**This plan has been amended. See inside cover.**

# CONDOMINIUM OFFERING PLAN

**FOR**

# THE BRIGHTON TOWER II CONDOMINIUM

AT

**3015 BRIGHTON 6TH STREET**
**BROOKLYN, NEW YORK 11235**
**KINGS COUNTY**

| | |
|---|---|
| **TOTAL OFFERING PRICE OF THIRTY EIGHT (38) RESIDENTIAL UNITS:** | **$18,995,000.00** |
| **TOTAL OFFERING PRICE OF FOUR (4) COMMERCIAL UNITS:** | **$ 5,636000.00** |
| **TOTAL OFFERING PRICE** | **$24,631,000.00** |

**SPONSOR AND SELLING AGENT:**

Brighton Builder, LLC
75 Beaumont Street
Brooklyn, New York 11235

**SPONSOR'S ATTORNEY**

Tsyngauz & Associates, P.C.
18 West 21st Street, 3rd Floor
New York, New York 10010
Ph. 212-337-9770 Fx. 212-337-9773

**THE DATE OF ACCEPTANCE OF THIS PLAN IS OCTOBER 28 2008**
**THIS PLAN MAY NOT BE USED FOR MORE THAN 12 MONTHS FROM SUCH DATE**
**UNLESS EXTENDED BY A DULY FILED AMENDMENT.**
**CD08-0488**

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

**PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. SEE PAGE 1 OF THIS PLAN FOR SPECIAL RISKS TO PURCHASERS**

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

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CERTIFICATIONS

- SPONSOR AND PRINCIPALS
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# PART I

## SPECIAL RISKS

1. The Sponsor has made, and will pursue, an application for abatement and exemption of taxes under Section 421-A of the Real Property Tax Law, and will make all filings necessary to obtain such benefits. Upon closing, the Sponsor will make all tax benefits documents available to the Condominium for inspection and copying for the life of the benefits. The Sponsor will timely file all applications and timely comply with all procedures required to properly process and maintain the benefits. The Sponsor will make the initial application at his own cost and expense. Purchasers are directed to see the "Real Estate Taxes" Section of the Plan

The Sponsor's projection of tax due for the first year of operation is based on the figures and assumptions in the accompanying expert's opinion as to real estate tax benefits. However, it is not possible to accurately determine what the increase and actual assessed valuation will be. Moreover, it is equally impossible to predict any future increases in real estate tax rates, which may affect the amount of tax due on the property. Purchasers are directed to see the "Real Estate Taxes" Section of the Plan

NO WARRANTY IS OR CAN BE MADE THAT THE BENEFITS SET FORTH HEREIN WILL BE OBTAINED. IN THE EVENT THE BENEFITS ARE NOT OBTAINED, OR IN THE EVENT THERE ARE INCREASES IN THE TAX RATE OR THE PROPERTY'S ASSESSED VALUATION OR IN THE STATUTES GOVERNING THE TAX BENEFITS, REAL ESTATE TAXES MAY BE HIGHER THAN SET FORTH ABOVE FOR THE FIRST YEAR OF OPERATION AND IN FUTURE YEARS. HENCE, INDIVIDUAL CARRYING COSTS FOR ALL UNITS WOULD ALSO BE HIGHER. Purchasers are directed to see the "Real Estate Taxes" Section of the Plan

2. All down payments will be placed in one IOLA account. The account is federally insured up to $100,000.00 but that does not guarantee that an individual down payment will be fully insured. Since the IOLA account may have well over $100,000.00 in it at any time given time, a Purchaser's individual deposit may not be covered. Purchasers are directed to see the "Procedure To Purchase" Section of the Plan

3. In the event of an uncured default by the Purchaser in his obligations under the Purchase Agreement, no more than ten (10%) percent of the purchase price may be retained as liquidated damages. Notwithstanding the above, the actual cost incurred by the Sponsor for any special or custom work in the Unit ordered by the Purchaser may also be retained as liquidated damages. The Sponsor agrees not to seek the remedy of specific performance in connection with the Purchase Agreement as to which there has been a default by the Purchaser. Purchasers are directed to see the "Procedure To Purchase" Section of the Plan

If the Purchaser defaults under the Purchase Agreement, the Sponsor shall notify the Purchaser in writing of such default and advise the Purchaser that he or she has thirty (30) days from the mailing date or personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR THE PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD. Purchasers are directed to see the "Procedure To Purchase" Section of the Plan

"Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date or personal delivery of such written notice, the Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. In such event the monies held by the Sponsor, but not more than ten (10%) percent of the purchase price, and any other sums incurred by the Sponsor for any special or custom work in the Unit ordered by the Purchaser, will be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement will become null and void. The Sponsor waives any right to seek specific performance in the event of a default by the Purchaser. Purchasers are directed to see the "Procedure To Purchase" Section of the Plan

4. Risk of loss for fire or other casualty remains with the Sponsor. However, a person who takes possession prior to the closing assumes the risk of losses not covered by insurance. Purchasers are directed to see the "Procedure To Purchase" Section of the Plan

5. The terms of this Plan transfer the statutory obligation to pay New York City Real Property transfer taxes (1.0% of the purchase price for Residential Units up to $500,000.00, 1.425% of the purchase price for Residential Units over $500,000.00, 1.425% of the purchase price for Commercial Units under $500,000.00 and 2.625% of the purchase price for commercial Units over $500,000.00) and New York State Documentary Stamp Taxes ($2.00 per $500.00 of purchase price for any Unit) to the Purchaser, so that the cost of such taxes represents an additional closing cost to the Purchaser, and an additional item of consideration on which transfer taxes must be paid. Additionally, the Purchaser is responsible for paying to the Sponsor's attorney a document preparation fee and closing attendance fee of $1,500.00, and may be responsible for an additional $250.00 if the closing takes place outside the office of Sponsor's attorneys and an additional $250.00 if the Purchaser fails to close on the date set forth in the notice of closing. Furthermore, the Purchaser is required to pay to the Sponsor $1,500.00 as partial reimbursement for the cost of preparing this Plan. Purchasers shall also pay to the Sponsor a fee of 1% of the purchase price for obtaining the tax abatement. Purchasers are directed to see the "Unit Closing Costs And Adjustments" Section of the Plan

6. The Sponsor is obligated to construct the building in accordance with all applicable codes and filed building plans and specifications. The Sponsor's obligations, regardless of any limitations in the warranty or in this offering plan, cannot go below the duty to construct the premises in accordance with all applicable codes and filed plans and specifications, and that any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. Purchasers are directed to see the "Rights and Obligations of Sponsor" Section of the Plan

The Housing Merchant Implied Warranty (Article 36-B of the General Business Law) does not apply to this offering because the Building consists of more than five (5) stories. Purchasers are directed to see the "Rights and Obligations of Sponsor" Section of the Plan

7. The Sponsor or Sponsor-designee will not retain voting control of the Board of Managers for more than five (5) years after the closing of the first Unit or whenever the Sponsor or Sponsor-designee shall transfer title to Units, the percentage Common Interest of which, in the

aggregate, equals more than ninety (90%) percent, whichever is sooner. Purchasers are directed to see the "Control By Sponsor" Section of the Plan

8. Since the Sponsor is not obligated, by law, to sell more than fifteen (15%) percent of the Units, the Sponsor may retain voting control over the Board of Managers for up to five (5) years from the date of the first closing. Purchasers are directed to see the "Control By Sponsor" Section of the Plan

9. The By-Laws of the Condominium do not include a provision that after the expiration of 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 the Sponsor, may have inherent conflicts on how the Condominium should be managed because of their reasons for purchasing, i.e., purchase as a home as opposed to as an investment. Purchasers are directed to see the "Control By Sponsor" Section of the Plan

10. The Purchaser will be responsible for heat, hot water, gas, electricity, telephone and cable service for their Unit. Purchasers are directed to see the "Description Of Property And Improvements" Section of the Plan

11. The Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all Residential Units to Purchasers for personal occupancy of Purchasers or their immediate family. However, in the event that there is a significant decline in market values of more than 10% from the offering prices set forth in the contracts counted toward effectiveness, the Sponsor reserves the right to rent, rather than sell, Units until the market value of the property increases to not less than 10% below the offering prices. Sponsor's good faith effort to sell to Purchasers will include listing Unsold Units with brokers, showing Unsold Units to broker and prospective Purchasers or their representatives, filing update amendments to the Plan and otherwise engaging in customary sales activities.

The Sponsor does not intend to make a bulk sale of all or some of its Unsold Units. However, if the Sponsor does make a bulk sale of all or some of its Unsold Units, the transferee successor Sponsor will be bound by the Sponsor's representations regarding its commitment to sell Units. Purchasers are directed to see the "Rights and Obligations of Sponsor" Section of the Plan

12. The building will contain a total of Forty Four (44) Parking Spaces. The Parking Spaces will be common elements of the condominium. However, no person shall be authorized to use a Parking Space unless they are a Parking Space License Holders authorized to use the Parking Space. At the closing of title to the first Unit the Board of Managers of the condominium will issue Forty Four (44) transferable, non-revocable, Parking Space Licenses to the Sponsor, thereafter the Sponsor, at his discretion and for additional consideration, shall assign the Parking Space Licenses to Unit Owners. Each Parking Space License shall authorize the Parking Space License Holder to use one designated Parking Space.

None of the Parking Space will be land-locked

Purchasers are directed to see the "Description of Property and Improvements" sections of the Plan for more details.

13. Parking Spaces PS6 and PS16 have been designated Handicapped Parking Spaces. The Parking Space Licenses for Parking Spaces PS6 and PS16 will be the last Parking Space Licenses assigned by the Sponsor. In the event that the present or future Owner of a Residential Unit of this condominium, or member of his or her family, becomes handicapped and acquires handicapped plates for his or her vehicle, said Handicapped Unit Owner has the right to demand that the Parking Space License Holder of Parking Space PS6, or PS16, trade the Parking Space License for the Handicapped Parking Space with said handicapped Owner. In the event that the present or future Owner of a Unit, or member of his or her family, becomes handicapped and said Unit Owner is not a Parking Space License Holder, said Unit Owner has the right to demand that the Parking Space License Holder of Parking Space PS6 or Parking Space PS16, sell the License at the then current, fair market value, to said handicapped Owner. All costs and expenses entailed in the assignment of the Parking Space License shall be borne by the party requesting the transfer. Notwithstanding anything to the contrary, in the event the present or future Parking Space License Holder of Parking Space PS6 or Parking Space PS16, or member of his or her family, becomes handicapped and acquires handicapped plates for his or her vehicle, said Unit Owner WILL NOT HAVE the right to demand that the Parking Space License Holder of Parking Space PS6, or Parking Space PS16, trade the Parking Space License for the Handicapped Parking Space with said handicapped Owner, IF the Parking Space License Holder of the Handicapped Parking Space, or member of his or her family, is handicapped or has already obtained handicapped plates for his or her vehicle.

14. Each Parking Space License Holder shall be obligated to pay a monthly License Fee of $19.32 to the Board of Managers. The License Fees collected by the Board of Managers shall be used to pay for maintaining of the Parking Area.

The Board of Managers shall have the right to revoke the Parking Space License of a Parking Space License Holder if the Parking Space License Holder fails to pay License Fees which accumulate to more than Five Hundred ($500.00) dollars, per License. Such revocation shall be made by sending, via certified mail with return receipt request, notice to the Parking Space License Holder stating that thirty days (30) from the mailing of the notice the Board of Managers shall revoke the Parking Space License unless all License Fees and penalties are paid. If such fees and penalties are not paid within said Thirty (30) day period the Board of Managers shall have the right to revoke the Parking Space License, by sending notice via certified mail to the Parking Space License Holder, with no future obligation to the Parking Space License Holder. Upon the revocation of a Parking Space License by the Board of Managers, the Board of Managers shall be authorized to issue a new Parking Space License in place of the revoked Parking Space License. The Board of Managers shall have the right to charge a fee for the issuance of a Parking Space License. Purchasers are directed to see the "Introduction" section of the Plan

15. Parking Space License Holders will not be allowed to vote for the Board of Managers. However, a Parking Space License Holder who also owns a unit in the condominium shall be allowed to vote based on the common interest allocated to the unit. Residents at the Brighton Tower I Condominium, located at 3047 Brighton 6th Street, Brooklyn, New York, who

purchase Parking Space Licenses in this condominium will assume the risk that they will be governed by an entity in which the have no right to vote. Purchasers are directed to see the "Board of Managers" Section of the Plan

16. No bond or other security has been posted to secure Sponsor's obligations under the Plan. Purchasers are directed to see the "Rights and Obligations of Sponsor" Section of the Plan

17. The physical dimensions of each Residential and Commercial Unit consist of the area enclosed horizontally by the exposed exterior face of the exterior and lot line walls of the Building, the outside face of the wall dividing the Unit from public corridors and public stairs and the center line of any demising wall shared with other Units and vertically by the upper face of the sub-floor of the Unit up to the unexposed face of the dry wall forming the upper ceiling of the Unit. Door and windows which open from a Unit and interior walls of a Unit are calculated as part of the Unit.

These measurements significantly exceed the actual usable floor area of the Units. Purchasers are directed to see the "Footnotes to Schedule A" section" of the Plan

18. The Sponsor has obtained two construction loans in the aggregate amount of $6,500,000.00 from The Community Preservation Corporation, located at 28 East 28th Street, 9th fl., New York, NY 10016 ("CPC"). Pursuant to the loan agreement, the Plan may be declared effective only after the execution and delivery of Purchase Agreements for at least Nineteen (19) Units, which is equal to 45% of the Units being sold. This requirement imposed by CPC is stricter that the requirement imposed by the regulations governing newly constructed, vacant or non-residential condominiums. Pursuant to the regulations, the plan may be declared effective when bona fide Purchasers, including investors, have signed Purchase Agreements for at least 15% of the units, which is equal to seven (7) Units offered under this Plan.

If the Sponsor chooses to refinance the CPC loan, or CPC waves their strict requirement, the Sponsor may be able to declare the plan effective when bona fide Purchasers, including investors, have signed Purchase Agreements for at least 15% of the units. If this occurs the Sponsor shall amend that plan to disclose the same.

In order to be counted toward the foregoing effectiveness threshold, a Purchase Agreement must:

(i) be in writing and signed by bona-fide arms-lengths Purchaser or Purchasers;

(ii) be accompanied by a minimum deposit of 5% of either the applicable purchase price or the applicable Minimum Sales Price (as hereinafter defined), whichever is greater; and

(iii) be with a Purchaser or Purchasers whose application has been submitted to CPC and approved by CPC in writing, which approval or disapproval to be provided within five (5) business days after receipt of the application.

Bona-fide arms-lengths Purchaser is a Purchaser who negotiates and buys the unit in good faith, honestly, openly and sincerely, without deceit and fraud.

Pursuant to the loan documents, the Sponsor has no right to sell the Units without the prior written consent of CPC. Provided the Sponsor is not in default with respect to any of its obligations set forth in the mortgage or in any of the other loan documents, CPC's consent to any such sale cannot be unreasonably withheld or delayed, proved that the sales price of the unit meets the "Minimum Sales Price" (as hereinafter defined).

Upon the sale of each Unit and payment of an amount equal to the Minimum Repayment Amount (as hereinafter defined), the Sponsor shall be entitled to a release of such Unit from the lien of CPC's mortgage.

The "Minimum Sales Price" means the sum of $315,000.00 for a One-bedroom Residential Unit, $382,500.00 for a Two-bedroom Residential Unit, $520,000.00 for a three-bedroom Residential Unit, $25,000.00 for a Parking Space, and $351.00 per Sq. Ft. of Commercial Space. The "Minimum Repayment Amount" means the sum of $299,250.00 for a One-bedroom Residential Unit, $363,375.00 for a Two-bedroom Residential Unit, $494,000.00 for a Three-bedroom Residential Unit, $25,000.00 for a Parking Space, and $333 per Sq. Ft. of Commercial Space. See "Rights and Obligations of Sponsor" Section of the Plan

19. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Such restrictions include requiring a certain percentage (such as 35% or 50%) of the Units in the Building be sold before the lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty obtaining a loan in the Building where the percentage of the Units purchased is lower than a lender's particular sales minimum. Even once a Building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a Purchaser to resell the Unit if prospective buyers are unable to obtain a loan due to such minimum sales requirements.

20. The condominium shall not contain any recreational space. Purchasers are directed to see the "Description Of Property And Improvements" section of Part I of this Plan

21. The property will have one water meter in the building. The water meter shall serve the Thirty Eight (38) Residential Units and the Four (4) Commercial Units. Water usage shall be paid through the Residential and Commercial Unit owner's common charges. Purchasers are directed to see the "Description Of Property And Improvements" section of Part I of this Offering Plan.

22. No measures have been taken to mitigate the nesting of pigeons on the rooftop and the rooftop accessories. Purchasers are advised that pigeon droppings are highly corrosive and have proven to cause serious disease in humans. Purchasers are directed to see the "Description Of Property And Improvements" section of Part I of this Offering Plan.

23. If the Purchaser fails to close on the scheduled Closing Date for any reason, then (i) the closing adjustments shall be made as of the midnight of the day preceding the date

originally scheduled for the closing date, and (ii) the Purchaser shall pay to Sponsor, as a late fee, an amount equal to .03% times the unpaid portion of the purchase price for his or her unit for each day's delay, beginning with the date originally scheduled for the closing date to and including the day immediately preceding the actual closing date. Purchasers are directed to see the "Unit Closing Costs And Adjustments" section of the plan.

24. The provisions of the "Unit Closing Costs and Adjustments" section of this plan are incorporated into the Purchase Agreements. Purchasers should carefully read the section. Purchasers are directed to see the "Unit Closing Costs and Adjustments" section of this Plan.

25. There are Four (4) Commercial Units offered for sale under this Plan. The use of the Commercial Units will result in an increased amount of noise and traffic outside of the building. Purchasers are directed to see the "Introduction" section of the Plan.

26. The use of the Four (4) Commercial Units is limited to Community Facility Use. Purchasers are directed to see the "Commercial Unit" section of the Plan.

27. The Four (4) Commercial Units will not have any natural gas service. Purchasers are directed to see the "Description of Property and Improvements" section of the Plan.

28. Due to the location of the meter rooms for the gas, electric and water meters, and the mechanical room housing the fire pump, such meters and pump will only be accessible through Units C3 and C4. Purchasers of Units C3 and C4 shall be subject to a restriction in the declaration, and their deed, forbidding them from making any alterations inhibiting access to the mechanical room doors. Furthermore, owners of Units C3 and C4 will be obligated to allow anyone who needs access to the mechanical rooms to enter their Unit, upon two day's prior notice, in order to access the meter or mechanical room for scheduled meter readings or repairs. Furthermore, owners of Units C3 and C4 and shall grant the Board of Managers and its agents the right to enter the unit at any time for emergency repairs. Purchasers are directed to see the "Description of Property and Improvements" section of the Plan.

29. The Sponsor shall not provide refrigerators, dishwashers, or washer/dryers in the Residential Units. Purchasers are directed to see the "Description of Property and Improvements" section of part I of the Plan.

30. The Commercial Units are designed to be heated and cooled through an electric split system central air HVAC Unit. The Sponsor shall not provide any exhaust for the installation of gas HVAC units. Furthermore, the Sponsor shall not provide any ducts for operation of the HVAC systems. Purchasers are directed to see the "Description of Property and Improvements" section of part I of the Plan.

31. Since the Commercial Units are being sold as "Vanilla Boxes" the Sponsor is unable to estimate the cost of providing electricity to the Commercial Units. Purchasers are directed to see the "Description of Property and Improvements" section of part I of the Plan.

32. During the time which the Board of Managers is controlled by the Sponsor the Board of Managers will consist of only one (1) member, Leon Mikhlin, the sole principal of the Sponsor. Purchasers are directed to see the "Control by Sponsor" Section of the Plan

## INTRODUCTION

The Sponsor is offering for sale Four (4) Commercial Units, Thirty Eight (38) Residential Units, and Forty Four (44) Parking Spaces Licenses at a building to be know as 3015 Brighton 6th Street, Brooklyn, New York 11235, as a Condominium to be known as The Brighton Tower II Condominium (the "Condominium"). The building will also be know by the addresses 606 Oceanview Avenue, Brooklyn, New York 11235 and 614 Oceanview Avenue, Brooklyn, New York 11235. The following pertinent information is set forth with respect thereto:

1. The Sponsor may not, under law, offer for sale Condominium Units unless and until an Offering Plan (the "Plan") has been accepted for filing by the New York State Department of Law. The purpose of the Plan is to set forth all the material terms of the offer to sell the Units in the Condominium. The Plan may be amended from time to time when an amendment is filed with the New York State Department of Law. Such an amendment shall be served on:

   i. Purchasers who have executed and delivered Purchase Agreements to the Sponsor or Selling Agent and whose Purchase Agreements are in effect,
   ii. Unit Owners, and
   iii. any other person entitled to service pursuant to local law or regulation.

2. The Condominium is subject to and complies with Article 9-B of the Real Property Law of the State of New York, as amended (the "Condominium Act").

3. The Sponsor is Brighton Builder, LLC, having an address at 75 Beaumont Street, Brooklyn, New York 11235. The Sponsor acquired 606 and 614 Oceanview Avenue, Brooklyn, New York 11235 on March 2, 2007 and 3013, 3015, 3017 and 3023 Brighton 6th Street, Brooklyn, New York 11235 on February 3, 2006.

4. An affiliate of the Sponsor, Mikhlin Holdings, Inc, having an address at 75 Beaumont Street, Brooklyn, New York is currently developing a neighboring property at 3047 Brighton 6$^{th}$ Street, Brooklyn, New York 11235. The property's area is approximately 13,500 Sq. Ft. It is being developed and intended for conversion into a condominium, bearing the name The Brighton Tower I Condominium. The condominium is expected to be similar to this one, containing Residential and Commercial Units and Parking Spaces. The Offering Plan for said building has been submitted for filing under file number CD08-0488.

4. The building plans and the Certificate of Occupancy will provide for Four (4) Community Facility Units and Thirty Eight (38) Residential Apartments as well and Forty Four (44) Parking Spaces. The Plan calls for the sale of Four (4) Commercial Units, Thirty Eight (38) Residential Units, and Forty Four (44) Parking Spaces Licenses.

Purchasers are directed to see the "Schedule A" of Part I of the Plan for prices and other information concerning the Units.

5. The prices for Units offered herein have been set by the Sponsor alone. They are not subject to review or approval by the New York State Department of Law or any other

governmental agency. The Sponsor's lender, The Community Preservation Corporation, has set minimum sales prices for the sale of the units. The Sponsor's sale prices exceed those set by its lender.

6. The Parking Spaces in the building will be Common Elements of the condominium. However, no person shall be authorized to use a Parking Space unless they are a Parking Space License Holders authorized to use the Parking Space.

At the closing of title to the first Unit the Board of Managers of the condominium will issue Forty Four (44) transferable, non-revocable, Parking Space Licenses to the Sponsor. Thereafter, the Sponsor, at his discretion and for additional consideration, shall assign the Parking Space Licenses to Unit Owners. Each Parking Space License shall authorize the Parking Space License Holder to use one designated Parking Space.

A Parking Space License can only be purchased by a Residential or Commercial Unit Owner of this condominium. However, after the Sponsor's compliance with §60 of the Multiple Dwelling Law the Sponsor shall be authorized assign Parking Space Licenses to owners of units in the Brighton Tower I Condominium, located at 3047 Brighton 6th Street, Brooklyn, New York 11235.

Not withstanding anything to the contrary, since Parking Spaces may be offered to both owners of this condominium and the Brighton Tower I Condominium, and the Brighton Tower I Condominium has a shortage of Parking Spaces, not all Unit owners will have the opportunity to purchase a Parking Space.

None of the Parking Spaces will be land-locked and all Parking Space Licenses will be sold on a first-come first-serve basis. Parking Spaces PS6 and PS16 have been designated handicapped Parking Spaces.

The Parking Space Licenses will contain a provision stating that the Parking Space License Holder shall be obligated to pay a monthly License Fee of $19.32 to the condominium's Board of Managers. The License Fees collected by the Board of Managers shall be used to maintain the Parking Area. If a Parking Space License Holder fails to pay the License Fee for two (2) consecutive months the Board of Managers shall have the right to suspend the Parking Space License Holder's right to use the Parking Space. In the event that a Parking Space License Holder's right to use the Parking Space is suspended and then re-instated, the Parking Space License Holder will be liable for any reasonable administrative costs incurred by the Board of Managers in suspending and re-instating the Parking Space License Holder's rights.

During the times in which a Parking Space License is suspended the Board of Managers shall have the right to use the Licensed premises as they see fit, so long as such use does not prohibit the Parking Space License Holder from using the premises upon consummation of the suspension.

The Parking Space License Agreement shall further provide that in the event that the Parking Space License Holder sells his or her Unit, and does not own any other units in the Brighton Tower I Condominium or Brighton Tower II Condominium, the Parking Space License

Holder shall be obligated to sell or assign the Parking Space License to another Unit owner. In the event that the Parking Space License Holder does not sell or assign the Parking Space License at the sale of the Unit such Parking Space License shall be automatically suspended. In the event that the Parking Space License Holder does not sell or assign the Parking Space License within one hundred eighty (180) days of the suspension date, the Board of Managers shall have the right to revoke the Parking Space License.

The Board of Managers shall have the right to revoke the Parking Space License of a Parking Space License Holder if the Parking Space License Holder fails to pay License Fees which accumulate to more than five hundred ($500.00) dollars, per License. Such revocation shall be made by sending, via certified mail with return receipt request, notice to the Parking Space License Holder stating that thirty days (30) from the mailing of the notice the Board of Managers shall revoke the Parking Space License unless all License Fees and penalties are paid. If such fees and penalties are not paid within said Thirty (30) day period the Board of Managers shall have the right to revoke the Parking Space License, by sending notice via certified mail to the Parking Space License Holder, with no future obligation to the Parking Space License Holder. Upon the revocation of a Parking Space License by the Board of Managers, the Board of Managers shall be authorized to issue a new Parking Space License in place of the revoked Parking Space License. The Board of Managers shall have the right to charge a fee for the issuance of a Parking Space License.

7. Parking Spaces PS6 and PS16 have been designated Handicapped Parking Spaces. The Parking Space Licenses for Parking Spaces PS6 and PS16 will be the last Parking Space Licenses assigned by the Sponsor.

In the event that the present or future Owner of a Residential Unit of this condominium, or member of his or her family, becomes handicapped and acquires handicapped plates for his or her vehicle, said Handicapped Unit Owner has the right to demand that the Parking Space License Holder of Parking Spaces PS6, or Parking Space PS16, trade the Parking Space License for the Handicapped Parking Space with said handicapped Owner.

In the event that the present or future Owner of a Unit, or member of his or her family, becomes handicapped and said Unit Owner is not a Parking Space License Holder, said Unit Owner has the right to demand that the Parking Space License Holder of Parking Space PS6 or Parking Space PS16, sell the License at the then current, fair market value, to said handicapped Owner. All costs and expenses entailed in the assignment of the Parking Space License shall be borne by the party requesting the transfer.

