

CONDOMINIUM OFFERING PLAN

THE LISTA CONDOMINIUM

5306 Fourth Avenue
Brooklyn, New York 11220

TOTAL OFFERING - \$2,462,000.00

8 Units

Sponsor:

M.G.H. Development LLC
444 67th Street
Brooklyn, New York 11220

The Date of Acceptance for Filing is March 27, 2009. This Plan may not be used after March 27, 2010, unless extended by amendment.

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

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

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

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

Prepared by:
Marans Weisz, & Newman LLC
29 Broadway, Suite 2400
New York, New York 10006

**SEVENTH AMENDMENT TO CONDOMINIUM OFFERING PLAN
FOR**

THE LISTA CONDOMINIUM
5306 Fourth Avenue Brooklyn, New York

Sponsor: M.G.H. Development LLC

File No: CD08-0403

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE CONDOMINIUM OFFERING PLAN FOR THE ABOVE PREMISES ("PLAN") DATED MARCH 27th, 2009 AND SHOULD BE READ IN CONJUNCTION WITH THE PLAN.

The Plan for the Lista Condominium, accepted for filing on March 27th, 2009 as amended by the First Amendment to the Plan, filed with the Department of Law on January 25th, 2010, as amended by the Second Amendment to the Plan, filed with the Department of Law on March 31, 2010, as amended by the Third Amendment, filed with the Department of Law on October 15, 2010, as amended by the Fourth Amendment, filed with the Department of Law on March 2, 2011, as amended by the Fifth Amendment, filed with the Department of Law on June 2, 2011, as amended by the Sixth Amendment, filed with the Department of Law on October 18, 2011 is hereby further amended as follows:

1. UPDATED PROJECT INFORMATION

As of the date of submission of this Amendment to the Department of Law, the following Unit is the Unsold Unit currently held by the Sponsor: 4A. The Unsold Unit is not subject to a mortgage.

Control over the Board of Managers was transferred to the Unit Owners at the first meeting of the Board of Managers held on February 7, 2012. The current members of the Condominium Board of Managers are Bryan J. O'Young, President and Secretary, M. George Hansen, Vice President and Qi Sai, Treasurer. M. George Hansen is a principal of the Sponsor. The other members of the Board are Unit Owners.

The aggregate monthly common charge payments for Units held by the Sponsor is \$100.49. The aggregate monthly real estate taxes payable for Units held by the Sponsor is \$29.13. Sponsor is paying its obligations from its personal finances.

No Units owned by the Sponsor are currently occupied by tenants.

Sponsor is current on all financial obligations relating to the Condominium. Sponsor and its principal do not own more than ten percent (10%) of the shares or Units or any other cooperative, condominium or homeowner association.

The amount deposited into the Condominium's working capital fund to date is \$467.49. The bank account for the working capital fund is located at Atlantic Bank of New York, 8010 Fifth Avenue, Brooklyn, New York 11209.

2. Except as otherwise set forth herein there have been no material changes to the Plan.

Date: June 1, 2012

**M.G.H. DEVELOPMENT LLC
SPONSOR**

SIXTH AMENDMENT TO CONDOMINIUM OFFERING PLAN
FOR
THE LISTA CONDOMINIUM
5306 Fourth Avenue Brooklyn, New York

Sponsor: M.G.H. Development LLC

File No: CD08-0403

Date of this Amendment October 18, 2011

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE
CONDOMINIUM OFFERING PLAN FOR THE ABOVE PREMISES ("PLAN") DATED
MARCH 27th, 2009 AND SHOULD BE READ IN CONJUNCTION WITH THE PLAN.

The Plan for the Lista Condominium, accepted for filing on March 27th, 2009 as amended by the First Amendment to the Plan, filed with the Department of Law on January 25th, 2010, as amended by the Second Amendment to the Plan, filed with the Department of Law on March 31, 2010, as amended by the Third Amendment, filed with the Department of Law on October 15, 2010, as amended by the Fourth Amendment, filed with the Department of Law on March 2, 2011, as amended by the Fifth Amendment, filed with the Department of Law on June 2, 2011, is hereby further amended as follows:

1. UPDATED CLOSING INFORMATION

The Closing of the first Residential Unit occurred on July 15, 2011 at the offices of Marans Weisz & Newman LLC, 29 Broadway, Suite 2400, New York, New York 10006.

The permanent certificate of occupancy for the Building was issued on May 18th, 2011.

The Declaration was recorded on March 17, 2010 and the First Amendment to the Declaration (correcting an error in Schedule B) was recorded on September 28, 2011. Separate real estate tax assessments with respect to the Units have been made.

The amount deposited into the working capital fund is \$400.71. A bank account for the working capital fund is in the process of being set up at JPMorgan Chase, 5101 Fourth Avenue, Brooklyn, New York 11221.

As of the date of submission of this Amendment to the Department of Law, the following Units are Unsold Units held by the Sponsor: 1A, 2A, 2B, 4A.

The current members of the Condominium Board of Managers are M. George Hansen, President and Treasurer, Arleen Hansen, Vice President and Daniel Weisz, Secretary. M. George Hansen is a principal of the Sponsor. Arleen Hansen and Daniel Weisz are serving as board members at the request of Sponsor.

The first meeting of the Unit Owners has not yet occurred.

2. CORRECTION TO SCHEDULE A

Schedule A to the Offering Plan, as revised by the First Amendment and as set forth in the subsequent amendments prior to this Amendment, inadvertently did not reflect, in the Column entitled "Outdoor Space," the revisions to the Floor Plans contained in the First Amendment with respect to certain of the Units. The correct square footage of the "Outdoor Space" all of which constitute Limited Common Elements is included in the corrected Schedule A set forth below. Except as regards the square footage of the Outdoor Space, the Schedule A, attached hereto, was not modified in any other manner from the Schedule A contained in the prior amendment.

3. NO OTHER MATERIAL CHANGES.

Other than as set forth above, there are no material changes of fact or circumstances that require an Amendment to the Offering Plan.

M.G.H. DEVELOPMENT LLC
SPONSOR OF THE LISTA CONDOMINIUM

SCHEDULE B TO THE DECLARATION OF CONDOMINIUM

Lista Condominium
Block: 814
5306 Fourth Avenue
Brooklyn, New York

Unit No.	Tax Lot Number	Common Interest	Number of Bedrooms/baths	Approx. Unit Area (Sq. Ft.)	Limited Common Elements to which Unit has Access (Sq. Ft.)	Location in Building	Common Elements to which Unit has Access
1A	1001	12.77 %	0/1.5	709 sf	Areaway (7 sq. ft.)	First Floor and Cellar	Corridor, Lobby
1B	1002	20.41 %	1/1.5	1020 sf	Areaway (294 sq. ft.) Rear Yard (324 sq. ft.)	First Floor and Cellar	Corridor, Lobby
2A	1003	9.81 %	1/1	549 sf	Ledge (8 sq. ft.)	Second Floor	Corridor, Stairwell
2B	1004	10.08 %	1/1	529 sf	Balcony (50 sq. ft.)	Second Floor	Corridor, Stairwell
3A	1005	9.81 %	1/1	549 sf	Balcony (30 sq. ft.)	Third Floor	Corridor, Stairwell
3B	1006	10.08 %	1/1	529 sf	Balcony (50 sq. ft.)	Third Floor	Corridor, Stairwell
4A	1007	13.39 %	1/1	731 sf	Balcony (30 sq. ft.) Roof Deck (130 sq. ft.)	Fourth Floor and Mezz	Corridor, Stairwell
4B	1008	13.65 %	1/1	717 sf	Balcony (50 sq. ft.) Roof Deck (128 sq. ft.)	Fourth Floor and Mezz	Corridor, Stairwell
Total		100.0000 %					

FIFTH AMENDMENT TO CONDOMINIUM OFFERING PLAN
FOR
THE LISTA CONDOMINIUM
5306 Fourth Avenue Brooklyn, New York

Sponsor: M.G.H. Development LLC

File No: CD08-0403

Date of this Amendment: June 2, 2011

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE CONDOMINIUM OFFERING PLAN FOR THE ABOVE PREMISES ("PLAN") DATED MARCH 27th, 2009 AND SHOULD BE READ IN CONJUNCTION WITH THE PLAN.

The Plan for the Lista Condominium, accepted for filing on March 27th, 2009 as amended by the First Amendment to the Plan, filed with the Department of Law on January 25th, 2010, as amended by the Second Amendment to the Plan, filed with the Department of Law on March 31, 2010, as amended by the Third Amendment, filed with the Department of Law on October 15, 2010, as amended by the Fourth Amendment, filed with the Department of Law on March 2, 2011, is hereby further amended as follows:

1. UPDATED PROJECT INFORMATION.

The final Certificate of Occupancy was issued for the Building on May 18 2011. Sponsor now expects that the first closing will occur on or about July 1, 2011. If the first closing does not occur before October 31, 2011, then Sponsor will offer rescission to all persons in contract as of the date of this Amendment.

2. BUDGET FOR FIRST YEAR OF OPERATIONS

Attached to this Amendment as Exhibit A is a new Schedule B, Budget for First Year of Operation. The Budget only differs from the Budget contained in the Plan in that the First Year of Operation commences July 1, 2011.

3. UPDATED CERTIFICATION OF BUDGET

Attached to this Amendment as Exhibit B is an updated Certification of Adequacy of Budget, prepared by Leonard Dahl, dated May 11, 2011.

4. DECLARING PLAN EFFECTIVE.

The Plan is hereby declared effective pursuant to the terms of the section of the Plan entitled "Effective Date" as amended by this Amendment. Sponsor has accepted purchase agreements from bona fide purchasers for twenty-five percent (25%) of the Units in the Building. No purchase agreement counted towards effectiveness is subject to an outstanding right to rescind. An affidavit of Sponsor's principal setting forth the basis for declaring the Plan effective is annexed hereto as Exhibit C.

5. NO OTHER MATERIAL CHANGES.

Other than as set forth above, there are no material changes of fact or circumstances that require an Amendment to the Offering Plan.

M.G.H. DEVELOPMENT LLC
SPONSOR OF THE LISTA CONDOMINIUM

EXHIBIT A

SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF OPERATION
OF THE LISTA CONDOMINIUM
BEGINNING JULY 1, 2011

INCOME (1)

Common Charges	\$ 9,006.93
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EXPENSES (1)

Utilities (2).....	\$ 1,068.00
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Water Charges and Sewer Rents (3)	\$ 2,000.00
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Repairs, Maintenance and Supplies (4)	\$ 700.00
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Fire/Liability Insurance (5).....	\$ 1,454.93
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Management Fees (6)	\$ 0.00
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Legal Fees and Audit Fees (7).....	\$ 1,500.00
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Contingency Fund (8).....	\$ 2,284.00
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TOTAL	\$ 9,006.93
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**Leonard P. Dahl
568 Foster Road
Staten Island, New York 10309**

May 11, 2011

The Lista Condominium
c/o M.G.H. Development LLC
444 67th Street
Brooklyn, New York 11220

Re: The Lista Condominium
5306 Fourth Avenue, Brooklyn, New York

Ladies/Gentlemen:

The undersigned certify as follows:

The Sponsor of the Condominium Offering Plan for the captioned property retained my firm to review an updated Schedule B, containing projections of income and expenses for the first year of condominium operation of The Lista Condominium. I am a certified residential real estate broker, consultant and appraiser for over 40 years. I am familiar with the condominium market in the vicinity of the captioned property.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to Schedule B.

I have reviewed 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. I also have relied on my experience as a residential real estate broker, consultant and appraiser.

I certify that the projections contained 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.

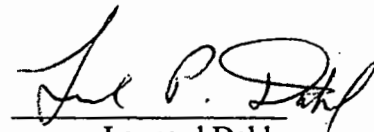
I certify that the Schedule:

EXHIBIT B

- (i) sets forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where 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 are not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation. This certification is made under penalty or perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.


Leonard Dahl

Sworn to before me this
16 day of May, 2011

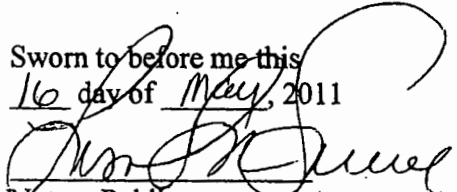

Notary Public **LYNN M. SIMONE**
Notary Public, State of New York
No. 01S15074108
Qualified in Richmond County
Commission Expires March 10 2015

EXHIBIT C

STATE OF NEW YORK)

:ss.:

COUNTY OF NEW YORK)

M. George Hansen, being duly sworn, deposes and says:

1. That I am the Member and Principal of M.G.H. Development LLC., the Sponsor-Seller under the Offering Plan to convert premises 5306 Fourth Avenue, Brooklyn, New York to condominium ownership.

2. The Offering Plan was accepted for filing on March 27th, 2009.

3. All purchasers who are counted for purposes of declaring the Plan effective are bona fide purchasers and are not purchasing as an accommodation to, or for the account or benefit of the Sponsor or principals of Sponsor. They have duly executed Purchase Agreements and have paid the full down payment as required in the Procedure to Purchase section of the Offering Plan.

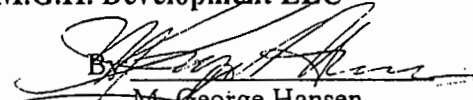
4. There are no material changes to the Budget for the first year of operation which has not been disclosed in a duly filed amendment to the Offering Plan.

5. No purchaser counted toward effectiveness is the Sponsor, Selling Agent, Managing Agent or a principal of the Sponsor, Selling Agent or Managing Agent or related to the Sponsor, Selling Agent or Managing Agent or to any principal of the Sponsor, Selling Agent or Managing Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner.

6. Sponsor has accepted Purchase Agreements for two (2) Units from bona fide purchasers constituting twenty-five percent (25%) of the Units offered under the Plan

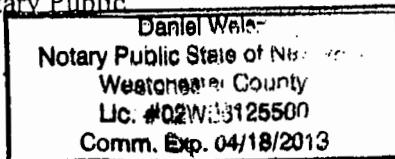
7. Attached to this affidavit as an Exhibit is a list of the Units which are being counted toward effectiveness to meet the minimum percentage.

M.G.H. Development LLC

By 
M. George Hansen
as its Managing Member

Sworn to before me this
12th day of May, 2011.

Notary Public



Unit	Price	Date of Purch Agr.	Amount of Deposit if Less Than 15%	Date Dep. Paid if Different From P.A.	Purchasers Counted Toward Effectiveness
1B	\$ 359,000	5/4/2011	\$17,950		
2B	\$ 239,000	5/9/2011	\$12,000		

FOURTH AMENDMENT
To the Condominium Offering Plan for

LISTA CONDOMINIUM
5306 Fourth Avenue
Brooklyn, New York

File No. CD08-0403

Dated: March 2, 2011

The Offering Plan for the Lista Condominium, accepted for filing on March 27th, 2009 as amended by the First Amendment to the Plan, filed with the Department of Law on January 25th, 2010, as amended by the Second Amendment to the Plan, filed with the Department of Law on March 31, 2010, as amended by the Third Amendment to the Plan, filed with the Department of Law on October 15, 2010, is hereby further amended as follows:

RIGHTS OF RESCISSION FOR ALL PURCHASERS

1. Due to the expiration of the period under the Plan in which the First Closing was to occur, each Purchaser who has signed a Purchase Agreement is hereby granted the right to rescind its Purchase Agreement and receive a refund of its Deposit together with all interest earned thereon, if any. In order to exercise such right, a Purchaser shall be required to deliver to Sponsor's Attorney, Marans, Weisz & Newman LLC, 29 Broadway, Suite 2400, New York, New York 10006, within fifteen (15) days from the presentation date of this Amendment, a completed and fully executed "Election of the Right to Rescind Purchase Agreement Form", a copy of which is attached to this Amendment. With respect to any Purchaser who elects to rescind the Purchase Agreement, the Escrow Agent shall deliver to such Purchaser's attorney within ten (10) days from Escrow Agent's receipt of such election, all monies held by the Escrow Agent with respect to the purchase price for the Unit plus all interest earned on such Deposit, if any.

2. Purchasers who do not elect to exercise the right to rescind their Purchase Agreements will be required to execute and deliver at or before Closing the attached form entitled, "Waiver of the Right to Rescind Purchase Agreement".

M.G.H. Development LLC,
Sponsor of the Lista Condominium

WAIVER OF THE RIGHT TO RESCIND PURCHASE AGREEMENT

RE: LISTA CONDOMINIUM, 5306 Fourth Avenue, Brooklyn, New York

DATE: _____

PURCHASER'S NAME: _____

UNIT NUMBER: _____

TO: M.G.H. Development LLC (SPONSOR)
444 67th Street
Brooklyn, NY 11220

PLEASE TAKE NOTICE, that the undersigned hereby waives the right to rescind the Purchase Agreement and waives the right to receive a refund of the Downpayment and any interest earned thereon, in accordance with the Terms of the Fourth Amendment to the Offering Plan for the Lista Condominium, an Offering Plan to convert Premises 5306 Fourth Avenue, Brooklyn, New York to Condominium Ownership.

Sign Above and Print Name Here: _____ (PURCHASER)

Sign Above and Print Name Here: _____ (PURCHASER)

ELECTION OF THE RIGHT TO RESCIND PURCHASE AGREEMENT FORM

RE: LISTA CONDOMINIUM, 5306 Fourth Avenue, Brooklyn, New York

DATE: _____

PURCHASER'S NAME: _____

UNIT NUMBER: _____

TO: M.G.H. Development LLC (SPONSOR)
444 67th Street
Brooklyn, NY 11220

with a copy to:

Marans & Weisz LLP (Escrow Agent)
29 Broadway-Suite 2400
New York, New York 10006
Attn: Stephanie Tsolis, Esq.

PLEASE TAKE NOTICE, that the undersigned hereby elects to rescind the Purchase Agreement for the captioned Unit and to receive a refund of the Downpayment and any interest earned thereon, in accordance with the Terms of the Fourth Amendment to the Offering Plan for the Lista Condominium, an Offering Plan to convert Premises 5306 Fourth Avenue, Brooklyn, New York to Condominium Ownership. Please forward such refund to my attorney indicated on the front page of the Purchase Agreement by escrow check made payable to the undersigned.

Sign Above and Print Name Here: _____ (PURCHASER)

Sign Above and Print Name Here: _____ (PURCHASER)

THIRD AMENDMENT TO CONDOMINIUM OFFERING PLAN
FOR
THE LISTA CONDOMINIUM
5306 Fourth Avenue Brooklyn, New York

Sponsor: M.G.H. Development LLC

File No: CD08-0403

Date of this Amendment: October 15, 2010

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE
CONDOMINIUM OFFERING PLAN FOR THE ABOVE PREMISES ("PLAN") DATED
MARCH 27th, 2009 AND SHOULD BE READ IN CONJUNCTION WITH THE PLAN.

The Plan for the Lista Condominium, accepted for filing on March 27th, 2009 as amended by the
First Amendment to the Plan, filed with the Department of Law on January 25th, 2010, as
amended by the Second Amendment to the Plan, filed with the Department of Law on March 31,
2010, is hereby further amended as follows:

1. UPDATED SPONSOR AND CLOSING INFORMATION.

No Units have been sold as of the date of this Amendment.

Sponsor is paying all common charges and real estate taxes for the Units. Sponsor is
current on all other financial obligations relating to the Condominium.

No tenants are occupying any of the Units.

Neither Sponsor nor its principal is currently the sponsor of any other cooperative,
condominium or homeowner association.

Sponsor now expects that the Building will be completed on or about October 1, 2010.
Sponsor now expects that the first closing will occur on or before November 1, 2010.

2. BUDGET FOR FIRST YEAR OF OPERATIONS

Attached to this Amendment as Exhibit A is a new Schedule B, Budget for First Year of
Operation. The Budget only differs from the Budget contained in the Plan in that the First Year
of Operation commences November 1, 2010.

3. UPDATED CERTIFICATION OF BUDGET

Attached to this Amendment as Exhibit B is an updated Certification of Adequacy of Budget, prepared by Leonard Dahl, dated September 13, 2010.

4. NO OTHER MATERIAL CHANGES.

Other than as set forth above, there are no material changes of fact or circumstances that require an Amendment to the Offering Plan.

M.G.H. DEVELOPMENT LLC
SPONSOR OF THE LISTA CONDOMINIUM

EXHIBIT A

SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF OPERATION
OF THE LISTA CONDOMINIUM
BEGINNING NOVEMBER 1, 2010

INCOME (1)

Common Charges	\$ 9,006.93
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EXPENSES (1)

Utilities (2).....	\$ 1,068.00
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Water Charges and Sewer Rents (3)	\$ 2,000.00
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Repairs, Maintenance and Supplies (4)	\$ 700.00
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Fire/Liability Insurance (5).....	\$ 1,454.93
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Management Fees (6)	\$ 0.00
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Legal Fees and Audit Fees (7).....	\$ 1,500.00
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Contingency Fund (8).....	\$ 2,284.00
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TOTAL	\$ 9,006.93
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EXHIBIT B

**Leonard P. Dahl
568 Foster Road
Staten Island, New York 10309**

September 13, 2010

**The Lista Condominium
c/o M.G.H. Development LLC
444 67th Street
Brooklyn, New York 11220**

**Re: The Lista Condominium
5306 Fourth Avenue, Brooklyn, New York**

Ladies/Gentlemen:

The undersigned certify as follows:

The Sponsor of the Condominium Offering Plan for the captioned property retained my firm to review an updated Schedule B, containing projections of income and expenses for the first year of condominium operation of The Lista Condominium. I am a certified residential real estate broker, consultant and appraiser for over 40 years. I am familiar with the condominium market in the vicinity of the captioned property.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to Schedule B.

I have reviewed 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. I also have relied on my experience as a residential real estate broker, consultant and appraiser.

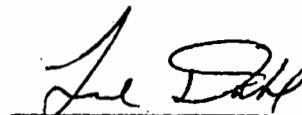
I certify that the projections contained in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedule:

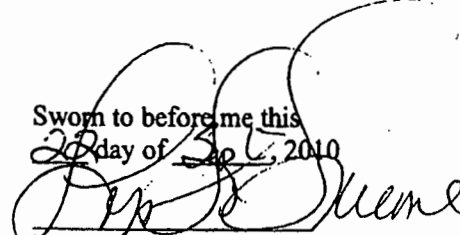
- (i) sets forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) does not omit any 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 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 are not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation. This certification is made under penalty or perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.


Leonard Dahl

Sworn to before me this
22 day of Sept, 2010


Notary Public
LYNN M. SIMONE
Notary Public, State of New York
No. 01S15074108
Qualified in Richmond County
Commission Expires March 10 2011

SECOND AMENDMENT TO CONDOMINIUM OFFERING PLAN
FOR
THE LISTA CONDOMINIUM
5306 Fourth Avenue Brooklyn, New York

Sponsor: M.G.H. Development LLC

File No: CD08-0403

Date of this Amendment: March 31, 2010

THIS AMENDMENT MODIFIES AND SUPPLEMENTS THE TERMS OF THE
CONDOMINIUM OFFERING PLAN FOR THE ABOVE PREMISES ("PLAN") DATED
MARCH 27th, 2009 AND SHOULD BE READ IN CONJUNCTION WITH THE PLAN.

The Plan for the Lista Condominium, accepted for filing on March 27th, 2009 as amended by the
First Amendment to the Plan, filed with the Department of Law on January 25th, 2010, is hereby
further amended as follows:

1. DECLARING PLAN EFFECTIVE.

The Plan is hereby declared effective pursuant to the terms of the section of the Plan
entitled "Effective Date" as amended by this Amendment. Sponsor has accepted purchase
agreements from bona fide purchasers for twenty-five percent (25%) of the Units in the Building.
No purchase agreement counted towards effectiveness is subject to an outstanding right to
rescind. An affidavit of Sponsor's principal setting forth the basis for declaring the Plan
effective is annexed hereto as Exhibit A.

2. NO OTHER MATERIAL CHANGES.

Other than as set forth above, there are no material changes of fact or circumstances that
require an Amendment to the Offering Plan.

M.G.H. DEVELOPMENT LLC
SPONSOR OF THE LISTA CONDOMINIUM

STATE OF NEW YORK)

:ss.:

COUNTY OF NEW YORK)

M. George Hansen, being duly sworn, deposes and says:

1. That I am the Member and Principal of M.G.H. Development LLC., the Sponsor-Seller under the Offering Plan to convert premises 5306 Fourth Avenue, Brooklyn, New York to condominium ownership.

2. The Offering Plan was accepted for filing on March 27th, 2009.

3. All purchasers who are counted for purposes of declaring the Plan effective are bona fide purchasers and are not purchasing as an accommodation to, or for the account or benefit of the Sponsor or principals of Sponsor. They have duly executed Purchase Agreements and have paid the full down payment as required in the Procedure to Purchase section of the Offering Plan.

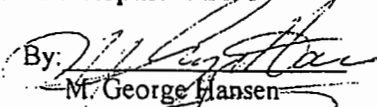
4. There are no material changes to the Budget for the first year of operation which has not been disclosed in a duly filed amendment to the Offering Plan.

5. No purchaser counted toward effectiveness is the Sponsor, Selling Agent, Managing Agent or a principal of the Sponsor, Selling Agent or Managing Agent or related to the Sponsor, Selling Agent or Managing Agent or to any principal of the Sponsor, Selling Agent or Managing Agent by blood, marriage or adoption or as a business associate, an employee, a shareholder or a limited partner.

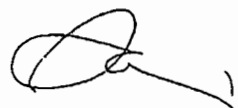
6. Sponsor has accepted Purchase Agreements for two (2) Units from bona fide purchasers constituting twenty-five percent (25%) of the Units offered under the Plan

7. Attached to this affidavit as an Exhibit is a list of the Units which are being counted toward effectiveness to meet the minimum percentage.

M.G.H. Development LLC

By: 
M. George Hansen
as its Managing Member

Sworn to before me this
17th day of March, 2010.


Notary Public

Daniel Weisz
Notary Public State of New York
Westchester County
Lic. #02WE6125500
Comm. Exp. 04/19/2013

**SCHEDULE OF PURCHASERS AND RELATED INFORMATION ATTACHED
TO AFFIDAVIT CONCERNING DECLARING THE PLAN EFFECTIVE**

Unit	Price	Date of Purch Agr.	Amount of Deposit if Less Than 15%	Date Dep. Paid if Different From P.A.	Purchasers Counted Toward Effectiveness
1B	\$ 359,000	2/22/2010	\$ 15,000		
4A	\$ 339,000	2/22/2010	\$ 15,000		

AMENDMENT NO. 1
To the Condominium Offering Plan for

LISTA CONDOMINIUM
53-06 Fourth Avenue
Brooklyn, New York 11220

File No. CD08-0403

Dated: January 25, 2010

The Offering Plan for the Lista Condominium, accepted for filing by the Department of Law on March 27, 2009 (the "Plan") is hereby amended as follows:

A. FLOOR PLANS

Attached to this Amendment as Exhibit A is a set of revised Floor Plans. The Floor Plans have been revised to reflect the following changes: relocation of full bathrooms in certain Units; change in kitchen layouts; relocation of laundry room closets in certain Units; addition of small pantry closets adjacent to the kitchen areas in all Units; and relocation of stairs to the mezzanine areas.

B. PROJECTED DATE OF 1ST CLOSING

The projected date of the first closing contained in the Section of Part I of the Plan entitled "Procedure to Purchase" is revised to March 1, 2010.

C. ADDENDUM TO ARCHITECT'S REPORT

Attached to this Amendment as Exhibit B is an Addendum to the Architect's Report contained in the Plan. The Addendum specifies, among other changes, changes to the approximate gross square footages of various floors, changes to the approximate square footages of certain Units, a revised estimated date of completion of construction, a change to the composition of one of the interior stairs, changes to the composition of the flooring in the Units and the addition of a laundry area to one Unit.

D. UPDATED ARCHITECT'S CERTIFICATION

Attached to this Amendment as Exhibit C is an updated Architect's Certification accompanying the Addendum to Architect's Report described above.

E. REVISED SCHEDULE A

Attached to this Amendment as Exhibit D is a new Schedule A, Allocation of Common Interests and Purchase Prices, reflecting revisions to the square footages of the Units as shown in the revised floor plans and the Addendum to the Architect's Report. Said revisions to the unit square footages have resulted in revisions to the common interest allocation and projected common charges and real estate taxes.

F. RE-DATED BUDGET FOR FIRST YEAR OF OPERATIONS
COMMENCING MARCH 1, 2010

Attached to this Amendment as Exhibit E is a new Schedule B, Budget for First Year of Operation. The Budget only differs from the Budget contained in the Plan in that the First Year of Operation commences March 1, 2010.

G. UPDATED CERTIFICATION OF BUDGET

Attached to this Amendment as Exhibit F is a new Certification of Adequacy of Budget, prepared by Leonard Dahl, dated January 7, 2010.

H. UPDATED 339i LETTER

Attached to this Amendment as Exhibit G is a new 339i letter, prepared by Leonard Dahl, dated January 7, 2010.

Other than as set forth above, there are no material changes of fact or circumstances that require an Amendment to the Offering Plan.

M.G.H. DEVELOPMENT LLC,
Sponsor of Lista Condominium

LIST OF EXHIBITS

Exhibit A Revised Floor Plans

Exhibit B Addendum to Architect's Report

Exhibit C Updated Architect's Certification

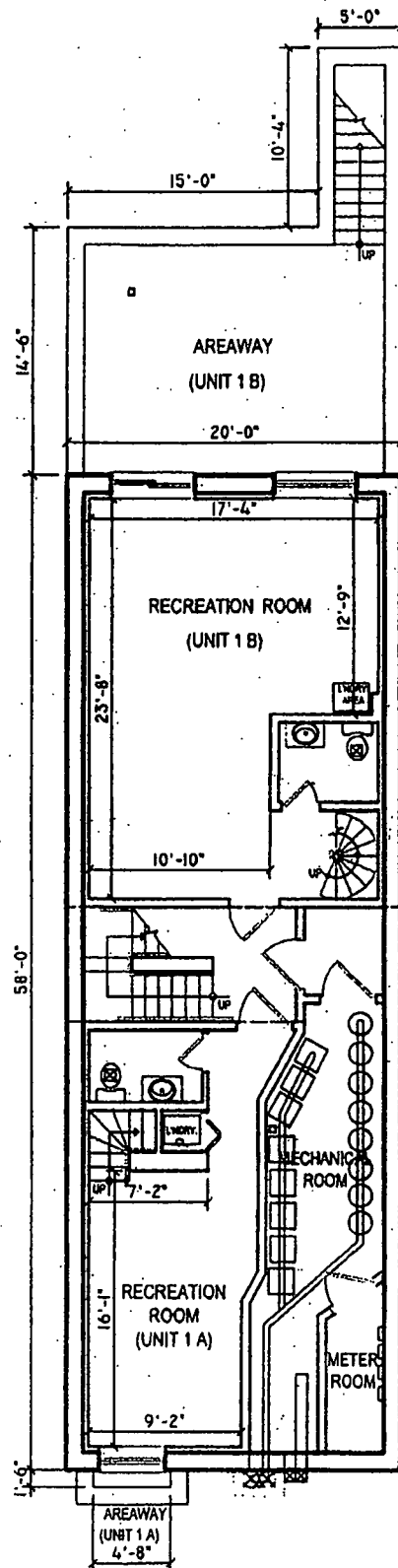
Exhibit D Revised Schedule A, Allocation of Common Interests and Purchase Prices

Exhibit E Revised Schedule B, Budget for First Year of Operation

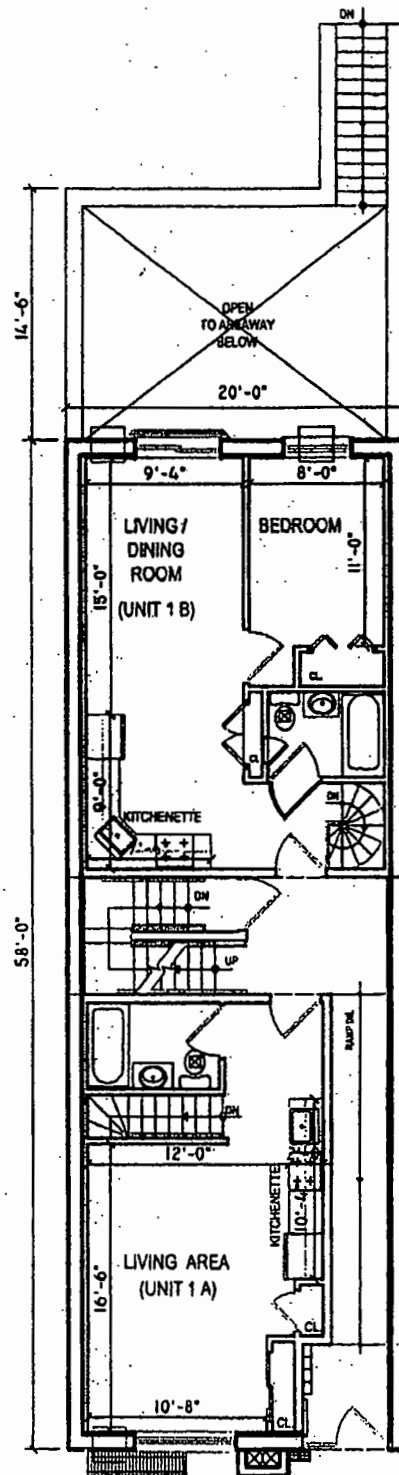
Exhibit F Updated Certification of Adequacy of Budget

Exhibit G Updated 339i Letter

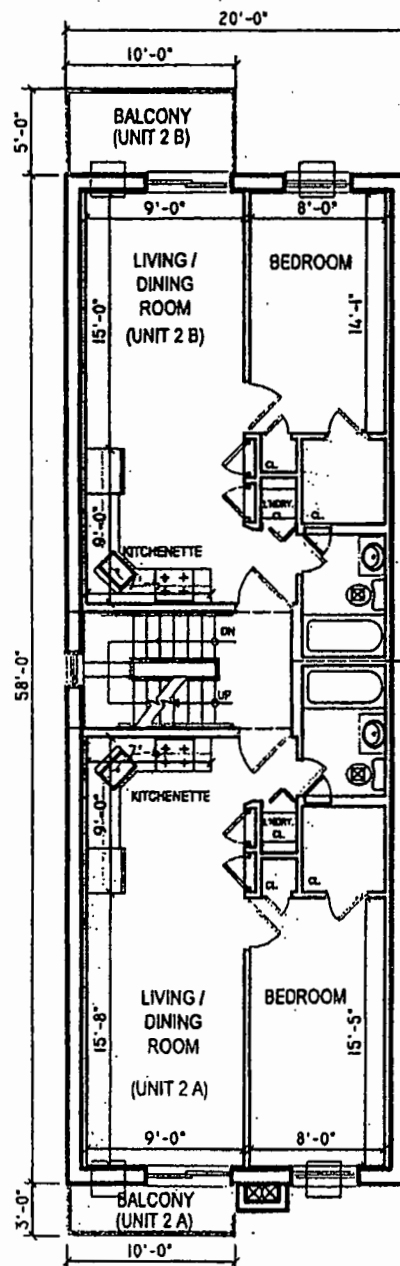
EXHIBIT A



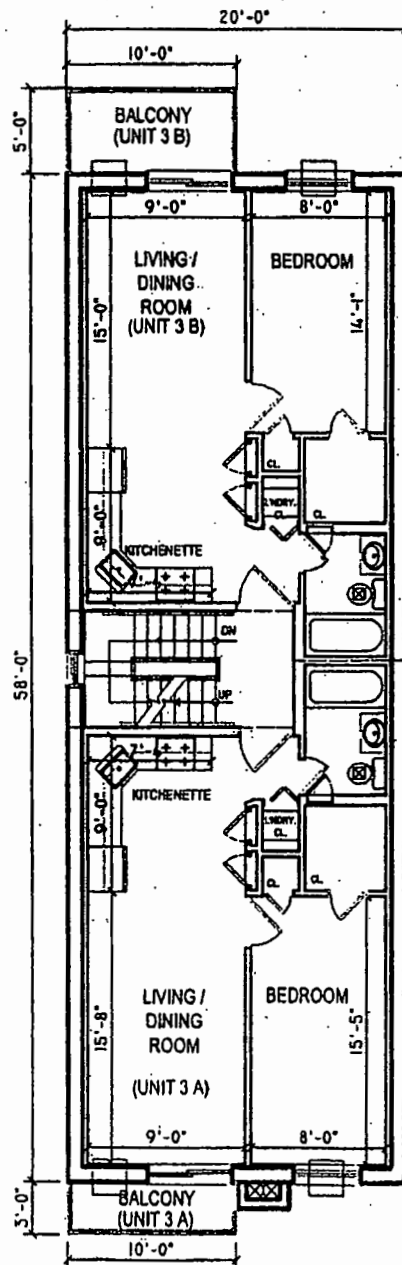
CELLAR FLOOR PLAN



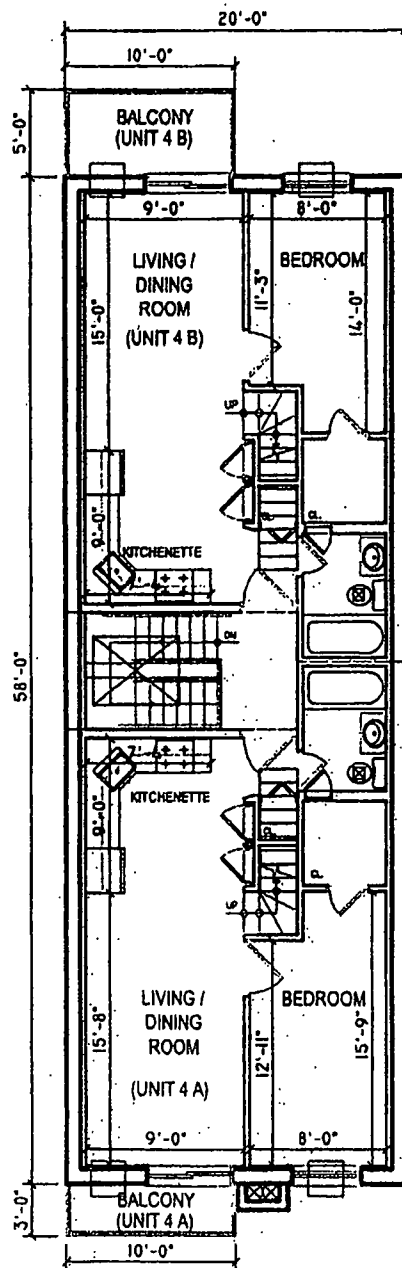
FIRST FLOOR PLAN



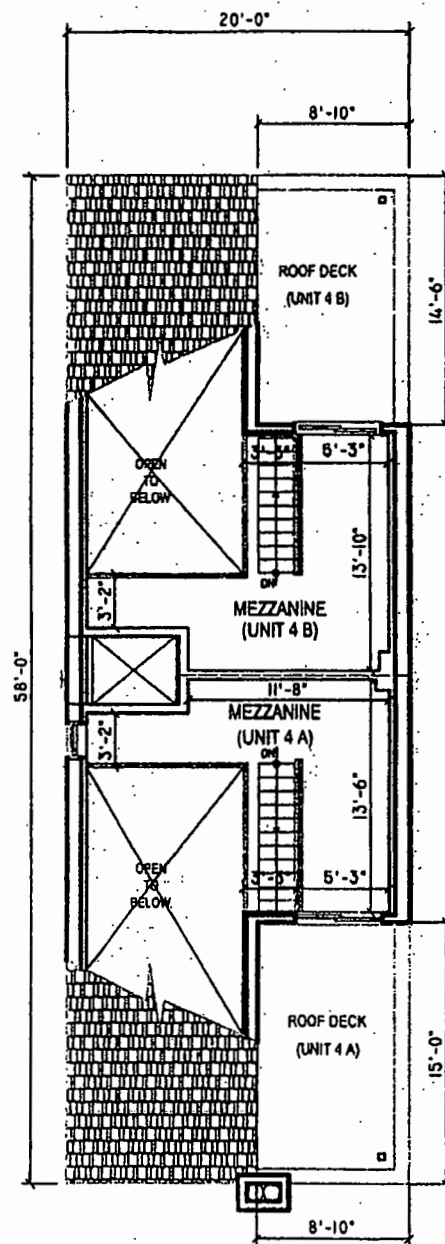
SECOND FLOOR PLAN



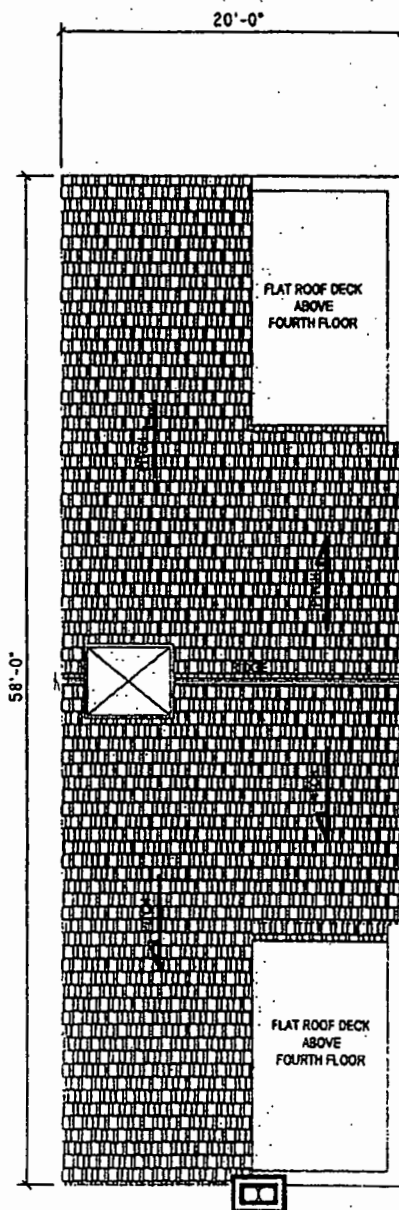
THIRD FLOOR PLAN



FOURTH FLOOR PLAN



MEZZANINE FLOOR PLAN



ROOF PLAN

EXHIBIT B

Udoette Daniel Isiah, R.A.

134 Emily Avenue
Elmont, N.Y. 11003
Phone: (516) 352-2520

ADDENDUM TO ARCHITECT'S REPORT

5306 4th Avenue, Brooklyn, New York

Revised Plot Plan and Floor Plans are herewith submitted to indicate the as built conditions.

The following Sections of the Architect's Report are also hereby revised as follows:

STATUS OF CONSTRUCTION

The building is being constructed as per plans which were filed with and approved by, the Brooklyn Office of the New York City, Department of Buildings. The building plans have been assigned new building application number 301978769.

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

The estimated date of completion is February 16th, 2010.

LANDSCAPING AND ENCLOSURES

The yard area at the front of the building shall be a reinforced, paved, concrete area.

There will be no tree at the sidewalk in front of the property as there is an existing vault located beneath the sidewalk. A tree with a minimum caliper of three inches will be planted at another location as directed by and of a species as determined by the N.Y. City Department of Parks and Recreation.

There will be an open areaway towards the rear of the building which will be excavated to the cellar floor level. The areaway will be enclosed with a reinforced concrete retaining wall. The rest of the rear yard area shall be of compacted earth.

The yard area to the rear will be enclosed with a steel, chain link fence at the perimeter.

BUILDING SIZE

There will be one (1) building with a cellar, four stories and a mezzanine level.

There will be a mechanical equipment room and meter rooms located at the cellar floor level.

The building will be a total height of approximately 53'-0" measured from grade to the top of the ridge of the roof above the mezzanine level.

The lowest level in the building will be the cellar, with a floor to ceiling height of approximately eight (8'-0") feet. The first through fourth floors will each have a floor to ceiling height of approximately nine (9'-0") feet. The mezzanine level will vary in height between approximately seven (7'-0") feet and eleven (11'-0") feet.

The approximate measurements; (gross square footages of each floor) are as follows:

Cellar	approximately = 1,165 sq. ft.
First Floor	approximately = 1,165 sq. ft.
Second Floor	approximately = 1,165 sq. ft.
Third Floor	approximately = 1,165 sq. ft.
Fourth Floor	approximately = 1,165 sq. ft.
Mezzanine	approximately = 374 sq. ft.

WINDOWS

Windows are to be double-glazed and mainly of the casement type, as manufactured by Andersen. Air infiltration rate of windows shall not exceed 0.3 cfm per square foot in compliance with Table E 502.1.4.2 of the New York State Energy Conservation Construction Code. The manufacturer guarantees one year, parts and hardware and five years glazing.

There will be lot line windows located at the second and third floor levels at the common stair hallway and at the mezzanine level of the unit located towards the front of the building. Lot line windows shall be a minimum 1 ½ hour rated fireproof self closing windows, and shall be N.Y. City BSA or MEA approved.

Window sills shall be constructed of masonry. Lintels above window openings shall be of steel fabrication.

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

INTERIOR STAIRS

The common interior stairs shall be of steel pan construction with poured concrete filled treads, steel plate risers supported by steel channel stringers. The stairs shall be fitted with steel pipe handrails. The common interior stair enclosures shall be of steel studs finished with gypsum wallboards on both sides and shall have a minimum fire rating of two hours.

Interior stairs within units shall be mainly of select grade, oak finished, treads and risers. Stringers and handrails shall be of oak finish. The interior stair at the unit located at the first floor level and part of the cellar, towards the rear of the building shall be a steel, spiral stair.

UNITS

The condominium will consist of eight (8) residential units.

There will be two residential units located at each of the first through fourth floors. Parts of the cellar floor will be used in conjunction with the units at the first floor level. The mezzanine level will be used in conjunction with the units at the fourth floor level.

Unit 1A will consist of:

Living / Dining / Sleeping area; one and one half (1 ½) bathrooms, kitchenette recreation room and laundry closet;

Unit 1B; will consist of:

One (1) bedroom; one and one half (1 ½) bathrooms, living / dining area, kitchenette, recreation room and open laundry area;

Units 2A and 2B; will each consist of:

One (1) bedroom, one and (1) bathroom, living / dining area, kitchenette and laundry closet;

Units 3A and 3B; will each consist of:

One (1) bedroom, one and (1) bathroom, living / dining area, kitchenette and laundry closet;

Units 4A and 4B; will each consist of:

One (1) bedroom, one and (1) bathroom, living / dining area, kitchenette, mezzanine and laundry closet;

UNIT SIZES

The dimensions indicated are approximate and are located: horizontally; approximately to the outside face of the masonry work at the exterior walls of the building and approximately to the outside face (non-unit side) of the walls and partitions (dividing the units from corridors, stairs and mechanical spaces). Dimensions shall be to the centerline when a partition divides two units.

