condominium property. The Condominium would also be taxed on income derived from the interim investment of the Common Charges, on income from nonresidential leases of Common Elements, and on income from the operation of facilities that are available to outsiders, net of deductible expenses related to the production of such income.

If the Condominium is treated as a corporation for Federal income tax purposes, the Condominium Board might still contend that a portion of the Common Charges

which it receives should not be includable in its gross income. For example, published rulings of the Service indicate that assessments collected by a condominium management association and expressly designated for use for specified capital improvements that are owned in common, and which are not commingled with funds collected for operating expenses or as contingency reserves, should not be included in the gross income of a condominium management association. No part of such an assessment may, however, be expended by a condominium management association for the benefit of an individual owner.

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

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

It is the opinion of Sponsor's counsel, Turek Roth LLP (see opinion letter immediately following), that subject to the assumptions contained therein, The 122 Newton Condominium will qualify as a "homeowners association" under section 528 of the IRC, provided that the Condominium elects to have such section apply for such taxable year.

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

**TUREK ROTH LLP
ATTORNEYS AT LAW**

377 FIFTH AVENUE
6TH FLOOR
NEW YORK, NEW YORK 10016

Allen M. Turek
Jeremy S. Roth

Tel: 212-223-3562

Fax: 212-223-3593

Email: aturek@tureklaw.com

Etan Moskovic (NY & NJ)
Alanna C. Iacono (Pending Admission)
Ann Marie Gibilaro (Legal Assistant)

Charles L. Mester, Of Counsel (NY & NJ)

September 24, 2008

The 122 Newton Condominium
c/o 124 Newton St LLC
96-20 Atlantic Avenue
Ozone Park, NY 11416

Re: Tax Opinion
The 122 Newton Condominium (the "Condominium")

Gentlemen:

You have requested my opinion concerning (i) the deductibility, for Federal and/or New York State income tax purposes, of mortgage interest and real estate taxes paid by residents of New York who purchase the offered Residential Units for residential use pursuant to the above-referenced Condominium Offering Plan (the "Plan"), (ii) the availability of any specific exemptions from real estate taxes for veterans or other Purchasers, and (iii) the qualification of the Condominium as a "homeowners association" under Section 528 of the Internal Revenue Code of 1986, as amended (the "Code"). This opinion does not address the tax consequences of the ownership of Condominium Units by corporations, other entities or foreign persons. Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Plan.

In connection with rendering this opinion, we have reviewed the Plan and have examined the schedules, exhibits and documents accompanying the Plan, including the declaration establishing, and the By-Laws governing, the operations of the Condominium (the "Plan Documents"). We have also considered the relevant sections of the Code, the New York State Tax Law, the regulations promulgated thereunder and such other materials as we deemed relevant. In rendering this opinion, we have assumed that the Plan is the document pursuant to which owners of the offered Condominium Units will acquire their Condominium Units and that the relevant facts are as set forth therein.

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

Accordingly, based on the foregoing, it is my opinion that an owner of an offered Residential Unit who itemizes his or her deductions will be entitled under current law to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, real estate taxes assessed against his or her Residential Unit and paid to the local tax authority. However, no deduction for real estate taxes is permitted for purposes of the Federal alternative minimum tax. Owners of the offered Residential Units should consult their tax advisers regarding the applicability of the overall limitation on itemized deductions to the deductibility of real estate taxes.

It is also my opinion that, pursuant to Section 458 of the New York Real Property Tax Law, certain owners of Condominium Units, who are veterans of the United States Armed Forces or who are related to such veterans may under certain circumstances be entitled to exemptions covering part of the real estate taxes otherwise assessed by the tax authorities against their Condominium Units. Each potential Purchaser should consult his or her own tax adviser as to the availability of such exemptions.

A taxpayer generally is entitled to a deduction for Federal income tax purposes for interest paid with respect to a principal and one secondary residence (a "qualified residence") to the extent that the interest is attributable to indebtedness which is secured by the qualified residence and which (i) is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt) ("acquisition indebtedness"), up to a maximum of \$1,000,000 for any period (\$500,000 in the case of a married individual filing a separate return), or (ii) is any indebtedness other than acquisition indebtedness, up to the excess of the fair market value of any one qualified residence over the amount of acquisition indebtedness with respect to such residence ("home equity indebtedness"), but not to exceed \$100,000 (\$50,000 in the case of a married individual filing a separate return) in the aggregate for all qualified residences of the taxpayer in any period. Accordingly, a Residential Unit Owner who itemizes deductions and uses his or her offered Residential Unit as a qualified residence will be entitled, under current law, to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, interest paid or accrued by him or her

on (i) acquisition indebtedness incurred with respect to his or her Residential Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with respect to a second qualified residence (if any), does not exceed \$1,000,000 (\$500,000 in the case of a married individual filing a separate return) and (ii) home equity indebtedness with respect to his or her Residential Unit to the extent that such indebtedness, when added to the amount of home equity indebtedness incurred with respect to a second qualified residence (if any), does not exceed \$100,000 (\$50,000 in the case of a married individual filing a separate return). Since the rules and limitations regarding the deductibility of home mortgage interest are complex, Purchasers are urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to their Residential Units for Federal alternative minimum tax purposes (which at present is subject to rules different than those described above for regular tax purposes). In addition, Residential Unit Owners should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

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

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

To qualify as a homeowners association, the Condominium must meet all of the following conditions: (i) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (ii) at least 60% of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from Residential Unit Owners, (iii) 90% or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property, (iv) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership dues, fees, or

assessments), (v) the Condominium must elect to be treated as a homeowners association, and (vi) at least 85% of the total square footage of all Units within the Condominium must be used by individuals for residential purposes. See Treasury Regulations § 1.528-4(b). The qualification of an organization under the provisions of Code Section 528 is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless qualify in one or more future years.

Based upon and subject to the assumption that all of the factual statements and representations set forth in the Plan are true and correct and will remain so in all material respects, in my opinion the Condominium will qualify as a "homeowners association" under §528 of the Code.

Absent the application of Code Section 528, the present state of federal law is unclear as to the precise tax status of the Condominium. A new entity classification regime was adopted in regulations issued by the United States Treasury Department on December 17, 1996 and there is no authority addressing the application of the new entity classification regulations to condominiums. Because the By-Laws of the Condominium provide that the Condominium Board will act as the agent of the Unit Owners, the Condominium Board may take the position that the Condominium is not a separate entity and accordingly is not subject to the classification regime. In such case, the Unit Owners would, in the aggregate, include in their gross income and be taxed on all income earned by the Condominium (which income may include interest or similar income earned from interim investments of the amounts assessed and collected from the Unit Owners), reduced by the expenses incurred in earning such income. For this purpose, the Common Charges would not be considered income earned by the Condominium through the Condominium Board. If, however, the Condominium is considered a separate entity it is unclear whether the Condominium would be taxable as a corporation or treated as a partnership for federal income tax purposes. If the Condominium is taxable as a corporation, it would be considered a separate taxpayer with respect to income and deductions and return filing requirements and would be subject to Federal corporate income tax. If the Condominium is treated as a partnership, the partnership would not be subject to an entity level tax, the items of income and deduction of the partnership would generally be passed through to the Unit Owners in accordance with the provisions of Subchapter K of the Code, and the partnership would be required to file information returns.

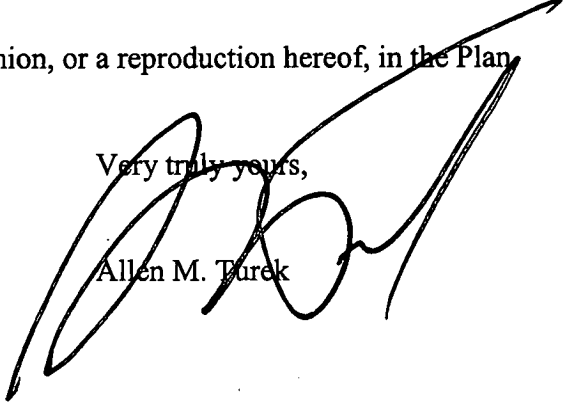
The precise tax status of the Condominium for New York State tax purposes is also unclear. The relevant New York State law incorporates by reference federal entity classification provisions which, as discussed above, do not specifically address the treatment of condominiums. If the Condominium is properly treated as a separate entity that is an association taxable as a corporation for federal income tax purposes, it appears likely that the Condominium would be subject to the New York State Corporation Franchise Tax. If the Condominium does not constitute an association that is taxable as a corporation for federal income tax purposes, it is still possible, although not certain, that the Condominium might be subject to the New York State Franchise Tax.

I express no view as to any Federal and/or New York State tax consequences other than those explicitly discussed in this opinion, or as to the tax status or tax consequences of the Plan under the laws of any other U.S. or foreign jurisdiction. Moreover, this opinion, while based on existing rules of law applied to the facts and documents referred to above, is not binding on the IRS or any court. No assurances can be given that the tax laws upon which we base this opinion will not change. In no event will the Law Office of Allen M. Turek or the Sponsor, or any other person be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or IRS rulings on which we have relied which cause the Unit Owners not to be entitled to the income tax deductions described herein.

I hereby authorize the use of this opinion, or a reproduction hereof, in the Plan.

Very truly yours,

Allen M. Turek



AMT/amg

**TUREK ROTH LLP
ATTORNEYS AT LAW**

377 FIFTH AVENUE
6TH FLOOR
NEW YORK, NEW YORK 10016

Allen M. Turek
Jeremy S. Roth

Tel: 212-223-3562
Fax: 212-223-3593
Email: aturek@tureklaw.com

Etan Moskovyc (NY & NJ)
Alanna C. Iacono (Pending Admission)
Ann Marie Gibilaro (Legal Assistant)

Charles L. Mester, Of Counsel (NY & NJ)

September 24, 2008

The 122 Newton Condominium
c/o 124 Newton St LLC
96-20 Atlantic Avenue
Ozone Park, NY 11416

Re: Offering Plan for the conversion of premises
122 Newton Street
Brooklyn, New York
to Condominium Ownership

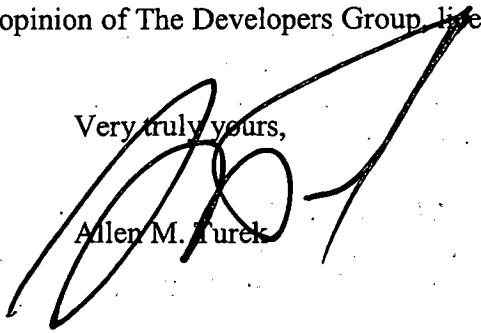
Dear Sponsor:

It is our opinion that the allocation of common interests as shown on Schedule A included in this Offering Plan is in compliance with Section 339(i)(1)(iv) of the New York Real Property Law.

The common interests have been allocated to each Condominium Unit based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of the Common Elements for exclusive or shared use and the overall dimension of a particular Unit. This allocation utilizes measurements and calculations of net square footage made by IMA Engineering, P.C., Sponsor's architect.

This opinion is based in part upon the opinion of The Developers Group, licensed real estate brokers.

Very truly yours,


Allen M. Turek

WORKING CAPITAL FUND

The Purchaser of each Unit shall be required to make a contribution at Closing of his Unit(s) to the working capital fund of the Condominium (the "Working Capital Fund"). Such contribution shall be in an amount equal to two (2) month's Common Charges in effect for such Unit(s). No reserve fund is being established for the Condominium.

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

1. Employees' wages, vacation and severance pay, pension and welfare benefits, accruals and all other payments or obligations relative to the employees of the Building;
2. Deposits with utility companies, if any, and fees for assignable permits and/or licenses, if any;
3. Charges for electricity and other utilities for the Common Elements and Limited Common Elements;
4. Cost of fuel on hand (plus sales tax), if any;
5. Charges and receipts in connection with service, maintenance and concession contracts;
6. Water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);
7. Cost of Building supplies on hand at Sponsor's cost (including sales tax);
8. Premiums for transferable insurance policies, if any;
9. Management fees; and
10. Other customary adjustments.

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

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

The Board of Managers will be able to utilize the money in the Working Capital Fund at any time; accordingly, no representation or warranty can be made and no assurance can be given to the exact amount of funds available at any specific time.

However, in no event shall any portion of the Working Capital Fund be used to pay any Common Charges attributable to any Unsold Unit.

Inasmuch as the Property is being completely renovated with new building systems, it does not appear to Sponsor that there is any need to provide for a reserve fund to pay for capital expenditures over the next five years. As this Plan does not provide for any reserve fund, in the event that capital expenditures for renewal or replacement of Building components of systems or to remedy major Building defects are needed, it may be necessary to increase Common Charges or make special assessments payable by all Unit Owners. Alternatively, the Condominium Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws and subject, in certain instances, to Unit Owner approval. In addition, pursuant to the By-Laws, the Board of Managers is entitled to determine amounts for a reserve for replacements in establishing the annual budget. No representation or warranty is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, for the first or any subsequent year of Condominium operation. Neither the Department of Law or any other government agency has passed upon the adequacy of the Working Capital Fund.

MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

A. Management Contract

Prior to the First Closing, the Board of Managers will enter into a management agreement with ALG NY Management LLC., having an address at 96-20 Atlantic Avenue, Ozone Park, New York 11416 (the "Managing Agent") for a term of three (3) years. The Managing Agent is an affiliate of the Sponsor and is controlled by a principal of the Sponsor. The management agreement may not be canceled by either party during its term except for cause.

The Managing Agent will receive a stated annual fee of \$6,000 (which the Sponsor believes to be comparable to rates charged by independent managing agents), payable in equal monthly installments. However, the Managing Agent will be entitled to additional fees for certain services performed by it. The Managing Agent's fee will be paid by the Board of Managers and will be deemed to be a Common Expense.

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

- (a) Billing and collecting Common Charges;
- (b) Causing the Common Elements to be maintained, and repaired in the manner deemed advisable by the Board of Managers, except that the approval of the Board of Managers is not necessary for any expenditure of less than \$2,500 for any one item of ordinary repairs of alterations or in the instance of emergency repairs;

(c) Contracting for necessary services for the Common Elements (such as utility, exterminator, elevator and fuel services);

(d) Purchasing all supplies necessary to properly maintain and operate the Common Elements;

(e) Checking all bills received in connection with the operation of the Common Elements and causing all such bills and other expenses to be paid;

(f) Supervising, hiring and discharging employees;

(g) Rendering monthly statements of receipts and disbursements to the Board of Managers;

(h) Maintaining payroll records and filing the necessary forms for unemployment insurance, withholding and social security tax statements and other forms relating to employment of Building employees;

(i) Maintaining accurate sets of books for the Condominium and orderly files of common charges, insurance policies, leases, receipted bills, Unit mortgages, and the like;

(j) Preparing and submitting to the Board of Managers, on an annual basis, proposed operating budgets setting forth the anticipated income and expenses for the ensuing year; and

(k) Sending notices, preparing agendas and attending meetings of the Board of Managers and Unit Owners and keeping minutes thereof.

The Board of Managers of the Condominium shall have the obligation to reimburse the Managing Agent for expenses incurred and to indemnify the agent against liability for acts properly performed by it pursuant to the agreement.

The management agreement is assignable by the managing agent and may be cancelled by either party for cause.

After the First Closing, the Property will be subject to the then existing, insurance policies and maintenance, service contracts.

Sponsor has reserved the right, prior to the First Closing to modify, renew and replace existing service, and other agreements and insurance policies, and to enter into new agreements and policies that will be binding on the Condominium. Any such new agreement or policy which has the effect of materially increasing the first year's estimated Common Charges or is binding on the Condominium for more than two (2) years will be disclosed in a duly filed amendment to the Plan.

IDENTITY OF PARTIES

A. Sponsor:

The Sponsor is 124 Newton St LLC, a New York limited liability company formed on February 8, 2006 and its business address is 96-20 Atlantic Avenue, Ozone Park, New York 11416. The manager/member and principal of the Sponsor is Anthony Gurino, having an address at 96-20 Atlantic Avenue, Ozone Park, New York 11416. Since 1998, Mr. Gurino has been involved in the construction industry, as the president of Tahoe Development Corp. Mr. Gurino is also a principal of the Sponsors of the offering plans pursuant to which 170 Broadway, Brooklyn, New York, 49-63 Engert Avenue, Brooklyn, New York, 221 Withers Street, Brooklyn, NY were converted to Condominium ownership and is a principal of the Sponsor of the offering plans to convert premises 149 Skillman Avenue and 152 Withers Street, Brooklyn, New York to Condominium ownership. None of the other investors in the Sponsor has any role or other participates in the planning or consummation of this offering.

B. Attorneys for Sponsor:

Turek Roth LLP, 377 Fifth Avenue, 6th Floor, New York, New York 10016, represents the Sponsor in connection with the conversion of the Property to Condominium ownership and at the Closing of individual Units. Sponsor's counsel will also act as the escrow agent for each Purchaser's down payment. Allen M. Turek, Esq., prepared the Plan. The fees of the Sponsor's counsel shall be paid by Sponsor, except for certain Closing fees payable by Purchasers (See Section "Unit Closing Costs and Adjustments").

C. Managing Agent:

ALG NY Management LLC., the Managing Agent, has a place of business at 96-20 Atlantic Avenue, Ozone Park, New York 11416. Anthony Gurino is the sole principal of ALG NY Management LLC. Mr. Gurino is also a principal of the Sponsor. ALG NY Management LLC presently manages the following condominium properties, all located in Brooklyn, New York: 76 Engert Avenue, 84 Engert Avenue, 450-460 Manhattan Avenue and 221 Withers Street.

D. Selling Agent:

The Selling Agent for this offering is The Developers Group LLC, with its principal office located at 79 Bridge Street, Brooklyn, New York 11201. The Developers Group LLC was founded in 2003 and has become one of Brooklyn's leading specialists in the sale of new construction condominiums, including The Aurora (30 Bayard Street), 84 Front Street, and 223 North 11th Street, all of which are in Brooklyn, New York.

The Selling Agent is licensed as a real estate brokerage firm in the State of New York. The principals of the Selling Agent have been engaged in the real estate brokerage business for over twenty-five (25) years and have been actively associated with the sale and management of condominium and cooperative buildings.

E. Sponsor's Architect:

IMA Engineers, PC, Architects & Engineers licensed by the State of New York, has examined the physical condition of the Building and has rendered the report included in Part II of this Plan. IMA Engineers, PC., maintains an office at 135-33 Brookville Blvd., Suite 208, Rosedale, New York 11422. The architect has no financial interest in the Property, the Sponsor, the Condominium, the Selling Agent or any other party interested in this transaction, except that it has been paid a fee for services rendered in connection with the report contained herein.

REPORTS TO UNIT OWNERS

All Unit Owners will be entitled to receive annually from the Board of Managers copies of:

1. The proposed annual budget of the Condominium at least ten (10) days prior to the date set for adoption by the Board of Managers; while the Sponsor is in control of the Board of Managers, such budget shall be certified in compliance with applicable regulations of the Department of Law;
2. An annual financial statement prepared by a certified public accountant or public accountant and issued within four (4) months after the end of the fiscal year. Such statement shall be certified so long as the Sponsor is in control of the Board of Managers; and
3. Notice of the annual Unit Owner's Meeting for the purpose of electing the Board of Managers, to be sent not less than ten (10) days before the meeting.

The above dates may be changed pursuant to the Bylaws.

DOCUMENTS ON FILE

Copies of the Plan and all exhibits or documents referred to herein or submitted to the Department of Law in connection with the filing of the Plan will be available, for six (6) years from the date of the First Closing at the office of the Sponsor or at another designated place for inspection or copying at a reasonable charge by actual and prospective Purchasers of Units offered under the Plan or by those who have participated in the offering of such Units. All documents to be filed in connection with the recording of the Declaration of Condominium shall be delivered to the Board of Managers

promptly after the First Closing and shall be available at the office of the Board of Managers.

GENERAL

The Plan contains a fair summary of the pertinent material provisions of the various documents referred to herein. Sponsor has not knowingly omitted any material facts from the Plan and the Plan does not contain any untrue statement of any material fact. The documents in Part II hereof are exact copies of the originals. To the extent any document in Part II is materially revised, the Plan shall be amended to disclose such material revision.

In accordance with the provisions of the laws of the State and City of New York, Sponsor represents that neither Sponsor, its agents, nor Sponsor as holder of Unsold Units will discriminate against any person because of race, creed, color, national origin, marital status, sex, sexual preference, or ancestry, or any other basis prohibited by civil rights laws in the sale of Units under the Plan, or in leasing Units in the Building.

As of the date of presentation of the Plan, neither Sponsor, Selling Agent, nor any representative or agent thereof, has received funds, deposits or made any preliminary offering, or binding agreement to or with tenants in occupancy, subtenants, or prospective Purchasers or any other person or entity, with respect to the Units in the Building.

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 of its obligations under the Plan, the Condominium, or the operation of the Condominium. Neither the Property nor the Building has been the subject of any prior public offering.

The Plan may be amended at any time, provided that, if the amendment is a material and substantial modification which adversely affects Purchasers, then each Purchaser who has not closed on his Unit shall be given no less than fifteen (15) days after mailing or personal delivery, of such a duly filed adverse amendment to cancel his or her Purchase Agreement and to obtain a refund, in full, of all monies paid under the Purchase Agreement, together with interest, if any, earned thereon.

No person has been authorized to make any representation, or to provide any information which is not set forth herein. Any information, data, or representations not contained in this Plan or in the documents and/or exhibits referred to herein must not be relied upon by any Purchaser.

The Sponsor has not accepted or otherwise entered into any contracts or agreements and has not accepted deposits or advances of funds in connection with any of the Units, prior to the date that the Department of Law accepted this Offering Plan for filing.

All of the Units offering in this Offering Plan are vacant as of the date this Offering Plan is accepted for filing.

The Plan may not be changed or modified orally.

124 NEWTON ST LLC, SPONSOR

LEAD PAINT DISCLOSURE

To alert home dwellers about the hazards of lead-based paint, Congress passed the Residential Lead-Based Paint Hazard Reduction Act of 1992 (the "Act"). On March 2, 1996 the Environmental Protection Agency ("EPA") approved final regulations to implement the Act. Under the Act and the 1996 regulations, sellers and lessors of residential condominiums and their agents are required to disclose known information about lead-based paint and lead-based paint hazards before selling or leasing their condominium units in buildings constructed prior to 1978, when the use of lead-based paint was banned in the United States. The Sponsor will comply with the Act and the 1996 regulations promulgated thereunder.

Purchasers of the Residential Units are advised that under the 1996 regulations, owners of individual residential condominium units are required to comply with the disclosure requirements in connection with a proposed sale or leasing of their respective Unit.

A copy of the pamphlet Protect Your Family From Lead in Your Home, published by the EPA, is reproduced in Part II below.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor hereby adopts the Description of Property as set forth in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the Property except as may be set forth in such Description of Property. Sponsor reserves the right to substitute any equipment and/or materials specified in the Description of Property, with those of no less than equal or comparable value. However in such event, Sponsor shall file an amendment to this Offering Plan with the Department of Law, identifying such substitution(s).

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PART II

THE 122 NEWTON CONDOMINIUM
PURCHASE AGREEMENT
(TO BE EXECUTED IN TRIPLICATE)

Unit No.: _____ (the "Unit")
Appurtenant Common Interest: _____ ("Common Interest")
Purchaser's Name: _____ ("Purchaser")
Address: _____
Telephone:(Home) _____ (Business) _____
Social Security No./Federal Employment I.D. No.: _____
Name(s) and Manner in Which Title to the Unit Will be Taken: _____

Sponsor: 124 NEWTON ST LLC

PURCHASE PRICE \$ _____

Down Payment (10% of Purchase Price) \$ _____

Balance Due at Closing \$ _____

Financing Contingency:*

Amount of Total Purchase Price Being Financed \$ _____

1. Plan. Purchaser acknowledges having received and read the Condominium Offering Plan to convert to condominium ownership the Property at 122 Newton Street, Brooklyn, New York (the "Plan") at least seven (7) full business days prior to Purchaser's signing this Purchase Agreement. The Plan is hereby incorporated in this Purchase Agreement with the same force and effect as if set forth at length. In the event of any conflict between the provisions of this Purchase Agreement and those contained in the Plan, the provisions of the Plan shall govern. Capitalized terms contained in this Purchase Agreement shall have the same meaning as defined in the Plan unless otherwise expressly stated herein.

* Delete, If Inapplicable

2. Agreement to Purchase and Sell. Purchaser agrees to purchase from Sponsor, and Sponsor agrees to sell, the above-numbered Unit, together with its appurtenant undivided interest in the Common Elements (i.e., the Common Interest) and subject to, the terms and conditions set forth herein.