If the parties can not agree on the fair market value of the Parking Space License for the Handicapped Parking Space then the parties agree to submit the matter to binding arbitration in accordance with Article XIV of the By-Laws of the Condominium. The party seeking the arbitration shall be required to send the appropriate notice as more fully set forth in Article V of the By-Laws. Article V provides in part that all notices required or desired to be given hereunder shall be sent first class mail.

(i) if the Board of Managers of the Condominium, to the Board of Managers of the Condominium at its principal office as set forth in Section 1.7 hereof, with a

photocopy to the Managing Agent (if any) at its principal office address as designated as aforesaid;

(ii) if to a Parking Space License Holder other than the Sponsor or its designee, to such Space Owner at his or her address;

(iii) if to the Sponsor or its designee, to the Sponsor or such designee; and

(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Board of Managers of the Condominium.

The Owner of Parking Space PS6 and/or PS16 must comply with the aforementioned demand upon thirty (30) days notice.

Notwithstanding anything to the contrary, in the event the present or future Parking Space License Holder of PS6 or PS16, or member of his or her family, becomes handicapped and acquires handicapped plates for his or her vehicle, said Unit Owner WILL NOT HAVE the right to demand that the Parking Space License Holder of PS6, or PS16, trade the Parking Space License for the Handicapped Parking Space with said handicapped Owner, IF the Parking Space License Holder of the Handicapped Parking Space, or member of his or her family, is handicapped or has already obtained handicapped plates for his or her vehicle.

8. The Condominium will not have any common recreation space.

9. The Condominium Units will be newly constructed in accordance with all applicable zoning and building laws, regulations, codes and other government requirements as well as in accordance with the plans and specifications filed with the New York City Building Department and identified in the Plan. Prior to closing the first Unit, the Sponsor will obtain a permanent certificate of occupancy for the Property or, alternatively, obtain a temporary or partial certificate of occupancy for the Unit or the Building in which the Unit to be closed is located. The Sponsor will obtain a permanent certificate of occupancy for the Property within two (2) years of closing title to the first Unit, and in any event, before expiration of applicable temporary or partial certificate, as same may be renewed, replaced or extended.

10. The Residential and/or Commercial Units will be offered only to individuals over the age of eighteen (18) years, corporations, and other entities that may legally own real property in the State of New York. The Parking Units will be offered only to individuals who purchase the Residential or Commercial Units.

Neither the Sponsor nor the Selling Agent will discriminate in the sale or lease of Units on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

11. Each Unit Owner will own his Unit in a manner similar in many respects to the ownership of a private home. In addition to outright ownership of his own Unit, he will be entitled to exclusive possession of his Unit together with an undivided interest in and right to use the Common Elements, together with all other Unit Owners and exclusive right to use the Limited Common Elements. The Limited Common Elements are those areas appurtenant to a particular Unit, the use of which is restricted to the Owner of such Unit, but which are not owned by such Unit Owner.

Each Residential Unit Owner may use his Unit for residential purposes only and for any other legal purposes subject to the provisions of the Declaration of Condominium, By-Laws and Rules and Regulations promulgated pursuant thereto. A Commercial Unit Owner may use his Unit for any legal Community Facility use permitted by the certificate of occupancy, Zoning Resolution of the City of New York or other applicable laws. A Parking Space License Holder may use his Parking Space for parking of automobiles only.

The Board of Managers has the authority to conduct the affairs of the Condominium and supervise the operation of the Property. A Unit Owner will have the right to vote annually for the Board of Managers.

Parking Space License Holders will not be allowed to vote for the Board of Managers. However, a Parking Space License Holder who also owns a Unit in the condominium shall be allowed to vote based on the common interest allocated to the Unit.

Residents at the Brighton Tower I Condominium, located at 3047 Brighton 6th Street, Brooklyn, New York, who purchase Parking Space Licenses in this condominium will assume the risk that they will be governed by an entity in which they have no right to vote.

Unit Owners and Parking Space License Holders will be required to pay Common Charges and License Fees in accordance with the Condominium Declaration, By-Laws and Sections 339-i, 339-m of the Real Property Law, and other applicable provisions of the Condominium Act, proportionate to his respective interest in the Common Elements, for the operation and maintenance of the Condominium property as the Board of Managers may determine.

Each Unit Owner will be taxed separately for real estate tax purposes. He may obtain his own mortgage loan on his Unit and pay directly to the mortgage lender the interest and amortization on his mortgage. His Unit will not be affected by any other Unit Owner's separate obligation for such Unit Owner's mortgage or real estate taxes.

A Unit Owner may sell or lease his Unit subject only to the right of first refusal exercisable by the Board of Managers, and may mortgage his Unit with an institutional lender subject to the provisions of the By-Laws. The assignment of a Parking Space License shall also be subject to the right of first refusal.

Each Unit Owner will be responsible for the cost of interior maintenance and repairs to his Unit, and for the cost of decorating the interior of his Unit beyond that set forth in "Description of Property and Specifications" Section of this Plan. Each Unit Owner will be responsible for the cost of his own liability insurance for occurrences within his Unit as well as for casualty insurance to cover losses to personal possessions within his Unit. A more detailed description of the rights and obligations of Unit Owners is contained in the Declaration and By-Laws of the Condominium. These documents appear in Part II of this Plan.

The price for each Unit, the percentage of Common Interest allocated to each Unit, the estimated annual Common Charges and other financial information are found in Schedules A, B and B-1 of Part I of this Plan.

In the opinion of counsel for the Sponsor, each Unit Owner may be entitled to certain deductions for Income Tax purposes. See "Opinion of Counsel" Section in Part I of the Plan.

12. The Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all Residential Units to Purchasers for personal occupancy of Purchasers or their immediate family. However, in the event that there is a significant decline in market values of more than 10% from the offering prices set forth in the contracts counted toward effectiveness, the Sponsor reserves the right to rent, rather than sell, Units until the market value of the property increases to not less than 10% below the offering prices. Sponsor's good faith effort to sell to Purchasers will include listing Unsold Units with brokers, showing Unsold Units to broker and prospective Purchasers or their representatives, filing update amendments to the Plan and otherwise engaging in customary sales activities.

The Sponsor does not intend to make a bulk sale of all or some of its Unsold Units. However, if the Sponsor does make a bulk sale of all or some of its Unsold Units, the transferee successor Sponsor will be bound by the Sponsor's representations regarding its commitment to sell Units.

13. The Board of Managers of the Condominium does not have the right to approve or disapprove Purchasers. There is no limit on the number of Owners who may purchase for investment rather than for personal occupancy. There may always be a substantial percentage of Owners who are non-residents. However, the By-laws of the condominium will have a provision forbidding any Residential Unit Owners from leases their unit for a period less than Two (2) months.

14. The By-laws of the condominium will contain a provision stating that in the event of a foreclosure by a Residential Unit's lender, from the proceeds of the sale the lender shall not be obligated to pay more than six (6) months of past due common charges.

15. The large amount of Commercial Area and Parking Spaces in the building will increase noise and traffic outside of the building.

16. The agreement to Purchase a Unit or a Parking Space License is reproduced in Part II of this Plan. The proposed Deed, Parking Space License and Assignment of License are also reproduced in said part.

17. The rights and obligations of the Sponsor are set forth in Part I of this Plan.

18. A physical description of the improvements constructed or to be constructed may be found in Part II of this Plan.

19. Any controversy among Unit Owners must be resolved by Unit Owners in accordance with the By-Laws, inasmuch as no governmental agency has jurisdiction to regulate the Condominium's internal affairs.

20. 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 25 cents per page at the office of the Sponsor's attorney, Tsyngauz & Associates, P.C., 18 West 21st Street, New York, New York 10010 for six years from the date of first closing.

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

**Intentionally Omitted**

## DEFINITIONS

The definitions set forth herein are for informational purposes and should be read in conjunction with technical definitions appearing in the Declaration, By-Laws, and Condominium Act, all of which appear in Part II of the Plan.

1. Board of Managers. The governing body of the Condominium which will conduct the affairs of the Condominium and supervise the operation of the Property.

2. Building. The structure at 3015 Brighton 6th Street, Brooklyn, New York 11235, which will comprise the Units and portions of the Common Elements of the Condominium as above described. The Building will also be know by the addresses 606 Oceanview Avenue, Brooklyn, New York 11235 and 614 Oceanview Avenue, Brooklyn, New York 11235.

3. Common Elements. The land and all parts of the Building other than Units, including without limitation, the lobby, hallways, mechanical and electrical equipment, parking spaces and any portions of the Building to be set aside for common use.

4. Common Expense. Expenses of operation of the Property, and all sums designated Common Expenses by or pursuant to the provisions of the New York Condominium Act, the Declaration or By-Laws.

5. Common Interest. The proportionate undivided interest, in fee simple absolute, expressed as a numerical percentage, in the Common Elements, appurtenant to each Unit. The aggregate Common Interest for all Units is 100%. The percentage of Common Interest of the Unit is the basis for the determination of, among other things, the following rights and duties of the Unit Owners:

(a) Voting power;
(b) Share of Common Expenses--i.e. operating and other expenses of the Condominium as determined by the Board of Managers;
(c) Share of any distribution upon termination of the Condominium.

6. (a) Common Charges. Each Unit's proportionate share of the Common Expenses in accordance with the Common Interest of the Unit.

(b) Common Profits. The excess of the receipts of the rents, profits and revenue from the Common Elements remaining after the deduction of the Common Expenses.

7. Condominium. The Units, Common Elements and Limited Common Elements constituting the Condominium to be located at 3016 Brighton 6th Street, Brooklyn, New York 11235 and to be known as The Brighton Tower II Condominium. The word "Property" shall be used interchangeably and shall have the same meaning as the term "Condominium" as defined above.

8. Declaration. The recorded, written instrument by which the Property is submitted to the provisions of the New York Condominium Act, as such instrument may from time to time be amended, consistent with the law, the provisions of the Declaration and the Condominium By-Laws.

9. License. An agreement which grants the privilege to an act on land without possessing any estate or interest in the land.

10. Limited Common Elements. Common Elements appurtenant to a particular Unit or Units the use of which is restricted to the Owners of such Unit or Units. The respective responsibilities of such Unit Owners and the Board of Managers for repair and maintenance of Limited Common Elements are set forth in the Declaration and By-Laws.

11. Offering Plan. A statement prepared on behalf of the Offeror (Sponsor), as defined below, designed to disclose all material facts concerning the proposed Condominium, in order to aid prospective Purchasers in making informed decisions regarding their purchases.

12. Parking Space. An area in the property designated for the parking of automobiles.

13. Parking Space License. A License agreement granting its holder, or his designee, the right to use a designated Parking Space.

14. Parking Space License Holder. The owner of a Parking Space License.

15. Property. The land and Building located at 3015 Brighton 6th Street, Brooklyn, New York 11235.

16. Sponsor. The initial offeror of interests in the Condominium. The Sponsor of the offering is Mikhlin Holdings, Inc.

17. Selling Agent. The entity which will originate and supervise sales of Units. The Selling Agent is the Sponsor having an address at 75 Beaumont Street, Brooklyn, New York 11235.

18. Unit. Any space in the Building designated as a Residential or Commercial. Such Units are part of the Property intended for any type of legal use or uses, and adjoin an exit to a public street or highway or a Common Element or Elements leading to a public street or highway.

19. Unit Owner. The person or persons owning a Unit in fee simple absolute.

## DESCRIPTION OF PROPERTY AND IMPROVEMENTS

These outline specifications are intended to outline generally the nature of the work, materials and equipment and to indicate the contemplated character of the Building, but shall not be interpreted as enlarging in any manner, directly or indirectly, the obligation or liability of the Sponsor as set forth in this Plan. A more detailed description and approximate two-dimensional floor plans are set forth in "Description of Property and Specifications" Section of Part II of the Plan.

### Building

The offering consists of Four (4) Commercial Units, Thirty Eight (38) Residential Units and Forty Four (44) Parking Spaces License in the Building located at 3015 Brighton 6th Street, Brooklyn, New York 11235. Commercial Unit C1 will also be known by the addresses 606 Oceanview Avenue, Brooklyn, New York 11235. Commercial Unit C2 will also be known by the addresses 614 Oceanview Avenue, Brooklyn, New York 11235.

The building is located in a R6 Zoning District, which permits a building of this nature.

A R6 Zoning District allows all types of dwelling units and community facilities such as:

(a) medical offices;
(b) government operated health centers or independent out-of-hospital health facilities incorporated pursuant to Article 7 of the New York State Social Services Law;
(c) churches, rectories, or parish houses;
(d) non-commercial clubs.

A typical R6 development is usually between six (6) and eight (8) stories.

The structure is being newly constructed pursuant to the plans approved by the New York City Building Department on August 21, 2006 under application number 301982451.

The Building will have Five (5) separate entrances. The building' main entrance will be located at the Brighton 6$^{th}$ Street front facade of the building. This entrance will have a 5 step walk down which will lead to the cellar level of the main portion of the building. Located adjacent to the stairs will be a handicapped elevator capable of transporting a handicapped person to the cellar level. From said area there shall be three doors; one shall lead to Commercial Unit C3, one shall lead to Commercial Unit C4 and one shall lead to the residential entrance, which shall lead to the common residential stairs and elevator.

The second entrance will be a vehicular entrance located adjacent to the main entrance. It will be used solely by the user of Parking Space 44. This entrance will be accessible only from Brighton 6$^{th}$ Street.

The third entrance will be another vehicular entrance located adjacent to the second entrance. This vehicular entrance will provide entry to the first floor parking area via a ramp overhead door. Like the second entrance, this entrance will be accessible only from Brighton 6th Street.

The fourth entrance will provide entry solely into Commercial Unit C1; the fifth entrance will provide entry solely into Commercial Unit C2. Both entrances will be along the Oceanview Avenue side of the building and will have a five step walk down, and an adjacent handicapped elevator. The Residential and Parking portions of the building will not be accessible through the fourth and fifth entrances. Unit C1 will also be known by the address 606 Oceanview Avenue, Brooklyn, New York 11235 and Unit C2 will also be known by the address 614 Oceanview Avenue, Brooklyn, New York 11235.

The streets beyond the lots lines are New York City sidewalks, curbs and roadways. The pavement of roadways is composed of asphalt, and the pavement of sidewalks and curbs is composed of concrete.

Street lighting is provided by the City of New York. Street lamps are located in front of the Building and will provide sufficient illumination to meet public safety. All new lighting fixtures throughout will provide adequate lighting in all public areas, parking area, exterior parking, driveways and ramps, roof, front and rear yards.

Water is provided by the City of New York. Water service will be from a city main in Brighton 6th Street which will supply potable water to a meter within the Building. The water will then be distributed throughout the Building by branch lines. All Units will have a single common water meter. Water pressure will be provided by the city main, having wiring to a remote meter readout device. New storm and sanitary sewer lines will be connected to the city sewer system. Storm detention roof drains will not be provided.

Natural gas service, to the Residential Units, for cooking, heating and hot water will be provided by Keyspan Energy. Each Residential Unit will have a separate meter. The Commercial Units will not have gas service.

Electricity to the Building will be provided by Consolidated Edison of New York. The main feed will bring the service to Forty-Four (44) separate meters; One (1) for each Residential Unit, One (1) for the common areas of the building (PLP), One (1) for the fire pump room and One (1) for the each Commercial Unit. There will be one main panel serving each meter.

Due to the location of the meter rooms for the gas, electric and water meters, and the mechanical room housing the fire pump, such meters and pump will only be accessible through Units C3 and C4. Purchasers of Units C3 and C4 shall be subject to a restriction in the declaration, and their deed, forbidding them from making any alterations inhibiting access to the mechanical room doors. Furthermore, owners of Units C3 and C4 will be obligated to allow anyone who needs access to the mechanical rooms to enter their Unit, upon two day's prior notice, in order to access the meter or mechanical room for scheduled meter readings or repairs.

Furthermore, owners of Units C3 and C4 and shall grant the Board of Managers and its agents the right to enter the unit at any time for emergency repairs.

Each Residential and Commercial Unit will have a minimum of 100 AMP service for power, lighting and air conditioning.

The building will be pre-wired for telephone connections. Telephone service will be provided by Verizon. Each Unit will be individually responsible for connections and service.

The Building will have a new intercom located in the main residential entrance.

Occupancy and Unit Information

| Unit # | Floor | Usage | Rooms/ Bedrooms/ Bathrooms |
|---|---|---|---|
| C1 | Cellar Level | Commercial | Vanilla Box |
| C2 | Cellar Level | Commercial | Vanilla Box |
| C3 | Cellar Level | Commercial | Vanilla Box |
| C4 | Cellar Level | Commercial | Vanilla Box |
| PS1-PS43 | First Floor | Parking Space | N/A |
| PS44 | Cellar Level | Parking Space | N/A |
| 2A | Second Floor | Residential | 7 / 3 / 2 |
| 2B | Second Floor | Residential | 6 / 2 / 2 |
| 2C | Second Floor | Residential | 4 / 1 /1 |
| 3A | Third Floor | Residential | 7 / 3 / 2 |
| 3B | Third Floor | Residential | 6 / 2 / 2 |
| 3C | Third Floor | Residential | 4 / 1 /1 |
| 4A | Fourth Floor | Residential | 7 / 3 / 2 |
| 4B | Fourth Floor | Residential | 6 / 2 / 2 |
| 4C | Fourth Floor | Residential | 4 / 1 /1 |
| 5A | Fifth Floor | Residential | 7 / 3 / 2 |
| 5B | Fifth Floor | Residential | 6 / 2 / 2 |
| 5C | Fifth Floor | Residential | 4 / 1 /1 |
| 6A | Sixth Floor | Residential | 7 / 3 / 2 |
| 6B | Sixth Floor | Residential | 6 / 2 / 2 |
| 6C | Sixth Floor | Residential | 4 / 1 /1 |
| 7A | Seventh Floor | Residential | 7 / 3 / 2 |
| 7B | Seventh Floor | Residential | 6 / 2 / 2 |
| 7C | Seventh Floor | Residential | 4 / 1 /1 |
| 8A | Eight Floor | Residential | 7 / 3 / 2 |
| 8B | Eight Floor | Residential | 6 / 2 / 2 |
| 8C | Eight Floor | Residential | 4 / 1 /1 |

| | | | |
|---|---|---|---|
| 9A | Ninth Floor | Residential | 7 / 3 / 2 |
| 9B | Ninth Floor | Residential | 6 / 2 / 2 |
| 9C | Ninth Floor | Residential | 4 / 1 /1 |
| 10A | Tenth Floor | Residential | 7 / 3 / 2 |
| 10B | Tenth Floor | Residential | 6 / 2 / 2 |
| 10C | Tenth Floor | Residential | 4 / 1 /1 |
| 11A | Eleventh Floor | Residential | 7 / 3 / 2 |
| 11B | Eleventh Floor | Residential | 6 / 2 / 2 |
| 11C | Eleventh Floor | Residential | 4 / 1 /1 |
| 12A | Twelfth Floor | Residential | 7 / 3 / 2 |
| 12B | Twelfth Floor | Residential | 6 / 2 / 2 |
| 12C | Twelfth Floor | Residential | 4 / 1 /1 |
| 13A | Thirteenth Floor | Residential | 7 / 3 / 2 |
| 13B | Thirteenth Floor | Residential | 6 / 2 / 2 |
| 13C | Thirteenth Floor | Residential | 4 / 1 /1 |
| PH1* | Fourteenth Floor | Residential | 3 / 0 / 1 |
| | Mezzanine | Residential | 0 / 0 / 1 |
| PH2* | Fourteenth Floor | Residential | 3 / 0 / 1 |
| | Mezzanine | | 0 / 0 / 0 |

* denotes that the unit is a studio and does not have a bedroom

The total number of rooms is calculated by using the following formula:

| | |
|---|---|
| Living Room | = 1 |
| Bedroom | = 1 |
| Bathroom | = 1 |
| Kitchen | = 1 |

Hallways, mechanical rooms and Mezzanines are not counted as rooms.

**Parking Spaces**

The building will contain a total of Forty Four (44) Parking Spaces. The Parking Spaces will be common elements of the condominium. However, no person shall be authorized to use a Parking Space unless they are a Parking Space License Holders authorized to use the Parking Space.

At the closing of title to the first Unit the Board of Managers of the condominium will issue Forty Four (44) transferable, non-revocable, Parking Space Licenses to the Sponsor, thereafter the Sponsor, at his discretion and for additional consideration, shall assign the Parking Space Licenses to Unit Owners. Each Parking Space License shall authorize the Parking Space License Holder to use one designated Parking Space.

A Parking Space License can only be purchased by a Residential or Commercial Unit Owner of this condominium. However, after the Sponsor's compliance with §60 of the Multiple Dwelling Law the Sponsor shall be authorized assign Parking Space Licenses to owners of units in the Brighton Tower I Condominium, located at 3047 Brighton 6th Street, Brooklyn, New York 11235.

The Parking Space Licenses will contain a provision stating that the Parking Space License Holder shall be obligated to pay a monthly License Fee of $19.32 to the condominium's Board of Managers. The License Fees collected by the Board of Managers shall be used to maintain the parking area. If a Parking Space License Holder fails to pay the License Fee for two (2) consecutive months the Board of Managers shall have the right to suspend the Parking Space License Holder's right to use the Parking Space. In the event that a Parking Space License Holder's right to use the Parking Space is suspended and then re-instated, the Parking Space License Holder will be liable for any reasonable administrative costs incurred by the Board of Managers in suspending and re-instating the Parking Space License Holder's rights.

During the times in which a Parking Space License is suspended the Board of Managers shall have the right to use the Licensed premises as they see fit, so long as such use does not prohibit the Parking Space License Holder from using the premises upon consummation of the suspension.

The Parking Space License Agreement, and bylaws of this condominium, shall further provide that in the event that the Parking Space License Holder sells his or her Unit, and does not own any other Units in The Brighton Tower I Condominium or The Brighton Tower II Condominium, the Parking Space License Holder shall be obligated to sell or assign the Parking Space License to another Unit owner. In the event that the Parking Space License Holder does not sell or assign the Parking Space License at the sale of the Unit such Licensee shall be automatically suspended. In the event that the Licensee does not sell or assign the License within one hundred eighty (180) days of the suspension date, the Board of Managers shall have the right to revoke the Parking Space License.

The Board of Managers shall have the right to revoke the Parking Space License of a Parking Space License Holder if the Parking Space License Holder fails to pay License Fees which accumulate to more than five hundred ($500.00) dollars, per License. Such revocation shall be made by sending, via certified mail with return receipt request, notice to the Parking Space License Holder stating that thirty days (30) from the mailing of the notice the Board of Managers shall revoke the Parking Space License unless all License Fees and penalties are paid. If such fees and penalties are not paid within said Thirty (30) day period the Board of Managers shall have the right to revoke the Parking Space License, by sending notice to the Parking Space License Holder via certified mail, with no future obligation to the License Holder. Upon the revocation of a Parking Space License the Board of Managers shall be authorized to issue a new Parking Space License in place of the revoked Parking Space License.

The Board of Managers shall have the right to charge a fee for the issuance of a Parking Space License.

Parking Spaces PS1-PS20 and PS32-PS35 will be outdoor parking spaces located on the first floor of the building. Parking Spaces PS21-PS43, with the exception of PS32-PS35, will be indoor parking spaces located on the same floor. Parking Space 44 will be an indoor parking spaces located in the cellar level of the building. Parking Spaces 1-43 will be accessible only via the vehicular ramp. Parking Space 44 will only be accessible via the private entrance. Both entrances will be located along Brighton 6th Street.

None of the Parking Spaces will be land-locked and all Parking Space Licenses will be sold on a first-come first-serve basis.

Since Parking Space Licenses are being sold on a first-come first-serve basis and offered to both owners of this condominium and the Brighton Tower I Condominium, and the Brighton Tower I Condominium has a shortage of Parking Spaces, not all Unit owners may have any opportunity to purchase a Parking Space License.

Once a Parking Space License is revoked the Board of Managers shall have the right to issue a new Parking Space License to any Unit owner. The Board of Managers shall have the right to charge a fee for the issuance of a new Parking Space License .

Parking Spaces PS6 and PS16 have been designated handicapped Parking Spaces and the Parking Space Licenses for Parking Spaces PS6 and PS16 will be the last Parking Spaces to be assigned by the Sponsor. The purchase of Parking Space PS6 and PS16, and any subsequent sale, transfer or hypothecation of it, is hereby subject to the following covenant and restriction in the License:

In the event that the present or future Owner of a Residential Unit of this condominium, or member of his or her family, becomes handicapped and acquires handicapped plates for his or her vehicle, said Handicapped Unit Owner has the right to demand that the Parking Space License Holder of Parking Spaces PS6, or PS16, trade the Parking Space License for the Handicapped Parking Space with said handicapped Owner.

In the event that the present or future Owner of a Unit, or member of his or her family, becomes handicapped and said Unit Owner is not a Parking Space License Holder, said Unit Owner has the right to demand that the Parking Space License Holder of PS6 or PS16, sell the License at the then current, fair market value, to said handicapped Owner. All costs and expenses entailed in the assignment of the Parking Space License shall be borne by the party requesting the transfer.

If the parties can not agree on the fair market value of the Parking Space License for the Handicapped Parking Space then the parties agree to submit the matter to binding arbitration in accordance with Article XIV of the By-Laws of the Condominium. The party seeking the arbitration shall be required to send the appropriate notice as more fully set forth in Article V of the By-Laws. Article V provides in part that all notices required or desired to be given hereunder shall be sent first class mail.

(i) if the Board of Managers of the Condominium, to the Board of Managers of the Condominium at its principal office as set forth in Section 1.7 hereof, with a photocopy to the Managing Agent (if any) at its principal office address as designated as aforesaid;

(ii) if to a Parking Space License Holder other than the Sponsor or its designee, to such Space Owner at his or her address;

(iii) if to the Sponsor or its designee, to the Sponsor or such designee; and

(iv) if to a Permitted Mortgagee, to such Permitted Mortgagee at its latest address designated in writing to the Board of Managers of the Condominium.

The Owner of Parking Space 6 and/or 16 must comply with the aforementioned demand upon thirty (30) days notice.

Notwithstanding anything to the contrary, in the event the present or future Parking Space License Holder of PS6 or PS16, or member of his or her family, becomes handicapped and acquires handicapped plates for his or her vehicle, said Unit Owner WILL NOT HAVE the right to demand that the Parking Space License Holder of PS6, or PS16, trade the Parking Space License for the Handicapped Parking Space with said handicapped Owner, IF the Parking Space License Holder of the Handicapped Parking Space, or member of his or her family, is handicapped or has already obtained handicapped plates for his or her vehicle.

**Recreational Facilities**

The Condominium will not contain any recreational space.

**Laundry Areas**

Each Residential Unit Owner will have a separate laundry closet/mechanical room located in their unit. All Residential Units will be supplies with hookups for domestic type washer and dryer. The actual laundry equipment will be the responsibility of each Unit's Owner

**Fixtures and Appliances**

The following fixtures and appliance are being included in the offering of a Residential Unit:

| | | |
|---|---|---|
| Tub | - | American Standard Model # 2390 with flow outlet and Delta showerhead and trim, or equal; |
| Water-closet | - | Gerber Model #21-702 equipped with vacuum breakers, or equal; |
| Lavatory | - | Kohler Model # K2916 with Gerber Faucet set in plastic laminate finished, particle board vanity countertop, or equal; |
| Shower | - | American Standard with showerhead and trim by Delta. |
| Range | - | Frigidaire 30" gas range, Model # FGF337GC, or equal; |
| Sink | - | Stainless steel by Eljer, or equal; |
| Countertops | - | Formica or wood laminate wall and base cabinets and imitation stone countertops |

The Sponsor shall not provide refrigerators, dishwashers, or washer/dryers in the units.