The approximate square footages for each unit are as follows:

<u>Unit 1A</u>	Cellar Floor	= 309 square feet
	First Floor	= 400 square feet
		= 709 square feet
<u>Unit 1B</u>	Cellar Floor	= 510 square feet
	First Floor	= 510 square feet
		= 1,020 square feet
<u>Unit 2A</u>	Second Floor	= 549 square feet
<u>Unit 2B</u>	Second Floor	= 529 square feet
<u>Unit 3A</u>	Third Floor	= 549 square feet
<u>Unit 3B</u>	Third Floor	= 529 square feet
<u>Unit 4A</u>	Fourth Floor	= 549 square feet
	Mezzanine	= 182 square feet
		= 731 square feet
<u>Unit 4B</u>	Fourth Floor	= 529 square feet
	Mezzanine	= 188 square feet
		= 717 square feet

UNIT INTERIORS

The units will be finished as described herein.

The finished floor of the living, dining and bedroom areas of the residential units shall be an engineered, hardwood, finished flooring of 4" x 8" oak planks, pre finished with polyurethane. Thereafter unit owners may finish with carpeting or another material of their own choice and at their own expense.

The walls and ceilings of residential units shall be of gypsum wallboard. The walls and ceilings shall be finished with at least one primer coat and one finished coat of paint. Thereafter the unit owners may decorate by finishing with paint, wallpaper, paneling, etc. of their own choice.

Residential kitchens shall have an engineered, hardwood, finished flooring of 4" x 8" oak planks, pre finished with polyurethane, and gypsum wallboard walls and ceilings. The walls and ceilings shall be finished with at least one primer coat and one finished coat of paint.

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

There shall be at least one centrally located, overhead, incandescent, lighting fixture, provided in each bedroom, living room, kitchen and bathroom within each residential unit. There shall also be an overhead fixture provided in hallways within the units. Each lighting fixture shall be capable of providing at least 60 watts of incandescent illumination.

Lighting fixtures and electrical outlets shall be installed by a licensed electrician, and in compliance with the N.Y. City Electrical Code and the N.Y. City Building Code.

FINISHES

When completed, the following interior finishes will be installed.

	<u>Location</u>	<u>Floors</u>	<u>Base</u>	<u>Walls</u>	<u>Ceilings</u>
1.	Living/Dining Room	Wood	Wood	G.W.B. Painted	G.W.B. Painted
2.	Bedroom	Wood	Wood	G.W.B. Painted	G.W.B. Painted
3.	Kitchen	Wood	Wood	G.W.B. Painted	G.W.B. Painted
4.	Bathroom	Tile	Tile	Tile/G.W.B. Painted	G.W.B. Painted
5.	Laundry, Cl.	Wood	Wood	G.W.B. Painted	G.W.B. Painted
6.	Mech. & Meter Rooms	Concrete	Mas./G.W.B.	Masonry	G.W.B. Painted

Note:

G.W.B : Denotes Gypsum Wallboard

Cl. : Denotes Closet

Mas. : Denotes Masonry

Mech. : Denotes Mechanical

All appliances not specified within this report are to be supplied by the unit occupant

Dated: January 6th, 2010



UDOETTE DANIEL ISIAH, R.A.
N.Y.S. LIC. NO. 026445

135 EMILY AVENUE
ELMONT, N.Y. 11003
Phone # (516) 352-2520

EXHIBIT C

Udoette Daniel Isiah, R.A.

134 Emily Avenue
Elmont, N.Y. 11003
Phone: (516) 352-2520

**CERTIFICATION BY SPONSOR'S ARCHITECT
PURSUANT TO PART 20.4 OF THE REGULATIONS
ISSUED PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED**

Department of Law of
The State of New York
120 Broadway, 23rd Floor
New York, New York 10271
Attention: Real Estate Financing Bureau

Re: 5306 4th Avenue
Brooklyn, New York

The Sponsor of the Offering Plan to convert the captioned property to condominium ownership has retained our firm to prepare a report describing the construction and/or renovation of the property (hereinafter "the Report"). I visually inspected existing portions of the renovated property, if any on December 15th, 2009, and prepared the Addendum to the Report dated, January 6th, 2010, a copy of which is intended to be incorporated into the Offering Plan, so that prospective purchasers may rely thereupon. I am a licensed Architect, registered in the State in which the property is located.

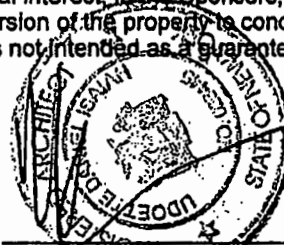
I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20, insofar as they are applicable to this "Report".

I have read the entire Report and investigated the facts set forth therein and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made. I certify that the Report does:

- (i) set forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications which I examined.
- (ii) in my professional opinion, afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of construction provided that construction is in accord with the plans and specifications which I examined.
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, or suppression;

- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances.
- (vii) not contain any statement or representation which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth;
or
 - (d) did not have knowledge concerning the representation or statements made.

I further certify that I am not owned or controlled by, and have no beneficial interest, in the Sponsors, and that my compensation for preparing the Report is not contingent on the conversion of the property to condominium ownership, or on the profitability or price of the Offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.



UDOETTE DANIEL ISIAH, R.A.
N.Y.S. LIC. NO.

135 EMILY AVENUE
ELMONT, N.Y. 11003
Phone # (516) 352-2520

Sworn to before me this:

27th day of January, 2010

Notary Public

EXHIBIT D

LISTA CONDOMINIUM SCHEDULE A
FIRST YEAR OF CONDOMINIUM OPERATION
March 1, 2010 through February 28, 2011

Unit Designation	No of Bedrooms/Bathrooms (1)	Approximate Unit Square Footage (2)	Outdoor space SQ. Ft. Area	Offering Price (3)	Common Interest % (4)	Est. Monthly Common Charges (5)	Projected Monthly Real Estate Taxes with 421-a Benefits (6)	Projected Monthly Real Estate Taxes w/o 421-a Benefits (7)	Projected Total Carrying Charges with 421-a benefits (8)	Projected Total Carrying Charges w/o 421-a benefits (9)
1A	0/1.5	709	5(A)	\$ 239,000.00	12.91%	\$ 96.93	\$ 17.46	\$ 236.11	\$ 114.39	\$ 333.04
1B	1/1.5	1020	29D(A)	\$ 389,000.00	19.86%	\$ 149.10	\$ 26.85	\$ 363.18	\$ 175.95	\$ 512.28
2A	1/1	549	30 (B)	\$ 269,000.00	10.12%	\$ 75.95	\$ 13.68	\$ 185.00	\$ 89.63	\$ 260.95
2B	1/1	529	50 (B)	\$ 269,000.00	9.85%	\$ 73.90	\$ 13.31	\$ 180.01	\$ 87.21	\$ 253.91
3A	1/1	549	30 (B)	\$ 269,000.00	10.12%	\$ 75.95	\$ 13.68	\$ 185.00	\$ 89.63	\$ 260.95
3B	1/1	529	50 (B)	\$ 269,000.00	9.85%	\$ 73.90	\$ 13.31	\$ 180.01	\$ 87.21	\$ 253.91
4A	1/1	731	97.19 (B)(R)	\$ 379,000.00	13.73%	\$ 103.08	\$ 18.56	\$ 251.08	\$ 121.64	\$ 354.16
4B	1/1	717	114.59 (B)(R)	\$ 379,000.00	13.56%	\$ 101.76	\$ 18.33	\$ 247.87	\$ 120.09	\$ 349.64
TOTAL		5,333	166.69	\$ 2,462,000.00	100.00%	\$ 750.58	\$ 135.17	\$ 1,828.25	\$ 885.75	\$ 2,578.83

A = Areaway
B = Balcony
R = Roof Deck

EXHIBIT E

SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF OPERATION
OF THE LISTA CONDOMINIUM
BEGINNING MARCH 1, 2010

INCOME (1)

Common Charges	\$ 9,006.93
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EXPENSES (1)

Utilities (2).....	\$ 1,068.00
--------------------	-------------

Water Charges and Sewer Rents (3)	\$ 2,000.00
---	-------------

Repairs, Maintenance and Supplies (4)	\$ 700.00
---	-----------

Fire/Liability Insurance (5).....	\$ 1,454.93
-----------------------------------	-------------

Management Fees (6)	\$ 0.00
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Legal Fees and Audit Fees (7).....	\$ 1,500.00
------------------------------------	-------------

Contingency Fund (8).....	\$ 2,284.00
---------------------------	-------------

TOTAL	\$ 9,006.93
-------	-------------

EXHIBIT F

Leonard P. Dahl
568 Foster Road
Staten Island, New York 10309

January 7, 2010

The Lista Condominium
c/o M.G.H. Development LLC
444 67th Street
Brooklyn, New York 11220

Re: The Lista Condominium
5306 Fourth Avenue, Brooklyn, New York

Ladies/Gentlemen:

The undersigned certify as follows:

The Sponsor of the Condominium Offering Plan for the captioned property retained my firm to review Schedules B and B-1, containing projections of income and expenses for the first year of condominium operation of The Lista Condominium. I am a certified residential real estate broker, consultant and appraiser for over 40 years. I am familiar with the condominium market in the vicinity of the captioned property.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to Schedules B and B-1.

I have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience as a residential real estate broker, consultant and appraiser.

I certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedules:

(i) set forth in detail the projected income and expenses for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where I:

(a) knew the truth;

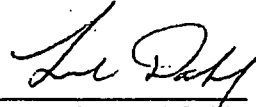
(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth;

(d) did not have knowledge concerning the representation or statement made.

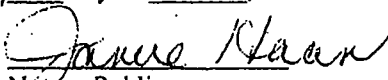
I further certify that I are not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation. This certification is made under penalty or perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.



Leonard Dahl

Sworn to before me this
7th day of JAN, 2010


Notary Public

JANICE HAAN
Notary Public, State of New York
No. 01HA5063972
Qualified in Richmond County
Commission Expires August 5, 2010

EXHIBIT G

**Leonard P. Dahl
568 Foster Road
Staten Island, New York 10309**

January 7, 2010

M.G.H. Development LLC
444 67th Street
Brooklyn, New York 11120

Attn.: Mr. M. George Hansen

Re: Condominium Offering Plan (the "Plan") for the
Lista Condominium
5306 Fourth Avenue
Brooklyn, New York (the "Property")

Dear Mr. Hansen:

All capitalized items not otherwise defined herein shall have the same meanings ascribed to them in the Plan, as amended.

The Sponsor has requested my opinion on whether the method used to determine the undivided percentage of common interest of each Unit in the Common Elements in the above referenced Condominium complies with Real Property Law Section 339-i ("Section 339-i").

I am a certified residential real estate broker, consultant and appraiser for over 40 years. I am familiar with the condominium market in the vicinity of the Property.

In connection with this opinion, I have reviewed Schedule A of the Plan, the Declaration and the Floor Plans and have assumed the statements and information contained therein are correct and accurate. I have not reviewed or verified the calculations of floor areas used in determining the sizes of the Units or the Limited Common Elements.

Article Eighth of the Declaration states that "the percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit." Article Eighth also states that the aggregate Common Interests of all Units equal one hundred percent (100%).

Section 339-i requires that the Common Interest of each Unit be based on any one of several methods of calculation. One of these allowable methods is the method stated in Article Eighth of the Declaration (Section 339-i(1)(iv)).

I have evaluated the allocation of Common Interest among the Units made by the Sponsor based on the foregoing factors and it is my opinion that the allocation of Common Interests is consistent with Section 339-i.

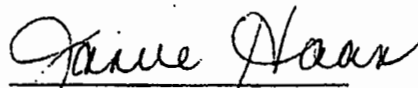
This opinion is confined to the matters addressed herein with respect to Section 339-i and is not intended, nor should it be construed, as an opinion on any other aspects of the Plan. Further, I assume no obligation to update or supplement this opinion to reflect any changes in statutory law or judicial precedent, or any changes in fact or circumstances that may hereafter come to our attention pertaining to the subject matter hereof.

I have no beneficial interest in the Sponsor or in the profitability of the conversion.

I consent to the incorporation of this opinion in the Plan and to the reference to my name therein in connection with this opinion.

By: 
Leonard P. Dahl

Sworn to before me this
7 day of JAN, 2010.


Notary Public

JANICE HAAN
Notary Public, State of New York
No. 01HA5063972
Qualified in Richmond County
Commission Expires August 5, 2010

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SPECIAL RISKS

1) The Sponsor has made an application for preliminary 421-a partial tax exemption benefits under Section 421-a of the Real Property Tax Law. The Property received a preliminary certificate of eligibility for 421-a partial tax exemption benefits on April 23, 2008. The preliminary benefits are effective as of July 1, 2008. The preliminary benefits are for the period of construction but in no event for greater than three (3) years. The Sponsor will pursue, an application for a final partial exemption of taxes under Section 421-a of the Real Property Tax Law and shall make all filings necessary to obtain such benefits. While Sponsor will use all reasonable efforts to obtain final benefits, no warranty is made that the New York City Department of Housing Preservation and Development, the agency that oversees such benefits, will approve Sponsor's application for a final certificate of eligibility. If such final application is not granted, the real estate taxes payable by each Unit upon the expiration of the preliminary benefits will be higher than the real estate taxes payable if final benefits were to be granted. Each Purchaser will be required to close title to his/her Unit whether or not such benefits are granted and, if granted, irrespective of the amount of the benefits. See the Sections entitled "Footnotes to Schedule A," and "Real Estate Taxes," and contained in Part I for details.

2) Because Sponsor is retaining the unconditional right to rent rather than sell units, there is no commitment on the part of the Sponsor to sell more units than the fifteen (15%) percent necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium.

3) If an individual makes a Deposit in excess of \$100,000 for the purchase of a Unit, or if the amount of such individual's deposits at the Bank and such Deposit exceed \$100,000, the aggregate of such Deposit and all other such deposits will generally not be insured in excess of \$100,000. See Section entitled "Procedure to Purchase."

4) The By-Laws of the Condominium do not include a provision that, after an initial Sponsor voting control period a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the condominium should be managed because of their different reasons for purchasing (i.e. purchase as a home as opposed to an investment).

5) In the event of a Purchaser's default, Sponsor's sole right shall be to cancel the Purchase Agreement by sending the Purchaser thirty (30) days' prior written notice of its intention so to do. If Sponsor elects to cancel, the Purchaser shall have thirty (30) days from the giving of the cancellation notice within which the Purchaser must cure the specified default. Time is of the essence to cure such default within said thirty (30) day period. If the default is not timely cured, then Sponsor shall have the right to retain, as and for liquidated damages, the Down Payment plus the costs incurred by Sponsor for any special work in the Unit ordered by the Purchaser, together with any interest earned thereon and any excess sums (together with any interest earned thereon) shall be returned to the Purchaser (See the section of the Plan entitled "Procedure to Purchase"

for

further

details).

6) If at a Purchaser's request Sponsor grants an adjournment or adjournments of his or her closing of title in excess of five (5) days in the aggregate, the Sponsor has the option of collecting an additional five percent (5%) of the purchase price of the Unit as an additional down payment.

7) Sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to all unsold Units. Sponsor represents that it has the financial resources to meet its obligations with respect to unsold Units and will fund its financial obligations to the Condominium from projected sales and its own personal funds if such projected sales are not made. Except as specifically set forth in the Plan, no bond or other security has been furnished to secure Sponsor's obligations hereunder.

8) Sponsor may exercise veto power over expenses other than (i) to comply with applicable laws or regulations; or (ii) to remedy any notice or violation; or (iii) to remedy any work order by an insurer, for a period ending not more than five (5) years after the closing of the first Unit or whenever the unsold Units constitute less than twenty-five percent (25%) of the common interests in the Condominium, whichever is sooner.

9) Sponsor shall continue to exercise voting control over the Board of Managers until the Unsold Units constitute more than fifty percent (50%) of the common interests of the Condominium.

10) Each owner of a Unit with children under eleven (11) must, by law, install window guards at such Unit Owner's cost and expense.

11) The "recreation rooms" located in the cellar as identified in the floor plans of Units 1A and 1B are not considered legal habitable space (i.e. do not constitute bedrooms) for purposes of the New York City Building Code.

INTRODUCTION

General

The purpose of this Plan is to set forth all of the material terms of the offer. This Plan may be amended from time to time when an amendment is filed with the New York State Department of Law and served on all offerees as defined in 13 NYCRR Section 20.1 (d). The Plan is presented in two parts that together constitute the entire Plan. Part I sets forth a description of the material terms of the offer and Part II contains, among other things, a detailed description of the Property, a form of purchase agreement, legal opinions as to certain tax matters discussed in the Plan, certifications of Sponsor and certain experts. The Condominium will be subject to and complies with Article 9-B of the New York State Real Property Law, as the same may be amended from time to time (the "Condominium Act").

The Sponsor

M.G.H. Development LLC, a New York corporation with offices at 444 67th Street, Brooklyn, New York 11220 (the "Sponsor"), is the Sponsor of this offering pursuant to which eight (8) units in the building to be known as 5306 Fourth Avenue, Brooklyn, New York (the "Property") to be called The Lista Condominium (the "Condominium.")

The Property

Sponsor acquired the Property on July 21, 2005. The Sponsor is the owner of the Property.

The Property consists of one five (5) story building in the process of being constructed which will be converted into a condominium apartment building with eight (8) loft residential condominium Units. Prices for all residential Units will be as set forth in Schedule A contained herein.

Condominium Ownership

Basic aspects of condominium ownership include:

- (i) Each Purchaser owns his or her Unit outright and is entitled to exclusive possession of that Unit together with an interest in and right to use the common elements, and exclusive right to use limited common elements, if applicable;

(ii) Common Elements are parts of the Property, in addition to his/her own Unit, which a Unit Owner owns in common with the owners of all other Units, such as entryways, stairways, hallways, utility areas, and similar elements of the building that serve all Unit Owners. A Unit Owner will share the non-exclusive right to use the Common Elements with all other Unit Owners. The common areas of the project will include a lobby, hallways and staircases.

Limited Common Elements are those areas appurtenant to a particular Unit or Units, the use of which is restricted to the owner(s) of such Unit or Units, but which are not owned by that Unit Owner. The Limited Common Elements in this Building are as follows:

Unit 1B - open patio and rear yard (a/k/a the areaway) on the cellar floor
Unit 2A - balcony
Unit 2B - balcony
Unit 3A - balcony
Unit 3B - balcony
Unit 4A - balcony, roof deck
Unit 4B - balcony, roof deck

(iii) Each Unit Owner must pay common charges in accordance with the Condominium Act, Real Property Law Sections 339 (i) and (m);

(iv) Each Unit Owner is obligated to comply with the Declaration, the By-laws (both of which are described below), rules and regulations and any other requirements of the Board of Managers;

(v) Each Unit Owner shall comply with all applicable federal, state, and local laws in effect from time to time prohibiting discrimination or segregation by reason of age, race, creed, religion, sex, color, national origin, ancestry, sexual orientation, disability, or marital status (collectively, "Prohibited Distinctions") in the sale, lease, or occupancy of the Property or any improvements erected or to be erected thereon, or any part thereof; and (ii) shall not effect or execute any agreement, lease, conveyance, or other instrument whereby the sale, lease, or occupancy of the Property or any improvements erected or to be erected thereon, or any part thereof, is restricted upon the basis of any Prohibited Distinction.

(vi) Each Unit Owner may vote for the members of the Board of Managers, which is the group elected by Unit Owners to operate the Condominium. The Board of Managers will set common charges based on cash needs of the building operation and, in general, make all decisions necessary to run the Condominium.

(vii) Each Unit will be separately taxed and may be separately mortgaged. Under present income tax laws, if a Unit Owner itemizes income tax deductions, he or she may deduct

from income for income tax purposes real estate taxes and any interest paid on the mortgage on his or her Unit; and

(viii) Individual Unit Owners are responsible for maintenance and repairs to their individual Units. After the closing of Title to a Unit, a Unit Owner will be solely responsible for maintaining casualty insurance with respect to the fixtures, equipment, appliances and personal property situation within the Unit, as well as liability insurance with respect to occurrences in or about the Unit. The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements, in accordance with the provisions of the By-laws.

Because Sponsor is retaining the unconditional right to rent rather than sell units, there is no commitment on the part of the Sponsor to sell more units than the fifteen (15%) percent necessary to declare the plan effective and owner-occupants may never gain effective control and management of the Condominium. The Condominium Board does not have the right to approve or disapprove purchasers, there is not limit on the number of owners who may purchase for investment rather than for personal occupancy and there may always be a substantial percentage of owners who are non-residents.

To establish the Condominium, the Sponsor will record a Declaration of Condominium (the "Declaration") in the Office of the City Register in Kings County, submitting the Property to the Condominium Act. The Declaration, together with the By-Laws of the Condominium, will be recorded by Sponsor at its sole cost and expense prior to its conveyance of title to the first Unit. The form and content of the Declaration and By-Laws will be substantially similar to the copies of those documents contained in Part II of the Plan.

The costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements or the Building as a whole are known as Common Expenses. Assessments billed by and payable to the Condominium Board by Unit Owners for the purpose of meeting Common Expenses are known as Common Charges as provided under Section 339(i) and (m) of the New York Condominium Act. They are determined by a Unit Owner's Common Interest. Electricity and gas for each Unit is separately metered and Unit Owners will be billed by and pay all charges incurred in connection with the same. Purchasers are referred to the projected budget for the first year of condominium operation in Schedule B for more specific information regarding Common Charges, and to Schedule C regarding estimated energy and utility costs.

Summary of Documents

This Plan is divided into two parts. In Part I is a schedule of prices and estimated

Common Charges ("Schedule A"), the projected budget for the first year of Condominium operation ("Schedule B"), estimated annual Unit energy costs ("Schedule B-1"), a statement of rights and obligations of the Sponsor, summaries of certain documents and other terms of the offer. In Part II is the form of Purchase Agreement, the Declaration of Condominium, the By-Laws, and Sponsor's architect's detailed description of the building and improvements to be constructed, as well as other relevant information. Parts I and II together constitute the entire Plan. All of the documents referred to in this Plan are important.

The Plan delivered to prospective Purchasers contains all of the material terms of the transaction. Copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Department of Law in connection with the filing of the Plan will be available for inspection by prospective Purchasers can be purchased by prospective Purchasers at the office of the Sponsor for \$150.00, which sum will be credited against the purchase price at closing if the prospective Purchaser closes on a purchase of a Unit or retained by Sponsor if a prospective Purchaser does not close on a purchase of a Unit.

The prices set forth on Schedule A have been set by the Sponsor alone and are not subject to approval by the Department of Law or any governmental agency.

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

DEFINITIONS

The following terms used in this Plan and in Article 9-B of the Real Property Law (the "Condominium Act"), have the following meanings:

Architect's Plans: Floor plans to be prepared by Udoette D. Isaiah, R.A., AI, showing the division of the Property into the Units and Common Elements and to be filed with the Condominium Declaration.

Board of Managers (also "Condominium Board"): The governing body of the Condominium, initially comprised of three (3) managers appointed by Sponsor.

Building: The structure containing the Units and the Common Elements of the Condominium (other than the land under the Building).

By-Laws: One of the documents governing the operation of the Condominium, the form of which is set forth in Part II of the Plan.

City Register's Office: The Kings County office of the Register of The City of New York.

Common Charges: Assessments payable to the Board of Managers by each Unit Owner for the purpose of meeting Common Expenses.

Common Expenses: The costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements, including any reserve established in anticipation of the aforesaid costs and expenses.

Common Elements: The Land (as hereafter defined), all parts of the Building other than the Units, including the foundation, roof and supports of the Building, and all areas or facilities for the common use of the Units and the Unit Owners.

Common Interest (also "Percentage of Interest in Common Elements"): The proportionate, undivided interest in fee simple absolute in the Common Elements pertaining to each Unit, set forth in the Declaration. Such interest is expressed as a numerical percentage. The total of all Common Interest percentages pertaining to all Units equals 100%. The Common Interest of the Unit is the basis for determining, among other things, a Unit Owner's (a) proportionate share of the Common Expenses and (b) proportionate share of any distributions upon termination of the Condominium.

Condominium: The Units and Common Elements comprising the Property. The words "Property" and "Condominium" are used interchangeably in this Plan.

Condominium Act: Article 9-B of the New York State Real Property Law.

Declaration: The recorded instrument by which the Property is submitted to the provisions of the Condominium Act, as such instrument may be amended from time to time, consistent with law and the By-Laws. The By-Laws, which govern the operation of the Condominium, are part of the Declaration.

Land: The parcel of land on which the Building will be situated, as more particularly described in the Declaration.

Limited Common Elements: Those Common Elements for which a Unit Owner will have the exclusive right to use. The Limited Common Elements in the Building are as follows:

- Unit 1B - open patio and rear yard on the cellar floor (a/k/a the areaway)
- Unit 2A - balcony
- Unit 2B - balcony
- Unit 3A - balcony
- Unit 3B - balcony
- Unit 4A - balcony, roof deck
- Unit 4B - balcony, roof deck

Permitted Encumbrances: Encumbrances to the title to a Unit that a Purchaser agrees to take title subject to, as more particularly itemized on Schedule A annexed to the form of the Purchase Agreement contained in Part II of the Plan.

Permitted Mortgage: A mortgage of a Unit or Units permitted to be placed thereon pursuant to the provisions of the By-Laws.

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

Property: The Land, the Building and other improvements thereon, and all easements, rights and appurtenances belonging thereto.

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

Purchaser: A Purchaser of a Unit pursuant to a Purchase Agreement.

Rules and Regulations: The rules and regulations of the Condominium made in accordance with the By-Laws. The rules and regulations, which will apply unless and until amended by the Board of Managers, are set forth as an addendum to the By-Laws in Part II.

Sponsor or its designee: Sponsor or any affiliate of Sponsor. An affiliate shall be deemed to be any person or entity designated by Sponsor to acquire title to one or more Units. Designees of Sponsor shall have the right to designate a person or entity, whether related or unrelated to Sponsor, to succeed to their rights and any such person or entity shall also be deemed a designee of Sponsor.

Unit: The space to be exclusively owned and occupied by a Purchaser.

Unit Deed: A bargain and sale deed with covenant against grantor's acts, from Sponsor to a Purchaser, conveying title to the Unit and its appurtenant Common Interest.

Unit Owner: An owner of any Unit. Two or more of such owners are collectively referred to as "Unit Owners".

Unsold Units: Any Units owned by Sponsor or its designee, other than any Unit purchased by and for the use of Sponsor or its designee, until such time as the same have been sold.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Condominium will consist of eight (8) units in a newly constructed five (5) story building, built on 6,203 square feet of land.

The Condominium will not have any recreational facilities. However the two first floor units are duplexes with a recreation room located in the lower level. One of the first floor units also has a yard (a/k/a the areaway). Several of the units also have balconies and roof decks. There will also be yards located in front of and behind the Building (See also Description of Property and Specifications contained in Part II of the Plan).

The number and types of rooms in each Unit will be as provided in Schedule A and in the description of the property by Sponsor's architect in Part II.

The Floor Plans are included in Part II of the Plan.

All Units will contain a dishwasher, stove and microwave. There will be washer/dryer hook-ups in each Unit.

The building plans have been filed with the Building Department of the City of New York and are available for inspection at the Sponsor's office.

The Units and the Building of which they are a part and all other improvements will comply with all applicable rules, regulations, laws, and other requirements of all governmental authorities having jurisdiction thereof including those governing zoning and construction, and the Sponsor and all other persons engaged by the Sponsor in connection with this Plan have complied and will comply with all applicable laws, rules and regulations and other governmental requirements pertaining thereto. Construction of the Condominium will comply with the Building Code of the City of New York. Before the closing of title to a Unit, a Certificate of Occupancy (or Temporary Certificate of Occupancy) will be issued permitting occupancy of that Unit.

A detailed description of the Units and facilities is set forth in Part II of this Plan in the section entitled "Description of Property and Specifications or Building Conditions."

LOCATION AND AREA INFORMATION

The Condominium is located in the Sunset Park section of the Borough of Brooklyn. Sunset Park is bordered by Bay Ridge in the South, Park Slope on the North and Borough Park on the East. The neighborhood is named after Sunset Park, located on one of the highest points in Brooklyn. This is a highly developed area essentially residential but served by a rich and diverse assortment of shopping, recreational, medical, religious, and educational facilities, as well as a network both of streets and roads, and urban transportation. Police, fire, water, sanitation, snow removal and road maintenance services are provided by the City of New York. The Condominium is located within the 72nd Precinct of the New York City Police Department located approximately one mile away, and the nearest firehouse is located two blocks from the Condominium. Medical needs of the community are served by the Lutheran Medical Center located at 150 55th Street or Maimonides Medical Center located on 4802 Tenth Avenue. The nearest shopping area is located one block over on Fifth Avenue.

The Condominium is located in School District #20 of the New York City public school system. Local public schools in the vicinity of the Condominium include the High School of Telecommunications at 350 67th Street, IS 187 Christa McAuliffe School located at 1171 65th Street and P.S. 170 located at 7109 Sixth Avenue. Although these are probably the schools that children living in the Condominium will attend, no representation can be made to that effect.

There are also numerous private schools in the area.

The area is zoned R-6 which permits construction of residential dwellings.

The nearest branch of the Brooklyn Public Library is located at 51-08 Fourth Avenue.

Houses of worship of most denominations and faiths are located in the vicinity of the Condominium.

The Condominium is adjacent to the 53rd Street subway station of the R train and the No. B37 bus stop on Third Avenue and No. B63 bus stop on 5th avenue both within a block of the Condominium.

The nearest public recreational facility is Sunset Park is located ten blocks from the Condominium. The park's recreational facilities include an Olympic-sized swimming pool and two outdoor basketball courts, handball courts, a playground for young children, a gym, a dance room and a game room.

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LISTA CONDOMINIUM SCHEDULE A
FIRST YEAR OF CONDOMINIUM OPERATION
January 1, 2009 through December 31, 2009

Unit Designation	No of Bedrooms/Bathrooms (1)	Approximate Unit Square Footage (2)	Outdoor space SQ Ft. Area	Offering Price (3)	Common Interest % (4)	Est. Monthly Common Charges (5)	Projected Monthly Real Estate Taxes with 421-a Benefits (6)	Projected Monthly Real Estate Taxes w/o 421-a Benefits (7)	Projected Total Monthly Carrying Charges with 421-a benefits (8)	Projected Total Monthly Carrying Charges w/o 421-a benefits (9)
1A	0/1.5	697	5(A)	\$ 239,000.00	12.77%	\$ 95.82	\$ 17.26	\$ 233.39	\$ 113.07	\$ 329.21
1B	1/1.5	1044	290(A)	\$ 389,000.00	20.41%	\$ 153.21	\$ 27.59	\$ 373.19	\$ 180.80	\$ 526.40
2A	1/1	529	30 (B)	\$ 269,000.00	9.81%	\$ 73.62	\$ 13.26	\$ 179.33	\$ 86.88	\$ 252.95
2B	1/1	539	50 (B)	\$ 269,000.00	10.08%	\$ 75.68	\$ 13.63	\$ 184.34	\$ 89.31	\$ 260.02
3A	1/1	529	30 (B)	\$ 269,000.00	9.81%	\$ 73.62	\$ 13.26	\$ 179.33	\$ 86.88	\$ 252.95
3B	1/1	539	50 (B)	\$ 269,000.00	10.08%	\$ 75.68	\$ 13.63	\$ 184.34	\$ 89.31	\$ 260.02
4A	1/1	708	97.19 (B)(R)	\$ 379,000.00	13.39%	\$ 100.49	\$ 18.10	\$ 244.77	\$ 118.59	\$ 345.26
4B	1/1	718	114.59 (B)(R)	\$ 379,000.00	13.65%	\$ 102.46	\$ 18.45	\$ 249.57	\$ 120.91	\$ 352.03
TOTAL		5303	166.69	\$ 2,462,000.00	100.00%	\$ 750.58	\$ 135.17	\$ 1,828.25	\$ 885.75	\$ 2,578.83

A = Areaway
B = Balcony
R = Roof Deck

FOOTNOTES TO SCHEDULE A

1. The room count is based on the method suggested by the Real Estate Board of New York. See the Section entitled "Description of Property and Specifications," for a more complete description of each Unit.

2. The square footage of each Unit is calculated based on the Floor Plans included in Part II of this Plan. The square footage of each Unit is measured horizontally from the outside face of the masonry work at the exterior walls of the building and approximately to the outside face of the walls and partitions (dividing the units from corridors, stairs, and mechanical spaces). Dimensions shall be to the centerline when a partitions divides two units.

3. Across the board changes in Unit prices, advertised price changes, and increases in individual Unit prices may be made by duly filed amendments only. However, individually negotiated reductions in the purchase price of a Unit may be made without prior amendment. Purchaser will also incur certain closing costs in connection with the purchase of their Unit. See the Sections entitled "Changes in Prices and Units" and "Unit Closing Costs and Adjustments" in Part I of the Plan.

4. The description of percentages of Common Interest allocated to each Unit is based upon floor space subject to the location of such space and additional factors of relative value of such space to other space in the Condominium, uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit, pursuant to Real Property Law Section 339-i.1. (iv).

5. Projected Common Charges for the year of operation commencing January 1, 2009 include only those expenses that are enumerated in Schedule B. Maintenance charges do not include expenses such as repairs to the interior of the Unit, and a Unit Owner's individual gas, electricity, hot water, heat, air conditioning and cable television service. Estimates of individually metered gas and electricity for each Unit are set forth in Schedule B-1. If the Purchaser should obtain financing for the purchase, the debt service on that loan will be an additional expense not covered by the Common Charges. Common Charges are arrived at by allocating to each Unit a share of the Monthly Charges proportionate to the Common Interest that that Unit bears in the Condominium.

6. Each Unit will be separately taxed for New York City real property tax purposes. No Unit owner will be responsible for the payment of real estate taxes on a Unit not owned by them nor will any such Unit be subject to any liens arising from the non-payment of taxes on other Units.

The Sponsor has made an application for preliminary 421-a partial tax exemption benefits under Section 421-a of the Real Property Tax Law. The Property received a preliminary certificate of eligibility for 421-a partial tax exemption benefits on April 23, 2008. The preliminary benefits are effective as of July 1, 2008. Calculations of real estate taxes for the first year of operation have been made based upon the Property having received preliminary benefits and the projected real estate taxes for New York City's FY 2010 which commences July 1, 2009. The preliminary benefits are for the period of construction but in no event for greater than three (3) years. The Sponsor will pursue an application for a final partial exemption of taxes under Section 421-a of the Real Property Tax Law and shall make all filings necessary to obtain such benefits. While Sponsor will use all reasonable efforts to obtain final benefits, no warranty is made that the New York City Department of Housing Preservation and Development, the agency that oversees such benefits, will approve Sponsor's application for a final certificate of eligibility. If such final application is not granted, the real estate taxes payable by each Unit upon the expiration of the preliminary benefits will be higher than the real estate taxes payable if final benefits were to be granted. The 421-a exemption program provides a full exemption from any increase in real property taxes due to construction/renovation of the subject premises for a period of twenty (20) years; which exemption declines by twenty percent (20%) each succeeding year for the subsequent five (5) years so that starting with year 26 the Premises will be taxed at the full assessed value (See also Opinion Letter of Marans, Weisz & Newman LLC concerning 421-a benefits contained in Part I of the Plan).

The aggregate real estate taxes payable with respect to all Units for the first year of Condominium operation will total approximately \$1,622.74 based upon an actual assessed valuation for the Property of \$13,599.00. The actual assessed valuation is a result of the preliminary 421-a partial tax exemption benefit that has been applied by the Department of Finance to the Property as of July 1, 2008.

7. While the Project has received a preliminary certificate of eligibility and the 421-a opinion of Marans, Weisz & Newman LLC projects that the Project will be eligible to receive a final certificate of eligibility, no guarantee can be, or is made, that the final certificate will be obtained and that the benefits will continue to be available. Therefore, Sponsor has projected in Schedule A the real estate taxes for the Units in the event the final certificate is not obtained, the benefits are revoked retroactively or do not continue. Real estate taxes have been calculated based on comparables and other available information.

8. Monthly carrying charges are composed of the monthly common charges and the monthly real estate taxes projected against each Unit presuming 421-a benefits. Thus, the monthly carrying charges are composed of the total of columns 5 and 6. Unit owners who itemize their deductions should, for federal income tax purposes, be entitled to a deduction for real estate taxes in the year in which same are paid or accrued. In the event real estate taxes change in future years, the tax deduction available on account of payment of such real estate

taxes will also change. Please see the Tax Opinion Letter set forth in the Offering Plan for a more complete explanation.

9. Monthly carrying charges are composed of the monthly common charges and the monthly real estate taxes projected against each Unit presuming that 421-a benefits are revoked or do not continue (See Footnote 7). Thus, the monthly carrying charges are composed of the total of columns 5 and 7. Unit owners who itemize their deductions should, for federal income tax purposes, be entitled to a deduction for real estate taxes in the year in which same are paid or accrued. In the event real estate taxes change in future years, the tax deduction available on account of payment of such real estate taxes will also change. Please see the Tax Opinion Letter set forth in the Offering Plan for a more complete explanation.

SCHEDULE B

**PROJECTED BUDGET FOR FIRST YEAR OF OPERATION
OF THE LISTA CONDOMINIUM
BEGINNING JANUARY 1, 2009**

INCOME (1)

Common Charges	\$ 9,006.93
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EXPENSES (1)

Utilities (2)	\$ 1,068.00
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Water Charges and Sewer Rents(3)	\$ 2,000.00
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Repairs, Maintenance and Supplies (4)	\$ 700.00
---------------------------------------	-----------

Fire/Liability Insurance (5)	\$ 1,454.93
------------------------------	-------------

Management Fees (6)	-0-
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Legal Fees and Audit Fees (7)	\$ 1,500.00
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Contingency Fund (8)	\$ 2,284.00
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TOTAL	\$ 9,006.93
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THE BUDGET SET FORTH ABOVE IS PROJECTED. 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.

In the event the projected commencement date of the first year of Condominium operation is to be delayed more than six (6) months from the anticipated date of the first Closing of a Unit, the Plan will be amended to include a revised budget disclosing the then current budget projections. If such amended projections exceed the original projections by twenty-five percent (25%) or more, Sponsor will offer all purchasers the right to rescind and a reasonable period of time to exercise their right whether or not Sponsor offers to guarantee the earlier budget projections.

FOOTNOTES TO SCHEDULE B

1. These estimates of operating expenses and income have been made by the Sponsor based upon the operation of comparable developments in the area. It cannot be construed as an assurance of the final expenses, and is merely based upon information available at this time. Costs include sales tax, where applicable, but do not include any inflation factor. Purchasers may anticipate that future expenses will increase based upon the inflationary trend of the economy.

2. Includes electricity for lighting hallways, stairways, driveway, parking lot, and all other common interior area electric use. Also includes electricity for heating the common hallways and stairs. Based upon projections provided by Switch Electric of the Five Boroughs Inc.

3. Based upon average household size of two through four for all common interior area water usage and estimate of Sponsor's consultant. Based upon projections provided by Empire Testing and Inspections Inc.

4. Provides for materials, supplies and personnel necessary for repairs and maintenance of common areas.

5. Based upon a Special Form All Risk Policy in the amount of \$700,000.00 and Products/Completion Operations with a limit of \$1,000,000.00, with a \$1,000.00 deductible; Comprehensive General Liability Insurance and Bodily Injury and Property Damage with limits of \$1,000,000.00 per occurrence, \$2,000,000 in the aggregate, \$1,000,000.00 personal and advertising injury and \$100,000.00 fire legal liability, 12 month ALS for business income is included as is coverage for equipment breakdown. The insurance costs have been estimated based upon the projections made by Vavas Insurance and Financial Services based upon a quote from Worcester Insurance.. The fire, casualty and general liability insurance carried by the Condominium will provide that each unit owner is an additional insured party; that there will be no cancellation without notice to the Board of Managers; a waiver of subrogation; a waiver of invalidity because of the acts of the insured and unit owners and a waiver of pro-rate reduction if unit owners obtain additional coverage. The coverage for the following items are not included in the budget and may be available at extra cost – rent insurance, water damage, elevator collision; excess liability and auto liability. Each individual Unit Owner should consider the desirability of obtaining additional insurance at their own cost to cover such risks as fire and casualty losses to unit contents, replacements, additions, fixtures and improvements, and liability coverage for occurrences within the unit or, where applicable, on limited common elements.

6. Schedule B does not provide for a management fee. Subject to the limitations provided below, the Condominium will be managed by Sponsor. Sponsor shall not require payment of a fee for its services as manager of the Condominium for

—
twenty-four (24) months subsequent to the initial conveyance of a unit under this Offering Plan. Subsequent to such initial twenty-four (24) month period, if the Board of Managers of the Condominium determines to retain the Sponsor as manager, a management agreement will be entered into between the Board of Managers and Sponsor including a management fee to be negotiated by the parties.

7. Includes the cost of an annual certified financial statement and tax return filings based on an estimate given by Joseph Sciacca, CPA, and the balance for services of an attorney to advise the Board of Managers on legal matters, review contracts, and file liens for non-payment of Common Charges. In the event the Condominium should become involved in litigation, additional assessments may be required.

8. This is a contingency fund for capital repairs. It does not reflect the initial onetime working capital contribution that each Purchaser of a Unit from the Sponsor will make to the Condominium as initial working capital.

SCHEDULE B-1

ESTIMATED ANNUAL BUDGET FOR INDIVIDUAL ENERGY COSTS

Unit	Estimated Monthly Gas (Heating and Hot Water) Charges	Estimated Monthly Electric Charges	Total
1A	\$ 108.33	\$ 55.00	\$ 163.33
1B	\$ 108.33	\$ 85.00	\$ 193.33
2A	\$ 83.33	\$ 65.00	\$ 148.33
2B	\$ 83.33	\$ 65.00	\$ 148.33
3A	\$ 83.33	\$ 65.00	\$ 148.33
3B	\$ 83.33	\$ 65.00	\$ 148.33
4A	\$ 108.33	\$ 85.00	\$ 193.33
4B	\$ 108.33	\$ 85.00	\$ 193.33

THE COSTS SET FORTH ABOVE ARE PROJECTED. IT IS LIKELY THAT THE ACTUAL COSTS WILL VARY FROM THE AMOUNTS SHOWN IN THE BUDGET.

FOOTNOTES TO SCHEDULE B-1

The figures set forth on Schedule B-1 for estimated monthly gas charges are based mainly upon estimates provided by Sponsor's consultant, Empire Testing and Inspections Inc., 689 Ramona Avenue, Staten Island, New York. The estimates assume a normal heating season and a cost of gas of approximately \$2.10 per THERM, including all delivery charges, surcharges and taxes. Heat and hot water are provided to each Unit by separate boiler and hot water heaters serving each Unit.

The figures set forth on Schedule B-1 for estimated monthly electric charges are based mainly upon estimates provided by Sponsor's consultant, Switch Electric of the Five Boroughs, Inc., 178 Industrial Loop, Staten Island, New York. The projections presume standard usage of air conditioning equipment, kitchen appliances, lights and outlets. The estimates of electric cost are based upon a projected rate of approximately 22 cents per kilowatt hour and include all surcharges, delivery charges and taxes.

The cost of providing heat, hot water and electricity is based on normal estimated use and is highly dependent on the number of people residing in a Unit and their pattern of usage. It is also subject to market variations which result in unanticipated large increases in the cost of gas and electricity.

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339 (i)

The percentage of common interest for each Unit has been calculated by the Sponsor 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 as of the intended date of the filing of the Condominium Declaration in accordance with Section 339-i (iv) of the Real Property Law. Included below is a statement of Leonard P. Dahl confirming the Sponsor's compliance with the foregoing provision of the Real Property Law.

Leonard P. Dahl
568 Foster Road
Staten Island, New York 10309

June 4, 2008

M.G.H. Development LLC
444 67th Street
Brooklyn, New York 11120

Attn.: Mr. M. George Hansen

Re: Condominium Offering Plan (the "Plan") for the
Lista Condominium
5306 Fourth Avenue
Brooklyn, New York (the "Property")

Dear Mr. Hansen:

All capitalized items not otherwise defined herein shall have the same meanings ascribed to them in the Plan, as amended.

The Sponsor has requested my opinion on whether the method used to determine the undivided percentage of common interest of each Unit in the Common Elements in the above referenced Condominium complies with Real Property Law Section 339-i ("Section 339-i").

I am a certified residential real estate broker, consultant and appraiser for over 40 years. I am familiar with the condominium market in the vicinity of the Property.

In connection with this opinion, I have reviewed Schedule A of the Plan, the Declaration and the Floor Plans and have assumed the statements and information contained therein are correct and accurate. I have not reviewed or verified the calculations of floor areas used in determining the sizes of the Units or the Limited Common Elements.

Article Eighth of the Declaration states that "the percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit." Article Eighth also states that the aggregate Common Interests of all Units equal one hundred percent (100%).

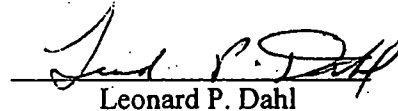
Section 339-i requires that the Common Interest of each Unit be based on any one of several methods of calculation. One of these allowable methods is the method stated in Article Eighth of the Declaration (Section 339-i(1)(iv)).

I have evaluated the allocation of Common Interest among the Units made by the Sponsor based on the foregoing factors and it is my opinion that the allocation of Common Interests is consistent with Section 339-i.

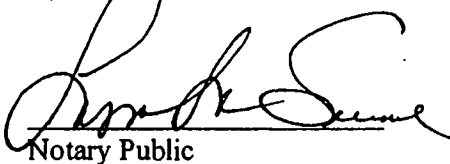
This opinion is confined to the matters addressed herein with respect to Section 339-i and is not intended, nor should it be construed, as an opinion on any other aspects of the Plan. Further, I assume no obligation to update or supplement this opinion to reflect any changes in statutory law or judicial precedent, or any changes in fact or circumstances that may hereafter come to our attention pertaining to the subject matter hereof.

I have no beneficial interest in the Sponsor or in the profitability of the conversion.

I consent to the incorporation of this opinion in the Plan and to the reference to my name therein in connection with this opinion.


Leonard P. Dahl

Sworn to before me this
4 day of June, 2008.


Notary Public

LYNN M. SIMONE
Notary Public, State of New York
No. 01SI5074108
Qualified in Richmond County
Commission Expires March 12, 2011

CHANGES IN PRICES AND UNITS

Changes in Prices

The Units will be offered at the prices set forth in Schedule A. Offering prices may be changed by a duly filed amendment to the Plan when the change in price is an across-the-board increase or decrease affecting one or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual Purchaser. However, prices may be changed on an individual basis and Sponsor may enter into an agreement with a Purchaser to sell one or more Units at prices different from those set forth in Schedule A, provided that in the case of a price increase to an individual Purchaser an amendment containing the new price will be submitted to the Department of Law prior to such price's use. In the case of an individual price decrease, no amendment shall be necessary for the price to be effective. An amendment whose sole purpose is to effect a change in price shall be effective immediately upon its receipt by the Department of Law.