3. Payment of Purchase Price.

The Purchase Price for the Unit is set forth on page 1 of this Purchase Agreement, and is payable as follows:

- (i) The Down payment as set forth on page 1 hereof is due when Purchaser signs and submits this Purchase Agreement and is to be paid by check payable to the order of "TUREK ROTH LLP – THE 122 NEWTON CONDOMINIUM SPECIAL ACCT., receipt of which (subject to collection) is hereby acknowledged.
- (ii) The balance of the Purchase Price as set forth on page 1 hereof is due at Closing of title to the Unit and must be paid by unendorsed certified check or official cashier's check, drawn on an New York Bank to the order of the Sponsor.

If any check is returned for insufficient funds or for any other reason, Sponsor may, at its option, declare this Purchase Agreement void ab initio and of no further force and effect and may institute an action against Purchaser for the collection of the Down payment as liquidated damages or may declare a default by Purchaser under this Purchase Agreement which shall entitle Sponsor to exercise any of the remedies set forth in paragraph 15 hereof.

4. Financing Contingency. (DELETE THIS PARAGRAPH IF THE PURCHASE AGREEMENT WILL NOT BE CONDITIONED ON FINANCING) Once Purchaser has been pre-approved by Sponsor's designated mortgage lender (On The Bay Capital, Attn: Anthony Gagliardi, 163-33 Cross Bay Blvd., Howard Beach, NY 11414, (917) 567-7582, at no cost and/or obligation to Purchaser (meaning that once Purchaser has been pre-approved by such designated mortgage lender, Purchaser may make its application for a mortgage loan with any licensed mortgage lender), this Purchase Agreement is conditioned upon Purchaser obtaining a written mortgage loan commitment from a licensed lending institution in the amount of not less than \$_____ at the prevailing term and rate of interest (the "Mortgage Loan"). Purchaser agrees to:

- (a) Promptly (i.e. within ten (10) days after Sponsor accepts and delivers the fully executed Purchase Agreement) make and submit an application to any institutional lender of Purchaser's choice for a Mortgage Loan;
- (b) furnish truthful, accurate and complete information, data and documents on Purchaser and members of Purchaser's family, as required, and promptly submit such further information, data and documents requested by the institutional lender, if any;

- (c) pay all fees, points and charges required in connection with such application(s) and the Mortgage Loan;
- (d) pursue such application(s) with diligence;
- (e) cooperate in good faith with the institutional lender, if any, and the to the end of securing the Mortgage Loan;
- (f) promptly give notice to Seller of the name and address of the institutional lender, if any, to which Purchaser has made such application; and
- (g) comply with all requirements of the Commitment (or of any Commitment accepted by Purchaser) and furnish Seller with a copy thereof promptly after receipt thereof.

The obligations of Purchaser set forth in (a) through (g) above are, collectively, referred to herein as the "Financing Obligations". Purchaser agrees to diligently comply with all of the Financing Obligations in order to qualify for the finance contingency in the Purchase Agreement.

Purchaser shall have sixty (60) days from the date Sponsor accepts and delivers the fully executed Purchase Agreement to obtain a written loan commitment for financing. In the event Purchaser fails to obtain a written loan commitment within such time period or in the event the loan commitment is subsequently withdrawn, Purchaser must notify Sponsor of such withdrawal within five (5) days subsequent to such sixty (60) day period or the date the loan commitment is withdrawn, whichever is applicable, or this financing contingency is deemed waived.

Notwithstanding the preceding provisions of this paragraph 4, if Purchaser obtains a mortgage loan commitment within the time period set forth above, this Purchase Agreement shall nonetheless be subject to Purchaser's loan commitment being in full force and effect at the Unit Closing; provided, however, that any expiration of a commitment as a result of Purchaser's refusal, inability or unwillingness to close title or delay in closing title or the revocation of a commitment by a lending institution resulting from Purchaser's acts or omissions, including but not limited to, Purchaser's failure to satisfy any of the conditions of the commitment, shall be excepted from this requirement, and Purchaser shall be deemed to have waived any financing contingency within this Purchase Agreement. Purchaser shall take all possible steps to maintain his/her commitment, including good faith application for an extension of such commitment through the same lending institution at the prevailing rate of interest. In the event Purchaser notifies Sponsor within thirty (30) days after the expiration date of his/her previous loan commitment by registered mail of his/her inability to obtain an extension of such previous loan commitment or a new loan commitment, this Purchase Agreement shall be null and void and Purchaser's down payment shall be returned by Sponsor. Failure to provide such notification shall be deemed a waiver of this paragraph 4 by Purchaser and this Agreement shall be deemed binding.

5. Down payment Held in Trust. Sponsor will hold in trust the down payment and any other monies received by it on account of the Purchase Price directly or through its agents, or employees until the Unit is conveyed to Purchaser or this Purchase

Agreement is canceled in accordance with its terms. The down payment hereunder will be promptly placed in an individual interest bearing sub-escrow savings account at JPMorgan Chase Bank, 349 Fifth Avenue, New York, New York, in the name of Purchaser, until actually employed in connection with the consummation of the Plan and this Purchase Agreement. Such funds shall be held and applied in accordance with Sections 352e(2)(b) and 352h of the New York General Business Law as well as Section 71-a(3) of the New York Lien Law. Disbursement of the funds will be made only upon the signature of Allen M. Turek, Esq. or Jeremy S. Roth, Esq., Sponsor's attorneys, as follows: (a) to Sponsor (i) if the Plan is declared effective and title to the Unit closes, (ii) if Purchaser defaults hereunder and has failed to cure such default within the applicable period for notice and time to cure, if any; (b) to Purchaser, (i) within twenty (20) days of abandonment or withdrawal of the Plan, except that if at the time the Plan is withdrawn or abandoned, Sponsor will retain as liquidated damages the down payment of the Purchaser if Purchaser is in default under this Purchase Agreement and has failed to cure such default within the applicable period for notice and time to cure, if any, or (ii) within twenty (20) days of cancellation of this Purchase Agreement due to Sponsor's failure to close, if title does not close because of Sponsor's default.

6. Closing Contingent on the Plan Being Declared Effective. The respective obligations of Purchaser and Sponsor hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan, as same may be amended from time to time.

7. Closing Date and Place. The Closing of title shall occur on the date and at the time and place in the City of New York as Sponsor shall designate to Purchaser on not less than thirty (30) days' prior written notice. Sponsor shall have the right, from time to time, to adjourn such Closing date and time for Closing on written notice to Purchaser. The Closing shall not occur more than one hundred eighty (180) days after such notice unless the Closing Date is adjourned.

8. Delivery of the Deed and Residential Unit Power of Attorney.

A. At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenants against grantor's acts conveying title to the Unit(s) to Purchaser. The Deed shall be prepared by Sponsor in substantially the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly execute a New York City Real Property Transfer Tax return and any other forms then required by law, all of which shall be prepared by Sponsor.

B. At the closing of title and simultaneously with the delivery of the Deed conveying the Unit(s) to Purchaser, Purchaser shall execute and acknowledge a power of attorney to the Condominium Board, the Residential Board and Sponsor substantially in the form set forth in Part II of the Plan.

C. The Deed and power of attorney to the Board of Managers and Sponsor shall be delivered to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Sponsor's attorney) for recording in the City Register's Office, which recording shall be at Purchaser's expense. After being recorded, the Deed shall be returned to Purchaser and the power of attorney shall be sent to the Managing Agent.

9. Marketable Title. At Closing, Sponsor shall convey to Purchaser good and marketable title to the Unit subject only to the liens, encumbrances and title conditions (hereinafter called the "Permitted Encumbrances") enumerated in Exhibit A to this Purchase Agreement. Any other liens, encumbrances, or conditions shall not be an objection to title if Royal Abstract Co., 500 Fifth Avenue, New York, New York 10110, (212) 376-0900, will insure Purchaser against its collection or enforcement out of the Unit.

10. Title Approval. Sponsor shall give, and Purchaser shall accept, such title as Royal Abstract Co., will approve and insure. Purchasers shall be entitled to use any title company of their choice.

11. Closing Adjustments:

A. At Closing, Sponsor and Purchaser shall apportion, as of midnight of the day preceding the Closing:

(i). Real estate taxes and assessments, if any, on the basis of the fiscal and calendar year for which assessed, including water charges and sewer rents; and escrows for real estate taxes, if any;

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

(iii). Rent and other charges, if any, pursuant to any Interim Lease for the Unit.

(iv). Purchaser agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on Purchaser's Unit(s), Purchaser and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit(s) in question. The provisions of this subsection shall survive the Closing of title.

B. In the event the Unit has not been separately assessed for the tax year at the time of Closing, the apportionment of real estate taxes shall be based on the Unit's prorata share of the real estate taxes assessed against the Property. If the Unit has been separately assessed but the Closing occurs before the tax rate is fixed, then the apportionment of real estate taxes shall be based upon the latest tax rate applied to the most recent assessed valuation.

C. Any errors or omissions in computing apportionments at Closing shall be corrected and payment made to the proper party promptly after discovery. The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein. This provision shall survive the Closing.

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

12. Purchaser's Closing Costs. At Closing, Purchaser will pay certain costs set forth in the Section of the Plan entitled "Unit Closing Costs and Adjustments". Any such Closing costs payable to the Sponsor or its attorneys will be payable by unendorsed certified check or official cashier's check drawn on a New York Bank.

13. Binding Effect of Declaration, By-Laws and Rules and Regulations. Purchaser hereby accepts and approves the Plan (including the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof.

14. New York City/New York State Real Property Transfer Tax. Purchaser shall pay any New York City Real Property Transfer Tax and New York State Transfer Tax due in connection with this transaction. Sponsor and Purchaser shall each duly complete and sign before a notary public the transfer tax return required to be filed with the City of New York and the State of New York. The transfer tax returns shall be delivered at Closing to the representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for filing with the proper governmental officer, together with Purchaser's check in payment of such tax. The provisions of this Paragraph shall survive the Closing hereunder.

15. Mortgage Tax Credit. In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, it is specifically understood that such credit shall inure to the benefit of Sponsor. Accordingly, at Closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. Sponsor at Closing will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

16. Default.

A. Upon default of this Purchase Agreement by Purchaser, Sponsor shall have the right to cancel this Purchase Agreement by sending Purchaser thirty (30) days' prior written notice of its intention to do so. Purchaser shall have thirty (30) days from the giving of the cancellation notice within which to cure the default. TIME IS OF THE ESSENCE TO REMEDY SUCH DEFAULT WITHIN SAID THIRTY (30) DAY PERIOD. If the default is not timely cured, then Sponsor shall have the right to retain the

Down Payment, as liquidated damages (but in no event to exceed 10% of the Purchase Price) and any sums in excess thereof shall be returned to Purchaser within forty-five (45) days thereafter. Upon cancellation of this Purchase Agreement and making such refund to Purchaser (if any), Purchaser, Sponsor and the Selling Agent will be automatically released of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another as though this Purchase Agreement had never been made, and without accounting to Purchaser for the proceeds from such other sale.

B. If Purchaser fails for any reason to close title to his Unit(s) on the originally scheduled Closing Date the closing apportionments described in Section 11(A) of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing of title occurs. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit(s) on the rescheduled Closing Date.

17. Acceptance of Condition of Building and Unit. Purchaser shall accept title (without abatement) in, or credit against, the Purchase Price or any provision for escrow deposits at the Closing of title) notwithstanding the failure to complete construction of (a) minor details of the Unit or the Property, (b) other Units or (c) the Common Elements of the Property which do not prevent Purchaser's use of the Unit. Purchaser shall carefully inspect the Unit prior to the Closing of title and shall execute at such time an inspection statement acknowledging Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if Purchaser finds that Sponsor's improvements have not been completed, although such improvements have been substantially completed, the Sponsor and Purchaser will agree to include on the inspection statement a list of incomplete work of a material nature to be completed in the Unit by Sponsor following the Closing of title. Sponsor shall have no obligation to complete any work to the Unit which is not specifically designated on the inspection statement by Purchaser, except for work necessary to cure violations and to obtain a temporary or permanent Certificate of Occupancy covering the Unit. Purchaser will receive five (5) business days notice that the Unit(s) is available for inspection. If Purchaser fails to inspect the Unit within said five (5) day period, Purchaser shall be deemed to have accepted the Unit in good condition and in accordance with the terms of the Plan. Except as expressly provided in this Agreement or the Plan, including but not limited to subparagraph (f) of the subsection entitled "Sponsor's Obligations with Respect to the Building" of the Section entitled "Rights and Obligations of Sponsor," Sponsor shall have no obligation to repair or improve the Unit, any portion of the Property, or the appliances, equipment or fixtures attached to or used in connection with the Unit or the Property.

Sponsor will not be obligated to correct, and will not be liable to the Condominium Board or Unit Owner as a result of any defects in construction, or in the installation or operation of any mechanical equipment, appliances, other equipment, finishes, materials or fixtures (including kitchen appliances and bathroom fixtures), as

specifically set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor".

Notwithstanding the foregoing, Sponsor will be obligated to repair abnormal scratches in plastic laminate, vitreous china, natural stone, wood, porcelain and metallic surfaces by filling or refinishing the same, but Sponsor will not be obligated to replace any such surfaces.

18. Agreement Subject to Construction and/or Building Loan Mortgage. No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage, including, but not limited to, any construction or building loan mortgage, heretofore or hereafter made any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of each Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless Purchaser voluntarily assumes such mortgage or consents to the continuation of the lien thereof with approval of such mortgagee. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit(s) and its (their) undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of its other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

19. Withdrawal or Abandonment of Plan. The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in Part I of the Plan. Provided Purchaser is not then in default under this Agreement beyond any applicable grace period, if the Plan is withdrawn or abandoned, this Agreement shall be deemed cancelled and, not later than twenty (20) days thereafter, Sponsor shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and, upon making such payment, neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement and Plan.

20. Sponsor's Inability to Convey the Units. If Sponsor is unable to deliver title to the Unit(s) to Purchaser in accordance with the provisions of this Agreement and the Plan, Sponsor shall not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability, and, in such case, if Sponsor notifies Purchaser of its refusal to cure such inability and if Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such inability (without

any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor shall, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and, upon making such payment, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within fifteen (15) days after the giving of Sponsor's notice of refusal to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

21. Fixtures, Appliances and Personal Property. Only those fixtures, appliances and items of personal property which are described in the Description of the Property in Part II of the Plan or their equivalent, as being part of the Unit(s) are included in the sale of the Unit pursuant to the provisions of this Agreement. At the Closing, Sponsor shall transfer to Purchaser any assignable warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in the Unit(s).

22. Damage to the Unit. If between the date of this Agreement and the Closing of title the Unit is damaged by fire or other casualty, the following shall apply:

A. The risk of loss to the Unit by fire or other casualty is assumed by Sponsor until the earlier of Closing of title or possession of the Unit by Purchaser, but without any obligation or liability by Sponsor to repair or restore the Unit. If Sponsor elects to repair or restore the Unit, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in the Purchase Price and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Board and other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and, if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provision of the preceding sentence shall survive the Closing of title.

B. In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit, or, if the Declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed cancelled and of no further force and effect and Sponsor shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and neither party hereto shall have any further rights, obligations or liability to or against the other hereunder or under the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain all such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

23. No Representation. Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size of dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit or any other data, except as herein or in the Plan specifically represented, Purchaser having relied solely on his own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan.

24. Notices. All notices shall be delivered personally or given in writing by registered or certified mail, return receipt requested, at the respective addresses contained in this Purchase Agreement (with a copy sent to Turek Roth LLP, 377 Fifth Avenue, 6th Floor, New York, New York 10016). Either party may, by written notice to the other, change the address to which notices are to be sent.

25. Broker. Purchaser represents that the Selling Agent is the only broker with whom Purchaser has dealt in connection with this transaction. Sponsor agrees to pay the commission due the Selling Agent pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent, Purchaser will indemnify and hold harmless the Sponsor from any and all liabilities and expenses in connection therewith, including reasonable legal fees and disbursements. The provisions of this Paragraph shall survive the Closing.

26. Entire Agreement. This Purchase Agreement, constitutes the entire agreement between the parties.

27. Agreement May Not Be Assigned. Purchaser shall not have the right to assign or transfer this Purchase Agreement without the prior written consent of the Sponsor which consent may be withheld or delayed at Sponsor's sole and absolute discretion. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Purchase Agreement, the Purchaser shall be required to pay Sponsor's attorney a fee of \$1,000.00, in advance, for the preparation of an Assignment Agreement. Any purported assignment or transfer by Purchaser which is not made in strict compliance with this paragraph shall be void.

28. Further Assurances. Either party shall execute, acknowledge and deliver to the other party such instruments, as such other party may reasonably request in order to effectuate the provisions of this Purchase Agreement.

29. Waiver of Jury Trial. The parties expressly waive trial by jury in any arising out of, or connected with, or relating to, this Purchase Agreement.

30. Certain References. A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The terms "herein", "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Agreement.

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

32. Successors and Assigns. Subject to the provisions of Paragraph 27 hereof, the provisions of this Purchase Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives and successors and shall bind and inure to the benefit of Sponsor and its successors and assigns.

33. Performance By and Liability of Sponsor. Purchaser' acceptance of the Deed for the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Sponsor to be performed pursuant to the provisions of this Agreement, the Plan, 13 NYCRR Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of the Plan) and General Business Law Section 352-e, except those (if any) herein or therein expressly stated to survive delivery of such deed.

34. Costs of Enforcing and Defending Agreement. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder.

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

36. Strict Compliance. Any failure by Sponsor to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

37. Governing Law. The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

38. Rule of Construction. There shall be no presumption against the draftsman of this Agreement.

39. Lead-Based Paint Disclosure. Annexed hereto and incorporated herein as Schedule B, is the "Disclosure of Information on Lead-Based Paint and/or Lead Based Paint Hazards" required to be executed pursuant to the provisions of Federal regulation and the brochure "Protect Your Family From Lead In Your Home", prepared by the U.S. Environmental Protection Agency.

40. Amendments to the Plan. Subject to any provisions of the Plan to the contrary, if there is a substantial amendment to the Plan that materially and adversely affects Purchaser, Purchaser will have a period of fifteen (15) days from the date of presentation of said amendment within which to rescind this Agreement and, if Purchaser exercises such right of rescission, Sponsor shall return the Down Payment, together with any interest thereon, pursuant to this Agreement within thirty (30) days.

41. No Oral Changes.

THIS PURCHASE AGREEMENT CANNOT BE CHANGED ORALLY.
ALL CHANGES MUST BE SIGNED BY BOTH PARTIES TO THIS PURCHASE AGREEMENT.

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

Date: _____

Purchaser(s):

(Signature)

(Signature)

(Print Name(s))

(Social Security Number or Federal I.D.)

(Telephone Number)

Sponsor: 124 NEWTON ST LLC

By: _____

EXHIBIT A
Permitted Encumbrances

1. Building restrictions and zoning laws and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasigovernmental authority having jurisdiction.
2. Survey exceptions.
3. The terms, covenants, restrictions and easements, all set forth in the Declaration, the By-Laws (and the Rules and Regulations made thereunder), the Power of Attorney from Purchaser to the Condominium Board and the Sponsor and the Floor Plans, all as may be amended from time to time.
4. Consents by the Sponsor or any former owner of the Land for the erection of any structure on any street on which the Land may abut.
5. Any easement in favor of any utility company for construction, use, maintenance, of all utility lines, wires, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Land and Building.
6. Revocability of licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax.
7. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and stand pipes, and similar projections, if any, on, the Property or the streets or sidewalks abutting the Property and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.
8. Leases, and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.
9. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, provided the same is adjusted at the Closing of title.
10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that the Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such Closing Date.

11. Any declaration or any other instrument affecting the Property which the Grantor deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

12. Any encumbrance as to which either Royal Abstract Co. or the title insurance company which insures Purchaser's title to the Unit would be willing, without additional premium, to insure Purchaser that such encumbrance (a) will not be collected out of or enforced against the Unit and (b) will not prevent the use of the Unit for any lawful purpose.

13. Any recorded covenant, restriction and encumbrance against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

14. Title to any personal property, whether the same be attached to or used in connection with the Property.

15. Any lease or tenancy or occupancy of, the Unit.

16. Any violations against the Property (other than the Unit) which are the obligation of the Condominium Board or another Unit Owner to correct.

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

Sample Disclosure Format for Target Housing Sales
Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure (initial)

- ____ (a) Presence of lead-based paint and/or lead-based paint hazards (check one below):
- ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).
- _____
- ☐ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- ____ (b) Records and reports available to the seller (check one below):
- ☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).
- _____
- ☐ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

- ____ (c) Purchaser has received copies of all information listed above.
- ____ (d) Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.
- ____ (e) Purchaser has (check one below):
- ☐ Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
- ☐ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

- ____ (f) Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information provided by the signatory is true and accurate.

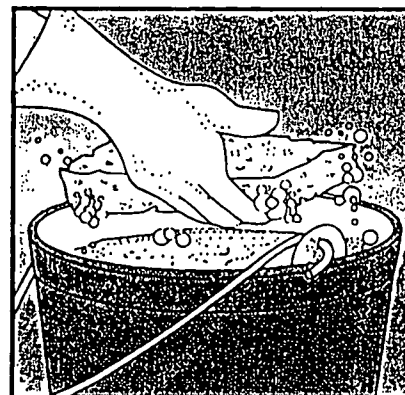
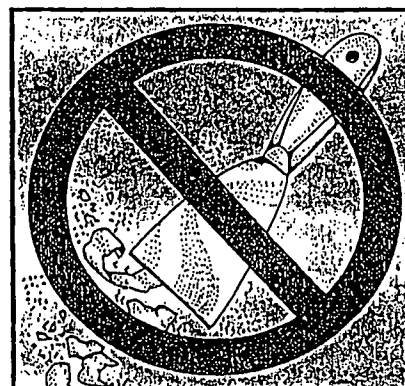
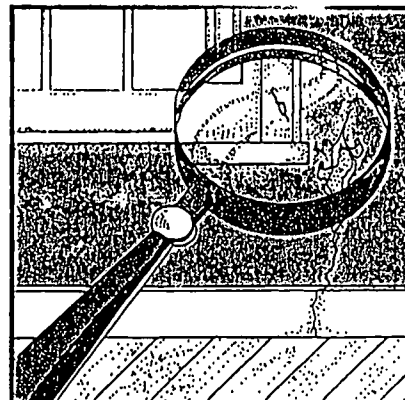
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Agent	Date <u>128</u>
Purchaser	Date

Seller	Date
Agent	Date
Purchaser	Date

Simple Steps To Protect Your Family From Lead Hazards

If you think your home has high levels of lead:

- ◆ Get your young children tested for lead, even if they seem healthy.
- ◆ Wash children's hands, bottles, pacifiers, and toys often.
- ◆ Make sure children eat healthy, low-fat foods.
- ◆ Get your home checked for lead hazards.
- ◆ Regularly clean floors, window sills, and other surfaces.
- ◆ Wipe soil off shoes before entering house.
- ◆ Talk to your landlord about fixing surfaces with peeling or chipping paint.
- ◆ Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).
- ◆ Don't use a belt-sander, propane torch, dry scraper, or dry sandpaper on painted surfaces that may contain lead.
- ◆ Don't try to remove lead-based paint yourself.



Protect Your Family From Lead In Your Home

 **EPA** United States Environmental Protection Agency

 United States Consumer Product Safety Commission

 United States Department of Housing and Urban Development

U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207

ERA747-K-94-001
May 1995

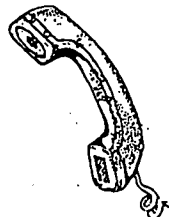
Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly.

By 1996, federal law will require that individuals receive certain information before renting, buying, or renovating pre-1978 housing:



1-800-



LANDLORDS will have to disclose known information on lead-based paint hazards before leases take effect. Leases will include a federal form about lead-based paint.

SELLERS will have to disclose known information on lead-based paint hazards before selling a house. Sales contracts will include a federal form about lead-based paint in the building. Buyers will have up to 10 days to check for lead hazards.

RENOVATORS will have to give you this pamphlet before starting work.

IF YOU WANT MORE INFORMATION on these requirements, call the National Lead Information Clearinghouse at 1-800-424-LEAD.