The Sponsor reserves the right to provide fixtures by different manufacturers, which are equal to or better than noted above. The Sponsor shall amend the plan if different fixtures are to be provided.

All residential units will have an individual gas air handler located in the mechanical room of each unit. Individual gas air handlers will provide heating to each Residential Unit. Each Residential Unit will also be provided with a separate 65-gallon electrical hot water heater for domestic hot water needs. The proposed heating system should adequately maintain comfortable conditions under anticipated NYC weather conditions and is adequate for peak required need. The HVAC system to be installed shall be filed with and approved by the NYC Dept. of Buildings, by a V.T. State Licensed mechanical engineer, prior to installation. Each Residential Unit is provided with a split cooled a/c unit with central heating thru hot water coil to heat the space.

The Commercial Units will be provided unfurnished and as a "Vanilla Box." Each Commercial Unit Owner shall be individually responsible for the installation of their own HVAC Units.

The Commercial Units are designed to be heated and cooled through an electric split system central air HVAC Unit. The Sponsor shall not provide any exhaust for the installation of gas HVAC units. Furthermore, the Sponsor shall not provide any ducts for operation of the HVAC systems.

**Balconies and Roof Terraces**

The building will have Fifty Nine (59) Balconies and Three (3) Terraces. Of the fifty nine balconies, eleven will be divided into two sections, the first section for use by the A-line Units and the second section for use by the B-line Units.

The A-line units located on the third through thirteenth floors will have three balconies. The first balcony will be 122.5 Sq. Ft., the second balcony will be 157.5 Sq. Ft. and the third balcony will be 78 Sq. Ft.

The B-line units located on the third through thirteenth floors will have two balconies. The first balcony will be 167 Sq. Ft. and the second balcony will be 157.5 Sq. Ft.

The C-line units located on the third through thirteenth floors will have one 122.5 Sq. Ft. balcony.

Of the Three (3) terraces, One (1) terrace will be located above the first floor, the second terraces will be located on the roof above the thirteenth floor and the final terrace will be located above the roof on the mezzanine level.

The terrace above the first floor will be divided into three sections, for use exclusively by Units 2A, 2B and 3C. Unit 2A will have a 2,900 Sq. Ft. terrace, Unit 2B will have a 1,740 Sq. Ft. terrace and unit 2C will have a 975 Sq. Ft. terrace.

The terrace above the thirteenth floor will be divided into two sections, for use exclusively by Units PH1 and PH2. The Units will each have a 700 Sq. Ft. terrace at said level. The terrace above the mezzanine level will be divided into two 600 Sq. Ft. sections, each to be used by units PH1 and PH2.

Adjoining balconies and terraces will be separated from each other by vinyl fences. The. vinyl fence on the roof above the mezzanine level will have a door which is not to be permanently locked.

All balconies and terraces will be limited common elements of the units which they adjoin.

No measures have been taken to mitigate the nesting of pigeons on the rooftop and the rooftop accessories, or the balconies or terraces. Purchasers are advised that pigeon droppings are highly corrosive and have proven to cause serious disease in humans.

The Commercial Unit Owners will not have any balconies or terraces.

No Units Owner will have separate storage rooms outside of their Units.

**Dimensions of Units**

The physical dimensions of each Residential and Commercial Unit consist of the area enclosed horizontally by the exposed exterior face of the exterior and lot line walls of the Building, the outside face of the wall dividing the Unit from public corridors and public stairs and the center line of any demising wall shared with other Units and vertically by the upper face of the sub-floor of the Unit up to the unexposed face of the dry wall forming the upper ceiling of the Unit. Door and windows which open from a Unit and interior walls of a Unit are a part of the Unit.

These measurements significantly exceed the actual usable floor area of the Units.

**Completion of Construction and Compliance with Law**

The Property will be improved and the Units constructed in accordance with all applicable zoning and building laws, regulations, codes and other government requirements as well as in accordance with the plans and specifications filed with the New York City Building Department and identified in the Plan. The proposed project is governed by the New York City Building Code, the Multiple Dwelling Law and the New York City Zoning Resolution. The Sponsor projects that the construction will be completed in December 2008. However, the Sponsor makes no representation or warranty that the Units will be completed by said date.

Prior to closing the first Unit, the Sponsor will obtain a permanent certificate of occupancy for the Property or, alternatively, obtain a temporary or partial certificate of occupancy for the Unit or the Building in which the Unit to be closed is located. The Sponsor will obtain a permanent certificate of occupancy for the Property within two (2) years of closing

title to the first Unit, and in any event, before expiration of applicable temporary or partial certificate, as same may be renewed, replaced or extended.

The Certificate of Occupancy will provide for Thirty Eight (38) Residential Units, Four (4) Commercial Units, whose use will be limited to community facility usage, and Forty Four (44) Parking Spaces.

## LOCATION AND AREA INFORMATION

The premises is located in the Brighton Beach section of Brooklyn. This is a highly developed area essentially residential in character, but served by a rich and diverse assortment of shopping, recreational, medical, religious, and educational facilities, as well as a network of both streets and roads, and urban transportation. The area is served by several MTA buses, specifically the B1 and B8 Lines which stop on Brighton 6th Street and Brighton Beach Avenue, and the B and F trains. The B and F lines are above ground train lines, which are located within 500 feet of the condominium. Police, Fire, Water, Sanitation, snow removal and road maintenance are provided by the City of New York.

The police precinct serving the community is the 61st precinct, which is located at 2575 Coney Island Avenue, Brooklyn, NY 11223. Medical needs of the community are served by Coney Island Hospital, located at 2601 Ocean Parkway, Brooklyn, NY 11235. The fire house serving the building is Engine 246, Ladder 169, located at 2732 East 11th Street, Brooklyn, New York 11235. All the services are located within half a mile of the condominium.

Elementary schools Students living in the Condominium will be eligible to attend PS 253 located at 601 Oceanview Avenue, Brooklyn, New York, directly across the street from the condominium. Junior High School students will be eligible to attend PS 225 located at 1075 Oceanview Avenue Brooklyn, New York 11235, which is located four blocks away from the condominium, and High School students will be eligible to attend Abraham Lincoln High School located at 2800 Ocean Parkway, Brooklyn, New York 11235, seven blocks away from the condominium. The Sponsor makes no representations as to an individual student's right to attend the above discussed schools. The above representations are based solely on the school districts in which the property is located.

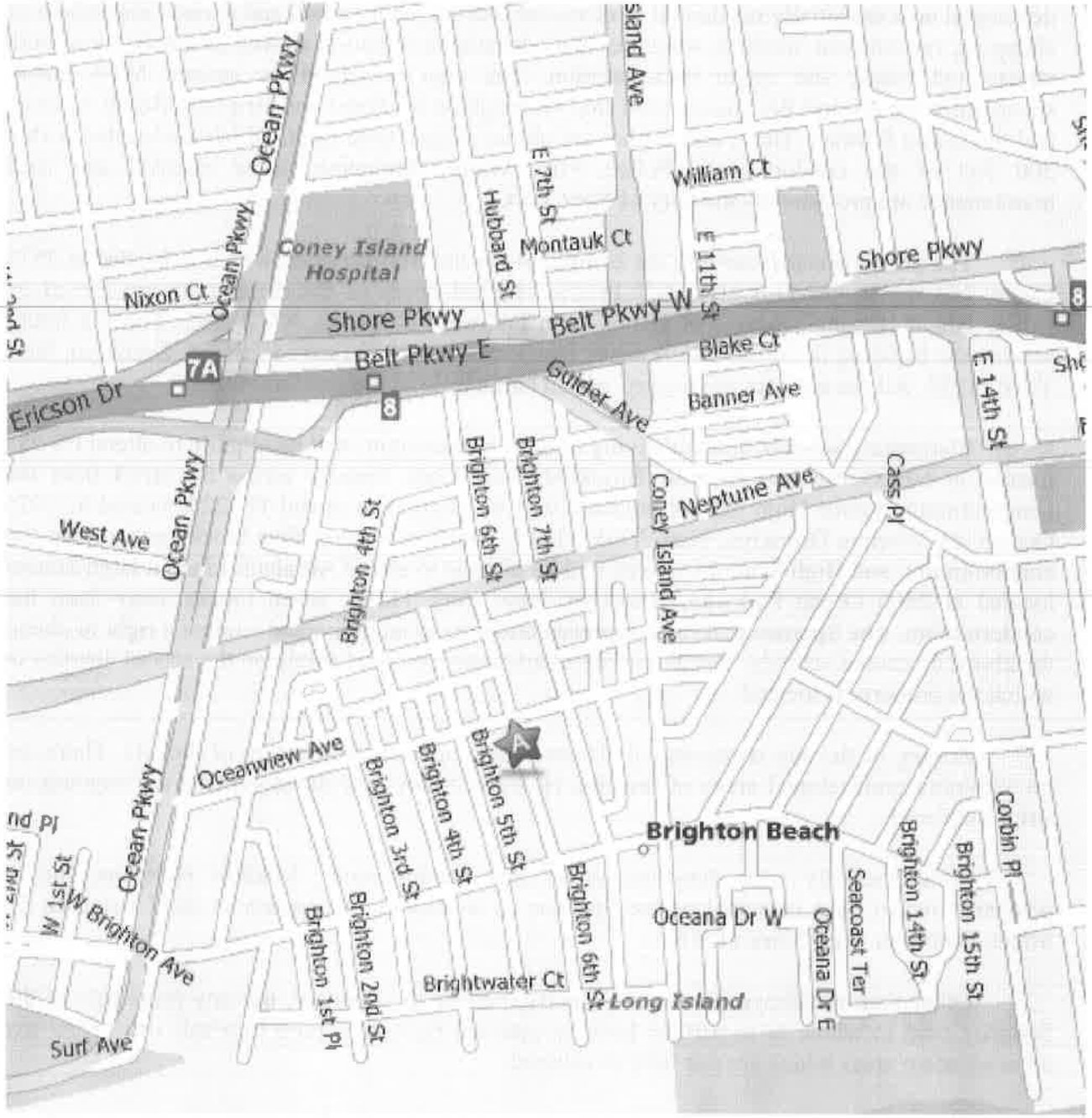
Zoning of the site is residential. There is no landmark designation of the site. There are no adjoining undeveloped areas of the site. However many new developments are ongoing on Brighton Beach.

Simultaneously with development of this condominium, Mikhlin Holdings, Inc, a company owned by a principal of the Sponsor, is developing a property at 3047 Brighton 6th Street, Brooklyn, New York 11235.

Other than the above discussed property, neither the Sponsor, nor any principals of the Sponsor, own in whole or in part, or have an optional right to acquire in whole or in part, any other adjacent areas which are not fully developed.

The Condominium is surrounded by residential one and two-family houses as well as multi-family condominium buildings, restaurants, retail stores, night clubs and medical offices. There are no uses currently in existence or proposed in adjacent or nearby buildings or land which a reasonable prudent Purchaser would find obnoxious.

# AREA MAP


Ocean Pkwy
Coney Island Hospital
Nixon Ct
Shore Pkwy
Belt Pkwy E
Belt Pkwy W
Ericson Dr
7A
8
Hubbard St
E 7th St
Montauk Ct
William Ct
E 11th St
Blake Ct
Banner Ave
Gulder Ave
E 14th St
Neptune Ave
Cass Pl
West Ave
Brighton 6th St
Brighton 7th St
Coney Island Ave
Oceanview Ave
Brighton 3rd St
Brighton 4th St
Brighton 5th St
Brighton 6th St
Brighton Beach
Oceana Dr W
Oceana Dr E
Seacoast Ter
Brighton 14th St
Brighton 15th St
Corbin Pl
Brightwater Ct
Brighton 2nd St
Brighton 1st Pl
W Brighton Ave
Surf Ave
Long Island

**SCHEDULE A**

**PURCHASE PRICE, ALLOCATION OF COMMON INTEREST AND ESTIMATED INDIVIDUAL EXPENSES**

**FOR FIRST YEAR OF CONDOMINIUM OPERATION**

**JUNE 1, 2009 – MAY 31, 2010**

| Unit (1) | L.C.E (2) | Rooms /Bedrooms /Baths (3) | Approx. Sq. Ft. of Unit (4) | Total Sq. Ft. of L.C.E. (5) | Offering Price (6) | % of Common Interest (7) | Monthly Common Charges (8) | With Tax Benefit Monthly R.E. Taxes (9) | With Tax Benefit Monthly Carrying Charges (10) | Without Tax Benefit Monthly R.E. Taxes (11) | Without Tax Benefit Monthly Carrying Charges (12) | With Tax Benefit Annual R.E. Taxes (13) | Without Tax Benefit Annual R.E. Taxes (14) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| C1 | None | Vanilla Box | 3,000 | 0 | $1,110,000.00 | 5.20 | $239.69 | $78.60 | $318.29 | $2,001.36 | $2,241.05 | $943.14 | $24,016.34 |
| C2 | None | Vanilla Box | 3,000 | 0 | $1,110,000.00 | 5.20 | $239.69 | $78.60 | $318.29 | $2,001.36 | $2,241.05 | $943.14 | $24,016.34 |
| C3 | None | Vanilla Box | 4,250 | 0 | $1,531,000.00 | 7.20 | $331.80 | $108.82 | $440.62 | $2,771.12 | $3,102.92 | $1,305.89 | $33,253.40 |
| C4 | None | Vanilla Box | 5,130 | 0 | $1,885,000.00 | 8.80 | $405.55 | $133.01 | $538.56 | $3,386.92 | $3,792.47 | $1,596.09 | $40,643.04 |
| 2A | T | 7/3/2 | 1,191 | 2,900 | $600,000.00 | 3.28 | $208.39 | $49.58 | $257.97 | $1,262.40 | $1,470.79 | $594.91 | $15,148.77 |
| 2B | T | 6/2/2 | 1,087 | 1,740 | $550,000.00 | 2.48 | $157.50 | $37.48 | $194.98 | $954.50 | $1,112.00 | $449.81 | $11,453.95 |
| 2C | T | 4/1/2 | 698 | 975 | $400,000.00 | 1.40 | $88.80 | $21.16 | $109.96 | $538.83 | $627.63 | $253.92 | $6,465.94 |
| 3A | 3B | 7/3/2 | 1,191 | 358 | $550,000.00 | 2.28 | $144.84 | $34.46 | $179.30 | $877.52 | $1,022.36 | $413.53 | $10,530.24 |
| 3B | 2B | 6/2/2 | 1,087 | 325 | $490,000.00 | 2.08 | $132.10 | $31.44 | $163.54 | $800.54 | $932.64 | $377.26 | $9,606.54 |
| 3C | B | 4/1/2 | 698 | 123 | $350,000.00 | 1.34 | $85.15 | $20.25 | $105.40 | $515.74 | $600.89 | $243.04 | $6,188.83 |
| 4A | 3B | 7/3/2 | 1,191 | 358 | $555,000.00 | 2.28 | $144.83 | $34.46 | $179.29 | $877.52 | $1,022.35 | $413.53 | $10,530.24 |
| 4B | 2B | 6/2/2 | 1,087 | 325 | $495,000.00 | 2.08 | $132.10 | $31.44 | $163.54 | $800.54 | $932.64 | $377.26 | $9,606.54 |
| 4C | B | 4/1/2 | 698 | 123 | $355,000.00 | 1.34 | $85.15 | $20.25 | $105.40 | $515.74 | $600.89 | $243.04 | $6,188.83 |
| 5A | 3B | 7/3/2 | 1,191 | 358 | $560,000.00 | 2.28 | $144.83 | $34.46 | $179.29 | $877.52 | $1,022.35 | $413.53 | $10,530.24 |
| 5B | 2B | 6/2/2 | 1,087 | 325 | $500,000.00 | 2.08 | $132.10 | $31.44 | $163.54 | $800.54 | $932.64 | $377.26 | $9,606.54 |
| 5C | B | 4/1/2 | 698 | 123 | $360,000.00 | 1.34 | $85.15 | $20.25 | $105.40 | $515.74 | $600.89 | $243.04 | $6,188.83 |
| 6A | 3B | 7/3/2 | 1,191 | 358 | $565,000.00 | 2.28 | $144.83 | $34.46 | $179.29 | $877.52 | $1,022.35 | $413.53 | $10,530.24 |
| 6B | 2B | 6/2/2 | 1,087 | 325 | $505,000.00 | 2.08 | $132.10 | $31.44 | $163.54 | $800.54 | $932.64 | $377.26 | $9,606.54 |
| 6C | B | 4/1/2 | 698 | 123 | $365,000.00 | 1.34 | $85.16 | $20.25 | $105.41 | $515.74 | $600.90 | $243.04 | $6,188.83 |
| 7A | 3B | 7/3/2 | 1,191 | 358 | $570,000.00 | 2.28 | $144.83 | $34.46 | $179.29 | $877.52 | $1,022.35 | $413.53 | $10,530.24 |
| 7B | 2B | 6/2/2 | 1,087 | 325 | $510,000.00 | 2.08 | $132.10 | $31.44 | $163.54 | $800.54 | $932.64 | $377.26 | $9,606.54 |
| 7C | B | 4/1/2 | 698 | 123 | $370,000.00 | 1.34 | $85.15 | $20.25 | $105.40 | $515.74 | $600.89 | $243.04 | $6,188.83 |
| 8A | 3B | 7/3/2 | 1,191 | 358 | $575,000.00 | 2.28 | $144.83 | $34.46 | $179.29 | $877.52 | $1,022.35 | $413.53 | $10,530.24 |
| 8B | 2B | 6/2/2 | 1,087 | 325 | $515,000.00 | 2.08 | $132.10 | $31.44 | $163.54 | $800.54 | $932.64 | $377.26 | $9,606.54 |
| 8C | B | 4/1/2 | 698 | 123 | $380,000.00 | 1.34 | $85.15 | $20.25 | $105.40 | $515.74 | $600.89 | $243.04 | $6,188.83 |
| 9A | 3B | 7/3/2 | 1,191 | 358 | $580,000.00 | 2.28 | $144.83 | $34.46 | $179.29 | $877.52 | $1,022.35 | $413.53 | $10,530.24 |
| 9B | 2B | 6/2/2 | 1,087 | 325 | $520,000.00 | 2.08 | $132.10 | $31.44 | $163.54 | $800.54 | $932.64 | $377.26 | $9,606.54 |
| 9C | B | 4/1/2 | 698 | 123 | $385,000.00 | 1.34 | $85.16 | $20.25 | $105.41 | $515.74 | $600.90 | $243.04 | $6,188.83 |
| 10A | 3B | 7/3/2 | 1,191 | 358 | $585,000.00 | 2.28 | $144.83 | $34.46 | $179.29 | $877.52 | $1,022.35 | $413.53 | $10,530.24 |
| 10B | 2B | 6/2/2 | 1,087 | 325 | $525,000.00 | 2.08 | $132.10 | $31.44 | $163.54 | $800.54 | $932.64 | $377.26 | $9,606.54 |
| 10C | B | 4/1/2 | 698 | 123 | $390,000.00 | 1.34 | $85.15 | $20.25 | $105.40 | $515.74 | $600.89 | $243.04 | $6,188.83 |
| 11A | 3B | 7/3/2 | 1,191 | 358 | $590,000.00 | 2.28 | $144.83 | $34.46 | $179.29 | $877.52 | $1,022.35 | $413.53 | $10,530.24 |
| 11B | 2B | 6/2/2 | 1,087 | 325 | $530,000.00 | 2.08 | $132.10 | $31.44 | $163.54 | $800.54 | $932.64 | $377.26 | $9,606.54 |
| 11C | B | 4/1/2 | 698 | 123 | $395,000.00 | 1.34 | $85.15 | $20.25 | $105.40 | $515.74 | $600.89 | $243.04 | $6,188.83 |
| 12A | 3B | 7/3/2 | 1,191 | 358 | $595,000.00 | 2.28 | $144.83 | $34.46 | $179.29 | $877.52 | $1,022.35 | $413.53 | $10,530.24 |
| 12B | 2B | 6/2/2 | 1,087 | 325 | $535,000.00 | 2.08 | $132.10 | $31.44 | $163.54 | $800.54 | $932.64 | $377.26 | $9,606.54 |
| 12C | B | 4/1/2 | 698 | 123 | $400,000.00 | 1.34 | $85.15 | $20.25 | $105.40 | $515.74 | $600.89 | $243.04 | $6,188.83 |
| 13A | 3B | 7/3/2 | 1,191 | 358 | $600,000.00 | 2.28 | $144.83 | $34.46 | $179.29 | $877.52 | $1,022.35 | $413.53 | $10,530.24 |
| 13B | 2B | 6/2/2 | 1,087 | 325 | $540,000.00 | 2.08 | $132.10 | $31.44 | $163.54 | $800.54 | $932.64 | $377.26 | $9,606.54 |
| 13C | B | 4/1/2 | 698 | 123 | $405,000.00 | 1.34 | $85.15 | $20.25 | $105.40 | $515.74 | $600.89 | $243.04 | $6,188.83 |
| PH1 | 2B + 2T | 4/0/2 | 1,087 | 1,545 | $650,000.00 | 1.87 | $118.70 | $28.26 | $146.96 | $719.72 | $838.42 | $339.17 | $8,636.65 |
| PH2 | 2B + 2T | 3/0/1 | 1,097 | 1,545 | $650,000.00 | 1.87 | $118.70 | $28.26 | $146.96 | $719.72 | $838.42 | $339.17 | $8,636.65 |
| **Page Totals:** | | | **53,276.00** | **17,565.50** | **24,631,000.00** | **100.00** | **5,891.73** | **1,511.45** | **7,403.18** | **38,487.73** | **44,379.46** | **18,137.40** | **461,852.76** |

**Notes:**

1) B = Balcony; 2B = Two Balconies; 3B = Three Balconies; T = Terrace; 2T = Two Terraces

2) The above figures are rounded off to the nearest cent, which may cause slight discrepancies.

3) Annual real estate taxes will be$18,137.47 ($1,511.45 per month) if 421-A real estate tax benefits are obtained, and $461,852.80($38,487.73 per month) if 421-A real estate tax benefits are not obtained. See footnote 5 in Footnotes To Schedule A for a complete explanation.

4) Each Residential and Commercial Unit will be responsible for paying the cost of its own individual electricity usage. Each Residential Unit will be responsible for paying the cost of its own individual gas usage. The commercail units will not have gas usage. See

5) The physical dimensions of each Residential and Commercial Units consist of the area enclosed horizontally from the Unit side of the glass of the exterior walls to the centerline of the partitions separating one Unit from another Unit, corridors, stairs, elevator and other mechanical equipment spaces or any common elements as defined in the Plan, or to the Unit side of the opposite exterior walls, and vertically from the top of the floor to the underside of the ceiling. These dimensions don't accurately represent the interior space and may exaggerate it by as much as 10 percent.

6) Parking Spaces numbers PS6 & PS16 have been designated handicapped and will be the last Parking Spaces to be sold. See "Introduction" Section of the Plan

7) The Parking Spaces will be Common Elements of the Condominium to which the Sposnor shall sell irrevocable, assignable licenses.

**Intentionally Omitted**

## FOOTNOTES TO SCHEDULE A

1. The physical dimensions of each Residential and Commercial Unit consist of the area enclosed horizontally by the exposed exterior face of the exterior and lot line walls of the Building, the outside face of the wall dividing the Unit from public corridors and public stairs and the center line of any demising wall shared with other Units and vertically by the upper face of the sub-floor of the Unit up to the unexposed face of the dry wall forming the upper ceiling of the Unit. Door and windows which open from a Unit and interior walls of a Unit are a part of the Unit.

These measurements significantly exceed the actual usable floor area of the Units.

The number of rooms is calculated by using the following formula:

| | |
|---|---|
| Living Room | = 1 |
| Bedroom | = 1 |
| Bathroom | = 1 |
| Kitchen | = 1 |

Hallways, Mechanical Rooms and Mezzanines are not counted as rooms.

2. Offering prices are negotiable, and the Sponsor may enter into a Purchase Agreement to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment to the Plan. In addition, the Sponsor may offer an individual prospective Purchaser other inducements to purchase a Unit, such as reimbursement of Common Charges for a period of time, construction allowances for optional items, or extensions of time periods in the Purchase Agreement to close. The offering prices may only be decreased or increased by a duly filed amendment to the Plan when the change in price is an across the board change affecting one or more lines of Units or Unit models, or is to be advertised in a newspaper or other media. Also, the offering price may only be changed by a duly filed amendment to the Plan when the change in price is a price increase for an individual Purchaser. See "Changes in Prices and Units" Section of the Plan, for a fuller discussion. See also "Unit Closing Costs and Adjustments " Section of the Plan, which discloses and explains the additional closing costs and adjustments that a Purchaser has to pay.

3. In accordance with Section 339-i(1)(i) of the Real Property Law, the Common Interest has been allocated to each Unit in the approximate proportion that the fair value of the Unit at the date of the Declaration will bear to the then aggregate fair value of all the Units.

4. Common Charges have been estimated by the Sponsor and include fire and liability insurance for the Units and Common Elements, and maintenance and operation of the Common Elements. Common Charges exclude repair or decoration to the interior of the Units, separately billed gas, electricity, hot water, heat, air conditioning and cable television service for each Unit and insurance for personal effects and liability. If the Purchaser obtains financing, the Purchaser's debt service will be an additional expense.

Common Charges have been estimated by the Sponsor based on the estimated operating budget annexed as Schedule B to this Plan.

Common Charges have been calculated by allocating to each Unit a share of the Monthly Charges proportionate to the Common Interest which that Unit bears in the Condominium.

Parking space License holders will pay monthly License Fees. The License Fees are based on the cost of maintaining the parking area. Monthly License Fees collected by the Board of Managers will be used solely to maintain the parking area and to pay any cost associated with said area.

5. The Sponsor is applying for real estate tax benefits in accordance with Section 421-A of the Real Property Law. If such benefits are obtained, during the construction period (up to three years) and during eleven (11) years following the first taxable status date immediately following completion of the construction, 100% of the increased assessed value of the Building resulting from improvements thereon will be exempt from taxation. The exemption will decline to 80% of the increased assessed value for the twelfth (12) year and will be further reduced by an additional 20% for each of succeeding years.

NO GUARANTEE CAN BE, OR IS MADE, THAT SAID BENEFITS WILL BE OBTAINED, OR WILL CONTINUE TO BE AVAILABLE. Therefore, the Sponsor has projected in Schedule A the real estate taxes in the event no such benefits are obtained.

The Sponsor has obtained an opinion from Jacob Moseson of Moseson & Associates, located at 769 Empire Avenue, Far Rockaway, NY 11691, as to the likely effects of the Sponsor's application for real estate tax benefits. Purchasers are directed to "Real Estate Tax Benefits Opinion" Section of the Plan, for a complete explanation.