Changes in Units

Notwithstanding anything to the contrary heretofore set forth, Sponsor or its designee shall, with respect to all Units owned by it, have the right, without the consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (a) make alterations, additions or improvements, structural and nonstructural, ordinary and extraordinary, interior and exterior, in, to and upon any Unit; (b) change the layout or number of rooms in any Unit; (c) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Units, altering the boundary walls between any Units or otherwise; and (d) reapportion among the Units affected by such change their appurtenant interests in the Common Elements, provided, however, that in each instance Sponsor or its designee shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall cause the Declaration to be amended, if necessary.

In the event Sponsor changes the size and/or number of Units, Sponsor shall increase or decrease the Common Interests appurtenant to such affected Units accordingly; however, the aggregate amount of the Common Interests of all of the Units shall remain at one hundred (100%). As a result of such a reapportionment of Common Interests of affected Units, the amount of the Common Charges and the real estate taxes and assessments payable by the Owners of such affected Units will be increased or decreased proportionately, but the amount of the Common Charges and real estate taxes and assessments payable by the Owners of Units unaffected will not be varied.

This Plan will be amended to reflect any change in the size, number or Common

Interests of Units, or in the Common Elements. However, the layout and number of rooms within a Unit may be changed without prior notice or amendment to the Plan, except as hereafter set forth.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid, nor may the Common Interest of any Unit be changed, unless the Declaration is amended and such amendment is duly recorded. As more particularly set forth in the Declaration, Sponsor or its designee shall have the right to amend the Declaration to effectuate such changes in Unsold Units without the Condominium Board, the other Unit Owners, or any mortgagees consenting to, or executing, such amendment.

The provisions of the Declaration concerning combination and/or partitioning of any Unit by the Sponsor or its designee may not be modified or deleted by amendment without the written consent of the same. Neither the consent nor the signature of the Unit Owners nor of the Board of Managers or the mortgagees of Units not involved in any such change shall be required in connection with any amendment to the Declaration or By-Laws permitted or required above or to any application or other documents required in connection with any such amendment by any administrative agencies asserting jurisdiction there over, including, without limitation, any application or documents required by the Building Department and/or the Real Estate Assessment Bureau in connection with designations of separate tax lots for the affected Units or otherwise. Nonetheless, the Unit Owners not involved in any such change and the Board of Managers shall execute promptly and without charge therefor any such documents or applications necessary or convenient in connection with the effectuation of the provisions hereof, and by accepting the deed for his or her Unit a Unit Owner grants to the Sponsor and its designees an irrevocable power of attorney coupled with an interest to execute, deliver and/or record any amendment to the Declaration and the By-Laws and any and all documents and applications necessary or convenient to effectuate the foregoing. The form of said Power of Attorney is contained in Part II of the Plan.

No material change will be made in the size and no material adverse change will be made in the quality of the Common Elements unless all Purchasers shall have consented.

INTERIM LEASES

The Sponsor reserves the right to lease vacant Units to Purchasers and non-purchasers. Any lease to a person who has signed a Purchase Agreement will be an "Interim Lease" on the terms set forth herein. An Interim Lease will be for a mutually agreed upon rent. Such lease will also provide that an uncured default by the Purchaser under his Purchase

Agreement will constitute a default under the lease entitling the lessor at his sole option, to immediately terminate such lease and that a default under the Interim Lease will also constitute a default under the Purchase Agreement. A tenant under an Interim Lease will not have the benefits of any rental protection laws. Before the Sponsor may utilize the default under the lease to declare a default under the Purchase Agreement the Sponsor must either obtain an order or eviction or other judgment or order from a court of competent jurisdiction against the lessee unless the lessee has vacated the Unit. An interim lessee has 30 days to vacate the Unit after a default under the Purchase Agreement or rescission of the Purchase Agreement by the lessee. The lease will also provide that in the event that the Purchase Agreement is cancelled, rescinded or terminated for any reason whatsoever, the Sponsor will have the right to cancel such lease. In the event of the termination of the Interim Lease the tenant thereunder shall have 30 days to vacate the unit.

The Sponsor does not now offer a right of rescission to persons who sign and deliver Purchase Agreements. However should such right be offered in the future, then the right of a prospective Purchaser who has signed an Interim Lease to accept such a right of rescission is conditioned upon the surrendering of possession of the leased Unit and vacating the Unit in an empty and broom-clean condition, with all rent then due under the Interim Lease paid in full.

PROCEDURE TO PURCHASE

Sponsor's Acceptance or Rejection of the Purchase Agreement

Purchasers will be afforded at least three (3) business days to review the Plan and all filed amendments thereto prior to executing a Purchase Agreement. In the event a Purchaser has not had at least three (3) business days to review the Plan and all filed amendments prior to signing and delivering a Purchase Agreement, the Purchaser may rescind within seven (7) days of delivery of an executed Purchase Agreement together with the required Deposit by giving the Sponsor written notice of such rescission by personal delivery (or if sent by mail such notice must be postmarked within the seven-day period).

If Sponsor elects to accept the Purchase Agreement, one counterpart thereof, signed by the Sponsor, will be returned to the Purchaser within thirty (30) days of delivery of the same to the Sponsor. If the Purchase Agreement is not accepted by the end of such period it will be deemed rejected. Sponsor may reject any Purchase Agreement, without cause or explanation, so long as such rejection is not based upon race, creed, color, sex, national origin, ancestry, or any other ground proscribed by law. In the event of such rejection, the Purchaser's down payment will be promptly refunded. The Purchase Agreement will not be binding upon Sponsor until a copy executed by or on behalf of the Sponsor is delivered to the Purchaser.

A person desiring to purchase a Unit will be required to execute, in triplicate, a Purchase Agreement in the form set forth in Part II of this Plan, and deliver the Purchase Agreement to Sponsor together with a check equal to the sum of ten percent (10%) of the purchase price. Said check shall be drawn to the order of "Marans, Weisz & Newman LLC, as Escrow Agent." All funds received from Purchasers whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be made payable to or endorsed by Purchaser to the order of Marans, Weisz & Newman LLC as Escrow Agent.

The Purchase Agreement contains the terms and conditions upon which the Unit will be sold and should be read carefully by the prospective Purchaser and his or her legal or financial representative before being executed. The terms of sale and other provisions of an actual Purchase Agreement entered into between Sponsor and any Purchaser may vary from the provisions contained in the form of Purchase Agreement contained in Part II of the Plan. However, such variations shall have no effect on the provisions of any other Purchase Agreement theretofore or thereafter entered into between Sponsor and any other Purchaser nor shall such variations materially or adversely affect Sponsor's obligations as set forth in the Plan. Purchasers should be aware that if any conflict exists between the Plan and the Purchase Agreement, the provisions of the Plan shall in all events control.

In accordance with Section 352-e(2-b) of the General Business Law and Section 71-a(3) of the Lien Law of the State of New York and the New York State Attorney General's regulations promulgated pursuant thereto, Sponsor will hold all down payments (hereinafter sometimes referred to as "Deposits") received from Purchasers, directly or through its agents or employees, in a special segregated escrow account, until the closing of title to the Unit or earlier termination of the Purchase Agreement. Alternatively, in its discretion, Sponsor will secure a bond or indemnity contract from a licensed surety company in favor of the Purchaser in an amount equal to the down payment received, insuring protection of said down payment, which bond or contract will be delivered to Purchaser. The use of such bond will be pursuant to the regulations of the New York State Department of Law. If Sponsor elects to post a bond in accordance with the foregoing, Sponsor will amend the Plan accordingly. If no bond is posted, or until a bond is posted, such funds will be held as trust funds pursuant to Sections 352-h and 352-e(2-b) of said General Business Law and Section 71-a(3) of said Lien Law, in an interest-bearing account entitled "Marans, Weisz & Newman LLC Lista Condominium Escrow Account" at Hudson Valley Bank, 233 Broadway, New York, New York 10279.

Purchasers shall not be obligated to pay any legal or other expense of Sponsor in connection with the handling or disposition of Deposits paid by such Purchasers. However, nothing in the preceding sentence shall limit the obligation of any Purchaser to pay the fees and expenses of Sponsor's attorneys (to the extent such fees and expenses are expressly disclosed in the Plan as may be amended from time to time) in connection with the purchase or closing of the

Unit purchased by such Purchaser under the Plan.

A Deposit will be deemed to have been unconditionally tendered when it is delivered to Sponsor's attorneys, together with a Purchase Agreement in the form agreed to by Sponsor and signed by the Purchaser, without any request for a change in such form or the terms of the Purchase Agreement. Deposits shall remain the property of Purchaser until closing or earlier termination of the Purchase Agreement, except as otherwise provided herein or by law. The signature of Daniel Weisz, Esq., Richard Marans, Esq., or Richard Newman, Esq., the members of Marans, Weisz & Newman LLC, 29 Broadway, Suite 2400, New York, NY 10006, attorneys for Sponsor, whose phone number is (212) 968-0244, shall be required to release any of such funds. The name of the escrow account is "Marans, Weisz & Newman LLC Lista Condominium Escrow Account" at Hudson Valley Bank, 233 Broadway, Brooklyn, New York 10279 (the "Bank").

The Bank is covered by federal bank deposit insurance generally to a maximum of \$100,000 in the aggregate with respect to all funds deposited by any person in one or more deposit accounts (including, without limit, amounts directly deposited by such person and Deposits held in escrow for such person by the Escrow Agent).

If an individual makes a Deposit in excess of \$100,000 for the purchase of a Unit, or if the amount of such individual's deposits at the Bank and such Deposit exceed \$100,000, the aggregate of such Deposit and all other such deposits will generally not be insured in excess of \$100,000. See the section entitled "Special Risks."

The Deposit will be payable to Sponsor upon (i) the closing of title to the Unit covered by the Purchase Agreement or (ii) upon an event of default by the Purchaser under such Purchase Agreement, which default continues for thirty (30) days after written notice from Sponsor of such default. Upon authorized rescission or termination of the Purchase Agreement by a Purchaser or upon abandonment of this Plan, the down payment shall be released to the Purchaser.

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

All Deposits unconditionally tendered and delivered by a Purchaser in accordance with this Plan with respect to a Unit made payable to or endorsed to the order of "Marans & Weisz, LLC, as Escrow Agent," must be placed within five (5) business days after the Purchase Agreement is signed by all necessary parties in the aforementioned attorney escrow account. Within ten (10) business days after the tender of the Deposit submitted with the Purchase Agreement, Marans & Weisz, LLC, the Escrow Agent, shall notify a Purchaser that such funds

have been deposited in the Bank and shall provide the account number and the initial interest rate. If a Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she 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 a Purchaser.

Part II of the Plan contains a copy of the escrow agreement that is subject to the terms of the Attorney General's regulations. In the event of any conflict between such escrow agreement and either any other provisions of this Plan, any amendment thereto, or any Purchase Agreement, such escrow agreement shall control.

The escrow account will be interest-bearing and, if the closing of the sale to a Purchaser of a Unit occurs under the Plan, interest on a Deposit made by a Purchaser will be credited to such Purchaser at Closing. The interest rate to be earned on the Deposit will be the rate paid from time to time by the Bank for the same type of account as the escrow account. This rate, as of September 2, 2008, was .20%. Interest will begin to accrue when the check for the Deposit is deposited in the escrow account, and provided there is no charge back or debit by the Bank against the amount deposited. No fees of any kind may be deducted from the account principal or any interest earned thereon. Sponsor shall bear any administrative cost for maintenance of the account. Notwithstanding anything to the contrary contained herein, unless and until Purchaser has delivered to Marans, Weisz & Newman LLC a completed and signed Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), whichever may be applicable, the Deposit will be deposited in a non-interest-bearing escrow account at the Bank.

Release of Escrowed Funds and Resolution of Disputes

Under no circumstances shall Sponsor apply for the release of the escrowed funds of a defaulting Purchaser until after "Consummation of the Plan." "Consummation of the Plan" shall mean the first closing of title for the sale of a Unit under the Plan and in accordance with its requirements. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to General Business Law Section 352-h.

The Escrow Agent shall hold the funds in escrow until otherwise directed in:

- (1) a writing signed by both Sponsor and Purchaser; or
- (2) a determination of the Attorney General pursuant to the subsection below entitled "Disputes"; or

(i) both Sponsor and Purchaser direct payment to a specified party in accordance with a written direction signed by both Sponsor and Purchaser; or

(ii) a judgment or order of a court of competent jurisdiction is served on the Escrow Agent; or

(iii) the Escrow Agent deposits the disputed amount into court.

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

Set forth in Part II of the Plan is a copy of the form of escrow agreement between Sponsor and Escrow Agent which incorporates the terms of the Attorney General's regulations.

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

Escrow Agent is acting merely as a stakeholder. Upon payment of the Deposit pursuant to the Plan, Escrow Agent shall be fully released from all liability and obligation with respect to the Deposit. Escrow Agent shall accept a Deposit made by certified or bank check, subject to collection.

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

Escrow Agent will maintain all records concerning the Master Escrow Account for seven (7) years after the release of funds. Upon the dissolution of any law firm, which was the Escrow Agent, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by the successor firm and shall notify the Department of Law of such transfer.

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

Any provision of any contract or agreement, whether oral or in writing, by which

a Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. The provisions of this section of the regulations shall prevail over any conflicting or inconsistent provision in the Offering Plan or in a Purchase Agreement.

Sponsor may apply to the Attorney General to use security in the form of surety bonds or a letter of credit, in accordance with the regulations of the Department of Law, in lieu of escrow of such funds. In the event Sponsor elects to use such alternative security, an amendment to that effect will be filed in the Offering Plan fully complying with all provisions of the Department of Law for proof of satisfactory insurance of said funds.

Balance of Purchase Price and Closing Documents

After the Plan has been declared effective, Sponsor will fix dates for closing title to all Units for which purchase agreements have been executed by serving notice on each Purchaser stating the date of the first closing and setting such Purchaser's closing date. Such notice will be served in compliance with the regulations promulgated by the New York State Department of Law no less than thirty (30) days before the date set for the closing of the Units. Purchasers may waive this thirty (30) day notice provision in a writing addressed to Sponsor.

Sponsor expects the first closing of a Unit to occur on or about January 1, 2009. If the date of the first closing of a Unit shall be delayed by more than twelve (12) months after such date, each Purchaser will be offered a right to rescind his/her Purchase Agreement and receive return of his/her Deposit.

At the closing Purchaser shall be required to sign and deliver a Power of Attorney to the Board of Managers of the Condominium covering the Unit in the form contained in Part II of the Plan and pay certain closing fees, costs and adjustments (See the section entitled "Unit Closing Costs and Adjustments"). The Purchaser will also be required to pay the New York State and New York City real property transfer tax returns, mortgage recording taxes and Sponsor's and Purchaser's attorney fees covering the sale of his or her Unit, any real estate reporting return and statement required by the Internal Revenue Code or the regulations thereunder, all other documents required by law, and all other documents reasonably required by Sponsor or required under Purchaser's Purchase Agreement. The balance of the purchase price is also payable on closing. This amount shall be paid by a bank or cashier's check or certified check, drawn on or issued by a New York bank, trust company or other New York lending institution which is a member of the New York Clearing House Association, payable to Sponsor (or to any one Sponsor designates or directs in writing).

Once a Purchaser signs a Purchase Agreement, he or she must meet all obligations thereunder, including the obligation to pay the balance of the purchase price when

due, provided he or she has been able to procure financing from a lending institution. A Purchaser has to make an application for financing within five (5) business days from the date that the Purchase Agreement is fully executed. If Purchaser is unable to obtain financing for at least seventy-five percent (75%) of the purchase price or a lesser sum that Purchaser has applied for by forty-five (45) days from the date that the Agreement is fully executed, it may cancel the Purchase Agreement and receive its down payment back from Sponsor. However, this contingency is condition upon a good faith application for financing and compliance with all lender requirements in the application process. Prospective Purchasers should also be aware that a loan commitment, if obtained, may be for a fixed term which could expire or contain provisions which could change prior to the date the Purchaser is to close title. Such expiration or change of terms would not affect the Purchaser's obligation to pay the balance of the purchase price when due. Purchaser's failure to pay the balance when due is a default. In the event of any uncured default by the Purchaser, the down payment may be retained by Sponsor as liquidated damages.

In the event of a Purchaser's default, Sponsor's sole right shall be to cancel the Purchase Agreement by sending the Purchaser thirty (30) days' prior written notice of its intention so to do. If Sponsor elects to cancel, the Purchaser shall have thirty (30) days from the giving of the cancellation notice within which the Purchaser must cure the specified default. Time is of the essence to cure such default within said thirty (30) day period. If the default is not timely cured, then Sponsor shall have the right to retain, as and for liquidated damages, the Down Payment plus the costs incurred by Sponsor for any special work in the Unit ordered by the Purchaser, together with any interest earned thereon and any excess sums (together with any interest earned thereon) shall be returned to the Purchaser (See the section of the Plan entitled "Procedure to Purchase" for further details).

Default by Purchaser

If a Purchaser defaults in making any payments due under the Purchase Agreement or fails to execute and deliver documents, make the payments described above, or perform any of his other obligations under the Purchase Agreement, then Sponsor may at its option give written notice of default under the Purchase Agreement to Purchaser. If the default is not cured within thirty (30) days after written notice thereof, then the Purchase Agreement shall be deemed canceled and Sponsor shall be entitled to the payment due under the Purchase Agreement and any payments made thereunder including any costs for any special work ordered by Purchaser together with interest earned thereon, if any, as and for liquidated damages. Cancellation of a Purchase Agreement will permit Sponsor to sell the Unit to others as though the Purchase Agreement had never been made and the Purchaser shall not have any further rights against or obligations to Sponsor, the Condominium or others purchasing such Unit.

In the event the Sponsor cannot convey title to the Unit by reason other than the default of the Purchaser, all monies deposited by the Purchaser shall be returned to the Purchaser. However, Sponsor may attempt to cure its inability to convey title and if it does so, Sponsor shall be entitled to an adjournment of the Closing Date for a reasonable period of time.

Risk of Loss

Risk of loss from fire and other casualty shall remain with Sponsor until the earlier of conveyance of title to the Unit to Purchaser or actual possession of the Unit by Purchaser, but without any obligation or liability by Sponsor to repair or restore any Unit. Sponsor may, at Sponsor's option, elect to abandon the Plan or to repair or replace such loss or damage. If Sponsor does not elect to repair the damage, the Purchase Agreement will be cancelled and of no further force or effect. Thereafter, Purchaser will be refunded his or her Deposit unless Purchaser is then in default thereunder beyond the applicable grace period, if any, in which event the Deposit will be retained by Sponsor as liquidated damages. If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the purchase price, and Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacement. If a Purchaser takes possession of a Unit prior to closing title, he or she will assume the risk of loss and the obligation to repair the damage; therefore it is advisable that Purchaser obtain casualty insurance at such time.

Limited Warranty

Attached to and incorporated into the Purchase Agreement is a "Limited Warranty." For a complete copy of the Limited Warranty, please refer to Part II of the Plan.

Under this Limited Warranty, purchasers receive the following coverage (all defined terms are defined in the Limited Warranty):

- (a) For one hundred eighty (180) days, the Building will be free from defects due to failure to construct the Building in accordance with "Accepted Standards."
- (b) For one (1) year, the building systems will be free from defects due solely to failure to install the building systems in accordance with Accepted Standards.
- (c) For three (3) years, the "Major Structure" of the Building will be free from "Major Structural Defects" due solely to faulty workmanship of defective materials.

(d) For six (6) years, the Building will be free from material defects.

The Limited Warranty does not cover:

(a) Loss or damage caused by work performed by any person other than Sponsor or its agents.

(b) Loss or damage caused by defective materials supplied by any person other than Sponsor or its agents.

(c) Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by Sponsor or its agents.

(d) Loss or damage that would have been apparent or ascertainable upon examination of the Building prior to acceptance of the deed or occupancy of the Building, including, but not limited to, patent defects.

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

Purchase Agreement

The Purchase Agreement is contingent upon effectiveness of the Plan. If the Plan is abandoned, Purchase Agreements will be cancelled, and all monies held by Sponsor shall be returned to Purchasers.

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

Conflicts between Plan and Purchase Agreement

Any conflict between the Plan and the Purchase Agreement will be resolved in favor of the Plan.

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

ASSIGNMENT OF PURCHASE AGREEMENTS

Purchaser may not assign the Purchase Agreement without first obtaining the prior written consent of Sponsor, which consent may be granted or withheld in Sponsor's sole and absolute discretion. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. Any purported assignment by Purchaser in violation of this Section shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in the Section of the Plan entitled "Procedure to Purchase," and shall be voidable at the option of Sponsor. If Sponsor consents to the assignment, Purchaser will be required to pay a fee in the amount of \$500 payable to Marans and Weisz LLC, Sponsor's attorneys in connection with the preparation of documents relating to the assignment.

If Sponsors agrees to permit the assignment, Purchaser shall deliver to Sponsor's counsel or a selling agent (if applicable), four (4) signed forms of assignment of this Agreement (to be prepared by Sponsor's counsel at Purchaser's expense), as well as three (3) completed and signed copies of either Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), as applicable, in the form required by law. Upon each assignment or other change permitted by Sponsor (at its sole discretion), the assignments and Form W-8 or Form W-9, as applicable, must be delivered to a selling agent (if applicable) or Sponsor's counsel, together with a personal certified check, or an official bank or cashier's check, in the amount of \$500 made payable to Marans, Weisz & Newman LLC (for services rendered in connection with the assignment), not less than twenty (20) days prior to the date scheduled for the Purchaser's closing. In no event shall Purchaser or its assignee (or any added or substituted party) have any right to adjourn or postpone the closing as a result of the assignment. However, Sponsor will not unreasonably withhold its consent to the assignment by Purchaser, on one (1) occasion only, of all of Purchaser's rights under this Agreement to a Purchaser Affiliate or to member(s) of Purchaser's Immediate Family, provided that any such assignment is made without consideration and otherwise in accordance with the provisions and procedures discussed above. For the purposes of this Section of the Plan, "Purchaser Affiliate" means an entity, as of the date of the assignment and at all times thereafter through and including the Closing, controlled by or under common control with Purchaser; and "Immediate Family Members" means Purchaser's spouse, domestic partner, children, grandchildren, parents, grandparents, brothers or sisters, stepchildren and stepparents; and "control" means the ownership of fifty-one percent (51%) or more of the interests in such entity and possession of the power to direct the management and policies of such entity and the distribution of its profits. In no event shall Purchaser, as assignor, be released or relieved from any obligations, promises, covenants and liabilities under or in respect of this Agreement.

EFFECTIVE DATE

Sponsor's offer to sell the Units is contingent upon the Plan being declared effective and compliance with the relevant conditions and time periods set forth in the Plan.

The Plan may be declared effective by (i) an amendment to the Plan or (ii) by personal service of notice on every Purchaser or by commencement of service by mail in the manner required by 13 NYCRR Section 20.1 (d) stating that the Plan is declared effective and submitting an amendment conforming to Section 20.5 (e) to the Department of Law within five (5) days confirming that the Plan was declared effective on a specified date. Closing of the first Unit shall not occur until the Plan is declared effective and an effectiveness amendment is accepted for filing by the Department of Law.

The Plan may not be declared effective until bona fide Purchasers, including investors, have signed purchase agreements for at least fifteen percent (15%) of the Units, (i.e. two (2) Units).

The Plan will not be declared effective based on (i) Purchase Agreements signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) Purchase Agreements where the Purchaser was not afforded the seven (7) days period to rescind the Purchase Agreement or the three (3) business day period to review the Plan and all filed amendments in accordance with the provisions set forth above in the section of the Plan entitled "Procedure to Purchase" or (iii) Purchase Agreements containing a "time of the essence" provision or Purchase Agreements with any provision where such provision was not acknowledged by the Purchaser; or (iv) Purchase Agreements with any Purchaser who is the Sponsor, the managing agent or is a principal of the Sponsor, the managing agent or is related to the Sponsor, the managing agent or to any principal of the Sponsor or the managing agent by blood, marriage or adoption or as a business associate, an employee, a member, a shareholder or a limited partner; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is bona fide.

The Plan must be declared effective when executed Purchase Agreements are accepted by Sponsor for eighty percent (80%) or more of the Units (i.e. a minimum of seven (7) Units) offered under the Plan.

The Plan may be abandoned by Sponsor, at its sole option, at any time before it is declared effective. Within ten (10) days after abandonment, all monies paid by Purchasers shall be refunded to them in full with interest earned, if any. Sponsor shall promptly submit for filing

to the Department of Law an amendment to the Plan and a Notice of Abandonment on Form RS-3, or such other form as may then be required by the Department of Law setting forth the reason for abandonment and disposition of all funds received. If payments under Purchase Agreements have been received, the amounts of such funds and the manner and time when these funds will be returned to purchasers must be disclosed in said amendment. The funds must be returned no later than within five (5) days after the amendment abandoning the Plan has been accepted for filing. If there are no outstanding purchase agreements Sponsor need not submit an amendment to the Plan but shall submit a form RS-3 to the New York State Department of Law which shall be served simultaneously by Sponsor on all commercial or professional tenants, if any, in the manner specified in the Rules and Regulations.

Once the Plan has been declared effective or executed Purchase Agreements for eighty percent (80%) of the Units have been accepted by Sponsor, the Plan may not be abandoned unless (i) there is a title defect which cannot be cured without litigation or cannot be cured for less than a stated amount which shall not be less than one-half (1/2) of one percent (1%) of the total offering amount; or (ii) substantial damage or destruction of the building by fire or other casualty which cannot be cured for less than a stated amount which shall not be less than one-half (1/2) of one percent (1%) of the total offering amount; or (iii) the taking of any material portion of the property by condemnation or eminent domain. In calculating such amount Sponsor shall not include attorney's fees or title defects or determinations of any authority or regulatory association existing on the date of presentation of the Plan and are either known to the Sponsor or are a matter of public record.

TERMS OF SALE

The term "closing of title" or "closing" as used herein means the transfer of ownership of a Condominium Unit from Sponsor to the Purchaser(s) thereof.

Once the Plan has been declared effective, the Sponsor will fix the dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first closing and setting such Purchaser's closing date. Such notice will be served no less than thirty (30) days before the date set for the closing of the Units.

At Closing, Sponsor will execute and deliver to each Purchaser a bargain and sale deed with covenant against grantor's acts substantially in the form set forth in Part II of the Plan and in proper form for recording for the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and title exceptions other than those Permitted Exceptions described below and the proposed Unit deed.

Permitted Exceptions

1. Covenants, conditions, restrictions, easements, leases, agreements of record or any other encumbrance, provided that they do not prohibit the existence and residential use of the Units.
2. All of the terms, easements, covenants and conditions of the Declaration of Condominium and the By-Laws of the Condominium as they are subsequently filed or recorded, the deed, the Offering Plan and Purchase Agreement and any amendments thereto.
3. The restrictions and regulations as set forth in the By-Laws of the Condominium.
4. Any state of facts which an accurate survey and inspection of Unit and/or Property would show and any additional state of facts a subsequent survey would show, provided that such additional state of facts does not render title unmarketable.
5. The lien of any Common Charges, real estate taxes, water frontage and/or meter charges, sewer rents, vault charges and assessments, provided that apportionment of such items is made as provided in the Offering Plan.
6. Any other leases, tenancies and occupancies permitted by the Purchase Agreement for such Unit.
7. Any lien, encumbrance or lis pendens either (i) for which the instrument required to remove said encumbrance of record is delivered at or prior to the Closing Date to the proper party or to the Purchaser's title insurance company together with the required recording or filing fee or (ii) as to which the Purchaser's title insurance company (or Sponsor's title insurance company) will insure that the lien encumbrance or lis pendens will not be collected out of or enforced against the Unit.
8. The lien of any assessment(s) which are or may become payable in annual installments of which any installment is then a charge or a lien, provided that apportionments thereof are made as provided below.
9. Judgments, bankruptcies or other returns against other persons having names the same or similar to that of the Sponsor or any of its principals, provided that

Sponsor delivers to the Purchaser or the Purchaser's title insurance company (or Sponsor's title insurance company) an affidavit showing that the judgments, bankruptcies or other returns are not against the Sponsor.

10. The printed exceptions set forth in Federated Title Services, LLC Title No. FTS-NY-5040 or in any title policy issued by a title company that is authorized to do business in the State of New York and that is a member of the New York Board of Title Underwriters.

11. Defects and encumbrances arising or becoming a lien after the Closing Date.

12. Consequences of the exercise and enforcement or attempted enforcement of any governmental, war or police powers over the Unit or the Property.

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

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

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

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

A closing will take place only concurrently with the issuance of a temporary or permanent certificate of occupancy for the entire project or issuance of a partial, temporary or permanent certificate of occupancy for the Unit closed.

Purchasers shall be given an opportunity to inspect the Unit prior to Closing. Any work remaining to be done in the Unit pursuant to the Plan and/or the Purchase Agreement, shall

be itemized on an "Inspection Statement," a form of which is contained in Part II of the Plan, signed by both Sponsor and Purchaser. Sponsor shall be obligated to complete the items on the Inspection Statement within a reasonable time after closing. However, if Sponsor agrees in writing to complete any items on the Inspection Statement prior to closing, Purchaser must re-inspect the Unit on that day prior to closing stipulated by Sponsor to inspect and sign off on all items Sponsor was to complete. No open items of work will be discussed at the closing itself.

Sponsor's failure to complete any of the items on the Inspection Statement shall not be grounds to cancel or postpone the Closing

The Declaration and By-Laws and Floor Plans for the Condominium and such other documents, as required by law, will be recorded or filed in the County Register of Kings County prior to the first conveyance of title to a Unit in accordance with the New York Condominium Act and any other applicable law.

Purchasers shall be entitled to one five (5) day adjournment of the closing date set by Sponsor. However, if at a Purchaser's request Sponsor grants an adjournment or adjournments of his or her closing of title in excess of five (5) days in the aggregate, the Sponsor has the option of collecting an additional five percent (5%) of the purchase price of the Unit as an additional down payment. In addition, if the Sponsor grants such adjournment or adjournments, (i) the apportionment of those items set forth in paragraph 8 of the Purchase Agreement shall be made as of the originally established closing date rather than as of the date the closing actually occurs, and (ii) Purchaser shall pay Sponsor at closing interest on the unpaid balance of the purchase price from the originally established closing date to the actual closing date at the lesser of sixteen percent (16%) per annum or the maximum legal rate of interest and (iii) Purchaser shall pay Sponsor \$250 per day for each day the Closing is adjourned. Nothing herein shall be construed to mean that the Sponsor must grant an adjournment of title when requested to do so.

If applicable, prior to closing, Sponsor will procure the Real Property Transfer Gains Tax Tentative Assessment and Return (or Statement of No Tax Due). Purchasers will be required to pay all transfer taxes due at Closing and comply with the requirements of the New York State Department of Taxation and Finance.

At each closing, the Purchaser will execute an instrument in the form provided in Part II of the Offering Plan (and delivery of said instrument to the Sponsor or Purchaser's title company for recording), designating the Board of Managers as his or her attorney in fact, coupled with an interest for, but not limited to, the purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Unit acquired by the Board of Managers in accordance with any of the provisions of the By-Laws and for purposes consistent with the

implementation of the Offering Plan.

At each closing, Sponsor will deliver and assign to Purchaser any manufacturers' warranties (to the extent available and assignable) with respect to any equipment and appliances installed by Sponsor in the Unit and the receipt by Purchaser of any subcontractors' warranty certificates for heating and plumbing relating to the Unit, if any, to the extent made by such subcontractors and to the extent such warranties are available.

At or subsequent to the Closing of the first Unit, Sponsor will assign to the Board of Managers of any warranties available and assignable with respect to all equipment and appliances and heating, plumbing and roofing installed in the Common Elements.

If ordered by Purchaser, the issuance at closing of a commitment by Federated Title Services LLC, as agent for Stewart Title Insurance Company or by another title insurance company licensed to do business in the State of New York, to insure that the Condominium was validly formed pursuant to the Condominium Act and that the Purchaser has good and insurable fee title in the Unit, free and clear of all liens and encumbrances, except as set forth herein and except for any mortgage that a Purchaser obtains to purchase the Unit, and subject to the provisions of the Declaration and By-Laws. See the next section of this Plan for the estimated cost of such title insurance.

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

(a) Any state of facts an accurate survey of the Property or personal inspection of the Unit and/or Property would show and any additional state of facts a subsequent survey would show, provided such state of facts would not prevent the use of the Unit for dwelling purposes or render title unmarketable;

(b) All of the terms, covenants and conditions of the Declaration, the By-Laws, the building plans as they are subsequently filed or recorded, the rules and regulations of the Condominium and the Offering Plan and amendments thereto;

(c) Power of Attorney from the Unit Owner to the Board of Managers of the Condominium;

(d) All easements set forth in the Declaration and By-Laws (as the same may be amended from time to time), and the deed, as subsequently recorded;

(e) Any other declaration or instrument affecting the Property which Sponsor must file to comply with any law, ordinance, regulation, zoning resolution or requirement of the

Department of Buildings, New York City Planning Commission, Board of Standards and Appeals, or of any other public agency or authority, applicable to the construction, alteration, repair, demolition or restoration of the Building and creation of the Condominium;

(f) Zoning and other resolutions, regulations and ordinances (and

NO FURTHER TEXT ON THIS PAGE

amendments thereto) now or hereafter adopted;

(g) Consents by Sponsor or any former Owner of the Property for the erection of structure(s) under or above any street on which the Property abuts;

(h) Standard exceptions contained in the form of title insurance policy then issued by Federated Title Services, LLC; and

(i) Any encumbrance as to which Federated Title Services, LLC would be willing, in a fee policy, to insure (a) will not be collected out of the Unit if it is a lien or (b) will not be enforced against the Unit if it is not a lien; and

Sponsor will not be obligated to bring any action or expend any sum greater than one-half of one percent (.05%) of the total offering amount to render title to any Unit marketable, and, if Sponsor fails or refuses to correct any title defect which cannot be cured without litigation, 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 Sponsor shall, within thirty (30) days of receipt of such cancellation notice, return to the Purchaser all monies deposited by him or her. Upon making such refund, the parties shall be relieved of all further obligations and liabilities to one another under the Purchase Agreement and this Plan. If the Purchaser fails to notify Sponsor of his or her election within ten (10) days after Sponsor notifies Purchaser of Sponsor's refusal to remedy the title defect, it will be conclusively deemed that Purchaser elected the first option to acquire title subject to the title defect.

UNIT CLOSING COSTS AND ADJUSTMENTS

At Closing, each Purchaser shall be required to pay certain costs and expenses. The following is a list of the types and amounts of costs and expenses Purchasers should expect to pay. Estimates for title expenses are provided by Federated Title Services, LLC, 501 Seventh Avenue, New York, N.Y. 10018 and are based (as are all of the following items), on current rates and charges which are subject to change without prior notice:

(a) If a Purchaser elects to obtain fee title insurance, the Purchaser will pay the premium therefor which will vary depending upon the purchase price and whether or not a mortgage title policy is obtained simultaneously with the fee title policy. Title insurance rates are set by the New York Board of Title Underwriters and filed with the New York State Insurance Department. For illustrative purposes, a Purchaser buying a Unit for \$350,000.00 would pay a premium of \$1,584.00. If that Purchaser obtained a mortgage in the principal amount of

\$275,000.00, there would be an additional charge of \$387.00 for a total of \$1,971.00. Sponsor makes no representation regarding insurance available from insurers other than Federated Title Services, LLC.

(b) Fees for recording the Unit Deed, the Power of Attorney in favor of the Board of Managers, and any mortgage the Purchaser obtains to finance the purchase of his or her Unit. The current recording fees are \$300.00 for a deed and \$250.00 for a mortgage.

(c) The New York State Real Estate Transfer Tax, which is currently .4% of the purchase price, but when paid by the Purchaser, is increased to approximately .4060% since the shifting of the tax obligation from the Sponsor as a seller to Purchaser is deemed additional consideration from the Sponsor. For a purchase of a Unit with a purchase price in the amount of \$299,000.00, the tax due would be \$1,214.00.

(d) The New York City Real Property Transfer Tax, which is currently 1% of the purchase price for purchases under \$500,000.00 and 1.425% for purchases of \$500,000.00 or more, but when paid by the Purchaser, is increased since shifting of the tax obligation from the Sponsor as a seller is deemed additional consideration to the Sponsor.

(e) Any Purchaser who obtains a mortgage loan to finance the purchase of his or her Unit shall reimburse Sponsor in the amount of any credit against the mortgage tax which the Purchaser receives pursuant to Section 339-ee(2) of the Real Property Law as a consequence of Sponsor's payment of mortgage tax on the construction mortgage for the Condominium. In accordance with said statute, the credit shall be the amount resulting from the product of the Unit's percentage of interest in the Common Elements and the mortgage tax already paid on mortgages affecting the Property. The mortgage tax is currently 2.05% of any mortgage obtained by the Purchaser of less than \$500,000.00 and 2.175% for mortgages of \$500,000.00 or more. Of this amount the Purchaser pays 99.75% of the mortgage amount and the mortgage lender pays .25%. The Condominium Act credit described above is against the mortgage tax payable by Purchaser.

Purchasers obtaining mortgage loans are also advised that they will be responsible for the payment of all closing costs and expenses in connection therewith in amounts determined by the lender. These costs customarily include among others, origination fees (or "points"), commitment fees, fees for credit checks, mortgage title insurance, lender's attorneys' fees and appraisal fees. Also a Purchaser obtaining a mortgage may be required by the lending institution to deposit monthly with the lending institution, commencing with the closing date, an escrow for the payment of annual real estate taxes and insurance premiums. The amount of such escrow deposit to be made at closing will depend on the number of months remaining between the closing of title and the date these amounts are next due to be paid and the estimated amounts then payable, as well as the custom and practice of the particular lender involved.

(f) Legal fee of Sponsor's Condominium Counsel in the amount of \$1,200 per Unit must be paid by all Purchasers.

(g) If a Unit has not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, the adjustment will be based on an estimated "assessment" obtained by multiplying the total Property assessment by the Unit's percentage of interest in the Common Elements and multiplying that "assessment" by the then current tax rate. If separate assessments have not been made prior to the closing of title to the first Unit, the Board of Managers will collect from each Purchaser at closing and will place in escrow an amount equal to the Unit Owner's estimated proportionate share of the real estate taxes, if any, projected to be due for the entire Property for the half of the tax year next commencing after the closing of said Unit (i.e., for either the first half or second half, depending on when the Unit closes). Alternatively, Sponsor may place in escrow, in the name of the Board of Managers, an amount equal to the real estate taxes attributable to the unsold Units for such six month period and may collect at each Unit closing the estimated amount of taxes attributable to such Unit for the balance of the six month period. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from Unit Owners to the extent of the actual assessment. No escrow will be required if the Condominium By-Laws include as part of the common expenses, real estate taxes on the Property until the Units are separately assessed and after assessment Unit Owners will be reimbursed for any overpayment of taxes or assessed for an underpayment. If the tax assessor indicates that more than one half of a tax year may elapse before the Units are individually assessed, the Board of Managers shall collect monthly escrows from Unit Owners with their Common Charges, based upon the estimated tax bill for the entire Property, the Unit Owner's percentage of interest in the Common Elements and the then current tax rate (or, at the Board of Managers' discretion, a higher tax rate to provide against a possible increase in rate at the beginning of a new tax year). The Board of Managers will pay all taxes due from the escrow account. If the actual taxes due for any period for which the Board of Managers collected escrows are higher than the amount collected and held in escrow, the Board of Managers shall pay the difference and shall bill Purchasers for their proportionate share of any necessary reimbursement. If the actual taxes due are lower than the amount collected and held in escrow by the Board, the Board of Managers shall pay the tax bill and return to Purchasers their proportionate share of any excess. At such time as the Unit is separately assessed, the Unit Owner will pay taxes directly to the taxing authority.

(h) Purchaser shall have sole responsibility for payment of all professionals, including attorney(s), employed or retained by Purchaser.

(i) Purchasers shall also be required to pay at closing a sum equal to one (1)

month Common Charges as a contribution to the Working Capital Fund. This fund shall be used to pay for items in the budget which will be payable prior to the time that sufficient monthly Common Charges have accrued to pay these items.

(j) Purchasers shall also be required to pay at closing a pro-rated portion of Common Charges for the month in which the closing takes place.

(k) Additional \$250 if the closing is not held at Sponsor's attorneys' offices.

(l) Additional \$150 if the closing is held outside New York City.

(m) Additional \$250 to attorneys for Sponsor for the preparation of a letter of default.

Example of Typical Closing Costs

The following is a numerical example of all closing costs for a typical unit:

Assuming that a Purchaser closes timely and incurs no penalties under the Purchase Agreement and utilizes Federated Title Services, LLC, the closing costs for a Unit with a purchase price of \$299,000.00 and a mortgage of \$239,200.00 will be approximately:

Title Insurance – Fee \$1,395.00; Mortgage \$349.00

Recording Fees - \$750.00

Transfer Taxes – New York City \$3,032.00; New York State \$1,214.00

Mortgage Recording Tax - \$4,783.60

Working Capital Fund – 1 month common charge

Sponsor's Attorney's Fee - \$1,800.00

Total: \$13,323.60 + Working Capital Fund contribution.

The entire contents of this section entitled "Unit Closing Costs and Adjustments", as the same may be revised or amended, shall be deemed incorporated in the Purchase Agreement for each Unit.

Closing Adjustments between Sponsor and Condominium

Sponsor will be responsible for all the required operating expenses of the Property accruing prior to the date of closing of title to the first Unit (for purposes of this paragraph hereinafter known as "First Closing") pursuant to the Plan. The Condominium shall be responsible to pay all operating expenses of the Property accruing on or after the First Closing pursuant to the Plan. The following items shall be apportioned between Sponsor and the Condominium as of midnight of the date preceding the First Closing pursuant to the Plan:

(a) water charges and sewer rents (unless separately assessed to Units) based on the fiscal year unless there be water meters on the Property, Sponsor to furnish readings to a date not more than thirty (30) days prior to the First Closing pursuant to the Plan;

(b) deposits, fees, charges or payments in connection with all permits, licenses, utilities, service and maintenance agreements (if any) which are assigned by Sponsor to the Condominium;

(c) the cost of fuel on hand, if any, as estimated by Sponsor's supplier and any other supplies on hand;

(d) insurance premiums for transferable policies, if any, which Sponsor transfers to the Condominium;

(e) charges for electricity for the Common Elements, if any; and

(f) operating expenses and any other prepaid items (including, without limitation, charges for gas and electricity for the Building, if applicable).

In addition, Sponsor shall pay for all installments for assessments due prior to the First Closing and the Condominium shall pay all such installments due after the First Closing.

If the net closing adjustments are in favor of the Condominium, then Sponsor, at the time of the First Closing, shall pay such amount to the Condominium which shall contribute such amount to the Working Capital Fund (See Section of the Plan entitled "Working Capital Fund").

If the net closing adjustments are in favor of Sponsor, then the net closing adjustments shall be paid to Sponsor from the Working Capital Fund at such time that there is sufficient funds in the Working Capital Fund to pay the net closing adjustments but in any event prior to the sale of the last Unit.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

Sponsor is obligated to defend any suits or proceedings arising out of Sponsor's acts or omissions under the Plan and applicable law with respect to the offering. Sponsor will indemnify and hold the Board of Managers and the Unit Owners harmless from any such suits or proceedings.

The Condominium shall assume the performance of all obligations (including payment obligations) of the Sponsor, if any, accruing on or after the date of closing of title to the first Unit pursuant to the Plan, under the labor, service and maintenance agreements in effect on such date which have been assigned to the Condominium pursuant to the Plan, and shall indemnify and hold Sponsor harmless from and against any and all claims, liabilities, costs and

expenses arising of or with respect to such agreements or with respect to the Property accruing on or after such date.

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

Sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to all unsold Units. Sponsor represents that it has the financial resources to meet its obligations with respect to unsold Units and will fund its financial obligations to the Condominium from projected sales and its own personal funds if such projected sales are not made. Except as specifically set forth herein, no bond or other security has been furnished to secure Sponsor's obligations hereunder, including, but not limited to, Sponsor's obligations to obtain a permanent Certificate of Occupancy. If Sponsor should cease having such financial resources, all selling activity shall cease, the Plan will be amended and all Purchasers offered the right to rescind their purchases. All obligations of Sponsor pertaining to the Common Elements shall be enforceable only by the Board of Managers on behalf of the Unit Owners and not by the individual Unit Owners. However, nothing herein shall prevent an individual Unit Owner from bringing an action in the nature of a derivative action against the Board of Managers. During the time the principals of Sponsor control the Board, it is within their sole power to enforce the obligations of Sponsor pertaining to the Common Elements. Therefore, Sponsor agrees that during such period it will in its capacity as the Board of Managers enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.

Sponsor shall procure fire and casualty insurance, as set forth in Schedule B, pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance, as reflected in Schedule B. Such insurance will provide that each Unit Owner is an additional insured and that there will be no cancellation without thirty (30) days notice to the Board of Managers and Unit Owners. The insurance policies will also contain waivers of subrogation, waivers of invalidity due to acts of insured and Unit Owners and waivers of pro rata reduction of liability of the insurer due to other insurance carried by individual Unit Owners. Sponsor shall be reimbursed for the cost of such insurance premium(s) by the Condominium.

Risk of loss from fire and other casualty shall remain with Sponsor until the earlier of conveyance of title to the Unit to Purchaser or actual possession of the Unit by Purchaser, but without any obligation or liability by Sponsor to repair or restore any Unit. Sponsor may, at Sponsor's option, elect to abandon the Plan or to repair or replace such loss or damage. If Sponsor does not elect to repair the damage, the Purchase Agreement will be cancelled and of no further force or effect. Thereafter, Purchaser will be refunded his or her Deposit unless Purchaser is then in default thereunder beyond the applicable grace period, if any,

in which event the Deposit will be retained by Sponsor as liquidated damages. If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the purchase price, and Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacement. If a Purchaser takes possession of a Unit prior to closing title, he or she will assume the risk of loss and the obligation to repair the damage; therefore it is advisable that Purchaser obtain casualty insurance at such time.

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

Sponsor is building the Condominium in substantial accordance with the Building Plans and Specifications identified in the Plan, subject to Sponsor's right to substitute equipment or materials of equal or better quality for construction and design and make modifications in layout or design; provided however, that Sponsor may not (i) substitute equipment or materials of lesser quality or design; or (ii) change the size, location of buildings or Units other improvements or Common Elements if such changes affect the percentage of Common Interests or adversely affect the value of any Unit to which title has closed or for which a purchase agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change.

Sponsor has installed carbon monoxide detectors as required in all New York City multiple dwellings.

Before the closing of title to the first Unit, all liens and mortgages affecting the Unit shall be paid or satisfied or the Unit being conveyed and its appurtenant Common Interest shall be released therefrom by a release instrument to be recorded prior to recordation of the deed to the Unit.