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EPA Regional Offices

Your Regional EPA office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)
John F. Kennedy Federal Building
One Congress Street
Boston, MA 02203
(617) 565-3420

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)
Building 5
2890 Woodbridge Avenue
Edison, NJ 08837-3679
(908) 321-6671

Region 3 (Delaware, Washington DC, Maryland, Pennsylvania, Virginia, West Virginia)
841 Chestnut Building
Philadelphia, PA 19107
(215) 597-9800

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)
345 Courtland Street, NE
Atlanta, GA 30365
(404) 347-4727

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)
77 West Jackson Boulevard
Chicago, IL 60604-3590
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)
First Interstate Bank Tower
1445 Ross Avenue, 12th Floor, Suite 1200
Dallas, TX 75202-2733
(214) 665-7244

Region 7 (Iowa, Kansas, Missouri, Nebraska)
726 Minnesota Avenue
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)
999 18th Street, Suite 500
Denver, CO 80202-2405
(303) 293-1603

Region 9 (Arizona, California, Hawaii, Nevada)
75 Hawthorne Street
San Francisco, CA 94105
(415) 744-1124

Region 10 (Idaho, Oregon, Washington, Alaska)
1200 Sixth Avenue
Seattle, WA 98101
(206) 553-1200

CPSC Regional Offices

Eastern Regional Center
6 World Trade Center
Vesey Street, Room 350
New York, NY 10048
(212) 466-1612

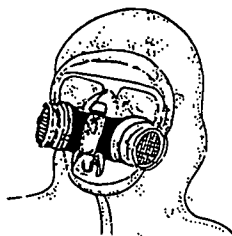
Central Regional Center
230 South Dearborn Street
Room 2944
Chicago, IL 60604-1601
(312) 353-8260

Western Regional Center
600 Harrison Street, Room 245
San Francisco, CA 94107
(415) 744-2966

How To Significantly Reduce Lead Hazards

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.



In addition to day-to-day cleaning and good nutrition:

- ◆ You can temporarily reduce lead hazards by taking actions such as repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called "interim controls") are not permanent solutions and will need ongoing attention.
- ◆ To permanently remove lead hazards, you must hire a lead "abatement" contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not enough.

Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. If possible, hire a certified lead abatement contractor. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Call your state agency (see page 12) for help with locating qualified contractors in your area and to see if financial assistance is available.

Where Lead Is Likely To Be a Hazard

Lead-based paint that is in good condition is usually not a hazard.

Peeling, chipping, chalking, or cracking lead-based paint is a hazard and needs immediate attention.

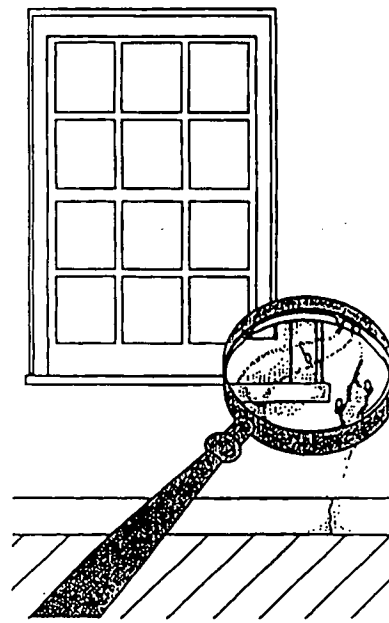
Lead-based paint may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear. These areas include:

- ◆ Windows and window sills.
- ◆ Doors and door frames.
- ◆ Stairs, railings, and banisters.
- ◆ Porches and fences.

Lead dust can form when lead-based paint is dry scraped, dry sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can reenter the air when people vacuum, sweep, or walk through it.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. Call your state agency (see page 12) to find out about soil testing for lead.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards.



Checking Your Home for Lead

Just knowing that a home has lead-based paint may not tell you if there is a hazard.

You can get your home checked for lead hazards in one of two ways, or both:

- ◆ A **paint inspection** tells you the lead content of every painted surface in your home. It won't tell you whether the paint is a hazard or how you should deal with it.
- ◆ A **risk assessment** tells you if there are any sources of serious lead exposure (such as peeling paint and lead dust). It also tells you what actions to take to address these hazards.

Have qualified professionals do the work. *The federal government is writing standards for inspectors and risk assessors. Some states might already have standards in place. Call your state agency for help with locating qualified professionals in your area (see page 12).*

Trained professionals use a range of methods when checking your home, including:

- ◆ Visual inspection of paint condition and location.
- ◆ Lab tests of paint samples.
- ◆ Surface dust tests.
- ◆ A portable x-ray fluorescence machine.

Home test kits for lead are available, but recent studies suggest that they are not always accurate. Consumers should not rely on these tests before doing renovations or to assure safety.

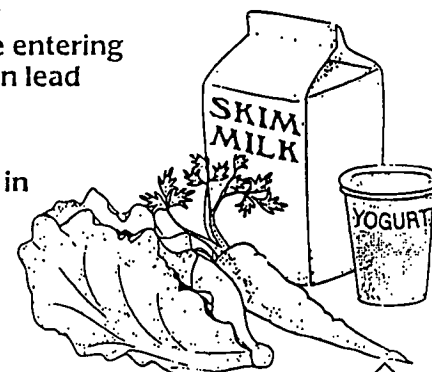
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Your Family

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:

- ◆ If you rent, notify your landlord of peeling or chipping paint.
- ◆ Clean up paint chips immediately.
- ◆ Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.
- ◆ Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.
- ◆ Wash children's hands often, especially before they eat and before nap time and bed time.
- ◆ Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- ◆ Keep children from chewing window sills or other painted surfaces.
- ◆ Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- ◆ Make sure children eat nutritious, low-fat meals high in iron and calcium, such as spinach and low-fat dairy products. Children with good diets absorb less lead.



State Health and Environmental Agencies

Some cities and states have their own rules for lead-based paint activities. Check with your state agency (listed below) to see if state or local laws apply to you. Most state agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards.

State/Region	Phone Number		
Alabama	(205) 242-5661	Missouri	(314) 526-4911
Alaska	(907) 465-5152	Montana	(406) 444-3671
Arkansas	(501) 661-2534	Nebraska	(402) 471-2451
Arizona	(602) 542-7307	Nevada	(702) 687-6615
California	(510) 450-2424	New Hampshire	(603) 271-4507
Colorado	(303) 692-3012	New Jersey	(609) 633-2043
Connecticut	(203) 566-5808	New Mexico	(505) 841-8024
DC	(202) 727-9850	New York	(800) 458-1158
Delaware	(302) 739-4735	North Carolina	(919) 715-3293
Florida	(904) 488-3385	North Dakota	(701) 328-5188
Georgia	(404) 657-6514	Ohio	(614) 466-1450
Hawaii	(808) 832-5860	Oklahoma	(405) 271-5220
Idaho	(208) 332-5544	Oregon	(503) 248-5240
Illinois	(800) 545-2200	Pennsylvania	(717) 782-2884
Indiana	(317) 382-6662	Rhode Island	(401) 277-3424
Iowa	(800) 972-2026	South Carolina	(803) 935-7945
Kansas	(913) 296-0189	South Dakota	(605) 773-3153
Kentucky	(502) 564-2154	Tennessee	(615) 741-5683
Louisiana	(504) 765-0219	Texas	(512) 834-6600
Massachusetts	(800) 532-9571	Utah	(801) 536-4000
Maryland	(410) 631-3859	Vermont	(802) 863-7231
Maine	(207) 287-4311	Virginia	(800) 523-4019
Michigan	(517) 335-8885	Washington	(206) 753-2556
Minnesota	(612) 627-5498	West Virginia	(304) 558-2981
Mississippi	(601) 960-7463	Wisconsin	(608) 266-5885
		Wyoming	(307) 777-7391

IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

- FACT:** Lead exposure can harm young children and babies even before they are born.
- FACT:** Even children that seem healthy can have high levels of lead in their bodies.
- FACT:** People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips with lead in them.
- FACT:** People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.
- FACT:** Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

Lead Gets in the Body in Many Ways

1 out of every 11 children in the United States has dangerous levels of lead in the bloodstream.

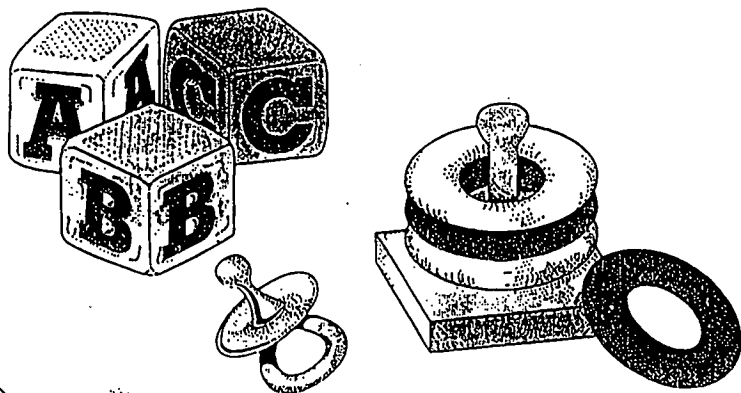
Even children who appear healthy can have dangerous levels of lead.

People can get lead in their body if they:

- ◆ Put their hands or other objects covered with lead dust in their mouths.
- ◆ Eat paint chips or soil that contain lead.
- ◆ Breathe in lead dust (especially during renovations that disturb painted surfaces).

Lead is even more dangerous to children than adults because:

- ◆ Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.
- ◆ Children's growing bodies absorb more lead.
- ◆ Children's brains and nervous systems are more sensitive to the damaging effects of lead.

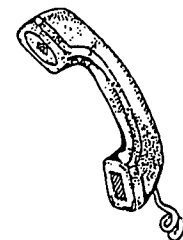


For More Information

The National Lead Information Center

Call 1-800-LEAD-FYI to learn how to protect children from lead poisoning.

For other information on lead hazards, call the center's clearinghouse at 1-800-424-LEAD. For the hearing impaired, call, TDD 1-800-526-5456. (FAX: 202-659-1192, Internet: EHC@CAIS.COM).

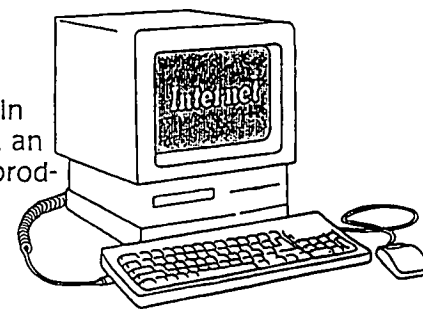


EPA's Safe Drinking Water Hotline

Call 1-800-426-4791 for information about lead in drinking water.

Consumer Product Safety Commission Hotline

To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call 1-800-638-2772. (Internet: info@cpsc.gov). For the hearing impaired, call 1-800-638-8270.



Local Sources of Information

**Request for Taxpayer
Identification Number and Certification**

Give form to the
requester. Do NOT
send to the IRS.

Please print or type

Name (If a joint account or you changed your name, see **Specific Instructions** on page 2.)

Business name, if different from above. (See **Specific Instructions** on page 2.)

Check appropriate box: ☐ Individual/Sole proprietor ☐ Corporation ☐ Partnership ☐ Other ▶

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN). However, if you are a resident alien OR a sole proprietor, see the instructions on page 2. For other entities, it is your employer identification number (EIN). If you do not have a number, see **How To Get a TIN** on page 2.

Note: If the account is in more than one name, see the chart on page 2 for guidelines on whose number to enter.

Social security number

--	--	--	--	--	--	--	--	--	--

OR

Employer identification number

--	--	--	--	--	--	--	--	--	--

List account number(s) here (optional)

Part II For Payees Exempt From Backup Withholding (See the instructions on page 2.)

Part III Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Certification Instructions.—You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 2.)

Sign
Here

Signature ▶

Date ▶

Purpose of Form.—A person who is required to file an information return with the IRS must get your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 to give your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are an exempt payee.

Note: If a requester gives you a form other than a W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

What Is Backup Withholding?—Persons making certain payments to you must withhold and pay to the IRS 31% of such payments under certain conditions. This is called "backup withholding." Payments that may be subject to backup withholding

include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

If you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return, payments you receive will not be subject to backup withholding. Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester, or
2. The IRS tells the requester that you furnished an incorrect TIN, or
3. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
4. You do not certify to the requester that you are not subject to backup withholding under 3 above (for reportable interest and dividend accounts opened after 1983 only), or

5. You do not certify your TIN when required. See the Part III instructions on page 2 for details.

Certain payees and payments are exempt from backup withholding. See the Part II instructions and the separate **Instructions for the Requester of Form W-9**.

Penalties

Failure To Furnish TIN.—If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil Penalty for False Information With Respect to Withholding.—If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal Penalty for Falsifying Information.—Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs.—If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal penalties.

Certificate of Foreign Status

Please print or type	Name of owner (If joint account, also give joint owner's name.) (See Specific Instructions .)		U.S. taxpayer identification number (if any)		
	Permanent address (See Specific Instructions .) (Include apt. or suite no.)				
	City, province or state, postal code, and country				
	Current mailing address, if different from permanent address (Include apt. or suite no., or P.O. box if mail is not delivered to street address.)				
City, town or post office, state, and ZIP code (If foreign address, enter city, province or state, postal code, and country.)					
List account information here (Optional, see Specific Instructions .)		Account number	Account type	Account number	Account type

Notice of Change in Status.—To notify the payer, mortgage interest recipient, broker, or barter exchange that you no longer qualify for exemption, check here ☐ **If you check this box, reporting will begin on the account(s) listed.**

Please Sign Here	Certification. —(Check applicable box(es)). Under penalties of perjury, I certify that:	
	☐ For INTEREST PAYMENTS , I am not a U.S. citizen or resident (or I am filing for a foreign corporation, partnership, estate, or trust).	
	☐ For DIVIDENDS , I am not a U.S. citizen or resident (or I am filing for a foreign corporation, partnership, estate, or trust).	
	☐ For BROKER TRANSACTIONS or BARTER EXCHANGES , I am an exempt foreign person as defined in the instructions below.	
Signature		Date

General Instructions

(Section references are to the Internal Revenue Code unless otherwise noted.)

Purpose

Use Form W-8 or a substitute form containing a substantially similar statement to tell the payer, mortgage interest recipient, middleman, broker, or barter exchange that you are a nonresident alien individual, foreign entity, or exempt foreign person not subject to certain U.S. information return reporting or backup withholding rules.

Caution: Form W-8 does not exempt the payee from the 30% (or lower treaty) nonresident withholding rates.

Nonresident Alien Individual

For income tax purposes, "nonresident alien individual" means an individual who is neither a U.S. citizen nor resident. Generally, an alien is considered to be a U.S. resident if:

- The individual was a lawful permanent resident of the United States at any time during the calendar year, that is, the alien held an immigrant visa (a "green card"), or
- The individual was physically present in the United States on:

- (1) at least 31 days during the calendar year, and
- (2) 183 days or more during the current year and the 2 preceding calendar years (counting all the days of physical presence in the current year, one-third the number of days of presence in the first preceding year, and only one-sixth of the number of days in the second preceding year).

See **Pub. 519, U.S. Tax Guide for Aliens**, for more information on resident and nonresident alien status.

Note: If you are a nonresident alien individual married to a U.S. citizen or resident and have made an election under section 6013(g) or (h), you are treated as a U.S. resident and may not use Form W-8.

Exempt Foreign Person

For purposes of this form, you are an "exempt foreign person" for a calendar year in which:

1. You are a nonresident alien individual or a foreign corporation, partnership, estate, or trust,
2. You are an individual who has not been, and plans not to be, present in the United States for a total of 183 days or more during the calendar year, and
3. You are neither engaged, nor plan to be engaged during the year, in a U.S. trade or business that has effectively connected gains from transactions with a broker or barter exchange.

If you do not meet the requirements of 2 or 3 above, you may instead certify on **Form 1001, Ownership, Exemption, or Reduced Rate Certificate**, that your country has a tax treaty with the United States that exempts your transactions from U.S. tax.

Filing Instructions

When To File.—File Form W-8 or substitute form before a payment is made. Otherwise, the payer may have to withhold and send part of the payment to the Internal Revenue Service (see **Backup Withholding** below). This certificate

generally remains in effect for three calendar years. However, the payer may require you to file a new certificate each time a payment is made to you.

Where To File.—File this form with the payer of the qualifying income who is the withholding agent (see **Withholding Agent** on page 2). Keep a copy for your own records.

Backup Withholding

A U.S. taxpayer identification number or Form W-8 or substitute form must be given to the payers of certain income. If a taxpayer identification number or Form W-8 or substitute form is not provided or the wrong taxpayer identification number is provided, these payers may have to withhold 20% of each payment or transaction. This is called backup withholding.

Note: On January 1, 1993, the backup withholding rate increases from 20% to 31%.

Reportable payments subject to backup withholding rules are:

- Interest payments under section 6049(a).
- Dividend payments under sections 6042(a) and 6044.
- Other payments (i.e., royalties and payments from brokers and barter exchanges) under sections 6041, 6041A(a), 6045, 6050A, and 6050N.

If backup withholding occurs, an exempt foreign person who is a nonresident alien individual may get a refund by filing **Form 1040NR**, U.S. Nonresident Alien Income Tax Return, with the Internal Revenue

(Continued on back.)



New York State Department of Taxation and Finance
**Combined Real Estate
Transfer Tax Return and
Credit Line Mortgage Certificate**

See instructions (TP-584-I) before completing this form. Please print or type.

Schedule A — Information Relating to Conveyance

☐ Individual ☐ Corporation ☐ Partnership ☐ Other	Grantor	Name (if individual: last, first, middle initial)	Social Security Number
		Mailing address	Social Security Number
		City State ZIP code	Federal employer ident. number
☐ Individual ☐ Corporation ☐ Partnership ☐ Other	Grantee	Name (if individual: last, first, middle initial)	Social Security Number
		Mailing address	Social Security Number
		City State ZIP code	Federal employer ident. number

Location and description of property conveyed

Tax map designation			Address	City/Village	Town	County
Section	Block	Lot				

Type of property conveyed (check applicable box)

1 ☐ 1 - 3 family house	6 ☐ Commercial/Industrial	Date of conveyance month day year	Percentage of real property conveyed which is residential real property _____ % (see instructions)
2 ☐ Residential cooperative	6 ☐ Apartment building		
3 ☐ Residential condominium	7 ☐ Office building		
4 ☐ Vacant land	8 ☐ Other _____		

Condition of conveyance (check all that apply)

a. ☐ Conveyance of fee interest	i. ☐ Conveyance which consists of a mere change of identity or form of ownership or organization (attach Form TP-584.1, Schedule F)	k. ☐ Contract assignment
b. ☐ Acquisition of a controlling interest (state percentage acquired _____ %)	j. ☐ Conveyance for which credit for tax previously paid will be claimed (attach Form TP-584.1, Schedule G)	l. ☐ Option assignment or surrender
c. ☐ Transfer of a controlling interest (state percentage transferred _____ %)	k. ☐ Conveyance of cooperative apartment(s)	m. ☐ Leasehold assignment or surrender
d. ☐ Conveyance to cooperative housing corporation	l. ☐ Syndication	n. ☐ Leasehold grant
e. ☐ Conveyance pursuant to or in lieu of foreclosure or enforcement of security interest (attach Form TP-584.1, Schedule E)	m. ☐ Conveyance of air rights or development rights	o. ☐ Conveyance of an easement
		p. ☐ Conveyance for which exemption from transfer tax is claimed (complete Schedule B, Part III)
		q. ☐ Conveyance of property partly within and partly without the state
		r. ☐ Other (describe) _____

Schedule B — Real Estate Transfer Tax Return (Article 31 of the Tax Law)

Part I — Computation of Tax Due

1 Enter amount of consideration for the conveyance (if you are claiming a total exemption from tax, check the exemption claimed box, enter consideration and proceed to Part III)..... ☐ Exemption claimed	1	
2 Continuing lien deduction (see instructions if property is taken subject to mortgage or lien).....	2	
3 Taxable consideration (subtract line 2 from line 1).....	3	
4 Tax: \$2 for each \$500, or fractional part thereof, of consideration on line 3.....	4	
5 Amount of credit claimed (see instructions and attach Form TP-584.1, Schedule G).....	5	
6 Total tax due* (subtract line 5 from line 4).....	6	

Part II — Computation of Additional Tax Due on the Conveyance of Residential Real Property for \$1 Million or More

1 Enter amount of consideration for conveyance (from Part I, line 1).....	1	
2 Taxable consideration (multiply line 1 by the percentage of the premises which is residential real property; see instructions).....	2	
3 Total additional transfer tax due* (1% of line 2).....	3	

*Please make check(s) payable to the county clerk where the recording is to take place or if the recording is to take place in New York City, make check(s) payable to the NYC Department of Finance. If no recording is required, send this return and your check(s) made payable to the Department of Taxation and Finance, directly to the NYS Tax Department, TTB-Transfer Tax, PO Box 5045, Albany NY 12205-5045.

For recording officer's use	Amount received	Date received	Transaction number
	Part I \$ _____ Part II \$ _____		

Schedule B — (continued)**Part III — Explanation of Exemption Claimed in Part I, line 1 (check any boxes that apply)**

The conveyance of real property is exempt from the real estate transfer tax for the following reason:

- a. Conveyance is to the United Nations, the United States of America, the state of New York or any of their instrumentalities, agencies or political subdivisions (or any public corporation, including a public corporation created pursuant to agreement or compact with another state or Canada)..... a ☐
- b. Conveyance is to secure a debt or other obligation..... b ☐
- c. Conveyance is without additional consideration to confirm, correct, modify or supplement a prior conveyance..... c ☐
- d. Conveyance of real property is without consideration and not in connection with a sale, including conveyances conveying realty as bona fide gifts..... d ☐
- e. Conveyance is given in connection with a tax sale..... e ☐
- f. Conveyance is a mere change of identity or form of ownership or organization where there is no change in beneficial ownership. (This exemption cannot be claimed for a conveyance to a cooperative housing corporation of real property comprising the cooperative dwelling or dwellings.) Attach Form TP-584.1, Schedule F..... f ☐
- g. Conveyance consists of deed of partition..... g ☐
- h. Conveyance is given pursuant to the federal bankruptcy act..... h ☐
- i. Conveyance consists of the execution of a contract to sell real property without the use or occupancy of such property or the granting of an option to purchase real property without the use or occupancy of such property..... i ☐
- j. Conveyance of an option or contract to purchase real property with the use or occupancy of such property where the consideration is less than \$200,000 and such property was used solely by the grantor as the grantor's personal residence and consists of a 1-, 2-, or 3-family house, an individual residential condominium unit, or the sale of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold covering an individual residential cooperative apartment..... j ☐
- k. Conveyance is not a conveyance within the meaning of section 1401(e) of Article 31 of the Tax Law (attach documents supporting such claim)..... k ☐
- l. Other (attach explanation)..... l ☐

Schedule C — Credit Line Mortgage Certificate (Article 11 of the Tax Law)

Complete the following only if the interest being transferred is a fee simple interest.

I (we) certify that: (check the appropriate box)

- 1 ☐ The real property being sold or transferred is not subject to an outstanding credit line mortgage.
- 2 ☐ The real property being sold or transferred is subject to an outstanding credit line mortgage. However, an exemption from the tax is claimed for the following reason:
- ☐ The transfer of real property is a transfer of a fee simple interest to a person or persons who held a fee simple interest in the real property (whether as a joint tenant, a tenant in common or otherwise) immediately before the transfer.
- ☐ The transfer of real property is (A) to a person or persons related by blood, marriage or adoption to the original obligor or to one or more of the original obligors or (B) to a person or entity where 50% or more of the beneficial interest in such real property after the transfer is held by the transferor or such related person or persons (as in the case of a transfer to a trustee for the benefit of a minor or the transfer to a trust for the benefit of the transferor).
- ☐ The transfer of real property is a transfer to a trustee in bankruptcy, a receiver, assignee or other officer of a court.
- ☐ The maximum principal amount secured by the credit line mortgage is \$3,000,000 or more and the real property being sold or transferred is not principally improved nor will it be improved by a one- to six-family owner-occupied residence or dwelling.
- Please note: for purposes of determining whether the maximum principal amount secured is \$3,000,000 or more as described above, the amounts secured by two or more credit line mortgages may be aggregated under certain circumstances. See TSB-M-96(6)-R for more information regarding these aggregation requirements.
- ☐ Other (attach detailed explanation).
- 3 ☐ The real property being transferred is presently subject to an outstanding credit line mortgage. However, no tax is due for the following reason:
- ☐ A certificate of discharge of the credit line mortgage is being offered at the time of recording the deed.
- ☐ A check has been drawn payable for transmission to the credit line mortgagee or his agent for the balance due, and a satisfaction of such mortgage will be recorded as soon as it is available.
- 4 ☐ The real property being transferred is subject to an outstanding credit line mortgage recorded in _____ (insert liber and page or reel or other identification of the mortgage). The maximum principal amount of debt or obligation secured by the mortgage is _____. No exemption from tax is claimed and the tax of _____ is being paid herewith. (Make check payable to county clerk where deed will be recorded or, if the recording is to take place in New York City, make check payable to the NYC Department of Finance.)

Signature (both the grantor(s) and grantee(s) must sign).