Calculations of real estate taxes are arrived at by applying the current tax rate to the assessed value, and then allocating the resulting taxes in direct proportion to the allocation of the Common Interest of the Unit. In the event the benefits are obtained, the assessed value will be based on the pre-construction assessed value of $140,296.00. In the event the benefits are not obtained, the assessed value used for calculations will be the $3,572,500.00 post-construction assessed value estimated by the Sponsor' real estate tax exemption expert, and set forth in his letter included in this Plan. In either case, the tax rate used for the calculation is $11.928 per $100.00 of assessed value, which is the current tax rate.

The projected tax deductions may vary in future years due to changes in the tax rate or assessed value.

Unit Owners will be entitled to deduct real property taxes paid on the Unit for income tax purposes. See "Opinion of Counsel" Section of the Plan for a more complete discussion.

6. After the Condominium is divided into individual tax lots, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for

the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Units.

7. Monthly carrying charges are composed of the monthly Common Charges or License fees, which ever is applicable, and the monthly real estate taxes projected against each Unit.

8. 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. See "Opinion of Counsel" Section of the Plan for a more complete discussion.

9. The terms of this Plan transfer the statutory obligation to pay New York City Real Property transfer taxes (1.0% of the purchase price for Residential Units up to $500,000.00, 1.425% of the purchase price for Residential Units over $500,000.00, 1.425% of the purchase price for Commercial Units under $500,000.00 and 2.625% of the purchase price for commercial Units over $500,000.00) and New York State Documentary Stamp Taxes ($2.00 per $500.00 of purchase price for any Unit) to the Purchaser, so that the cost of such taxes represents an additional closing cost to the Purchaser, and an additional item of consideration on which transfer taxes must be paid. Additionally, the Purchaser is responsible for paying to the Sponsor's attorney a document preparation fee and closing attendance fee of $1,500.00, and may be responsible for an additional $250.00 if the closing takes place outside the office of Sponsor's attorneys and an additional $250.00 if the Purchaser fails to close on the date set forth in the notice of closing. Additionally, if through no fault of the Sponsor, the closing continues for a period longer then two hours from the scheduled time the Purchaser shall pay to the Sponsor's attorney a fee of $100.00 per every half hour or portion thereof. Furthermore, the Purchaser is required to pay to the Sponsor $1,500.00 as partial reimbursement for the cost of preparing this Plan and the Purchasers will be required to make a $750.00 initial contribution to the working capital fund.

**THE FOREGOING SCHEDULE A IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE BY ANYONE THAT THE ANNUAL CARRYING CHARGES OR EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE SET FORTH ABOVE OR THAT SUCH CARRYING CHARGES OR EXPENSES WILL NOT VARY FROM THE AMOUNTS SHOWN IN SCHEDULE A.**

**Intentionally Omitted**

## SCHEDULE B

## BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION
## JUNE 1, 2009 – MAY 31, 2010

**Projected Income**

| | |
|---|---|
| Common Charges Paid By Residential Units (1) | $56,100.00 |
| Common Charges Paid By Commercial Units (2) | $14,600.00 |
| License Fees Paid By Parking License Holders(3) | $11,200.00 |
| **TOTAL INCOME** | **$81,900.00** |

| **Projected Expenses** | Residential Unit Allocation | Commercial Unit Allocation | Parking Area Allocation | Total Expenses |
|---|---|---|---|---|
| Heat and Hot Water (4) | $0.00 | $0.00 | $0.00 | 0.00 |
| Electricity (5) | $6,000.00 | $2,000.00 | $1,000.00 | $9,000.00 |
| Water and Sewer (6) | $10,000.00 | $3,000.00 | $0.00 | $13,000.00 |
| Repairs and Maintenance (7) | $2,500.00 | $500.00 | $0.00 | $3,000.00 |
| Service and Supplies (8) | $1,300.00 | $500.00 | $1,200.00 | $3,000.00 |
| Insurance (9) | $8,000.00 | $4,000.00 | $500.00 | $12,500.00 |
| Legal and Accounting Fees (10) | $2,000.00 | $1,000.00 | $1,000.00 | $4,000.00 |
| Labor (11) | $13,800.00 | $2,000.00 | $5,000.00 | $20,800.00 |
| Management (12) | $10,000.00 | $600.00 | $2,000.00 | $12,600.00 |
| Contingency (13) | $2,500.00 | $1,000.00 | $500.00 | $4,000.00 |
| **TOTAL EXPENSES** | **$56,100.00** | **$14,600.00** | **$11,200.00** | **$81,900.00** |

**Note:** All figures are rounded to the nearest dollar.

**IF THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT OF CONDOMINIUM OPERATION IN DELAYED MORE THAN SIX (6) MONTHS FROM THE BUDGET YEAR PROJECTED IN THE OFFERING PLAN, THE PLAN WILL BE AMENDED TO INCLUDE A REVISED BUDGET DISCLOSING CURRENT PROJECTIONS. IF SUCH AMENDED PROJECTIONS EXCEED THE ORIGINAL PROJECTIONS BY TWENTY-FIVE PERCENT (25%) OR MORE, ALL PURCHASERS WILL HAVE A RIGHT TO RESCIND THEIR PURCHASE AGREEMENTS WITHIN FIFTEEN (15) DAYS AFTER THE PRESENTATION, WHETHER OR NOT THE SPONSOR OFFERS TO GUARANTEE THE PREVIOUS BUDGET PROJECTION. THE SPONSOR WILL RETURN ANY DEPOSIT OR DOWNPAYMENT TO PURCHASERS WITHIN TEN (10) DAYS AFTER RECEIPT OF WRITTEN NOTICE OF RESCISSION. IN ADDITION, ALL PURCHASERS WILL HAVE A RIGHT TO RESCIND THEIR PURCHASE AGREEMENTS IF THE CLOSING DOES NOT OCCUR WITHIN TWELVE (12) MONTHS OF THE PROJECTED CLOSING DATE.**

**Intentionally Omitted**

## FOOTNOTES TO SCHEDULE B

1. Residential Common Charges.

This figure represents the total annual Common Charges which will be levied by the condominium against the Residential Unit Owners.

2. Commercial Common Charges.

This figure represents the total annual Common Charges which will be levied by the condominium against the Commercial Unit Owners.

3. License Fees.

This figure represents the total License Fees which will be paid by the Parking Space License holders.

Owners of Parking Spaces Licenses (License holders) are not considered Unit Owners and will not be obligated to pay Common Charges which are used to upkeep the building. However, the License holders will pay License Fees which will be collected by the Board of Managers and used to upkeep the parking area.

The Board of Managers shall have the right to adjust the License Fees as they deem reasonably necessary to upkeep the parking area.

4. Heat and Hot Water.

| Total | Paid By Unit Owners | Paid By License Holders |
|---|---|---|
| $0.00 | $0.00 | $0.00 |

Since the Building will have no common heating systems which will provide heat or supply hot water to the common areas of the building no money has been budgeted for heating of the common elements or supplying hot water to the same.

Each Residential Unit will have its own gas fired air handlers located in the mechanical room of the Unit. Individual gas air handlers will provide heating to each residential unit. Each residential unit will also be provided with a separate 65-gallon electrical hot water heater for domestic hot water needs. Each Residential Unit will have a separate gas and electric meter and the cost of operation of the heating and hot water systems within the Unit will be paid by the Unit Owner, individually.

Each Unit's cost of gas for cooking and heating of the unit and cost of electricity for usage by the appliances and for cooling and heating of water is set forth in Schedule B-1.

5. Electricity.

| Paid By Residential Unit Owners | Paid By Commercial Unit Owners | Paid By License Holders |
|---|---|---|
| $6,000.00 | $2,000.00 | $1,000.00 |

This item is based on the projections of Leonid Gelfand, of Contact Plus Electrical, Corp, with address at 247 Van Brunt Street, Brooklyn, New York 11231.

The item includes the projected cost of providing electricity to (i) the Residential and Commercial Common Elements of the Building, including, without limitation, lighting of the residential hallways, stairwells, cellar, exterior, lobby and vestibule areas of the Lobby, and (ii) operation of the Elevators and (iii) outdoor lighting for the Building and Property (exclusive of any outdoor lighting for individual Units, the cost of which is payable by the respective Owners thereof directly to the utility company).

The projected cost of electricity for the items covered by this budgeted line, during the First Year of Condominium Operation, is (i) based on the current residential electrical rate of $0.30 per kilowatt hour ("kwh"), and (ii) a projected consumption of 30,000 kwh by the Common Elements.

The projection for electricity in accordance with the aforesaid is apportioned as $6,000.00 for the Residential Common Elements of the Building, $2,000.00 for the Commercial Common Elements of the building and $1,000.00 for the parking area of the building.

Many factors affect the cost of electricity, including, among others, the cost of oil used to generate electricity. It is estimated that the projected figure should be sufficient to cover any reasonable increase in the cost of electricity during the First Year of Condominium Operation. However, this figure is no more than an estimate. It will vary based on actual usage and the cost of electricity.

The Residential and Commercial Unit Owners shall pay for their portion of electricity usage though their common charges. License holders shall pay for the parking area's portion of electricity usage through their License Fees. Since the Residential portion of the building, the Commercial portion of the building and the Parking Area will not have separate electric meters, or a sub-meter, there is no way to exactly apportion electrical usage between the Residential and Commercial Common Elements and the Parking Area. The approximate apportionment shall be done by the Board of Managers of the condominium.

Each Residential Unit and Commercial Unit shall be separately metered for electricity. Electricity will be used by the Residential units for operation of lighting, refrigerators, dishwashers and other appliance within the unit and for heating of hot water. Electricity will be used by the Commercial Units for operation of lighting, refrigerators, and other appliance and equipment. Furthermore, since the Commercial Units will not have any gas meters or any

connections to gas, it is expected that the Commercial Units will also use electricity for space heating.

Each Residential and Commercial Unit Owner shall be directly responsible to the utility company for the cost of electricity consumed within, or for, his Unit. Purchasers are directed to see Schedule B-1 for a projection of the estimated consumption of electricity within and for each Unit and the estimated cost therefore, during the First Year of Condominium Operation.

6. Water and Sewer.

| Paid By Residential Unit Owners | Paid By Commercial Unit Owners | Paid By License Holders |
|---|---|---|
| $10,000.00 | $3,000.00 | $0.00 |

There will be one meter measuring water consumption for the Building. This budget item is based on an estimate provided by Neptune Rooter, Inc. with address at 211-215 Neptune Avenue, Brooklyn, New York 11235. The estimate is based on (i) a cost factor, based on published costs of $2.02 per one hundred cubic feet of water, and $3.21 per one hundred cubic feet for sewer rents. Such sums are inclusive of all applicable taxes, and (ii) annual water consumption of 248,566 cubic feet of water.

The cost of this budget item shall be paid exclusively by the residential and commercial unit owners. The License holders shall not contribute to this item because the Parking Area will not use any water.

7. Repairs and Maintenance

| Paid By Residential Unit Owners | Paid By Commercial Unit Owners | Paid By License Holders |
|---|---|---|
| $2,500.00 | $500.00 | $0.00 |

This item is intended to cover the projected cost of normal maintenance and repairs to the Common Elements of the Building, during the First Year of Condominium Operation. It includes the cost of supplying various cleaning supplies and materials, lubricants, bulbs and other general hardware supplies to the Common Elements.

Since the building is being newly constructed this item does not include the cost of periodic painting of the residential lobby, hallways or façade of the building. It also does not include the cost of repairs, maintenance, or decoration of the individual Units, all of which are the responsibility of the respective Unit Owner. Furthermore, this item does not include the cost of any capital repairs to the Property, or any part thereof.

8. Service and Supplies.

| Paid By Residential Unit Owners | Paid By Commercial Unit Owners | Paid By License Holders |
|---|---|---|
| $1,300.00 | $500.00 | $1,200.00 |

The budget amount is for the projected annualized cost of providing items of service and maintenance to the Building's Common Elements. This budgeted amount is based on quotes obtained in mid-2008 for such service and maintenance including exterminating/pest control services, elevator service and maintenance, and maintenance of the sprinkler systems and snow removal.

Units Owners, through their Common Charges shall pay for service contracts as they relate to exterminating/pest control services, elevator service and maintenance, and maintenance of the sprinkler system. License holders, through their License Fees, shall pay for a service for the Parking Area.

9. Insurance.

| Paid By Residential Unit Owners | Paid By Commercial Unit Owners | Paid By License Holders |
|---|---|---|
| $8,000.00 | $4,000.00 | $500.00 |

The estimate for the cost of insurance is based on the proposed overages and estimated current premiums set forth by Fairmont Insurance with address at 1600 60th Street, Brooklyn, NY 11204.

| Items Covered: | Amounts Of Coverage: |
|---|---|
| 1. Buildings, special form (All Risk which waives co-insurance clause | $5,000,000.00 |
| 2. General Liability | $1,000,000.00 |
| 3. Directors & Officers Liability | $1,000,000.00 |
| Premium | $11,600.00 |

The above property coverage limits are based upon the respective agreed value replacement cost for the building (the estimated cost to rebuild, exclusive of the cost of excavating and rebuilding the foundation) under an "agreed amount" clause and, accordingly, the policies will provide a waiver of co-insurance. However, the insurer will not be obligated to pay insurance claims in excess of the property coverage limits set forth above for the building and a $5,000.00 deductible will apply. In the opinion of the Insurance Consultant, the all risk coverage in the amount set forth above is presently sufficient to rebuild the building should it be totally

destroyed by fire based upon the coverage of $5,000,000.00 and the projected total square footage of the building. However, because of the difficulty of estimating replacement costs, because of escalating construction costs and for other reasons, there can be no guarantee that the suggested coverage will yield sufficient proceeds to replace the building or any portion thereof in the event of a total partial loss, nor is the forgoing intended to take the place of a professional appraiser's estimate in determining replacement cost. In order to safeguard the investment in the Units, in the event of a substantial or total destruction of the Building comprising same, the Condominium Board should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage is sufficient. Additionally, the estimated premiums are subject to change based upon rate changes, market conditions and reinsurance costs at the time that coverage is actually bound. Additional monies have been budgeted for the insurance policy to ensure that the condominium will be able to obtain the above described policy.

Elevator collision; boiler and machinery; Directors & Officers / fidelity bond, flood and Quake coverages are included in the insurance. The policy limits of flood and quake coverage are $1,000,000.00 with a deductible of $25,000.00 and the fidelity bond limit is $100,000.00 with a $5,000.00 deductible.

Liability coverage is also included in the proposed policy and has limits of $1,000,000.00 per occurrence and $2,000,000.00 in the aggregate. Directors and Officers liability is in the amount of 1,000,000.00.

This coverage does not include the cost of water damage, except to the extent included in a "special form" policy and the flood coverage, auto liability excess liability. Each of which may be purchased at extra cost.

In addition, this coverage does not include claims for personal injury or property damage resulting from occurrences within the Units, nor does it include coverage of the furniture or personal property of the Unit Owners. Therefore, each Unit Owner should consider the desirability of obtaining additional insurance at his or her own cost covering, among other items, (i) fire or casualty losses to the contents of his or her Unit and any replacements, additions, upgraded fixtures and improvements therein, (ii) damage to other personal property; and (iii) liability for personal injury as a result of occurrences in the individuals Units. It is recommended that Unit Owners consult with an insurance broker as to the necessity for, and the desirability of obtaining coverage for one or more of such risks and as to the amount of such coverage.

The quotation is an indication of insurance premiums at current rates. In recent years, premiums of insurance (especially fire liability) have increased substantially. As a result of the events of September 11, 2001, Hurricane Katrina and Hurricane Rita and there has been a further increase in insurance premiums. Although the insurance consultant gives its estimate after the events of September 11$^{th}$ and the hurricanes, there has been considerable volatility in insurance rates and such volatility is expected to continue. Accordingly, although based on the quote obtained from the insurance consultant, the insurance projection is currently believed to be reasonable, it is not possible to predict whether insurance coverage for the First Year of

Condominium operation (or for future years) will continue to be available at the premiums set forth above or whether such premiums will escalate.

The cost of the above insurance shall be a Common Expense, to be borne by all Unit Owners in accordance with the respective Common Interests allocated to their respective Units. The portion of the insurance premium allocated to License holders is difference between the insurance premium if the building would not have the Parking System and the premium if the building has the system.

At the first Unit closing, the Sponsor will cause to be delivered (at the Condominium's expense) a fire and liability binder or policy providing insurance coverage in accordance with the foregoing schedule. If the Condominium does not have sufficient funds available on the date of closing of the First Unit Closing with which to pay any premiums then due on such policies, then the Sponsor will advance such insufficiency and the amount which is advanced by Sponsor shall be paid by the Condominium in the manner provided in the "Closing Costs and Adjustments" section of the plan.

The fire, casualty, and liability insurance to be obtained by the Sponsor, as described above, shall provide that each Unit Owner is a certificate holder and that there will be no cancellation without notice to the Board of Managers.

Purchasers are advised of the desirability of obtaining additional insurance, at their own cost and expense, to cover such risks as fire and casualty losses to Unit contents, replacements, additions, up-graded fixtures and improvements, and liability coverage for occurrences within the Unit or, where applicable, on the Limited Common Elements pertinent to the Units.

10. Legal and Accounting Fees.

| **Paid By Residential Unit Owners** | **Paid By Commercial Unit Owners** | **Paid By License Holders** |
|---|---|---|
| $2,000.00 | $1,000.00 | $1,000.00 |

A certified public accountant will be responsible for auditing the Condominium's books and records and preparing the audited annual financial statements. In addition, the accountant will be responsible for filing federal, state and city income tax returns for the Condominium Board. The projected accountant's fee of $2,500 is based on a proposal by Roman Furman or Furman and Associates, PLLC with address at 90 John Street, Suite 620, New York, New York 10038.

In addition, $1,500.00 has been budgeted for legal fees to cover minor legal matter which may arise during the first year of operation, but would be insufficient to cover any substantial litigation.

11. Labor.

| Paid By Residential Unit Owners | Paid By Commercial Unit Owners | Paid By License Holders |
|---|---|---|
| $13,800.00 | $2,000.00 | $5,000.00 |

Sections 27-2053 and 27-2054 of the Administrative Code of the City of New York provide that janitorial services must be provided in a multiple dwelling of 9 or more dwelling units and that the person who performs such janitorial services (other than where janitorial services are performed on a 24-hour-a-day basis in a manner approved by the NYC Department of Housing Preservation and Development ("HPD") must reside in or within a distance of one block or 200 feet from the building, whichever is greater, unless the owner resides in the building. Accordingly, the Condominium Board shall endeavor to hire a part-time superintendent living within the requisite one block or 200 feet from the Building or to retain a 24-hour a day janitorial service in accordance with the requirements of HPD. In the event the Board of Managers is unable to hire such a part-time superintendent, it will be a violation of the above statute and code and a notice of violation may be issued by the Department of Housing Preservation against the Building.

The projected labor expense is based on the projected staff of one (1) part time superintendent/janitor and includes estimates of the wages with respect to such staff. It is expected that the superintendent/janitor shall devote 20 hours per week servicing the condominium, The weekly salary of $400 was estimated as a result of consulting a local superintendent with a description of the part-time duties entailed. This estimate is based upon the assumption that the superintendent will reside within two hundred feet of the building and the superintendent will be a self-employed, non-union employee. The projected wages meet current minimum wages laws. The level of staffing complies with the current applicable labor laws.

It is expected that the superintendent/janitor will remove garbage from the garbage storage area and move it curbside for pickup by the NYC department of sanitation, clean the common elements, repair minor problems with the building and perform routine maintenance of the building.

The Residential and Commercial Unit Owners, as well as the Parking Space License Holders shall share the cost of this expense because they shall all benefit from its services.

12. Management.

| Paid By Residential Unit Owners | Paid By Commercial Unit Owners | Paid By License Holders |
|---|---|---|
| $10,000.00 | $600.00 | $2,000.00 |

Due to the size of the Building the building will need a managing agent. The managing agent will be responsible for the day to day management of the building. The Managing Agent's

quoted fee is within the current industry standard range of management fees for condominium buildings of similar size and nature as the Building. The total fee is quoted by Maximillion Realty, Inc. with address at 101 Avenue U, Brooklyn, New York 11229. The cost of this budget item will be borne by the Units Owners and the License holders.

Management fees are apportioned between the Residential and Commercial Unit Owners based on the number of units or Licenses

13. Contingency.

| **Paid By Residential Unit Owners** | **Paid By Commercial Unit Owners** | **Paid By License Holders** |
|---|---|---|
| $2,500.00 | $1,000.00 | $500.00 |

The contingency fund is intended to provide for any unanticipated expenses or unanticipated increases in the projected expenses. The contingency fund is not intended as a reserve for capital expenditures. The budget does not provide for a reserve for capital expenditures.

## SCHEDULE B-1

## BUDGET FOR INDIVIDUAL ENERGY COSTS FOR FIRST YEAR OF CONDOMINIUM OPERATION JUNE 1, 2009 – MAY 31, 2009

### Residential Unit Electricity Cost

| Unit Type | Kwh Used (Mo) | Price per KWH | Cost Of Electricity | Tax | Inflation | Total Monthly Cost | Total Annual Cost |
|---|---|---|---|---|---|---|---|
| A-Line | 180 | $0.30 | $54.00 | $2.16 | $5.62 | $61.78 | $741.31 |
| B-Line | 250 | $0.30 | $75.00 | $3.00 | $7.80 | $85.80 | $1,029.60 |
| C-Line | 350 | $0.30 | $105.00 | $4.20 | $10.92 | $120.12 | $1,441.44 |
| Penthouse | 280 | $0.30 | $84.00 | $3.36 | $8.74 | $96.10 | $1,153.15 |

### Residential Unit Gas Cost

| Unit Type | Therms Used (Mo) | Price per Therm | Cost Of Gas | Tax | Inflation | Total Monthly Cost | Total Annual Cost |
|---|---|---|---|---|---|---|---|
| A-Line | 85 | $1.57 | $133.45 | $5.34 | $13.88 | $152.67 | $1,832.00 |
| B-Line | 140 | $1.57 | $219.80 | $8.79 | $22.86 | $251.45 | $3,017.41 |
| C-Line | 165 | $1.57 | $259.05 | $10.36 | $26.94 | $296.35 | $3,556.24 |
| Penthouse | 140 | $1.57 | $219.80 | $8.79 | $22.86 | $251.45 | $3,017.41 |

1. Each Residential Unit will be responsible for the cost of natural gas (heating and cooking) and for the cost of electricity (lights, hot water heater, air conditioner) supplied to his Unit. Each Commercial Unit will be responsible for the cost of electricity (lights, hot water heater, heating and air conditioner) supplied to his Unit. Commercial Units will not have natural gas service. Each Residential and Commercial Unit will be individually metered and charges will be payable to the utility company.

2. The above figures have been determined by the current cost of gas and electricity as set forth by Keyspan Energy and Consolidated Edison of New York. The figures are based upon $ 1.57 per therm used and $.30 per KWH used.

3. The sales tax is calculated at the rate of 4 % and the inflation adjustment is calculated as 10%.

4. All estimates are subject to change based on increasing energy costs and actual usage.

**High-Class Realty SB**
**90 Quentin Road**
**Brooklyn, NY 11223**
**(718) 333-0700**

**COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i**

July 22, 2008

Brighton Builder, LLC
75 Beaumont Street
Brooklyn, New York 11235

Attn.: Leon Mikhlin

Re: The Brighton Tower II Condominium
3015 Brighton 6th Street
Brooklyn, New York 11235

Dear Mr. Mikhlin:

You have requested an opinion from me with regards to your allocation of common interest to units in your proposed condominium at 3015 Brighton 6th Street, Brooklyn, New York, pursuant to Section 339-i(1)(i) of the New York Real Property Law. You have informed me that the method of allocation chosen is to evaluate the approximate fair value of the individual unit in proportion to the anticipated aggregate fair value of all units on the day the condominium declaration will be filed. You have further informed me that the factual basis of calculating the percentage of common interest consists of the size, layout, and location within the premises of each individual unit; and, the anticipated selling price of each unit. Based on my review of the foregoing factors, I have concluded that the proposed allocation of common interest to individual units is in compliance with Section 339-i(1)(i) of the New York State Real Property Law.

I have been a licensed real estate broker and salesman in excess of three years and have extensive experience in the sale, management and rental of cooperative and condominium units in Kings County. I have previously participated in the preparation of individual unit value appraisals for the purpose of inclusion in offering plans for the sales thereof. I am not, in any way, associated with you or any other participants in this project, and have no beneficial interest in your business, or in profitability of the project. This is an opinion only as to the relative value of each unit in relation to the value of the project as a whole; is strictly based on the information provided to me in such reasonable inquiries as to the validity thereof as I deemed appropriate under the circumstances; and is not intended as a guarantee of the actual value of any individual unit. I consent to the inclusion of this letter in your offering plan.

Sincerely,

Svetlana Borovskiy

Svetlana Borovskiy

## COMMERCIAL UNIT

There are Four (4) Commercial Units offered for sale under this Plan to be used for Community Facility Usage. None of the Commercial Units are currently occupied.

The use of the Commercial Units is expected to cause an increased amount of noise and traffic outside of the building.

Common Charges payable by a Commercial Unit Owner have been calculated by allocating the portion of the expenses reasonably associated to having the Commercial Units in the building and then apportioning such amounts among the Commercial Unit Owners based on their Common Interest in the commercial portion of the condominium. Common Charges have been estimated by the Sponsor based on the estimated operating budget annexed as Schedule B to this Plan.

The Common Charges payable by a Commercial Unit Owners are sufficient to cover the expenses fairly attributable to such Units.

The Commercial Unit Owners have rights and obligations which differ from those of the Residential Unit Owners. The Residential Units can be used only for a private residence, except that a Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinance, building code or other rules and regulations of governmental authorities having jurisdiction thereof. A Commercial Unit may be used for any Community Facility Use legally permitted by the certificate of occupancy, Zoning Resolution of the City of New York or other applicable laws. Such uses include use as medical offices; government operated health centers or independent out-of-hospital health facilities incorporated pursuant to Article 7 of the New York State Social Services Law; churches, rectories, or parish houses; non-commercial clubs.

Although the New York City Zoning Resolution prohibits the use of Community Facility space as a pornography store or massage parlor, it allows the use of a Community Facility space as a drug treatment facility and homeless shelter.

Due to the location of the meter rooms for the gas, electric and water meters, and the mechanical room housing the fire pump, such meters and pump will only be accessible through Units C3 and C4. Purchasers of Units C3 and C4 shall be subject to a restriction in the declaration forbidding them from sealing of the mechanical room doors. Furthermore, owners of Units C3 and C4 will be obligated to allow anyone who needs access to the mechanical rooms to enter their Unit, upon two day's prior notice, in order to access the meter or mechanical room for scheduled meter readings or repairs. Furthermore, owners of Units C3 and C4 and shall grant the Board of Managers and its agents the right to enter the unit at any time for emergency repairs.

In addition, any Commercial Unit Owner or tenant thereof may install, maintain and repair signs for advertising and identification purposes in accordance with applicable law.