Prior to the closing of title to the first Unit, Sponsor shall have obtained a temporary or permanent Certificate of Occupancy for the entire Condominium. Sponsor shall obtain a permanent Certificate of Occupancy and all necessary permits for all elements of the Condominium within two (2) years of closing of title to the first Unit, and, in any event, before expiration of a temporary Certificate of Occupancy, as the same may be renewed, replaced or extended.

In the event any closing of title occurs before the issuance of a permanent

Certificate of Occupancy covering the Unit, Sponsor shall maintain all deposits and funds received from the Purchaser of said Unit in a special escrow account as required by Section 352-e(2-b) of the General Business Law, unless Sponsor's engineer or architect certifies that a lesser amount will be necessary to complete the work needed to obtain a permanent Certificate of Occupancy, in which case the sum exceeding the amount so certified by such engineer or architect may be released to Sponsor from the special escrow account. Alternatively, Sponsor may deposit with an Escrow Agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified. In the event Sponsor desires to post a bond pursuant to this paragraph, prior to posting such bond Sponsor will file an amendment to the Plan disclosing same. It should be noted that this paragraph is inserted pursuant to law and regulation and is subject to change in case of revision or amendment to such law and/or regulation.

At or prior to the Closing of a Unit, Sponsor must assign any manufacturer's warranties with respect to equipment and appliances installed in the Unit to the Unit Owner and assign any warranties with respect to equipment and appliances installed in the Common Elements to the Board of Managers. Sponsor will deliver to the Purchaser upon the closing of title and assign or deliver to the Board of Managers upon the recording of the Declaration as applicable, warranties, if any, of manufacturers and subcontractors relating to heating, electrical work, plumbing, and appliances, as well as bonds relating to the Unit or the Common Elements respectively, if any. Sponsor undertakes to do the above only to the extent that warranties are actually made by such manufacturers and subcontractors and only to the extent such warranties and bonds are available and/or assignable.

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

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

Sponsor agrees to keep copies of the Plan, exhibits and documents referred to in the Plan on file at its office or at another designated place for six (6) years from the date the Declaration is recorded.

Sponsor reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees and tenants, any and all easements and rights of access, in and to Units and Common Elements, to complete construction in a manner consistent with the purposes of this Plan and to ensure Sponsor's rights and obligations hereunder. Sponsor is obligated to repair any damages caused as the result of the foregoing work to the extent it is obligated under the warranties provided under this Plan, if notified during the warranty period described below.

Sponsor will not interfere with a Unit Owner's reasonable use of his or her Unit during any work period. However, there may be a temporary limitation as to use of the public areas. Sponsor's reservation and rights shall include, but not be limited to:

(i) The right to maintain general and sales and leasing office(s) and personnel on the premises, to post signs, and to conduct other activities connected with promotion, sales or leasing, such as inspection and display of vacant or leased Units, as well as all Common Elements, to prospective Purchasers or lessees; and

(ii) Right of access in and to Units and Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing and similar work.

The limited warranty provisions attached to the Unit Deed (See Part II of the Plan) as summarized above, set forth Sponsor's obligations with respect to the construction of a Unit or the Common Elements. The quality of construction shall be comparable to construction standards customary in the particular trade and in accordance with the Plans and specifications. Notwithstanding the foregoing, Sponsor will not be responsible for correcting any defects in construction or defects in the installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings are assigned to the Board of Managers or Unit Owners. In addition, in no event shall Sponsor be responsible for any condition resulting from normal wear and tear or natural shifting or settling of the Building, or for any defects of insubstantial nature, including but not limited to nail pops, ridging on sheet rock walls, lumber shrinkage, any consequential damage resulting from settlement or normal plumbing and heating noises. Subsequent to the conveyance of title to a Unit, Sponsor shall not be responsible for paint touch-ups, repair of dented appliances, porcelain or formica chips and scratches in tubs, vanities or countertops. Sponsor has no obligation to make any repair to the Units or the Common Elements, except as expressly set forth in this Offering Plan.

Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with establishment of the Condominium, and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium, whenever such costs or expenses are incurred, or in connection with the sale of all Units held or owned by Sponsor (except for costs specifically made payable by Purchasers under this Plan), and will pay all selling expenses including, but not limited to, advertising and printing costs, architect and engineering fees, and costs of filing this Plan and amendments thereto.

Except for Sponsor's obligations to pay Common Charges and to perform other duties as a Unit Owner with respect to Units not sold to Purchasers (for so long as Sponsor owns the same), and for its obligations with respect to relinquishing control of the Board of Managers, as hereafter set forth, the foregoing section sets forth the entire extent of the obligations of

Sponsor hereunder and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of Unit Owners under their respective Purchase Agreements.

Sponsor does not intend to obtain construction financing to complete the development of the Condominium and has sufficient resources in hand to complete development.

CONTROL BY THE SPONSOR

Within thirty (30) days after title to the last Unit is conveyed by Sponsor but in no event later than forty-five (45) days after Sponsor and any Sponsor designee have closed title under this Offering Plan to fifty-one percent (51%) in aggregate Common Interest of the Units, the initial Board members will resign in favor a new three (3) member Board to elected at a meeting of the Unit Owners to be held simultaneously.

Sponsor may not exercise veto power over expenses described in Schedule B of Part I of the Plan, without the consent of a majority in aggregate Common Interest of all Unit Owners (other than Sponsor voting as a Unit Owner) present at a duly called meeting of the Unit Owners or expenses required:

- (i) to comply with applicable laws or regulations; or
- (ii) to remedy any notice of violation; or
- (iii) to remedy any work order by an insurer.

Sponsor may exercise veto power over expenses other than those described in the previous paragraph for a period ending not more than five (5) years after the closing of the first Unit or whenever the unsold Units constitute less than twenty-five percent (25%) of the common interests in the Condominium, whichever is sooner.

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

BOARD OF MANAGERS

The number of Managers that shall constitute the whole Board shall be three (3).

Until succeeded by the Managers elected at the first annual meeting of Unit Owners, Managers need not be Unit Owners but may be officers or employees of Sponsor; thereafter, all Managers shall be designated by the Unit Owners. The Managers shall be elected at the annual meeting of Unit Owners. The term of office of all of the Managers shall be fixed for three (3) years. The Managers shall hold office until their successors have been elected and hold their first meeting. Notwithstanding the foregoing, to insure that Sponsor has at least some minimum representation on the Board of Managers during its development, marketing and sale program, the Sponsor shall have at all times the right, in the event minimum representation is not obtained pursuant to the election criteria set above, to designate at least two (2) members of the Board of Managers as long as it owns more than three (3) Units and at least one (1) member of the Board as long as it owns one (1) Unit. Members of the Board of Managers designated by the Sponsor need not be Unit Owners.

The first Board of Managers of the Condominium will be comprised of individuals who are designated by Sponsor and who may be officers or employees of the Sponsor. The Sponsor shall retain the right to substitute other persons in the place of any such designated individuals until the resignation of the first Board of Managers as set forth below.

Within thirty (30) days after title to the last Unit is conveyed by Sponsor but in no event later than forty-five (45) days after Sponsor and any Sponsor designee have closed title under this Offering Plan to fifty-one percent (51%) in aggregate Common Interest of the Units, the first annual Unit Owners' meeting will be called by Sponsor. At this meeting, a new Board of Managers shall be elected by the Unit Owners and the former members of the Board of Managers shall resign. Notwithstanding the foregoing, Sponsor shall continue to exercise voting control over the Board of Managers until the Unsold Units in the Condominium constitute more than fifty percent (50%) of the common interests of the Condominium. Thereafter, annual meetings shall be held on the anniversary of such date each succeeding year. Special meetings of the Board of Managers shall be held when called by the President of the Board of Managers as directed by the Board of Managers or upon a petition signed by Unit Owners representing a majority in interest of the Common Elements having been presented to the Secretary of the Board.

The anticipated first officers and members of the Board of Members are M. George Hansen, President and Treasurer, Arleen Hansen, Vice President and Daniel Weisz, Secretary.

No members of the Board of Managers will receive any compensation from the Condominium for acting as such.

At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers may be removed with or without cause by a majority of the

Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created, provided notice of such proposed removal was given to the Condominium Board member and was specified in the notice of the meeting. Any member of the Board of Managers appointed by Sponsor or its designee may be removed by Sponsor or its designee (with the consent of the Sponsor) for any reason. Any member of the Board of Managers whose removal has been proposed shall be given an opportunity to be heard at the meeting. Officers may be removed at any meeting of the Board. Regardless of whether a Sponsor-appointee to the Board of Managers is removed by Sponsor, its designee or the Unit Owners, only the Sponsor or its designee (with the consent of the Sponsor) shall have the right to designate a replacement for such Sponsor-appointee.

Each Unit Owner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one or more Units), shall be entitled to cast one vote at all Unit Owners' meetings for each Unit or Units owned by such Unit Owner, but the Board of Managers shall not cast any of its votes for the election of any member to the Board of Managers. At any meeting of Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

The Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of eighty percent (80%) of the Unit Owners in number and in Common Interest held at a duly called meeting of the Unit Owners provided that: (i) no amendment shall alter the percentage in the Common Elements appurtenant to any Unit without the consent of the affected Unit Owners and the first mortgagees, if any, of such Units, which consent shall be expressed on the instrument of amendment; (ii) no amendment shall add any parcel of land to or divest any parcel of land from the Condominium properties unless eighty (80%) of the Unit Owners in number and common interest and the first mortgagees, if any, of the same Units agree to such change on the instrument of amendment; (iii) no amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees and (iv) said amendment will be duly recorded..

The By-Laws may be altered, amended or added to at any duly called Unit Owners' meeting provided (i) that the notice of the meeting shall contain a full statement of the proposed amendment; (ii) that the amendment shall be approved by eighty percent (80%) of the Unit Owners in number and common interest; and (iii) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment shall affect or impair the validity or priority of the Unit Owner's interests and the interests of holders of a mortgage encumbering a Unit or Units, or adversely affect Sponsor's rights.

Anything herein to the contrary notwithstanding, for so long as the Sponsor continues to hold fifty-one percent (51%) or more in number of the Units, the Sponsor's prior

written consent shall be required in order to amend either this Declaration or the By-Laws. Furthermore, for so long as Sponsor or its designee shall own one or more Units, the Board of Managers may not, without the prior written consent of the Sponsor (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund (however, Sponsor will not unreasonably withhold consent to additions to the contingency fund provided for in Schedule B to the extent assessments are necessary to make expenditures required by law), or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient), or (iv) provide for new or additional services other than those provided for in Schedule B hereof. Sponsor shall have the right to withhold its consent to any of the foregoing actions. Notwithstanding the above, Sponsor's consent shall not be withheld for expenses required to comply with applicable law, to remedy any notice of violation, or to comply with any work order of an insurer. While Sponsor has voting control of the Board of Managers, Sponsor will not reduce or eliminate the services to be provided to the Condominium as set forth in this Plan.

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

Compliance with By-Laws and Rules and Regulations

Rules and regulations concerning the use of the Property and Units may be promulgated and amended from time to time by the Board of Managers, provided that copies of such rules and regulations are furnished to each Unit Owner prior to the time that they become effective. The initial rules and regulations of the Condominium are set forth in the By-Laws annexed to the Declaration and contained in Part II of the Plan.

Each Unit Owner must comply strictly with the By-Laws and the rules, regulations, resolutions and decisions adopted pursuant thereto. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, by the Board of Managers or in a proper case, an aggrieved Unit Owner. In the case of flagrant or repeated violation the Board of Managers may ask the offending Unit Owner for sufficient surety for future compliance.

The powers of the Board of Managers are set forth in Article III of the By-Laws. Among those powers, which generally include everything in connection with the property and business of the Condominium other than that specifically directed or required to be done by the

Unit Owners personally, are the following:

To determine the amount of, collect and disburse the Common Charges, including the right to accumulate a reserve for capital replacements.

To make reasonable rules and regulations in addition to those set forth in Article III of the By-Laws and to enforce them.

To employ others including a management agent and to delegate powers.

To maintain, make repairs to and replacements of the Common Elements and Limited Common Elements including exterior walls, roofs, pipes, wire conduit and public utility lines, any of which is located in one Unit and services another Unit, painting of exterior surfaces of doors and windows which open from a Unit. However, a Unit Owner shall be responsible for the maintenance of his Unit including electric repairs, plumbing stoppage, window cleaning, painting and decorating in the Unit, all glass breakage, pipes, wires and conduits in and servicing the same Unit and repairs and replacements to the Unit.

To choose officers of the Condominium who must be members of the Board of Managers or Unit Owners and shall include: a President who shall be the chief executive officer of the Condominium, shall preside at all meetings of the Unit Owners and Board of Managers and be an ex-officio member of all committees; a Vice President who shall substitute for the President in his absence; a Secretary who shall record all votes and minutes of all meetings of the Unit Owner and Board of Managers; and a Treasurer who shall have custody of the condominium funds and securities and keep full and accurate accounts of receipts and disbursements.

To maintain Condominium bank accounts.

To bring and defend actions on behalf of the Condominium including foreclosure of liens for unpaid Common Charges.

To acquire title to any abandoned Unit or Units under foreclosure.

To make repairs, restore or alter any Unit or the Common Elements after damage by fire or other casualty or condemnation.

To enter a Unit when necessary for the maintenance, care and preservation of the Property.

To furnish annually, at the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement certified by an independent public accountant, a statement regarding any taxable income attributable to the Unit Owners and a notice of the holding of the annual Unit Owners meeting. A Unit Owner, his representatives and mortgagee may examine the Condominium books and records upon reasonable notice and during normal business hours.

To act as an agent of those Unit Owners, if any, who give their written authorization to apply to the New York City real estate tax assessment agency by filing a single protest or complaint on behalf of all such Unit Owners pursuant to the applicable sections of the Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of all Unit Owners for whom it is acting as agent and charge those Unit Owners a pro-rata share of expenses, disbursements and legal fees.

To obtain and maintain, to the extent obtainable, fire insurance with extended coverage, water damage, vandalism and malicious mischief endorsements covering the building, including all of the Units (but not including furniture, furnishings or other personal property supplied or installed by Unit Owners), insuring the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as such interest may appear, in an amount equal to eighty percent (80%) of the replacement value of the buildings. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth, and such other insurance as the Board of Managers may determine.

In order to limit the liability of the Unit Owners, any contract, agreement or commitment made by the Board of Managers shall state that it is made by the Board of Managers as agent for the Unit Owners as a group only and that no member of the Board of Managers nor individual Unit Owner shall be liable for such contract, agreement or commitment except that every Unit Owner shall be liable to the extent that his proportionate interest in the Common Elements bears to the total liability under such commitment. The Board of Managers shall have no liability to the Unit Owners in the management of the Condominium except for willful misconduct, gross negligence or bad faith and the Unit Owners shall severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties, except acts of willful misconduct, gross negligence or acts made in bad faith. Such several liability of a Unit Owner shall, however, be limited to the extent that his proportionate interest in the Common Elements bears to the total liability of the member of the Board of Managers.

A Manager may be removed for cause by a majority vote of the Unit Owners.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

Sale or Lease of Units by Unit Owners

Each Unit Owner will have the right to lease his or her Unit for a term of not less than twelve (12) months. Unit Owner will be required to provide the Board of Managers with a copy of the lease.

The restrictions upon the sale and lease of Units set forth in this Section shall not apply to Units owned by Sponsor or its designee or to a mortgagee acquiring title in foreclosure or by deed in lieu of foreclosure.

Mortgaging of Units by Unit Owners

Each Unit Owner has the right to mortgage his or her Unit, provided that (i) the mortgage shall be substantially in the form of the New York statutory form of mortgage, (ii) the Board of Managers is notified in writing of the making of the mortgage and receives a conformed copy of the mortgage and note, (iii) the mortgage states that if consent by the mortgagee is required to any amendment to the Condominium Declaration and By-Laws such consent will not be unreasonably withheld or delayed, and (iv) the Unit Owner making such mortgage first pays all assessments and Common Charges previously assessed by the Board of Managers against the Unit, and satisfies all unpaid liens against the Unit, except for the lien of a permitted mortgage. Notwithstanding the foregoing, the Sponsor and Sponsor's designee shall have the right to mortgage their Units without restriction or limitation, but any such mortgage shall contain the representations in clauses (iii) and (iv) of this paragraph (if applicable).

Common Charges and Assessments

The Board of Managers will prepare and furnish its budget to the Unit Owners from time to time and at least once a year. Based upon such budget and any modifications thereof approved by the Board of Managers, the Unit Owners will be charged for the cost of the operation of the Condominium in accordance with their percentage of interest in the Common Elements. The Board of Managers may commence the collection of Common Charges upon the closing of title to the first Unit or thereafter in such amount as will be necessary to carry out the duties of the Board of Managers, as set forth in this Offering Plan. Such Common Charges shall be paid by the Unit Owners and by Sponsor as Owner of Units that have not been sold to bona fide Purchasers. Each Unit Owner will be responsible to pay the Common Charges allocable to

his or her Unit monthly in advance on the first day of each month, commencing with the closing of title to his or her Unit. Common Charges assessed during the month in which title closes shall be adjusted between the Purchaser and the Sponsor as of the closing date, if collection of Common Charges has commenced on or before said date.

The Common Charges assessed by the Board of Managers, in addition to the cost of repairing and maintaining the Common Elements, fire and liability insurance covering the Condominium, electricity for the Common Elements, water, audit and legal expenses, may include, in the discretion of the Board of Managers, reserves, working capital and other sums necessary to carry on the affairs of the Condominium.

The Common Charges will not include maintenance, repairs or decoration of any Units or portions thereof (except for structural repairs), payments required pursuant to the terms of any Unit Owner's mortgage, or real estate taxes covering the individual Units, nor will it include the cost of maintaining those portions of the Property to be maintained by the Board of Managers on behalf of the Condominium.

The liability of each Unit Owner for the payment of the Common Charges thereafter assessed or becoming due against his or her other Unit, shall terminate upon a permissible sale, transfer or other conveyance of such Unit together with the appurtenant interest in the Common Elements made by him or her in accordance with the applicable provisions of the By-Laws. In addition, any Unit Owner may, subject to the terms and conditions specified in the By-Laws, convey his or her Unit together with the appurtenant interest to the Board of Managers or its nominee on behalf of all other Unit Owners, without any compensation, and in such event shall be exempt from Common Charges thereafter assessed. A Purchaser of a Unit shall be required by the Board of Managers to pay unpaid Common Charges assessed against the Unit prior to his or her acquisition, except that a mortgagee acquiring title to the mortgaged Unit or a Purchaser at a foreclosure sale shall not be liable for such charges and the Unit shall not be subject to a lien for the payment of the Common Charges assessed prior to the acquisition of title thereto by a mortgagee or Purchaser at a foreclosure sale. However, such mortgagee or Purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title. After filing of a lien for unpaid Common Charges and in the event the lien is foreclosed by the Board of Managers, if the proceeds of the foreclosure sale shall not be sufficient for the payment of such unpaid Common Charges or if a Unit is acquired by a mortgagee or Purchaser in foreclosure, the unpaid balance shall be charged to all Unit Owners as a Common Expense. If there is any surplus remaining from the proceeds of a foreclosure sale after payment of the indebtedness and all the expenses of the sale, the surplus shall be paid to the Unit Owner.

Pursuant to Section 339-z 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. Under Section 339-aa of the Condominium Act, a lien for non-payment of Common Charges will be subordinate only to liens for real estate taxes and to sums unpaid on a first mortgage of record on the Unit. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of a notice thereof in the Office of the County Clerk in Kings County, and until all sums secured thereby, with the interest accrued thereon at twelve percent (12%) per annum shall have been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever is earlier. The lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners, 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 necessarily filing the lien. Sponsor will cause the Board of Managers to file a lien as provided in Section 339-aa of the Condominium Act, on Units in which the Sponsor is more than thirty (30) days in arrears of Common Charges while it is in control of the Board of Managers. Sponsor will cause the Board of Managers to file a lien as provided in Section 339-aa of the Condominium Act, on Units in which the Sponsor is more than thirty (30) days in arrears of Common Charges while it is in control of the Board of Managers.

Pursuant to the provisions of Section 339-kk of the Real Property Law of the State of New York, any non-occupying Unit Owner who rents any Unit in the Condominium to a tenant and then fails to make payment for common charges, assessments or late fees for such Unit within sixty (60) days from the expiration of any grace period after they become due is subject, upon notice in accordance with applicable law, to the Board of Managers directing the tenant to make all rental payments directly payable to the Condominium.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance, including water damage insuring the Building, including all of the Units and the bathroom and kitchen equipment initially installed therein by the Sponsor, together with all heating, air conditioning equipment and other service machinery contained therein (but not including wall, ceiling or floor decorations or coverings, or furniture, furnishings, fixtures, equipment or other personal property supplied or installed by Unit Owners), covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to the full replacement value of the Building (exclusive of the cost of excavations, pilings and foundations). Each of such policies shall contain a New York Standard Mortgagee Clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payable provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth, and such other insurance as the Board of Managers may determine.

The amount of fire insurance to be maintained on the Building upon the transfer

of title to all Units and until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners will be in the amount of at least \$700,000.00 but no less than ninety percent (90%) of replacement value of the Building. The Board of Managers shall review the amount of fire insurance annually. Although there is no requirement for annual appraisals to ascertain whether the insurance coverage is adequate, such appraisals are required prior to renewal of any fire policy.

The Board of Managers will arrange for repair of the Units in the event of a casualty loss. In the event the insurance proceeds are not sufficient to cover the cost of repairs to the Units, the balance of the cost of such repairs will be assessed against all Unit Owners. (For further provisions regarding repair or reconstruction of Units after fire, casualty or condemnation see Article Seven of the By-Laws which provides, among other things, for Unit Owners' approval to reconstruct in the event seventy-five percent (75%) or more of the Units are destroyed or substantially damaged). In the event of a casualty loss, the Unit Owner will continue to pay the Common Charges on his Unit.

The proceeds of all policies of physical damage insurance carried by the Board of Managers shall be payable to the Board of Managers in the event of a loss amounting to \$60,000 or less, and to the Insurance Trustee if the loss shall amount to more than \$60,000 to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners, as hereinafter set forth. The Insurance Trustee shall be designated by the Board of Managers and shall be a bank or trust company located in the State of New York. In the event that the Insurance Trustee shall resign or not qualify, the new Insurance Trustee shall hold all proceeds of insurance policies in accordance with Section 254.4 of the Real Property Law.

The comprehensive general liability insurance policy to be maintained until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners, will be a limit of \$5,000,000, covering all claims for bodily injury arising out of any one occurrence in the Common Elements and a limit of \$5,000,000 covering all claims for property damage arising out of one occurrence in the Common Elements, a portion of which may be covered via an umbrella policy. The comprehensive general liability insurance shall also cover cross liability claims of one insured against another.

The cost of all such insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense. The Board of Managers may also obtain and maintain, to the extent obtainable: (1) fidelity insurance covering all officers and employees of the Condominium who handle Condominium funds; (2) worker's compensation insurance; and (3) in order to limit the liability of Unit Owners for personal injury and tort, comprehensive general liability insurance covering each Member of the Board of Managers and each Unit Owner for such amounts as the Board of Managers may deem proper.

The Board of Managers shall review such limits once each year. See Schedule B for the estimated cost of insurance for the Condominium.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by Unit Owners or the invalidity arising from any acts of the insured or any Unit Owners and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the Unit Owners, including all mortgagees of the Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of then current policies.

In addition to the insurance set forth herein, Unit Owners may desire to obtain supplemental or additional insurance to insure his or her personal effects and the interior of the Unit itself for fire and liability. Such insurance, if taken by the Purchaser, will be payable by the Purchaser directly. Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Unit Owner's other insurance.

Repairs

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, in or to any Unit (other than to the Common Elements contained therein), will be made by the Unit Owner at the Unit Owner's sole cost and expense; and in or to the Common Elements will be made by the Board of Managers and the cost thereof will be a Common Expense.

All maintenance, repairs and replacement of the Common Elements of the property, including, but not limited to, exterior walls, roof and roof members as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and public utility lines as are located in the Common Elements but serve one or more Units shall be made by the Board of Managers and the cost thereof shall be a Common Expense, except where such repair or replacement is necessitated by the negligence, misuse or neglect of a Unit Owner to whom the Common Element is restricted in use, in which event the cost and expense shall be assessed to and paid for by such Unit Owner. All repairs, painting or maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows, or the exterior surface of any Building, including roofs, or to any generally visible portion of the Common Elements, shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor. In the event that

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

The interior glass surfaces of all windows located in the Units are to be cleaned at the Unit Owner's expense. The exterior surfaces of all Unit windows shall be cleaned by the Board of Managers and the cost shall be a Common Expense. Broken window glass in a Unit shall be replaced by the Unit Owner at the Unit Owner's sole cost and expense, unless such breakage was caused by the Board of Managers or its agents, in which case replacement shall be made by the Board of Managers at its sole cost and expense. Entrance doors to Units, and the roof of the Building shall be maintained and repaired by the Board of Managers unless the damage thereto was caused by a Unit Owner in which case the Board of Managers shall make the repair and charge the Unit Owner accordingly.

The Board of Managers and/or any agent of the Board of Managers shall have the right of access (which right shall be an easement) to inspect any Unit for the purpose of making any repairs or replacements to any of the Common Elements contained in such Unit or appurtenant to such Unit, or elsewhere in the Building, or to remedy any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage covering another Unit, or for the purpose of removing violations or curing defaults by Unit Owners, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use for which the Unit was intended. No prior notice shall be required if the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property or its residents or to avoid the suspension of any necessary service.

Additions, Alterations and Improvements by Unit Owners

No Unit Owner may make any addition, alteration or improvement to the Common Elements unless provided otherwise in the By-Laws.

No Unit Owner shall make any structural addition, alteration, repair or improvement in his or her Unit or to the Common Elements appurtenant to his or her Unit, without the prior written approval of the Board of Managers which approval will not be unreasonably withheld provided that the addition, alteration, repair or improvement may be made while retaining the structural integrity of the Building. In addition, no such additions, alterations or Unit Owner's improvements may be made unless the consent of the Unit mortgagee (if any) is obtained, if such consent is required under the terms of the Unit Owner's mortgage. Except as otherwise provided with respect to alterations by the Sponsor or Sponsor's designee, no application shall be filed with the New York City Buildings Department or with any other governmental authority for a permit covering an addition, alteration or improvement to be made in a Unit unless approved and executed by the Board of Managers. Such execution shall not subject the Board of Managers or any of its members to any liability to any contractor, subcontractor, material man, architect or engineer, by reason of such addition, alteration or improvement or to any person having any claim for injury to person or damage to property arising therefrom. If requested by the Board of Managers, a Unit Owner shall indemnify the Board of Managers for loss, damage or liability resulting in any way from execution of any such documents.

Prior to and as a condition of granting consent to the making of a structural alteration, addition, repair or improvement to a Unit, the Board of Managers may require the Unit Owner to deliver plans and specifications to the Board of Managers and to execute an agreement in the form required by the Board of Managers, setting forth the terms and conditions under which the proposed work is to be done, including, without limitation the days and hours during which the work is to be done. The Unit Owner shall also provide the Board of Managers, if required, with a copies of all insurance policies in the form required by the Board of Managers insuring all work to be performed by the Unit Owner and naming the Condominium and mortgagee, if applicable, as an additional insured.

Amendments to Declaration and By-Laws; Termination of Condominium

The By-Laws may be amended at any Unit Owners' meeting provided (a) the notice of meeting contains a full statement of the proposed amendment, (b) the amendment is approved by eighty percent (80%) of the Unit Owners and (c) the amendment is duly recorded as an amendment to the By-Laws. No amendment may affect a Unit Owner's interest or the interest of a mortgage holder in a Unit or adversely affect the Sponsor's rights.

The Declaration may be amended by the Board of Managers upon a vote of eighty percent (80%) of the Unit Owners in number and in common interest held at a duly called meeting of Unit Owners.

The Condominium may not be terminated unless at least eighty percent (80%) of the Unit Owners in number and in common interest and the first mortgagees, if any, of the same Units agree to the withdrawal of the Property from the provisions of Article 9-B of the Real Property Law. The Sponsor or its nominee will not cast any of its votes for withdrawal unless eighty percent (80%) or more of the Unit Owners other than the Sponsor so vote, in which event the Sponsor will be free to cast its votes either for or against withdrawal

Restrictions on Occupancy and Use

A summary of some of the rules governing the occupancy and use of Units follows:

Owners of a Unit, members of their families, their employees, guests and their pets shall not use or permit the use of the premises in any manner which would be illegal or disturbing or a nuisance to other said Owners, or in such a way as to be injurious to the reputation of the Condominium.

No Unit Owner shall paint the exterior surfaces of the windows and doors opening out of his Unit.

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

No Unit Owner shall make or permit any disturbing noises in his Unit, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a phonograph, tape, radio or television set or other loud speaker in such Owner's Unit between the hours of twelve o'clock midnight and the following seven o'clock A.M. if the same shall disturb or annoy other occupants of the Building and in no event shall practice or suffer to be practiced either vocal or instrumental music between the hours of ten o'clock P.M. and the following nine o'clock A.M.

No garments, rugs, etc., shall be hung from the windows or from any part of the Building or balconies or clotheslines strung, on, across or over the Common Elements (including any irrevocably restricted areas).

No sign of any kind shall be displayed to the public view on or in any Unit.

No Unit Owner shall leave or permit any personal property (i.e., bicycles,

carriages, etc.) to be left in the hallways, corridors, lobby or other common areas or to be left on balconies.

The provisions set forth above shall not be applicable to the Sponsor. The Sponsor and its nominees and agents shall have the right and privilege to maintain general and local sales offices in and about the Condominium, including any model Units located within the Condominium Building or elsewhere throughout the Property, and shall have the right and privilege to have their representatives, employees and agents present on the Condominium premises to show the Units to prospective purchasers, to utilize the Common Elements and without limitation, to do any and all things necessary and incident to the sale of the Units, without charge or contribution other than in the form of Common Charge payments as otherwise provided for herein.

The Sponsor shall have the right to continue to employ signs of its choice upon the Condominium premises in its efforts to market and sell the Units. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invitees of the Sponsor, its successors and assigns, shall have the right of ingress and egress to and throughout the Common Elements of the Condominium.

THE FOREGOING SUMMARY IS NOT INTENDED TO BE A COMPLETE DISCUSSION OF THE BY-LAWS OR DECLARATION. PROSPECTIVE PURCHASERS OR THEIR ATTORNEYS OR ADVISORS SHOULD REVIEW THE BY-LAWS, DECLARATION AND OTHER IMPORTANT DOCUMENTS SET FORTH IN PART II OF THE PLAN.

REAL ESTATE TAXES

Each Unit will be assessed and taxed as a separate tax lot by the City of New York for real estate tax purposes. A Unit Owner will not be responsible for unpaid taxes on other Units, nor will his or her Unit be subject to any lien arising from the non-payment of taxes on other Units (Please see Footnote 7 to Schedule A for the estimated real estate taxes for the Units for the first year of Condominium operation).

The aggregate real estate taxes payable with respect to all Units for the first year of Condominium operation will total approximately \$1,622.74 based upon an actual assessed valuation for the Property of \$13,599.00. The actual assessed valuation is a result of the preliminary 421-a partial tax exemption benefit that has been applied by the Department of Finance to the Property as of July 1, 2008. Purchasers should note that once the Building is assessed as being fully constructed, it is expected that the real estate taxes for the Units will be considerably higher. It is projected that the annual aggregate real estate taxes payable with respect to all Units for the first full tax year subsequent to the Department of Finance's assessing

the building as being fully constructed will be \$ 34,860 based upon an actual assessed valuation for the Property of \$ 280,000. This projection is based upon comparable valuations of new buildings in Kings county. This tax projection does not take into account any 421-a benefits that may be applicable to the Property at such time (see below).

The first year of Condominium operations is expected to coincide with the calendar year 2009 which corresponds to the second half of New York City fiscal year 2009 and the first half of New York City fiscal year 2010.

In arriving at the assessed valuation for each Unit in the Condominium, the Building is first assessed as a single entity. Under Section 339-y of the Real Property Law, on or after the filing and recording of the Declaration and a deed for a Unit, a separate tax lot is to be or will have been created for each Unit in the Condominium. This overall assessment is then apportioned among the respective Units, each of which will be assigned a tax lot designation once the Declaration has been recorded and the Floor Plans are filed with the Register's Office. Until the Residential Units are separately assessed, the entire assessment attributable to the Units will be paid by all Unit Owners in proportion to their relative Common Interests. There can be no assurance that the assessor will apportion the assessed valuation of the Property to a tax lot representing a Unit on the basis of the percentage of Common Interest appurtenant to the Unit. Moreover, there can be no assurance that there will not be an increase in the tax rate or the assessed valuation of a Unit or the Property on or after such apportionment or for any other reason. Such an increase would increase a Unit Owner's real estate taxes above the amounts estimated in Schedule A.

Real Property Law Section 581 provides that cooperative and condominium apartments shall be assessed for tax purposes as if the building was a comparable rental property. Thus, the New York City Department of Finance is prohibited for utilizing the sales prices of the individual Condominium Units in determining assessed valuation. Therefore, the prices for Units in the Plan and any sales or resales are not relevant in determining assessed valuation of the Property or of the individual Units.

No tax certiorari proceedings are presently pending with respect to the Property.

The By-Laws provide that the Board of Managers has the power to act as an agent of each Unit Owner who has given his written authorization to complain or apply to the New York City Department of Finance by filing a complaint on behalf of all Unit Owners for which it is acting as agent and assess as a Common Charge against all such Unit Owners a pro rata share of expenses, disbursements and legal fees paid or incurred in connection with any such complaint or application.

The Sponsor applied to the New York City Department of Housing Preservation and

Development ("HPD") for preliminary 421-a partial tax exemption benefits on April 22, 2008 pursuant to Section 421-a of the Real Property Tax Law ("421-a"). The application was approved and a 421-a preliminary certificate of eligibility was issued on April 23, 2008. The benefits are effective as of July 1, 2008. The preliminary benefits are for the period of construction but in no event for greater than three (3) years. The Sponsor will file an application for final partial tax exemption of taxes under 421-a and shall make all filings necessary to obtain such benefits. The Sponsor and its 421-a consultant, Marans, Weisz & Newman LLC, expect that the property will be eligible to receive a final 421-a partial tax exemption benefit pursuant to which the benefits will be allocated on a pro rata basis to each Unit Owner based upon each Unit Owner's respective percentage of Common Interest.

The 421-a exemption program provides a full exemption from any increase in real property taxes due to construction/renovation of the subject premises for a period of twenty (20) years; which exemption declines by twenty percent (20%) each succeeding year for the subsequent five (5) years so that starting with year 26 the Premises will be taxed at the full assessed value.

No warranty is made that HPD, the agency that oversees such benefits, will approve Sponsor's application for final partial tax exemption under 421-a. If such final application is not granted, the real estate taxes payable by each Unit upon the expiration of the preliminary benefits will be higher than the real estate taxes payable if final benefits were to be granted. See also Footnotes to Schedule A.

The Sponsor's consultant's letter (provided by Marans, Weisz & Newman LLC as 421-a consultant) regarding the 421-a program is contained below.

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

Marans Weisz & Newman LLC

29 Broadway Suite 2400
New York, New York 10006

Richard D. Marans
Daniel Weisz
Richard Newman

212-968-0244
212-785-1618

Erik Swenson
Ian Girshek

July 23, 2008

M.G.H. Development LLC
444 67 Street
Brooklyn, NY 11220

Re: 5306 Fourth Avenue
Brooklyn, New York
Block: 814 Lots: 40

Gentleman:

You have requested that we provide you with an opinion regarding the eligibility and extent of real estate tax exemption benefits available to the development on the referenced premises pursuant to Section 11-245 of the Administrative Code of the City of New York and §421-a of the New York State Real Property Tax Law ("421-a")

The opinion provided herein is based on the following facts:

- i. This project for the development on the referenced premises (the "Project") will consist of a new four -story residential building containing eight (8) residential Class 'A' units at all times at 5306 Fourth Avenue Brooklyn, New York identified on the Tax Map of the City of New York County of Kings as Block: 814 Lot: 40 located outside the Greenpoint - Williamsburg waterfront exclusion area as defined in Section 421-a (6)(i) of the Real Property Tax Law;
- ii. Construction commenced on the Project on or about July 26, 2006 (the "Commencement of Construction") as per the definition of the Commencement of Construction in Section 6-01(c) of the 421-a Rules and Regulations (the "Rules");
- iii. The Project will be carried out pursuant to a new building permit issued by the Department of Buildings;

- iv. The Project will be constructed on land which was entirely vacant and unimproved as of the Commencement of Construction;
- v. One month prior to the Commencement of Construction the referenced premises was not improved with a residential building;
- vi. The Project will be operated as a condominium;
- vii. The Project will not be receiving tax exemptions and/or tax abatements under any other provision of state or local law for new construction, conversion or rehabilitation, including, but not limited, to §488a – §489 of the Real Property Tax Law and §11-243 and §11-244 of the Administrative Code, and Article 16 of the General Municipal Law;
- viii. Neither the Project nor any part thereof shall be used as a hotel or for single room occupancy as defined in the Rules Section 6-01(c);
- ix. The referenced premises was not mapped as a public park and has not been so mapped for a period of at least ten years;
- x. The referenced premises was not utilized as a private park, as defined in the Rules, Section 6-02(c)(5)(6), for any ten-consecutive-year period prior to October 1 1971;
- xi. As per the Department of Finance records thirty-six (36) months prior to the Commencement of Construction, lot 40 was vacant; thereby qualifying the Project as "Vacant" as such term is defined in the Rules Section 6-02(f)(3)(C);
- xii. As per section 6-05(b) and 6-05(d) of the Rules the Project will comply with the filing requirements for the preliminary and final certificate of eligibility;
- xiii. As per section 6-03 of the Rules the Project will comply with the community board notification requirement;
- xiv. The Project will comply with the Multiple Dwelling registration requirements of Section 6-05(d)(1)(vii) of the 421-a Rules;
- xv. The Project will comply with the Energy Star requirements of Section 6-05(d)(1)(viii) of the 421-a Rules;
- xvi. If the prospective cooperative plan has not been declared effective for filing by the New York State Attorney Generals Office at a time fifteen (15) months after the issuance of a "Final Certificate of Eligibility" pursuant to 421-a Rules you will register the residential units with the New York State Division of Housing

Community Renewal no later than fifteen (15) calendar days after such fifteen-month period; and

- xvii. The Project is located in an area eligible for REMIC Mortgage Insurance as of May 1992.

The Project is eligible for a construction-period partial tax exemption. The 421-a preliminary application for a "Preliminary Certificate of Eligibility" (the "Preliminary Application") with all the documentation required by the Rules was filed with the Department of Housing Preservation and Development ("HPD") on April 22, 2008. A Preliminary Certificate of Eligibility was issued on April 23, 2008. The Project will be eligible for a twenty-five (25) year post-construction partial tax exemption if a 421-a final application for a Final Certificate of Eligibility (the "Final Application") with all the documentation required by the Rules is filed with HPD for the Building within ninety (90) days of receiving the temporary certificate of occupancy ("TCO") or if a TCO is not obtained, then within ninety (90) days of receiving the Permanent Certificate of Occupancy ("PCO"). Eligibility for such tax exemption is determined by HPD and therefore, no assurances can be given that HPD will grant such exemptions in connection with the Building.

HPD reviews each Preliminary and Final Application to determine if it is eligible for partial tax exemption benefits (the "Benefits") in accordance with the Rules. The Preliminary Certificate of Eligibility was filed with the Department of Finance and the Benefits were applied to the Project, exempting it from real property taxes, attributable to the site improvements, stated in the Preliminary Application, which resulted in a increase in the assessed valuation from the tax year preceding the Commencement of Construction for: (i) the duration of construction, or for three (3) years, whichever is less; and (ii) if a Final Certificate of Eligibility is issued for a period of twenty (20) consecutive years declining by twenty percent (20 %) in each year in years twenty-one (21) through twenty-five (25). In year twenty-six (26) the Project will be liable for the real property taxes resulting from the Project. The Benefits will be revoked if the Final Application is not filed with HPD in accordance with the Rules.

In the event the Project contains a floor area of commercial, community facility and/or accessory use space that exceeds twelve percent (12 %) of the aggregate floor area of the Project, there shall be a diminution of the Benefits in an amount equal to the ratio of floor area of commercial community facility and/or accessory use space in excess of twelve percent (12 %) of the aggregate floor area of the Project to the total floor area of the Project.

After the completion of construction and the establishment of a condominium, the units will be assessed in Tax Class 2. The 2007/2008 Class 2 rate is \$ 11.928 per \$ 100. It is assumed that the Class 2 tax rates for 2008/2009, 2009/2010, and 2010/2011 at \$ 12.45 per \$ 100.00.

The recent history of assessed valuation of Block 814 Lot 40 is as follows:

2007/2008	Land	Total
Actual	18,207	18,207
Transitional	31,095	31,095

2008/2009	Land	Total
Actual	13,599	13,599

The 2008/2009 tax year currently enjoys the 421-a partial tax exemption benefit. The duration of the benefit is expected to be three years or the duration of construction whichever is less. If the Final Certificate of Eligibility is not issued for Final 421-a partial tax exemption benefits then it is my judgment based upon comparable condominium buildings of this size that the property will be assessed as follows:

2011/2012	Land	Total
Actual	14,168	280,000

The tax liability during the first through third year of operation is estimated at \$ 1,622.00, and if the 421-a partial tax exemption is not obtained then in the fourth year it is estimated at \$ 34,860

Each unit will be given a separate tax lot number. Individual tax liability may be estimated by apportioning the total tax among the unit owners in accordance with its percentage of common interest, as indicated in Schedule A of the Offering Plan.

The opinions presented in this document are based on our experience with matters of this type and are subject to variation depending on rules and policies issued by the New York City Department of Finance and HPD. The description of the 421-a partial tax exemption benefits granted to the Project cannot be relied upon as a guarantee that the 421-a benefits will be granted. In no event will we be liable if the 421-a benefits are not granted. This document has been prepared solely for M.G.H. Development LLC and the 5306 Fourth Avenue Condominium Offering Plan and the undersigned understands that it will be relied upon by prospective purchasers of the condominium units in the 5306 Fourth Avenue Condominium, but cannot be relied upon by any other persons or entities for a determination of the viability of the Project described herein.

Very truly yours,
Marans Weisz & Newman LLC



By: _____
Richard D. Marans

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

Deductibility of Mortgage Interest and Real Estate Taxes

A Unit Owner will own his or her Unit in fee simple and each Unit will be a separate tax lot for real estate tax purposes. Therefore, each Unit Owner may mortgage his or her Unit and will be liable for payment of mortgage interest and principal and any real estate taxes assessed against the Unit.

Unit Owners who itemize their deductions should, for Federal Income Tax purposes, be entitled to a deduction of mortgage interest and real estate taxes in the year paid, or accrued, under Sections 163 and 164 of the IRS Code. These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Counsel's Tax Opinion Letter. Each Unit Owner should, for New York State and New York City Income Tax purposes, be entitled to similar deductions for the mortgage interest and real estate taxes paid, or accrued, during the taxable year.

Unit Owners who use a Unit for professional or business use or for the production of income, will be entitled, under present law, to a deduction for Federal and New York State income tax purposes for the real estate taxes they pay on their Unit and for the interest they pay on any mortgage covering their Unit.

Tax Status of Condominium

The Condominium will be managed by the Board of Managers, which shall collect the Common Charges on behalf of the Condominium. Although it is not clear whether the Condominium would be treated as an association taxable as a corporation for Federal tax purposes, there is substantial authority for such treatment. Assuming that it is a taxable entity, the Condominium will file tax returns and be subject to the regular corporate income tax on its taxable income, and its taxable income would be computed as the excess of its gross income over its deductible expenses. However, any portion of the Common Charges that is segregated and used to finance specified capital expenditures should not be included in gross income.

Notwithstanding the foregoing, the Condominium will qualify under Section 528 of the Internal Revenue Code to be exempt from tax on certain income. If the Condominium meets all applicable requirements and properly makes the election, it may be exempt from tax on membership fees, dues and assessments from the Condominium Unit Owners. The excess of other income over deductions connected with the production of such income would nevertheless be subject to tax at a flat 30% tax rate. See Opinion of Condominium Counsel.

No warranty is or can be made by Sponsor or any other person that the United States Treasury Department or the New York State Department of Taxation will allow the aforementioned deductions and no representation or warranty is or can be made that the tax law or the regulations or rulings issued thereunder, or any judicial interpretation thereof, may not change so as to disallow the deductions in whole or in part. Neither Sponsor nor its counsel shall be liable if it is held that the Unit Owners are not entitled to such income tax deductions or to special exemptions as aforesaid due to changes in applicable law, regulation or decisional law. Neither counsel nor Sponsor shall have any liability should Unit Owners not be entitled to deductions if facts represented by Sponsor are not true.

TAX OPINION OF COUNSEL

MARANS, WEISZ & NEWMAN LLC

29 BROADWAY · SUITE 2400 · NEW YORK, NY 10006 · 212 968-0244

RICHARD MARANS, ESQ.

Direct Line: 212 968-0120

Fax: 212-785-1618

Email: rmarans@mwatlaw.com

July 29, 2008

M.G.H. Development LLC

444 67th Street

Brooklyn, New York 11220

Re: Offering Plan for The Lista Condominium

Premises: 5306 Fourth Avenue, Brooklyn, New York

Gentleman:

You have requested our opinion with regard to certain income tax matters relating to the Offering Plan (the "Plan") of 5306 Fourth Avenue Condominium (the "Condominium") including specifically the availability of certain deductions for federal, New York State and New York City income tax purposes in respect of payments of mortgage interest and real estate taxes by individual Unit Owners and the tax treatment to be received by the Condominium.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan.

You have advised us that the Sponsor will apply to the Department of Law of the State of New York to convert the premises located at 5306 Fourth Avenue, Brooklyn, New York to condominium ownership pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York. The Condominium shall consist of eight (8) residential units. Each Unit Owner will hold title to his or her Unit in fee simple plus an undivided interest in the Common Elements. Each Unit and its interest in the Common Elements will be taxed as a separate parcel for real estate tax purposes. Each Unit Owner may place a separate mortgage on his or her Unit and, by doing so, incur direct liability for the interest payable on such mortgage. The Condominium will be operated by a Board of Managers which, pursuant to the By-Laws, will act as the agent of the Unit Owners. The primary function of the Board of Managers will be to collect the Common Charges and use such funds to supervise the maintenance and operation of the Common Elements.

In connection with this opinion, we have reviewed various documents included in the Plan or as exhibits to the Plan relating to the Condominium including the Declaration and By-Laws.