The undersigned certify that the above return, including any certification, schedule or attachment, is to the best of his/her knowledge, true and complete.

Grantor	Title	Grantee	Title

Reminder: Did you complete all of the required information in Schedules A and B? Were you required to complete Schedule C? If you checked e, f or g in Schedule A, did you complete TP-584.1? Have you attached your check(s) made payable to the county clerk where recording will take place or, if the recording is in New York City, to the NYC Department of Finance? If no recording is required, send your check(s), made payable to the Department of Taxation and Finance, directly to the NYC Tax Department, TTTB-Transfer Tax, PO Box 5043, Albany NY 12205-5043.

POWER OF ATTORNEY

All terms used in this Power of Attorney that are used (a) in the Declaration establishing a plan for condominium ownership of the premises known as The 122 Newton Condominium (the "Condominium") and by the street number 122 Newton Street, Brooklyn, New York, under Article 9B of the Real Property Law of the State of New York, dated _____, 200_, and recorded in the New York County office of The Register of the City of New York on _____, 200_, in Reel ___, at page ___, (herein referred to in the "Declaration"), or (b) in the By-Laws of the Condominium (herein referred to as the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____ residing at _____, the owner of the Condominium Unit known as Unit No. ___ in the Condominium located at 122 Newton Street, Brooklyn, New York, as designated and described in the Declaration as Unit No. ___ and also designated as Tax Lot ___ in Block ___ of Section ___ of the Borough of Kings on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of the Condominium ("Floor Plans"), does hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of the Condominium, and their successors in office, true and lawful attorneys-in-fact for the undersigned, with a power coupled with an interest, with power of substitution, (1) to acquire, in their own names as members of the Board of Managers or in the name of their designee, corporate or otherwise, on behalf of all owners of Units in said Condominium, in accordance with their respective common interests, any Condominium Unit whose owner desires to abandon or sell, transfer or assign the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the interest of such Unit Owner in all other assets of the Condominium (herein collectively called the "Appurtenant Interests"), or which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose owner desires to rent the same, at such prices or at such rental, as the case may be, and on such other terms, and conditions as such attorneys-in-fact shall deem proper and thereafter to convey, sell, lease, mortgage, vote the votes appurtenant thereto (except for election of Managers), or otherwise deal in any such Unit so acquired by them, or to sublease any such Unit so leased by them, on such terms and conditions as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present and (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium which the Board of Managers of the Condominium deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair or restoration of

the Condominium or (b) any agreement, consent, covenant, restriction, easement or declaration, or any amendment thereto affecting the Condominium or the Common Elements, that the Board of Managers deems necessary or appropriate, provided that such change is consistent with such Declaration and applicable Law.

The undersigned does hereby further irrevocably nominate, constitute and appoint 124 Newton ST LLC (herein the "Sponsor") and its successors as my (our) true and lawful attorneys-in-fact, coupled with an interest, with power of substitution, in the undersigned's name and on the undersigned's behalf to vote at any Unit Owners' meeting for, and to file an amendment to the Declaration, By-Laws, Rules and Regulations and Floor Plans of the Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by the Sponsor or its designee in accordance with the Declaration or (2) shall be required by (a) an Institutional Lender designated by the Sponsor to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by the Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of subdivision (1) or (2) of this paragraph shall not (i) change the Common Interest of the Unit, (ii) require a material, physical modification to the Undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender covering the Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment.

The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as the Sponsor or its designees shall cease to own any of the Units in The 122 Newton Condominium.

This Power of Attorney is irrevocable.

IN WITNESS WHEREOF, I (we) have executed this Power of Attorney this _____ day of _____, 200__.

STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

On the _____ day of _____, in the year _____, before me, the undersigned, a Notary Public in and said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

On the _____ day of _____, in the year _____, before me, the undersigned, a Notary Public in and said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

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FORM OF UNIT DEED

THIS INDENTURE, made the ____ day of _____, 200_, between 124 NEWTON ST LLC, a New York Limited Liability Corporation, having an office, 96-20 Atlantic Avenue, Ozone Park, New York 11416, ("Grantor") and _____, residing at 122 Newton Street, Brooklyn, New York ("Grantee").

WITNESSETH:

That the Grantor, in consideration of Ten (\$10) Dollars and other good and valuable consideration paid by the Grantee the receipt and adequacy of which are hereby acknowledged, does hereby grant and release onto the Grantee, the heirs or successors and assigns of the Grantee, forever:

The Condominium Unit (the "Unit") known as Unit No. ____ in the building (the "Building") known as THE 122 NEWTON CONDOMINIUM (the "Condominium") and by the street number 122 Newton Street, in the Borough of Brooklyn, County of Kings, City and State of New York, said Unit being designated and described as Unit No. ____ in that certain Declaration dated _____ made by the Grantor, pursuant to Article 9B of the Real Property Law of the State of New York (the "Condominium Act") establishing a plan for condominium ownership of the Building and the land (the "Land") upon which the Building is situated (which Land is more particularly described in Schedule A annexed hereto and made a part hereof) which Declaration has been recorded in the New York County Office of the Register of the City of New York (the "City Register's Office") on the ____ day of _____, 200_, in Reel ____ at page ____ (the "Declaration"). The Unit is also designated as Tax Lot ____ in Block ____ of Section ____ of the County of the New York on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of said building, certified by _____, on the ____ day of _____, 200_ and filed with the Real Property Assessment Department of the City of New York as Condominium Plan No. ____ and also filed in the City Register's Office on _____, 200_, as Condominium Plan No. ____

TOGETHER with an undivided _____% percent interest in the Common Elements (as such item is defined in the Declaration);

TOGETHER with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

TOGETHER with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration, Floor Plans and the ByLaws of the Condominium, as each of the same may 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 or estate in the Unit, as though recited and stipulated at length herein;

Subject also to such other liens, agreements, covenants, easements, restrictions, consents and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are hereinafter collectively referred to as the "Property");

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

Except as otherwise specifically permitted by the Condominium Board, the Unit is intended for residential use or for any other lawful purpose.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the By-Laws.

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvements at the Property and will apply the same first to the payment of the cost of such improvements before using any part of the same for any other purposes.

By executing this deed, the Grantee accepts and ratifies the provisions of the Declaration and the By-Laws and the Rules and Regulations of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the City Register's Office.

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

Grantor: 124 NEWTON ST LLC

By: _____
Member

Grantee: _____

Grantee: _____

STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

On the _____ day of _____, in the year _____, before me, the undersigned, a Notary Public in and said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

STATE OF NEW YORK)

: ss.:

COUNTY OF NEW YORK)

On the _____ day of _____, _____, before me personally came _____ to me known who being by me sworn, did depose and say that (s)he resides at _____; that he is a member of 124 Newton ST LLC, the Limited Liability Company described in and which executed the foregoing instrument; that he signed his name thereto pursuant to his authority granted under the Articles of Organization of such Limited Liability Company.

Notary Public

SCHEDULE A

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, known and distinguished on a certain map on file in the Office of the Register of the County of Kings, entitled "Map of Property situate in the 17th ward of the City of Brooklyn, belonging to the Estate of William Conselyea, deceased December 1880, J.V. Meserole City Surveyor as and by the number 60 and bounded and described as follows:

BEGINNING at a point on the southerly side of Newton Street, distant 225 feet westerly from the southwesterly corner of Newton Street and Graham Avenue; and

RUNNING THENCE in a southerly direction along lot number 61 on said map, 100 feet;

THENCE westerly and parallel with Newton Street, 47 feet 7-3/4 inches to land shown on said map as a rope walk;

THENCE in a northerly direction along said rope walk land, 101 feet 8-1/2 inches to Newton Street; and

THENCE easterly along Newton Street 28 feet 11-1/2 inches to the point or place of BEGINNING.



Premises Known As the 122 Newton Street Condominiums

122 Newton Street
Brooklyn NY, 11211
Block: 2719
Lot: 11

Prepared by:
IMA Engineering

May 12, 2008

This "Report" describes the building to be known as the 122 Newton Street Condominiums, which will be located in the borough of Brooklyn, County of Kings, City and State of New York. The site is located in the Greenpoint Section of Brooklyn, in Tax Block 2719 and designated as Tax Lot 11.

ZONING AND PREMISIBLE USE

The site is located in an M1-2/R6-A as designated on Map 13a of the 1961 Zoning Resolution (ZR). This zone permits residential use as-of-right.

STATUS OF CONSTRUCTION

There will be one (1) building erected, as per plans, which will be filed with and approved by the Brooklyn Office of the New York City Department of Buildings.

The class of Construction will be I C as described under the 1968 Administrative Building Code.

The building is proposed construction, and a final Certificate of Occupancy will be issued when the work is completed to the satisfaction of the Department of Buildings inspections.

Estimated completion time of the proposed building is September 2008.

SITE

The site is located on the South side of Newton Street, distance 80'-0" East from the corner formed by Manhattan Avenue and Newton Street.

The site has a street frontage of 33' along Newton Street. The area of the property is 3,300.00 square feet.

STREETS

Newton Street is a 60'-0" wide, one-way street. The streets beyond the property lines are New York City sidewalks, curbs and roadways.

There is an existing concrete sidewalk and curb fronting the property, which will be replaced 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.

Existing streets owned and maintained by the city of New York. Project shall have new sidewalks, curbs & roadways all to comply with local municipalities, including all utilities.

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

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

UTILITES

Water will be provided by the City of New York, and will be included in the common charges.

The Keyspan Energy Delivery Company, for cooking and heating, will provide Natural Gas and each unit will be separately metered and billed directly.

The Consolidated Edison Company will provide electricity, 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.

Sanitary waste and some of the Storm water runoff will be carried from the building into New York City Sewer System. The rest of the storm water run off will be dissipated through drywells.

SUB-SOIL CONDITIONS

No danger from flooding due to either water table or over flow from bodies of water. There is no potential of mudslides. There is no evidence of any increases to the normal erosion process.

Based on soil borings testing no evidence of excess moisture seepage or ground water infiltration detected therefore no corrective action required.

BUILDING SIZE

There will be (1) building with a cellar, five (5) stories above.

The building will have a total height of approximately 55'-0" measured from the adjoining grade to the roof above the fifth floor level. The lowest level in the building will be the cellar with a floor to ceiling height of approximately 8'-8". The first thru fifth floors will each have a floor to ceiling height of 9'-8". The approximate measurements of each floor in the building will be as follows:

Cellar: 1,825.4 sf

First Floor: 1,825.4 sf

Second Floor: 1,825.4 sf

Third Floor: 1,825.4 sf

Fourth Floor: 1,825.4 sf

Fifth Floor: 1,825.4 sf

Mechanical & equipment rooms are provided in each unit with an approximate size of 17 sf. In addition located in the cellar a general Equipment Room is provided with 304.25 sf.

Parapets shall be provided at a minimum height of 42" surrounding the entire roof floor level.

STRUCTURAL SYSTEM

The structural system for the building is classified mainly as a bearing wall type. There will be perimeter, exterior, load bearing CMU and metal frame walls with intermediate steel columns and beams. The foundations shall consist of poured in place concrete on earth, for support of the exterior bearing walls and the interior steel columns. The foundation walls shall be of reinforced concrete and the exterior walls shall be of load bearing brick and glass panels bonded to the exterior walls. The interior floor at the cellar will be concrete slab on grade. The interior floor assembly at the upper floor will be a wood flooring and sub-flooring, supported by metal channel joists; which in turn will be supported by the masonry bearing walls at the ends.

The construction classification of the entire building will be construction class IC, as per the NY City building Code.

EXTERIOR OF BUILDING

The exterior walls shall be of brick veneer bonded to metal framing at the rear façade and glass panel curtain wall with brick veneer bonded to metal framing at front facade. The interior surfaces of the walls shall be finished with gypsum wall board over fiberglass batt insulation with a minimum R value of 11, which is the minimum required by code. The exterior wall composition shall have a maximum thermal performance value (U_o) of 0.20 to comply with Table 4-1 of the New York State Energy Conservation Construction Code. All exterior openings shall have the required steel lintel at a min. thickness of 1/8", where required.

PARAPETS AND COPING

Parapets will be an extension of glass panel and brick veneer of the exterior wall assembly. The parapets shall be capped with aluminum 20 ga. coping. All parapets shall have aluminum flashing midway. There are no soffits.

WINDOWS

Windows are to be double-glazed, and mainly of the awning with transoms or hopper types, manufactured by Monda. Air infiltration rate of windows shall not exceed 0.5cfm/ft., in compliance with Table 4-4 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 or aluminum. Lintels above window openings shall be of steel fabrication.

There will be no lot line windows in the building. The sponsor reserves the right to provide windows by the same or different manufacturers, which are equal to or better quality than those, listed above.

AREAWAYS

There will be areaways provided at the rear portion of the cellar floor at the exterior of the building. These areaways lead out to the rear yard via a stair.

EXTERIOR ENTRANCES

There will be one (1) exterior entrance to the building; located at the front façade.

The entrance will be located at the first floor level, and will provide access to the unit located at this level and also to the units located at the above floor levels, via the common interior stair and passenger elevator. There will also be access provided to the cellar floor level via a common interior stair hall. There will also be one (1) exterior entrance to the building located at the rear façade, which will only be accessible by the first floor dwelling unit. Exterior entrance doors to the building may be of metal and glass, and need not be fire rated and hardware shall be provided on all exterior doors by Schlage Lockset. The railing for the rear exterior stair is 42" high with a 2" tubular baluster with equal horizontal spindles at 6" o.c. railing system to be stainless steel. Lighting fixtures shall be provided at the front entranceway as well as the rear yard with incandescent illumination.

MAILBOXES

U.S. Approved type, standard letter size mailboxes will be provided for each unit at the ground floor level, in a location that is central, to the building.

ROOF AND STRUCTURES

There will be a flat roof located above the fifth floor level of the building. The roof shall be built up, as manufactured by Firestone (M.E.A. 46-71). The said roof area shall be private for Units 2-5, accessible via interior stair hall and passenger elevator. Penetration of ducts, pipes, skylights, and etc. shall have aluminum flashing and counter flashing and waterproofed. Fiberglass batt insulation, with a minimum R-value of 19, which is the minimum, required by code, shall be provided at the underside of the roof in the space between the rafters. The expected life span of the roof type is ten (10) to fifteen (15) years. No bond or guarantee other than the manufacturer's ten (10) year warranty on all construction material and workmanship will be furnished. No metal work shall be provided at roof level.

***BULKHEADS**

There shall be a stair and an elevator bulk head at the roof level. Both shall be constructed of the same noncombustible material as the rest of the building. The stair bulk head shall grant access to all areas of the open roof area. Elevator bulk head shall give access to the elevator machine room for normal maintenance required for the elevator.

ROOF DRAINAGE

The roof area will be pitched at a minimum slope of approximately $\frac{1}{4}$ " / ft and drained to vertical cast iron leaders. The run-off from the roof areas will be transported via, internal leaders, to either a storm drain which leads to the existing street storm sewer, or drywells, which will be located in the yard area to the rear of the building.

SKYLIGHTS

There will be no skylights provided in the units. However, one (1) vented skylight is provided in the stairwell as required in the Multiple Dwelling Law. The skylights shall be a minimum total of twenty square feet in area and shall be of plain glass, with a wire mesh screen on both sides of the glass. The skylights shall be equipped with fixed or movable ridge ventilators with a minimum area of 144 square inches, as per the New York City Building Code.

***CHIMNEYS AND CAPS**

Five double layered stainless steel flues providing exhaust for the individual mechanical units. Flues are located within wall enclosures and vertically extend beyond roof floor level. No incinerators, compactors or fireplace shall be provided.

INTERIOR STAIRS

Interior stairs in the public stair hall shall be of metal pan construction with metal handrails. The stairs hall enclosure shall be of masonry unit with a painted finish. Interior stairs providing access between different levels within the same unit may be of metal construction with metal handrails, and wood treads. Railings, stringers, guardrails and balusters shall be steel. Risers are open. There will be one such interior stairwell in the first floor unit connecting to the cellar floor.

EXTERIOR STAIRS

No service entrance or fire escapes shall be provided.

INTERIOR DOORS AND FRAMES

All interior doors to mechanical spaces and gas and electrical meter rooms are to be fireproof self-closing metal doors with a minimum fire rate of 1- $\frac{1}{2}$ hours and with metal frames which meets the

minimum requirement of Table 3-4 of the N.Y.C. Building Code. Doors within the units may be of wood or another material and need not be fire rated.

EXTERIOR DOORS AND FRAMES

Exterior entrance doors to the building will be of metal and glass and need not be fire rated.

BALCONIES

There will be a balcony provided for each apartment on floors 3 thru 5 in the rear portion of the building. The balcony is constructed of concrete poured on metal decking that is structurally tied into the floor joists. The railing is 42" high with a 2" tubular baluster with equal horizontal spindles at 6" o.c. railing system to be stainless steel. The door that opens onto the balcony will be a glass swinging door.

OPEN EXTERIOR PATIOS

The first floor duplex dwelling unit will have an open exterior rear patio located at the rear cellar floor level.

OPEN EXTERIOR TERRACES

The terrace will be located above the 5th floor level and will be private for Units 2-5, accessible via interior stair hall and passenger elevator.

ELEVATOR

The elevator shall serve all floors within the building. It will be a single, two way passenger elevator serving the cellar floor up to each individual apartment via double door and common lobby area. It shall have two automatic sliding doors at opposite end of the cab. The elevator will have a weight capacity of 2000 lbs and a passenger capacity of 12. The cab ceiling and walls shall be finished in stainless steel panels. Flooring for the cab shall be ceramic tile. Cab lighting shall be incandescent type maintaining the minimum required foot candle at floor level. It will run on a/c power. The elevator will be an automatic dual rope hydraulic system meeting all A.D.A. requirements. All new equipment, including the cab, will be manufactured by Cemcolift, MEA # 260-00-E-1-GAL GATE SWITCH, 261-00-E-1GAL INTERLOCKS, 337-03-M-LG OTIS HOISTWAY DOORS. The elevator cab shall be 5'-10" deep x 7'-4" wide and made of stainless steel material. The elevator machine room shall be located atop of the elevator bulkhead. There shall be a fire alarm system connected to FDNY central monitoring.

YARDS

There will be an open yard area at the rear of the building which will be of grass area and only accessible to the first floor duplex unit only.

Drywells are going to be provided for storm drainage.

There will be a staircase of concrete construction at the exterior of the building, leading from the cellar to the rear yard. The railing for the rear exterior stair is 42" high with a 2" tubular baluster with equal horizontal spindles at 6" o.c. railing system to be stainless steel.

COMMON AREAS

The main common areas will be the elevator, the common exit stair, the lobby area, parts of the cellar containing mechanical, meter rooms and storage area.

LAUNDRY AREAS

Each residential unit will be provided with a laundry closet with hook ups for domestic type washers and dryer along with the laundry equipment. **Bosch** - WTL 5410 Electric Condensation Dryer; **Bosch** - WFR 2460 (washer).

PLUMBING AND DRAINAGE

Water will be supplied to the units through connections from the building to the New York City Water Distribution System. There will be minimum 2" copper water main conveying the water into the building. Each unit is to be supplied with cold water from 1" copper piping. Each unit will have its own hot water heating unit. The building relies on normal New York City water pressure for raising the water to the fifth floor level so that no water tanks are required.

SPRINKLER SYSTEM

The entire building shall have a full automatic sprinkler system. The sprinkler shall be connected to a separate sprinkler water main located in the cellar of the building.

***FIRE PROTECTION SYSTEM**

The automatic sprinkler system shall be a wet system manufactured by Reliable, will be provided through out entire building at every floor and unit.

***WATER PRESSURE**

Water pressure shall be maintained at 75-85 psi via a fire pump by Aurora.

DOMESTIC HOT WATER

Domestic hot water will be provided for each residential unit by individual gas fired domestic hot water heaters in the mechanical room located at each unit of the building. The hot water heater for each unit shall be Model # PGC-50, as manufactured by A.O Smith, with a 50 gallon capacity and with NY City approval number (MEA # 180-78-E). Each heater will have an input rating of approximately 44,000 BTU per hour and an efficiency rating of approximately eighty percent (80%), which will be adequate to provide hot water for each unit.

The sponsor reserves the right to provide hot water heaters by the same or different manufacturers which are equal to or better quality than noted above. The Unit Owners are responsible to maintain, repair and replace such systems, as necessary, at their sole cost and expense.

HEATING

Individual gas-fired furnaces, in the mechanical room located in each dwelling unit, will provide heating of each unit. Heat energy will be distributed to spaces within the units via mechanical duct work throughout each dwelling unit.

The furnaces for each unit will be Model #HE4 as manufactured by Weil McLain, with a NY City approval number (MEA #157-81-E). Each boiler has an input rating of approximately 67,000 BTU per hour and an efficiency rating of approximately eighty (80%) percent, which will be adequate to provide heat for each unit common areas will be heated via separate unit shared by all occupants.

The sponsor reserves the right to provide furnaces by same or different manufacturers, which are equal to or better quality than noted above. The Unit Owners are responsible to maintain, repair and replace such systems, as necessary, at their sole cost and expense. The heating system has the ability to maintain the minimum legally required temperatures and to be controlled via a digital thermostat.

AIR CONDITIONING

All dwelling units to have central air conditioning via a one zone split system with the exception of Unit #1 in which shall have two zones: 3ton 10 seer model No. ACO36X1021A, MEA No. 160-00E. The air conditioning system has the ability to maintain the minimum legally required temperatures and to be controlled via a digital thermostat. The sponsor reserves the right to provide air conditioning systems by the same or different manufacturers which are equal to or better quality than noted above. The Unit Owners are responsible to maintain, repair and replace such systems, as necessary, at their sole cost and expense.

VENTILATION

The spaces that require mechanical ventilation in the units are interior bathrooms and toilet rooms and laundry closets. 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 the bathroom and toilet room areas, as required by the New York City MEA or BSA approved.

SANITARY SEWAGE SYSTEM

The sanitary waste will be conveyed to the New York City sewer system via extra heavy cast iron, sewer pipes located in the building, which will lead to a house trap of extra heavy cast iron. The house trap will be located in the cellar area towards the front of the building. Beyond the house trap there will be an extra heavy cast iron pipe conveying the sewage to a 6" sanitary drain. The 6" sanitary drainpipe will then be connected to the existing 12" combined sewer located in the roadway beneath Newton Street.

STORM DRAINAGE SYSTEM

The storm drainage system will consist of, internal cast iron leaders, exterior area drains and below grade horizontal drains and drywells. The run-off from the surface drains (which drain the paved areas) will be conveyed to a new 6" extra heavy cast iron, horizontal storm drain located towards the front of the building. The horizontal drain will lead to an existing 12" combined sewer, located in the roadway beneath Newton Street. The run-off from the roof areas shall be to concrete drywell rings, which will be located in the yard area to the rear of the building. These drywells will dissipate water to the surrounding soil. The horizontal drainpipes, which will connect to the drywells, shall be of extra heavy cast iron. An area drain located at rear yard which drains into an underground drywell. There shall be no sump pump required or provided.

REFUSE DISPOSAL

Refuse disposal will be the responsibility of each individual unit occupant to bring to a common trash closet on the cellar floor. It will be collected by a building super and carried to the outside, where it will be collected by the New York City Sanitation Department.

GAS SUPPLY

The Keyspan Energy Delivery Company will provide gas service. This gas will be used for domestic cooking, and for heating, and each unit will be separately metered and billed directly.

ELECTRICAL SYSTEM

The electrical service to the building will be brought in from the terminal point of the Consolidated Edison Co. The service supplied will be a 208/120Y Volt single-phase service, 3 phase, 4 wires, which will provide 1000 Amps, to the building. The main feed will bring the service to a minimum of (6) six separate meters; (1) one each for service to the individual units and done (1) for the common areas in the building. The residential units are provided with 800 Amps, and 400 Amps to the building of services, in which is adequate to handle modern usage and appliances such as air

conditioning, dishwashers, dryers, etc. All meter boards, transformers shall be located in separate room in the cellar floor level. There will be a minimum of (6) six main panels in the building, (1) one for each residential unit and (1) one for the common spaces.

There will be approximately 12/24 panel equipped with circuit breakers for each residential unit; which will separate, air conditioning equipment, laundry equipment, dishwasher, kitchen appliances, lights and outlets. The sponsor reserves the right to provide electrical system by same or different manufacturers, which are equal to or better quality than noted above. Each residential unit shall be provided with 200 Amps service.

***SAFETY & WARNING DEVICES**

All units shall be equipped with smoke detectors devices as well as carbon monoxide devices. Location of these devices shall be in compliance with the N.Y.C. Building Code.