Also, a Commercial Unit Owner does not need not to obtain a waiver of the right of first refusal by the Board of Managers of the Condominium in case of the sale or lease of his Commercial Unit.

Moreover, no portion of a Residential Unit other than the entire Unit, including any Limited Common Elements appurtenant thereto may be rented. Portions of the Commercial Unit may be rented to the same or different persons or entities.

Finally, the Commercial Unit Owner has the right to make alterations, additions, improvements or repairs to the Unit to subdivide without the approval of the Board of Managers and without paying any cost or charge to the Board of Managers provided, however, that all such work must comply with all applicable codes, rules and regulations.

The Board of Managers may also specially allocate and apportion profits and expenses to Residential and Commercial Units based on special or exclusive use or availability or exclusive control of particular Unit Owners in a manner different than in proportion to a Unit Owner's respective interest in the Common Elements.

The rights and obligations of the Commercial Unit Owners will not have a material adverse impact upon the Condominium.

## CHANGES IN PRICES AND UNITS

### Changes in Prices

The offering prices set forth in Schedule A may only be decreased or increased by a duly filed amendment to this Plan when the change in price is an across the board change affecting one or more lines of Units or Unit models, or is to be advertised in a newspaper or other media, or when the change in price is a price increase for an individual Purchaser. As set forth in the footnotes to Schedule A offering prices are negotiable, and the Sponsor may enter into a Purchase Agreement to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment to the Plan.

In addition, the Sponsor may offer an individual prospective Purchaser other inducements to purchase a Unit, such as reimbursement of Common Charges for a period of time, construction allowances for optional items, or extensions of time periods in the Purchase Agreement to close.

### Changes in Units

The Sponsor represents that no changes will be made in the size and number of Units, their respective percentage of Common Interests, or in the amount and quality of Common Elements except by amendment to the Plan. In the event that the Declaration has already been filed at the time of such change, the Declaration will also be appropriately amended with the consent of all Unit Owners directly affected.

No material change in the size or layout of a Unit, or in the percentage of Common Interest directly affecting a Unit will be made with respect to a Unit for which a Purchase Agreement has been executed and delivered to the Sponsor and the Purchaser thereunder is not in default, unless the Purchaser consents thereto.

No material change in the size or in the quality of Common Elements will be made, unless all Purchasers consent.

**Intentionally Omitted**

## PROCEDURE TO PURCHASE

The form of the Purchase Agreement is contained in Part II of the Plan. When a prospective Purchaser has decided to purchase a Unit, a Purchase Agreement in substantially such form will be executed in quadruplicate and returned with deposit to the Sponsor's attorney, Yevgeny Tsyngauz, Esq. of Tsynguaz & Associates, P.C., with offices at 18 West 21st Street, 3rd Floor, New York, New York 10010. Such Purchase Agreement will not be binding upon the Sponsor until a copy executed by the Sponsor is delivered to the Purchaser.

Among the important provisions of the Purchase Agreement are the following (the Sponsor is sometimes hereinafter called as "Seller"):

1. Deposit. The required deposit will be ten (10%) percent of the purchase price. However, such deposit may be increased for special work or materials (if offered) ordered by the Purchaser and itemized in the Purchase Agreement. Such deposit may also be decreased as an accommodation to the Purchaser, but in no case will deposit be less that $1,000.00.

2. Statutory requirement. The Sponsor will comply with the escrow and trust fund requirements of Sections 352-e(2-b) and 352-h of the General Business Law and Part 20 of Title 13 NYCRR, and all funds paid by Purchasers will be handled in accordance with these statutes and regulations.

3. Escrow, trust fund.

(i) All deposits or advances made by Purchasers prior to closing of each individual Unit, whether received before or after the date of consummation of this Plan, shall be placed within five (5) days after the Purchase Agreement is signed by the Purchaser and the Sponsor, in a separate Interest-On-Lawyer's-Account ("IOLA") pursuant to Section 497 of Judiciary Law. The name of the account is "Yevgeny Tsyngauz, Esq., IOLA", and the number of the account is [redacted] The account is maintained in JPMorgan Chase Bank at 8523 20th Avenue, Brooklyn, New York 11214 (the "Bank"). The Bank is covered by federal bank deposit insurance to a maximum of $100,000.00 per individual depositor but that does not guarantee that an individual down payment will be fully insured. Since the IOLA account may have well over $100,000.00 in it at any time given time, a Purchaser's individual deposit may not be covered.

(ii) 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 to the order of "Yevgeny Tsyngauz, as escrow agent".

(iii) Yevgeny Tsyngauz, Esq. and Mikhail Litt, Esq., whose office address is 18 West 21st Street, 3rd Floor, New York, New York 10010 are the only authorized signatories on the account and shall be authorized to release funds (the "Escrow Agents").

(iv) The form of the Escrow Agreement is contained in Part II of the Plan.

(v) Within ten (10) business days after tender of the deposit submitted with the Purchaser Agreement, the Escrow Agent will notify the Purchaser that such funds have been

deposited in the Bank, and will provide the Purchaser with the account number. If the 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 Part 20 of Title 13 NYCRR and requisite notice was timely mailed to the Purchaser.

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

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

The Escrow Agent will hold funds in escrow until

(a) a writing signed by both the Sponsor and the Purchaser directing the release of funds; or
(b) a determination of the Attorney General pursuant to the dispute resolution provisions contained in (vii) below; or
(c) a judgment or order of a court of competent jurisdiction; or
(d) if there is no written agreement between the Sponsor and the Purchaser to release the escrowed funds, the Escrow Agent will not pay the funds to the Sponsor until the Escrow Agent has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to the Sponsor unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions contained in Part 20 of Title 13 NYCRR and has so notified the Escrow Agent in accordance with such provisions;

The 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;
(b) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

(vii) In the event of a dispute, the Sponsor will apply and the Purchaser or the Escrow Agent holding the deposits in escrow may apply to the Attorney General for a determination on the disposition of the deposit and any interest earned thereon. A form for this purpose is contained in Part II of the Plan. The party applying for a determination will contemporaneously send to all other parties a copy of such application.

Pending the determination of the Attorney General to grant or deny the application, the Sponsor, the Purchaser or the Escrow Agent will abide by any interim directive issued by the Attorney General.

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

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

If the application seeking release of funds is denied, the Escrow Agent will continue to hold the deposit and any interest earned thereon until:

(a) both the Sponsor and the Purchaser direct payment to a specified party in accordance with a written direction signed by both the Sponsor and the Purchaser; or
(b) a judgment or order of a court of competent jurisdiction is served on the Escrow Agent; or
(c) the Escrow Agent deposits the disputed amount into court.

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

(vii) The Escrow Agent will maintain all records concerning the escrow account for seven (7) years after release of the funds.

(viii) Any provision of any contract or agreement, whether oral or in writing, by which the Purchaser purports to waive or indemnify any obligation of the Escrow Agent holding trust funds is absolutely void. This provision will prevail over any conflicting or inconsistent provision in the Offering Plan or in a Purchase Agreement.

(ix) The Sponsor may amend the Plan to provide for surety bond or letter of credit in lieu of continuing to maintain the funds in the escrow account.

4. Compliance with Section of 71-a(3) of the Lien Law.

The Plan and the Purchase Agreement comply with Section of 71-a(3) of the Lien Law or other applicable provisions of law.

5. Default of the Purchaser. In the event of an uncured default by the Purchaser in his obligations under the Purchase Agreement, no more than ten (10%) percent of the purchase price may be retained as liquidated damages. Notwithstanding the above, the actual cost incurred

by the Sponsor for any special or custom work in the Unit ordered by the Purchaser may also be retained as liquidated damages. The Sponsor agrees not to seek the remedy of specific performance in connection with the Purchase Agreement as to which there has been a default by the Purchaser.

If the Purchaser defaults under the Purchase Agreement, the Sponsor shall notify the Purchaser in writing of such default and advise the Purchaser that he or she has thirty (30) days from the mailing date or personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR THE PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN SUCH THIRTY (30) DAY PERIOD.

"Time is of the essence" means that if such default is not cured within thirty (30) days from the mailing date or personal delivery of such written notice, the Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. In such event the monies held by the Sponsor, but not more than ten (10%) percent of the purchase price, and any other sums incurred by the Sponsor for any special or custom work in the Unit ordered by the Purchaser, will be paid over to the Sponsor as and for liquidated damages and thereafter the Purchase Agreement will become null and void. The Sponsor waives any right to seek specific performance in the event of a default by the Purchaser.

In addition to any other remedies that the Sponsor may have in the event of a default by the Purchaser, if the Purchaser defaults under the Purchase Agreement then (a) the Closing apportionments described the Purchase Agreement will be made as of midnight of the day preceding the date of the Purchaser's Default, and (b) Purchaser will be required to pay to Sponsor, as a penalty for defaulting, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the date of default up to and including the day before the actual Closing Date.

6. Closing of Title. After the Plan has been declared effective and a temporary, or final, certificate of occupancy for the Building has been issued, the Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first closing and setting such Purchaser's closing date. The closing date shall be no earlier than thirty (30) days after the date on which written notice is given to the Purchaser. However, the Purchaser may waive this 30-day requirement to a lesser time period.

If a Purchaser executes a Purchase Agreement after the Sponsor has declared the plan effective and a certificate of occupancy for the Building has been issued the Purchase Agreement will contain a firm closing date. Such date may be within thirty days of the signing of the Purchase Agreement and TIME SHALL BE OF THE ESSENCE against Purchaser to perform on such date.

The Purchaser will be allowed one reasonable adjournment of up to fifteen (15) days, on five (5) days' written notice by the Purchaser to the Sponsor.

The Sponsor expects the first closing of title to occur on June 1, 2009. If such date is delayed twelve (12) months or more, the Sponsor will offer the Purchasers the right of rescission.

At closing, the Sponsor will deliver to the Purchaser a bargain and sale deed with covenant against grantor's acts conveying title to the Unit to the Purchaser. Such deed will be in the form contained in Part II of the Plan, executed and acknowledged by the Sponsor and the Purchaser in form for recording.

7. Power of Attorney. At the closing of title to the Unit, the Purchaser will be required to sign a power of attorney to the Board of Managers of the Condominium, and return it to the Sponsor. If the Purchaser refuses to either sign the power of attorney or return it to the Sponsor, he or she will be in a default of his obligations under the Purchase Agreement.

8. Rescission of the Purchase Agreement. At the Sponsor's option, the Purchaser will be afforded:

(i) not fewer than seven (7) days after delivering an executed Purchase Agreement together with the required deposit to rescind the Purchase Agreement and have the full deposit refunded promptly. The Purchaser must either personally deliver a written notice of rescission to the Sponsor or Selling Agent within the seven (7) day period or mail the notice of rescission to the Sponsor or Selling Agent and have the mailing post-marked within the seven (7) day period; or

(ii) not fewer than three (3) business days to review the Plan and all filed amendments prior to executing a Purchase Agreement.

9. Risk of Loss. Risk of loss for fire or other casualty remains with the Sponsor unless and until the Purchaser takes actual possession of a Unit pursuant to an interim lease (or written agreement with the Sponsor) or legal title to the Unit has been conveyed to the Purchaser.

10. Financing Contingency. The Purchase Agreement is contingent upon the Purchaser obtaining a mortgage commitment, unless such contingency is waved by Purchaser when signing the Purchase Agreement.

11. Conflicts. Any conflict between the Plan and the Purchase Agreement will be resolved according to the terms of the Plan.

12. Rejection of the Purchase Agreement. Within thirty (30) days after delivery by the Purchaser of an executed Purchase Agreement, together with the required deposit, the Sponsor will either:

(a) accept the Purchase Agreement and cause to be returned to the Purchaser the fully executed counterpart thereof, or
(b) reject the Purchase Agreement offer and refund the deposit tendered.

If the Sponsor takes no action within said thirty (30) day period, the Purchase Agreement shall be deemed rejected and be null and void.

13. Assignment of Purchase Agreements. Purchase Agreements are not assignable without the Sponsor's written consent which may be withheld for any reason or for no reason.

14. Effectiveness of the Plan. The Purchase Agreement is contingent upon effectiveness of the Plan. If the Plan is abandoned, the Purchase Agreements will be cancelled and the deposit returned to the Purchaser.

15. Condition of the Unit. The Purchaser will accept title (without abatement in or credit against the purchase price or provision for escrow) notwithstanding that construction of (a) minor details of the Unit or the Building in which it is located or (b) other Units or (c) other portions of the Common Elements have not been completed. The Purchaser will represent to the Sponsor that that he has examined the Unit and that his execution of the Purchase Agreement will constitute acceptance of the Unit and the Buildings and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein, in their present condition on the date of the Purchase Agreement, subject to reasonable use, wear, tear and natural deterioration between the date of the Purchase Agreement and the Closing Date and subject to any other obligations of the Sponsor under the terms of the Plan. See Paragraph 18 of the Purchaser Agreement in Part II of the Plan.

16. Inability to Perform. The Sponsor's liability under the Purchase Agreement for failure to complete and/or deliver or have delivered title for any reason whatsoever shall be limited to the return of the money deposited thereunder, and upon the return of said money, the Purchase Agreement will be null and void and the parties released from any and all liability hereunder. The Sponsor will not be required to bring any action or proceeding or otherwise incur any expense in excess of $123,155.00 (i.e. one-half of 1% of the total offering amount), excluding legal fees, to render the title to the Unit marketable or to cure any objection to title. Purchasers are directed to see Paragraph 15 of the Purchase Agreement contained in Part II of this Plan

17. Fixtures. The Sponsor will provide the Purchaser only with the fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in the purchase price of the Unit.

The New York City requires the installation of a smoke and carbon monoxide detectors by owners of multiple dwellings. Prior to the closing, the Sponsor will provide each Purchaser with a smoke and carbon monoxide detector.

The Sponsor will not install any window guards. Any Unit Owner who wishes to have window guards installed shall be responsible for purchase and installation of the window guards.

18. 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 the Purchase Agreement or, in the event Purchaser defaults under the Purchase Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder.

## EFFECTIVE DATE

The Sponsor's offer to sell the Units hereunder is contingent upon the Plan being declared effective in accordance with relevant conditions and time periods. All Purchase Agreements are contingent upon such effectiveness. In declaring the Plan effective, the following will govern:

1. The closing of the first Unit will not occur until the Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

2. The Sponsor has obtained two construction loans in the aggregate amount of $6,500,000.00 from The Community Preservation Corporation, located at 28 East 28th Street, 9th fl., New York, NY 10016 ("CPC"). Pursuant to the loan agreement, the Plan may be declared effective only after the execution and delivery of Purchase Agreements for at least Nineteen (19) Units, which is equal to 45% of the Units being sold. This requirement imposed by CPC is stricter that the requirement imposed by the regulations governing newly constructed, vacant or non-residential condominiums. Pursuant to the regulations, the plan may be declared effective when bona fide Purchasers, including investors, have signed Purchase Agreements for at least 15% of the units, which is equal to seven (7) Units offered under this Plan.

If the Sponsor chooses to refinance the CPC loan, or CPC waives their strict requirement, the Sponsor may be able to declare the plan effective when bona fide Purchasers, including investors, have signed Purchase Agreements for at least 15% of the units.

In order to be counted toward the foregoing effectiveness threshold, a Purchase Agreement must:

(i) be in writing and signed by bona-fide arms-lengths Purchaser or Purchasers;
(ii) be accompanied by a minimum deposit of 5% of either the applicable purchase price or the applicable Minimum Sales Price (as hereinafter defined), whichever is greater; and
(iii) be with a Purchaser or Purchasers whose application has been submitted to CPC and approved by CPC in writing, which approval or disapproval to be provided within five (5) business days after receipt of the application.

A Bona-fide arms-lengths Purchaser is a Purchaser who negotiates and buys the unit in good faith, honestly, openly and sincerely, without deceit and fraud.

Pursuant to the loan documents, the Sponsor has no right to sell the Units without the prior written consent of CPC. Provided the Sponsor is not in default with respect to any of its obligations set forth in the mortgage or in any of the other loan documents, CPC's consent to any such sale cannot be unreasonably withheld or delayed, proved that the sales price of the unit meets the "Minimum Sales Price" (as hereinafter defined).

Upon the sale of each Unit and payment of an amount equal to the Minimum Repayment Amount (as hereinafter defined), the Sponsor shall be entitled to a release of such Unit from the lien of CPC's mortgage.

The "Minimum Sales Price" means the sum of $315,000.00 for a One-bedroom Residential Unit, $382,500.00 for a Two-bedroom Residential Unit, $520,000.00 for a three-bedroom Residential Unit, $25,000.00 for a Parking Space, and $351.00 per Sq. Ft. of Commercial Space. The "Minimum Repayment Amount" means the sum of $299,250.00 for a One-bedroom Residential Unit, $363,375.00 for a Two-bedroom Residential Unit, $494,000.00 for a Three-bedroom Residential Unit, $25,000.00 for a Parking Space, and $333 per Sq. Ft. of Commercial Space

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

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

(ii) if the Purchaser was not afforded at least three (3) business days to review the Plan and all filed amendments prior to executing a Purchase Agreement; or

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

4. If the Sponsor, at its option, abandons the Plan before the Plan is declared effective, within twenty (20) days after abandonment, all monies paid by Purchasers will be refunded to them in full, with interest earned, if any. The Sponsor shall promptly file an amendment together with form RS-3 as required by Section 20.1(l)(2) of the Regulations Governing Newly Constructed, Vacant or Non-Residential Condominiums (Part 20 of Title 13 NYCRR).

5. The Sponsor may not abandon the Plan after effectiveness for any reason other than:

(i) a defect in title which cannot be cured without litigation or cannot be cured for less than $133,055.00, i.e. one-half of 1% of the total offering amount;

(ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less than $133,055.00, i.e. one-half of 1% of the total offering amount;

(iii) the taking of any material portion of the Property by condemnation or eminent domain.

The dollar amount relied upon as a basis for abandonment after effectiveness will exclude any attorneys fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to the Sponsor or are a matter of public record.

6. The Plan will be declared effective either by (i) an amendment to the Plan or (ii) by written notice sent by mail or personally delivered to every Purchaser. If the Plan is declared effective by notice, then within five (5) days after service of such notice, an amendment to the Plan reflecting that it has been declared effective will be submitted for processing to the Department of Law.

**Intentionally Omitted**

## TERMS OF SALE

The term "Closing of Title" (alternatively called simply as "closing") as used herein is intended to signify the passage of title to a particular Unit or Units from the Sponsor to the Purchaser(s) thereof.

1. At closing, the Sponsor will deliver to the Purchaser a bargain and sale deed with covenant against grantor's acts conveying title to the Unit to the Purchaser. Such deed will be in the form contained in Part II of the Plan, executed and acknowledged by the Sponsor and the Purchaser in form for recording.

2. Risk of loss for fire or other casualty remains with the Sponsor. However, a person who takes possession prior to the closing assumes the risk of losses not covered by insurance.

3. Prior to closing the first Unit, the Sponsor will obtain a permanent certificate of occupancy for the Property or, alternatively, obtain a temporary or partial certificate of occupancy for the Unit or the Building in which the Unit to be closed is located. The Sponsor will obtain a permanent certificate of occupancy for the Property within two (2) years of closing title to the first Unit, and in any event, before expiration of applicable temporary or partial certificate, as same may be renewed, replaced or extended.

4. Title to each Unit and its Appurtenant Interest in the Common Elements will be conveyed at closing free and clear of all leases, mortgages and liens but subject to:

i. The terms, provisions, covenants and options contained in the Declaration of the Condominium and the By-Laws as set forth in Part II of the Plan;

ii. Power of Attorney as set forth in Part II of the Plan from the Unit Owner to the members of the Board of Managers of Condominium and their successors;

iii. Any state of facts which an accurate survey and inspection of the Unit would show, provided same does not render title unmarketable;

iv. State of facts of the Land and Building of which the Unit is a part as shown on the survey made and any additional state of facts which a subsequent and accurate survey of such Land and Building would show provided same does not render title unmarketable;

v. Building restrictions and zoning laws and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction;

vi. Any easement or right of use in favor of any utility company for construction, use, maintenance, repair and replacement of all utility lines, wires, terminal boxes, main pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Land and Building;

vii. Revocability of Licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax (which is to be paid by the Condominium Board);

viii. Encroachments of stoops, areas, cellar steps or doors, trim, cropings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and standpipes, and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the property and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any;

ix. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title;

x. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date (however, the then current installment shall be adjusted at closing);

xi. Any encumbrance as to which the title insurance company which insures Purchaser's title to the Unit would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien and (b) will not prevent the use of the Unit for dwelling purpose;

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

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

5. All personal property located within the Unit on the date the Purchase Agreement is signed or located within the Common Elements on the date the Declaration is filed, that is owned by the Sponsor is included in the conveyance in the conveyance unless specifically excepted in this Plan.

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

## UNIT CLOSING COSTS AND ADJUSTMENTS

### Closing Costs

1. **General.** At the time of closing, each Purchaser of a Unit will pay certain closing costs in addition to the legal fees of such Purchaser's counsel and the amount of any net credit in favor of the Sponsor resulting from the closing adjustments described below. Such closing costs will include the following, the amounts of which are based on rates in effect on the date of the Plan and are subject to change without prior notice or amendment:

(1) If a Purchaser elects to obtain fee title insurance, he or she will pay a premium therefor to his or her title insurance company which will vary depending upon the amount of insurance requested. The premium for fee title insurance offered by Stewart Title Insurance Company shall be $342.00 for the first $35,000.00 and an additional fee insurance of $5.67 for each $1,000.00 or fraction thereof from $35,001.00 to $50,000.00 and an additional fee insurance of $4.62 for each $1,000.00 or fraction thereof from $50,001.00 to $100,000.00 and an additional fee insurance of $3.71 for each $1,000.00 or fraction thereof from $100,001.00 to $500,000.00 and an additional fee insurance of $3.39 for each $1,000.00 or fraction thereof from $500,0001.00 to $999,999.00;

(2) A fee for recording the deed and Unit Owner's Power of Attorney of $15.00 for each instrument plus $8.00 per page, together with a service charge to the title company for such recording of approximately $10.00-$15.00 per instrument;

(3) If a Purchaser obtains a mortgage loan, he or she will pay:

(a) a fee and service charge for recording the mortgage at the same rates given above for recording the deed;

(b) a mortgage recording tax in the amount provided for by law (at the date of the Plan, the tax is 2.05% of the face amount of the mortgage for mortgages under $500,000.00 and 2.175% for mortgages of $500,000.00 or more and covering residential property and 2.8% of the face amount of the mortgage for mortgages over $500,000.00 and covering commercial property);

(c) costs of filing the UCC-1 Financing Statements (approximately $15.00);

(d) a premium for their loan title insurance policy to his or her title insurance company which will vary depending upon the amount of insurance requested. The current premium for loan title insurance offered by Stewart Title Insurance Company is $344.00 for the first $35,000.00 and an additional fee insurance of $5.55 for each $1,000.00 or fraction thereof from $35,001.00 to $50,000.00 and an additional fee insurance of $4.54 for each $1,000.00 or fraction thereof from $50,001.00 to $100,000.00 and an additional fee insurance of $3.64 for each $1,000.00 or fraction thereof from $100,001.00 to $500,000.00 and an additional fee insurance of $3.31 for each $1,000.00 or fraction thereof from $500,0001.00 to $999,999.00. If a Purchaser Purchases a fee title insurance policy simultaneously with a loan title insurance policy, the price of the loan title insurance, for an

insurance amount not exceeding the fee title insurance policy's, will be 30% of the regularly charges amount.

(e) all costs and expenses in connection with such loan in amounts determined by the lender, including without limitation, loan origination fees, commitment fees, application fees, appraisal fees, credit reports, lender attorney fees, tax service fees, underwriting fees, messenger fees, bank document preparation fees and escrow reserve for the payment of annual real estate taxes and PMI premiums. **SPONSOR MAKES NO REPRESENTATION OR WARRANTY AS TO SUCH LENDER'S CLOSING COSTS OR EXPENSES OR AS TO THE AVAILABILITY OF SUCH FINANCING.**

(4) Although usually the Seller's expense, the Purchaser shall pay the New York City Real Property transfer tax due to the City of New York. This tax is in the amount of 1.0% of the purchase price for Residential Units up to $500,000.00, 1.425% of the purchase price for Residential Units over $500,000.00, 1.425% of the purchase price for Commercial Units under $500,000.00 and 2.625% of the purchase price for commercial Units over $500,000.00. The Purchaser will also pay the New York State deed documentary stamps (currently $2.00 per $500.00, or fractional portion thereof of the purchase price). The amount of such real property transfer tax and deed documentary stamps are added to the purchase price as additional consideration upon which such real property transfer tax and deed documentary stamps is based. The total amount of such transfer tax and deed documentary stamps are then added to the purchase price and the transfer tax and transfer tax and deed documentary stamps is calculated in accordance with the percentages ser forth above.

(5) The Purchaser will be required to deposit the sum of $750.00 with the Board of Managers for the initial contribution to the working capital fund.

(6) The Purchaser shall be obligated to pay a fee of $1,500.00 to Tsyngauz & Associates, P.C. for services rendered in connection with the preparation of the closing documents and the conduct of the closing, plus an additional $250.00 if the closing takes place outside the office of Sponsor's attorneys and an additional $250 if the Purchaser fails to close on the date set forth in the notice of closing. Additionally, if through no fault of the Sponsor, the closing continues for a period exceeding the two hours from the scheduled time the Purchaser shall pay to the Sponsor's attorney a fee of $100.00 per every half hour, or portion thereof, which the closing exceeds the allocated closing time.

(7) The Purchaser will be required to pay the Sponsor a fee of one percent (1%) of the purchase price for obtaining a tax abatement;

(8) The Purchaser will also pay to the Sponsor $1,500.00 as partial reimbursement for the cost of preparing the Plan.

The above closing fees are cumulative to the extent applicable to an individual Unit.

**2. Mortgage Tax Credit**

Section 339-cc(2) of the Real Property Law provides as follows:

"In the event the proceeds of a construction mortgage were applied to construction of a unit of condominium submitted to the provisions of this article, or in the event that a Unit submitted to the provisions of this act was subject to a blanket mortgage, and a mortgage tax was duly paid on such construction or blanket mortgage in accordance with article eleven of the tax law, then, as each unit is first conveyed, there shall be allowed a credit against the mortgage recording taxes that would otherwise be payable on a purchase money mortgage, said credit to be in the amount resulting from the product of the Purchaser's pro rata percentage of interest in the common elements and the mortgage tax already paid on the construction or blanket mortgage."

In the event that a mortgage tax credit becomes available, pursuant to the above Section, it is specifically understood that such credit shall inure to the benefit of the Sponsor. Accordingly, at closing, each Purchaser obtaining a mortgage shall pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. The Sponsor at closing will be reimbursed to the extent of any mortgage tax credit allowed.