In our opinion under present law, subject to the limitations discussed below, interest on a mortgage secured by a Unit paid or accrued by an owner of such Unit who is liable for the interest payment on such mortgage and who uses the Unit exclusively as his personal residence will be deductible for federal income tax purposes in the appropriate year according to his or her method of accounting, provided that he or she itemizes his or her deductions. In rendering this opinion we assume that such interest is not prepaid, that the mortgage proceeds were used by the Unit Owner to purchase the Unit and the Unit Owner is an individual. The foregoing deduction may be impacted by the alternative minimum tax for some taxpayers.

The mortgage interest described above will also be allowable as deductions for New York State income tax purposes for Unit Owners who are New York State residents who use the Unit as their personal residence. No opinion is expressed as to the taxation of Unit Owners who are not New York State residents or not individuals.

A condominium under New York State law is not a corporation but an unincorporated association ("Association"). We have been requested to opine as to whether the Association will be eligible to qualify as a tax-exempt organization for federal income tax purposes. In order for the Association to qualify as an exempt organization for federal income tax purposes under Section 528 of the Internal Code, it must meet the following six (6) conditions:

(1) The Association must be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Association's property.

(2) Sixty percent (60%) or more of the Association's gross income of the Association must be derived from the payment of dues or fees from the Unit Owners in their capacity as owner-members rather than in the capacity as customers for services.

(3) Ninety percent (90%) or more of the expenditures of the Association for the taxable year must be used for the acquisition, construction, management, maintenance and care of the Association's property.

(4) No part of the net earnings of the Association may inure to the benefit of any individual.

(5) The Association must qualify as a "condominium management association," which is an organization meeting the requirements of condition (1) above with respect to a Condominium substantially all of which units are used by individuals as residences.

(6) The Association must properly and timely elect to have Section 528 of the Internal Revenue Code apply for the taxable year.

A condominium management association is defined as an organization organized and operated to provide for the acquisition, construction, management, maintenance and care of a condominium, provided substantially all of the units are used by individuals for residences. "Substantially all" the units will be considered used by individuals for residences if at least eighty-five percent (85%) of total square footage of all units within the project is used, or is intended to be used by individuals for residential purposes or purposes auxiliary to residential use, such as storage rooms, laundry and areas used by maintenance personnel. You have advised me that you anticipate that more than eighty-five percent (85%) of the square footage of the Units will be used for residential purposes. Therefore, the "substantially all" test should be met, at least initially.

Our review of the documents referred to above indicates that the Association meets all the organizational tests described above to qualify for exemption. Assuming the Plan is consummated as contemplated in the Plan and the Association actually meets the other tests set forth above in its operations, it is our opinion that the Association will be eligible to elect tax-exempt status under Section 528 of the Internal Revenue Code. If such exempt status is properly and timely elected, then it is our opinion that the Association will not be subject to federal income tax for the taxable years in which such election is in effect, except as note below.

A timely and effective election under Section 528 of the Internal Revenue Code will exempt from federal income tax all amounts received by the Association as income meeting the requirements of condition (2) above. However, the Association will be subject to federal income tax with regard to income not meeting the requirements of condition (2) above. If the Association fails to qualify for or properly and timely elect treatment under Section 528 of the Internal Revenue Code for a taxable year, it may be subject to federal income taxation as a corporation on its taxable income.

This opinion only relates to the specific tax matters discussed above which do not necessarily comprise all tax matters which may be of significance to the purchasers of the Units. We express no view as to any federal, New York State or New York City tax consequences other than as explicitly discussed in the opinion or as to the tax status or tax consequences of the Plan under the laws of the United States or any foreign jurisdiction. Therefore, it is strongly recommended that each prospective purchaser of a Unit consult with his or her own tax advisor concerning the federal, New York State and New York City tax consequences of the purchase and ownership of a Unit in the Condominium. In no event will the Sponsor, Sponsor's counsel, the Board of Managers, counsel to the Board of Managers or any other person be liable if by reason of changes in fact or applicable law, regulations decisional law or Internal Revenue Service rulings, the tax consequences described above should change. No warranties are made that the tax laws upon which counsel bases this opinion will not change and no one else has been authorized to make any representations other than those contained herein.

This opinion has been prepared with the knowledge that it will be incorporated into the Plan.

Very truly yours,



Marans, Weisz & Newman LLC

WORKING CAPITAL FUND

Purchasers of Units shall be required to pay one (1) months' Common Charges at closing of title as working capital to the Working Capital Fund. The Working Capital Fund will be used to pay for items in the budget which will be payable prior to the time that sufficient monthly Common Charges and assessments have accrued to pay these items. Although the Working Capital Fund may be reduced by the aforementioned expenditures, it is not anticipated that the fund will be depleted by such expenditures. The Working Capital Fund shall be turned over to the Board of Managers on transfer of control to the Unit Owners.

Sponsor will not contribute to the Working Capital Fund for the Units held as Unsold Units. While the Sponsor is in control of the Board of Managers of the Condominium, the Working Capital Fund will not be used to reduce the Common Charges.

Adjustments for prepaid expenses between Sponsor and the Board of Managers may be deducted only from the Working Capital Fund (See Section of Plan entitled "Unit Closing Costs and Adjustments").

No representation is made that the Working Capital Fund will be sufficient to accomplish the purpose set forth above, or other purposes as determined by the Board of Managers in its discretion. If additional funds are required, it may be necessary to increase Common Charges or make special assessments against Unit Owners.

Neither the Department of Law nor any government agency has passed upon the adequacy of the Working Capital Fund.

IDENTITY OF PARTIES

Sponsor

The Sponsor is M.G.H. Development LLC, a New York limited liability company formed on July 12, 2005. Its offices are located at 444 67th Street, Brooklyn, New York 11220. The principal of Sponsor is M. George Hansen.

M. George Hansen has been active in the construction of residential property of this type and of similar buildings for over twenty-five (25) years and has been the builder and Sponsor or principal of Sponsor of several other projects, all of which have been located in Brooklyn, New York including 319 18th Street (the Oslo Condominium) which was accepted for filing on September 15, 2004; 329A 18th Street (Bergen Condominium) for which an Offering Plan was filed February 15, 2002; 334 77th Street, which closed in September, 1997; 321 93rd

Street, which closed in September, 1991; 444 67th Street (Leif Erikson Cooperative), which closed in June, 1989; 6925 Shore Road, which closed in December, 1987; 139-141 Bay 20th Street, which closed in August, 1986; 143-149 Bay 20th Street, which closed in May, 1985; 528-30-32 4th Street, which closed in December, 1981; 26 Oliver Street, which closed in June, 1980; 9466-69 Ridge Boulevard, which closed in February, 1979 and 486 86th Street (Lillehammer Condominium) which closed in 1997.

It is also specifically set forth that, in connection with the 9466-68 Ridge Boulevard Offering Plan, Mr. Hansen entered into a consent decree with the Attorney General's Office whereby he had agreed to comply with certain filing procedures of the General Business Law of the State of New York in connection with the filing of that prospectus, and he has complied with said consent order, which is presently on file in the Supreme Court, New York County, under Index No. 42498/1978. Any prospective purchaser may examine such consent decree during reasonable business hours by appointment at the office of Mr. Hansen at 444 67th Street, Brooklyn, New York.

Neither the Sponsor nor the principals of the Sponsor own 10% or more of the shares of units in any of their prior offerings other than the Oslo Condominium, 319 18th Street, Brooklyn, New York.

The Sponsor does not have any prior felony convictions, prior bankruptcy filings, injunctions or judgments against it that would be material to the Offering Plan or to an offering of securities.

Pursuant to a Judgment, Order and Decree dated October 23, 1978, M. George Hansen and Hansen Development Corp. were permanently enjoined from selling securities to the public without first filing an offering statement or prospectus, a Broker-Dealer statement and a State Notice, if applicable.

Neither the Sponsor nor the principal of Sponsor have any prior bankruptcies, convictions, injunctions and judgments against the Sponsor, the principal of the Sponsor, and/or entities in which the principal of the Sponsor was a principal that would be material to the Offering Plan or to an offering of securities generally and that occurred within the fifteen (15) years prior to the submission of this Plan.

Attorney for Sponsor

Daniel Weisz, Esq., of Marans, Weisz & Newman LLC, 29 Broadway, Suite 2400, Brooklyn, New York 10006, prepared the Plan. Marans, Weisz & Newman LLC represents Sponsor in connection with all matters pertaining to this Plan.

Architect

The architectural firm retained by Sponsor to prepare the plans and specifications for the Condominium and to supervise construction is Udeotte D. Isaiah, R.A., A.I., 134 Emily Avenue, Elmont, New York 11003. He was previously an architect on the staff of Bricolage Designs, an architectural firm which was formed in 1983.

There is no relationship between Sponsor and any of its consultants.

Real Estate Consultant

Leonard P. Dahl, who has rendered an opinion with respect to the allocation of common interest and who has certified as to the reasonableness of the Condominium Budget for First Year of Operations, is a licensed real estate broker with an office at 568 Foster Road, Staten Island, New York 10309.

REPORTS TO UNIT OWNERS

The Board of Managers shall furnish to all Unit Owners, their mortgagees and the Department of Law of the State of New York (if and when required by law) and shall present annually (at the annual meeting) and when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Unit Owners. The Board of Managers, at least annually, shall fix and determined the annual budget and send a copy of the budget and any supplement to every Unit Owner and mortgagee. The total annual requirement shall be assessed as a single sum against all Units and prorated against each of the Unit according to the respective Common Interest apportioned to each Unit.

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

- (i) a financial statement of the Condominium prepared by a certified public accountant or public accountant within four (4) months from the end of such fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers.
- (ii) prior notice of the annual Unit Owners' meeting; and
- (iii) a copy of the proposed annual budget of the Condominium within four (4) months from the end of such fiscal year prior to the date set for adoption thereof by the Board of Managers. While the Sponsor is in control of the Board of Managers such budget shall be certified in

compliance with Section 20.4d of the Rules and Regulations.

DOCUMENTS ON FILE

The Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all exhibits submitted to the Department of Law in connection with the filing of the Plan, on file and available for inspection without charge and copying at a reasonable charge at a specified location for six (6) years from the date of the first closing. The Sponsor shall deliver to the Board of Managers a copy of all documents filed with the appropriate recording office at the time of the closing of the first Unit.

GENERAL

This Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. This Plan does not contain a full summary of all of the provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents.

There are no lawsuits or administrative or other proceedings now pending the outcome of which would materially affect this offering, the Property, the Condominium, the operation of the Condominium or Sponsor's capacity to perform its obligations under the Plan, which have not been disclosed herein.

The Property has not been the subject of any prior public offering.

In accordance with the provisions of the laws of the United States and the State of New York, Sponsor represents that Sponsor will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, ancestry, disability, marital status, age or other grounds prohibited by law in the sale of the Units offered by Sponsor pursuant to this Plan.

In the event of any material adverse amendment to the Plan, a Purchaser shall have the right, for a period of not less than fifteen (15) days, to rescind his or her Purchase Agreement.

SPONSOR'S STATEMENT OF BUILDING CONDITION

The Sponsor adopts the Description of Property and Building Condition contained in Part II of the Plan. Sponsor has no knowledge of any material defects or need for major repairs to the Property.

MGH Development LLC,
Sponsor

PURCHASE AGREEMENT

Purchaser(s)

With

M.G.H. Development LLC,

Sponsor/Seller

Unit Number ____

Lista Condominium

5306 Fourth Avenue, Brooklyn, New York

PURCHASE AGREEMENT

Unit Number ____
Lista Condominium
5306 Fourth Avenue,
Brooklyn, New York

(to be executed in quintuplicate)

THIS PURCHASE AGREEMENT (this "Agreement"), made as of the ____ day of _____, 200__, between M.G.H. Development LLC, a limited liability company, having an office at 44467th Road, Brooklyn, New York 11220 (hereinafter, "Sponsor"), and _____, having an address at _____ (hereinafter, "Purchaser").

WITNESSETH:

Definitions. Terms used in this Agreement and not otherwise defined herein shall have the meanings set forth in the Offering Plan for Lista Condominium (such plan, together with any amendments thereto filed prior to the date hereof, is hereinafter referred to as the "Plan").

1. The Unit. Sponsor hereby grants to Purchaser, and Purchaser hereby acquires from Sponsor, an option to purchase Unit No. ____ at the Condominium (as designated in the Declaration), together with the undivided ____% interest in the Common Elements appurtenant to such Unit (the "Unit"), upon and subject to the terms and conditions set forth herein.

2. Purchase Price.

2.1 The purchase price for the Unit (the "Purchase Price") is \$_____ payable as follows:

(a) \$_____ (the "Initial Deposit"), due upon the signing and submitting of this Agreement, receipt of which (subject to collection) is hereby acknowledged;

(b) \$_____ (the "Balance"), constituting the balance of the Purchase Price, at the closing as hereinafter provided.

2.2 All checks shall represent United States currency, be drawn on or issued by a New York bank which is a member of the New York Clearing House Association and shall be unendorsed. Checks for the Deposit shall be Purchaser's good check(s) or, at Sponsor's option, Purchaser's certified check(s) or an official bank check(s), made payable to the direct order of "Marans, Weisz & Newman LLC, as escrow agent". The check or checks for the Balance and all other sums due Sponsor pursuant to this Agreement shall be good certified check

of Purchaser or official bank or cashier's check, made payable to the direct order of M.G.H. Development LLC (or such other party as Sponsor directs to Purchaser, in writing, prior to the date of closing of title). If any check is returned, dishonored or fails collection for insufficient funds or for any other reason, the Escrow Agent is authorized to deliver such check to Sponsor and Sponsor will have the choice of remedies set forth in the Plan and in this Agreement with respect to an Event of Default (which shall include suing on such dishonored check or (at Sponsor's option) canceling this Agreement and returning the instrument to Purchaser without affording Purchaser a grace period to cure such default).

3. Deposit.

3.1 The Initial Deposit shall be deposited within five (5) business days after this Agreement is countersigned by or on behalf of Sponsor and returned to Purchaser and the Additional Deposit (if any) shall be deposited within five (5) business days after its receipt by Sponsor or Sponsor's agents, employees or escrow agent, in each case into a segregated special interest-bearing escrow account (the "Escrow Account") at Hudson Valley Bank, 233 Broadway, New York, New York 10279 (the "Depository") entitled "Marans, Weisz & Newman LLC Lista Condominium Escrow Account" subject to the provisions of the Plan with respect to the designation of a substitute bank and/or account type or title. The Deposit shall be held in trust in such account in conformity with Sections 352-e(2)(b) and 352-h of the New York General Business Law and the Attorney General's regulations promulgated pursuant thereto until such funds may be withdrawn in accordance with such laws and regulations and the terms of this Agreement and the Plan. While the same are being so held, such funds shall not be commingled with any other funds of Sponsor (except, at Sponsor's sole election, funds deposited by other purchasers under the Plan). The Escrow Account will be interest-bearing and, unless Purchaser defaults, interest will be credited to Purchaser at the closing. The interest rate to be earned will be the prevailing rate for these accounts. (No representation or guarantee is made as to the actual rate of interest that will be earned on such funds.) Interest, if any, will begin to accrue within five (5) business days after this Agreement is fully executed and tender for payment of the check representing the Deposit. Notwithstanding anything to the contrary contained herein, unless and until Purchaser has delivered to the Escrow Agent a completed and signed Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), whichever may be applicable, the Deposit will be deposited in a non-interest-bearing escrow account at the Depository.

3.2 The Deposit shall be held in the escrow account identified above until Marans, Weisz & Newman LLC (the "Escrow Agent") is otherwise directed in: (a) a writing signed by both Sponsor and Purchaser; or (b) a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or (c) a judgment or order of a court of competent jurisdiction.

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

3.4 Sponsor will 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.

3.5 Purchaser or the Escrow Agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the escrowed funds and any interest thereon. Sponsor must avail itself of this procedure if there is a dispute which needs to be resolved. The party applying for a determination must send all other parties a copy of the application. Pending the determination of the Attorney General to grant or deny the application, Sponsor, Purchaser and the Escrow Agent shall abide by any interim directive issued by the Attorney General.

3.6 Sponsor and Purchaser hereby jointly direct the Escrow Agent as follows:

(a) if title to the Unit is transferred to Purchaser, the Deposit shall be paid to Sponsor, and any interest earned on the Deposit shall be paid or credited to Purchaser; or

(b) if Purchaser becomes entitled to cancel this Agreement in accordance with the terms of this Agreement or the Plan, and actually cancels this Agreement as so provided, the Deposit and any interest earned on the Deposit shall be refunded in full.

3.7 Sponsor is required by law to submit a Form 1099 to the Internal Revenue Service reporting any interest earned on the Deposit, if any. Purchaser will be taxed accordingly on such interest, whether or not Purchaser ultimately receives the interest in accordance with the terms of this Article or Article 8.

4. Closing Date and Place.

4.1 The closing of title shall be held at the offices of Marans, Weisz & Newman LLC, 29 Broadway, Suite 2400, New York, New York 10006 (or such other place in the City and State of New York as Sponsor may designate to Purchaser) and on such date and hour as Sponsor may designate to Purchaser on not less than thirty (30) days' prior notice. Sponsor may, from time to time, adjourn such date and hour upon reasonable prior notice to Purchaser, which notice shall fix a new date (and hour and place, if appropriate) for the closing of title (but in no event may Sponsor adjourn the date originally set herein for a closing for more than twelve (12) months in the aggregate without the consent of Purchaser).

4.2 Whenever used herein, the terms "Closing Date" or "closing of title" or words of similar import shall mean the date on which the deed to the Unit is delivered to Purchaser.

5. Delivery of Deed and Power of Attorney.

5.1 At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenants against grantor's acts conveying fee simple title to the Unit to Purchaser, which deed shall be in substantially the form contained in Part II of the Plan, and

Sponsor and Purchaser shall execute the deed and have the same acknowledged, in form for recording.

5.2 At the closing of title, Purchaser shall execute and acknowledge a power of attorney to the Board, prepared by Sponsor and in substantially the form contained in Part II of the Plan.

5.3 The executed deed and power of attorney 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: (i) the deed shall be returned to Purchaser; and (ii) the power of attorney in favor of the Board shall be returned to the Board (or as the Board shall direct).

5.4 Purchaser's payment of the Balance and acceptance of the deed to the Unit shall constitute Purchaser's recognition that Sponsor has fully and satisfactorily performed those obligations stated in the Plan and/or this Agreement to be performed by Sponsor prior to closing. However, nothing herein contained shall excuse Sponsor from performing those obligations (if any) expressly stated herein or in the Plan to be performed subsequent to the closing, and nothing herein shall be in derogation of the rights of purchasers under Article 23-A of the General Business Law, the Plan or Part 20 of the Regulations issued by the Department of Law.

6. State of Title.

6.1 The title conveyed by Sponsor to Purchaser shall be subject only to the Permitted Exceptions contained in the Plan. Any lien, encumbrance or condition to which title is not to be subject shall not be an objection to title if: (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Purchaser's title insurance company, together with the recording or filing fee; or (b) Purchaser's title insurance company will insure Purchaser, at the company's regular rates and without additional premium, that it will not be collected out of, or enforced against, the Unit; or (c) Purchaser's title insurance company is unwilling to issue the affirmative insurance described in subsection (b) at its regular rates and without additional premium, and the title insurance company referenced in Part I of the Plan would be willing to do so at its regular rates and without additional premium.

6.2 Sponsor shall be entitled to adjourn the closing to remove or correct any defect in title which is not set forth in Schedule A. However, if such defect existed at least ten (10) days prior to the closing and Purchaser, or Purchaser's attorney, failed to send Sponsor's attorney written notice of such defect in title at least ten (10) days prior to the closing, then, for purposes of Article 12 below, Purchaser shall be deemed at fault for not having sent timely notice, and the closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser.

6.3 The covenants in the deed will be solely for the personal benefit of Purchaser and will not inure to the benefit of Purchaser's successors or subrogees. In the event of a claimed breach of any covenant of the grantor contained in the deed, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor, it

being agreed that the liability of Sponsor will be limited to any loss or damage not covered by such title insurance. In the event that Purchaser elects not to purchase title insurance, then the liability of Sponsor shall be limited to any loss or damage which would not have been covered by the title insurance that was available to Purchaser at the closing. The terms of any marked-up title binder of any title insurance company authorized to do business in New York State issued in connection with any Unit shall be conclusive evidence of the title insurance coverage that was available to Purchaser. The provisions of this Section 7.3 shall survive the closing of title or the termination of this Agreement.

7. Closing Adjustments.

7.1 The following costs with respect to the Unit shall be apportioned between Sponsor and Purchaser as of the Closing Date:

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

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

7.2 If the Unit has been separately assessed but the closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser; however, the installment for the then current period shall be apportioned appropriately. If the Unit has not been separately assessed as of the Closing Date for the then current tax period, the adjustment hereof shall be based upon the Property's actual taxes and assessment for such period prorated to the Unit in the manner set forth in the By-Laws and in Part I of the Plan.

7.3 Sponsor shall remit or cause to be credited to Purchaser an amount equal to interest, if any, earned on the Deposit, on or promptly after the Closing Date.

7.4 In the event that Purchaser fails to close title to the Unit on the date originally scheduled for the closing of title, postpones the closing for any reason, or is deemed at fault for not timely sending notice of a title defect as provided in Article 6 above, and title thereafter closes, then:

(a) the closing apportionments shall be made as of the originally scheduled closing date regardless of when the actual closing of title occurs; and

(b) Purchaser shall pay Sponsor interest at the rate of 0.04% per day (or such lower rate per day which is the legal limit, if 0.04% per day exceeds the legal limit) on the total purchase price, computed from the original Closing Date until this transaction is actually closed. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, the foregoing provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

7.5 If at a Purchaser's request Sponsor grants an adjournment or adjournments of his or her closing of title in excess of five (5) days in the aggregate, the Sponsor has the option of collecting an additional five percent (5%) of the purchase price of the Unit as an additional down payment.

7.6 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. 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 aforesaid and as otherwise provided herein or in the Plan.

7.7 Any errors or omissions in calculating apportionments at closing shall be corrected, and payment shall be made to the proper party, promptly after discovery. This provision shall survive the closing.

8. Closing Costs.

Purchaser shall be required to pay certain costs in connection with the purchase of the Unit, in addition to any net credit in favor of Sponsor that may result from the closing adjustments and any interest or late closing charge described in Article 8. Other than any such net credit in favor of Sponsor that may result from the closing adjustments (or certain other fees which may be payable prior to the closing, as described below), all such closing costs shall be paid by Purchaser, at closing, by Purchaser's unendorsed, personal certified check or by official bank check, in either event drawn only upon a bank that is a member of the New York Clearing House Association. Such closing costs will include the following, the amounts of which (where applicable) are based on rates in effect on the date hereof and are subject to change without prior notice:

8.1 If Purchaser elects to obtain fee title insurance, Purchaser will pay a premium to the title company for such insurance, which will vary depending upon the amount of insurance purchased.

8.2 Purchaser will pay a fee to the City Register for recording the deed and the power of attorney, and will pay a filing fee for the RP-5217 form. In addition, Purchaser's title insurance company may charge various fees and service charges in connection with such recordings and filings, all of which shall be payable by Purchaser.

8.3 If Purchaser obtains a mortgage loan, Purchaser shall pay all closing costs associated with such loan, which may include, but need not be limited to, the following:

- (a) a fee and service charge for recording the mortgage;
- (b) a mortgage recording tax in the amount provided for by law,
- (c) to Sponsor, a sum equal to the full amount (but not in excess thereof) of the partial mortgage recording tax credit provided by Section 339-ee(2) of the New York Condominium Act, to the extent the same is or becomes available, as a reimbursement for the mortgage recording taxes previously paid (such credit is based, in general, on the Common

Interest of the Units being purchased multiplied by a portion of the mortgage tax previously paid on account of pre-existing mortgages on the Property), if applicable;

(d) the premium for mortgage title insurance, if required by Purchaser's lender;

(e) such other costs and expenses in connection with such loan as determined by Purchaser's lender.

8.4 Purchaser will be required to pay the amount of \$1,200.00 to Marans, Weisz & Newman LLC, Sponsor's counsel, for each Unit purchased hereunder, in order to defray Sponsor's legal fees for services in connection with preparing the deed and power of attorney and for coordinating and attending the closing. If Purchaser obtains financing and the lender is unwilling to close at the offices of Sponsor's counsel or if Purchaser otherwise requests that the Closing occur other than at the office of Sponsor's counsel (or such other place as Sponsor may designate in its closing notice) and Sponsor in its sole discretion consents to such request, the closing may be held elsewhere in New York City, provided that Purchaser shall pay Sponsor's counsel a travel fee of \$250 and an additional \$150 if the Closing is held outside New York City. In addition, if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement (or Purchaser otherwise exercises its limited right with respect to an assignment as provided in Section 23.4 hereof), a fee of \$500, shall be payable by Purchaser to Sponsor's counsel, for preparation of an assignment agreement. Purchaser may be required to pay more than one fee pursuant to the preceding sentence and forgoing provisions with respect to a single Unit. At Sponsor's option in its sole discretion, any one or more of the foregoing fees to be paid to Sponsor's counsel shall be paid by Purchaser in advance, prior to closing, upon notice to Purchaser.

8.5 Purchaser shall make a contribution to the Working Capital Fund of the Condominium, payable to the Board, in an amount equal to one (1) month's Common Charges then in effect for each Unit pursuant to the Condominium budget and in accordance with Schedule A in the Plan, as the same may be amended from time to time.

8.6 Purchaser shall pay to the Board the Common Charges for the Unit for the first full month following the month in which title closes. In the event that Purchaser defaults in respect of the terms, provisions and conditions of the By-Laws, the Board may use, apply, or retain the whole or any part of the security so paid in advance to the extent required for the payment of any Common Charges or any other sum as to which Purchaser is in default; and such Unit Owner shall, within thirty (30) days after notice from the Board, deposit with such Board the amount so applied or retained so that at the option of the Board, such Board shall have the full amount of said security on hand at all times. The provisions of the preceding sentence shall survive the closing of title.

8.7 Purchaser shall pay the Real Estate Transfer Tax due to the State of New York (the so-called "deed stamps" and, if applicable, the so-called "mansion tax"), the Real Property Transfer Tax due to the City of New York and any other real property transfer tax due to the City or State of New York. Purchaser agrees to indemnify and hold Sponsor harmless

from and against any and all liabilities and expenses (including, without limitation, reasonable legal fees and disbursements) incurred by Sponsor by reason of the non-payment by Purchaser of any of the taxes Purchaser is obligated to pay hereunder in connection with the purchase of the Unit. Purchaser's obligations to pay the taxes described in this Section 9.7 and to indemnify Sponsor as herein provided shall survive the closing of title or the termination of this Agreement.

9. Transfer Tax Returns. At the closing, Purchaser shall duly complete and sign before a notary public the real property transfer tax return required to be filed with The City of New York ("RPT Form") and Purchaser shall duly complete and sign the Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate ("Combined Tax Form") required to be filed with the Department of Taxation and Finance of the State of New York (the "Tax Department"), or such other forms as may then be required by law. The RPT Form and Combined Tax Form 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. Sponsor will similarly execute all of such forms and other documents required in connection with recording of the deed including, without limitation, smoke detector and multiple-dwelling affidavits.

10. The Plan.

10.1 Purchaser acknowledges having received and read a copy of the Plan, including all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York, at least three (3) business days before submitting this Agreement. If, however, Purchaser did not receive a copy of the Plan at least three (3) business days before submitting this Agreement, Purchaser may rescind this Agreement, by sending written notice of same to Sponsor by certified or registered mail, return receipt requested, or by personal delivery, in either case within seven (7) days of Purchaser's submission of this Agreement.

10.2 The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth herein at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern, except with respect to express modifications to the terms of the Plan included in this Agreement and agreed to by Sponsor and Purchaser, in which case such modifications will govern.

10.3 Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor.

11. Default by Purchaser. (a) Any of the following shall constitute an "Event of Default" hereunder:

(i) Purchaser's failure to pay the Balance or any closing apportionment or closing cost required to be paid by Purchaser as stated herein on the Closing Date designated by Sponsor pursuant to Article 4 hereof, or the dishonor of any check given by Purchaser to Sponsor; or

(ii) the failure to pay, perform or observe any of Purchaser's other obligations hereunder; or

(iii) the occurrence of any Events of Default under any other Agreement between Sponsor and Purchaser, or between Sponsor and any member or members of Purchaser's immediate family or between Sponsor and any parent, affiliate or subsidiary of Purchaser; or

(iv) if Purchaser is permitted to become the tenant at Sponsor's prior written express consent or other occupant of the Unit, Purchaser's failure to pay rent or to perform some other lease or occupancy obligation within the period after notice, if any, set forth in the lease or occupancy or other agreement and either (x) Sponsor has obtained an order of eviction against Purchaser from a court of competent jurisdiction or (y) Purchaser has vacated the Unit; or

(v) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(vi) if a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(vii) if a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same within thirty (30) days.

(b) In the event of a Purchaser's default, Sponsor's sole right shall be to cancel the Purchase Agreement by sending the Purchaser thirty (30) days' prior written notice of its intention so to do. If Sponsor elects to cancel, the Purchaser shall have thirty (30) days from the giving of the cancellation notice within which the Purchaser must cure the specified default. Time is of the essence to cure such default within said thirty (30) day period. If the default is not timely cured, then Sponsor shall have the right to retain, as and for liquidated damages, the Down Payment plus the costs incurred by Sponsor for any special work in the Unit ordered by the Purchaser, together with any interest earned thereon and any excess sums (together with any interest earned thereon) shall be returned to the Purchaser.

(c) Sponsor and Purchaser each hereby agree and acknowledge that it would be impractical and/or extremely difficult to fix or establish the actual damage sustained by Sponsor as a result of a default by a Purchaser hereunder, and that, subject to the provision of Section 12(d) below, the Deposit (including all interest) shall constitute and be deemed to be the reasonable and agreed upon liquidated damages of Sponsor in respect of the possible loss of a timely closing, the possible fluctuation of values, additional carrying costs of the Unit and other expenses that may be incurred, including, without limitation, attorneys' fees, and shall be paid by Purchaser to Sponsor as Sponsor's sole and exclusive remedy. The payment of the deposit (including all interest) as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to Sponsor.

(d) NEITHER SELLER NOR PURCHASER SHALL CHALLENGE THE VALIDITY OF THE PROVISIONS OF THIS AGREEMENT OR THE PLAN WITH RESPECT TO LIQUIDATED DAMAGES OR ANY RIGHT OF SPONSOR SET FORTH HEREIN OR THEREIN TO RETAIN THE DEPOSIT IN THE EVENT OF A PURCHASER DEFAULT. SUCH PROVISIONS HAVE BEEN AGREED TO VOLUNTARILY, AFTER NEGOTIATION, WITHOUT DURESS OR COERCION BY ANY PARTY UPON ANY OTHER PARTY, AND WITH EACH PARTY HAVING BEEN (OR HAVING HAD FULL AND ADEQUATE OPPORTUNITY TO BE) REPRESENTED AND ADVISED BY COUNSEL, ACCOUNTANTS, BROKERS, APPRAISERS AND OTHER EXPERTS AND ADVISORS OF ITS OWN CHOOSING.

12. Agreement Subject to Lien of Mortgage. No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any money deposited hereunder, except as hereinafter set forth. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall continue to be subject and subordinate to the lien of any mortgage heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the fullest extent thereof, without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless, if Purchaser is obtaining financing on the Unit, Purchaser assumes such mortgages (at Sponsor's discretion). The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration, or the Unit is released from, or not subject to, the lien of such mortgage at closing (unless Purchaser has assumed the continuation of a mortgage lien encumbering such Unit as hereinabove described).

13. Agreement Subject to Plan Being Effective. The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan (as the same may be amended from time to time). The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and the Deposit, together with interest, if any, earned thereon, shall be returned to Purchaser. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

14. Sponsor's Inability to Convey the Unit. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan by reason of a defect in title, substantial damage or destruction of the Building by fire or other casualty, or the taking of any material portion of the Property by condemnation or eminent domain, Sponsor

(d) NEITHER SELLER NOR PURCHASER SHALL CHALLENGE THE VALIDITY OF THE PROVISIONS OF THIS AGREEMENT OR THE PLAN WITH RESPECT TO LIQUIDATED DAMAGES OR ANY RIGHT OF SPONSOR SET FORTH HEREIN OR THEREIN TO RETAIN THE DEPOSIT IN THE EVENT OF A PURCHASER DEFAULT. SUCH PROVISIONS HAVE BEEN AGREED TO VOLUNTARILY, AFTER NEGOTIATION, WITHOUT DURESS OR COERCION BY ANY PARTY UPON ANY OTHER PARTY, AND WITH EACH PARTY HAVING BEEN (OR HAVING HAD FULL AND ADEQUATE OPPORTUNITY TO BE) REPRESENTED AND ADVISED BY COUNSEL, ACCOUNTANTS, BROKERS, APPRAISERS AND OTHER EXPERTS AND ADVISORS OF ITS OWN CHOOSING.

12. Agreement Subject to Lien of Mortgage. No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any money deposited hereunder, except as hereinafter set forth. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall continue to be subject and subordinate to the lien of any mortgage heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the fullest extent thereof, without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless, if Purchaser is obtaining financing on the Unit, Purchaser assumes such mortgages (at Sponsor's discretion). The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration, or the Unit is released from, or not subject to, the lien of such mortgage at closing (unless Purchaser has assumed the continuation of a mortgage lien encumbering such Unit as hereinabove described).

13. Agreement Subject to Plan Being Effective. The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan (as the same may be amended from time to time). The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and the Deposit, together with interest, if any, earned thereon, shall be returned to Purchaser. Upon such return, neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan.

14. Sponsor's Inability to Convey the Unit. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan by reason of a defect in title, substantial damage or destruction of the Building by fire or other casualty, or the taking of any material portion of the Property by condemnation or eminent domain, 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. If Sponsor is not so obligated under the Plan and notifies Purchaser of its election not to cure such inability, and 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 the Deposit to Purchaser, together with interest, if any, earned thereon. Upon making such payment, this Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Agreement and the Plan. The foregoing remedy must be exercised by written notice sent by Purchaser to Sponsor within ten days after the giving of Sponsor's notice of election not to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the first remedy above to acquire title subject to such inability.

15. Fixtures, Appliances and Personal Property. Only those fixtures, appliances and items of personal property which are described in the Plan as being included in the Unit are included in the sale of the Unit pursuant to this Agreement. No portion of the Purchase Price shall be attributable to such items.

16. Construction.

16.1 The construction of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the Plans and Specifications (as defined in the Plan), subject to the right of Sponsor to amend the Plan and the Plans and Specifications in order to substitute materials, equipment or fixtures of equal or better quality, provided that the approval of any governmental authorities having jurisdiction is first obtained (if required). The issuance of a temporary or permanent Certificate of Occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully completed in accordance with the Plan and the Plans and Specifications. However, nothing herein contained shall excuse Sponsor from its obligation to correct any defects in construction in accordance with the conditions set forth in the Plan in the Section entitled "Rights and Obligations of Sponsor."

16.2 The construction of the Building and the Unit and the correction of any defects in the construction thereof to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and Plans and Specifications as indicated in the Section of the Plan entitled "Rights and Obligations of Sponsor" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in such Section.

16.3 The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Prerequisites to Closing of Title" in Part I of the Plan. As a result, if all other prerequisites not involving the construction of the Unit are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without

any credit against or abatement in the Purchase Price and without any provision for escrow) once a temporary or permanent Certificate of Occupancy is issued for the Unit (notwithstanding any construction items noted on Purchaser's Inspection Report (as hereinafter defined) remaining for Sponsor to complete and/or correct in accordance with its obligations under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building not preventing Purchaser's occupancy of the Unit).

16.4 Sponsor has projected that, based upon currently anticipated schedules, construction of the Building will be sufficiently completed to permit closings of Units to begin in or about January 1, 2009. The actual date for the First Closing is only an estimate and is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites described in the Plan. Purchaser acknowledges that construction may be delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery or inability to obtain on a timely basis or otherwise materials or equipment, governmental restrictions, or other events beyond Sponsor's reasonable control. Purchaser further acknowledges that the units in the Building will be completed at varying times over a period that could extend well beyond the First Closing. The order in which these units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise expressly provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for damages or losses, in the event that the First Closing occurs substantially earlier or later than the projected date or the time to complete or to close title to the Unit is accelerated, delayed or is postponed by Sponsor, Purchaser's rights as set forth in Plan in respect thereof being in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of are hereby expressly waived by Purchaser.

16.5 Sponsor is obligated to construct the Building in accordance with all applicable codes and filed building plans and specifications as well as the provisions of the Plan.

18. Limited Warranty. The Housing Merchant Implied Warranty, as contained in Section 777-a of the New York General Business Law, generally applies to any single-for-sale unit in a multi-unit residential structure of five (5) stories or less transferred under a condominium regime. HOWEVER, AS PERMITTED BY LAW, SPONSOR HAS LIMITED SUCH WARRANTY TO THE TERMS OF THE LIMITED WARRANTY ATTACHED TO THIS CONTRACT AS EXHIBIT 1. PURCHASER WILL BE REQUIRED TO EXECUTE THIS LIMITED WARRANTY AT CLOSING. NO OTHER WARRANTY, EXPRESS OR IMPLIED, IS MADE IN CONNECTION WITH THIS PURCHASE AGREEMENT OR UNIT.

PURCHASER ACKNOWLEDGES THAT A WRITTEN COPY OF THE TERMS OF THE LIMITED WARRANTY ATTACHED HERETO HAS BEEN PROVIDED FOR THE PURCHASERS EXAMINATION PRIOR TO THE EXECUTION OF THIS PURCHASE AGREEMENT.

19. Inspection of Unit. At least one week (but not more than one month) prior to the Closing Date, at Sponsor's direction, Selling Agent if applicable or Sponsor shall notify Purchaser that the Unit is ready for inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with Selling Agent to inspect the Unit within the week prior to the Closing Date.

Purchaser or his or her duly authorized agent shall attend such inspection, shall carefully inspect the Unit, and shall complete, date and sign the Inspection Statement (in the form set forth as Schedule A to this Agreement) and deliver same to Selling Agent if applicable or Sponsor at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within the week prior to the Closing Date or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit. However, nothing herein shall relieve Sponsor of its obligations as set forth in "Rights and Obligations of Sponsor" in the Plan.

20. 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:

20.1 The risk of loss to the Unit by fire or other casualty, until the earlier of closing of title or the taking of possession of the Unit by Purchaser, is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. In the event of damage or destruction of the Unit due to fire or other casualty prior to the closing of title and the election by Sponsor 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 Condominium Board and the Board and other Unit Owners if the Declaration has theretofore been recorded and any mortgagee of Sponsor, belong entirely to Sponsor and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing of title or the termination of the Agreement.

20.2 In the event of damage to or destruction of the Unit by fire or other casualty prior to the closing of title and the election by Sponsor, with notice thereof to Purchaser, that it does not elect to repair or restore the Unit, or, if the Declaration has been recorded prior thereto, then if 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 or effect and Sponsor shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest, if any, earned thereon, and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain all such sums deposited by Purchaser hereunder and any interest earned thereon, as and for liquidated damages.

21. Prohibition Against Advertising. Purchaser hereby covenants and agrees that it shall not list the Unit for sale or resale with any broker or otherwise advertise, promote, or publicize the availability of the Unit for sale prior to the closing of title. Any such listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser or its agents or representatives prior to the closing of title shall be an Event of Default hereunder, entitling Sponsor to the remedies set forth in Article 12 hereof. The provisions of this Article 21 shall survive the closing of title or the termination of this Agreement.

22. Broker. Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction other than _____. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker on account of any acts or dealings of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including, but not limited to, reasonable legal fees and disbursements. The provisions of this Article shall survive the closing of title or the termination of this Agreement and are not made for the benefit of any third parties.

23. Agreement May Not Be Assigned.

23.1 This Agreement, or any interest of Purchaser herein, shall not inure to the benefit of any successors or assigns of Purchaser and may not be assigned by Purchaser, without the prior written consent of Sponsor, which consent may be given or denied by Sponsor in its sole discretion. Any purported assignment by Purchaser in violation of this Agreement shall be an event of default by Purchaser entitling Sponsor to all remedies available at law, in equity or otherwise, including, without limitation, the remedies set forth above, and shall be voidable at the option of Sponsor.

23.2 If Purchaser is a corporation, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the stock of Purchaser, or if Purchaser is a partnership, limited liability company or other entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any interest in such partnership, limited liability company or other entity shall, for purposes of this Agreement, be considered an assignment and shall be subject to the provisions, prohibitions and terms of this Article concerning assignment of this Agreement, except that a sale of less than fifty percent (50%) of the stock, or in the case of a partnership, limited liability company or other entity, less than fifty percent (50%) of the ownership interests, of Purchaser which does not result in a change in control of Purchaser shall not be considered an assignment. For purposes of the preceding sentence only, "control" shall mean the ownership of fifty-one percent (51%) or more of the interests in such entity or possession of the power to direct the management and policies of such entity and the distribution of its profits.

23.3 If a Purchaser desires to assign its rights under this Agreement or to take title in the name of an affiliate of, or entity related to, or controlled by Purchaser that differs from that reflected in this Agreement, or to add, delete or substitute the name of a member of the Purchaser's family, then, if such assignment, alteration, addition, deletion or substitution is permitted by Sponsor (in Sponsor's sole discretion), Purchaser shall deliver to Selling Agent or Sponsor's counsel, four (4) signed forms of assignment of this Agreement (to be prepared by Sponsor's counsel at Purchaser's expense and in form and content acceptable to Sponsor, in its sole discretion), as well as three (3) completed and signed copies of either Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), as applicable, in the form required by law.

Upon each assignment or other change permitted by Sponsor (it its sole discretion), the assignments and Form W-8 or Form W-9, as applicable, must be delivered to Selling Agent or Sponsor's counsel, together with a personal certified check, or an official bank or cashier's check, in the amount of \$500 made payable to Marans, Weisz & Newman LLC (for services rendered in connection with the assignment), not less than twenty (20) days prior to the date scheduled for the Purchaser's closing. In no event shall Purchaser or its assignee (or any added or substituted party) have any right to adjourn or postpone the closing as a result of any such change or assignment. Sponsor is not obligated to consent to any such change or assignment and, Sponsor's refusal to consent to an assignment or change in name will not entitle Purchaser to cancel this Agreement or excuse Purchaser from any of its obligations hereunder or give rise to any claim for damages against Sponsor; and the prohibition against advertising or publicizing the availability of Purchaser's Unit as set forth in Article 21 above and in the Plan will remain in effect.

23.4 Notwithstanding the provisions of Section 23.1 above, Sponsor will not unreasonably withhold its consent to the assignment by Purchaser, on one (1) occasion only, of all of Purchaser's rights under this Agreement to a Purchaser Affiliate or to member(s) of Purchaser's Immediate Family, provided that any such assignment is made without consideration and otherwise in accordance with the provisions and procedures set forth in Section 23.3 above. For purposes of this Section 23.4 only: (i) "Purchaser Affiliate" means an entity, as of the date of the assignment and at all times thereafter through and including the Closing, controlled by or under common control with Purchaser; (ii) "Immediate Family Members" means Purchaser's spouse, domestic partner, children, grandchildren, parents, grandparents, brothers or sisters, stepchildren and stepparents; and (iii) "control" means the ownership of fifty-one percent (51%) or more of the interests in such entity and possession of the power to direct the management and policies of such entity and the distribution of its profits.

23.5 Notwithstanding any consent by Sponsor pursuant to the terms of this Article to any such change of name or assignment, in no event shall Purchaser, as assignor, be released or relieved from any obligations, promises, covenants and liabilities under or in respect of this Agreement.

24. Binding Effect. The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Purchaser or Sponsor until Purchaser has signed this Agreement and delivered the signed Agreement and the Deposit to Sponsor, and a counterpart hereof executed by Sponsor has been delivered to Purchaser. Prior to Sponsor's countersigning and returning this Agreement to Purchaser, and at any time thereafter, Purchaser agrees upon request to provide Sponsor with written reasonable information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, sexual orientation, race, creed, color, national origin, ancestry, disability, marital status, or other ground proscribed by law.

25. Notices.

25.1 Any notice, election, demand, consent, request or other communication hereunder or under the Plan shall be in writing and either delivered in person or sent, postage prepaid, by registered or certified mail, return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed: to Purchaser at the address given at the beginning of this Agreement; and to Sponsor, at: M.G.H. Development LLC, 444 67 Road, Brooklyn, New York 11220 with a copy sent simultaneously and in like manner to Marans, Weisz & Newman LLC, 29 Broadway, Suite 2400, New York, New York 10006. Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent. Except as otherwise expressly provided herein, a notice shall be deemed given when personal delivery or delivery by overnight courier is effected or, in the case of mailing, three (3) days after the date of mailing, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

25.2 Sponsor hereby designates and empowers both Selling Agent and Sponsor's counsel Marans, Weisz & Newman LLC as Sponsor's agents to give any notice to Purchaser under this Agreement (including, without limitation, a notice of default) in Sponsor's name, which notice so given shall have the same force and effect as if given by Sponsor itself.

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

27. Liability of Sponsor. Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

28. Further Assurances. Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction. Additionally, either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order correct any error and or omissions that may have occurred at Closing of Title. The Provisions of this Article shall survive Closing of Title and delivery of the deed.

29. 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.

30. Strict Compliance. Any failure by either party hereto to insist upon the strict performance by the other party of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and each party, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the other party of any and all of the provisions of this Agreement to be performed by such other party.

31. No Lien. Neither this Agreement nor any monies deposited hereunder or expended by Purchaser in connection herewith shall constitute a lien against the Unit, any other Units, or any other portion of the Building or the Land upon which it is situated, and Purchaser may not record this Agreement or a memorandum thereof.

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

33. Purchaser's Representations.

33.1 Purchaser represents that Purchaser has full right and authority to execute this Agreement and perform Purchaser's obligations hereunder. If Purchaser is not a natural person, Purchaser agrees to deliver at Closing, such documents evidencing Purchaser's authority as may be required by Purchaser's title company. Purchaser further represents that the Deposit represents Purchaser's own funds and that no other party (other than Purchaser or Seller, as provided herein) has any right or claim to all or any portion of the Deposit.

33.2 Purchaser is not now, nor shall it be at any time prior to or at the closing of title, an individual, corporation, partnership, joint venture, trust, trustee, limited liability company, unincorporated organization, real estate investment trust or any other form of entity (collectively, a "Person") with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC or otherwise. Neither Purchaser nor any Person who owns an interest in Purchaser is now nor shall be at any time prior to or at the closing of title a Person with whom a U.S. Person, including a "financial institution" as defined in 31 U.S.C. 5312 (a)(z), as periodically amended, is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC or otherwise.