INTERCOM

The building will be equipped with an intercom system at the main entrance, connected to panels within each residential unit, which will permit voice contact between the residential units and the entrance at the first floor level. An electric door release in the first floor entry door, activated by the unit occupant, will release the door for entrance into the building. The intercom shall be Model OmniCom 64 Entry System as manufactured by Quantometrix, Inc. The sponsor reserves the right to provide equipment by the same or different manufacturers, which is equal or better quality than noted above.

TELEVISION RECEPTION FACILITIES

The building will be wired for cable television/ internet access.

PUBLIC AREA LIGHTING

Lighting fixtures shall be provided in public stairways and hallways. Fixtures shall be capable of providing illumination of at least (10) ten watts per (25) twenty-five square feet of floor area. Each lighting fixture shall be provided with one or more lights, of total of not less than (60) watts. In addition, lighting fixtures shall be provided at the front entranceway, providing an aggregate illumination of (150) one hundred and fifty watts incandescent illumination or its equivalent. There shall be provided (in yard areas to the rear) at least one light fixture each of at least (40) forty 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 no off-street parking provided.

UNITS

The building will have a portion of the cellar level in conjunction with the 1st floor apartment. This building will consist of (5) five residential units with (1) apartment on floors 1 thru 5.

Unit; 1 will consist of:

(2) Two bedrooms, (2) two and a half bathrooms, living, kitchen, mechanical closet, storage room and laundry closet.

Units; 2 - 5 will consist of:

(2) Three bedrooms, (2) two bathrooms, living, kitchen, mechanical closet and laundry closet.

UNIT SIZES

Each unit noted represented units 2 thru 5, except for the first floor unit, which is a duplex in conjunction with the cellar. The approximate square footage for each unit is as measured in the Declaration of Condominiums as follows:

Cellar	Approximately	818 sq. ft
First Floor	Approximately	1,378 sq. ft
Total:		2,196 sq. ft.
Second Floor	Approximately	1,584.6 sq. ft
Third Floor	Approximately	1,584.6 sq. ft.
Fourth Floor	Approximately	1,584.6 sq. ft
Fifth Floor	Approximately	1,584.6 sq. ft

UNIT INTERIORS

The units will be furnished as described herein:

Generally the finished floors of the living, kitchen and bedroom areas shall be wood. Thereafter unit owners may finish with materials of their own choice.

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

UNIT FINISHES

When completed, the following interior finishes shall be installed.

<u>Room</u>	<u>Floors</u>	<u>Base</u>	<u>Walls</u>	<u>Ceilings</u>
Living	Wood	Wood	G.W.B Painted	G.W.B Painted
Bedroom	Wood	Wood	G.W.B Painted	G.W.B Painted
Kitchen	Wood	Wood	G.W.B Painted	G.W.B Painted

Bathrooms	Porcelain Tile	Porcelain Tile	Tile/G.W.B Painted	G.W.B Painted
Laundry Closet	Ceramic Tile	Ceramic Tile	G.W.B Primed	G.W.B Primed
Recreation Room	Ceramic Tile	Wood	G.W.B Primed	G.W.B Primed
Storage Room	Ceramic Tile	Wood	G.W.B Primed	G.W.B Primed
Mechanical Room	Concrete	Mas/G.W.B	Mas/G.W.B	G.W.B Painted
Parking Areas	Asphalt			

Note:

G.W.B	=	Gypsum Wall Board
Mas.	=	Masonry

BATHROOM/ POWDER ROOM FINISHES AND FIXTURE SCHEDULE

Master Bathrooms

- TOILET – Toto, Model # CST1414M
- MEDCINE CABINET W/ MIRROR – Wood veneer
- VANITIES & TOPS – Wood veneer
- SINKS – Two sinks by Wetstyle, Model # Cube VC 24 (this sink is not made of vitreous China but rather WETMAR)
- SHOWER W/ GLASS SHOWER ENCLOSURE
- Porcelain tile on floors and walls

Secondary Full Bathrooms

- TOILET – Toto, Model # CST1414M
- MIRROR
- VANITY & TOP – Wood veneer
- SINK – Deca (not Decolav), Model # L-701 (this sink is made of vitreous China)
- BATHTUB – Zuma, Model # C3272
- Porcelain tile on floors and walls

Powder Room

- TOILET – Toto, Model # CST1414M
- MIRROR
- VANITY & TOP – Wood veneer
- SINK – Deca (not Decolav), Model # L-701 (this sink is made of vitreous China)
- Porcelain tile on floors and walls

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

KITCHEN FINISHES AND EQUIPMENT

- COUNTERTOPS - Caesar Stone
- CUSTOM CABINETRY – Wood veneer and lacquer
- SINK – Elkay, Model # KBFU211510 - Stainless steel
- GAS COOK-TOP – Miele, Model # KM3474LP
- OVEN – Miele, Model # H4780BP
- SPEED OVEN (MICROWAVE) – Miele, Model # H4080BM
- DISHWASHER – Miele, Model # G2170VL
- REFRIGERTOR – Miele, Model # KF1901VL
- RANGE HOOD – Broan, Model # P195
- WINE COOLER – SubZero, Model # 424

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

HANDICAPPED ACCESS

The building provides access for the handicapped for all dwelling units in the building including the main elevator that is ADA compliant. Doors and accessible paths within these units shall comply with NY City Local Law 58/87 and A.N.S.I A117.1-1986.

VIOLATIONS AND PERMITS

All required permits and signoffs, including a Certificate of Occupancy (temporary or final), are to be obtained by the Sponsor prior to closing.

No active or open violation on this premise.

*Permits and Certificates	Issuance Date
Department of Buildings	5/31/07
Department of Transportation	none
Department of Environmental Protection	3/4/08
Bureau of Electrical Controls	none
Elevator Division	none
Fire Department of New York	none

LANDSCAPE / ENCLOSURES

The remaining area of the front will be paved with concrete.

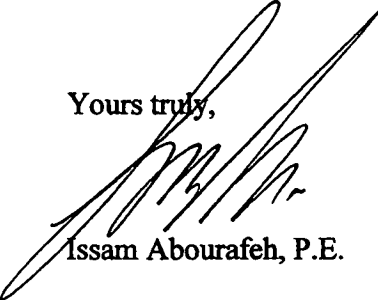
There will be a 6'-0" high Vinyl fence located at the perimeter of the rear yard. There shall not be any retaining walls. No recreation space shall be provided.

There will be no landscaping in the front building other than the DOT required grass strips along the curbing. There is no proposed front yard. The rear will be grass area. They shall be (2) NYC Parks Department approved type trees planted along all fronting sidewalk areas as required by Chapter 8 of the Quality Housing regulations of the NYC Zoning Resolution. The said trees shall be Pine Oaks, Zelkova or any other species approved by NYC Parks Department.

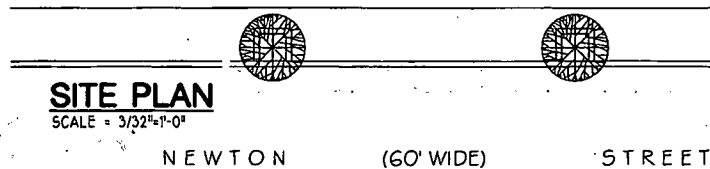
NYC DEPT. OF BUILDING APPROVALS

Herewith listed below are the approved and permitted applications filed with the New York City Department of Building, 302264350.

Yours truly,


Issam Abourafteh, P.E.

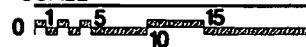




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NEWTON (60' WIDE) STREET

SCALE

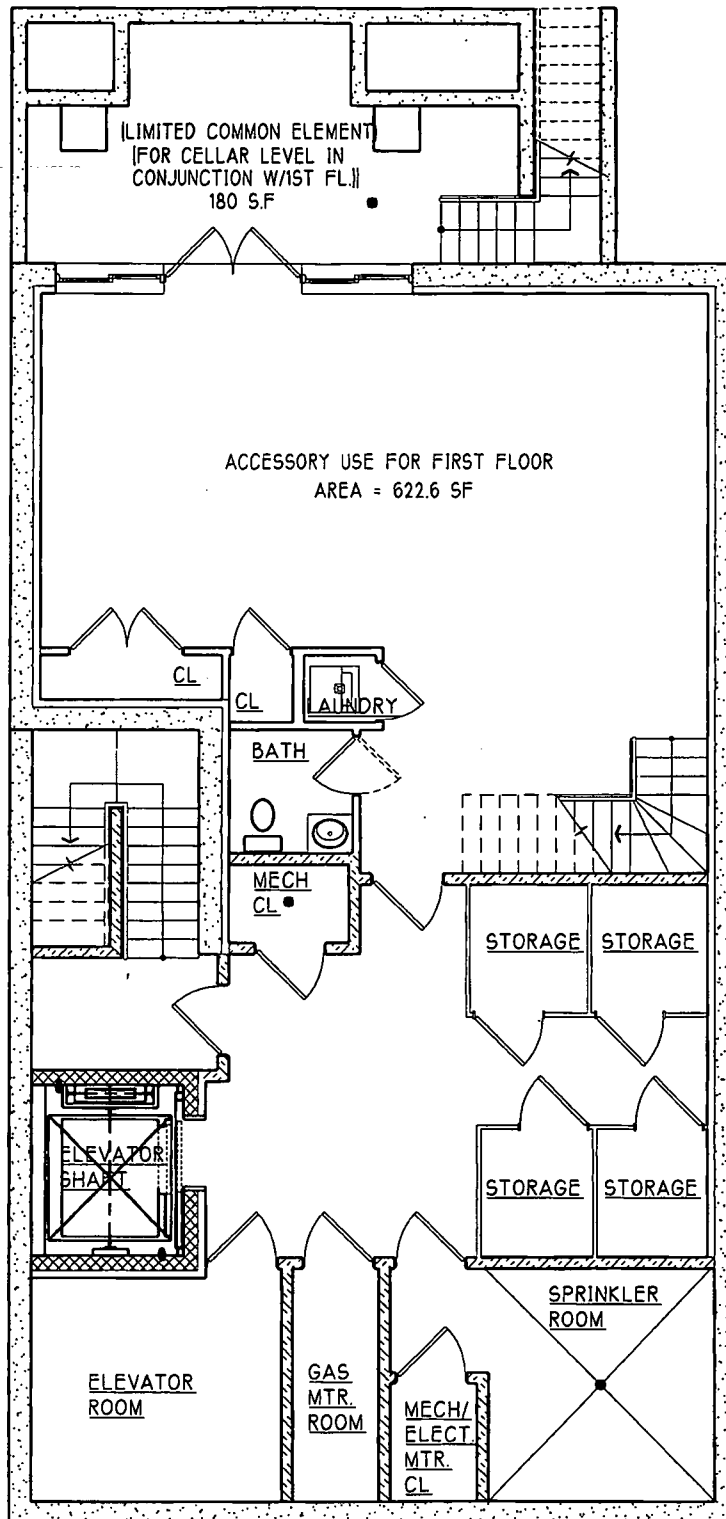
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124 NEWTON STREET, LI1049-157-
NEW (6) STORY 6 DU BLDG
122 NEWTON STREET
BROOKLYN, NY

Issued For : **OSMO LIT021**
Issue Date : **October 20, 2005**



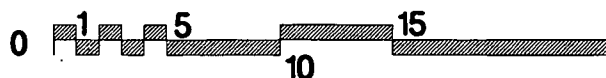
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CELLAR FLOOR PLAN

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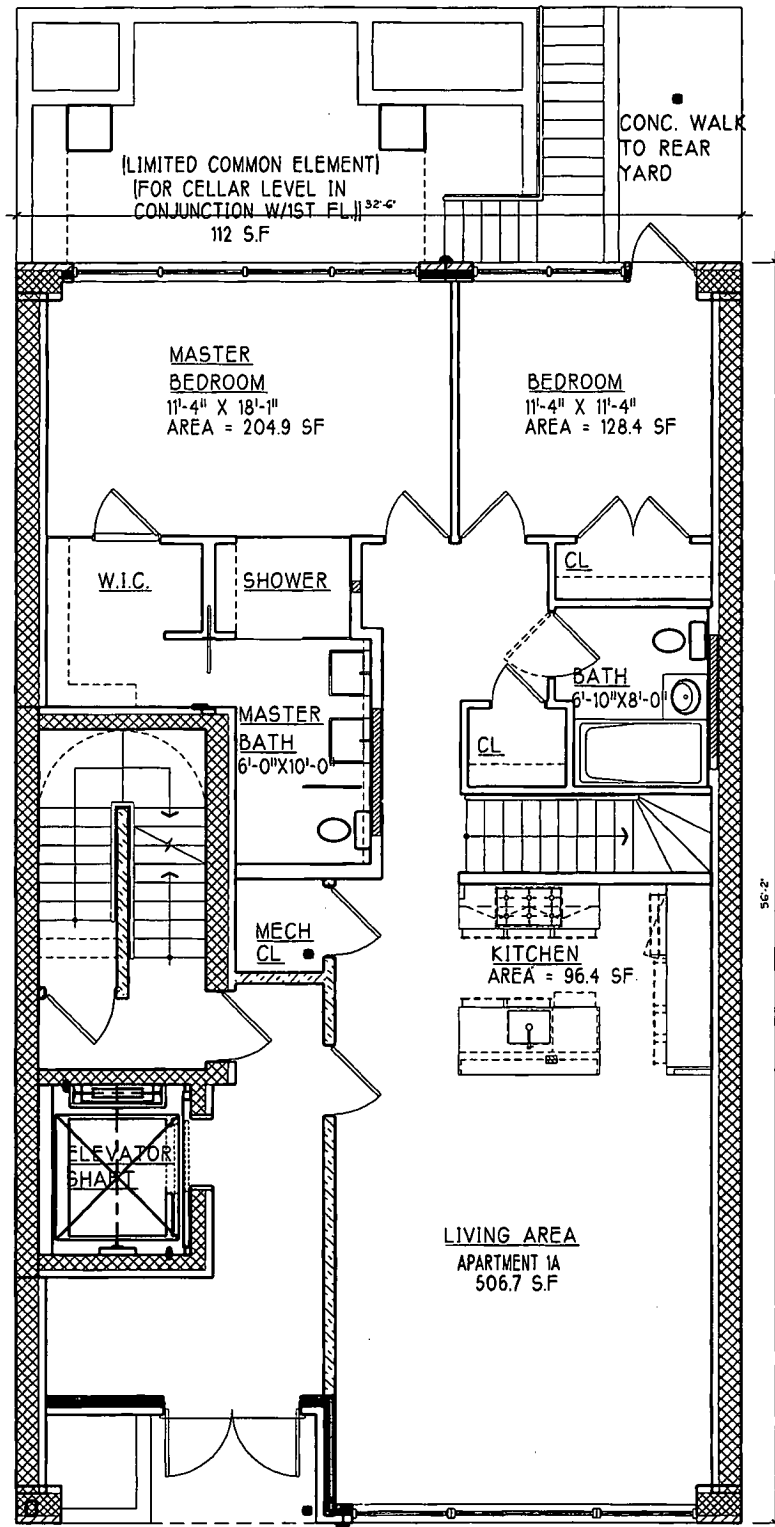


124 NEWTON STREET, LI 60-158-138-
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122 NEWTON STREET
BROOKLYN, NY

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122 NEWTON STREET
BROOKLYN, NY

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NEW (6) STORY 6 DU BLDG
122 NEWTON STREET
BROOKLYN, NY

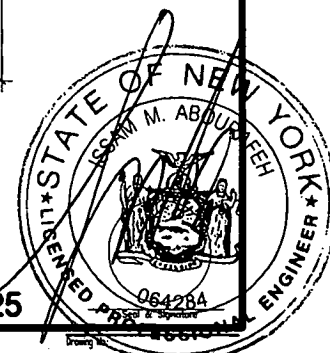
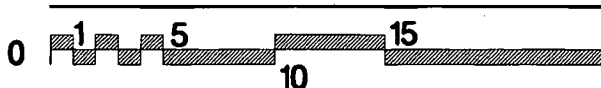
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NEW (6) STORY 6 DU BLDG
122 NEWTON STREET
BROOKLYN, NY



FIRST FLOOR PLAN

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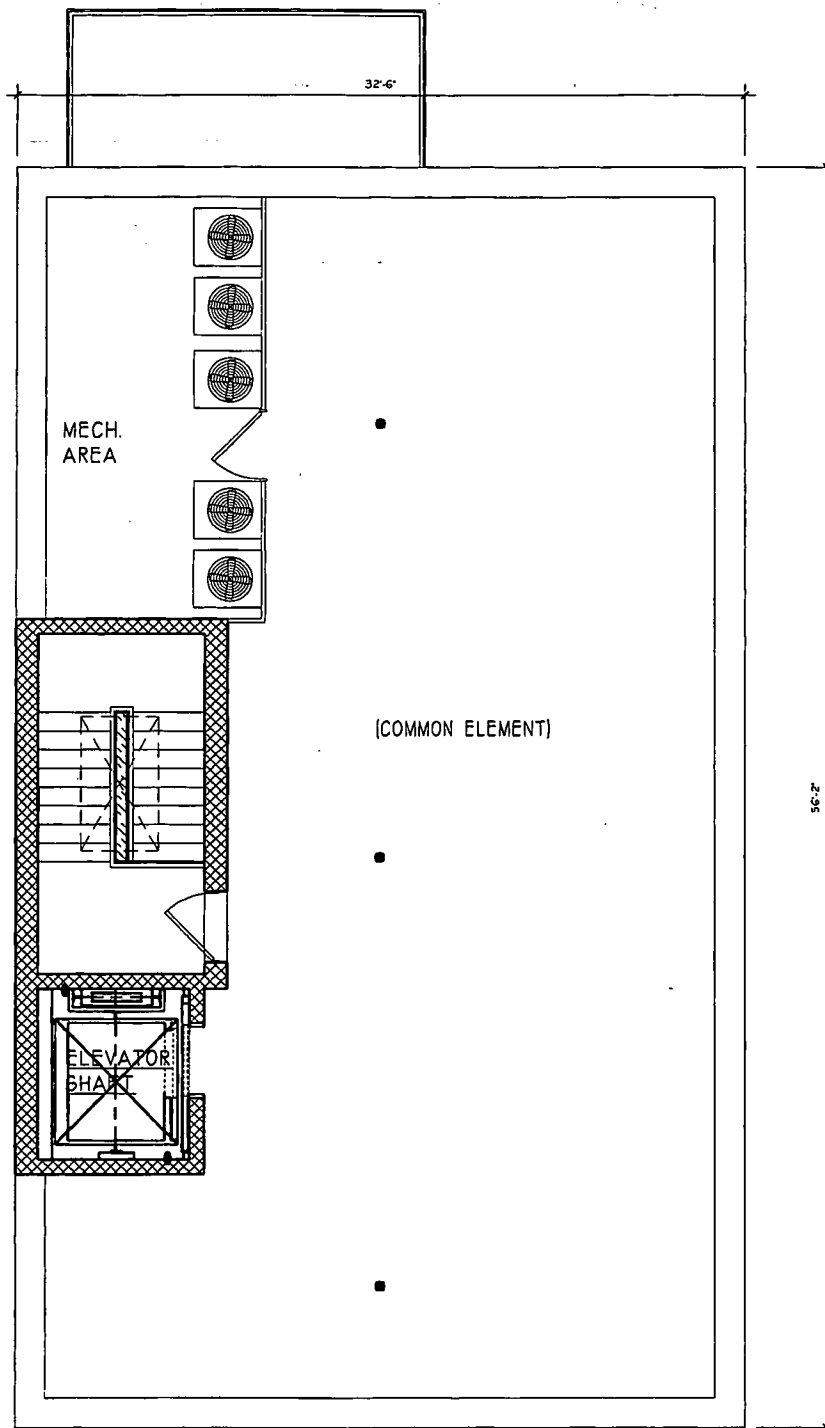


124 NEWTON STREET, LLC
NEW (6) STORY 6 DU BLDG
122 NEWTON STREET
BROOKLYN, NY

124 NEWTON STREET, LLC
NEW (6) STORY 6 DU BLDG
122 NEWTON STREET
BROOKLYN, NY

Cross Island Place
124-126 125th St. 1st Fl. 1st
Bldg. of 6
020 280-0000
Architects-Engineers-Planners

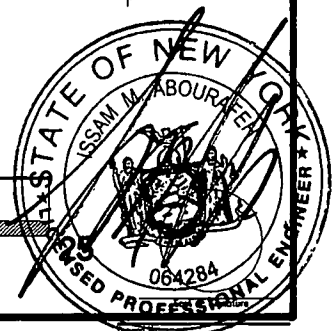
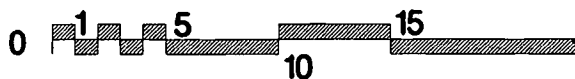
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Drawn By: Checked By: Date:



BULKHEAD/ROOF PLAN

SCALE = 3/16"=1'-0"

SCALE



124 NEWTON STREET, LL63-
NEW (6) STORY 6 DU BLDG-
122 NEWTON STREET
BROOKLYN, NY

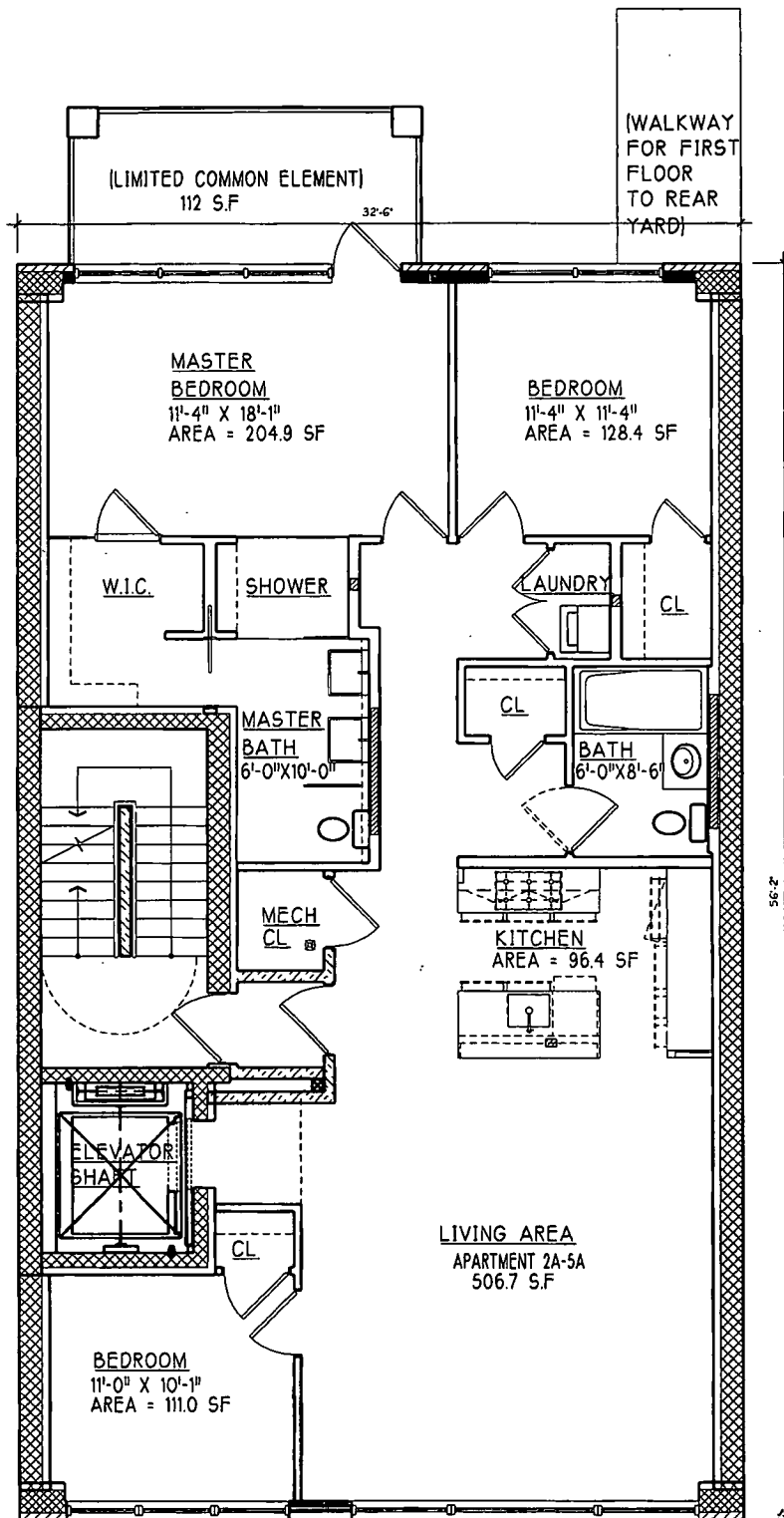
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NEW (6) STORY 6 DU BLDG-
122 NEWTON STREET
BROOKLYN, NY

Drawn By: **CONDO LAYOUT**
Date: **October 30, 2007**



Scale: Project No: **04-0398**
Drawn By: Checked by: **04**

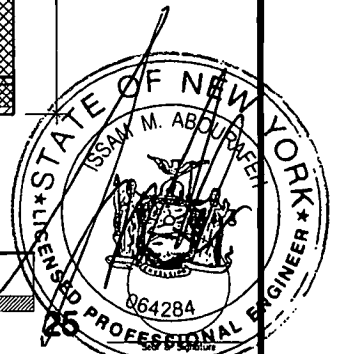
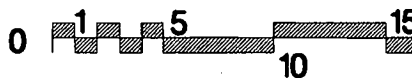
A-05



TYPICAL FLOOR PLAN

SCALE = 3/16"=1'-0"

SCALE



124 NEWTON STREET, L...
NEW (6) STORY 6 DU BLDG -161-
122 NEWTON STREET
BROOKLYN, NY

124 NEWTON STREET, L...
NEW (6) STORY 6 DU BLDG -161-
122 NEWTON STREET
BROOKLYN, NY

124 NEWTON STREET, L...
NEW (6) STORY 6 DU BLDG -161-
122 NEWTON STREET
BROOKLYN, NY

124 NEWTON STREET, L...
NEW (6) STORY 6 DU BLDG -161-
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BROOKLYN, NY

124 NEWTON STREET, L...
NEW (6) STORY 6 DU BLDG -161-
122 NEWTON STREET
BROOKLYN, NY

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DECLARATION OF CONDOMINIUM

ESTABLISHING PLAN OF CONDOMINIUM OWNERSHIP FOR THE PREMISES
KNOWN AS THE 122 NEWTON CONDOMINIUM, 122 NEWTON STREET,
BROOKLYN, NEW YORK, PURSUANT TO ARTICLE 9B OF THE REAL
PROPERTY LAW OF THE STATE OF NEW YORK

NAME: 122 NEWTON CONDOMINIUM
122 Newton Street
Brooklyn, New York 11211

DECLARANT: 124 NEWTON ST LLC
96-20 Atlantic Avenue
Ozone Park, NY 11416

BLOCK: 2719

LOT: F/K/A 11
N/K/A _____

DECLARATION EXECUTED ON _____

RETURN BY MAIL TO: TUREK ROTH LLP
Attorneys for Declarant
377 Fifth Avenue, 6th Floor
New York, New York 10016
Attention: Allen M. Turek, Esq.