## 3. Example of Closing Costs for One of the Units of the Condominium

Unit 3C

$350,000.00 Purchase Price
$316,000.00 Loan Amount, if applicable

| | |
|---|---|
| Title Insurance Fee (Owner's Policy) | $1,585.00 |
| Title Insurance (Loan Policy), if applicable | $ 393.00 |
| Title Search | $ 500.00 |
| Deed and Power of Attorney Recording | $ 225.00 |
| Mortgage Recording | $ 225.00 |
| Mortgage Recording Tax, if applicable | $5,040.00 |
| New York City Transfer Tax | $3,500.00 |
| New York State Deed Documentary Stamps | $1,400.00 |
| Working Capital Fund Contribution | $ 750.00 |
| Document Preparation Fee | $1,500.00 |
| Tax Abatement Fee | $3,500.00 |
| Offering Plan Reimbursement Fee | $1,500.00 |
| Total: | $20,118.00 |

## 4. Closing Adjustments

At the closing of the title to each Unit, the Sponsor and the Purchaser shall apportion, as of midnight of the day preceding the closing: (i) real estate taxes (including all prepaid real estate taxes) and assessments, if any, on the basis of the fiscal or calendar year for which assessed, and escrows for real estate taxes, if any; (ii) Common Charges for the month in which title closes; and (iii) insurance premium.

In the event that Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, the Sponsor will place in escrow in the name of the Board of Managers an amount equal to the real estate taxes attributable to the Unsold Units, which will be levied against the parcel for the six month period following the first closing, or until the Units are separately assessed, whichever is sooner, and will 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 Sponsor will be entitled to reimbursement from Unit Owners to the extent of the actual assessment.

In the event that the Unit has not been separately assessed for the then current fiscal tax year at the time of closing, the apportionment of real estate taxes will be based on the Unit's pro rata share (in proportion to its Common Interest) of the then current real estate taxes assessed against the Property. Installments for tax assessments due after delivery of the deed (if any) shall be paid by the Purchaser and shall not considered a defect in title.

**5. Late Fees and Defaults**

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

**THE ENTIRE CONTENTS OF THIS SECTION, AS SAME MAY BE REVISED OR AMENDED, WILL BE DEEMED TO BE INCORPORATED IN THE PURCHASE AGREEMENT FOR EACH UNIT.**

## RIGHTS AND OBLIGATIONS OF SPONSOR

1. The Sponsor will endeavor, in good faith, to sell in a reasonably timely manner, all Residential Units to Purchasers for personal occupancy of Purchasers or their immediate family. However, in the event that there is a significant decline in market values of more than 10% from the offering prices set forth in the contracts counted toward effectiveness, the Sponsor reserves the right to rent, rather than sell, Units until the market value of the property increases to not less than 10% below the offering prices. Sponsor's good faith effort to sell to Purchasers will include listing Unsold Units with brokers, showing Unsold Units to broker and prospective Purchasers or their representatives, filing update amendments to the Plan and otherwise engaging in customary sales activities.

2. The Sponsor will defend any suits or proceedings arising out of the Sponsor's acts, omissions or representations and indemnify the Board of Managers and the Unit Owners.

All obligations 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. During the time the Sponsor controls the Board, it is within its sole power to enforce the obligations of the Sponsor pertaining to the Common Elements and, therefore, the 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 the Sponsor, at a special meeting of the Unit Owners called for such purposes.

3. All representations under the Plan, all obligations pursuant to the New York General Business Law and such additional obligations under the Plan, which are to be performed by the Sponsor subsequent to the closing date, will survive delivery of any Unit deed.

4. The Sponsor will pay all Common Charges, special assessments and real estate taxes with respect to Unsold Units. The Sponsor represents that the Sponsor has the financial resources to meet its obligations with respect to Unsold Units. The Sponsor will fund its financial obligations to the Condominium from its own existing capital. No bond or other security has been posted to secure Sponsor's obligations.

5. The Sponsor agrees to 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. Such insurance will provide that each Unit Owner and Unit Owner's mortgagee is an additional insured and that there will be no cancellation without notice to the Board of Managers and Unit Owners. The insurance policies will also contain waivers of subrogation, waivers of invalidity due to acts of insured and Unit Owners and waivers of pro-rata reduction of liability of the insurer due to other insurance carried by individual Unit Owners.

6. In the event of the dissolution or liquidation of the Sponsor or the transfer of twenty percent (20%) or more of the total number of the Units in the Condominium, the principal 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 Plan, applicable law or regulations.

7. The Sponsor does not intend to make a bulk sale of all or some of its Unsold Units. However, if the Sponsor does make a bulk sale of all or some of its Unsold Units, the transferee successor Sponsor will be bound by the Sponsor's representations regarding its commitment to sell Units.

8. The Sponsor will complete construction of the Building in accordance with all applicable zoning and building laws, regulations, codes and other government requirements as well as in accordance with the plans and specifications filed with the New York City Building Department and identified in the Plan. The Sponsor has a right to substitute equipment or materials and make modifications of layout or design of the Units, provided, however, that the Sponsor may not:

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

(b) change the size or location of the Building or the 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 consent in writing to such change and all affected contract vendees are given the right to rescind their Purchase Agreements and receive a refund of any deposit or downpayment thereunder.

9. Prior to closing the first Unit, the Sponsor will obtain a permanent certificate of occupancy for the Property or, alternatively, obtain a temporary or partial certificate of occupancy for the Unit or the Building in which the Unit to be closed is located. The Sponsor will obtain a permanent certificate of occupancy for the Property within two (2) years of closing title to the first Unit, and in any event, before expiration of applicable temporary or partial certificate, as same may be renewed, replaced or extended.

As to Units, which close prior to issuance of a permanent certificate of occupancy for the Property, the following will apply:

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

10. All Units, Common Elements and Limited Common Elements offered pursuant to this Plan are sold as described in this Plan. The Sponsor is obligated to construct the building in accordance with all applicable codes and filed building plans and specifications. The Sponsor's obligations, regardless of any limitations in the warranty or in this offering plan, cannot go below

the duty to construct the premises in accordance with all applicable codes and filed plans and specifications, and that any conflict between the disclaimers and the Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter.

The Sponsor will not provide the Housing Merchant Implied Warranty (Article 36-B of the General Business Law) because the Building consists of more than five (5) stories.

11. The Sponsor will assign to the Purchaser, upon the closing of title to his Unit, all manufacturers' warranties with respect to equipment and appliances installed in his Unit. The Sponsor will assign to the Board of Managers, upon the recording of the Declaration, all manufacturers' warranties with respect to equipment and appliances installed in the Common Elements. The Sponsor undertakes to do the above only to the extent that warranties are actually made by such manufacturers and only to the extent such warranties are assignable.

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

13. The Sponsor will deliver a set of "as-built" plans to the Board of Managers.

14. Except as specifically set forth herein, no bond or other security has been furnished to secure the Sponsor's obligations including the Sponsor's obligations to complete construction of the Condominium.

15. The Sponsor's Rights of Access, Alterations, Repairs.

(a) General.

As a condition of the sale of Units pursuant to this Plan, the Sponsor reserves to himself, his successors, assigns, designees, invitees, contractors, agents, employees and tenants any and all easements and rights of access, in and to Units and Common Elements, consistent with the purposes of the Plan and the Sponsor's rights and obligations thereunder. For a more complete discussion, see the Declaration set forth in Part II of the Plan.

(b) Examples of Specific Easements and Rights of Access Reserved by Sponsor.

Without in any way limiting the generality of rights reserved in Paragraph (a) above; the Sponsor wishes to inform prospective Purchasers that such rights specifically include the following:

(1) The right to maintain general and sales and leasing office(s) and personnel on the premises, to post signs, and to conduct other activities in connection with promotion, sales or leasing, such as inspection and display of vacant or leased

Units, as well as all Common Elements, by and to prospective Purchasers or lessees;

(2) Right of access in and to Units and Common Elements for purposes of construction, repair, correction, alteration, finishing and servicing the Property.

(3) Right to show vacant or leased Units.

(4) Utility and other easements for the benefit of Unit Owners and Common Elements.

(c) Alterations.

The Sponsor (and his successors, assigns and designees) shall have the right without the consent of the Board of Managers to alter any Unit(s) or Common Element(s) subject to filing amended plans and/or specifications, consistent with this offering and consistent with "Changes In Prices and Units" Section.

(d) Repairs, Interference

The Sponsor will repair damage resulting from the exercise of the above rights of access and to exercise such rights so as to limit, to the extent practicable, unnecessary interference with use of the Property by Unit Owners.

The Sponsor will also repair damage from a casualty or other cause before the closing of a Purchaser's Unit. No Purchaser shall be required to accept a damaged Unit.

## CONTROL BY SPONSOR

Title to all Units and Licenses which have not been sold by the time of the first Unit closing will remain with the Sponsor or its designee(s) until such Units and Licenses shall thereafter be sold to bona fide Purchasers. Such sales do not require a right of first refusal to the Board of Managers. Until the first annual meeting of the Condominium, the Board of Managers shall consist of one person designated by Sponsor. Accordingly, until such first annual meeting, Sponsor will have absolute voting control of the Board of Managers and will thus have control of maintenance, facilities and services to be provided, as well as determining the Common Charges to be paid by Unit Owners.

The Sponsor or Sponsor-designee will not retain voting control of the Board of Managers for more than five (5) years after the closing of the first Unit or whenever the Sponsor or Sponsor-designee shall transfer title to Units, the percentage Common Interest of which, in the aggregate, equals more than Ninety (90%) percent, whichever is sooner. The Sponsor, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers the Sponsor will not use such vote to elect a particular individual to the Board of Managers which would, by the election of such individual, give the Sponsor voting control of the Board.

A meeting will be held to elect new members of the Board of Managers unrelated to the Sponsor within thirty (30) days of the expiration of the control period.

The Board of Managers currently consists of One (1) member designated by the Sponsor. The member is Leon Mikhlin, a principal of the Sponsor.

The number of Managers elected at the first meeting not be less than three (3) and not more than five (5).

So long as the Sponsor or Sponsor-designee will continue to own One (1) Unit the Sponsor or Sponsor-designee shall have the right to designate One (1) member of the Board of Managers and shall have the right to vote its Common Interest attributed to the unsold Units for the remaining members of the Board of Managers.

Since the Sponsor is not obligated, by law, to sell more than fifteen (15%) percent of the units offered, it is possible that the Sponsor will not relinquish control of the Board of Managers for five (5) years following the date of the first closing.

As long as the Sponsor or Sponsor-designee shall continue to own Units, the percentage Common Interest of which, in the aggregate, equals more than twenty five (25%) percent, but in no event later than five (5) years following the closing of the first Unit, whichever is sooner, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) increase the number, or change the type, of employees provided for in Schedule B, (ii) make any addition, alteration or improvement to the Common Elements or to any Unit or (iii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve,

contingency or surplus fund, except that Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed ten (10%) percent of the budgeted expenses of the Condominium or (iv) borrow money on behalf of the Condominium, except when necessary to comply with applicable law or regulations, or remedy any notice of violation or an insurer's work order(s). As long as the Sponsor or Sponsor-designee shall continue to own a Unit, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) amend the Declaration, the By-Laws or the Rules and Regulations attached thereto so as to in any way adversely affect the Sponsor or Sponsor-designee or (ii) interfere with the offer and sale or leasing of Units or the operation of general, sales or leasing offices at the Property or interfere with actions necessary for construction, renovation, repair or correction at the Property, as required by the Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding these restrictions, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge for expenses required to comply with applicable law or regulations, or remedy any notice of violation or an insurer's work order(s). The Sponsor may not veto expenses described in Schedule B.

Members of the Board of Managers will serve without compensation, as will all officers of the Condominium.

Except for a member of the Board of Managers designated by the Sponsor or Sponsor-designee, a member of the Board of Managers may be removed from office with or without cause but the affirmative vote of Unit Owners owning more than fifty (50%) percent of the Common Interest of the Condominium. A member of the Board of Managers designated by the Sponsor or Sponsor-designee may only be removed by the Sponsor or Sponsor-designee and only they shall have the right to designate a replacement.

An officer may be removed with or without cause, by the affirmative vote of a majority of the members of the Board of Managers.

## BOARD OF MANAGERS

The affairs of the Condominium will be governed by the Board of Managers in accordance with the By-Laws set forth in Part II of the Plan.

The number of Managers which shall initially constitute the whole Board of Managers shall be one. Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose, Managers need not be Unit Owners; thereafter, all Managers, other than representatives of the Sponsor, will be Unit Owners, the principal or officer of a Unit Owner or the spouse of a Unit Owner.

After the initial Sponsor control period there will be not be less than three (3) and not more than five (5) Managers. The By-Laws of Condominium do not provide that after the initial sponsor control period expires the majority of the Board of Managers must be comprised of owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals.

The first Board of Managers shall consist of One (1) member designated by the Sponsor. The member shall be Leon Mikhlin, a principal of the Sponsor.

Within Thirty (30) days after Five (5) years after the closing of the first Unit or whenever the Sponsor or Sponsor-designee shall transfer title to Units, the percentage Common Interest of which, in the aggregate, equals more than Ninety (90%) percent, whichever is sooner, the Sponsor will call a special Unit Owners meeting for the purpose of electing a Board of Managers pursuant to Section I of the By-Laws. At such meeting, the Board of Managers will resign and a new Board will be elected by the Unit Owners. Thereafter, annual meetings will be held on or about the anniversary of such date each succeeding year. At such meetings, there will be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of the By-Laws.

The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on his or their behalf, who need not be an Owner, will be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy will be made in writing but need not be acknowledged or witnessed and will be filed with the Secretary at or previous to the time of the meeting and will be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of Unit Owners. For voting purposes, the percentages of Common Elements in Schedule A are rounded up to the nearest whole number. The Owners of each Unit (including the Sponsor or Sponsor-designee, if the Sponsor or his designee will then own one or more Units) will be entitled to cast one vote for each 1% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to a vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Unit Owner: (i) will be entitled to one vote for each 1% of Common Interest attributable to his Unit per member to be elected, and (ii) will not have the right to cumulate his votes in favor of any one or more members to be elected. If one or more Units are owned by more than one person as joint tenants, tenants-in-common, tenants by the entirety or in the name of a corporation or partnership or other entity permitted for herein, the persons owning said Unit

will agree among themselves and cast the votes for their Unit. A fiduciary will be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or its designee will not be entitled to vote.

The Parking Space License holders will not be allowed to vote for the Board of Managers. Residents at the Brighton Tower I Condominium, located at 3047 Brighton 6th Street, Brooklyn, New York, who purchase Parking Space Licenses will assume the risk that they will be governed by an entity in which the have no right to vote. However, while the Board of Managers of this condominium shall have the arbitrary right to raise the License Fees of the Parking Space Licenses, any such raises must be done in good faith and with cause. The Board of Managers shall not have the right to raise the monthly License Fee charged to one License holder without raising the monthly License Fees to the other License holders, in an equal amount, unless the Board of Managers will be able to demonstrate that such raise is done in good faith and said raise is fair and just.

The members of the Board of Managers will not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners will indemnify and hold harmless each of the members of the Board of Managers against any liability or claims except those arising out of the bad faith or willful misconduct of the members of the Board of Managers. It is intended that the members of the Board of Managers will have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers who are members of the Sponsor, to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers will be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager, on behalf of the Condominium, will provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and will have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder will be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

The principal officers of the Condominium will be the President, the Vice President, the Secretary and the Treasurer, all of whom will be elected by the Board of Managers. The Board of Managers may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, each must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner. The officers of the Condominium will be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and will hold office at the pleasure of the Board of Managers and until their successors are elected.

The President will be the chief executive officer of the Condominium. He will preside at all meetings of the Unit Owners and of the Board of Managers. He will have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Condominium Act of the State of New York, including but not limited to, the power to appoint members of committees created by the Board of Managers from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

The Vice President will take the place of the President and perform his duties whenever the President will be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers will appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice President will also perform such other duties as will from time to time be imposed upon him by the Board of Managers or by the President.

The Secretary will keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he will have charge of such books and papers as the Board of Managers may direct; and he will in general perform all the duties incident to the office of secretary of a stock corporation organized under the Condominium Act of the State of New York.

The Treasurer will have the responsibility for Condominium funds and securities and will be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He will be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he will, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Condominium Act of the State of New York.

The officers of the Condominium will have the same rights and liabilities as the members of the Board of Managers regarding their personal liability to the Condominium and indemnification by the Unit Owners.

No officer or member of the Board of Managers will receive any salary or compensation from the Condominium for his services as Officer or Manager.

Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers. Notice of special meetings shall be given by mail, telegraph or personal delivery to each member of the Board of Managers and shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers will be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Managers.

It will 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 a majority of the Unit Owners as defined in Article III of the By-Laws having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business will be transacted at a special meeting except as stated in the notice for such meeting.

Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor or Sponsor-designee, may be removed without cause by the affirmative vote of Unit Owners whose aggregate Common Interest exceeds fifty (50%) percent of the Common Interest of the Condominium, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners will be given an opportunity to be heard at the meeting. A member of the Board of Managers designated by the Sponsor or Sponsor-designee may only be removed by the Sponsor or a Sponsor-designee and only they will have the right to designate a replacement. If a member of the Board of Managers ceases to be a Unit Owner, the principal or officer of a Unit Owner or the spouse of a Unit Owner, unless such member is the Sponsor or a Sponsor-designee, he will be deemed to have resigned, effective as of the date such ownership interest ceased.

The By-Laws may be modified or amended by the vote of 66 2/3% in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose. However, for as long as the Sponsor or his designee remains the Owner of one or more Units, the By-Laws, including the Rules and Regulations of the Condominium attached thereto, may not be amended or modified in any way so as to adversely affect the Sponsor or his designee, in the Sponsor's sole discretion, without the Sponsor's prior written consent.

The Declaration may be amended, modified, added to or deleted from by the affirmative vote of at least 66-2/3% in number and in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by 66-2/3% in number and in Common Interest of all Unit Owners, provided, however:

a. no amendment, modification, addition or deletion which shall adversely affect the lien of any mortgage may be made without the written consent of the mortgagee;

b. no amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner(s); no amendment which shall increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagee(s) of such Unit, or Units, if any;

c. no amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against Sponsor, its designee, or any Unsold Unit until Sponsor or such designee shall consent thereto in writing.

The Sponsor reserved to himself and his designee(s) the right to amend the Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners

or mortgagees for the sole purpose of filing the Floor Plans required by Section 339-p of the Real Property Law for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or Licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p.

The Sponsor will pay for all costs involved in amending the Declaration.

No such amendment will be effective until recorded in the Kings County Office of the Register of the City of New York.

**Intentionally Omitted**

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

### Sale or lease of Units by Unit Owners/Right of First Refusal

Each Unit Owner and Parking Space License Holder has the right to sell or lease his or her Unit, or License, subject to the following restrictions contained in Article VIII of the By-Laws:

Any Unit Owner who receives a bona fide offer for the sale of his Unit, together with: (i) the undivided interest in the Common Elements and any Limited Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or his designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration (hereinafter collectively called the "Appurtenant Interests"); or a bona fide offer for a lease of his Unit (such proposed sale or lease, as the case may be is hereinafter called an "Outside Offer"), which he intends to accept, must give notice by hand or by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed Purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and must offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or his designee, corporate or otherwise, on behalf of the Owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice will constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers, on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may exercise a right of first refusal to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by his designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

The restrictions described above will also apply to any Parking Space License Holder who wishes or assign or lease his Parking Space License.

In the event the Board of Managers elects to exercise a right of first refusal to purchase such Unit, or License, together with the Appurtenant Interests, or to lease such Unit, or to cause the same to be purchased or leased by his designee, corporate or otherwise, title will close or a lease will be executed at the office of the attorneys for the Condominium in accordance with the terms of such offer but in no event less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner, if such Unit, together with the Appurtenant Interests, is to be sold, will convey the same to the Board of Managers, or to his designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and will pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner will execute and deliver to the Board of Managers, or to his

designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or his designee, as tenant, covering such Unit, for the rental and term contained in such Outside Offer. The terms of the lease will not be subject to state or local law.

In the event the Board of Managers or his designee fails to notify the offering Unit Owner, or License holder, of its decision to accept such offer within thirty (30) days after receipt of notice as aforesaid or to notify the offering Unit Owner within such (30) day period of its decision not to accept such offer, the offering Unit Owner, or License holder, shall be free to contract to sell such Unit, , or License, together with the Appurtenant Interests, or to lease such Unit, or License holder, as the case may be, within sixty (60) days after the expiration of the thirty (30) day period in which the Board of Managers or his designee might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such deed, or assignment of License, to any Outside Offeror will provide that acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease will be consistent with the By-Laws and will provide that it may not be modified, amended, extended or assigned, without the prior written consent of the Board of Managers, and that the tenant will not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, and that the Board of Managers will have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease for Residential Units will be the then current form of apartment lease recommended by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Board of Managers. In the event the offering Unit Owner will not, within such sixty (60) day period, contract to sell such Unit, or License, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner will so contract to sell or lease his Unit within such sixty (60) day period, but such sale or lease will not be consummated pursuant to the terms of such Outside Offer, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another Outside Offeror on the same or other terms and conditions, the offering Unit Owner must be required to again comply with all of the terms and provisions of Article VIII of the By-Laws.

The above restrictions will not apply with respect to any sale or conveyance or lease by a Unit Owner of his Unit, together with the Appurtenant Interests, to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one or more of them, or to any Unit, or License, owned by the Sponsor or Sponsor-designee, or to the acquisition or sale of any Unit, together with the Appurtenant Interests, by a mortgagee herein authorized who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure or to the sale or lease of a Commercial Unit. However, the restrictions will apply with respect to any Purchaser of a Unit from a mortgagee.

Any purported sale or lease of a Unit in violation of the above restrictions will be voidable at the election of the Board of Managers.

Acquisition or lease of Units, or Parking Space Licenses, by the Board of Managers, or his designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his ownership in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article VI of the By-Laws, or, the Board of Managers, in its discretion, may borrow money to finance the acquisition or lease of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired or leased by the Board of Managers.

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

**Mortgaging of Units by Unit Owners**

No Unit Owner shall mortgage his Unit, except by a first and/or second mortgage made to a bank, savings bank, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of New York State, the United States or any other state, foreign banking corporation Licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State, insurance company duly organized or Licensed to do business in New York State or a purchase money mortgage made to the Sponsor, Sponsor-designee, or to the seller of the Unit. Any such mortgage must be substantially in the form on file with the Board of Managers, except for such changes or additions as may be required in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers. A mortgage may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval will be in the sole and absolute discretion of the Sponsor or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or assessments and discharge any liens therefor.

**Common Charges and Assessments**

No Unit Owner will be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he will have paid in full to the Board of Managers all unpaid Common Charges and assessments theretofore assessed by the Board of Managers against his Unit and until he will have satisfied all unpaid liens against such Unit, except permitted mortgages.

No Parking Space License Holder shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease the Parking Space License unless all License Fees are paid and current.

The Board of Managers will from time to time, at least annually, prepare a budget for the Condominium, determine the amount of Common Charges payable by the Unit Owners and License holders to meet the Common Expenses of the Condominium and allocate and assess such Common Charges and License Fees among the Unit Owners according to their respective Common Interests. The Board of Managers, in apportioning expenses for insurance on the Building may take into consideration higher premium rates on some Units than on others. The Board of Managers may also specially allocate and apportion profits and expenses to Residential and Commercial Units and Parking Space License Holders based on special or exclusive use or availability or exclusive control of particular Unit Owners, or Parking Space License Holders, in a manner different than in proportion to a Unit Owner's respective interest in the Common Elements. The Common Expenses will include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of Article VI of the By-Laws and the fees and disbursements of the Insurance Trustee, if any. The Common Expenses will also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium for a general operating reserve, and for a reserve fund for replacements, to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or his designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale, together with such amounts as may be necessary to maintain such Unit(s). The Board of Managers will also, where necessary, impose an assessment or additional Common Charge in order to meet any unanticipated Common Expense. The Board of Managers will advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid, and will furnish copies of each budget on which such charges are based, to all Unit Owners and to their mortgagees, if so required.

The Sponsor or Sponsor-designee will be responsible for the Common Charges and Parking Space License Fees assessed against a Unit owned by it from the date of the first Unit Closing until such Unit is sold to a bona fide Purchaser.

All Unit Owners and Parking Space License holders will be obligated to pay the Common Charges and Parking Space License Fees assessed by the Board of Managers pursuant to the provisions of Section 1 of Article VI of the By-Laws at such time or times as the Board of Managers will determine.

No Unit Owner or Parking Space License Holder shall be liable for the payment of any part of the Common Charges or License Fees assessed against his Unit or Parking Space License subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VIII of the By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VIII hereof. In addition, any Unit Owner or License holder may, subject to the terms and conditions specified in the By-Laws, provided that his Unit is free and clear of liens and encumbrances, other than permissible mortgages and the statutory lien for unpaid Common Charges, convey his Unit, together with the

Appurtenant Interests to the Board of Managers, or his designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. A Purchaser of a Unit or Licensee will be liable for the payment of Common Charges or License Fees assessed and unpaid against such Unit or License prior to the acquisition by him of such Unit, except that a mortgagee or other Purchaser of a Unit at a foreclosure sale of such Unit will not be liable for and such Unit will not be subject to a lien for the payment of Common Charges assessed prior to the foreclosure sale. Notwithstanding anything to the contrary, no mortgagee or other Purchaser of a Unit at a foreclosure sale shall be subject to more than six months of common charges for said unit.

The Board of Managers will assess Common Charges against the Unit Owners, and License Fees against the Parking Space License Holders, from time to time at least annually and shall take prompt action to collect any Common Charges or Parking Space License Fees due from any Unit Owner , or License holder, which remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of Managers will also take prompt action to collect any assessment due from any Unit Owner, or License holder, which remains unpaid for more than thirty (30) days from the due date thereof. Common Charges, assessments and License Fees must be paid by the fifth day of the month in which they are due or they will be deemed to be late. The Board of Managers will have the right to place a lien against a Unit whose Owner fails to pay common charges for the Unit within fifteen days of same becoming due and payable.

The Board of Managers shall have the right to suspend the privileges of any Parking Space License Holder who fails to pay License Fees for two (2) consecutive months. Such suspension will be lifted within three (3) days of payment of all outstanding License Fees and administrative fees. In the event that a Parking Space License Holder's right to use the parking space is suspended and then re-instated, the Parking Space License Holder will be liable for any reasonable administrative costs incurred by the Board of Managers in suspending and re-instating the Parking Space License Holder's rights. During the times in which a Parking Space License is suspended the Board of Managers shall have the right to use the licensed premises as they see fit, so long as such use does not prohibit the Parking Space License Holder from using the premises upon consummation of the suspension.

In the event of default by any Unit Owner, or Parking Space License Holder, in paying to the Board of Managers the Common Charges, or License Fees, or any assessment as determined by the Board of Managers, such Unit Owner, or Parking Space License Holder, will be obligated to pay interest, at the maximum rate of 16% per annum, or the highest legal rate permitted law, on such Common Charges, License Fees, or assessments from the due date thereof, together with all expenses, including late fees, not to exceed 5% of the amount due, charged by the Board of Managers and attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges, License Fees or assessments. Not withstanding anything to the contrary, the interest charged on the unpaid common charges, by the Board of Managers, shall not exceed 16% per annum. The Board of Managers will have the right and duty to attempt to recover such Common Charges, License Fees, or assessments, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section

339-aa thereof. A Unit Owner defaulting in the payment of Common Charges or assessments will not be permitted to vote at any regular or special meeting of Unit Owners.