33.3 Purchaser has taken, and shall continue to take until the closing of title, such measures as are required by applicable law to assure that the funds used to pay to Seller the Purchase Price are derived: (i) from transactions that do not violate United States law nor, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated. Purchaser is, and will at closing be, in compliance with any and all applicable provisions of the USA PATRIOT Act of 2001, Pub. L. No. 107-56, the Bank Secrecy Act of 1970, as amended, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

33.4 The provisions of this Article shall survive the closing of title to the Unit or termination of this Agreement.

34. Financing Contingency:

34.1 The terms and conditions of this Agreement and my obligations hereunder are conditioned upon issuance of a written commitment (the "Commitment Letter") from an institutional lender selected by Purchaser and pursuant to which said lender agrees to make a first mortgage loan ("the Loan"), other than a VA, FHA or other governmentally insured loan, to Purchaser, at Purchaser's sole cost and expense, of at least seventy-five percent (75%) of the Total Purchase Price or such lesser sum as Purchaser shall be willing to accept (the "Loan Amount"), at the prevailing fixed or adjustable rate of interest and on other customary commitment terms, whether or not conditional upon any factors other than an appraisal satisfactory to the lender; provided that Purchaser shall (i) make application to a lender for the Loan within five (5) business days from the date the Purchase Agreement is fully executed, (ii) furnish accurate and complete information regarding Purchaser and members of Purchaser's family, as required, (iii) pay all fees, points and charges required in connection with such application and Loan, (iv) pursue such application with diligence, (v) cooperate in good faith with said lender to obtain such Commitment Letter and (vi) promptly give notice to Sponsor of the name and address of each institutional lender to which I have made such application. Purchaser shall comply with all requirements of such Commitment Letter (or of any other commitment accepted by Purchaser) and shall furnish Sponsor with a copy thereof promptly after receipt thereof. Purchaser shall cause its lender to furnish Sponsor with a copy of the property appraisal obtained by it prior to the Closing.

34.2 If the Commitment Letter is not issued on or before the date (the "Loan Contingency Expiration Date") that is forty-five (45) days from date that the Agreement is fully executed, then, unless Purchaser have accepted a loan commitment that does not comply with the requirements set forth above, Purchaser may cancel this Agreement by giving notice to Sponsor on or before the first business day after the Loan Contingency Expiration Date, in which case this Agreement shall be deemed cancelled and thereafter neither party shall have any further rights against, or obligations or liabilities to, the other

by reason of this Agreement, except that the Initial Deposit shall be promptly refunded to by Sponsor to Purchaser provided Purchaser have complied with the requirements set forth above. If Purchaser fails to give Sponsor notice of cancellation or if Purchaser shall accept a loan commitment that does not comply with the requirements set forth above, then Purchaser shall be deemed to not have cancelled this Agreement and shall not receive a refund of the Initial Deposit.

35. 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. The provisions of this Article shall survive closing of title or the termination of this Agreement.

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

37. Waiver of Diplomatic or Sovereign Immunity.

37.1. Purchaser hereby waives any and all immunity from suit or other actions or proceedings and agrees that, should Sponsor or any of its successors or assigns bring any suit, action or proceeding in New York or any other jurisdiction to enforce any obligation or liability of Purchaser arising, directly or indirectly, out of or relating to this Agreement, no immunity from such suit, action or proceeding will be claimed by or on behalf of Purchaser.

37.2. As of the execution of this Agreement, Purchaser acknowledges and agrees that all disputes arising, directly or indirectly, out of or relating to this Agreement may be dealt with and adjudicated in the state courts of New York or the federal courts sitting in New York, and hereby expressly and irrevocably submits the person of Purchaser to the jurisdiction of such courts in any suit, action or proceeding arising, directly or indirectly, out of or relating to this Agreement. So far as is permitted under the applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action shall be necessary in order to confer jurisdiction upon the person of Purchaser in any such court.

37.3. Purchaser irrevocably waives, to the fullest extent permitted by law, and agrees not to assert, by way of motion, as a defense or otherwise in any suit, action or proceeding arising, directly or indirectly, out of relating to this Agreement, brought in the state courts in New York or the federal courts sitting in New York: (i) any objection which it may have or may hereafter have to the laying of the venue of any such suit, action or proceeding in any such court; (ii) any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum; or (iii) any claim

that it is not personally subject to the jurisdiction of such courts. Purchaser agrees that final judgment from which Purchaser has not or may not appeal or further appeal in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon Purchaser and, may so far as is permitted under the applicable law, be enforced in the courts of any state or any federal court and in any other courts to the jurisdiction of which Purchaser is subject, by a suit upon such judgment and that Purchaser will not assert any defense, counterclaim, or set off in any such suit upon such judgment.

37.4. Purchaser agrees to execute, deliver and file all such further instruments as may be necessary under the laws of the State of New York, in order to make effective the consent of Purchaser to jurisdiction of the state courts of New York and the federal courts sitting in New York and any other provisions of this Article 38.

37.5. Nothing in this Article 38 shall affect the right of Sponsor to bring proceedings against Purchaser in the courts of any jurisdiction or jurisdictions.

37.6. The provisions of this Article 37 shall survive the closing of title or the termination of this Agreement for the purpose of any suit, action, or proceeding arising directly or indirectly, out of or relating to this Agreement.

37.7. In the event Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser shall hereby be deemed to have designated and hereby designates, having its offices, at the date hereof, at 111 Eighth Avenue, New York, New York 10011 as its duly authorized and lawful agent to receive process for and on behalf of Purchaser in any state or Federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement.

37.8. If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. 4305, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

38. Entire Agreement. This Agreement, together with the Plan, supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them with respect to the subject matter hereof.

39. 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 term "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 otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Agreement.

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

41. Successors and Assigns. Subject to the provisions of Article 23 hereof, the provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

42. No Oral Changes. This Agreement or any provision hereof, cannot be orally changed, terminated or waived. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES AND WHICH REFERS TO THIS AGREEMENT.

43. Counterparts. This Agreement and any Rider(s) which may be annexed hereto may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document. A facsimile signature on this Agreement (or any such Rider(s)) shall be acceptable and be deemed binding. The party tendering such facsimile signature shall provide the other party with original counterparts of the signature page promptly after delivery of the facsimile signature page, although the failure to do so shall not invalidate the effectiveness of the facsimile signature.

44. Rule of Construction. There shall be no presumption against the drafter of this Agreement or the Plan.

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SCHEDULE A

INSPECTION STATEMENT

M.G.H. Development LLC
444 67th Road,
Brooklyn, New York 11220

Re: Unit No.
Lista Condominium

Gentlemen:

As a result of my/our final inspection, please be advised that except as otherwise noted, I/we found the following items in good condition, free of chips, mars, breaks or other defects:

Exceptions

Items

Initials

if any

Windows, window frames

Electric fixtures & globes

Interior painted surfaces

Sinks, tubs, bowls & shower doors & trim

Kitchen cabinets & counter tops

Vanity tops & base

Medicine cabinets, doors & mirror

Hardware

Flooring

Appliances

I/we understand that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs and mechanical chimes will be installed just prior to my/our date of moving. I/we agree and I/we will sign off each item requiring adjustment or repairs as it is completed.

Purchaser's Signature

Sponsor's Representative

EXHIBIT 1

RIDER TO PURCHASE AGREEMENT DATED _____, 200_ BY AND
BETWEEN M.G.H.DEVELOPMENT LLC AS SPONSOR, AND _____ AS
PURCHASER(S).

LIMITED WARRANTY

PROPERTY:

Lista Condominium

5306 Fourth Avenue

Brooklyn, New York

UNIT:

PURCHASER:

SPONSOR:

M.G.H. Development LLC

ADDRESS OF SPONSOR:

444 67th Road

Brooklyn, New York 11220

WARRANTY DATE:

The date that Purchaser or its family shall first occupy the Unit warranted or the date of delivery of the deed to the Unit to Purchaser, whichever occurs first.

TOTAL LIABILITY

50% percent of the purchase price of the Unit set forth in the Purchase Agreement to which this Limited Warranty is annexed as a rider less any insurance proceeds received by Purchaser.

THIS LIMITED WARRANTY EXCLUDES AND PRECLUDES ALL CONSEQUENTIAL AND INCIDENTAL DAMAGES, EXCEPT AS REQUIRED BY NEW YORK STATE LAW.

THIS LIMITED WARRANTY IS IN LIEU OF AND REPLACES ALL OTHER WARRANTIES ON THE CONSTRUCTION AND SALE OF THE UNIT AND ITS COMPONENTS, BOTH EXPRESS AND IMPLIED (INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE). THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE FACE HEREOF. THE PURPOSE OF THIS LIMITED WARRANTY IS TO IDENTIFY SPONSOR'S RESPONSIBILITIES FOR CONSTRUCTION DEFECTS OF A LATENT OR HIDDEN NATURE THAT COULD NOT HAVE BEEN FOUND OR DISCLOSED ON FINAL INSPECTION OF THE UNIT.

To Whom Given. This Limited Warranty is given to Purchaser named on page 1, while Purchaser owns the Unit. IT DOES NOT EXTEND TO SUBSEQUENT OWNERS, HEIRS, TENANTS OR MORTGAGEES IN POSSESSION OF THE UNIT, ANY ONE WHO MAY SUCCEED TO THE RIGHTS OF PURCHASER OR ANY OTHER PERSONS.

By Whom Made. This Limited Warranty is made exclusively by Sponsor whose name and address appear on page 1.

Final Inspection of the Unit. Before Purchaser moves into the Unit or accepts the deed, Sponsor will schedule an appointment for final inspection of the Unit with Purchaser. The purpose of this final inspection is to discover any defects of a visible, obvious or patent nature, or any other unfinished work that may have occurred during the final stages of finishing the Unit, or any unfinished work caused by back-orders beyond Sponsor's control. Sponsor may also point out other defects known to have occurred during the construction process that remain uncorrected at the time of the inspection.

All defects found on final inspection of the Unit will be itemized on a Punchlist, which will be signed by Purchaser and Sponsor before occupancy of the Unit or delivery of the deed.

Limited Warranty. This Limited Warranty is in lieu of and replaces all other warranties on the construction and sale of the Unit and its components, both express and implied (including any warranties of merchantability or fitness for a particular purpose). There are no warranties which extend beyond the face hereof.

Warranty Coverages and Periods. The Warranty Period for all of the following coverages begins on the Warranty Date shown on page 1 of this Limited Warranty.

FIRST YEAR BASIC COVERAGE: for one year from and after the Warranty Date, the Unit will be free from latent defects that constitute:

defective workmanship by Sponsor, or an agent, employee or subcontractor of Sponsor;

defective materials furnished by Sponsor, or an agent, employee or subcontractor of Sponsor;

defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by Sponsor; or

defective installation of appliances sold as part of the Unit by Sponsor or an agent, employee or subcontractor of Sponsor.

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

TWO YEAR MAJOR SYSTEM COVERAGE: for two years from and after the Warranty Date, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Unit which have been installed by Sponsor or an agent, employee or subcontractor of Sponsor are warranted to be free from latent defects resulting from defective installation by Sponsor or an agent, employee or subcontractor of Sponsor.

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

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

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

Except by reason of a defect in installation by Sponsor or an agent, employee or subcontractor of Sponsor, this major system coverage does not include defects in appliances, fixtures and items of equipment.

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

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: for six years from and after the Warranty Date, the Unit will be free from latent Major Structural Defects that result from:

defective workmanship by Sponsor, or an agent, employee or subcontractor of Sponsor;

defective materials furnished by Sponsor, or an agent, employee or subcontractor of Sponsor; or

defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by Sponsor.

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

Damage to the non-load bearing portions of the Unit are not covered by this six-year coverage including: drywall and plaster; floor covering material; wall tile and other wall coverings; non-load bearing walls and partitions; electrical, plumbing, heating, cooling and ventilation systems; appliances, fixtures and items of equipment; paint; doors and windows; trim; cabinets; hardware; and insulation.

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

In all coverages under this Paragraph 5, workmanship, materials, design and installation will be considered to be defective if they fail to meet or exceed the relevant standards and specifications of the applicable building code of the municipality in which the Unit is located, in effect on the date that the building permit for the Unit was issued, as supplemented by the annexed locally accepted building standards and practices.

ALL TIME PERIODS FOR THESE COVERAGES ARE OF THE ESSENCE AND WILL NOT BE EXTENDED.

Exclusions From All Coverages. The following are not covered by this Limited Warranty:

Loss or damage caused by defective workmanship performed by any person other than (i) Sponsor (ii) Sponsor's agent or employee, or (iii) Sponsor's subcontractor.

Loss or damage caused by defective materials supplied by any person other than (i) Sponsor, (ii) Sponsor's agent or employee, or (iii) Sponsor's subcontractor.

Loss or damage caused by defective design provided by any person other than a design professional retained exclusively by Sponsor.

Patent defects including defects shown on the Punchlist and defects which an examination of the Unit prior to acceptance of the deed or occupancy of the Unit ought to have revealed.

General Common Elements of the Condominium, except for those items that are explicitly included under this Limited Warranty;

Any damage to the extent that it is caused or made worse by:

Negligence, improper maintenance, or improper operation by anyone other than Sponsor, its employees, agents or subcontractors; or

Failure by Purchaser or anyone other than Sponsor, its employees, agents or subcontractors, to comply with the warranty requirements of manufacturers or suppliers of appliances, fixtures, plumbing, heating, cooling and ventilation systems of the Unit, if any, or items of equipment; or

Failure of Purchaser to give notice to Sponsor of any defects or damage within a reasonable time; or

Changes in the grading of the ground by anyone other than Sponsor, its employees, agents or subcontractors; or

Changes, alterations or additions made to the Unit anytime after the Warranty Date shown on page 1; or

Dampness or condensation due to failure of Purchaser to maintain adequate ventilation.

Any condition which does not result in actual physical damage to the Unit.

Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosions, smoke, water escape, falling objects, aircraft, vehicles, acts of God, lightening, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind-driven water, and not reasonably foreseeable change in the underground water table.

Loss or damage caused by a seepage of water unless such loss or damage is the direct result of a construction defect.

Any damage caused by soil movement for which compensation is provided by legislation or which is covered by other insurance.

Any damages which Purchaser had not taken timely and reasonable action to minimize.

Any condition resulting from normal wear and tear or natural deterioration or from the normal shifting or settling of the building, or defects of an insubstantial nature, including but not limited to, partial or total death of landscape improvements, nail pops, riding on sheetrock walls, lumber shrinkage, door sticking due to weather, door warpage, bath tile grouting, slight separation in joints or kitchen tile or wood flooring, floor levels, ceiling imperfections, painting defects, alignment of bathroom finishes, air infiltration from windows, any consequential damage resulting from settlement or normal plumbing, heating and air conditioning noises, or carpet discoloration and stretching.

Paint touch-ups, or chips, mars, breaks or other defects in window sashes, electric fixtures, interior painted surfaces, sinks, tubs, bowls, bidets, shower doors, kitchen cabinets, countertops, vanity tops and bases, medicine cabinets, doors, mirrors, hardware, flooring and appliance cabinets, lights and light bulbs, except as agreed to in the Punchlist.

Insect damage.

Bodily injury or damage to personal property.

Failure of Sponsor to complete construction of the Unit and failure of Sponsor to complete items on the Punchlist.

Loss or damage which arises while the Unit is being used primarily for nonresidential purposes.

Loss or damage due to abnormal loading floors by Purchaser which exceeds design loads as mandated by the Building Code.

Costs of shelter, transportation, food, moving, storage or other incidental expenses related to relocation during repair.

Consequential or incidental damages (except where required by law).

Any claim not filed as set forth in this Limited Warranty.

Defects in construction, installation or operation of mechanical equipment, appliances and/or other items covered by warranties assigned to Purchaser.

Damage caused by the misuse, abuse, or interference by Purchaser or anyone other than Sponsor, its employees, agents or subcontractors with Sponsor's original construction and installations.

What Sponsor Will Do in the Event of a Defect Covered by This Limited Warranty.

If a defect occurs in an item covered by this Limited Warranty, about which Sponsor receives notice as set forth in Paragraph 8 of this Limited Warranty, Sponsor will repair, replace, or pay Purchaser the reasonable cost (in Sponsor's sole estimate) of repairing or replacing the defective item(s), within sixty (60) days after Sponsor's inspection or testing discloses the problem, subject to weather conditions, acts of God, availability of materials, and other events beyond Sponsor's control. On a least two (2) days notice from Sponsor, Purchaser must allow Sponsor and/or Sponsor's agents, employees or subcontractors access to the Unit for the purposes of repairing or replacing the defective item(s). The choice among repair, replacement or payment is solely that of Sponsor. In making any repairs or replacements, Sponsor shall have the right to select the method and materials to be used in performing such repairs or replacements.

Sponsor's liability under this Limited Warranty is limited to the Total Liability amount listed on page 1.

Repair of damage to the load-bearing portions of the Unit will be limited to that which is necessary to restore their load-bearing function. Repair of other Major Structural Defects will be limited to repair of those defects which made the Unit unsafe, unsanitary or otherwise unlivable.

Before Sponsor commences to repair or replace the defect or to pay Purchaser the reasonable cost of doing so, a full release in recordable form of all legal obligations with respect to the defect must be negotiated between Sponsor and Purchaser,

or their respective agents. When Sponsor finishes repairing or replacing the defect, or has paid Purchaser, the release must be delivered by Purchaser to Sponsor.

Step by Step Claims Procedures. Written notice of any warranty claim must be made on the attached "Notice of Warranty Claim Form" and must be received by Sponsor no later than the tenth (10th) day after the expiration of the applicable warranty period. Such notice must be sent by Purchaser to Sponsor at the address listed on page 1 by certified mail, return receipt requested or an overnight delivery service (such as Federal Express). If the Notice of Warranty Claim Form shall not be properly completed and received by Sponsor by that deadline, Sponsor will have no duty to respond to any complaint or demand contained in such form, and any or all claims may be rejected. **COMPLETION AND DELIVERY OF SUCH NOTICE OF WARRANTY CLAIM FORM IS NECESSARY TO PROTECT RIGHTS OF WARRANTY PERFORMANCE UNDER THIS LIMITED WARRANTY.**

No steps taken by Sponsor Purchaser or any other person to inspect, test or correct defects will extend any time period under this Limited Warranty. No steps taken by Sponsor in response to an improperly completed or untimely notice of a warranty claim will give rise to any liability of Sponsor to Purchaser in connection with such claim.

In response to the receipt of a Notice of Warranty Claim Form, or any other complaint or request of Purchaser, Sponsor and Sponsor's agents will have the right to inspect and test the portion of the Unit to which the claim, complaint or request relates. Purchaser and the occupants of the Unit must provide reasonable access, to Sponsor and Sponsor's agents during normal business hours, Monday through Friday, to complete inspection, testing and repair or replacement, on at least two (2) days' prior written notice from Sponsor. Failure by Purchaser to provide such access shall invalidate this Limited Warranty with respect to the defect(s) set forth on the Notice of Warranty Claim Form.

Sponsor will complete inspection and testing within a reasonable time under the circumstances after receipt of a timely and properly completed Notice of Warranty Claim Form. Upon completion of inspection and testing, Sponsor will determine whether to accept or reject the claim. If Sponsor rejects the claim, Sponsor will give written notice of that decision to Purchaser at the address shown on the Notice of Warranty Claim Form. If Sponsor accepts the claim, Sponsor will take corrective action within a reasonable time under the circumstances and, upon completion, will give written notice of completion to Purchaser at the address shown on the Notice of Warranty Claim Form. Sponsor will use good faith efforts to process and handle claims in a timely manner, but all time periods for repair or replacement of defects are subject to weather conditions, acts of God, availability of materials, and other events beyond Sponsor's control.

Legal Actions. No claim under this Limited Warranty may be commenced or asserted against Sponsor in any suit, action or other proceeding unless a properly completed Notice of Warranty Claim Form has been received by Sponsor in the time period set forth in paragraph 8 of this Limited Warranty.

No suit, action and other proceeding against Sponsor under this Limited Warranty may be commenced after the later of more than thirty (30) days after the expiration date of the applicable warranty coverage, or thirty (30) days after Sponsor has given written notice of its rejection of Purchaser's claim with respect to such claim, or thirty (30) days after Sponsor has substantially completed corrective action for a defect with respect to such defect.

Miscellaneous Provisions. To the extent any coverage under this Limited Warranty applies to common elements of the Condominium, such coverage shall be deemed given to the Board of Managers of the Condominium.

This Limited Warranty may not be amended in any way without Sponsor's prior written consent in each instance.

If any provision of this Limited Warranty will not be enforced by an appropriate court, the determination will not affect the enforceability of the remaining provisions.

Use of one gender in this Limited Warranty includes the other gender, and use of the plural includes the singular, as may be appropriate.

This Limited Warranty shall be governed in accordance with the laws of the State of New York.

SPONSOR:

M.G.H. Development LLC

By: _____
Name:
Title:

PURCHASER:

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

FORM OF POWER OF ATTORNEY

**THE LISTA CONDOMINIUM
5306 Fourth Avenue
Brooklyn, New York**

The undersigned, _____ the
Owner of Unit _____ in the building complex known as The Lista Condominium,
5306 Fourth Avenue, Brooklyn, New York, as designated and described in the
Declaration establishing The Lista Condominium, dated _____, 2008 and
recorded in the Office of the Registrar of the City of New York, Kings County on
_____ 2008, in CRFN# _____ on the floor plans filed in the Real
Property Assessment Department of the City of New York as Condominium
Plan No. _____ (the "Condominium") do hereby irrevocably nominate,
constitute and appoint the Board of Managers of the Condominium, and their
successors, jointly, true and lawful attorneys-in-fact of 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 by deed, on behalf of all owners of
Condominium Units in said Condominium property, in accordance with their
respective Common Interests, (a) any Unit whose owner desires to sell the
same, the undivided interest in the Common Elements appurtenant thereto,
the interest of such Unit 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 (hereinafter collectively called the "Appurtenant Interests"), or
(b) any Unit which shall be the subject of a foreclosure or other judicial sale or
whose owner desires to surrender or abandon same in accordance with the

By-Laws, or (2) 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 said attorneys-in-fact shall, in their sole discretion deem proper, and (3) thereafter to convey, sell, lease, sublease, mortgage, vote, or otherwise deal with any such Unit so acquired by them, on such terms and conditions as said attorneys-in-fact in their sole discretion 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 (4) 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 the Declaration of Condominium, or any law, ordinance or 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 maintenance, demolition, construction, alteration, repair or restoration of the Condominium or (b) any 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 such change is consistent with the Condominium Act.

The acts of a majority of such persons shall constitute
the acts of said attorneys-in-fact.

I (We) do hereby further irrevocably nominate, constitute and appoint M.G.H. Development LLC ("Sponsor"), having an address of 444 67th Road, Brooklyn, New York 11220, as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time such Declaration, By-Laws and the Rules and Regulations of such Condominium,

or any of such documents, when such amendment will be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with Article 19 of the Declaration, or otherwise to evidence or enforce a right granted to Sponsor or its designee under the Plan, Declaration and By-Laws. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph will remain in full force and effect until such time as the Sponsor or its designees cease to own any Unit in The Lista Condominium. Each and any of may act singly as such attorney-in-fact.

IN WITNESS WHEREOF, the undersigned have executed this Power of Attorney as of the ____ day of _____, 200__.

STATE OF NEW YORK)

)ss.:

COUNTY OF _____)

On the ____ day of _____ in the year 200 before me, the undersigned _____, 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 capacit(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)

STATE OF NEW YORK)

)ss.:

COUNTY OF _____)

On the ____ day of _____ in the year 200 before me, the undersigned _____, 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 capacit(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)

FORM OF UNIT DEED

THIS INDENTURE, made the day of _____, 200_ between
M.G.H. Development LLC, having an office at 444 67th Street, Brooklyn, New York
11220 ("Grantor") and _____ ("Grantee").

WITNESSETH:

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

The Unit known as Unit No. _____ (the "Unit") in the condominium known as The Lista Condominium, 5306 Fourth Avenue, Borough of Brooklyn, County of Kings and State of New York (the "Building") designated and described in the Declaration ("Declaration") establishing a plan for condominium ownership of the Building and the land upon which the Building is situated (said Building and land referred to collectively herein as the "Property" or the "Condominium"), dated 200_, made by the Grantor under the Condominium Act of the State of New York (Article 9-B of the Real Property Law of the State of New York), and recorded in the Office of the Register of the City of New York, in the County of Kings, on the _____ day of _____, 200_, in CRFN# _____ and also designated as Tax Lot No. _____ in Block No. _____ in the County 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 Building ("Floor Plans"), certified by Udeotte D. Isaiah, R.A., A.I., licensed professional architect, on _____, 2008, filed with the Office of the City Register of Kings County on _____, 2008 as Condominium Plan No. _____.

The land on which the Building is located is described as follows:

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the County of New York, Borough of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the westerly side of 4th Avenue, distant 39 feet 9 inches southerly from the corner formed by the intersection of the westerly side of 4th Avenue and the southerly side of 53rd Street;

RUNNING THENCE westerly parallel with 53rd Street, 90 feet;

THENCE southerly parallel with 4th Avenue, 20 feet;

THENCE easterly parallel with 53rd Street, 90 feet to the westerly side of 4th avenue;

THENCE northerly along the westerly side of 4th Avenue, 20 feet to the point or place of BEGINNING

SAID premises being known as and by the street number 5306 Fourth Avenue Street, Brooklyn, New York;

TOGETHER with an undivided ____ percent (%) interest in the Common Elements (as such term is defined in the Declaration) appurtenant to the Unit, (hereinafter called the "Common Elements");

TOGETHER with and subject to the rights, obligations, easements, restrictions and other provisions of the Declaration and By-Laws of the Condominium, as such Declaration and By-Laws may be amended from time to time, all of which rights, obligations, easement, restrictions and other provisions shall constitute covenants running with the land and shall bind any and all persons having at any time any interest or estate in the Unit, as though restated and stipulated at length herein, and subject to any other matters of record as of the date hereof;

TOGETHER with and **SUBJECT** to a right of way through the Common Elements to the public streets;

TOGETHER with the right, if any, to the use of the Common Elements as set forth in the Declaration; and

SUBJECT to the rights of other Unit Owners to use the Common Elements appurtenant to their Units, if any, as set forth in the Declaration;

SUBJECT also to any state of facts an accurate survey and inspection of the Unit would show;

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

The use for which the Unit is intended is that of a residence as permitted

by the Declaration, By-Laws and applicable law.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatsoever, except as set forth in the Declaration and the By-Laws. This covenant is for the personal benefit of the Grantee only and cannot be assigned to or exercised by and shall not inure to the benefit of any other person or entity, including, but not limited to, any insurer of the Grantee's title or any successor to the Grantee's interest.

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

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the Office of the New York City Register, County of Kings, and to comply with the rules and regulations of the Condominium.

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

The terms "Grantor" and "Grantee" shall be read as "Grantors" and "Grantees" whenever the sense of this deed so requires.

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

Grantor:

M.G.H. DEVELOPMENT LLC

By: _____

(Print Name)

Grantee:

(Print Name)

STATE OF NEW YORK)

)ss.:

COUNTY OF _____)

On the ____ day of _____ in the year 200_ before me, the undersigned _____, 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 capacit(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(Notary Public)

STATE OF NEW YORK)

)ss.:

COUNTY OF _____)

On the ____ day of _____ in the year 200_ before me, the undersigned _____, 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 capacit(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)

ARCHITECT'S REPORT

PREMISES KNOWN AS THE LISTA CONDOMINIUM

5306 4th Avenue
Brooklyn, New York
Tax Block Number, 814
Tax Lot Number to be F/K/A, 40

Prepared By:

Udoette Daniel Isiah, RA
134 Emily Avenue
Elmont, N.Y. 11003
516-352-2520
October, 10th 2008



This "Report" describes the building to be known as **THE LISTA CONDOMINIUM**, located in the Sunset Park Section of the Borough of Brooklyn, County of Kings, City and State of New York; in Tax Block 814 and designated as Tax Lot to be F/K/A, 40.

ZONING AND PERMISSIBLE USE

The site is located in a C1-3 in an R6 Zone as designated on Map 22a of the 1961 Zoning Resolution (ZR). This zone permits Residential use as-of-right.

STATUS OF CONSTRUCTION

The building is being constructed as per plans which were filed with and approved by, the Brooklyn Office of the New York City, Department of Buildings. The building plans have been assigned new building application number 301978769.

The Class of Construction will be I C, as described under the 1968 Administrative Building Code.

The building will be issued a Certificate of Occupancy when the work is completed to the satisfaction of the Department of Buildings.

The estimated date of completion is December 2nd, 2008.

SITE

The site is located distance 39'-3" from the corner formed by the Northwesterly side of 4th Avenue and the Southwesterly side of 53rd Street.

The site has a frontage of 20'-3" along 4th Avenue and extends to a depth of 90'-0", perpendicular to 4th Avenue.

The site has an area of approximately 1,822 square feet.

STREETS

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

Fourth Avenue is an existing one hundred and twenty (120'-0") wide two-way street.

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

The roadway is asphalt paved. The roadway fronting the property will be repaired as directed by the N.Y. City Department of Transportation when construction is near completion.

Existing catch basins are located in the roadway to drain the storm water run-off, into the existing New York City Sewer System. Catch basins are constructed of steel and concrete and are in good condition. Catch basins are located along 4th Avenue.

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

There will be no streets owned by the project. The existing street lighting, catch basins etc. are installed by and comply with the standards of the N.Y. City Department of Transportation.

UTILITIES

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

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

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

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

The entire **Sanitary** waste, will be carried from the building into the existing New York City Sewer System. The **Storm** water runoff will be carried to the existing N.Y. City Sewer System. The storm water run-off will be dissipated by means of roof detention and controlled flow roof drains.

SUB-SOIL CONDITIONS

The existing soil was found to be in good condition and capable of supporting a minimum of two tons per square foot. There was no water apparent at the surface of the areas to be excavated.

The site is located in Zone X of FEMA map number 3604970194F which means that the site is located outside the 0.2% annual chance floodplain. The depth of ground water was found to be approximately twenty three feet (23'-0") below grade as per the Soil Test Boring record. The depth of ground water is below the cellar slab depth.

LANDSCAPING AND ENCLOSURES

There will be a small, seeded, grass area at the yard area at the front of the building.

There will be no tree at the sidewalk in front of the property as there is an existing vault located beneath the sidewalk. A tree with a minimum caliper of three inches will be planted at another location as directed by and of a species as determined by the N.Y. City Department of Parks and Recreation.

There will be an open areaway towards the rear of the building which will be excavated to the cellar floor level. The areaway will be enclosed with a reinforced concrete retaining wall. The rest of the rear yard area shall be of compacted earth.

The yard area to the rear will be enclosed with a steel, chain link fence at the perimeter.

BUILDING SIZE

There will be one (1) building with a cellar, four stories and a mezzanine level.

There will be a mechanical equipment room and meter rooms located at the cellar floor level.

The building will be a total height of approximately 53'-0" measured from grade to the top of the ridge of the roof above the mezzanine level.

The lowest level in the building will be the cellar, with a floor to ceiling height of approximately eight (8'-0") feet. The first through fourth floors will each have a floor to ceiling height of approximately nine (9'-0") feet. The mezzanine level will vary in height between approximately seven (7'-0") feet and eleven (11'-0") feet.

The approximate measurements; (gross square footages of each floor) are as follows:

Cellar	approximately	= 1,170 sq. ft.
First Floor	approximately	= 1,170 sq. ft.
Second Floor	approximately	= 1,170 sq. ft.
Third Floor	approximately	= 1,170 sq. ft.
Fourth Floor	approximately	= 1,170 sq. ft.
Mezzanine	approximately	= 353 sq. ft.

STRUCTURAL SYSTEM

The structural system for the building will be a bearing wall type system with perimeter load bearing masonry walls. The masonry bearing walls will support metal, channel joists and steel girders which will span between the bearing walls at the side lot lines.

The footings will consist of poured, reinforced spread footings of concrete on compacted earth.

The foundation walls at the cellar floor level will consist of poured reinforced concrete.

The exterior walls will consist of load bearing, masonry blocks and of load bearing bricks bonded to masonry blocks.

The interior floor at the cellar level shall be a poured, concrete slab on grade. The interior floor assembly at the upper floors shall be a poured concrete slab on corrugated metal decking, supported by metal, channel joists; which will in turn be supported by the steel columns and girders.

The flat roof areas shall be a rubberoid roofing finish on exterior grade wallboards and rigid insulation; supported by metal, channel joists which in turn will be supported by the masonry bearing walls and steel girders. The pitched roof areas shall be of asphalt shingle finish on exterior grade gypsum wallboards supported by steel channel joist rafters.

The construction class of the building shall be noncombustible Construction Class I C as per Table 3-4 of the N.Y. City Building Code.

EXTERIOR OF BUILDING

The exterior walls shall be mainly of load bearing masonry or of load bearing brick bonded to masonry blocks. The interior finish of the exterior walls shall be of gypsum wallboards on metal stud furring. The spaces between the metal stud furring channels shall be fitted with fiberglass, batt insulation with a minimum R value of 11 and gypsum wallboard.

The exterior wall composition shall have a maximum thermal performance value (U_o) of 0.215 to comply with Table E 502.2 of the New York State Energy Conservation Construction Code.

WINDOWS

Windows are to be double-glazed and mainly of the casement type, as manufactured by Andersen. Air infiltration rate of windows shall not exceed 0.3 cfm per square foot in compliance with Table E 502.1.4.2 of the New York State Energy Conservation Construction Code. The manufacturer guarantees one year, parts and hardware and five years glazing.

There will be no lot line windows in the building.

Window sills shall be constructed of masonry. Lintels above window openings shall be of steel fabrication.

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

AREAWAYS

There will be one small areaway to the front of the building and a larger areaway to the rear of the building.

The areaway to the front will be approximately one foot in width measured perpendicular to and approximately four feet in length measured parallel to the front facade of the building. The areaway to the front will be excavated to approximately five feet below the adjacent finished grade.

The areaway to the rear will be approximately fourteen feet in width measured perpendicular to and approximately eighteen feet in length measured parallel to the rear facade of the building. The areaway to the rear will be excavated to the cellar floor level.

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Areaways shall be of reinforced concrete construction and shall be equipped with area drains connected to the building's storm drainage system. The areaway to the front shall be supported with cast iron grating set flush with grade. The areaway to the rear shall be protected at the perimeter with wrought iron railing to a minimum height of three feet and six inches above the adjacent finished grade. The wrought iron railing shall be equipped with vertical mullions with a maximum spacing of four inches on center to comply with the N.Y. City Building Code

EXTERIOR ENTRANCES

There will be one main entrance to the building located at the front facade.

The entrance door shall be of glass with metal framing set in metal frames. The entrance door shall be a single hinged door, equipped with a closer and an entry type lockset.

MAILBOXES

U.S.P.S. approved type, wall mounted, metal, gang, mailboxes will be provided for each residential unit at a central location at the first floor entrance lobby.

ROOF AND ROOF STRUCTURES

There will be two flat roof areas located above part of the fourth floor level. There will be a sloping roof area above the rest of the fourth floor areas and above the mezzanine level. The sloping roof will pitch to the front and to the rear of the building from a central ridge.

The sloping roof areas shall be of asphalt shingle finish on exterior grade gypsum wallboards supported by steel channel joist rafters.

The flat roof areas shall be finished with a rubberoid type, built-up roofing membrane, as manufactured by Firestone, on exterior grade wallboards and rigid insulation and will be supported by metal, channel joists and steel girders. The perimeter of the flat roof areas and the roof penetrations shall be constructed with a minimum, 0.040, inch aluminum flashing and counter flashing.

Parapet walls at the flat roof areas shall be constructed of masonry and also of non corrosive wrought iron railings. Parapet walls shall be a minimum height of three feet and six inches above the finished roof level. Wrought iron railings shall be provided with vertical mullions with a maximum spacing of four inches on center as required by the N.Y. City Building Code.

Penetration of ducts, pipes, skylights, etc. shall be properly flashed and waterproofed with non-corrosive metal flashing. Batt insulation, with a minimum R value of 19, shall be provided at the underside of the roof areas in the space between the metal joists and steel girders. The expected life span of the roof type is ten (10) years. No bond or guarantee other than the five (5) year warranty on all construction materials and workmanship will be furnished.

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

ROOF DRAINAGE

Flat roof areas, shall be pitched at a minimum slope of approximately 1/4" per foot and shall be drained to cast iron roof drains and vertical cast iron leaders. The sloping roof areas shall be pitched at a minimum slope of 4:12 to external extruded aluminum gutters and aluminum leaders.

Some of the run-off from the roof areas will be transported via the roof drains, gutters, leaders and below grade horizontal drains to the existing, combined sewer, located in the roadway beneath 4th Avenue. The rest of the run-off will be dissipated through drywells.

FIRE ESCAPES

There will be no fire escapes at the exterior of the building.

SKYLIGHTS

There will be one skylight above the common exit stair.

The skylight shall be of plain glass with a wire mesh screen above and below and shall be set in metal framing. The skylight shall be a minimum of twenty square feet in area and shall be equipped with a ridge vent of a minimum 144 square inches as required by the N.Y. City Building Code.

INTERIOR STAIRS

The common interior stairs shall be of steel pan construction with poured concrete filled treads, steel plate risers supported by steel channel stringers. The stairs shall be fitted with steel pipe handrails. The common interior stair enclosures shall be of steel studs finished with gypsum wallboards on both sides and shall have a minimum fire rating of two hours.

Interior stairs within units shall be of select grade, oak finished, treads and risers. Stringers and handrails shall be of oak finish.

EXTERIOR STAIRS

There will be one open stair at the yard area at the exterior to the rear of the building that will provide access from the areaway to the yard area at the rear. The stairs shall be of concrete construction and shall be equipped with non-corrosive metal handrails. The perimeter of the stairwell shall be protected with a masonry wall or metal guardrails, with a minimum height of three feet, six inches (3'-6") above the adjacent grade or level of the landing. The minimum spacing between vertical railings shall be approximately four inches (4") as required by the N.Y. City Building code.

INTERIOR DOORS AND FRAMES

All interior doors providing access: to the common exit stairs, to the residential units, to mechanical spaces and to gas and electrical meter rooms are to be fireproof self-closing, hollow core steel doors with a minimum fire rating of 1 ½ hours and shall be set in steel frames. Doors within the units; to bedroom and bathroom areas shall be of non fire rated, hollow core wood doors set in metal frames.

Residential unit, entrance doors shall be single hinged doors, finished with paint and fitted with entry type locksets. Doors to bedrooms and bathrooms shall be single hinged, standard grade pine doors, manufactured by Burt Millwork Corp. Doors shall be finished with paint and shall be equipped with passage type locksets.

EXTERIOR DOORS AND ENTRANCES

The doors at exterior openings to the building shall be of glass, set in metal framing and do not have to be fire rated.

The entrance doors to the residential lobby area shall be a single hinged glass door set in metal framing and shall be equipped with a closer and entry type, lock set.

BALCONIES AND TERRACES

There will be cantilevered balconies located at the second, third and fourth floor levels of the building. There will be terraces located at the mezzanine level of the building. Balconies and terraces will be limited common elements to the units from which they are directly accessible.

Doors to balconies and terraces shall be double glazed, sliding glass doors, set in wood framing with a rigid vinyl cladding. Doors to balconies shall be as manufactured by MI Windows and Doors and shall have a ten year warranty on insulated glass, frame, non-glass and sash components.

The Sponsor reserves the right to provide balcony doors by a different manufacturer which are equal to or better than noted above.

Balconies shall be of reinforced concrete with steel channel and beam framing. Terraces shall be of a rubberoid roofing finish on exterior grade wallboards and rigid insulation supported by metal joist rafters.

Balconies and terraces shall be protected at the perimeter with wrought iron, guardrails with vertical, wrought iron mullions. Guardrails shall be a minimum height of three feet, six inches (3'-6") above the finished balcony level. The maximum spacing between the vertical mullions of the railings shall be approximately four inches (4") as required by the N.Y. City Building Code.

ELEVATORS

There will be no elevators in the building.

YARDS AND COURTS

The building will have one yard area to the front and one to the rear of the building.

The yard area to the front will be a depth of approximately one foot and six inches and the yard area to the rear thirty feet, measured perpendicular to the front and rear facade of the building.

The yard areas will be mostly paved with concrete and concrete. The yard area to the rear shall be partially of compacted earth. Yard areas shall be provided with cast iron drains connected to the building's storm drainage system.

COMMON AREAS

The main common areas in will be the yard area to the front, the common interior access lobby, stairs and hallways. The mechanical and meter rooms at the cellar floor level will also be common areas.

LAUNDRY AREAS

Each residential unit will be provided with a laundry closet with hookups for domestic type washers and gas dryers. The actual laundry equipment will be the responsibility of each unit's owner.

The laundry closets shall be provided with exhaust vent ducts to the outside air for dryers.

Laundry equipment to be installed shall be U.L. approved or N.Y. City M.E.A. or B.S. and A. approved if necessary.

PLUMBING AND DRAINAGE

Water will be supplied to the units through connections to the building, from the New York City Water Distribution System. There will be a minimum 2" copper water main conveying the water into the building. Each residential unit is to be supplied with cold water from a minimum ½" copper piping. Each residential unit will have its own hot water boiler, located in a mechanical room at the cellar floor level.

The building relies on normal New York City water pressure for raising the water to the mezzanine floor level. There will be no water tanks required in the building.

FIRE PROTECTION SYSTEM

A sprinkler system will be installed throughout the entire building.

The sprinkler heads shall be mainly; concealed, pendant type sprinkler heads, model number TY-B with a N.Y. City MEA approval number (354-01-E VOL. III).

A separate application shall be filed with and approved by the Brooklyn Office of the New York City Department of Buildings; by a New York State licensed, Mechanical Engineer and the required permits secured, prior to the installation of the fire protection systems.

Each residential unit shall also be equipped with smoke detectors and carbon monoxide detectors at a maximum distance of fifteen feet from any bedroom door within the unit, as required by the New York City Building Code.

DOMESTIC HOT WATER

Domestic hot water shall be provided for each residential unit by a gas fired hot water boiler which will be located within a mechanical room located at the cellar floor level of the building. There will be eight hot water heaters, one for each residential unit.

The proposed hot water heater for each residential unit shall be model PG230246, as manufactured by A.O SMITH, with a capacity of 40 gallons. Each boiler has a N.Y. City MEA approval number 182-78-E-Vol. II. The boiler will operate with an efficiency rating of approximately eighty percent, which will be adequate to provide hot water for the units.

The Sponsor reserves the right to provide hot water heaters by different manufacturers which are equal to or better than noted above.

HEATING

— Heating of the residential units will be provided by gas fired, furnaces which will be located in a mechanical room at the cellar floor level. There will be eight furnaces, one for each residential unit.

Heat will be delivered to each space within each residential unit via radiant heat from baseboard radiators.

The furnace which will generate the heat energy for each unit shall be Weil McLain model number CG 60.

Each residential unit will be equipped with a thermostat for control of the temperature within the unit. Each furnace will have a capacity of 40,000 BTU per hour and a N.Y. City MEA number 195-75-E.

All equipment will operate with an efficiency rating of approximately eighty (80%) percent, which will be adequate to provide heat for each unit.

The heating system will be designed to maintain a minimum inside temperature of 70 degrees Fahrenheit, when the outside temperature is 15 degrees Fahrenheit with a 15 mph wind (in accordance with ASHRAE, 2001 Fundamentals Handbook, Climatic Design Information, Table 1A, for New York City, JFK Airport).

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

COOLING

Cooling of each unit shall be achieved by through the wall portable air conditioning units. Air conditioning sleeves; shall be provided at exterior walls of each bedroom and living room area throughout the residential units, to accommodate the installation of the portable units. Each air conditioning sleeve will be approximately twenty six inches in width by sixteen inches in height. The air conditioning units in the living room areas will have a dedicated circuit.

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

CHIMNEYS

There shall be a vertical metal flues provided for the ventilation of mechanical equipment. The flue shall be as manufactured by Amerivent and shall have a B.S.A. approval number (294-56 SM).

The Sponsor reserves the right to provide flues by different manufacturers which are equal to or better than specified above.

VENTILATION

The spaces that require mechanical ventilation within the units are the interior bathrooms and kitchenettes. These spaces within the residential units shall be equipped with vertical ducts with a fan, which terminates to the outside air. The minimum rate of exhaust ventilation shall be 50 cfm; for bathroom areas as required by the New York City Building Code. The laundry closets shall also be provided with exhaust ventilation ducts for dryers. Exhaust equipment shall be New York City M.E.A. or B.S.A. approved.

SANITARY SEWAGE SYSTEM

The sanitary waste will be conveyed to the New York City sewer system via extra heavy cast iron, sewer pipes 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 building at 4th Avenue. Beyond the house trap there will be an extra heavy cast iron pipe conveying the sewage to a 6" sanitary drain pipe. The 6" sanitary drainpipe will then be connected to the existing combined sewer located in the roadway beneath 4th Avenue.

STORM DRAINAGE SYSTEM

The storm drainage system will consist of, roof drains, vertical cast iron leaders; aluminum gutters and leaders, exterior area drains and below grade horizontal drains.

The run-off from these areas will be conveyed partially to a drywell located in the yard area to the rear of the building and partially to the existing combined sewer, located in the roadway beneath 4th Avenue.

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

REFUSE DISPOSAL

Refuse disposal will be the responsibility of each residential unit's occupant.

They will take their own garbage to a common collection area, where garbage cans will be provided, towards the front of the building close to the curb. Garbage will be collected by the New York City Sanitation Department on days designated for garbage removal.

GAS SUPPLY

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

ELECTRICAL SYSTEM

The electrical service to the building will be brought in from the terminal point of the Consolidated Edison Co. The service supplied to the building, shall be a 1000 Amp, single phase service.

The main feed will bring the service to separate meters, for service to the individual units and for the common areas in the building. There will be main panels provided for each residential unit and one for the common spaces.

The electrical service to be provided for each residential unit will be 100 Amps. There will be approximately six (6) circuits equipped with circuit breakers for each unit; which will separate, air conditioning equipment, dishwashers, kitchen appliances, lights and outlets etc.

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

INTERCOMMUNICATION SYSTEMS

The building will be equipped with an intercom system at the main residential entrance, connected to panels within each residential unit, which will permit voice contact between the residential units and the entrance lobby at the first floor level. An electric door release in the first floor entry door, activated by each unit's occupant, will release the door for entrance into the building.

The intercom shall be as manufactured by Aiphone.

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

PUBLIC AREA LIGHTING

Ceiling mounted lighting fixtures shall be provided in the common, entrance lobby and in the common stairways and hallways. Fixtures shall be capable of providing illumination of at least ten (10) watts per twenty five (25) square feet of floor area. Each lighting fixture shall be provided with one or more lights, of a total of not less than sixty (60) watts incandescent illumination. In addition, wall mounted lighting fixtures shall be provided at the residential entrance at the front of the building, providing an aggregate illumination of one hundred and fifty (150) watts incandescent illumination, or its equivalent. There shall also be provided, at the yard area to the rear of the building, at least one light fixture, mounted to the rear facade approximately at the level of the first floor, of at least forty (40) watts incandescent illumination.