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DECLARATION OF CONDOMINIUM

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DECLARATION OF CONDOMINIUM

THE 122 NEWTON CONDOMINIUM (Pursuant to Article 9B of the Real Property Law of the State of New York)

124 NEWTON ST LLC, a New York Limited Liability Corporation, having an office, 96-20 Atlantic Avenue, Ozone Park, New York 11416 (hereinafter referred to as "Declarant", does hereby declare as follows:

PART I

ARTICLE 1

DEFINITIONS

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which the same are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

ARTICLE 2

SUBMISSION OF THE PROPERTY

Declarant hereby submits the Property to the provisions of the Condominium Act and, pursuant thereto, does hereby establish a regime for the condominium ownership of the Property as more particularly set forth herein and in the By-Laws.

ARTICLE 3

NAME OF CONDOMINIUM

The condominium shall be known as "THE 122 NEWTON CONDOMINIUM ".

ARTICLE 4

THE LAND

The Land, which is located in the County of Kings in the City and State of New York and is more particularly described in Exhibit A annexed hereto, is owned by Declarant in fee simple absolute and has an area of approximately 3,300 square feet.

ARTICLE 5

THE BUILDING

Included in the Property described in Article 1 is the Building located at the street address 122 Newton Street, Brooklyn, New York. The Building consists of five stories above a cellar, which shall be divided into five (5) Residential Units.

ARTICLE 6

THE UNITS

(a) Exhibit B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof; (i) its designation number; (ii) its tax lot number; (iii) its approximate location in the Building; (iv) its approximate area; (v) the number of rooms contained therein; (vi) the portions of the Common Elements to which such Unit has immediate access; and (vii) the Common Interest appurtenant to such Unit. The precise location of each Unit within the Building is shown on the Floor Plans.

(b) Each Unit consists of the area measured horizontally from the exterior side of an exterior wall (perimeter columns and perimeter mechanical pipes are not deducted) to the exterior of the opposite perimeter walls of the Unit or to the center-line of any interior demising wall and the areas measured vertically from the top of the floor underlayment to the underside of the plaster ceiling at its highest level. However, any Common Elements located within a Unit shall not be considered a part of such Unit.

(c) Each Unit includes: (i) the entrance doors to such Unit; (ii) the interior walls, partitions and floor coverings and plastered ceilings affixed, attached, or appurtenant to such Unit; (iii) any and all equipment, fixtures and appliances; and (iv) all Facilities affixed attached, or appurtenant to such Unit and benefiting only that Unit.

(d) Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner shall have the right, to install, at such Unit Owner's sole cost and expense, such decorations fixtures and coverings on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit, provided that no such installation shall impair the structural integrity of such Unit or of the Building.

ARTICLE 7

THE COMMON ELEMENTS

(a) The Common Elements consist of the Land and those rooms, areas, corridors and other portions of the Building (other than the Units), as well as those Facilities therein, either currently or hereafter existing for the common use of the Units or of the Unit Owners or necessary for, or convenient to, the existence, maintenance, management, operation, or safety of the Property. The Common Elements include:

- (i) the Land;
- (ii) all foundations, columns, beams, supports, girders, exterior walls, partitions, window frames (excluding panes), concrete floor slabs, roofs, and ceilings in, on, or under the Building, to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof;
- (iii) all hallways, corridors, lobbies, cellars, stairs, stairways (except for interior stairs appurtenant to penthouse Units), elevator shafts and pits, other mechanical and electrical equipment spaces and entrances to, and exits (excluding those private street entrances for Units 1A which is Limited Common Elements appurtenant to such Units) from, the Building;
- (iv) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distributions, heat, garbage disposal and other mechanical and electrical systems to the extent that the same are not expressly included as a part of a Unit pursuant to the terms of Article 6 hereof; and
- (v) all other parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence maintenance, or safety of the Property.

(b) The Common Elements shall remain undivided, and no Unit Owner or any other Person shall bring any action for partition thereof, except as is expressly permitted pursuant to the terms of Article 15 hereof and Section 5.5 of the By-Laws.

ARTICLE 8

DETERMINATION OF COMMON INTERESTS

The Common Interest of each Unit has been determined by the Declarant, pursuant to the terms of the Condominium Act, based upon the location of such space and the additional factors of relative value of such space to other space in the Condominium, uniqueness of the Unit, category of the Unit, availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.

ARTICLE 9

USE OF UNITS

(a) Each Unit may be used for any lawful purpose.

(b) A Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners or employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, or by Family Members or guests of any of the foregoing. Units may be leased only in accordance with the ByLaws and Rules and Regulations.

(c) Declarant may, without the consent of the Condominium Board or other Unit Owners: (i) grant permission for the use of any Unsold Units as a professional office or for any other lawful purpose; (ii) use any Unsold Units as model units and offices for the selling, renting, management, operation and promotion of Unsold Units; and (iii) lease any Unsold Units to third parties for their occupancy or any other lawful purpose.

ARTICLE 10

EASEMENTS FOR THE ENJOYMENT OF COMMON ELEMENTS

(a) Subject to the terms of the ByLaws and the Rules and Regulations, Declarant, the Unit Owners, all other permitted tenants and occupants of the Building, the Condominium Board and all officers, partners, employees, agents, guests, invitees and licensees of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Common Elements. No Person shall use or enjoy the Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Persons to do so.

(b) Declarant and its designees, successors, assignees, invitees, licensees, contractors, employees, agents and tenants shall have an easement in, over, under, through and upon the Common Elements to use the same, without being subject to any fee or charge, for all purposes and activities in connection with the sale or renting of Unsold Units. In addition, Declarant reserves the right to use portions of the Common Elements for sales, rental or display purposes, to place "for sale", "for rent" and other signs and promotional materials, of such size and content as Declarant shall determine.

ARTICLE 11

OTHER EASEMENTS

(a) Subject to the terms of the By-Laws and to the Rules and Regulations, each Unit Owner shall have, in common with all other Unit Owners, an easement to use any of the Common Elements. In addition, the Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements to inspect them, to remove violations therefrom and to operate, maintain, repair and replace any of the Common elements.

(b) If (i) any portion of the Common Elements now encroaches upon any Unit, (ii) any Unit now encroaches upon any other Unit or upon any portion of the Common Elements or (iii) any such encroachment shall hereafter occur as a result of (x) the settling or shifting of the Building, (y) any repair or alteration made to the Common Elements in accordance with the terms of this Declaration and the ByLaws by, or with the consent of, the Condominium Board, by Declarant, or its designee or (z) any repair or restoration made to the Building or any portion thereof, to any Unit, or to the Common Elements in accordance with the terms of this Declaration and the ByLaws, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same for so long as the Building or the affected Unit or Common Elements shall stand.

ARTICLE 12

ALTERATIONS, ADDITIONS, IMPROVEMENTS AND CHANGES TO UNSOLD UNITS

Declarant or its designee shall have the right, without the consent or approval of the Condominium Board, any other Unit Owner, or Person, to:

(i). make alterations or improvements, whether structural or nonstructural to such Unsold Units;

(ii). change the layout, or number of rooms, in, any of such Unsold Units;

(iii). change the size and/or number of Unsold Units by (w) subdividing one or more such Unsold Units into two or more separate Units, (x) combining two or more or separating such Unsold Units into one or more Unsold Units, (y) altering the boundary walls of any of such Unsold Units; and

(iv). reapportion among such Units affected by such change in size or number their respective Common Interests.

ARTICLE 13

ACQUISITIONS OF UNITS BY THE CONDOMINIUM BOARD

If (i) any Unit Owner surrenders his Unit to the Condominium Board pursuant to the terms of the By-Laws or of the Condominium Act or (ii) the Condominium Board, pursuant to the By-Laws, either (x) acquires or leases a Unit, or (y) purchases a Unit, at a foreclosure or other similar sale, then, in any such event, title or the leasehold estate, as the case may be, to such Unit shall be held by the Condominium Board or its designee, on behalf of all Unit Owners.

ARTICLE 14

POWER OF ATTORNEY TO DECLARANT AND THE CONDOMINIUM BOARD

Each Unit Owner shall be deemed to have appointed as such Unit Owner's attorney-in-fact, which power is irrevocable and coupled with an interest and with power of substitution, Declarant, to amend the Condominium Documents pursuant to the terms of Article 18 hereof and (ii) the Persons who shall from time to time constitute the Condominium Board, jointly, to:

(x) acquire or lease any Unit (1) whose owner desires to sell, or lease or surrender the same or (2) that becomes the subject of a foreclosure or other similar sale, in the name of the Condominium Board or its designee;

(y) sell, lease, mortgage, or otherwise deal with (but not to vote the Common Interest appurtenant to) any Unit so acquired; and

(z) execute, acknowledge and deliver (1) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration or repair of the Condominium or (2) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the

Common Elements that the Condominium Board deems necessary or appropriate.

(b) In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of either Declarant or the Condominium Board, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Power of Attorney in the form set forth as Exhibit E to this Declaration.

ARTICLE 15

TERMINATION OF CONDOMINIUM

The Condominium shall continue until terminated by (i) casualty loss, condemnation, or eminent domain, as more particularly provided in the ByLaws or (ii) withdrawal of the Property from the provisions of the Condominium Act by a vote of at least eighty (80%) percent of all Unit Owners, both in number and in aggregate Common Interests. In the event that said withdrawal is authorized the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid, out of such Unit Owner's share of such net proceeds, all liens on the Unit Owner's Unit, in the order of priority of such liens.

ARTICLE 16

COVENANT OF FURTHER ASSURANCES

(a) Any Person who is subject to the terms of this Declaration, whether such Person is a Unit Owner, a lessee of a Unit Owner, or otherwise, shall, at the expense of any such other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action, as such other Person may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

(b) If any Unit Owner or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that such Unit Owner or Person is required to take pursuant to this Declaration, then the Condominium Board is hereby authorized as attorney-in-fact for such Unit Owner or other Person, which power is irrevocable and deemed to be coupled with an interest and with power of substitution to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such unit owner or other Person.

(c) If any Unit Owner or the Condominium Board or any other Person who is subject to the terms of this Declaration fails or refuses to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Condominium Board, Unit Owner, other Person is required to take pursuant to this Declaration at the request of Declarant, then Declarant is hereby authorized as attorney-in-fact for the Condominium Board, such Unit Owner or other Person, which power is irrevocable and deemed to be coupled with an interest and with power of substitution to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Condominium Board, such Unit Owner or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner or other Person, as the case may be.

ARTICLE 17

COVENANTS TO RUN WITH THE LAND

All provisions of this Declaration, the By-Laws and the Rules and Regulations, shall be perpetual and be construed to be covenants running with the Land. All present and future Owners, tenants and occupants of Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time.

ARTICLE 18

AMENDMENTS TO THIS DECLARATION

(a) Any provision of this Declaration may be amended or deleted by the vote of at least 66 2/3% of all Unit Owners, both in number and in aggregate Common Interests, taken in accordance with the provisions of the By-Laws. No such amendment or deletion shall be effective until recorded in the Register's Office. Articles 9, 10, 11, 12, 14 and 15 of this Declaration may not be amended or deleted unless eighty (80%) percent, both in number and in aggregate Common Interests, of all Unit Owners approve such amendment or deletion.

(b) Declarant or its designee shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, or the Condominium Board, to execute and record in the Register's Office amendments to this Declaration, together with such documents, plans and maps as Declarant or such designee deems appropriate to effectuate the same:

(i) to reflect any changes in Unsold Units and/or the reapportionment of the Common Interest of the affected Unsold Units resulting therefrom made by Declarant or such designee in accordance with the terms of Article 12 hereof; or

(ii) required by (x) an Institutional Lender designated by Declarant to make a loan secured by a mortgage on any Unit, (y) any governmental agency having regulatory

jurisdiction over the Condominium or (z) any title insurance company selected by Declarant to insure title to any Unit. Provided, however, that any amendment made pursuant to the terms of subparagraph (i) or (ii) of this paragraph shall not (1) change the Common Interest of any Unit other than a Unit owned by Declarant, (2) require a material, physical modification of any Unit other than a Unit owned by Declarant or (3) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an Institutional Lender unless the owner of such affected Unit (in the event describe in subparagraph (1) or (2) of this paragraph) or the holder of such mortgage (in the event described in subparagraph (3) of this paragraph) shall consent thereto by joining in the execution of such amendment.

(c) No amendment to the Condominium Documents shall be adopted for so long as Declarant or its designee owns any Unit if the same would (i) unreasonably interfere with the sale, lease, or other disposition of a Unit owned by Declarant or such designee; (ii) abridge, modify, suspend, eliminate, or otherwise affect any right, power, easement, privilege, or benefit reserved to Declarant or such designee or (iii) impose any discriminatory charge or fee against Declarant or such designee without the consent of Declarant or its designee.

(d) So long as the Declarant owns at least one (1) Unit, the provisions of this Article 18 may not be modified, amended, added to, or deleted, in whole or in part, without the prior written consent of Declarant or its designee.

ARTICLE 19

CONSENTS OF DECLARANT AND THE CONDOMINIUM BOARD

Wherever the consent or approval of Declarant or its designee is required under this Declaration or the ByLaws, such consent or approval shall not be required when Declarant or such designee no longer owns any Units. All consents required to be given by Declarant or the Condominium Board shall be given in writing.

ARTICLE 20

PERSON TO RECEIVE SERVICE

Turek Roth LLP, 377 Fifth Avenue, 6th Floor, New York, NY 10016, or any designated successor, is hereby designated to receive service of process in any action that may be brought against the Condominium. In addition, in accordance with Section 339-n of the Real Property Law, the Secretary of State of the State of New York is hereby designated as an agent of the Board of Managers to receive service of process in any action brought against the Condominium.

ARTICLE 21

SEVERABILITY

If any provision of the Condominium Documents is invalid or unenforceable the remainder of the Condominium Documents shall not be affected thereby.

ARTICLE 22

GENDER

A reference in this Declaration to any one gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and viceversa, unless the context otherwise requires.

ARTICLE 23

CAPTIONS

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of this Declaration or the intent of any provision hereof.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the day ____ of _____, 200__.

124 NEWTON ST LLC, DECLARANT

By: _____

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

On the ____ day of _____, 200__, before me personally came to me known, who being by me duly sworn, did depose and say that he is a manager/member of 124 Newton ST LLC, the Limited Liability Company described in

and which executed the foregoing instrument; that he signed his name thereto by virtue of his authority under the Articles of Organization of the Limited Liability Company.

Notary Public

**EXHIBIT A TO THE DECLARATION
OF
THE 122 NEWTON CONDOMINIUM
DESCRIPTION OF THE LAND**

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, known and distinguished on a certain map on file in the Office of the Register of the County of Kings, entitled "Map of Property situate in the 17th ward of the City of Brooklyn, belonging to the Estate of William Conselyea, deceased December 1880, J.V. Meserole City Surveyor as and by the number 60 and bounded and described as follows:

BEGINNING at a point on the southerly side of Newton Street, distant 225 feet westerly from the southwesterly corner of Newton Street and Graham Avenue; and

RUNNING THENCE in a southerly direction along lot number 61 on said map, 100 feet;

THENCE westerly and parallel with Newton Street, 47 feet 7-3/4 inches to land shown on said map as a rope walk;

THENCE in a northerly direction along said rope walk land, 101 feet 8-1/2 inches to Newton Street; and

THENCE easterly along Newton Street 28 feet 11-1/2 inches to the point or place of BEGINNING.

**EXHIBIT B TO THE DECLARATION
OF THE
THE 122 NEWTON CONDOMINIUM**

DESCRIPTION OF UNITS

**EXHIBIT C TO THE DECLARATION
OF
THE 122 NEWTON CONDOMINIUM**

DEFINITIONS

1. Appurtenant Interest: With respect to any Unit, the undivided interest of the owner of such Unit in and to: (i) the Common Elements; (ii) any other assets of the Condominium.
2. Board of Managers: Sometimes "Condominium Board" or "Board". The governing board of the Condominium composed of representatives designated by the Sponsor or selected by Unit Owners voting to supervise and manage the affairs of the Condominium in accordance with the Bylaws of the Condominium.
3. Building: The building known as 122 Newton Street, Brooklyn, New York.
4. Closing Date: The date of the transfer of title to any specific Unit, as scheduled by Sponsor by written notice to any Purchaser (which notice may not be less than 30 days) and any adjournment of such date as may be agreed by Sponsor in writing.
5. Common Area Work: The improvements and renovations to the Common Areas of the Building necessary to obtain a final Certificate of Occupancy pursuant to the Construction Plans and Specifications.
6. Common Charges: Each Unit's proportionate share of the Common Expenses in accordance with its Common Interest.
7. Common Elements: All portions of the Property other than Units, including, but not limited to the land, the foundations, roofs and supports of the Building and all areas or facilities for the common use of the Units and Unit Owners.
8. Common Expenses: The aggregate of (a) expenses of the operation of the Property, and (b) all sums designated as Common Expenses by the Condominium Act,

the Declaration or Bylaws. The projected Common Expenses for the first year of operation are set forth in Schedule B.

9. Common Interest: The proportionate undivided interest of each Unit Owner in the Common Elements as determined in accordance with the Declaration. The total of all Common Interest percentages of all Unit Owners equals 100%. The Common Interest of a Unit is the basis for determining, among other things, a Unit Owner's undivided ownership interest in the Common Elements and share of Common Expenses and of any distributions upon termination of the Condominium.

10. Condominium: The Units and Common Elements constituting The 122 Newton Condominium.

11. Condominium Act: Article 9B of the Real property Law of the State of New York.

12. Condominium Board: The Board of Managers of the Condominium.

13. Condominium Documents: The Declaration, the Bylaws, Rules and Regulations and Floor Plans, as same may be amended from time to time.

14. Construction Plan and Specifications. The Plans and Specifications for the Building which are filed with and approved by the New York City Department of Buildings as same may be amended from time to time, pursuant to which the Building will be converted to its intended use as described in this Plan.

15. Declarant. Shall mean 124 Newton ST LLC, a New York Limited Liability Corporation, having an address at 96-20 Atlantic Avenue, Ozone Park, New York 11416.

16. Declaration or Declaration of Condominium: The instrument, including the Bylaws, by which the Property is submitted to the provisions of the Condominium Act.

17. Escrow Agent: Turek Roth , LLP, 377 Fifth Avenue, 6th Floor, New York, New York 10016, [(212) 223-3562] or its successors, as per an amendment to this Plan.

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

19. First Closing: The Closing of title for the first Unit to be conveyed pursuant to a Purchase Agreement and this Plan.

20. Floor Plans: The floor plans of the Units certified by UNA Engineering P.C., or such architect designated by Sponsor, and filed with the City Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto.

21. Land: All that certain tract, plot, piece and parcel of land, situate, lying and being in the County of Kings, State of New York, as more particularly described in Exhibit A to the Declaration, and located at 122 Newton Street, Brooklyn, New York.

22. Limited Common Elements: Portions of the Property which are owned as Common Elements, but the exclusive use of which is granted to a single Unit Owner or several Unit Owners, such as the terraces and patios described in this Offering Plan.

23. Managing Agent: ALG NY Management LLC, currently having its office at 96-20 Atlantic Avenue, Ozone Park, New York 11416.

24. Offering Plan: This document, as may be amended from time to time, filed with the New York State Department of Law pursuant to which individual Units in the Condominium are offered for sale.

25. Permitted Mortgage: Any mortgage covering a Unit that is placed thereon in compliance with the terms of the Bylaws.

26. Permitted Mortgagee: Any holder of a Permitted Mortgage.

27. Person: A natural person, corporation, partnership, limited liability company, association, trustee or other legal entity.

28. Power of Attorney: The document, signed by Unit Owners, which appoints: (a) the Board of Managers as attorney-in-fact to acquire or lease Units on behalf of all Unit Owners; and (b) the Sponsor as attorney-in-fact to amend the Condominium Documents under the conditions set forth in the Power of Attorney.

29. Property: Includes the Land, the Building and all other improvements thereon, owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, which have been or are intended to be subject to the provisions of the Condominium Act.

30. Purchaser: Any Person who has entered into an agreement with Sponsor to purchase a Unit and who is not in default thereunder.

31. Residential Unit: Any of the 6 floors, cellar through 5, inclusive, to be used for residential and other ancillary uses as permitted by the Building's Certificate of Occupancy.

32. Rules and Regulations: The rules and regulations of the Condominium, which are annexed as an addendum to the Bylaws, as they may be amended, from time to time.

33. Selling Agent: The Developers Group LLC, 79 Bridge Street, Brooklyn, New York, 11201.

34. Special Assessments: The charges allocated and assessed by the Board of Managers to the Unit Owners, pro rated in accordance with their respective percentage interest in the Common Elements (except as may be otherwise provided in the Declaration or in the Bylaws).

35. Sponsor: 122 Newton ST LLC, a New York limited liability company.

36. Sponsor Designee: Any person designated by the Sponsor to hold title to any Unsold Unit. Sponsor Designee shall have the right to designate person(s) to succeed to its rights and any such designee shall also be deemed a "Sponsor Designee".

37. Unavoidable Delays: Refers to delays due to strike, lockout, or other labor, civil or industrial disturbance, future order of any government, court or regulatory body, war, act of the public enemy, riot, sabotage, blockade, embargo, shortage of, failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body or act of God or any cause similar to any of the foregoing; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing, shall not be deemed to be a cause similar to the foregoing clauses.

38. Unit: Any one of the 5 Residential Units in the Building together with such Units' Common Interest.

39. Unit Deed: The bargain and sale deed transferring title to a specified Unit from Sponsor to a Purchaser in fee simple absolute.

40. Unit Designation: The number, letter or combination thereof, or other official designation confirming the tax lot number of a Unit.

41. Unit Owner: The person owning a Unit in fee simple absolute. Collectively, the term "Unit Owners" means all of the owners of the Units.

42. Unsold Unit: Any Unit owned by Sponsor or a Sponsor Designee. Collectively, the term "Unsold Units" means all Units owned by Sponsor or a Sponsor Designee.

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CONDOMINIUM BY-LAWS
OF
THE 122 NEWTON CONDOMINIUM

Prepared by:

Attorneys for Declarant

TUREK ROTH LLP
377 Fifth Avenue, 6th Floor
New York, New York 10016

By: Allen M. Turek, Esq.