The Board of Managers shall have the right to revoke the Parking Space License of a Parking Space License Holder if the Parking Space License Holder fails to pay License Fees which accumulate to more than Five Hundred ($500.00) dollars, per License. Such revocation shall me made by sending, via certified mail with return receipt request, notice to the Parking Space License Holder stating that thirty days (30) from the mailing of the notice the Board of Managers shall revoke the Parking Space License unless all License Fees and penalties are paid. If such fees and penalties are not paid within said Thirty (30) day period the Board of Managers shall have the right to revoke the Parking Space License with no future obligation to the Parking Space License Holder. Upon the revocation of a Parking Space License by the Board of Managers the Board of Managers shall be authorized to issue a new Parking Space License in place of the revoked Parking Space License. Once a Parking Space License is revoked the Board of Managers shall have no obligation to the former Parking Space License Holder, unless such revocation is not done in accordance with the terms of this Plan or the By-laws of the Condominium.

The remedies available to the Board of Managers, for nonpayment of License fees, as described above, apply to any Parking Space License owned by the Sponsor and a Sponsor assignee as well any Unit Owner.

In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner will be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action will be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, will have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same (but not to vote the votes appurtenant to). A suit to recover a money judgment for unpaid Common Charges will be maintainable without foreclosing or waiving the lien securing the same.

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

**Section 339-kk**

In accordance with Section 339-kk of the Real Property Law if a non-occupying unit owner has leased his unit and the common charges, assessments or late fees due for that unit have not been paid in full, within sixty days of the due date, the Board of Managers shall provide written notice to the tenant and the non-occupying owner providing that, commencing immediately and until such time as all payments for common charges, assessments or late fees are made current, all rental payments due subsequent to the issuance of such notice are to be made payable to the condominium association at the address listed on the notice. Where a majority of the Board of Managers has been elected by and from among the unit owners who are in occupancy, the board may elect not to require that rental payments be made payable to the

condominium association. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the association's claim to rental payments shall be entitled to present facts supporting such owner's position at the next scheduled meeting of the Board of Managers, which must be held within thirty days of the date that such board receives notice that such owner seeks to dispute such claim. Payment by a rental tenant to the condominium association made in connection with this section shall relieve that rental tenant from the obligation to pay such rent to the non-occupying owner and shall be an absolute defense in any non-payment proceeding commenced by such non-occupying owner against such tenant for such rent.

**Repairs**

All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except painting the exterior side of Unit entrance door), windows (except painting the exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures, air conditioning units and appliances, if any, within the Unit or belonging to the Unit Owner will be at the Unit Owner's expense, excepting as otherwise specifically provided in the By-Laws.

All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting, decorating, maintenance and repairs of the exterior side of Unit entrance doors and windows and the replacements of the windows and Unit entrance doors will be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense will be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (a) by the Board of Managers as a Common Expense, if such Limited Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, all necessary waterproofing of the Limited Common Elements except as set forth below, and the repair of any leaks that are not caused by the acts or omissions of the Unit Owner, having direct and exclusive access thereto), or (b) the Unit Owner having direct and exclusive access thereto at his sole cost and expense, if involving non-structural ordinary maintenance, repairs or replacements, including but not limited to painting, decorating and/or maintenance, waterproofing, repair and/or replacement of decking, tile or other terrace or roof deck surface adjacent to the Units, terrace or roof railings and/or means of roof or terrace access constructed or installed by or at the request of the Unit Owner, or as a result of the Unit Owner's negligence, misuse or neglect.

A Unit Owner must grant a right of access to his Unit, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services

or other Common Elements in his Unit or elsewhere in the Building, or remedying any condition which would violate the provisions of any mortgage encumbering another Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by the By-Laws, provided that requests for entry will be made in advance and that any such entry will be at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry will be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided for in Section 15 of the By-Laws, any costs for repairs will be borne in accordance with the provisions of Section 10 of Article VI of the By-Laws.

**Additions, Alterations and Improvements**

Subject to the provisions of Section 2 of Article II of the By-Laws, whenever in the judgment of the Board of Managers the Common Elements will require additions, alterations or improvements (but not maintenance) costing in excess of $50,000.00, and the making of such additions, alterations or improvements will have been approved by a majority of the Unit Owners, the Board of Managers will proceed with such additions, alterations or improvements and will assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing $50,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof will constitute part of the Common Expenses.

Except as provided below, no Unit Owner can make any addition, alteration or improvement in or to his Unit which is structural or which affects the exterior of the Building or the value of other Units, without the prior written consent thereto of the Board of Managers which consent shall not be unreasonably withheld. In connection with the approval of any addition, alteration or improvement by a Unit Owner as required herein, the Board of Managers may require that such Unit Owner enter into a written agreement, reasonably satisfactory to the Board of Managers, regarding such work. Such agreement may include, but shall not be limited to, provisions for adequate insurance, indemnification of the Condominium and the Board of Managers, submission of all plans and specifications to the Board of Managers, and restrictions on the hours during which the work may be done. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit must be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent to any addition, alteration or improvement to be made by a Unit Owner in accordance with the provisions of Section 13 of the By-Laws, such consent will be deemed to provide that any such work will be at the Unit Owner's sole cost and expense, that work will be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances, that all work will be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (certificates of which must be delivered to the Board of Managers prior to the

commencement of construction), that any additions, alterations or improvements, will be maintained in their entirety by said Unit Owner who will also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by such addition, alteration, or improvement, or due to improper design or construction of such addition, alteration, or improvement, and such approval will further provide that the Unit Owner will reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and for any services provided in connection with such addition, alteration, or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work..

The provisions of Section 13 of the By-Law which require the consent of the Board of Managers in connection with an addition, alteration or improvement in or to a Unit which is structural or which affects the exterior of the Building or the value of other Units will not apply to Units owned by the Sponsor, his designee, or a Commercial Unit Owner. The Sponsor, his designee, or a Commercial Unit Owner will not need such consent. All other provisions of Section 13 of the By-Laws will apply to all Units. For example, with respect to such addition, alteration or improvement to a Sponsor-owned Unit, or a Commercial Unit, such work will be at the sole cost and expense of the Sponsor and/or his designee or a Commercial Unit Owner, and will be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances. All work must be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (certificates of which must be delivered to the Board of Managers prior to the commencement of construction). Any such additions, alterations or improvements, will be maintained in their entirety by the Sponsor, his designee, or a Commercial Unit Owner, as the case may be, who will also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by any addition, alteration, or improvement, or due to improper design or construction of the structural addition, alteration, or improvement. Additionally, the Sponsor, his designee and/or a Commercial Unit Owner, as the case may be, will reimburse the Board of Managers any reasonable out-of-pocket expenses incurred by the Board of Managers for any services provided in connection with such addition, alteration, or improvement.

Non-structural additions, alterations or improvements to Units that do not affect the exterior of the Building or the value of other Units may be made without the prior approval of the Board of Managers except that the Board of Managers may require that the Unit Owner enter into a written agreement, reasonably satisfactory to the Board of Managers, regarding such work as required for additions, alterations or improvements which require the consent of the Board of Managers, prior to commencing such work.

**Insurance**

The Board of Managers will be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units (including all of the Units and

the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including improvements, furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount to be determined by the Board of Managers but in no event to be less than eighty (80%) percent of the full replacement cost of the Building, including the above noted items, but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker; each of said policies will contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder will 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, if any, as herein provided; (2) worker's compensation insurance, if the Condominium has employees; (3) disability benefits insurance if the Condominium has employees; and (4) such other insurance as the Board of Managers may determine. All policies of physical damage insurance shall provide that adjustment of loss shall be made by the Board of Managers (with the approval of the Insurance Trustee, if any, if more than $50,000.00), and that the total proceeds thereof, if $50,000.00 or less, shall be payable to the Board of Managers, and if more than $50,000.00, shall be payable to the Insurance Trustee, if any.

All policies of physical damage insurance will contain waivers of subrogation and of any reduction of pro-rata liability of the insured as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and the individual Unit Owners as well as the Condominium will be primary insureds to the extent as their interests will also appear. 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 of all renewals thereof, together with proof of payment of premiums, must be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies if so requested in writing by them.

The Board of Managers will also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager and each Unit Owner. Such public liability coverage will also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least $1,000,000.00 covering all claims for bodily injury with respect to any one occurrence.

Unit Owners will not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers will not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies will be so endorsed so as to state that they will in no way conflict with any insurance carried by the Board of Managers.

If, by reason of the occupancy or use of either a Commercial Unit or a Residential Unit, the rate of fire or liability insurance for the Property will be increased, such Unit Owner will (if such occupancy or use continues for more than thirty (30) days after written notice from the Board of Managers specifying the occupancy or use) become liable for the additional insurance premiums incurred by the Condominium as if such additional premium constituted an assessment.

In the event of a fire or other casualty which damages or destroys less than seventy-five (75%) percent of the Building containing the Units, the Board of Managers will be required to arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by the Sponsor, but not including any wall, ceiling or floor decorations or coverings or other improvements, furniture, furnishings, fixtures, appliances or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, as the case may be, will disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the insurance proceeds will constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five (75%) percent in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Property will be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of Section 3 of Article VI of the By-Laws, and the amount of insurance proceeds will have exceeded the cost of such repair or restoration, then the excess of such insurance proceeds) will be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

"Promptly repair" shall mean repairs which must begin not more than sixty (60) days from the date the Insurance Trustee notified the Board of Managers and the Unit Owner or Unit Owners that it shall hold proceeds of insurance funds sufficient to pay the estimated costs of such work; or not more than ninety (90) days after the Insurance Trustee notified the Board of Managers and Unit Owner or Unit Owners that such funds are insufficient to pay said estimated costs and advising them of the amount of the required completion bond, if necessary. If there is no Insurance Trustee, then the aforementioned sixty (60) and ninety (90) day periods shall be from the date of notification by an insurance adjuster retained by the Board of Managers. "Promptly resolve" shall mean not more than sixty (60) days from the date of receipt of said insurance funds.

**Restrictions on Occupancy and Use**

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

a. The Residential Units will be used only for a private residence, except that a Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinance, building code or other rules and regulations of governmental authorities having jurisdiction thereof. Notwithstanding the foregoing, the Sponsor or Sponsor-designee will have the right, without charge, (i) to maintain general, sales or leasing offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building or Units and to comply with its obligations. Except as hereinafter provided, any Commercial Units may be used as Community Facility Space or for any legal use permitted by the certificate of occupancy, Zoning Resolution of the City of New York or other applicable laws. In addition, any Commercial Unit Owner or tenant thereof may install, maintain and repair signs for advertising and identification purposes in accordance with applicable law. The Parking Units will be used only for an automobile parking;

b. The Common Elements will be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of Units.

c. No nuisances will be allowed on the Property nor will any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.

d. No immoral, improper, offensive, or unlawful use will be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof will be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, must be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever will have the obligation to maintain or repair such portion of the Property.

e. With the exception of a Commercial Unit, no portion of a Unit other than the entire Unit, including any Limited Common Elements appurtenant thereto may be rented. Portions of the Commercial Unit may be rented to the same or different persons or entities.

f. No bird or animal will be kept or harbored in the Building unless the same in each instance is expressly permitted in writing by the Board of Managers. Any such consent, if given, shall be revocable at any time by the Board of Managers. In no event shall dogs be permitted in any of the public portions of the Building unless carried or on a leash. The individual Unit

Owners who keep an animal in the Building will each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in the Building. No pigeons or other birds or animals will be fed from the window sills, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

g. Any damage to the Building or equipment caused by Unit Owners, their guests, visitors, clients, patients or employees may be repaired at the expense of the said Unit Owner.

h. No exterior of any Unit or the windows or doors thereof or any other portions of the Common Elements may be painted or decorated by any Owner or in any manner without prior written consent of the Board of Managers.

i. No exterior shades, awnings, window guards, ventilators, fans or air-conditioning devices may be used on or about the Building or Common Elements except such as shall have been approved by the Board of Managers, or as required by law.

j. No sign, notice, lettering, or advertisement may be inscribed or exposed on or at any window, door, or other part of the Building, except such as shall have been approved in writing by the Board of Managers, nor may anything be projected out of any window of the Building without similar approval.

k. No radio or television aerial may be attached to or hung from the exterior of the Building without the written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, may allow the installation of any hook-up necessary to provide cable television service to the Units. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit may fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone will be liable for any damage or injury caused by any radio, television, or other electrical equipment.

**Intentionally Omitted**

## REAL ESTATE TAXES

After the Units are separately assessed, each Unit Owner will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor subject to, any lien for non-payment of taxes on any other Unit. Units will not be separately assessed for the first year of Condominium operation. At closing, Sponsor shall deposit with the Board of Managers a sum sufficient to pay all taxes due for the balance of 2009/2010 tax year. The Board of Managers will be authorized to pay such taxes as and when due from such escrow fund. As each subsequent individual Unit is sold, the Purchaser thereof, as a standard closing adjustment, will reimburse the Sponsor for the portion of his tax liability paid by the Sponsor from the date of closing through the end of the 2009/2010 tax year. It is anticipated that Units will be separately assessed for the 2010/2011 tax year, and that individual Unit Owners (whether Purchasers or the Sponsor) will pay the taxes thereof.

The Property is taxed by the City of New York, which through the Department of Finance, has assessed the property at a pre-construction value of $140,296.00, and imposes a tax rate of 11.928%. The real estate taxes payable in Schedule A are determined by applying the data from the attached letter of Jacob Moseson, and then allocating the amount due in conformity with the allocation of Common Interests. The City of New York is not bound by the allocation of Common Interests, and may allocate on a different basis. All figures are estimates.

There are no tax certiorari proceedings currently pending. Individual owners may challenge the assessment of their property by filing a tax protest in accord with the rules of the New York City Tax Commission. The Board of Managers may also file a protest on behalf of all Unit Owners. While there is no specific section of the By-Laws dealing with review of real estate tax assessment, the general grant of power in the Board of Managers to operate the property in the best interest of Unit Owners is sufficient to delegate to the Board of Managers a right to file tax protests on behalf of all Unit Owners. The Building benefits from the limitations imposed by Sections 581 and 1805 of the Real Property Tax Law.

The Sponsor has applied for real estate tax benefits pursuant to Section 421-A of the Real Property Tax Law. The benefits provided pursuant to this section are stated in more particularity in the letter, included in this Plan from Jacob Moseson of Moseson & Associates, who has filed an application on behalf of the Sponsor. Briefly stated, however, the program provides an exemption from any increase in assessed value of the property for real estate tax purposes, to the extent that such increase results from the reasonable cost of alteration or improvement to the Building, for a period of eleven (11) years after granting of the exemption. Thereafter, the exemption declines by 20% per year until, after the fifteenth year, real estate taxes will be based on the full assessed value of the property. The Sponsor has obtained an estimate from Mr. Moseson of a post-completion assessed value of $3,572,500.00, commencing in the July 2009 tax year. The Schedule A includes the estimated tax payments in the event 421A tax benefits are not obtained. The tax payments are calculated at the 2008/2009 rate of 11.928%. The New York City Department of Finance however may increase the tax rate for 2009/2010 tax year which will consequently result in higher annual tax.

Schedule A includes the estimated tax payments in the event 421-A tax benefits are obtained. The following table indicates the application and expiration of benefits:

| Year | Abatement Rate | Taxable Assessed Value | Annual RE Tax |
|---|---|---|---|
| 1-11 | 100% | $140,296.00 | $18,137.47 |
| 12 | 80% | $826,736.80 | $106,880.53 |
| 13 | 60% | $1,513,177.60 | $195,623.60 |
| 14 | 40% | $2,199,618.40 | $284,366.67 |
| 15 | 20% | $2,886,059.20 | $373,109.73 |
| 16 | 0% | $3,572,500.00 | $461,852.80 |

The projections set forth herein are based on current New York City Tax rate and assessment procedures. No guarantee or warranty is or can be made that the tax rate will not change in the future, or that the assessed value of the property will not rise due to changes in assessment practices and policies or increases in market value which are reflected in the assessed value. Therefore, the estimate contained in Schedule A for monthly real estate taxes in the event 421-A tax benefits are not obtained may not accurately reflect the taxes which will apply at the expiration of the benefits period.

The Sponsor will use its best efforts to obtain the aforementioned real estate tax exemption benefits, and will make all filings necessary to obtain such benefits, including a timely filing of all applications, and timely compliance with all procedures required to properly process and maintain the benefits. Upon closing, the Sponsor will make all documents available to the Board of Managers for inspection and copying for the life of the benefits.

The New York State Department of Housing Preservation and Development (HPD) routinely conducts audits, which can result in the reduction or revocation of benefits if proper documentation is not provided.

MOSESON & ASSOCIATES
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Far Rockaway, NY 11691

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July 28, 2008

Brighton Builder, LLC
c/o Leon Mikhlin
75 Beaumont Street
Brooklyn, New York 11235

RE: 38 units plus 4 community facilities at 3015 Brighton 6th St , Brooklyn
Block: 8676 Lot:33

Dear Sir:

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

You and your architect have represented to us that:

1. You have commence construction on the site of the building based on approved building plans issued by the Department of Buildings of the City of New York before December 31, 2007.

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

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

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

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

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

7. Upon completion, the project will consist of a condominium consisting of 38 residential units plus 4 community facilities.

## CONCLUSION

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

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

The total assessed value of the property (i.e., the aggregate assessment of all units) following completion of construction is estimated to be approximately 3,572,500. Using the foregoing estimate of assessed value upon completion, assuming completion to be on or before December 31, 2010 and assuming the tax rate remains the same as the current rate (i.e., $11.928 per $100 of assessed value) during the 15 year abatement period and upon completion of construction, and using a pre-construction assessed value of the property of 140,296.00 then upon completion of the 15 year tax abatement the real estate taxes will be approximately $426,128.00. You are advised that this projection is an estimate as it is unlikely

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

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

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

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

Jacob Moseson

**Intentionally Omitted**

## INCOME TAXES DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

Unit Owners who itemize their deductions should, for Federal Income Tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid, or accrued, under Section 163 and 164 of the Internal Revenue Code. These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Counsel's Tax Opinion Letter, attached hereto and made a part hereof. Each individual 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.

The affairs of the Condominium will be governed by the Board of Managers. The Board of Managers will assess and collect Common Charges from the Unit Owners, and will have certain discretionary powers over the operating expenses and the application of the assessments. While there is presently no direct authority as to the tax status of the Condominium for Federal Income Tax purposes, the Sponsor's counsel is of the opinion that the Condominium will not be treated as an association taxable as a corporation due to the fact that it will qualify as an exempt homeowner's association under Section 528 of the Internal Revenue Code. As a result, the Condominium will not be subject to Federal Corporate Income Tax on its taxable income, if any.

The statements set forth herein are based upon an analysis of the Internal Revenue Code of 1986, as amended (the "Code"), the New York State Tax Law, the Administrative Code of the City of New York, the applicable regulations promulgated or proposed thereunder, the current position of applicable administrative agency, in particular, the position of the IRS stated in published Revenue Rulings and Procedures, and judicial decisions. It is emphasized, however, that legislative, judicial or administrative changes may be made which would require modifications of such statements, or that, the IRS or other applicable administrative agency may disagree with counsel's interpretations and conclusions.

A more detailed statement of the tax factors involved may be found in the Counsel' Tax Opinion.

No warranty or guaranty is made that the United States Treasury Department or the New York State Department of Taxation and Finance or the New York City Director of Finance will allow the aforementioned deductions, and no representation or warranty is 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 attorney shall be liable if, for any such reason, it is held that the Unit Owners are not entitled to such income tax deductions or to special exemptions as aforesaid.

Each Purchaser should consult with his or her own attorney or tax adviser with regard to tax consequences of this purchase.

**Intentionally Omitted**

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YEVGENY TSYNGAUZ, ESQ.
MIKHAIL LITT, ESQ.

## COUNSEL'S TAX OPINION

July 28, 2008

Brighton Builder, LLC
75 Beaumont Street
Brooklyn, NY 11235

Re: The Brighton Tower II Condominium
3015 Brighton 6th Streets
Brooklyn, New York

Dear Mr. Mikhlin:

You have requested my opinion concerning (i) the availability of certain deductions for Federal, New York State, and New York City Income Tax Purposes to persons who purchase units for residential use ("Unit Owners") under the Offering Plan for The Brighton Tower II Condominium (the "Plan"), and (ii) the Federal Income Tax Treatment of the Common Charges Received by the condominium association of the condominium (the "Condominium").

In connection with rendering this opinion, I have prepared the Plan and the Schedules and Exhibits thereto, the Declaration of the Condominium Plan (the "Declaration"), the By Laws of the Condominium (the "By-Laws"), and reviewed the relevant sections of the Internal Revenue Code of 1986, as amended (the "Code"), the Regulations promulgated thereunder by the Treasury Department (the "Treas. Regs."), the New York State Tax Law, the Administrative Code of the City of New York, revenue rulings, relevant case law and such other materials as I have deemed relevant.

### Facts

The Sponsor will apply to the Department of Law of the State of New York to convert the premises located at 3015 Brighton 6th Street, Brooklyn, New York to a condominium ownership pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"). The Condominium shall consist of Thirty Eight (38) Units allocated for Residential Use and Four (4) Units allocated for Commercial use. Each Unit Owner will own his own Unit and an interest in

the elements common to all Units (the "Common Elements"). Each Unit Owner will be entitled to the exclusive ownership and possession of his Unit and will receive a separate deed to the Unit.

The affair of the Condominium will be governed by the Board of Managers which, pursuant to the By-Laws, will act only as an agent of all Unit Owners. The Board of Managers will be comprised of at least three members, who shall each be elected by the Unit Owners. The primary function of the Board of Managers will be to supervise the maintenance and operation of the Common Elements, and collect charges (the "Common Charges") necessary to maintain and operate the Common Elements.

**Discussion**

Deductibility of Mortgage Interest and Real Estate Taxes

Under the Condominium Act, each Unit Owner will own his/her Unit and its Appurtenant Interest in the Common Elements in fee simple, and each Unit will be taxed as a separate tax lot for real estate tax purposes. Each Unit Owner may mortgage his Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness. Failure to pay his or her share of the Common Charges will result in the Board of Managers having a lien on the Unit for the unpaid Common Charges.

The deductibility of the mortgage interest and real estate taxes paid or accrued by the Unit Owner during his or her taxable year will be governed by sections 163 and 164 or the Code. Section 163 of the Code allows a taxpayer to deduct all interest paid or accrued during the taxable year on bona fide indebtedness. Section 164 of the Code allows a taxpayer to deduct real estates tax paid or incurred on his Unit during the taxable year.

Since Sections 339-g and 339-y of the Condominium Act provide that each Unit and its Common Interest shall be taxed as a separate tax lot for real estate purposed, Unit Owners shall be entitled to deduct real estates tax paid or incurred on their Units during the taxable year.

The deduction under Section 163 of the Code for interest is subject to certain other provisions of the Code which may limit the amount of the deduction in any one taxable year. For example under Section 461(g) of the Code, prepaid interest is not deductible by a cash basis taxpayer in the year of payment but must be allocated to the taxable year or years to which it is chargeable. However, the payment of "points" (bank obligation fees) is deductible under certain circumstances in the year of payment, provided that the indebtedness was incurred by the taxpayer in connection with the purchase or improvement of his principle residence, and the other requirements of Section 461(g) (2) of the Code are complied with.

I note that the taxpayer who purchases a Unit for investment may find his interest deduction limited by Section 163(d) of the Code. Under this Section a taxpayer other than a corporation will be subject to a ceiling on his deduction for investment interest. Investment interest is defined as interest paid or accrued on indebtedness incurred or continued to purchase or carry property for investment. To the extent that the taxpayer has investment income (defined as the gross income from the interest, dividends, rents, royalties, new short term capital gains and recapture income), he or she increases his or her ceiling on the deduction for investment interest. See generally Section 163(d) of the Code. I also note that Section 265(2) of the Code may impact on the interest deduction otherwise allowable to a taxpayer in the event that he/she incurs debt to finance his/her purchase of a Unit rather than liquidate his or her portfolio of tax exempt securities. Under these circumstances Section 265(2) of the Code may disallow the taxpayer's interest deduction since he or she would be deemed to have incurred the debt to "continue to carry" the tax exempt obligations. However, revenue rulings have made an exception for debt incurred to purchase the taxpayer's principal residence.

In Revenue Ruling 64-31, 1964-1 C.B. 300, the Internal Revenue Service (the "Service") considered the deductibility of mortgage interest and real estate taxes incurred by the owner of a condominium unit. The Service ruled the Sections 163 and 164 of the Code, respectively, permitted these deductions by the Condominium Unit Owner provided that he or she itemized his or her deductions in filing his or her federal income tax returns.

In my opinion, under Sections 163 and 164 of the Code, a Unit Owner should, for Federal Income Tax purposes, be entitled to a deduction for interest paid or accrued with respect to mortgage indebtedness and for real estate taxes paid or accrued with respect to his or her method of accounting.

It is also my opinion that each Unit Owner should, for New York State and New York City Income Tax purposes, be entitled to the same deduction which is allowed for Federal Income tax purposes for the mortgage interest and real estate taxes paid or accrued during the taxable year. See Section 615 of the New York State Tax Law. It should be noted, however, that for New York City Income Tax purposes, the benefit of such deduction may be reduced if the Unit Owner has more than the specified amount of tax preference items. See Sections 615, 622 and 623 of the New York State Tax Law; Section T46-115.00, T46-122.0 and T46-123.0 of the City Code.

The foregoing discussion applies primarily to Residential Unit Owners. Referenced sections of the Code are not applicable to Commercial Unit Owners. However, insofar as the Commercial Unit Owners will be using the Unit for business purposes, other sections of the Code may allow such deductions. Purchasers of Commercial Unit are strongly urged to consult with their own tax advisors with regards to the deductibility of the mortgage interest and real estate taxes.

Common Charges - Federal Income Taxation of the Condominium:

A condominium under New York law is not a corporation but an un-incorporated association.

The Treasury Regulations in Section 301.7701-2(a)(i) set forth six factors to be considered in determining whether an association will be treated as an un-incorporated association for Federal Income Tax purposes. Of these factors, the Condominium possesses five (an objective to carry on business, divide the gains, centralization of management, continuity of life, free transferability of interest). Since an un-incorporated organization will be treated as a corporation if it has more corporation characteristics than non-corporate characteristics, (see Treas. Regs. Section 301.7701-2(a) (3), Philip G Larson, 66 T.C 158 (1976) acq., Rev. Rul. 79-106,1979-1 C.B. 448), it is my opinion that, although there exists no direct authority on this point, the Condominium should not be treated as an association taxable as a corporation for Federal Income tax purposes. In such event, and in the absence of any specific exception, the Condominium would not be subject to Federal Corporate Income Tax.

Assuming that the Condominium is treated as an association taxable as a corporation, the receipt of substantially all of Common Charges, may be excluded from the income of the Condominium in the event that (i) the Condominium is acting as agent of the Unit Owners as the collection and receipt of such funds; or (ii) the Condominium is not acting as agent and receives the Common Charges as service income which is fully offset by the condominium's service expenses; or (iii) the Condominium elects to be taxed under Section 528 of the Code and the Condominium has only "exempt function income" within the meaning of such Section.