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

All lighting fixtures shall be installed by N.Y. State licensed electricians and shall comply with the New York City Electrical Code.

PRIVATE AREA LIGHTING

There shall be at least one centrally located, overhead, incandescent, lighting fixture, provided in each bedroom, living room, kitchen and bathroom within each residential unit. There shall also be an overhead fixture provided in hallways within the units. Each lighting fixture shall be capable of providing at least 60 watts of incandescent illumination.

Lighting fixtures and electrical outlets; shall be installed by a licensed electrician, and in compliance with the N.Y. City Electrical Code and the N.Y. City Building Code.

GARAGES AND PARKING AREAS

There will be no garages or parking areas provided in the condominium.

UNITS

The condominium will consist of eight (8) residential units.

There will be two residential units located at each of the first through fourth floors. Parts of the cellar floor will be used in conjunction with the units at the first floor level. The mezzanine level will be used in conjunction with the units at the fourth floor level.

Unit 1A will consist of:

Living / Dining / Sleeping area, one and one half (1 ½) bathrooms, kitchenette recreation room and laundry closet;

Unit 1B; will consist of:

One (1) bedroom, one and one half (1 ½) bathrooms, living / dining area, kitchenette, recreation room and laundry closet;

Units 2A and 2B; will each consist of:

One (1) bedroom, one and (1) bathroom, living / dining area, kitchenette and laundry closet;

Units 3A and 3B; will each consist of:

One (1) bedroom, one and (1) bathroom, living / dining area, kitchenette and laundry closet;

Units 4A and 4B; will each consist of:

One (1) bedroom, one and (1) bathroom, living / dining area, kitchenette, mezzanine and laundry closet;

UNIT SIZES

The dimensions indicated are approximate and are located: horizontally; approximately to the outside face of the masonry work at the exterior walls of the building and approximately to the outside face (non-unit side) of the walls and partitions (dividing the units from corridors, stairs and mechanical spaces). Dimensions shall be to the centerline when a partition divides two units.

The approximate square footages for each unit are as follows:

<u>Unit 1A</u>	Cellar Floor	= 296 square feet
	First Floor	= <u>401</u> square feet
		= 697 square feet
<u>Unit 1B</u>	Cellar Floor	= 522 square feet
	First Floor	= <u>522</u> square feet
		= 1,044 square feet
<u>Unit 2A</u>	Second Floor	= 529 square feet
<u>Unit 2B</u>	Second Floor	= 539 square feet
<u>Unit 3A</u>	Third Floor	= 529 square feet
<u>Unit 3B</u>	Third Floor	= 539 square feet
<u>Unit 4A</u>	Fourth Floor	= 529 square feet
	Mezzanine	= <u>179</u> square feet
		= 708 square feet
<u>Unit 4B</u>	Fourth Floor	= 539 square feet
	Mezzanine	= <u>179</u> square feet
		= 718 square feet

UNIT INTERIORS

The units will be finished as described herein.

The finished floor of the living, dining and bedroom areas of the residential units shall be a hardwood finished flooring, of select grade, 4" x 6" oak strips, pre finished with polyurethane. Thereafter unit owners may finish with carpeting or another material of their own choice and at their own expense.

The walls and ceilings of residential units shall be of gypsum wallboard. The walls and ceilings shall be finished with at least one primer coat and one finished coat of paint. Thereafter the unit owners may decorate by finishing with paint, wallpaper, paneling, etc. of their own choice.

Residential kitchens shall have ceramic tile covering the floors and gypsum wallboard walls and ceilings. The walls and ceilings shall be finished with at least one primer coat and one finished coat of paint.

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

There shall be at least one centrally located, overhead, incandescent, lighting fixture, provided in each bedroom, living room, kitchen and bathroom within each residential unit. There shall also be an overhead fixture provided in hallways within the units. Each lighting fixture shall be capable of providing at least 60 watts of incandescent illumination.

Lighting fixtures and electrical outlets; shall be installed by a licensed electrician, and in compliance with the N.Y. City Electrical Code and the N.Y. City Building Code.

FINISHES

When completed, the following interior finishes will be installed.

	<u>Location</u>	<u>Floors</u>	<u>Base</u>	<u>Walls</u>	<u>Ceilings</u>
1.	Living/Dining Room	Wood	Wood	G.W.B. Painted	G.W.B. Painted
2.	Bedroom	Wood	Wood	G.W.B. Painted	G.W.B. Painted
3.	Kitchen	Ceramic Tile	Wood	G.W.B. Painted	G.W.B. Painted
4.	Bathroom	Ceramic Tile	Ceramic Tile	Tile/G.W.B. Painted	G.W.B. Painted
5.	Laundry. Cl.	Ceramic Tile	Ceramic Tile	Tile/G.W.B. Painted	G.W.B. Painted
6.	Mech. & Meter Rooms	Concrete	Mas./G.W.B.	Masonry	G.W.B. Painted

Note:

G.W.B. : Denotes Gypsum Wallboard

Cl. : Denotes Closet

Mas. : Denotes Masonry

Mech. : Denotes Mechanical

All appliances not specified within this report are to be supplied by the unit occupant.

FIXTURE SCHEDULE

- A. Water Closets: shall be model; Colony 2388.012 as manufactured by American Standard. Water closets shall be of vitreous china and shall be floor mounted and equipped with syphon flushing action. Water closets are also to be equipped with vacuum breakers and shall meet water saving performance standards as per New York City Local Law 29/89.
- B. Countertop lavatory: shall be model; Rondalyn 0491.019 as manufactured by American Standard with American Standard, model; Colony 2175.200 faucet; set in a plastic laminate finished, particle board vanity countertop.
- C. Bathtubs: shall be model; Salem 0155.017 with flow outlet, showerhead and trim model; Colony R110SS as manufactured by American Standard.

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

KITCHEN EQUIPMENT

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

1. Formica or wood laminate, wall and base cabinets and formica or wood laminate countertops.
2. Stainless steel sink by Crane, with faucet by Delta model number 400.
3. One, four burner gas range by Frigidare, model # FGF 368.

Note:

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

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

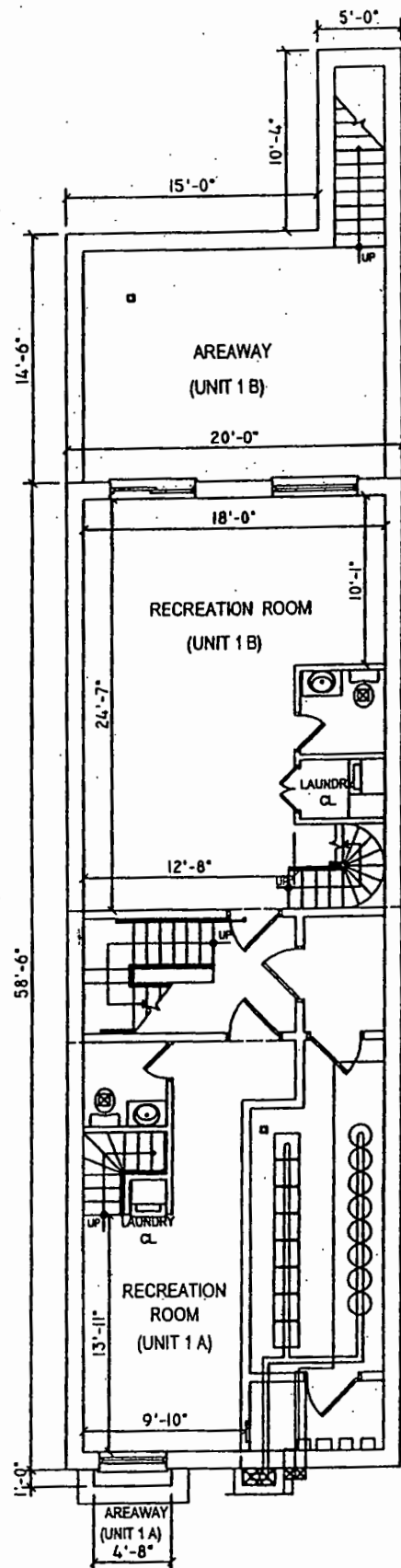
HANDICAPPED ACCESS

The building provides access for the handicapped in that the first floor level will be the same level as the adjacent grade level at the main entrances to the building.

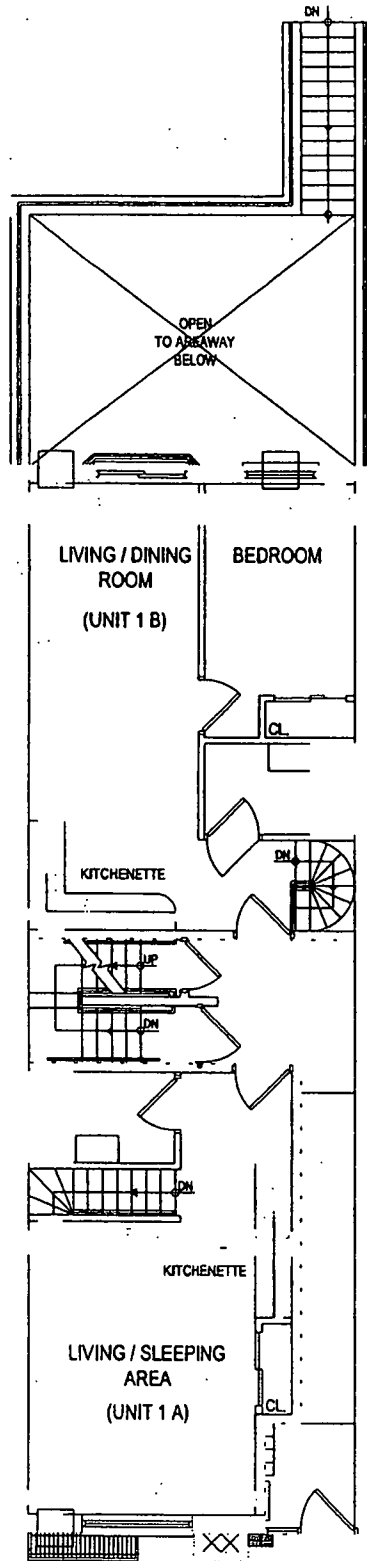
The units located at the first floor level will be accessible from the grade level. Doors and accessible paths within the units at the first floor level, shall comply with N.Y. City Local Law 58/87 and A.N.S.I., A117.1-1986.

VIOLATIONS AND PERMITS

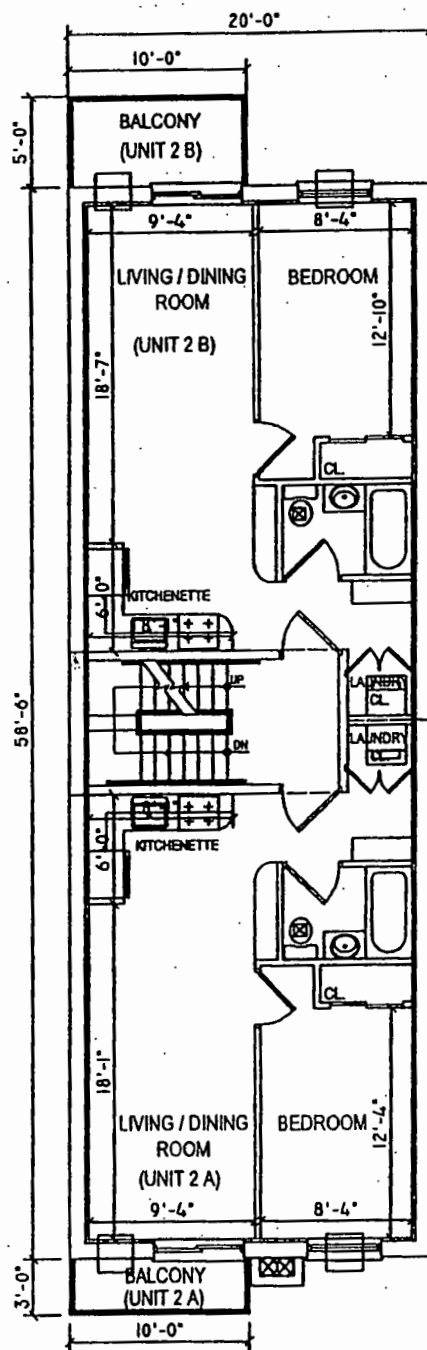
All required permits and signoffs, including a Certificate of Occupancy, are to be obtained by the Sponsor.



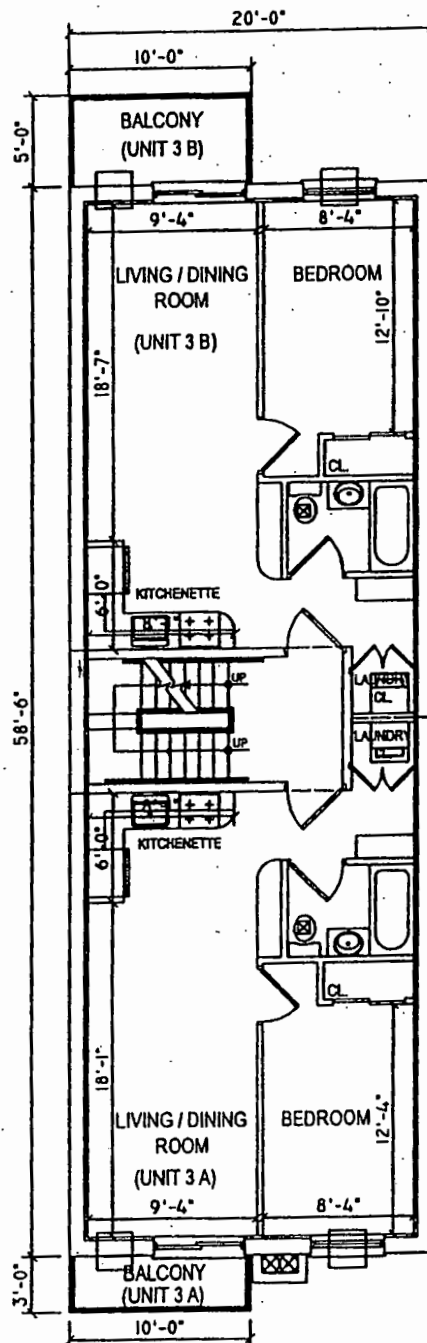
CELLAR FLOOR PLAN



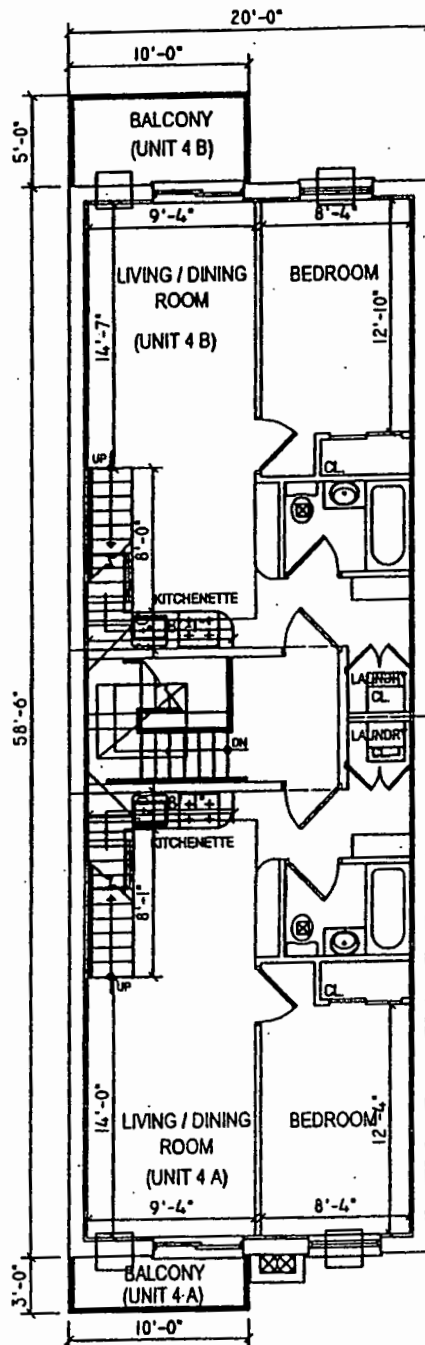
FIRST FLOOR PLAN



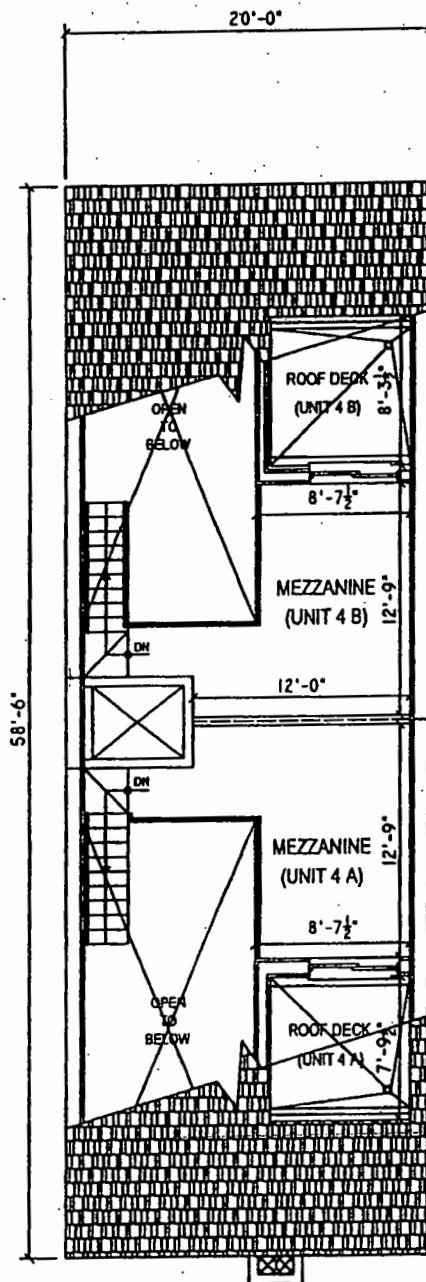
SECOND FLOOR PLAN



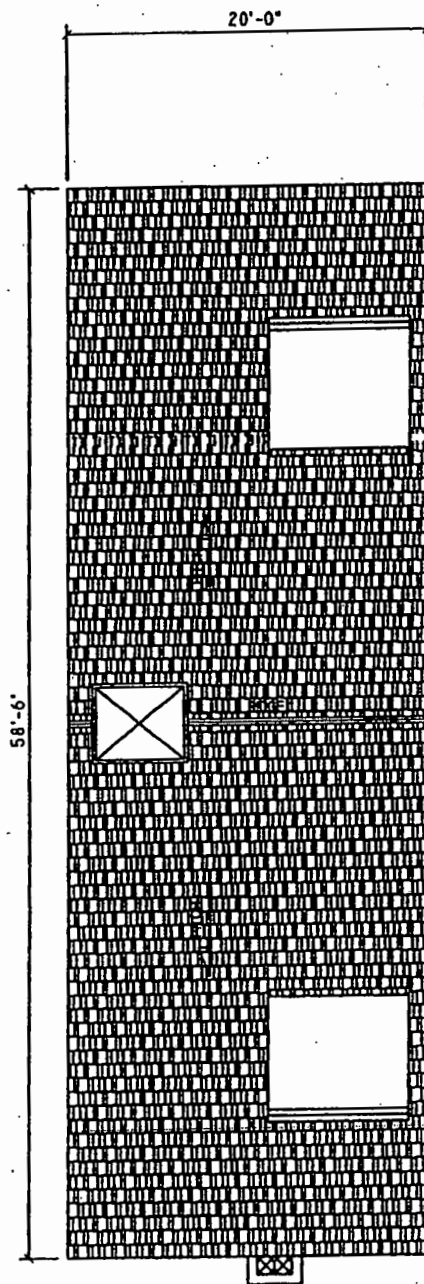
THIRD FLOOR PLAN



FOURTH FLOOR PLAN



MEZZANINE FLOOR PLAN



ROOF PLAN

ARTICLE 36-B--WARRANTIES ON SALE OF NEW HOMES

Section

777. Definitions.
777-a. Housing merchant implied warranty.
777-b. Exclusion or modification of warranties.

§ 777. Definitions

As used in this article, the following terms shall have the following meanings:

1. "Builder" means any person. Corporation, partnership or other entity contracting with an owner for the construction or sale of a new home.
2. "Building code" means the uniform fire prevention and building code promulgated under section three hundred seventy-seven of the executive law, local building code standards approved by the uniform fire prevention and building code council under section three hundred seventy-nine of the executive law, and the building code of the city of New York, as defined in title twenty-seven of the administrative code of the city of New York.
3. "Constructed in a skillful manner means that workmanship and materials meet or exceed the specific standards of the applicable building code. When the applicable building code does not provide a relevant specific standard, such term means that workmanship and materials meet or exceed the standards of locally accepted building practices
4. "Material defect" means actual physical damage to the following load-bearing portions of the home caused by failure of such load. bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: foundation systems and footings, beams, girders, Lintels, columns, walls and partitions, floor systems, and roof framing systems.
5. "New home or 'home'" means any single-family house or for. sale unit in a multiunit residential structure of five stories or less in which title to the individual units is transferred to owners 'under a condominium or cooperative regime. Such terms do not include dwellings constructed solely for lease, mobile homes as defined in section seven hundred twenty-one of this chapter, or any house or unit in which the builder has resided or leased continuously for three years or more following the date of completion of construction, as evidenced by a certificate of occupancy.

6. "Owner" means the first person to whom the home is sold and, during the unexpired portion of the warranty period, each successor in title to the home and any mortgagee in possession. Owner does not include the builder of the home or any firm under common control of the builder.

7. "Plumbing, electrical, heating, cooling and ventilation systems" shall mean:

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

b. in the case of electrical systems: all wiring, electrical boxes, switches, outlets and connections up to the public utility connection; and

c. in the case of heating, cooling and ventilation systems: all duct work, steam, water and refrigerant lines, registers, convectors, radiation elements and dampers.

8. "Warranty date" means the date of the passing of title to the first owner for occupancy by such owner or such owner's family as a residence, or the date of first occupancy of the home as a residence, whichever first occurs.

§ 777—a. Housing merchant implied warranty

1. Notwithstanding the provisions of section two hundred fifty one of the real property law, a housing merchant implied warranty implied in the contract or agreement for the sale of a new home and shall survive the passing of title. A housing merchant implied warranty shall mean that:

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

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

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

2. Unless the contract or agreement by its terms clearly evidences a different intention of the seller, a housing merchant implied warranty does not extend to:

a. any defect that does not constitute (i) defective workmanship by the builder or by an agent, employee or subcontractor of the builder, (ii) defective materials supplied by the builder or by an agent, employee or subcontractor of the builder, or (iii) defective design provided by a design professional retained exclusively by the builder; or

b. any patent defect which an examination ought in the circumstances to have revealed, when the buyer before taking title or accepting construction as complete has examined the home as fully as the buyer desired, or has refused to examine the home.

3. In the case of goods sold incidentally with or included in the sale of the new home, such as stoves, refrigerators, freezers, room air conditioners, dishwashers, clothes washers and dryers, a housing merchant implied warranty shall mean that such goods shall be free from defects due to failure by the builder or any agent, employee or subcontractor of the builder to have installed such systems in a skillful manner. Merchantability, fitness and all other implied warranties with respect to goods shall be governed by part three of article two of the uniform commercial code and other applicable statutes.

4. a. Written notice of a warranty claim for breach of a housing merchant implied warranty must be received by the builder prior to the commencement of any action under paragraph b of this subdivision and no later than thirty days after the expiration of the applicable warranty period, as described in subdivision one of this section. The owner and occupant of the home shall afford the builder reasonable opportunity to inspect, test and repair the portion of the home to which the warranty claim relates.

b. An action for damages or other relief caused by the breach of a housing merchant implied warranty may be commenced prior to the expiration of one year after the applicable warranty period, as described in subdivision one of this section, or within four years after the warranty date, whichever is later. In addition to the foregoing, if the builder makes repairs in response to a warranty claim under Paragraph a of this subdivision, an action with respect to such claim may be commenced within one year after the last date on which such repairs are performed. The measure of damages shall be the reasonable cost of repair or replacement and property damage to the home proximately caused by the breach of warranty, not to exceed the replacement cost of the home exclusive of the value of the land, unless the court finds that, under the circumstances, the diminution in value of the home caused by the defect is a more equitable measure of damages.

c. In addition to any other period for the commencement of an action permitted by law, an action for contribution or indemnification may be commenced at any time prior to the expiration of one year after the entry of judgment in an action for damages under paragraph b of this subdivision.

5. Except as otherwise provided in section seven hundred seventy-seven-b of this article, any provision of a contract or agreement for the sale of a new home which excludes or modifies a housing merchant implied warranty shall be void as contrary to public policy.

6. Except as otherwise provided in section seven hundred seventy-seven-b of this article, other implied warranties may arise from the terms of the contract or agreement or from course of dealing or usage of trade.

§ 777—b. Exclusion or modification of warranties

1. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify all warranties by any clear and conspicuous terms contained in the written contract or agreement of sale which call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

2. Except in the case of a housing merchant implied warranty, the builder or seller of a new home may exclude or modify warranties with respect to particular defects by any clear and conspicuous terms contained in the written contract or agreement of sale which identify such defects, call the buyer's attention to the exclusion or modification of warranties and make the exclusion or modification plain.

3. A housing merchant implied warranty may be excluded or modified by the builder or seller of a new home only if the buyer is offered a limited warranty in accordance with the provisions of this subdivision.

a. A copy of the express terms of the limited warranty shall be provided in writing to the buyer for examination prior to the time of the buyer's execution of the contract or agreement to purchase the home.

b. A copy of the express terms of the limited warranty shall be included in, or annexed to and incorporated in, the contract or agreement.

c. The language of the contract or agreement for sale of the home must conspicuously mention the housing merchant implied warranty and provide that the limited warranty excludes or modifies the implied warranty. Language to exclude all implied warranties is sufficient if it states, for example, that "There are no warranties which extend beyond the face hereof."

d. The limited warranty shall meet or exceed the standards provided in subdivisions four and five of this section.

4. A limited warranty sufficient to exclude or modify a housing merchant implied warranty must be written in plain English and must clearly disclose:

a. that the warranty is a limited warranty which limits implied warranties on the sale of the home; the words "limited warranty" must be clearly and conspicuously captioned at the beginning of the warranty document;

b. the identification of the names and addresses of all warrantor³:

c. the identification of the party or parties to whom the warranty is extended and whether it is extended to subsequent owners; the limited warranty must be extended to the first owner of the home and survive the passing of title but may exclude any or all subsequent owners;

d. a statement of the products or parts covered by the limited warranty;

e. the clear and conspicuous identification of any parts or portions of the home or premises that are excepted or excluded from warranty coverage, and the standards that will be used to determine whether a defect has occurred; provided, however, that:

i. any exception, exclusion or standard which does not meet or exceed a relevant specific standard of the applicable building code or in the absence of such relevant specific standard a locally accepted building practice shall be void as contrary to public policy and shall be deemed to establish the applicable building code standard or locally accepted building practice as the warranty standard; and

ii. any exception, exclusion or standard that fails to ensure that the home is habitable, by permitting conditions to exist which render the home unsafe, shall be void as contrary to public policy.

f. what the builder and any other warrantor will do when a defect covered by the warranty does arise, and the time within which the builder and any other warrantor will act;

g. the term of the warranty coverage and when the term begins, provided, however, that such term shall be equal to or exceed the warranty periods of a housing merchant implied warranty, as defined in subdivision one of section seven hundred seventy-seven-a of this article;

h. step-by-step claims procedures required to be undertaken by the owner, if any, including directions for notification of the builder and any other warrantor; an owner shall not be required to submit to binding arbitration or to pay any fee or charge for participation in nonbinding arbitration or any mediation process;

i. any limitations on or exclusions of consequential or incidental damages, and any limitations on the builder's and other warrantor's total liability, conspicuously expressed on the first page of the warranty. Notwithstanding the foregoing, a limited warranty shall not

be construed to permit any limitation on or exclusion of property damage to the home proximately caused by a breach of the limited warranty, where the court finds that such limitation or exclusion would cause the limited warranty to fail of its essential purpose, except that such property damage may be limited by an express limitation on the builder's or other warrantor's total liability in accordance with the provisions of this paragraph.

5. a. This article shall not be construed to authorize or validate any covenant, promise, agreement or understanding which is void and unenforceable under section 5—322.1 of the general obligations law.

b. This article shall preempt any local law inconsistent with the Provisions of this article. This article shall not preempt any builder subject to its provisions from complying with any local law with respect to the regulation of home builders except as expressly provided herein.

c. Nothing in this article shall be construed to repeal, invalidate, supersede or restrict any right, liability or remedy provided by any other statute of the state, except where such construction would, as a matter of law, be unreasonable.

**DECLARATION ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP OF
PREMISES LOCATED AT 5306 FOURTH AVENUE, IN THE BOROUGH OF BROOKLYN,
COUNTY OF KINGS, CITY AND STATE OF NEW YORK, PURSUANT TO ARTICLE 9-B
OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK**

NAME: THE LISTA CONDOMINIUM

SPONSOR:

M.G.H. Development LLC
444 67th Street
Brooklyn, New York 11220

DATE OF DECLARATION: ,2009

The Land affected by the within instrument lies in Section , Block **814**, Lot **40** on the Tax Map
of the Borough of Brooklyn, County of Kings, State of New York.

MARANS WEISZ & NEWMAN, LLC
Attorney(s) for Sponsor
29 Broadway Suite 2400
New York, New York 10006

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**DECLARATION OF THE LISTA CONDOMINIUM
PURSUANT TO ARTICLE 9-B OF THE
REAL PROPERTY LAW OF THE STATE OF NEW YORK**

In the Borough of Brooklyn, County of Kings, and City and State of New York on this ____ day of _____, 2008, M.G.H. Development LLC (the "Owner" or the "Sponsor"), a limited liability company existing under the laws of the State of New York, whose office is situated at 444 67th Street, Brooklyn, New York 11220, represented in this Declaration by M. George Hansen, who is fully empowered to and qualified to execute this Declaration on behalf of the said corporation does hereby state:

FIRST: Submission of Property. By this Declaration, the Owner submits all property owned by it consisting of all that certain plot, piece or parcel of land, with the building and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of New York and City and State of New York, being more particularly bounded and described on Schedule A which is annexed to and made a part of this Declaration (hereinafter referred to as the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York.

SECOND: Definitions.

(a) The Owner of each Unit is hereinafter referred to as the "Unit Owner." Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common, or tenancy by the entirety, and a Unit Owner's single vote referred to in paragraph **EIGHTH** of this Declaration.

(b) The "Unit" shall consist of the floor area of each Unit extends to the finish face of the exterior wall, the center line of walls separating the unit and a common area and the center line of walls separating the Unit and another Unit. Each Unit is measured vertically to the underside of the concrete plank structure.

(c) The "Common Elements" means and refers to those areas intended to be devoted to the common use and enjoyment of all Unit Owners, including the

- i. Land,
- ii. Foundations, columns, girders, beams, supports, exterior walls of the Building and all joists
- iii. The central and appurtenant installations and equipment for services such as heat, power, light, telephone, hot and cold water, sewer and fire safety, including all pipes, ducts, wires, cables and conduits used in connection therewith, the meter

rooms, refuse room, the stair well from the cellar to the roof;

(d) "Common Charges" means any charge assessed by the Board of Managers against a Unit Owner.

(e) The "Limited Common Elements" means those Common Elements that a Unit Owner will have exclusive right to use. The areaway adjacent to Unit 1B, the roof decks and the balconies shall be considered limited common elements.

(e) The "Building" as hereinafter referred to shall be defined as the five story and cellar building known by the street address 5306 Fourth Avenue, Brooklyn, New York which contains the Units and the Common Elements.

(f) "Party Wall" as hereinafter referred to shall be defined as a wall that is common to and separates two Units.

(g) "Condominium" as hereinafter referred to shall mean **THE LISTA CONDOMINIUM** that is composed of the Units and the Common Elements, as shown in Schedule B.

(h) The term "Unit" and "Unit Owner" as used herein shall be construed to mean Unit and Unit owner as defined in Section 339-e of Article 9-B of the Real Property Law of the State of New York.

THIRD: Description of Property and Improvements. The Owner has developed a building on the parcel of land described above, to be converted to a Condominium known as **THE LISTA CONDOMINIUM** according to the floor plans filed simultaneously with the recording of this Declaration in the Brooklyn City Register's Office, which plans set forth a description of the Building, stating the number of stories, the number of Units and the principal materials of which they have been renovated.

The Condominium will consist of eight (8) residential units as set forth on the floor plans filed as part of this Declaration. Each Unit has access to the other Unit or to any other portion of the Condominium by means of hallways and stairways which form a part of the Common Elements of the Condominium. For the purposes of describing the location of the Building, approximate area, type and number of rooms of each Unit and the Common Elements to which each Unit has immediate access, the Units are described on the filed floor plans and on Schedule B as 1A, 1B, 2A, 2B, 3A, 3B, 4A and 4B. Each Unit will be sold to one or more Owners, each Owner obtaining fee ownership in, and exclusive right of occupancy and possession of the Unit, together with an undivided interest in the Common Elements of the Condominium, as hereinafter set forth in this Declaration, and referred to as the "Common Elements," all in accordance

with Article 9-B of the Real Property Law of the State of New York. The designation of the number of rooms, interior partitions and kitchen and bathroom facilities may be changed by mutual consent of the Sponsor (which for the purposes herein is the Declarant) and the Unit Owner at the time of renovation/construction of the Unit.

The Condominium has a total land area of 6,203 square feet and the Building is 1,822 square feet.

FOURTH: Common Elements. The Common Elements of the Condominium will consist of all of the Condominium, except the Units, including without limitation, exterior walls, common walls, exterior doors, windows, flooring and ceiling excluding interior finish and the bulkhead roof of the building and improvements (other than the Units) comprising the Condominium, including the land, the land under the Building, all utility and other pipes and material located outside of the Units.

The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law. Each Unit Owner shall have the right to use the Common Elements, other than such portion, if any, which are by the terms of this Declaration or the annexed By-Laws irrevocably restricted in use to other Unit Owners, in accordance with the purpose for which such elements are intended, without hindering the exercise of or encroaching upon the rights or other Unit Owners.

The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with that Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

FIFTH: Irrevocably Restricted Areas. No portions of the Common Elements are irrevocably restricted in use to specified Unit Owners.

SIXTH: Easements.

(a) All pipes, wires, conduits and public utility lines located within each Unit shall be owned by such Unit Owner. Any portion of such pipes, wires, conduits and public utility lines located in the Common Elements will be owned in common by the Unit Owners. Every Unit Owner shall have an easement in common with the Owners of other Units to maintain and use all pipes, wires, conduits and public utility lines located in other Units and servicing such Owner's Unit. Each Unit shall be subject to an easement in favor of the Unit Owners of other Units to maintain and use the pipes, wires, conduits and public utility lines servicing such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit for maintenance, repair or improvement to any pipes, wires, conduits and public utility lines located in any home

and servicing any other Unit. The cost of such repair shall be a Common Expense. Except as otherwise provided in the Declaration and these By-Laws, the terms "Common Expense" and "Common Expenses" shall mean any and all (i) costs and expenses paid or incurred by the Condominium in connection with repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements (including without limitation, accounting, legal, architectural, engineering or other professional or service fees); (ii) other items which are provided in the Declaration or these By-Laws to be Common Expenses; and (iii) such reserves as the Board of Managers may determine to be reasonably necessary for general operating costs and expenses, working capital and/or replacement of the Common Elements. The Board of Managers shall have a right of access to all Common Elements for maintenance, repair or improvement whether such Common Elements are restricted or not.

(b) The Sponsor, on behalf of itself and its successors and assigns who may take title to portions of the Condominium for purposes of development and sale, reserves the easements, licenses, rights and privileges of right-of-way in, through, over, under and across the Common Elements of the Condominium. For the purpose of completing the construction and sale of Units and facilities in the Condominium and, towards this end, Sponsor reserves the right to grant and reserve easements and rights of ways, in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities and for any other materials or services necessary for the completion of the work. The Sponsor, on behalf of itself and said successors and assigns, also reserves the right to connect with and make use of the utility lines, wires, pipe, conduits, cable televisions, sewers and drainage lines which may from time-to-time be in or along the streets and roads or other areas of the Common Elements. The Sponsor, on behalf of itself and said successors and assigns, also reserves the right to continue to use the Common Elements and any facilities, rental offices, model units and signs located on the Common Elements to market and sell Units constructed in the Condominium and on the balance of the overall development. This paragraph shall not be amended without the written consent of the Sponsor.

SEVENTH: Service of Process and Building Code Violations. Service of process on the Unit Owners in any action with relation to the Common Elements or more than one Unit shall be made upon the Board of Managers of THE LISTA CONDOMINIUM, at the office of the Secretary of State of the State of New York in the manner provided by applicable law. The Board of Managers shall have the principal responsibility for curing any violations of such building or zoning laws and service upon the Board of Managers shall be deemed service upon the Owner or Owners of the Condominium Unit or Units in which any such violations exist. The provisions of this Article shall not be amended without the consent of the Department of Buildings or any City agency successor thereto.

EIGHTH: Common Interest. Each Unit Owner shall have such percentage interest in the Common Elements as is set forth on Schedule B attached hereto and shall bear such percentage of the Common Expenses of the Condominium. Each Unit Owner shall have one vote for all voting purposes at any meeting of the Unit Owners unless otherwise mandated by law or expressly provided for herein. The percentage of interest of each Unit in the Common Elements has been determined by the Declarant based upon floor area subject to the location of such space and additional factors of relative value of such space to other space in the Condominium, uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The percentage interest of all of the Units in the Condominium totals one hundred percent (100%).

NINTH: Administration. The administration of the Condominium shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws, which are made a part of this Declaration and are attached hereto as Schedule C.

TENTH: Amendment and Withdrawal. The Property shall not be withdrawn from Condominium ownership unless eighty percent (80%) of the Unit Owners in number and in Common Interest and the first mortgagees, if any, of each of those same Units agree to such removal by duly recorded instruments. Such withdrawal of the property from Condominium ownership shall not take effect until it is duly recorded in the Office of the Clerk of the County of Kings. The provisions of this Declaration may be modified or amended by an instrument executed by the Board of Managers upon a vote of eighty (80%) of the Unit Owners in number and in Common Interest held at a duly called meeting of the Unit Owners, provided however, that:

(i) No amendment shall alter the percentage in the Common Elements appurtenant to any Unit or after any rights or obligations respecting the Common Elements without the consent of the affected Unit Owners and the first mortgagees, if any, of such Units, which consent shall be expressed on the instrument of amendment.

(ii) No amendment shall add any parcel of land to or divest any parcel of land from the Condominium properties unless eighty percent (80%) of the Unit Owners in number and common interest and the mortgagees, if any, of the same Units, to the extent required under mortgages encumbering the Units, agree to such change on the instrument of amendment.

(iii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees.

There shall be a presumption for a period of sixty (60) days subsequent to the recording of an amendment that the vote of the Unit Owners was made at a duly called meeting and that the requisite voting percentage was obtained. After the sixty (60) day period, such presumption will be deemed conclusive. Any amendment to this Declaration shall not take effect until it is recorded in the Office of the Clerk of the County of New York.

Notwithstanding anything to the contrary contained herein, if the Declarant or its designees shall not have voted in favor of such amendment, such amendment shall not be effective against the Declarant or its designees unless such amendment is reasonably necessary or convenient to the conduct of the affairs of the Condominium and/or the operation of the Property, and such amendment shall not decrease the rights of the Declarant or its designees.

Anything herein to the contrary notwithstanding, for so long as the Sponsor continues to hold fifty-one percent (51%) or more in number of the Units, the Sponsor's prior written consent shall be required in order to amend either this Declaration or the By-Laws. Furthermore, for so long as Sponsor or its designee shall own one or more Units, the Board of Managers may not, without the prior written consent of the Sponsor (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund (however, Sponsor will not unreasonably withhold consent to additions to the contingency fund provided for in Schedule B to the extent assessments are necessary to make expenditures required by law), or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient), or (iv) provide for new or additional services other than those provided for in Schedule B hereof. Sponsor shall have the right to withhold its consent to any of the foregoing actions. Notwithstanding the above, Sponsor's consent shall not be withheld for expenses required to comply with applicable law, to remedy any notice of violation, or to comply with any work order of an insurer. While Sponsor has voting control of the Board of Managers, Sponsor will not reduce or eliminate the services to be provided to the Condominium as set forth in this Plan.

ELEVENTH: Subject to Declaration, By-Laws etc. All present or future Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Units shall signify that the provisions of the

Declaration and the By-Laws and Rules and Regulations or the Condominium are accepted and ratified and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease thereof.

TWELVTH: Common Charges. All sums assessed as Common Charges by the Board of Managers of the Condominium but unpaid, together with interest at the maximum legal rate thereon, chargeable to any Unit Owner shall constitute a lien on his Unit prior to all other liens except: (a) tax or assessment liens on the Unit by any governmental taxing authority, including but not limited to, State, County, and City taxing agencies, if any, and; (b) all sums unpaid on any mortgage of record encumbering any Unit. Such lien may be foreclosed when past due in accordance with the laws of the State of New York by the Condominium in like manner as a mortgage on real property, and incurred including reasonable attorney's fees (but such right shall not be a lien against the Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid Common Charges, the unpaid balance shall be charged to all Unit Owners as a Common Expense. However, the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale, his successors or assigns, shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of Common Charges shall be charges to all other Unit Owners as a Common Expense. The term "institutional mortgage" used herein shall mean a mortgage granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, pension fund, trust company, real estate investment trust, real estate mortgage investment conduit, agency of the United States Government or of the City or State of New York, or other similar institutional lender or a purchase money mortgage granted by the Seller or any entity not included within any of the foregoing that is regularly engaged in the business of making, owning or servicing mortgage loans.

Every Unit Owner shall pay the Common Charges assessed against his Unit when due and no Unit Owner may exempt himself from liability for the payment of his Common Charges by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit. However, no Unit Owner shall be liable for the payment of any Common Charges accruing subsequent to a sale, transfer or other conveyance by him of such Unit made in accordance with Section 339-x of the Real Property law or in accordance with the provisions of this Declaration and the By-Laws.

THIRTEENTH: Units Acquired by the Board. In the event any Unit Owner shall convey his Unit to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Unit

at a foreclosure sale in accordance with Article IX of the By-Laws, title to such Unit or the rights to the lease of such Unit shall be held by the Board of Managers or its designee on behalf of all of the other Unit Owners.

In order to carry out the provisions of this paragraph, each Unit Owner shall, upon taking title to his Unit, grant an irrevocable power of attorney coupled with an interest, to the Board of Managers and their successors to acquire title or lease any such Unit under whatever terms the Board may, in its sole discretion, deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Unit under such terms as the Board, in its sole discretion, shall deem proper.

FOURTEENTH: Encroachments. The Unit Owners agree that if any portion of a Unit or the Common Elements (whether restricted in use to an individual Unit Owner or not) encroaches upon another or shall hereafter encroach upon another as a result of original construction or settling of the Building, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Building is partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and is rebuilt, the Unit Owners agree that encroachments of any portion of the Unit or the Common Elements as aforescribed due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist as long as the Building or reconstructed building shall stand.

FIFTEENTH: Unit Ownership. Upon the closing of title to a Unit, a purchaser shall automatically become a Unit Owner in the Condominium and shall remain a Unit Owner until such time as he ceases to own the Unit for any reason.

SIXTEENTH: Conveyance of a Unit. Upon any conveyance of a Unit, either by voluntary instrument, operation of law or judicial proceedings in accordance with this Declaration or the By-Laws, the Grantee of the Unit shall be jointly and severally liable with the Grantor for any unpaid Common Charges against the latter assessed and due up to the time of the grant or conveyance without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor. Any such Grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid Common Charge against the Grantor and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien, for any unpaid Common Charge against the Grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include either the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale of an institutional mortgage.

SEVENTEENTH: Covenants and Restrictions. The use of the Unit by the Unit Owner or other occupant shall be subject to the rules, regulations, and provisions of this Declaration, the By-Laws and Rules and Regulations of the Board of Managers and the following covenants and restrictions:

- (a) The Unit and area restricted to the Unit Owner's use shall be maintained in good repair and overall appearance.
- (b) No alterations to the exterior of the Unit or any part of the Common Elements may be made without the written consent of the Board of Managers. No alterations to the inside of a Unit that would impair the structural soundness of the building may be made without the written consent of the Board of Managers. Consent may be requested by mailing a letter, certified mail, return receipt requested to the President of the Board of Managers, who shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.
- (c) Any Unit Owner who mortgages or sells his Unit shall notify the Board of Managers and provide the name and address of his mortgagee or purchaser.
- (d) The Board of Managers shall, at the request of the mortgagee of the Unit, report any unpaid Common Charges due from the Unit Owner of such Unit.
- (e) No nuisances shall be allowed upon the Property and no use or practice shall be allowed which interferes with the peaceful possession and proper use of the Property by its residents.
- (f) No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.
- (g) Regulations promulgated by the Board of Managers concerning the use of the Property shall be observed by the Unit Owners; provided, however, that copies of such regulations are furnished to each Unit Owner prior to the time the said regulations become effective.
- (h) The Common Charges shall be paid when due.
- (i) The use for which the Building is intended is for residential.

EIGHTEENTH: Utilities. Electricity consumed in or on the Common Elements and water consumed in the Common Elements shall be paid for by the Board of Managers as items of Common Expense. Each Unit shall be individually metered for electricity and gas, and the expense of such utility consumed within the Unit shall be paid for by the Owner of said Unit.

NINETEENTH: Invalidity. Invalidation of any of the covenants, limitations or provisions of the Declaration by judgment or court order shall in no way affect any remaining part or parts hereof, and the same shall continue in full force and effect.

M.G.H. DEVELOPMENT LLC

BY: _____
M. George Hansen

ATTEST:

)ss.:

)

Notary Public

SCHEDULE A TO THE DECLARATION OF THE CONDOMINIUM

PREMISES KNOWN AS THE LISTA CONDOMINIUM

5306 Fourth Avenue

Brooklyn, New York

Tax Block Number _____

Tax Lot Numbers _____

County: Brooklyn

City: New York

(METES AND BOUNDS DESCRIPTION)

SCHEDULE B TO THE DECLARATION OF CONDOMINIUM

UNIT SCHEDULE

SCHEDULE C TO THE DECLARATION OF CONDOMINIUM

**BY-LAWS
OF
THE LISTA CONDOMINIUM**

**ARTICLE I
PLAN OF CONDOMINIUM OWNERSHIP**

Section 1. Condominium Unit Ownership. The Property located at 5306 Fourth Avenue, Brooklyn, New York, in the Borough of the Brooklyn, County of Kings, City and State of New York, as specifically set forth in the Declaration and more commonly known as **THE LISTA CONDOMINIUM** has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the land and the building and improvements thereon including the Condominium Units (hereinafter referred to as "Units"), and the Common Elements and the use and occupancy thereof.