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ADDENDUM

Rules and Regulations of The 122 Newton Condominium

**CONDOMINIUM BY-LAWS
OF
THE 122 NEWTON CONDOMINIUM**

ARTICLE 1

GENERAL

SECTION 1.1 Purpose. The purpose of these Bylaws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium.

SECTION 1.2 Definitions. All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are used shall otherwise require. Each of the afore-described capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

SECTION 1.3 Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof.

SECTION 1.4 Application of By-Laws. All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, shall be subject to the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a Deed or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with.

SECTION 1.5 Principal Office of the Condominium. The principal office of the Condominium shall be located either at the Property or at such other place in the City of New York reasonable convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2

BOARD OF MANAGERS

SECTION 2.1 General. The affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act as, and shall be the agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By-Laws.

SECTION 2.2 Status of the Condominium Board. Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have the status conferred upon unincorporated associations under, or pursuant to the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, the status conferred upon it by the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it by the Condominium Act.

SECTION 2.3 Powers and Duties of the Condominium Board. The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium. The Condominium Board shall have the following specific powers and duties:

- (i). to operate, maintain, repair and replace the Common Elements;
- (ii). to acquire real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a condominium;
- (iii). to maintain books and records of the Condominium;
- (iv). to adopt a budget for the Condominium for each fiscal year thereof;
- (v). to establish and to collect, the Common Charges and Special Assessments from the Unit Owners;
- (vi). to borrow money on behalf of the Condominium;
- (vii). to open and maintain bank accounts on behalf of the Condominium;
- (viii). to use the Common charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium;
- (ix). to obtain insurance for the Property, including the Units;
- (x). to adjust and settle claims under insurance policies;
- (xi). to make repairs, maintenance, additions and improvements to the Property after damage or destruction by fire or other casualty, or as a result of

condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws;

(xii). to obtain, in its sole discretion fidelity bonds, in amounts deemed appropriate by the Condominium Board: (a) members of the Condominium Board; (b) officers and employees of the Condominium and (c) the Managing Agent;

(xiii). to accept the surrender of any Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof;

(xiv). to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners;

(xv). to purchase Units at foreclosure or other judicial sales;

(xvi). to sell, lease, sublease, mortgage and otherwise deal with Units acquired by the Condominium Board or its designee;

(xvii). to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violations of the same;

(xviii). to enforce the terms, covenants and conditions contained in the Condominium Documents;

(xix). to incorporate, pursuant to the Condominium Act, provided, however, that: (a) the certificate of incorporation and bylaws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and bylaws;

(xx). to organize corporations to act as the designees of the Condominium Board;

(xxi). to execute, acknowledge and deliver: (a) any declaration or other instrument affecting the Property that the Condominium Board deems necessary or appropriate and (b) any consent, covenant, restriction, easement or declaration affecting the Property that the Condominium Board deems necessary or appropriate;

(xxii). to execute and record on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's estimation, it is so advisable;

(xxiii). to challenge any real estate tax assessment or increase thereof, on behalf of the Condominium and all Unit Owners and to retain an attorney and/or other professional, who in the Board's discretion are necessary or advisable to obtain the best

result possible, whose fees shall be payable as an expense of the Condominium, together with the right to initiate tax certiorari and/or other proceedings necessary to reduce the real estate tax liability of the Condominium and/or its Unit Owners and to accept any settlement thereof in order for the Condominium to file and/or maintain tax certiorari proceedings on behalf of any given Unit Owner. Such Unit Owner shall first be required to indemnify the Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings

(xxiv). to establish a reserve fund; and

(xxv). to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

SECTION 2.4 Exercise and Delegation of Powers and Duties.

(A) Any act within the power of the Condominium Board to perform, shall be performed by the Condominium Board or by the agents, employees or designees of the Condominium Board.

(B) The Condominium Board may appoint an Executive Committee which shall have all of the powers of the Condominium Board, during the intervals between the meetings of the Condominium Board. In addition, the Condominium Board may from time to time appoint, such other committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium Board shall direct.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation to be established by the Condominium Board and to perform such duties and services as the Condominium Board shall direct.

(D) Notwithstanding anything to the contrary contained in this Section, the Managing Agent shall not exercise the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (vii), (x), (xiii), (xiv), (xv), (xvi), (xvii), (xix), (xx), and (xxi) of Section 2.4 hereof.

SECTION 2.5 Number, Election and Qualification of Managers. The Condominium Board shall consist of three (3) individuals to be designated from time to time by Declarant until the first annual meeting. After the first annual meeting of the Unit Owners, the Condominium Board shall consist of between three (3) and five (5) individuals to be elected by the Unit Owners pursuant to the terms of Section 4.9 hereof. Within thirty (30) days after the later of (a) the date when the Sponsor or its designee no longer owns Unsold Units constituting more than fifty (50%) percent of the Common Elements and (b) the second (2nd) anniversary of the First Unit Closing, Sponsor shall call a special meeting of the Unit Owners for the purpose of electing a new Board of Managers of which a majority of its Managers shall be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and/or its principals.

So long as Sponsor owns at least two units, Sponsor shall have the right to designate one member of the Condominium's Board of Managers; but in no event shall the Sponsor or its designee be able to designate more than the number of managers that the Sponsor could elect into office by virtue of the percentage of common interest still owned by the Sponsor or its designee at such time and under no circumstances shall the Sponsor be able to designate and/or elect such managers as would enable the Sponsor or its designee to control the Board of Managers after the period of Sponsor's control as provided above. Except for members designated or elected by Declarant or its designee pursuant to the terms of this Section 2.7 or of Section 2.10 or 4.9 hereof, all members of the Condominium Board shall be either: (i) individual Unit Owners; (ii) individual Permitted Mortgagees; (iii) individual officers, directors, shareholders, partners, principals, employees, or beneficiaries of corporations, partnerships, fiduciaries, or any other entities that are Unit Owners or Permitted Mortgagees; or (iv) adult Family Members of any of the foregoing. Moreover, a majority of the managers must be owner-occupants of the building who are unrelated to the Sponsor or its principals, following the conclusion of the period of Sponsor control of the Board of Managers.

SECTION 2.6 Term of Office of Managers. The term of office of each individual elected and qualified at the first annual meeting of the Unit Owners shall be for one year. At each annual meeting of the Unit Owners subsequent to the first such meeting, the members of the Condominium Board shall be elected pursuant to the terms of Section 4.9 hereof to serve a term of office fixed at one year. Notwithstanding anything to the contrary contained in this Section 2.8, however, each manager of the Condominium Board shall serve until his successor shall be elected and qualified. There shall be no limit on the number of terms of office, successive or otherwise, that a member of the Condominium Board may serve.

SECTION 2.7 Removal and Resignation of Managers. (A) Any member of the Condominium Board who was elected thereto either by the Unit Owners, pursuant to the terms of Section 4.9 hereof, or by the Condominium Board, pursuant to the terms of Section 2.10 hereof, may be removed from office with or without cause by a vote of a Majority of Unit Owners. Any member of the Condominium Board who was designated as such or elected by Declarant or its designee, pursuant to the terms of Section 2.7, or 4.9 hereof may be removed, with or without cause, only by Declarant or the said designee. Any member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Unit Owners shall be give prior written notice thereof and an opportunity to be present and heard thereat.

(B) Any member of the Condominium Board may resign as a manager at any time by giving written notice thereof to the Condominium Board and, with respect to members of the Condominium Board designated as such by Declarant or its designee to Declarant or such designee.

SECTION 2.8 Vacancies. (A) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a manager who was elected thereto by the Unit Owners shall be filled by an individual who is qualified to be a manager

pursuant to the terms of Section 2.7 hereof and who is elected by a vote of the majority of the members of the Condominium Board then in office. A special meeting of the Condominium Board shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereat shall be effective to fill such vacancy even if the number of managers present at such meeting shall not constitute a quorum.

(B) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a manager who was designated as such or elected by Declarant or its designee shall be filled by an individual designated by Declarant or such designee.

(C) Each member of the Condominium Board who is elected thereto or designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a member of the Condominium Board for the remainder of the term of the member he replaced and until his successor shall be selected and qualified at the appropriate annual meeting of the Unit Owners pursuant to the terms of Section 4.9 hereof.

SECTION 2.9 Organizational Meeting of the Condominium Board. The first meeting of the Condominium Board following each annual meeting of the Unit owners shall be held within ten (10) days of such annual meeting, at such time and place in the City of New York as shall be both fixed informally by a majority of the members of the Condominium Board and designated in a written notice given to all members thereof by personal delivery, mail, or telegram not later than five (5) business days prior to such date.

SECTION 2.10 Regular Meetings of the Condominium Board. Regular meetings of the Condominium Board may be held at such time and place in the City of New York as shall be determined from time to time by a majority of the members thereof. Written notice of all regular meetings of the Condominium Board shall be given to each member thereof by personal delivery, mail, or telegram at least five (5) business days prior to the day named for such meeting.

SECTION 2.11 Special Meetings of the Condominium Board. The President may call a special meeting of the Condominium Board whenever he deems the same to be necessary or desirable. However, the President shall call such a meeting upon the written request of two (2) members of the Condominium Board. Written notice of all special meetings shall be given to each member thereof by personal delivery, mail, or telegram at least five (5) business days prior to the day named for such meeting, which notice shall state the time, place (in the City of New York) and purpose of the meeting.

SECTION 2.12 Waiver of Notice of Meetings. Any member of the Condominium Board may waive notice of any meeting thereof in writing and such waiver shall be deemed equivalent to the giving of notice. Attendance by a member of the Condominium Board at any meeting whereof shall constitute a waiver by him of

notice of the time and place thereof. If all of the members of the Condominium Board are present at any meeting thereof, no notice of such meeting shall be required and any business may be transacted at such meeting.

SECTION 2.13 Quorum of the Condominium Board. For purposes of all meetings of the Condominium Board, a majority of the members thereof shall constitute a quorum for the transaction of business. One or more members of the Condominium Board may participate in any meeting thereof by means of a conference telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes. If, at any meeting of the Condominium Board, there shall be less than a quorum present, a majority of the members of the Condominium Board in attendance may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting originally called but for the lack of a quorum may be transacted without further notice.

SECTION 2.14 Conduct of Meetings, The President shall preside at all meetings of the Condominium Board, and the Secretary shall record the minutes thereof, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat.

SECTION 2.15 Decisions by the Condominium Board. Except as otherwise expressly provided in the Declaration or these By-Laws, the vote of a majority of the members of the Condominium Board present at a meeting thereof at which a quorum is present shall constitute the decision of the Condominium Board.

SECTION 2. 16 Compensation of Managers. No manager on the Condominium Board shall receive any compensation from the Condominium for acting as such.

SECTION 2.17 Interested Managers on the Condominium Board. No contract or other transaction between the Condominium Board and either (i) any of its managers or (ii) any corporation, partnership, firm or other entity in which any of the members of the Condominium Board are officers, directors, employees, partners or principals shall be deemed either void or void-able, provided, however, that either:

(x) the fact thereof is disclosed to, or known by, a Majority of Unit Owners, and a Majority of Unit Owners shall, approve, or ratify such contract or transaction; or

(y) the contract or transaction is commercially reasonable to the Condominium Board at the time that the same is, approved, ratified or otherwise consummated.

Any such member of the Condominium Board may be counted in determining the presence of a quorum of any meeting of the Condominium Board that approves or ratifies any such contract or transaction, but no such member shall be entitled to vote thereat to approve or ratify such contract or transaction.

SECTION 2.18 Liability of the Condominium Board. (A) The members of the Condominium Board shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each member of the Condominium Board shall be liable thereto for his own bad faith or willful misconduct. Members of the Condominium Board designated as such by Declarant shall not be deemed either to be in bad faith or to have committed willful misconduct by reason of any self-dealing in connection with any contract made, or other transaction entered into, between the Condominium Board and Declarant or its agents, provided that any compensation paid, to Declarant or its agents in connection with any such contract or transaction is disclosed in the Plan or an amendment thereto or is at competitive rates for goods sold or services rendered in the City of the New York.

(B) The Unit Owners shall jointly and severally indemnify and hold each member of the Condominium Board harmless from and against any claim or liability to others arising from his acts or omissions as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, however, to the extent that such claim or liability shall be due to, the bad faith or willful misconduct of such member.

ARTICLE 3

OFFICERS

SECTION 3.1 General. The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer. The Condominium Board may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable.

SECTION 3.2 President. The President shall be chief executive officer of the Condominium and shall preside at all meetings of the Unit Owners and of the Condominium Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL").

SECTION 3.3 Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Condominium Board shall appoint some other member of the Condominium Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon him from time to time by the Condominium Board or by the President.

SECTION 3.4 Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

SECTION 3.5 Treasurer. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

SECTION 3.6 Election, Term of Office and Qualifications of Officers. Each of the officers of the Condominium Board shall be elected annually by a majority vote of the Condominium Board and shall serve at the pleasure of the Condominium Board. The President and the Vice President shall be elected from amongst the members of the Condominium Board. The other officers of the Condominium, however, need not be Unit Owners or members of the Condominium Board.

SECTION 3.7 Removal and Resignation of Officers. Any officer of the Condominium may be removed from office, with or without cause, by an affirmative vote of a majority of the members of the Condominium Board. Any officer may resign at any time by giving written notice to the Condominium Board. If the President or the Vice President of the Condominium shall cease to be a member of the Condominium Board during his term of office, such officer shall be deemed to have resigned his office effective upon the date upon which his membership shall cease.

SECTION 3.8 Vacancies. Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

SECTION 3.9 Compensation of Officers. No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

ARTICLE 4.

UNIT OWNERS

SECTION 4.1 Annual Meetings of the Unit Owners. The first annual meeting of the Unit Owners shall be held not later than four (4) months after the First

Closing, at which meeting the incumbent three member to five-member Condominium Board shall resign and a successor three member Condominium Board shall be elected by the Unit Owners, as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held on or about the second Wednesday in January of each year. At each such subsequent meeting, the Unit Owners shall elect successors to the members of the Condominium Board whose term of office expires on the day of such meeting and shall transact such other business as may properly come before such meeting.

SECTION 4.2 Special Meetings of the Unit Owners. The President shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt by the Secretary of a petition calling for such a meeting signed by Unit Owners having, in the aggregate, not less than 25% of the Common Interests of all Unit Owners. Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such stated purposes.

SECTION 4.3 Place of Meetings. Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place in the City of New York as may be designated by the Condominium Board.

SECTION 4.4 Notice of Meetings. The Secretary of the Condominium shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail or telegram not later than ten (10) business days prior to the day fixed for the meeting.

SECTION 4.5 Quorum of the Unit Owners. The presence, in person or by proxy, of Unit Owners owning Units to which fifty (50%) percent or more of the aggregate Common Interests shall constitute a quorum at all meetings of the Unit Owners. If, at any meeting of the Unit Owners, there shall be less than a quorum present, a majority of the Unit Owners present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

SECTION 4.6 Conduct of Meetings. The President shall preside at all meetings of the Unit Owners, and the Secretary shall record the minutes thereof.

SECTION 4.7 Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

- (i). Roll call,
- (ii). Proof of notice of meeting;
- (iii). Reading of the minutes of the preceding meeting;

- (iv). Reports of officers of the Condominium;
- (v). Reports of committees;
- (vi). Election of inspectors of election;
- (vii). Election of members of the Condominium Board;
- (viii). Unfinished business; and
- (ix). New business.

SECTION 4.8 Voting. (A) Subject to the terms of Section 4.9 hereof, each Unit Owner shall be entitled to cast one vote at all meetings of the Unit Owners for each .01% of Common Interest attributable to his Unit(s).

(B) Neither the Condominium Board nor any designee thereof shall be entitled to vote the Common Interest appurtenant to any Unit owned by the Condominium Board or such designee.

(C) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. If two or more Persons own a Unit, they shall designate one Person to vote the Common Interest appurtenant to their Unit in a writing given to the Secretary of the Condominium, and the vote of such designee shall be binding upon all of such Persons.

(D) Except when otherwise required by law or otherwise provided in the Declaration or in these By-Laws, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes.

SECTION 4.9 Election of Members of the Condominium Board. (A) When voting for members of the Condominium Board, each Unit Owner including Declarant or its designee, for so long as Declarant or such designee shall own Unsold Unit(s) shall be entitled to cast one vote for each .01% of Common Interest attributable to his Unit(s) per member to be elected. However, nothing contained herein shall be deemed either to permit any Unit Owner to cumulate the votes attributable to the ownership of any one Unit in favor of any one for more members to be elected.

(B) All elections of members of the Condominium Board shall be by written ballot.

(C) All elections of members of the Condominium Board shall be determined by plurality vote.

SECTION 4.10 Action Without a Meeting. Any action to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient to approve such an action at a meeting consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section shall be retained in the records of the Condominium together with a true copy of the resolution to which they relate.

ARTICLE 5

OPERATION OF THE PROPERTY

SECTION 5. 1 Maintenance and Repairs. (A) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary:

(i) in or to any Unit shall be performed by the owner of such Unit at such Unit Owner's cost and expense; and

(ii) in or to the Common Elements (other than any Common Elements incorporated into one or more Units).

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, however, the exterior and interior glass surfaces of all windows of each Unit are to be washed and cleaned by the Owner of such Unit at such Unit Owner's sole cost and expense. In addition, if any painting, decorating, maintenance, repairs, or replacements to the Property or any part thereof, is necessitated by the negligence, misuse or abuse of any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace his Unit or any portion thereof as required herein.

(C) Each Unit and the Common Elements shall be kept in first class condition, order and repair (and free of snow, ice and accumulation of water with respect to any roof or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly perform all maintenance work that is necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his Unit.

SECTION 5.2 Alterations, Additions, Improvements, or Repairs in and to Units. (A) Subject to the terms of paragraph (B) of this Section 5.2, no Unit Owner shall make any structural alteration or repair to his Unit without the prior written approval of the Condominium Board. In the event, however, that the Condominium Board shall fail to answer any written, reasonably detailed request for such approval within thirty (30) days after such request is received, such failure to respond shall constitute the Condominium Board's consent thereto. As a condition of the granting of any such

approval, the Condominium Board may, at its sole option require the Unit Owner to procure and maintain such insurance as the Condominium Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement or repairs may be made, including, without limitation an indemnification of the Condominium, the Condominium Board, the Board Members and all other Unit Owners from any loss or claim, including reasonable legal fees arising out of such alteration, addition, improvement or repairs, as well as the days and hours during which any such work may be done.

(B) Notwithstanding anything to the contrary contained in paragraph (A) of this Section 5.2, however, Declarant or its designee shall have the right without the approval of the Condominium Board to (i) make any alterations, additions, improvements or repairs in or to any Unsold Units whether structural or nonstructural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of Unsold Units.

(C) All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with Law.

SECTION 5.3 Alterations, Additions, or Improvements to the Common Elements. Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable (as determined by the Board of Managers) alterations, additions or improvements in, or to any of the Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a Common Expense.

SECTION 5.4 Insurance. (A) If obtainable, the Condominium Board shall secure, and maintain in full force and effect, fire insurance policies with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the Building and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by Unit Owners or the tenants of Unit Owners. Each of the said policies shall contain to the extent obtainable;

(i). waivers of (a) subrogation, (b) any defense based upon coinsurance or other insurance, (c) invalidity arising out of any acts of the insured and (d) pro rata reduction of liability;

(ii). a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds thereof shall be paid to either the Condominium Board or the Insurance Trustee, as provided in Section 5.5 hereof;

(iii). a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment

provisions in favor of the Condominium Board and the Insurance Trustee set forth in paragraph (ii) above and in Section 5.5 hereof; and

(iv). a provision that such policy may not be either canceled or substantially modified except upon at least ten (10) days' prior written notice to all of the insurers, including all Permitted Mortgagees.

(B) The Condominium Board shall also obtain and maintain, to the extent practicable:

(i). comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as coinsurers (a) the Condominium Board and each member thereof, (b) the Managing Agent or manager (if any), (c) each officer of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his own Unit);

(ii). rent insurance;

(iii). workers; compensation and New York State disability benefits insurance;

(iv). boiler and machinery insurance;

(v). water damage legal liability insurance;

(vi). elevator liability and collision insurance; and

(vii). such other insurance as the Condominium Board shall from time to time determine.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine:

SECTION 5.5 Casualty or Condemnation. (A) In the event that either (i) the Building is damaged or destroyed by fire or other casualty (hereinafter referred to as a "Casualty Loss") or (ii) the Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board the net condemnation awards receivable, shall be payable either to the Condominium Board, or to the Insurance Trustee. In either instance, all such monies actually received (hereinafter referred to as the "Trust Funds") shall be disbursed pursuant to the terms of this Section 5.5.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration (hereinafter referred to as the "Work") of: (i) in the event of a Casualty Loss, the portions of the Building (but not including appliances or any furniture, furnishings or other personal property supplied or installed by either Unit Owners or the tenants of Unit Owners) affected by such Casualty Loss or (ii) in the event of a Taking, the portion of the Common Elements affected by such taking.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.5, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests. If the Trust Funds shall be more than sufficient to pay for the Work, such excess shall be paid to all Unit Owners in proportion to their respective Common Interests.

(D) If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 75% or more of all Unit Owners, both in number and in aggregate Common Interests, shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

(E) In the event that the damage resulting from a Casualty Loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the owner of any Unit so affected thereby shall proportionately abate until such Unit shall be rendered useable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such Casualty Loss shall be caused by the act, the omission to act, or the negligence of the owner of a Unit so affected thereby, by a Family Member of such Unit Owner, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Condominium board with respect to such Unit.

(F) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

SECTION 5.6 Use of the Property. (A) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive or unlawful use shall be made of the Property or any portion thereof, and all Laws relating to any portion of the Property shall be complied with at the full cost and expense of the respective Unit Owners or the Condominium Board, whoever shall have the obligation to maintain or repair such part of the Property.

(B) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or in the contents thereof, or that would be in violation of any Law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, on, or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

SECTION 5.7 Use of the Units. (A) The use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.7.

(B) Each Unit shall be used only as a residence or for any other lawful purpose.

(C) A Unit owned or leased by an individual, corporation, partnership or any other entity may be occupied by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by a principal or employee of such other entity, respectively, or by Family Members or guests of any of the foregoing. Additionally, in no event shall a portion of a Unit (as opposed to the entire Unit) be sold, conveyed, leased or subleased, and no transient occupant (other than a guest permitted under this paragraph (C)) may be accommodated therein.

(D) Notwithstanding anything to the contrary contained in this Section 5.7 Declarant may, without the consent of either of the Condominium Board or the Unit Owners use any one or more Unsold Units as model units and offices for the sales, promotions, rental, management and operation of the Unsold Units or for any other purpose, subject only to compliance with Law.

SECTION 5.8 Use of the Common Elements. (A) Subject to the terms of paragraphs (B) and (C) of this Section 5.8, the Common Elements may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable.

(B) The owner of a Units, if such Unit is the only Unit serviced by any Common Element adjacent to such Unit (for example, that portion at the end of any hallway that is directly adjacent to any such Unit) shall, with the consent of the Condominium Board (which consent shall not be unreasonably withheld or delayed), have the right to use such Common Elements exclusively, as if it were a part of such Units (including the right to enclose such portion), and no amendment to the Declaration or reallocation of Common Interests shall be made by reason thereof. In such an event, however, such owner or owners shall, at his sole cost and expense, both (i) operate, maintain and repair such Common Element for so long as such owner(s) exercise such exclusive right of use and (b) restore such Common Element to its original condition, reasonable wear and tear excepted, after such owner(s) cease to exercise such exclusive right of use.

(C) The terms of paragraph (A) of this Section 5.8 shall not apply to Declarant or its designee for so long as there are any Unsold Units. Declarant or its designee shall have the right, without charge or limitation, to: (i) erect and maintain signs, of any size or content determined by Declarant or such designee, on or about any portion of the Common Elements chosen by Declarant or such designee, including, without limitation, on the exterior walls of the Building or adjacent to the main entrance thereof; (ii) have its employees, contractors, subcontractors and sales agents present on the Property; and (iii) do all things necessary or appropriate, including use the Common Elements, to sell, lease, manage, or operate Unsold Units, to complete any work or repairs to the Building expressly undertaken by Declarant and to comply with Declarant's obligations under the Plan and the Condominium Documents.

SECTION 5. 9 Rights of Access. (A) Subject to the right of existing tenants and other occupants of Unsold Units, each Unit Owner shall grant to the Condominium Board, to the Managing Agent or manager (if any), to the superintendent and/or to any other Person authorized by any of the foregoing a right of access to his Unit for the purposes of:

(i). making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii). curing defaults hereunder or under the Declaration or violations of the Rules and Regulations committed by such Unit Owner or correcting any conditions originating in his Unit and threatening another Unit or all or a portion of the Common Elements;

(iii). performing maintenance, installations, alterations, repairs, or replacements to the mechanical or electrical services, or other portions of the Common Elements located within his Unit or elsewhere in the Building;

(iv). reading, maintaining, or replacing utility meters relating to the Common Elements, to his Unit, or to any other Unit; or

(v). correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

(B) Each Unit Owner shall grant a right of access to his Unit and the Condominium Board shall grant rights of access to the Common Elements, to Declarant and its contractors, subcontractors, agents and employees for the purpose of fulfilling Declarant's obligations as Sponsor as set forth in the Plan or in any amendment thereto provided that access thereto shall be exercised to the extent reasonably practicable, with respect to any Unit in such a manner as will not unreasonably interfere with the use of such Unit for its permitted purposes.

SECTION 5.10 Modification of the Rules and Regulations. The Condominium Board shall have the right to amend or delete any of the Rules and Regulations from time to time, provided, however, that any such amendment or deletion may be overruled by a vote of a Majority of Unit Owners. Copies of the text of any amendments, modifications, additions, or deletions to the Rules and Regulations shall be furnished to all Unit Owners not less than thirty (30) days prior to the effective date thereof.

SECTION 5.11 Real Estate Taxes, Water Charges and Sewer Rents. Water and sewer rents for the Building shall be supplied by the City of New York and paid by the Condominium Board as a Common Expense.

ARTICLE 6

COMMON CHARGES

SECTION 6.1 Determination of Common Expenses and Fixing of Common Charges. (A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) adopt a budget for the Condominium; (ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges amongst the Unit Owners pro rata, in accordance with their respective Common Interests.

(B) The Condominium Board shall have the right, to levy Special Assessments to meet the Common Expenses. All Special Assessments shall be levied against all Unit Owners in proportion to their respective Common Interests and may be payable either in one lump sum or installments, as the Condominium Board shall determine.

SECTION 6.2 Payment of Common Charges. (A) All Unit Owners shall be obligated to pay Common Charges and Special Assessments assessed by the Condominium Board. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. The Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit.

(B) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against his Unit subsequent to a sale, transfer, or other conveyance by him of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A Purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to his acquisition thereof.

(C) Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey his Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing.

(D) No Unit Owner shall be exempted from liability for the payment of Common charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning his Unit.

SECTION 6.3 Statement of Common Charges. The Condominium Board shall promptly provide a written statement of all unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

SECTION 6.4 Default in Payment of Common Charges. (A) The Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remain unpaid for more than thirty (30) days after the due date for the payment thereof.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay interest thereon at the highest rate chargeable to individuals pursuant to Law, to be computed from the due date thereof until paid in full, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such unpaid Common Charges and/or in foreclosing the aforementioned lien, including, without limitation, reasonable attorneys fees and disbursements and court

costs. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner will 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. All such interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure sale shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

ARTICLE 7

SELLING AND LEASING OF UNITS

SECTION 7.1 General. Subject to the terms of Section 7.5 hereof, no Unit Owner may sell or lease his Unit except in compliance with the applicable provisions of this Article 7.

SECTION 7.2. Right of First Refusal. (A) Subject to the terms of Sections 7.5 and 7.9 hereof, promptly after a Sale or Lease Agreement shall be fully executed, the Unit Owner executing the same (hereinafter referred to as the "Offeree Unit Owner") shall send written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the Sale or Lease Agreement, as the case may be, containing all of the terms offered in good faith by the prospective Purchaser or tenant (hereinafter referred to as the "Outside Offeror").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell his Unit, together with its Appurtenant Interests, or to lease his Unit, as the case may be, to the Condominium Board or to its designee, upon the same terms and conditions as are contained in such Sale or Lease Agreement, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, that such Offeree Unit Owner believes the Sale or Lease Agreement to be bona fide and complete in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such

further information with respect to the Outside Offeror and the Sale or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than thirty (30) days (in the event of a proposed sale) and thirty (30) days (in the event of a proposed lease) after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Unit together with its Appurtenant Interests or to lease such Unit together with its Appurtenant Interests, as the case may be upon the same terms and conditions as were contained in the Sale or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof. Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in this Section 7.2 to purchase or lease any Unit without the prior approval of a Majority of Unit Owners.

SECTION 7.3. Acceptance of Offer. In the event that the Condominium Board shall elect to purchase a Unit together with its Appurtenant Interests, or to lease such Unit, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale or Lease Agreement, at the office of the attorneys for the Condominium within forty-five (45) days after the day upon which the Condominium Board shall give notice of its election to accept such offer.

SECTION 7.4. Failure to Accept Offer. (A) In the event that the Condominium Board shall fail to accept an offer pursuant to the terms of Section 7.2 hereof the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale or Lease Agreement within one hundred-twenty (120) days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board might have accepted such offer. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale or Lease Agreement within such one hundred-twenty (120) day period, then, should the Offeree Unit Owner thereafter elect to sell such Unit together with its Appurtenant interest or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Sections 7.2, 7.3 and 7.4 hereof.

SECTION 7.5. Termination of, and Exceptions to, the Right of First Refusal. (A) A certificate executed an officer of the Condominium or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a Unit Owner or that the right of first refusal provided for therein has been waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith.

(B) The terms and conditions contained in Section 7.2, 7.3 and 7.4 hereof shall not apply with respect to any sale, lease or conveyance of a Unit, together with its Appurtenant Interests, by:

(i). the owner of such Unit to any of his adult Family Members, or to a trust for the benefit of any of them or, with respect to a Unit Owner that is not an individual, to any entity or individual that owns more than fifty (50%) percent of the legal and beneficial interest of such Unit Owner or to any entity with respect to which such Unit Owner (individual or otherwise) owns more than fifty (50%) percent of the legal and beneficial interest thereof;

(ii). Declarant or its designee, with respect to the Unsold Units;

(iii). the Condominium Board;

(iv). any proper officer conducting the sale of a Unit in connection with the foreclosure or a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure; or

(v). any Permitted Mortgagee or his nominee, who has acquired title to any Unit at any foreclosure sale of his Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall continue to be subject to, all of the terms and conditions of this Article 7.

SECTION 7.6. No Severance of Ownership. No Unit Owner shall execute any deed or any other instrument conveying title to his Unit without including therein its Appurtenant Interests. No part of the Appurtenant Interests of any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interests are appurtenant.

SECTION 7.7. Payment of Common Charges. No Unit Owner shall be permitted to convey or lease his Unit unless he shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit.

SECTION 7.8. Power of Attorney. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of his title insurance company (or, if no such representative is present, to the Condominium Board) for recording in the Register's Office the Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration.

SECTION 7.9. Gifts and Devises, Etc. Any Unit Owner shall be free to convey or transfer his Unit, together with its Appurtenant Interests, by gift, or to devise the same

by will or to have the same pass by intestacy, without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his Unit shall be subject to, the provisions of this Article 7.

ARTICLE 8

MORTGAGING OF UNITS

SECTION 8.1. General. Each Unit Owner shall have the right to mortgage his Unit. Any Unit Owner who mortgages his Unit, or the holder of such mortgage, shall supply the Condominium Board with the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering his Unit shall so notify the Condominium Board and shall file a conformed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units."

ARTICLE 9

CERTAIN REMEDIES

SECTION 9.1. Self Help. If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his part to be observed or performed, and shall fail to cure such violation or breach within five (5) days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager, the Condominium Board shall have the right to enter such Unit Owner's Unit and summarily to abate, remove or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, if the Condominium Board shall determine that the abatement, removal or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit owner any period of time within which to cure or to commence to cure such violation or breach.

SECTION 9.2. Remedies Cumulative. The remedies granted to the Condominium Board or to Declarant or its designee in this Article 9 or elsewhere in the Condominium Documents shall be cumulative and shall be in addition to all other remedies obtainable at law or in equity. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

SECTION 9.3. Costs and Expenses. All sums of money expended, and all costs and expenses incurred, by (i) the Condominium Board in connection with the abatement, enjoinder, removal or cure of any violation, or breach by a Unit Owner of the Condominium Documents (ii) Declarant in connection with any abatement, enjoinder or remedy of any violation or breach of the Condominium Documents, shall be immediately payable by (a) in the event set forth in subparagraph (i) hereof, such Unit

Owner to the Condominium Board or (b) in the event set forth in subparagraph (ii) hereof, the offending party (i.e., the Condominium Board or the Unit Owner) to Declarant as the case may be, which amount shall, in either event, bear interest (to be computed from the date expended) at the rate of two (2%) percent per month (but in no event in excess of the maximum rate chargeable to such Unit Owner pursuant to Law). All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.4 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10

ARBITRATION

SECTION 10.1. Procedure. Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in the City of New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto.

SECTION 10.2. Variation by Agreement. The parties to any dispute to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 10.1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, the manner set forth in Section 3031 of the New York City Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

SECTION 10.3. Binding Effect. The decision in any arbitration conducted pursuant to the terms of Sections 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

SECTION 10.4. Costs and Expenses. All costs and expenses incurred by the Condominium Board in connection with any arbitration held hereunder, including, the fees and expenses of counsel and expert witnesses, shall constitute Common Expenses.

ARTICLE 11

NOTICES

SECTION 11.1. General. All notices to be given hereunder shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i). if to the Condominium Board, to the Condominium Board at its principal office as set forth in Section 1.5 hereof, with a photocopy sent to the Managing Agent (if any) at its principal office address as aforesaid;

(ii). if to a Unit Owner other than Declarant or its designee, to such Unit Owner at his address at the Property;

(iii). if to Declarant or its designee, to Declarant or such designee c/o Turek Roth LLP, 377 Fifth Avenue, 6th Floor, New York, New York 10016;

(iv). if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Condominium Board; or

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid.

ARTICLE 12

AMENDMENTS TO BYLAWS

SECTION 12.1. General. (A) Any provision of these By-Laws may be amended, by the affirmative vote of not less than 66 2/3% in number and aggregate Common Interests of all Unit Owners either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. No such amendment, shall be effective until it shall be duly recorded in the Register's Office.

(B) Notwithstanding anything to the contrary contained in paragraph (A) hereof:

(i). the Common Interest appurtenant to any Unit, as set forth in the Declaration, shall not be altered without the consent of the Unit Owner thereof, except as otherwise provided in paragraph (F) of Section 5.5 hereof;

(ii). the terms of Section 5.7 hereof may not be amended, unless not less than eighty (80%) percent in number and in aggregate Common Interests of all Unit Owners affected thereby shall approve such amendment, modification, addition or deletion in writing.

SECTION 12.2. Special Amendments. Notwithstanding any provision contained herein to the contrary, no amendment, of these By-Laws shall be effective in any respect against Declarant or its designee, any Unsold Unit, unless the Declarant or such designee, and/or such holder (as the case may be) shall consent to the same in writing.

ARTICLE 13

FURTHER ASSURANCES

SECTION 13.1. General. Any Person who is subject to the terms of these By-Laws, whether such Person is a Unit Owner, a lessee of a Unit Owner or otherwise, shall, at the expense of any Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for herein, and take such other action as such other Person may reasonably request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

SECTION 13.2. Failure to Deliver or Act. (A) If any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Condominium Board is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

(B) If the Condominium Board, any Unit Owner, or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Condominium Board, such Unit Owner, or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Declarant, then Declarant is hereby authorized, as attorney-in-fact for the Condominium Board, such Unit Owner, or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Condominium Board, such Unit Owner, or other Person, and such document or action shall be binding on the Condominium Board, such Unit Owner or other Person.

ARTICLE 14

MISCELLANEOUS

SECTION 14.1. Inspection of Documents. Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

SECTION 14.2. Waiver. No provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

SECTION 14.3. Conflicts. In the event that any provision of these By-Laws or of the Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control.

SECTION 14.4. Severability. If any provision of these By-Laws is invalid or unenforceable, the remainder of these By-Laws shall not be affected thereby.

SECTION 14.5. Successors and Assigns. The rights and/or obligations of Declarant as set forth herein shall inure to the benefit of, and shall be binding upon, any successor or assignee of Declarant or, with the consent of Declarant, any transferee of an Unsold Unit.

SECTION 14. 6. Gender. A reference in these By-Laws to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

SECTION 14.7. Captions. The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws or the intent of any provision hereof.

**CONDOMINIUM RULES AND REGULATIONS
OF
THE 122 NEWTON CONDOMINIUM**

1. The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units.
2. No tricycles, bicycles, scooters, baby carriages or similar vehicles shall be allowed to stand in the public passageways or other public areas of the Building.
3. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases of the Building, nor shall any fire exit thereof be obstructed in any manner.
4. Nothing shall be hung or shaken from any doors, windows, or placed upon the window sills of the Building, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.
5. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage, or service purposes in the Building.
6. Nothing shall be done or be kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his Family Members, agents, servants, employees, licensees or visitors shall, at any time, bring into or keep in his Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.
7. No Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of

8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

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

9. No ventilator or air-conditioning device shall be installed in any Unit without the prior written approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.

10. No radio or television aerial shall be attached to or hung from the exterior of the Building, and no sign, notice, advertisement, or illumination (including, without limitation, "For Sale", "For Lease" or "For Rent" signs) shall be inscribed or exposed on or at any window or other part of the Building, except such as are permitted pursuant to the terms of the Declaration and/or the By-Laws or shall have been approved in writing by the Condominium Board or the Managing Agent. Nothing shall be projected from any window of a Unit without similar approval.

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

12. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

13. Each Unit Owner shall keep his Unit in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

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

15. The Condominium Board or the Managing Agent may retain a passkey to each Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit entry to his Unit at any time when entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

16. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by his agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as provided in Rule 16 above) be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

17. Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever enter upon, or attempt to enter upon, the roof of the Building except for those areas clearly delineated as roof terraces.

18. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

19. Any consent or approval given under these Rules and Regulations may be amended.

ATTORNEY GENERAL
OF THE STATE OF NEW YORK
MODEL FORM
FOR ESCROW AGREEMENT

AGREEMENT made this _____ day of _____, 20_____, between
(?SPONSOR?) as sponsor of the offering plan and TUNEK ROTH LLP (? ESCROW
AGENT?) as escrow agent.

WHEREAS, 124 NEWTON ST. LLC is the sponsor of an offering plan to convert
to cooperative/condominium ownership the premises located at 122 NEWTON ST, BROOKLYN which
premises are known as 122 NEWTON CONDOMINIUMS; and

WHEREAS, TUNEK ROTH LLP is authorized to act as an escrow agent
hereunder in accordance with General Business Law (?GBL?) Section 352-e(2-b) and the Attorney
General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits
and payments by purchasers and subscribers, pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and
other good and valuable consideration, the parties hereby agree as follows:

Eff. 2/6/92

1 **ESTABLISHMENT OF THE ESCROW ACCOUNT**

1.1 SPONSOR AND ESCROW AGENT hereby establish an escrow account with
ESCROW AGENT for the purpose of holding deposits or payments made by
purchasers or subscribers. The escrow account has been opened with JP Morgan

Chase Bank at its branch located at 379 5th Ave, NYC. The
depository bank address

account number is _____.

1.2 The name of the account is TUNEK ROTH
122 NEWTON CONDO Escrow Account.

1.3 ESCROW AGENT is the sole signatory on the account.

1.4 The escrow account shall be an interest-bearing account as disclosed in the offering
plan.

1.5 The escrow account is/is not an IOLA established pursuant to Judiciary Law § 497.

2. **DEPOSITS INTO THE ESCROW ACCOUNT**

2.1 All funds received from prospective purchasers or subscribers prior to closing,
whether in the form of checks, drafts, money orders, wire transfers, or other
instruments which identify the payor, shall be deposited in the escrow account. All
instruments to be deposited into the escrow account shall be made payable to, or
endorsed by the purchaser or subscriber to the order of TUNEK ROTH LLP
as escrow agent for 122 NEWTON CONDO offering plan. Any instrument payable
or endorsed other than as required hereby, and which cannot be deposited into such
escrow account, shall be returned to the prospective purchaser or subscriber
promptly, but in no event more than five business days following receipt of such

instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

- 2.2 Within ten (10) business days after tender of the deposit submitted with the subscription or purchase agreement, ESCROW AGENT shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan, provide the account number, and disclose the initial interest rate. If the purchaser does not received notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or purchaser.

3. **RELEASE OF FUNDS**

- 3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.
- 3.2 ESCROW AGENT shall contained to hold the funds in escrow until otherwise directed in (a) a writing signed by both sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent

jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.

3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

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

4 RECORDKEEPING

4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

4.2 Upon the dissolution of a law firm which was ESCROW AGENT, the former partners of members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners of members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon his request,

all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. **GENERAL OBLIGATIONS OF ESCROW AGENT**

5.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.

5.2 A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

6. **RESPONSIBILITIES OF SPONSOR**

6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.

6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT's performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. **TERMINATION OF AGREEMENT**

7.1 This Agreement shall remain in effect unless and until it is cancelled, by either:

- (a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or
- (b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor

ESCROW AGENT; or

- (c) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

8. **SUCCESSORS AND ASSIGNS**

8.1 This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

9. **GOVERNING LAW**

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. **ESCROW AGENT'S COMPENSATION**

10.1 SPONSOR agrees that ESCROW AGENT's compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

11. **SEVERABILITY**

11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other

circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. **ENTIRE AGREEMENT**

12.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as to the day and year first written above.

ESCROW AGENT

TULEK ROTH LLP

By: /s/

Print Name

SPONSOR

124 NEWTON ST. LLC

By: /s/

Print Name & Title

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ETF-1

**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: _____

2/6/92

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

**CERTIFICATION OF SPONSOR AND SPONSOR'S
PRINCIPALS PURSUANT TO SEC. 20
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

Attention: Real Estate Financing Bureau

Re: The 122 Newton Condominium
122 Newton Street
Brooklyn, New York

The undersigned, certify as follows:

We are the sponsor and the principals¹ of sponsor of the condominium offering plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for making this certification. We jointly and severally certify that the offering plan does, and that all documents submitted hereafter by us which amend or supplement the offering plan will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

¹"Principals" means all individual sponsors; all general partners of the sponsors that are partnerships; all officers, directors and shareholders of a corporate sponsor that are actively involved in the planning and consummation of the offering; and all other individuals who both own an interest in or control sponsor and actively participate in the planning and consummation of the offering, regardless of the form of organization of sponsor.

- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) not contain any representation or statement which is false, where I/we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth, or
 - (d) did not have knowledge concerning the representations or statement made.

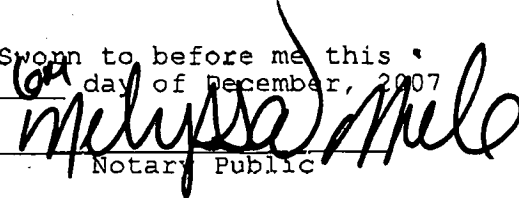
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

124 NEWTON ST. LLC

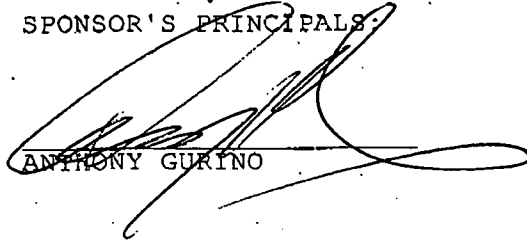
By:


ANTHONY GURINO, Managing Member

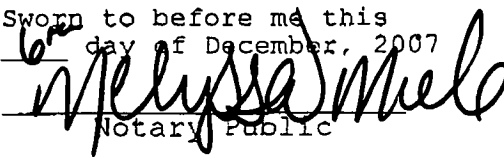
Sworn to before me this
6th day of December, 2007


Notary Public

SPONSOR'S PRINCIPALS:


ANTHONY GURINO

Sworn to before me this
6th day of December, 2007


Notary Public

*Cross Island Plaza
133-33 Brookville Blvd.*

Suite 208

Rosedale, NY 11422

Tel: 718 276.9200

Fax: 718 276.0722

INFO@IMA-Architects.com

April 8, 2008

CERTIFICATION OF SPONSOR'S ENGINEER PURSUANT TO
PART 20.4 OF THE REGULATIONS ISSUED PURSUANT TO
GENERAL BUSINESS LAW ARTICLE 23-A AS AMENDED

Re: The 122 Newton Condominium
122 Newton 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 examined the building plans and specifications that were prepared by May 29, 2007, dated December 10, 2007, and prepared the Report dated December 10, 2007, and revised on April 2, 2008, a copy of which is intended to be incorporated into the Offering Plan so that prospective purchasers may rely upon the Report.

I am a Professional Engineer 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 the Report.

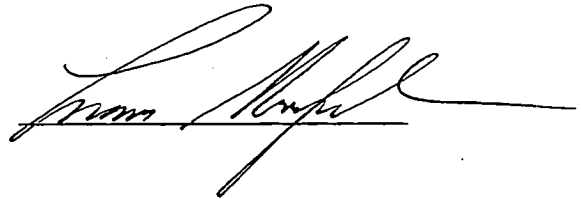
I have read the entire Report and investigated the facts set forth therein and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report does:

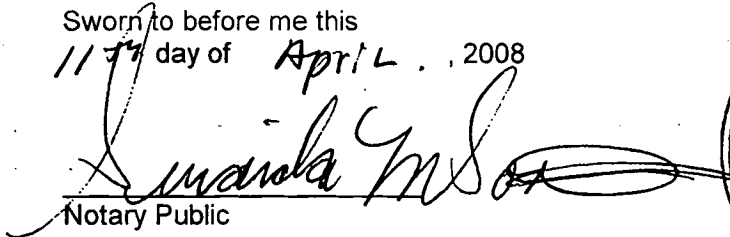
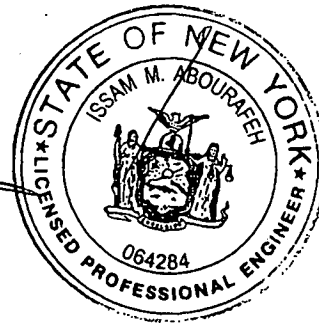
- (i) set forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- (ii) in our professional opinion afford potential investors, 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 accordance with the plans and specifications that 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 representation or statement which is false; where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth;
 - (d) did not have knowledge concerning the representation or statement made.

I further certify that I am not owned or controlled by, and have no beneficial interest in the Sponsors, and that my compensation for preparing this 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 to warranty of the physical condition of the property.



Sworn to before me this
11th day of April, 2008


Notary Public

SENAIDA MONICA SANTE
COMMISIONER
CITY OF NEW YORK
CERTIFICATE FILED IN NEW YORK
COMMISSION EXPIRES 3/1/10

338 East 92nd Street • New York, N.Y. 10128
212-534-3131 • Fax: 212-534-6237
www.SalonRealty.com

**CERTIFICATION OF ADEQUACY OF BUDGET
PURSUANT TO SEC. 20
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

Attention: Real Estate Financing Bureau

Re: The 122 Newton Condominium
122 Newton Street, Brooklyn, New York

The undersigned, certify as follows:

The Sponsor of the condominium offering plan for the captioned property retained our firm to prepare Schedule B containing projections of income and expenses for the first year of condominium operation. Our experience in this field includes the management of approximately 30 buildings including condominiums located at 366 West 11th Street, 50 Orchard Street and 305 East 4th Street and four cooperatives (331-333 East 92nd Street, 330 East 90th Street, 165 Perry Street, and 328 East 94th Street) in the Borough of Manhattan, City of New York. We are familiar with the prices, practices and procedures in the area of this Condominium.

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 Schedule B.

We have prepared the Schedule and investigated the facts set forth in the Schedule 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 Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

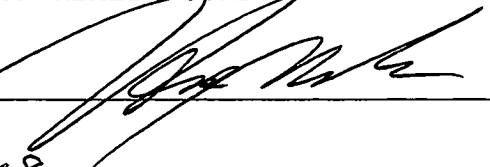
We certify that the Schedule:

- (i) sets forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth, or
 - (d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expense for the first year of condominium operation.

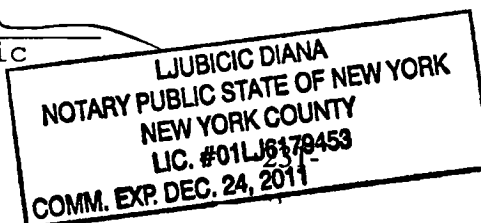
This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

SALON REALTY CORP.

By: 

Sworn to before me this
20 day of ~~December, 2007~~ Feb, 2008


Notary Public



COUNSEL PRESS
520 EIGHTH AVENUE, NEW YORK, NEW YORK 10018
(212) 685-9800; (716) 852-9800; (800) 4-APPEAL

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