Section 3. Personal Application. All present and future Unit Owners, mortgagees, lessees, or their employees, guests, invitees or any other person that might use the facilities of the Condominium in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations established by the Board of Managers. The mere acquisition or rental of any of the Units or the mere act of occupancy of any of said Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

**ARTICLE II
CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS**

Section 1. Condominium. The Condominium shall be limited to Unit Owners. "Unit Owner" as referred to herein shall mean the owners of a Unit.

Section 2. Voting. Each Unit Owner (including the Sponsor and the Board of Managers, if the Sponsor or the Board of Managers shall then own or hold title to one of more Units), shall be entitled to cast one vote at all Unit Owners' meetings for each Unit or Units owned by such Unit Owner, but the Board of Managers shall not cast any of its votes for the election of any member to the Board.

Section 3. Quorum. So many Unit Owners as shall represent fifty-one (51%) percent of the total authorized votes of all Unit Owners present in person or represented by written proxy shall constitute a quorum at all meetings of the Unit Owners for the transaction of business, except as otherwise provided by Statute, by the

Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time-to-time, without notice, other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Unit Owners, unless the question is one upon which, by express provisions of the Declaration, Statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Section 5. Right to Vote. At any meeting of Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof. No Unit Owner may vote at any meeting of Unit Owners if the Board of Managers has perfected a lien against such Unit Owner's Unit and the amount necessary to discharge such lien has not paid prior to such meeting.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever the vote of Unit Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings. Within thirty (30) days after title to the last Unit is conveyed by Sponsor but in no event later than forty-five (45) days after Sponsor and any Sponsor designee have closed title under this Offering Plan to fifty-one percent (51%) in aggregate Common Interest of the Units, the first annual Unit Owners' meeting will be called by Sponsor. At this meeting, a new Board of Managers shall be elected by the Unit Owners and the former members of the Board of Managers shall resign. Thereafter, annual meetings shall be held on the anniversary of such date each succeeding year. At such meetings, there shall be elected by ballot of the Unit Owners, a Board of Managers in accordance with the requirements of Article III of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

Section 10. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by Unit Owners representing a majority in interest of the Common Elements having been presented to the Secretary.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at least ten (10), but not more than twenty (20) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Report of officers;
- (e) Report of committees (if applicable)
- (f) Election of inspectors of election (if applicable)
- (g) Election of Managers (in the event there is an election);
- (h) Unfinished business; and
- (i) New business.

ARTICLE III BOARD OF MANAGERS

Section 1. Number and Term. The number of Managers that shall constitute the whole Board shall not be less than three (3). Until succeeded by the Managers elected at the first annual meeting of Unit Owners, Managers need not be Unit Owners but may be officers or employees of Sponsor; thereafter, all Managers shall be designated by the Unit Owners. The Managers shall be elected at the annual meeting of Unit Owners. The Managers shall hold office until their successors have been elected and hold their first meeting. Notwithstanding the foregoing, to insure that Sponsor has at least some minimum representation on the Board of Managers during its development, marketing and sale program, the Sponsor shall have at all times the right, in the event minimum representation is not obtained pursuant to the election criteria set above, to designate at least two (2) members of the Board of Managers as long as it owns more than three (3) Units and at least one (1) member of the Board as long as it owns one (1) Unit. Members of the Board of Managers designated by the Sponsor need not be Unit Owners.

Section 2. Vacancy and Replacement. If the office of any Manager or Managers becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Managers, though less than

a quorum, at a special meeting of Managers duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred. If the vacancy occurs with respect to any member of the First Board of Managers (see Section 4 of this Article III) who has been designated by the Sponsor, the Sponsor shall have the sole right to choose such Manager's successor to fill the unexpired portion of his term.

Section 3. Removal. Managers, other than Managers elected by the Sponsor or Sponsor's designee, may be removed for cause by an affirmative vote of a majority of the Unit Owners. No Manager, other than a member of the first Board of Managers or a Manager elected or designated by the Sponsor or Sponsor's designee, shall continue to serve on the Board if, during his term of office, he shall cease to be a Unit Owner.

Section 4. First Board of Managers. The First Board of Managers shall consist of individuals designated by Sponsor, who may be officers or employees of Sponsor, and shall hold office and exercise all powers of the Board of Managers until the first annual meeting of the Unit Owners. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2 of this Article III.

Section 5. Powers.

The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute or by the Declaration or by these By-Laws directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but not be limited to, the following items:

- (a) To determine and levy monthly assessments ("Common Charges") to cover the cost of common expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increase can only be assessed among the Unit Owners, pro rata, according to their respective Common Interests;
- (b) To collect, use and expend the Common Charges and assessments collected, to maintain, care for and preserve the Units, Buildings, and other Common Elements;
- (c) To make repairs, restore or alter any Units or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;
- (d) To enter into and upon the Units when necessary and with as little inconvenience to the Unit Owner as possible in connection with the

maintenance, care and preservation of the property, including emergency repairs at all times whether or not the Unit Owner is present;

- (e) To open and maintain bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts;
- (f) To insure and keep insured the Common Elements and Units in accordance with Article VII of these By-Laws;
- (g) To collect delinquent Common Charges and/or assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the property for violations of the house rules and regulations herein referred to;
- (h) To purchase any Unit at a foreclosure sale on behalf of all Unit Owners;
- (i) To make reasonable rules and regulations and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Unit Owners when the Board has approved them in writing. A copy of such rules and regulations and all amendments shall be delivered to each Unit Owner;
- (j) To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of manager in connection with the matters hereinabove set forth;
- (k) To bring and defend actions by or against more than one Unit Owner and pertinent to the operation of the Condominium. The Board may, in its discretion, fund the cost of any such litigation out of the Common Charge and/or assessments. The Board shall also have the right to engage in any litigation it deems necessary to carry out the provisions of the Declaration of Condominium and these By-Laws and may fund the cost of any such litigation out of the Common Charge and/or assessments. Without limiting the foregoing, the Board may engage in litigation pertaining to the enforcement of the Sponsor's obligations, as such obligations are set forth in the Declaration of Condominium and these By-Laws, and to the maintenance and operation of the Common Elements;
- (l) To acquire Units in foreclosure or as a result of abandonment and to take any and all steps necessary to repair or renovate any Unit so acquired and to vote as Unit Owner, offer such Unit for sale or lease or take any other steps

regarding such Unit as shall be deemed proper by the Board of Managers;

- (m) To grant utility or other easements as may, at any time, be required for the benefit of the Condominium and Unit Owners without the necessity of the consent thereto, or joinder therein, by the Unit Owners or any mortgagee;
- (n) To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of at least eighty (80%) percent in number of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of Five Thousand (\$5,000.00) Dollars and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Owner of said Unit; and
- (o) To act as an agent of each Unit Owner who has given his written authorization to complain or apply to the local and county Real Estate Tax Assessment Agency Board of Review by filing a single complaint on behalf of all such Unit Owners pursuant to the applicable sections of the Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and charge all such Unit Owners a pro rata share of expenses, disbursements and legal fees for which charges the Board of Managers shall have a lien pursuant to Article VI of these By-Laws.

Section 6. Repairs and Maintenance. All maintenance, repairs and replacement of the Common Elements of the property, including, but not limited to, exterior walls, roof and roof members as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and public utility lines as are located in the Common Elements but serve one or more Units shall be made by the Board of Managers and the cost thereof shall be a Common Expense. Except as is otherwise specifically provided, all maintenance to the Units, including electrical repairs, plumbing stoppages, window cleaning, painting and decorating in the Units, except for painting of the exterior surfaces of doors and windows which open from a Unit, which painting is performed by the Board of Managers, repairs and replacement to the Units including windows and doors (including all glass breakage), and repairs to pipes, wires and conduits located in and servicing the same Unit other than as set forth above, shall be made by the respective Unit Owners at their own expense. All irrevocably restricted Unit elements shall be maintained and repaired by the Unit Owner to whom such Common Element is restricted

in use (i.e. a Limited Common Element). However, the Board of Managers shall repair and replace any pipes, wires, conduits and public utility lines located underground or overhead of any irrevocably restricted Common Element and shall make all necessary structural repairs to any irrevocably restricted Common Element and the cost thereof shall be a Common Expense, except where such repair or replacement is necessitated by the negligence, misuse or neglect of a Unit Owner to whom the Common Element is restricted in use, in which event such cost and expense shall be assessed to and paid for by such Unit Owner. The Board of Managers shall repair all plumbing stoppages and electrical problems occurring in the Common Elements. The Board of Managers and its agents, employees and contractors shall have a right of access to any Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration of Condominium. All repairs, painting or maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows or the exterior surface of any Building, including roofs or to any generally visible portion of the Common Elements, shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor. In the event that a Unit Owner fails to make any maintenance or repair which maintenance or repair is necessary to protect any of the Common Elements, any other Unit or, in the event of service of a Building Department violation notice covering the Unit upon the Board of Managers, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Unit Owner to do so after ten (10) days' written notice or written or oral notice of a shorter duration in the event of an emergency situation) and to charge the Unit Owner for the cost of all such repairs and/or maintenance. In the event that the Board of Managers charges a Unit Owner for repairs or maintenance to his Unit or for repairs to any Common Elements restricted to use to such Unit Owner, and the Unit Owner fails to make prompt payment, such charges shall be considered as additional Common Charges due from said Unit Owner, and the Board of Managers shall be entitled to bring suit thereon. In the event the Board brings such a suit, the Unit Owner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with the interest on all sums due.

Section 7. Compensation. Managers and officers, as such, shall receive no compensation for their services.

Section 8. Meetings.

(a) The first meeting of each Board newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Unit Owners' meetings, and immediately after the adjournment of same, at which time the date, places and times of regularly scheduled meetings of the Board shall be set.

- (b) Regularly scheduled meetings of the Board may be held without special notice.
- (c) Special meetings of the Board may be called by the President on two (2) days notice to each Manager either personally or by telephone, mail or telegram. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of at least one (1) Manager.
- (d) At all meetings of the Board, a majority of the Managers shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Managers present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by Statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meetings of Managers, the Managers present thereat may adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum shall be present.
- (e) Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.
- (f) Managers or members of any committee of the Board of Managers may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 9. Annual Statement. The Board of Managers shall furnish to all Unit Owners, their mortgagees and the Department of Law of the State of New York (if and when required by law) and shall present annually (at the annual meeting) and when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Unit Owners and a notice of the holding of the annual Unit Owners' meeting.

Section 10. Fidelity Bonds. The Board of Managers shall obtain and maintain to the extent obtainable (a) Fidelity Insurance covering all employees of the Condominium who handle Condominium funds in an amount not less than \$5,000.00 for each loss. The premiums on such bonds shall be a Common Expense.

Section 11. Management Agent. At its discretion, the Board of Managers may employ for the Condominium a management agent under a term contract or

otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, all of the delegable duties of the Board listed in this Article.

Section 12. Liability of the Board of Managers and Unit Owners. Any contract, agreement or commitment made by the Board of Managers shall state that it is made by the Board of Managers, as agent, for the Unit Owners as a group only and that no member of the Board of Managers or individual Unit Owners shall be liable for such contract, agreement or commitment. The Unit Owners shall be liable as a group under such contract, agreement or commitment but the liability of each Unit Owner shall be limited to such proportion of the total liability thereunder as his Common Interest bears to the Common Interest of all Unit Owners. The Board of Managers shall have no liability to the Unit Owners in the management of the Condominium except for gross negligence or willful misconduct or acts made in bad faith and the Unit Owners shall jointly and severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties as such member except acts of gross negligence or willful misconduct or acts made in bad faith. Such joint and several liability of the Unit Owners shall, however, be limited as to each Unit Owner to such proportion of the total liability thereunder as such Unit Owners' Common Interest bears to the Common Interest of all Unit Owners.

ARTICLE IV OFFICERS

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and shall be a President, a Vice President, a Secretary and a Treasurer. All officers must be designees of the Unit Owners or members of the Board of Managers. The Board of Managers may also choose such other officers as in their judgment may be necessary. Two or more offices may be held by the same person so long as there are at least 3 officers.

Section 2. Election. The Board of Managers at its first meeting after each annual Unit Owners' meeting shall elect a President, a Vice President, a Secretary and a Treasurer.

Section 3. Appointive Officers. The Board may appoint such other officers and agents as it shall deem necessary that shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. Term. The officers shall hold office until their successors are chosen and qualify in their stead. Any officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers. If the office of any officer becomes vacant

for any reason, the vacancy shall be filled by the Board of Managers.

Section 5. The President. The President shall be the chief executive officer of the Condominium; he shall preside at all meetings of the Unit Owners and Managers, shall be an ex-officio member of all standing committees, shall have general and active management of the business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 6. The Vice President. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act and shall have such other powers and duties as are usually vested in the office of Vice President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 7. The Secretary. The Secretary shall attend all sessions of the Board and all Unit Owners' meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notices of all Unit Owners' meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President under whose supervision he shall be.

Section 8. The Treasurer. The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all moneys and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers. He shall disburse the funds of the Condominium as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Managers, at the regular meeting of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

He shall keep detailed financial records and books of account of the Condominium, including a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

Section 9. Agreements, etc. All agreements and other instruments shall be executed on behalf of the Condominium by the President or such other person as may be designated by the Board of Managers.

ARTICLE V **NOTICES**

Section 1. Definition. Whenever under the provisions of the Declaration or of these By-Laws, notice is required to be given to the Board of Managers, any Manager or Unit Owner, it shall not be construed to mean personal notice; but such notice may be given in writing, personally, by mail, if by the latter, by depositing the same in a post office or letter box in a postpaid sealed wrapper, addressed to the Board of Managers, such Manager or Unit Owner at such address as appears on the books of the Condominium.

Section 2. Waiver of Service of Notice. Whenever any notice is required to be given under the provisions of the Declaration, or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE VI **FINANCES**

Section 1. Checks. All checks or demands for money and notes of the Condominium shall be signed by the President and such other person or persons as the Board of Managers, may from time to time, designate.

Section 2. Assessments. The Board of Managers shall from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the budget and any supplement to the budget to every Unit Owner and mortgagee. They shall determine the total amount required, including the operational items such as insurance, water, sewer, repairs, reserves, and betterments, maintenance of the Common Elements and other operating expenses as well as charges to cover deficits from prior years, if any. The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units according to the respective Common Interests appurtenant to such Units. This prorating of assessments shall remain constant regardless of the percentage of the building's square footage included in each Unit or the Common Elements restricted to the use of the Owner of said Unit. All of said assessments deemed to be Common Charges shall be payable monthly in advance as ordered by the Board of Managers.

In the event of a default in the payment of any monthly Common Charge assessment by any Unit Owner, the Board, at its sole option, may declare the Common Charge assessment on said Unit Owner's Unit for the balance of the fiscal year

immediately due and payable. Prior to making any such declaration following a default, the Board shall send notice to the delinquent Unit Owner and the mortgagee, if any, of such Unit giving the Unit Owner a five (5) day grace period in which to make his payment. The Board may charge the delinquent Unit Owner a reasonable fee to cover the additional burden to the Board occasioned by the lack of timely payment. Interest at the highest legal rate may also be collected by the Board on the Common Charge assessment from its due date to the date payment is actually received from the Unit Owner. Special assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular assessments. The Unit Owner agrees to pay promptly when due the monthly and all special assessments assessed against his Unit. Any Unit Owner who fails to pay the monthly assessment imposed by the Condominium to meet any Common Expense shall be liable for any expenses incurred by the Condominium in collecting said monthly Common Charge assessment, including interest at the highest legal rate and reasonable attorneys' fees. The Board shall take action to collect any Common Charges due from any Unit Owner which remain unpaid ninety (90) days from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339 of the Real Property Law, or otherwise. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of a notice thereof in the Office of the County Clerk in Kings County, and until all sums secured thereby, with interest accrued thereon at twelve percent (12%) per annum shall have been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever is later. Sponsor will cause the Board of Managers to file a lien as provided in Section 339-aa of the Condominium Act, on Units in which the Sponsor is more than thirty (30) days in arrears of Common Charges while it is in control of the Board of Managers.

Pursuant to the provisions of Section 339-kk of the Real Property Law of the State of New York, any non-occupying Unit Owner who rents any Unit in the Condominium to a tenant and then fails to make payment for common charges, assessments or late fees for such Unit within sixty (60) days from the expiration of any grace period after they become due is subject, upon notice in accordance with applicable law, to the Board of Managers directing the tenant to make all rental payments directly payable to the Condominium.

No Unit Owner shall be liable for any Common Charges that accrue against his Unit subsequent to a sale, transfer or other conveyance by him of his Unit in accordance with these By-Laws and the Declaration. A purchaser of a Unit (other than a mortgagee or a purchaser at a foreclosure sale) shall be liable for the payment of all Common Charges assessed against the Unit and unpaid at the time of the purchase.

Section 3. Foreclosure of Liens for Unpaid Common Charges. The Board shall have the power to purchase any Unit at a foreclosure sale resulting from any action brought by the Board to foreclose a lien on the Unit because of unpaid Common Charges. In the event of such purchase, the Board shall have the power to hold, lease,

mortgage, sell, vote or otherwise deal with the Unit. A suit to recover a money judgment for unpaid Common Charges shall also be obtainable separately without waiving the lien on the Unit.

Section 4. Statement of Common Charges. Upon the written request of any Unit Owner or his mortgagee, the Board shall promptly furnish such Unit Owner or his mortgagee with a written statement of the unpaid Common Charges due from such Unit Owner.

Section 5. Liability for Water, Sewage, Gas and Electricity. All electricity and gas consumed in the Common Elements and all water consumed in the Units and on the Common Elements and all sewage charges shall be a common expense. Electricity and gas consumed in each Unit shall be individually metered and paid for by the respective Unit Owner.

Section 6. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account" into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general needs of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the Common Elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Units.

Section 7. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purposes.

ARTICLE VII

INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: All risk or fire insurance with extended coverage, loss of business, income/extra expense, boiler and machinery, insuring the Building in the Condominium, including all of the Units and the bathrooms and fixtures initially installed therein by the Sponsor, together with all heating, air conditioning and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as its interest may appear, in an amount equal to at least Two Million Five Hundred Thousand Dollars (\$700,000.00) but in no event less than ninety (90%) percent of the replacement value of the Building. Each of such policies shall contain New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any thereunder, shall be payable to such

mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine. The Board of Managers is hereby irrevocably appointed agent for each Unit Owner and for each Owner of a mortgage or other lien upon a Unit and for each owner of any other interest in the Condominium property to adjust all claims arising under insurance policies purchased by the Board of Managers and to execute and deliver releases upon the payment of claims. All of such policies shall provide that adjustment of loss shall be made by the Board of Managers and all policies of physical damage insurance shall provide that the proceeds thereof, if \$100,000.00 or less, shall be paid to the Board of Managers, and if in excess of \$100,000.00 shall be paid to the Insurance Trustee. The Board of Managers is hereby appointed agent for each Unit Owner and for each Owner of a mortgage or other lien upon a Unit and for each owner of any interest in the Condominium property to adjust all claims arising under insurance policies purchased by the Board of Managers and to execute and deliver releases upon the payment of claims.

The fire insurance will commence with the closing of title to the first Unit in an amount as required by the mortgagee of such Unit and such amount will be increased upon the closing of title to all Units and until the first meeting of the Board of Managers following the first Unit Owners' Meeting, such amount to be no less than the sum of \$700,000.00 but in no event less than ninety percent (90%) of the replacement value of the Building.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rate liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from acts of the insured or any Unit Owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies. Prior to obtaining any policy of fire insurance company or otherwise of the full replacement value of the Building, including all of the Common Elements appurtenant thereto, for the purpose of determining the amount of fire insurance to be effected pursuant to this Section.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, general comprehensive liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, if any, and each Unit Owner. Such comprehensive general liability insurance shall also cover cross-liability claims of one insured against another and shall be in a single limit of not less than One Million Dollars (\$1,000,000) covering all claims for bodily injury and for property damage arising out of one occurrence. Such comprehensive general liability insurance shall commence on the closing of title to the first Unit.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any such Unit Owner.

Section 2. The Insurance Trustee. The Insurance Trustee shall be a bank or trust company located in the State of New York designated by the Board of Managers. All fees and disbursements of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee that shall be a bank or trust company located in the State of New York.

Section 3. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty (unless 75% or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration), subject to the provisions of any mortgage covering the Premises, the Board of Managers or the Insurance Trustee shall arrange for the prompt repair and restoration of the Building (including all kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance, but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Unit Owners in the Units) and the Board of Managers, or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

ARTICLE VIII **HOUSE RULES**

In addition to the other provisions of these By-Laws, the following House Rules and Regulations, together with such additional Rules and Regulations as may hereafter be adopted by the Board of Managers, shall govern the use of the Units and the conduct of all residents thereof:

1. Owners of a Unit, their employees, licensees and guests shall not use or permit the use of the premises in any manner which would be illegal or disturbing or a nuisance to other said Owners, or in such a way as to be injurious to the reputation of the Condominium.

2. The Common Elements shall not be obstructed, littered, defaced or misused in any manner, except as may be provided for herein.

3. Every Unit Owner shall be liable for any and all damage to the Common Elements and the property of the Condominium, which shall be caused by said Unit Owner or such other person for whose conduct he is legally responsible.

4. Every Unit Owner must perform promptly all maintenance and repair work to its own Unit, which, if omitted, would affect the Condominium in its entirety or in a part belonging to other Unit Owners, or the Building of which its Unit forms a part, such Unit Owner being expressly responsible for the damages and liabilities that its failure to do so may engender. All the repairs to internal installations of the Unit located in and servicing only that Unit, such as telephones and sanitary installations, shall be at the Unit Owner's expense.

5. A Unit Owner may not make any alterations to the exterior of the Unit or any part of the Common Elements without the written consent of the Board of Managers which consent will be granted, if at all, in the sole discretion of the Board. A Unit Owner shall not make structural modifications to the Unit or other alterations, which would impair the structural soundness of the Unit without the written consent of the Board of Managers or its designated Managing Agent which consent shall not be unreasonably withheld; provided that the Board is reasonably satisfied that such alterations may be made in such manner as to retain the structural integrity of the Building. Consent may be requested through the Managing Agent, if any, or through the President of the Board of Managers, if no management agent is employed. The Board of Managers shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean there is no objection to the proposed modification or alteration.

6. No Unit Owner shall paint the exterior surfaces of the windows and doors opening out of his Unit.

7. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom or from the doors or windows thereof, any dirt or other substance.

8. Nothing shall be installed in or be projected from any window, balcony or wall of the Building by a Unit Owner without similar approval.

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

10. No Unit Owner shall make or permit any disturbing noises in his Unit

or do or permit anything to be done therein which will interfere with the rights, comforts or conveniences of other Units Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument or operate or permit to be operated a CD player, radio or television set or other loud speaker in such Owner's Unit between the hours of twelve o'clock midnight and the following seven o'clock A.M. if the same shall disturb or annoy other occupants of the Building and in no event shall practice or suffer to be practiced either vocal or instrumental music between the hours of ten o'clock P.M. and the follow nine o'clock A.M.

11. No garments, rugs or similar items shall be hung from the windows or from any other part of the Building or balconies or clotheslines strung on or over the Common Elements (including any irrevocably restricted areas).

12. No sign of any kind shall be displayed to the public view on or in any Unit.

13. No Unit Owner shall leave any personal property (i.e. bicycles, carriages etc.) to be left in the hallways, corridors, lobby or other common areas.

14. No one shall ride bicycles, mopeds or skateboards on any portion of the Common Elements.

15. Every Unit Owner shall comply with the recycling laws of the City of New York or any other governmental entity having jurisdiction thereof.

The provisions set forth above shall not be applicable to Sponsor and its nominees and agents shall have the right and privilege to maintain general and local rental offices in and about the Condominium, including any model Units located within the Condominium Building or elsewhere throughout the project, and shall have the right and privilege to have their representatives, employees and agents present on the Condominium premises to show the apartments to prospective purchasers, to utilize the Common Elements and without limitation, to do any and all things necessary and incident to the sale of the Units, without charge or contribution other than in the form of Common Charge payments as otherwise provided for herein.

The Sponsor shall have the right to continue to employ signs of its choice upon the Condominium premises in its efforts to market and sell the individual Units. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invitees of the Sponsor, its successors and assigns, shall have the right of ingress and egress to and throughout the Common Elements of the Condominium. The last two paragraphs of this Article VIII may not be modified or amended without written consent of the Sponsor as long as Sponsor continues to own one

or more unsold Units.

ARTICLE IX

DEFAULT

In the event a Unit Owner does not pay any sums, charges or assessments required to be paid when due, the Board of Managers shall notify the Unit Owner and the Mortgagee, if any, of such Unit. In such an instance the Board may, at its sole option, declare the Common Charge assessment on said Unit Owner's Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default, the Board shall send notice to the delinquent Unit Owner and the mortgagee, if any, of such Unit, giving the Unit Owner a five (5) day grace period in which to make his payment. Interest at the highest legal rate may be collected by the Board on the Common Charge assessment from its due date to the day payment is actually received from the Unit Owner. If any sum, charge or assessment shall remain unpaid for ninety (90) days after the giving of notice by the Board of Managers or Managing Agent, acting on behalf of the Board, that the payment is overdue, the Board may foreclose the lien encumbering the Unit as a result of the non-payment of the required monies as set forth in the Declaration (subject to the lien of any first mortgage), in the same manner as the foreclosure of a mortgage. In the event the Owner of a Unit does not pay the assessment required to be paid by him within ninety (90) days of its due date, said sum shall bear interest at the highest legal rate from its due date and said Unit Owner shall be liable for the Condominium's reasonable costs and reasonable attorney's fees incurred by it incident to the collection or enforcement of such lien.

Each Unit Owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default, regardless of the harshness of the remedy available to the Condominium and regardless of the availability of other equally adequate legal procedures. It is the intent of all Unit Owners to give the Condominium a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from the Unit Owners and to preserve each Unit Owner's right to enjoy his Unit free from unreasonable restraint.

ARTICLE X

AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called Unit Owners' meeting provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by eighty percent (80%) of the Unit Owners in number and Common Interest; and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment shall affect or impair the validity or priority of the Unit

Owner's interests and the interests of holders of a mortgage encumbering a Unit or Units, or adversely affect Sponsor's rights.

ARTICLE XI

SELLING, MORTGAGING AND LEASING UNITS

Section 1. Selling and Leasing of Units.

No Unit Owner, other than the Sponsor, may convey his Unit or any interest therein by sale or lease except in the manner set forth in this Section.

Any Unit may be conveyed or leased by its owner free of any restrictions except that no Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until all unpaid Common Charges assessed against his Unit shall have been paid to the Board Managers. However, such unpaid Common Charges can be paid out of the proceeds from the sale of a Unit or by the grantee. Further, a Unit Owner may convey his Unit and his Common Interest appurtenant thereto, to the Board of Managers on behalf of all Unit Owners free of any cost to the Board or the Unit Owners and upon such conveyance such Unit Owner shall not be liable for any Common Charges thereafter accruing against such Unit. Any sale or lease of any Unit in violation of this Section shall be voidable at the election of the Board.

The provisions of this Section shall not apply to the acquisition or sale of a Unit by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any purchaser from such mortgagee. The provisions of this section shall not apply to a Unit owned by the Sponsor or its designee until a deed to such Unit has been delivered to a purchaser thereof.

Whenever the term "Unit" is referred to in this Section, it shall include the Unit, the Unit Owner's undivided interest in the Common Elements and the Unit Owner's interest in any Units acquired by the Board of Managers.

Section 2. Waiver of Partition Rights. The Unit Owners waive all rights to partition their Unit except as otherwise set forth herein.

Section 3. Mortgaging of Units. No Unit Owner may mortgage his Unit except by a mortgage loan granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, pension fund, trust company, real estate investment trust, real estate mortgage investment conduit, agency of the United States Government or of the City or State of New York, or other similar institutional lender or a purchase money mortgage granted by the Seller or any entity not included within any of the foregoing that is regularly engaged in the business of making, owning or servicing mortgage loans, provided that (i) the mortgage shall be substantially in the form of the New York statutory mortgage, (ii) the Board of Managers is notified in writing of the making of the mortgage and receives a conformed copy of the mortgage and note, (iii) the mortgage states that if consent by the mortgagee is required to any

amendment to the Condominium Declaration and By-Laws such consent will not be unreasonably withheld or delayed, and (iv) the Unit Owner making such mortgage first pays all assessments and Common Charges previously assessed by the Board of Managers against the Unit, and satisfies all unpaid liens against the Unit, except for the lien of a permitted mortgage. Notwithstanding the foregoing, the Sponsor and Sponsor's designee shall have the right to mortgage their Units without restrictions or limitation, but any such mortgage shall contain the representations in clauses (iii) and (iv) of this paragraph (if applicable).

Section 4. Gifts, etc. Any Unit Owner may convey or transfer his Unit by gift during his lifetime or devise his Unit by will or pass same by intestacy without restriction.

ARTICLE XII **CONDEMNATION**

In the event all or part of the Common Elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than \$60,000.00, and to the Board of Managers if the award is \$60,000.00 or less, to be distributed in accordance with Section 3 of ARTICLE VII but in the following amounts:

(a) So much of the award as is applicable to unrestricted Common Elements, to the Unit Owners pro rata according to their respective Common Interests appurtenant to the Units owned by such Unit Owners.

(b) So much of the award as is applicable to irrevocably restricted Common Elements, to the Unit Owners having general use of such Common Elements.

In such eminent domain or condemnation proceeding the Board shall request that the award shall set forth the amount allocated to unrestricted Common Elements and to each irrevocably restricted Common Element. In the event the award does not set forth such allocation, then the question of such allocation shall be submitted to arbitration in accordance with the Arbitration Statutes of the State of New York.

ARTICLE XIII **MISCELLANEOUS**

Section 1. Insurance. Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in his Unit that will increase the insurance rates on his Unit or any other Unit or on the Common Elements.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium. A Unit Owner who mortgages his Unit shall notify the Condominium through the Managing Agent, if any, or the President of the Board of Managers in the event there is no Managing Agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Units."

Section 4. Notice of Unpaid Assessments. The Board of Managers shall, at the request of a mortgagee or a Unit Owner, report any unpaid assessments due from the Unit Owner of such Unit.

Section 5. Examination of Books and Records. Every Unit Owner or his representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board during normal business hours, but not more often than once a month.

Section 6. Construction. Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the context so requires.

Section 7. Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

Section 8. Condominium Plan. In the event of any conflict between the provisions herein and those of the Offering Plan filed by Sponsor (the Declarant under the Declaration of Condominium), and any amendment thereto, the provisions of the Offering Plan shall govern.

ESCROW AGREEMENT

AGREEMENT made this 7th day of February 2008, between M.G.H. DEVELOPMENT LLC ("SPONSOR") as SPONSOR of the offering plan to the extent described below, and MARANS & WEISZ, LLC ("ESCROW AGENT"), as ESCROW AGENT.

WHEREAS, SPONSOR is the sponsor of a condominium offering plan for the sale of Condominium Units in a condominium to be known as The Lista Condominium located at 5306 Fourth Avenue, Brooklyn, New York (the "Premises") (such plan being called the "Plan"); and

WHEREAS, ESCROW AGENT is authorized to act as an ESCROW AGENT hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as ESCROW AGENT for deposits by purchasers on account of the purchase price of units in such Condominium (collectively, "Units" and each a "Unit") under the Plan, together with all accrued interest thereon (collectively the "Deposits"), pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

SPONSOR and ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers on account of the purchase price of Units under the Plan. The escrow account has been opened with Hudson Valley Bank at its branch located at 233 Broadway, New York, New York.

The name of the account is "Marans & Weisz LLC The Lista Condominium Attorney Trust Account."

Members of the ESCROW AGENT are the sole signatories on such account (the "escrow account").

The escrow account shall be an interest-bearing account.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

All Deposits received by ESCROW AGENT from each prospective purchaser of a Unit under the Plan, on account of the purchase price thereunder, prior to closing of

such Unit, 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 "Marans & Weisz, LLC as Escrow Agent." 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 promptly after receipt by ESCROW AGENT of such instrument following any attempts to deposit it; but, in any event, following such unsuccessful attempts to deposit it, ESCROW AGENT shall mail or otherwise send such instrument to such prospective purchaser within five business days of such receipt of such instrument by ESCROW AGENT. In the event of such return of such instrument, then such instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

For purposes of this Section 2, an unconditional tender and delivery of a Down Payment shall be deemed to have been made if a Down Payment is delivered together with a Purchase Agreement in the form agreed to by SPONSOR without any request for a change in such form or the terms of such Purchase Agreement. Within 10 business days after unconditional tender and delivery to the Selling Agent of the Down Payment required to be submitted by a purchaser on account of the purchase of a unit under the Plan, together with the Purchase Agreement for the purchase of such unit, ESCROW AGENT shall notify such purchaser of the deposit of such funds in the bank indicated in the Plan, provide the account number, and disclose the initial interest rate. Subject to the provisions of the next sentence, if such purchaser does not receive notice of such deposit within fifteen (15) business days after unconditional tender and delivery to the Selling Agent of such Down Payment, then such purchaser may cancel the purchase and rescind such purchaser's Purchase Agreement so long as such right to rescind is exercised within ninety (90) days after such purchaser's unconditional tender and delivery of such Down Payment to the Selling Agent, if any, or such purchaser may apply to the Attorney General for relief. However, a purchaser shall not be entitled either to rescind such purchaser's Purchase Agreement or to receive a refund of such purchaser's Deposit where proof satisfactory to the Attorney General is submitted establishing that such Deposit was timely deposited and notice as provided above was timely mailed to such purchaser in accordance with all regulations of the Attorney General.

3. RELEASE OF FUNDS.

ESCROW AGENT shall not release the funds of a defaulting purchaser until after Consummation of the Plan (as defined below) 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. "Consummation of the Plan" shall mean the first closing of title for the sale of a Unit under the Plan and in accordance with its requirements.

ESCROW AGENT shall continue to hold a purchaser's Deposit in escrow until:
(a) otherwise directed in one or more writings signed (whether on the same or separate

counterparts) by each of SPONSOR and such purchaser, or (b) otherwise directed in a determination of the Attorney General, pursuant to the dispute resolution procedures contained in the Attorney General's regulations, or (c) a judgment or order of a court of competent jurisdiction permits or requires the release of such Deposit, or (d) such Deposit is paid by ESCROW AGENT into a court of competent jurisdiction, or (e) such Deposit is paid to SPONSOR as provided below, or (f) such Deposit is paid to such purchaser as provided below.

SPONSOR shall not object to the release of the Deposit of any purchaser to such purchaser, provided such purchaser has not defaulted and has timely and validly rescinded such purchaser's Purchase Agreement in accordance with an offer of rescission contained in the Plan or an amendment to the Plan.

SPONSOR shall not object to the release of the Deposit of any purchaser after an amendment abandoning the Plan is accepted by the Department of Law.

If there is no written agreement between SPONSOR and a purchaser to release the Deposit paid by such purchaser, ESCROW AGENT shall not pay such Deposit to SPONSOR until after 10 business days following the date that ESCROW AGENT has given such purchaser written notice that ESCROW AGENT intends to pay to SPONSOR such Deposit. Thereafter, such Deposit may be paid to SPONSOR unless such purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and ESCROW AGENT has received, within such 10 business day period, notice from such purchaser that such application has been made.

4. RECORD KEEPING.

ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.

Upon the dissolution of a law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the Department of Law of such transfer.

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 RIGHTS AND OBLIGATIONS OF ESCROW AGENT.

ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.

A fiduciary relationship, pursuant to this Agreement, shall exist between

ESCROW AGENT and purchasers who have paid Deposits which are held by ESCROW AGENT, and ESCROW AGENT acknowledges such fiduciary obligations.

ESCROW AGENT undertakes to perform only such duties as are expressly set forth herein. If there is any conflict or inconsistency between the provisions of this Agreement and either the Plan or any Purchase Agreement (as defined in the Plan), the provisions of this Agreement shall be controlling.

If conflicting demands are made or notices are served upon ESCROW AGENT with respect to this Agreement, or if ESCROW AGENT shall hold a good faith belief that the rights of a claimant to any Deposit are not absolutely clear, the signatories hereto agree that ESCROW AGENT may refuse to comply with any such claim or demand and, except as hereinafter set forth in this Agreement, may withhold and stop all further proceedings in the performance of this Agreement so long as such disagreement shall continue. In so doing, ESCROW AGENT shall not be or become liable for damages or interest to any of the signatories hereto or to any other person for its failure to comply with such conflicting or adverse demands or notices. ESCROW AGENT may continue to so refrain and so refuse to act until (i) the rights of the adverse claimants have been finally adjudicated in a court having and assuming jurisdiction of the parties and/or the Deposit, as the case may be, or (ii) all differences, with respect to any Deposit, shall have been resolved by mutual agreement of SPONSOR and the purchaser who paid such Deposit, and ESCROW AGENT shall have been notified thereof in writing signed by both of said parties. In the alternative, ESCROW AGENT may, but shall not be obligated to, file a suit in interpleader for a declaratory judgment for the purpose of having the respective rights of the claimants adjudicated, and/or may deposit any Deposit with a court of competent jurisdiction, in which event SPONSOR agrees to pay all costs, expenses and attorneys' fees incurred by ESCROW AGENT in connection therewith. If ESCROW AGENT shall deposit any Deposit with such court, the ESCROW AGENT shall be fully released and discharged from any and all further duties and obligations hereunder with respect to such Deposit.

ESCROW AGENT shall not be responsible for any interest on any Deposit except for such as is actually received by ESCROW AGENT.

SPONSOR hereby agrees to indemnify ESCROW AGENT from, and to hold it harmless against, any loss, liability or expense (including, without limitation, attorneys' fees and expenses) incurred without gross negligence, willful default, or bad faith on the part of ESCROW AGENT, arising out of or in connection with its entering into this Agreement and carrying out its duties hereunder, including the costs and expenses of defending itself against any claim or liability.

In any action or proceeding, ESCROW AGENT may represent SPONSOR, even if such action or proceeding relates to or involves any Deposit, at the same time as ESCROW AGENT is holding such Deposit pursuant to this Agreement.

6. RESPONSIBILITIES OF SPONSOR.

SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall deliver to ESCROW AGENT each Deposit on account of the sale of a unit under the Plan which has been received by SPONSOR or such agents prior to closing of the sale of such unit within one (1) business day of receipt thereof.

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 canceled, by either:

(a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor ESCROW AGENT; or

(b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor ESCROW AGENT; or

(c) All Deposits held by ESCROW AGENT have been paid by ESCROW AGENT from the escrow account as provided in this Agreement.

7.2 ESCROW AGENT shall not be responsible for any delay between either i) any such cancellation by SPONSOR of the designation of ESCROW AGENT or ii) the resignation of ESCROW AGENT, and, in either such case, the date on which an amendment to the Plan appointing a successor ESCROW AGENT has been filed by the Department of Law and notice thereof has been given to ESCROW AGENT. Once any such cancellation of the designation of ESCROW AGENT has been given to ESCROW AGENT, or once ESCROW AGENT has given to SPONSOR notice of resignation as ESCROW AGENT, then in either case ESCROW AGENT shall not be obligated to accept thereafter any new Deposits in the escrow account.

7.3 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1(a) or (b) above, ESCROW AGENT shall deliver any and all Deposits held by it in escrow to the new successor ESCROW AGENT set forth in such amendment to the Plan, provided such amendment has been accepted for filing by the Department of Law and ESCROW AGENT has received a copy of such amendment.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

9. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

SPONSOR agrees that ESCROW AGENT's compensation shall not be paid from the Deposits nor from any interest accruing thereon (unless and to the extent SPONSOR is entitled to be paid such Deposits pursuant to this Agreement) and that compensation to ESCROW AGENT, if any, shall not be deducted from the Deposits (unless and to the extent SPONSOR is entitled to be paid such Deposits pursuant to this Agreement) by any financial institution under any circumstance. SPONSOR shall reimburse to ESCROW AGENT any fees or charges incurred in connection with the establishment and maintenance of the escrow account.

11. SEVERABILITY.

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.

This Agreement, read together with GBL Section 352-e (2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

13. NOTICE.

All notices and communications hereunder shall be in writing and shall be deemed to be duly given if personally delivered or sent by regular, certified or registered mail, with or without return receipt requested, postage prepaid, addressed as follows:

To SPONSOR:	M.G.H. Development LLC
	444 67th Street
	Brooklyn, New York 11220

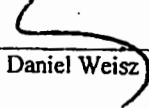
To ESCROW AGENT: Marans & Weisz, LLC
29 Broadway, Suite 2400
New York, New York 10006

or at such other address as any of the above may have furnished, as the address of such party, to the other parties in a notice given in accordance with the provisions of this Section. All notices sent in accordance with this Section shall be deemed given upon personal delivery or five days after the date of mailing, as the case may be.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

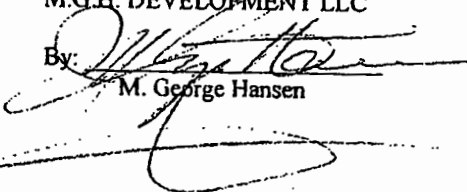
MARANS & WEISZ, LLC

By: 

Daniel Weisz

SPONSOR:

M.G.H. DEVELOPMENT LLC

By: 

M. George Hansen

M.G.H. Development LLC
444 67th Road
Brooklyn, New York 11220

August 13, 2008

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

Re: 5306 Fourth Avenue, Brooklyn, New York

Gentlemen:

I am the principal member of the Sponsor of the Offering Plan for the captioned property.

I understand that I have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as may be applicable.

I have read the entire Offering Plan. I have investigated the facts set forth in the Offering Plan and the underlying facts. I have exercised due diligence to form a basis for this certification. I certify that the Offering Plan does, and that documents submitted hereafter by me 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 form their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false

pretense or fictitious or pretended purchase or sale;

(vi) not contain any promise or representation as to the future that is
beyond reasonable expectation or unwarranted by existing
circumstances; and

(vii) not contain any representation or statement which is false, where I:

(a) knew the truth;

(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth; or

(d) did not have knowledge concerning the representations or
statements made.

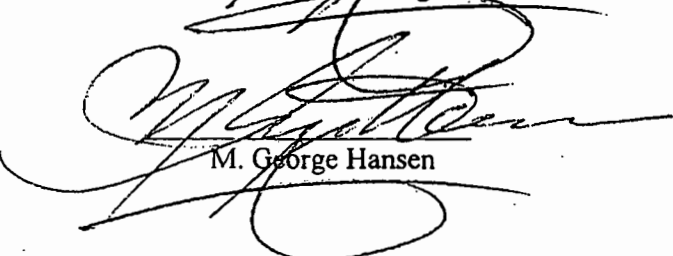
This certification is made under penalty of perjury for the benefit of all
persons to whom this offer is made. I understand that violations are subject to the civil
and criminal penalties of the General Business Law and Penal Law.

Very truly yours,

M.G.H. Development LLC

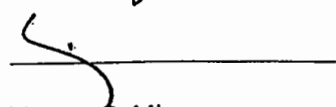
By: 

M. George Hansen


M. George Hansen

Sworn to before me this 12th

day of August, 2008


Notary Public

206

DANIEL WEISZ
NOTARY PUBLIC-STATE OF NEW YORK
NO 02WES12580
COMMISSION EXPIRES 4/13/10
QUALIFIED IN NEW YORK COUNTY

CERTIFICATION BY ARCHITECT

Udoette Daniel Isaiah, RA
134 Emily Avenue
Elmont, New York 11003

Dated: August 22, 2008.

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

Re: **5306 Fourth Avenue , Brooklyn, New York**

Gentlemen and Ladies:

The Sponsor of the Offering Plan to convert the captioned property to condominium ownership retained me to prepare a report describing the construction and renovation of the property (the "Report"). I prepared the building plans and specifications, dated December 18, 2007 and prepared the Report dated December 18, 2007, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

I am a registered architect in the State in which the property is located.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the 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 in the Report and the facts underlying it with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

We certify that the Report:

- (i) sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of the construction, provided that construction is in accordance with the plans and specifications that I prepared;

- (ii) in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it exists following the completion of construction, provided that construction is in accordance with the plans and specifications that I have prepared;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where I
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representations or statements made.

I further certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my firm's compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Very truly yours,

By:

Udoette Daniel Isiah, P.A.



Seal

Sworn to before me this
22nd day of August, 2008

Notary Public

DANIEL WEISZ
NOTARY PUBLIC-STATE OF NEW YORK
NO 02WE6125500
COMMISSION EXPIRES 4/18/09
QUALIFIED IN NEW YORK COUNTY

Leonard P. Dahl
568 Foster Road
Staten Island, New York 10309

June 4, 2008

The Lista Condominium
c/o M.G.H. Development LLC
444 67th Road
Brooklyn, New York 11220

Re: The Lista Condominium
5306 Fourth Avenue, Brooklyn, New York

Ladies/Gentlemen:

The undersigned certify as follows:

The Sponsor of the Condominium Offering Plan for the captioned property retained my firm to review Schedules B and B-1, containing projections of income and expenses for the first year of condominium operation of The Lista Condominium. I am a certified residential real estate broker, consultant and appraiser for over 40 years. I am familiar with the condominium market in the vicinity of the captioned property.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 21 insofar as they are applicable to Schedules B and B-1.

I have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience as a residential real estate broker, consultant and appraiser.

I certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

I certify that the Schedules:

(i) set forth in detail the projected income and expenses for the first year of condominium operation;

(ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

(iii) do not omit any material fact;

(iv) do not contain any untrue statement of a material fact;

(v) do not contain any fraud, deception, concealment or suppression;

(vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

(vii) do not contain any representation or statement which is false, where I:

(a) knew the truth;

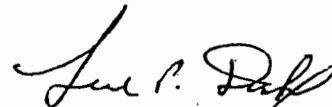
(b) with reasonable effort could have known the truth;

(c) made no reasonable effort to ascertain the truth;

(d) did not have knowledge concerning the representation or statement made.

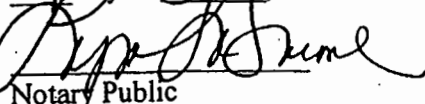
I further certify that I are not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation. This certification is made under penalty or perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.



Leonard Dahl

Sworn to before me this
4 day of June, 2008


Notary Public

LYNN M. SKONE
Notary Public, State of New York
No. 01S15074108
Qualified in Richmond County
Commission Expires March 10, 2011