In Revenue Ruling 75-370, 1975-2 C.B. 257 the shareholders of the condominium management corporation approved special accounts which were not commingled with the general funds of the condominium management association. The assessments could be used only to replace the roof and the elevators located in the common elements of the condominium property. The I.R.S. ruled that these special assessments were not includable in the Condominium's gross income since they did not benefit the condominium which had a fiduciary obligation to expend the funds collected in the manner approved by its unit owners-stockholders. The I.R.S. found that there was an agent and principal relationship between the condominium and its unit owner-stockholders insofar as the special assessments were concerned. However Rev. Rul. 75-370 specifically exempted funds collected by a condominium management corporation to provide services for which it was formed such as the maintenance of the common elements. Thus, funds collected by the Board for painting, general repairs, gardening and janitorial services would constitute gross income to the Condominium.

The By-Laws provide that the Board of Managers will act as the agent of the Unit Owners. If Common Charges for special capital improvements are specifically designated for capital improvements, deposited in special accounts and not commingled

with the general funds, then such Common Charges should not be included in the income of the Condominium, according to Revenue Ruling 75-370, supra. Common Charges for operational expenditures would not be excluded from the income of the Condominium, because the Board of Managers does not have mere ministerial powers with respect to the operations of the Condominium.

Under certain circumstances, special assessments for specific capital improvements may be considered non-taxable contributions to the capital of the association, pursuant to Section 118 of the Code. In Revenue Ruling 75-371, 1975-12 C.B. 52, the condominium management collected special assessments, which were assessed pro-rata upon each unit owner to replace outdoor furniture. The By-Laws required that any assessment had to be approved at a stockholder meeting by a majority vote of the unit owner-stockholders. The special assessment was approved and the proceeds were deposited in a special account and were not commingled with the general assessment funds. The assessment could only be used for the specific purpose intended. The Service held that the Special Assessment was a non-taxable contribution to the capital of the condominium management corporation. Id.; See also Rev. Rul., 74-563, 1974-2 C.B. 38 (special assessments to pave a parking lot of the homeowners association are contributions to the capital of the association)

Under this Plan the Unit Owners must approve all special improvements. Therefore, as to such amounts of Common Charges which are specifically designated for capital improvements, deposited in special accounts and not commingled with the general funds, such Common Charges should not be characterized as income of the Condominium, according to Revenue Ruling 75-371 supra but would constitute contributions to the capital of the Condominium. Even if a special capital assessment is not specifically voted upon and approved by the Unit Owners of the Condominium, there is judicial authority which would support the characterization of such assessment as capital contribution. See, Concord Village, Inc., 65 T.C. 142 (1975).

It should be noted that if the special assessments are treated as contributions to the capital of the Condominium, the subsequent expenditure of these funds (together with any other funds accumulated by the Condominium) may be viewed by the Service as a distribution to the Unit Owners taxable under Section 301 of the Code. Each Unit Owner may therefore be subject to tax on his pro-rate share of the amounts expended. Rev. Rul. 75-371 went on to distinguish special assessments from assessments collected for the purpose of normal operating expenses and excess assessments, which could be returned directly to the individual unit owner-stockholders. These general assessments and the unit-owners were held to constitute gross income to the condominium under Section 61 of the Code. I note, however, that to the extent to which the Condominium will be deemed to have functions, it will be entitled to deduct as business expenses its income. See Concord Village, Inc., 65 T.C 142, 157 (1975) ; Park Place, 57 T.C. 767, 778 (1972). Thus, it should have taxable income only in the amount of the excess of its income from all sources over its allowable deductions.

Any net income attributable to over-assessments might constitute taxable income of the Condominium for the year of receipt, even if such excess is distributed or applied to the subsequent year's assessments. In effect, a management association will not earn income when it has no discretion as to the application of the excess, and, conversely, will have income where it does have such discretion. Since the Board of Managers will have discretion as to application of excess Common Charges, and does not intend to return excess Common Charges, if any, but intends to apply such excess to the next year's expenditures, it is possible that any excess Common Charges will constitute taxable income to the Condominium.

Section 528 of the Code provides a tax exemption for an organization that qualifies as a "homeowners association" which term includes a "condominium management association'. 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 residence. See Sections 528 (c)(1)(A) and 528 (c)(2) of the Code. "Substantially all" the units will be considered used by individuals for residences if at least 85% of the total square footage of all units within the project is used, or is intended to be used, by individuals for residential purposes or purposed auxiliary to residential use, such as storage rooms, laundry and maintenance areas. See Treas. Regulations, Section 1.528-4(b). The organization itself will be considered "organized and operated" for the acquisition, construction, management, maintenance, and care of such condominium, if the facts and circumstances indicate such to be the case. The Treas. Regs. Section 1.528-2. However if the articles of the Condominium reflect that it is the purpose of the association, then the condominium management association will be presumed to be operated for such purpose. See Regs. Section 1.528-2(a).

In addition to the organization and operation test, the tests set forth below must be satisfied under Section 528 (c)(1) of the Code in order for a condominium to qualify as a "homeowner's association".

(1) Sixty percent (60%) or more of the gross income of the organization must be "exempt function income," that is, income derived from the payment of dues or fees from the residential unit owners in their capacity as owner-members rather than in the capacity as customers for services. Code Section 528 (c)(1)(A) and Treas, Regs. Section 1.528-5 and 1.528.9. "Exempt function income" includes income which is attributable to assessments that arise as a result of the member's ownership interest, either based on value or size of their units, and used for the purpose of enhancing or maintaining the value of the residence. See Treas. Regs., Section 1.528-9(a). For example, the regulations indicate that assessments for the purpose of paying real estate taxes, removing garbage, or removing snow is "exempt function income". See Treas. Regs. Section 1.528-9(b). Income attributable to the use of laundry machines and interest earned on sinking funds is not exempt function income. See Treas. Regs. Section 1.528-9(c). Any assessments attributed to special capital improvements, which are

treated as capital contributions, are not included in gross income, and therefore, are not part of the calculation of the gross income test. See Treas. Regs. Section 1.528-9(a)

(2) Ninety percent (90%) or more of the expenditures of the organization for the taxable year must be used for the acquisition, construction, management, maintenance and care of the organization's property. See Code Section 528 (cc)(1)(c). These expenditures include operating and capital expenditures during the taxable year. Investments in reserve funds for future expenditures are not included in this calculation.

(3) No part of the net earnings of the organization may inure to the benefit of any individual. See Code Section 528(c)(1)(D). The Code expressly excludes benefits received by a unit owner attributable to the homeowners association performing its exempt function, such as the benefit from the homeowners association acquiring, constructing, managing and taking care of the associating property.

(4) The organization must properly and timely elect to have Code Section 528 apply for the taxable year. See Code Section 528(c) (1) (E)

Based upon my understanding of the matter it is my opinion that the Condominium should be eligible to qualify as a homeowners association within the meaning of Code Section 528 (c)(1) and that, to the extent the condominium has income in excess of its expenses, that income should not be subject to federal income taxation.

Real Estate Tax Benefits

I have reviewed the letter (heretofore set forth in the Offering Plan) from the Sponsor's expect concerning the availability of real estate tax abatement and exemption benefits for this project. Based on existing statutes and practices, the opinions expressed therein appear to be correct, and I hereby adopt said opinion as my own. This adoption is, of course, subject to the accuracy of the facts supplied to said expert in rendering his determination and facts supplied to said expert in rendering his determination and also subject to any change in existing statutes which may affect my evaluation and interpretation of the availability so such benefits. This is not a warranty that such benefits will be obtained but only an opinion based on the existing laws, regulations, and facts, this condominium project will qualify for such benefits.

Conclusion

I express no views as to any Federal, New York State and/or New York City tax consequences or as to any aspect of the Plan other than those tax consequences and aspects explicitly discussed in this opinion, or as to the tax consequences of the Plan under the laws of any state or foreign jurisdiction. This opinion does not discuss the tax consequences which may result from ownership or the leasing of a Unit to another, in

connection with the Unit Owner's trade or business, for purposes of investment, or for the production of income, or tax consequences which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not consider the tax consequences which may arise if Units are acquired and/or leased by the Board of Mangers, or the issue of whether a Unit Owner may be deemed to be resident of New York State due to ownership of a Unit. I, therefore, advise each person contemplating the purchase of a Unit to consult his/her own tax advisor as to all such tax matters, as well as with respect to the tax matters discussed in this opinion.

The opinions expressed herein are based solely upon my current understanding and interpretation of the existing law, regulations, decided cases and ruling of administrative agencies and upon information set forth herein. If there has been any misstatement of a fact of omission of any fact which may be material, or any amendment of exchange in the By-Laws of the Plan, I should be notified, since any such omission, misstatement or change may require modification of part or all of this opinion. Moreover, it should be specifically noted that this opinion is not binding on the Internal Revenue Service, the New York State Department of Taxation and Finance, or the New York City Department of Taxation, and that such entities may not agree with any or all of the views stated above. Further the Federal and State Tax Laws and Regulations and the rulings and decisions thereunder may change and thereby effect the views stated above in whole or in part.

**NO WARRANTIES ARE MADE THAT THE INTERNAL REVENUE SERVICE, THE DEPARTMENT OR TAXATION AND FINANCE OF THE STATE OF NEW YORK OR THE DEPARTMENT OF FINANCE OF THE CITY OF NEW YORK WILL ALLOW INCOME TAX DEDUCTIONS. FURTHER, NO WARRANTIES OR REPRESENTATIONS ARE MADE THAT THE TAX LAW UNDERLYING THIS OPINION WILL NOT CHANGE AND IN NO SUCH EVENT WILL THE SPONSOR-SELLER, THE SPONSOR–SELLERS COUNSEL, THE CONDOMINIUM BOARD, THE SELLING AGENT OR ANY OTHER PERSON CONNECTED WITH THIS OFFERING BE LIABLE IF FOR ANY REASON IT SHALL BE DETERMINED THAT UNIT OWNERS DO NOT MEET OR AT ANY FUTURE TIME CEASE TO MEET THE REQUIREMENTS OF THE INTERNAL REVENUE CODE OF 1986, THE NEW YORK TAX LAW OR THE NEW YORK CITY ADMINISTRATIVE CODE OR ANY AMENDMENT OF ANY THEREOF. MOREOVER, NONE OF THE AFORESAID MAKES ANY WARRANTIES WITH RESPECT TO THE TAX CONSEQUENCES OF THE OWNERSHIP OF ANY UNITS OFFERED UNDER THE PLAN EXCEPT AS EXPRESSLY SET FORETH HEREIN, AND NO ONE ELSE HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED HEREIN.**

Very Truly Yours,

Yevgeny Tsyngauz

## WORKING CAPITAL FUND AND RESERVE FUND

### Working Capital Fund

At the time of the closing of title to the Unit to a bona fide Purchaser, each Purchaser shall pay into the Working Capital Fund of the Condominium the sum of $750. The initial working capital will be used for payment by the Board of Managers of any net closing adjustment expenses owed to the Sponsor at the closing of title to the first Unit and to pay for insurance premiums and other items in the budget which will be payable prior to the time that sufficient monthly Common Charges and assessments have accrued to pay these items. While the Sponsor is in control of the Board of Managers of the Condominium, the Working Capital Fund will not be used to reduce the Common Charges. If any portion of the Working Capital Fund is used during this period, such amount will be repaid to such fund out of Common Charges collected and the entire balance of such fund will be turned over to the new Board of Managers at such time as the Sponsor turns over control.

The initial Working Capital contribution described herein is intended as a one time payment to be made by the Purchaser at the time of the closing of title to the first Unit (subject to the right of the Board of Managers to make assessments for additional Working Capital as permitted by law, the Condominium Declaration and By-Laws and the provisions of this Plan). Such payment shall not confer any rights thereto on the Purchaser of a Unit.

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 separately assess all Unit Owners.

Should monies be required by the Condominium for capital expenditures such as renewal or replacement of building components or systems or to remedy major building defects, the Board of Managers of Condominium could vote to obtain loans for required expenditures as provided by the New York Real Property Law. Section 339-jj of the Real Property Law states:

> "1. To the extent authorized by the declaration or the by-laws, the Board of Managers, on behalf of the unit owners, may incur debt. In addition, subject to any limitations set forth in the declaration or the by-laws, the Board of Managers, on behalf of the unit owners, may incur debt for any of the purposes enumerated in paragraph (b) of subdivision two of section three hundred thirty-nine-v of this article, provided that (a) such debt is incurred no earlier than the fifth anniversary of the first conveyance of a unit and (b) the incurrence of such debt shall require the consent of a majority in common interest of the unit owners.
> 2. In connection with a debt incurred by it, the Board of Managers, on behalf of the unit owners, may (a) assign the rights in and to receive future income and common charges, (b) create a security interest in, assign, pledge, mortgage or otherwise encumber funds or other real or personal property that it holds, (c) agree that, to the extent of any amounts due under any of the provisions of the agreements under which the debt was incurred and subject to the provisions of subdivision two of section three hundred thirty-nine-1 of this

article, all common charges received and to be received by it, and the right to receive such funds, shall constitute trust funds for the purpose of paying such debt and the same shall be expended for such purpose before expending any part of the same for any other purpose, and (d) agree that at the lender's direction it will increase common charges to the extent necessary to pay any amount when due under any of the provisions of the agreements under which the debt was incurred. The preceding sentence shall not be construed to authorize the Board of Managers to create a lien on the common elements. Any such assignment may provide that, in the event of a default, the lender shall have the right of the Board of Managers to file liens in the lender's name on units for unpaid common charges pursuant to sections three hundred thirty-nine-z and three hundred thirty-nine-aa of this article and the right to foreclose such liens pursuant to section three hundred thirty-nine-aa of this article."

**NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENT AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.**

**Reserve Fund**

No provision has been made to establish a Reserve Fund for the Condominium.

## IDENTITY OF PARTIES

**Sponsor**

The Sponsor is Brighton Builder, LLC, having an office at 75 Beaumont Street, Brooklyn, New York 11235. Brighton Builder, LLC is a domestic limited liability Corporation formed under the laws of the State Of New York, the county of Kings, on March 10, 2005. The sole principal of the Sponsor is Leon Mikhlin, having an address at 75 Beaumont Street, Brooklyn, New York 11235.

(i) There are no prior felony convictions of the Sponsor or its principal, Leon Mikhlin;

(ii) There are no prior bankruptcies, convictions, injunctions against the Sponsor or its principal, Leon Mikhlin, within fifteen (15) years prior to submission of the proposed offering plan, that may be material to the Plan.

This is the first offering in which the Sponsor participates.

In the preceding five (5) years Leon Mikhlin, as a principal of L. Development, LLC and PGLL, LLC has taken part in the offerings of the following condominiums in New York.

L. Development has been the Sponsor of The 1633 West 6th Street Condominium, located at 1633 West 6th Street, Brooklyn, NY 11204, said Offering Plan being accepted for filing on February 10, 2004, and The 1663 West 6th Street Condominium located at 1663 West 6th Street, Brooklyn, NY 11204, said Plan having been accepted for filing on September 1, 2004. L. Development has also been the Sponsor of The 1812 Quentin Road Condominium located at 1812 Quentin Road, Brooklyn, NY 11229, said Plan being accepted for filing on September 29, 2004. L. Development has sold all its units in the above discussed condominiums.

PGLL, LLC is the Sponsor of The Twenty Fourth Avenue Condominium, located at 6214 24th Avenue, Brooklyn, New York 11223, said Offering Plan being accepted for filing on January 19, 2007. PGLL, LLC continues to own four (4) Residential Units and One (1) Commercial Unit in the condominium. Due to a downturn in the market the Sponsor has suspended marketing of it's units in the condominium. The Sponsor remains current with all its obligations to the condominium.

An affiliate of the Sponsor, and of Leon Mikhlin, Mikhlin Holdings, Inc, with address at 75 Beaumont Street, Brooklyn, New York, 11235, is currently developing a neighboring property at 3047 Brighton 6th Street, Brooklyn, New York 11235. The building is intended to be converted into a condominium which will bear the name The Brighton Tower I Condominium. The offering plan for said condominium is yet to be filed. It is intended that Purchasers of units in the Brighton Tower I condominium will purchase Parking Space Licenses in this condominium.

Leon Mikhlin has been real estate developer since 1999. During his profession as a developer he has been affiliated with L. Development, LLC, PGLL, LLC, Brighton Builder, LLC and Mikhlin Holdings, Inc.

Copies of the Offering Plans and all exhibits for all the above mentioned condominiums are available for inspection and review at the New York State Attorney General's office at 120 Broadway, 23rd Floor, New York, NY 10271.

**Selling Agent**

The Selling Agent for the Property is the Sponsor, having an office at 75 Beaumont Street, Brooklyn, New York 11235. There are no prior felony convictions of the Selling Agent or any principals of the Selling Agent. This is the first offering in which the Selling Agent participates.

**Sponsor's Attorney**

Yevgeny Tsyngauz of Tsyngauz & Associates, P.C., located at 18 West 21st Street, 3rd Floor, New York, New York 10010 represents the Sponsor in connection with this Plan. Yevgeny Tsyngauz, Esq. prepared the Plan and will handle closings for the Sponsor and, along with Mikhail Litt, Esq., will act as the escrow agent for the downpayments.

**Sponsor's Registered Architect**

Alexander Bomstein, P.E., having an office at 2727 Ocean Parkway, Brooklyn, New York 11235 prepared the plans and specification for the Building. Mr. Bomstein has no financial interest in the Property, Sponsor, Condominium, Selling Agent, or any other party interested in this transaction, except for his fee for services rendered in connection with his report. Mr. Bomstein has been a professional engineer for more than 15 years. He designed and supervised the construction of seven condominiums and over 100 residential and commercial buildings.

## REPORTS TO UNIT OWNERS

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 by March 1 of each 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 at least 30 days prior to the date set forth for adoption hereof by the Board of Managers; while the Sponsor is control of the Board of Managers such budget shall be certified by an expert in compliance with Section 20.4(d) of Part 20 of Title 13 NYCRR.

## 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 25 cents per page at the office of the Sponsor's attorney, Tsyngauz & Associates, P.C., 18 West 21st Street, 3rd Floor, New York, New York 10010 for six years from the date of first closing.

The Sponsor shall deliver to the Board of Managers a copy of all documents filed with the Kings County Office of the Register of the City of New York at the time of the closing of the first Unit.

## GENERAL

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

The Property has not, to Sponsor's knowledge, been the subject of any prior cooperative or condominium offerings. The Sponsor has not entered into any preliminary binding agreements. The Sponsor has not collected money from prospective Purchasers.

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

If there is a material amendment to the Plan that adversely affects Purchasers, the Purchasers shall have a right to rescind Purchase Agreements within fifteen (15) days after the date of service of the amendment. The Sponsor shall return any deposit or downpayment to the Purchasers who rescind.

Neither the Sponsor nor anyone acting on its behalf has entered into any contracts or agreements, written or oral, for the sale or transfer of any of the Units offered in the plan, as of the date the Plan is accepted for filing.

Neither the Sponsor nor anyone acting on its behalf has taken any deposits or advances of funds in connection with the reservation, sale or transfer of such Units, as of the date the Plan is accepted for filing.

All of the Units offered in the Plan are vacant.

## SPONSOR'S STATEMENT OF SPECIFICATIONS OR BUILDING CONDITION

The Sponsor adopts the Description of Property and Building Condition set forth in Part II of the Plan. The Sponsor represents that it has no knowledge of any material defects or need for major repairs to the Property except as set forth in the Description of Property and Building Condition.

# PART II

# ARCHITECT REPORT

**THE BRIGHTON TOWER II CONDOMINIUM**
3015 BRIGHTON 6 STREET
BROOKLYN, N.Y. 11235

**Prepared By:**
ALEXSANDER BOMSTEIN P.E.
Licensed Professional Engineer
2727 Ocean Parkway #D-29
Brooklyn NY 11235
Tel. (718) 872-6127
July 19 , 2008

## DESCRIPTION OF PROPERTY AND SPECIFICATIONS

This Description of Property and Specifications describes the building known as The Brighton Tower II Condominium, located in the Borough of Brooklyn, County of Kings, City and State of New York

## (A) LOCATION AND USE OF PROPERTY

(1) The address of the building shall be 3015 Brighton 6 Street, Brooklyn, New York

(2) The site is located in the county of Kings, Block 8676, lot 33

(3) The site is located in an R6 Zone as designated on Map 28c of the 1961 Zoning Resolution (ZR).

(4) This site's zoning permits residential and community facility use as-of-right.

## (B) STATUS OF CONSTRUCTION

(1) The building will be constructed, as per plans which have been filed with and approved by the Brooklyn Office of the New York City, Department of Buildings, under application number 301982451.

(2) The proposed Class of Construction will be non-combustible Construction Class I-C, as described under the 1968 Administrative Building Code.

(3) The building will be issued a Certificate of Occupancy when the work is completed to the satisfaction of the Department of Buildings. No closing shall occur until the issuance of a Temporary or Final certificate of occupancy

**(C) SITE**

(1) The site is irregular, it is F-shaped The beginning of the main portion of the building is located on Brighton 6th Street, 100' from the intersection of Oceanview Avenue and Brighton 6 Street. The main portion of the building has a street frontage of approximately 100'-0" fronting Brighton 6 Street. The main portion of the building has two adjacent sections to it, each section is 30' x 100' and is located along Oceanview Avenue. The first adjacent portion begins 25' from the corner of Oceanview Avenue and Brighton 6 Street and the second portion begins 85' away from said intersection. The adjacent portions have a total, interrupted, street frontage of 60' along Oceanview Avenue. The entire site consists of approximately 16,000 square feet.

(2) The Condominium will consist of One (1) building. The building will have a fourteen story residential tower with Thirty Eight (38) Residential Units. The base of the building, composed of the cellar and first floor level will be used as Community Facility Units and Parking Units.

(3) There will not be any streets owned or maintained by the condominium.

(4) The streets beyond the lot lines are New York City sidewalks, curbs and roadways. Brighton 6 street is a 60'-0" wide, one-way street with parking on both sides, Oceanview Avenue is a 60'-0" wide, single lane two-way street with parking permitted only on one side.

i. The existing sidewalk is 15'-0' wide concrete sidewalk. Curbs are +/- 4'' high. The existing roadways fronting the property is asphalt paved. When construction is near completion all curbs, sidewalks and roadways will be repaired, or replaced, as directed by the N.Y. City Department of Transportation.

ii. Catch basins are located in the roadway to drain the storm water run-off, into the existing New York City Sewer System. They are located along Brighton 6 Street and Oceanview Avenue.

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

iv. All street, paving, catch basins and lighting will be in conformity with NYC building codes

**(D) UTILITIES**

(1) **Water, Sewer and Storm Run-off –** Water to the condominium will be provided by the City of New York. Sanitary waste and storm run-off will be carried from the building into the existing New York City Sewer System. Sanitary waste will be

carried from the building into the existing New York City Sewer System. The cost of water, sewer and disposal of storm runoff will be billed through the Department of Environmental Protection (DEP) to the condominium. There will be one water meter for the entire building and water will be a common charge. The water bill will be paid through common charges.

(2) **Natural Gas** - Natural gas will be provided by The Keyspan Energy Delivery Company. Natural Gas will only be provided for Residential Units. The Community Facility Units will use electricity in lieu of natural gas. Each Residental unit will have an individual meter and will be billed directly by The Keyspan Energy Delivery Company. The common elements shall not have natural gas usage.

(3) **Electricity** – Electricity will be provided by the Consolidated Edison Company. Each unit will have an individual meter and each unit will be directly billed. The common elements of the condominium will have an individual electric meter and electricity usage by the common elements will be separately billed to the condominium

(4) **Telephone Service** – The building will have telephone service provided by Verizon. Each unit will be separately billed for telephone service.

## (E) SUB-SOIL CONDITIONS

(1) There is no evidence of foundation movement or setting since the foundation is freshly poured.

(2) There is no evidence of moisture or seepage or ground water infiltration.

(3) No unusual water conditions such as flooding, ponding, or wetness were observed in the area, and no water was apparent on the surface. Soil test borings shall be performed by a N.Y. State licensed professional engineer to determine the bearing capacity of the soil.

## (F) LANDSCAPING

(1) Grass Cover – None
(2) Plantings – None
(3) Trees – None
(4) Fencing – There will be a Metal type fence along the front of the property.
(5) Gates – There will be a Vinyl gate at the entrance to the ramp towards the garage
(6) Garden Wall – None
(7) Retaining Wall – None
(8) Display Pools and Fountains - None

## (G) BUILDING SIZE

(1) Total Height: 145'6" Feet; the cellar has a floor to ceiling height of +/- 9'6", the first floor will have a floor to ceiling height of +/- 9'0", from second floor to thirteen floor

will have floor to ceiling height of +/- 9'3", fourteen floor and mezzanine level will have a floor to ceiling height of +/- 10'3".

(2) Crawl Spaces – None.

(3) Number of sub-cellars and cellars – One cellar, height of +/- 9'6".

(4) Number of Floors – Fourteen (14) floors plus a mezzanine level.

(5) Equipment Room – There will be Two Meter Rooms in the Cellar Level and One Mechanical room which will store the Fire pump room on the first floor.

(6) Parapet – There will be a 3'6' parapet above roof of the penthouse.

## (H) STRUCTURAL SYSTEM

Typical floating concrete mat slab footing and foundations and concrete spread footings will be installed on soil bearing stratum. All foundations walls are concrete as noted on architect's drawings. The interior floor at the cellar and floors above is a concrete slab on grade. The lateral load resisting system is steel braced frames. Structural steel lintels and beams are utilized for all load bearing openings.

(1) Exterior of Building

i. All exterior walls will be constructed on 4" ribbed face concrete with metal furring. The exterior wall composition will have a maximum thermal performance value (U.) of 0.20 to comply with table 4-1 of the NYS Energy Conservation Construction Code. The interior sides of the walls will be either constructed of 2 ½" or 3 5/8" steel studs @ 16" O.C. with full 3 ½" thermal fiber sound attenuation fire stopping bats between studs for an R11 insulation factor. All interior wall surfaces receive a minimum ½" fire code "X" gypsum board sheathing. The exterior walls finish shall be the stucco.

ii. All windows are standard vinyl on aluminum framed double glazed vacuum glass inserts casement double hung windows by "Anderson" windows Inc., or equal, exceeding current NY State Energy Construction Code Guidelines with an air infiltration rate of approximately 0.04 cfm/S.F. and a U/R value of 0.31/32.. All windows are complete with metal insect screens. All windows come complete with standard manufacturers hardware and crank handles. These windows will withstand normal NYC severs weather conditions and are guaranteed by the manufacturers warranties. All windows will be covered by Anderson's transferable twenty year warranty on all glass parts and ten year warranty on all non-glass parts

iii. The property is being newly constructed and will not be designated a landmark

(2) Parapets and Copings:

All parapets are standard 8" split faced CMU or EIFS on CMU. All Copings are cast stone or aluminum coping with galvanized steel dowels anchoring the coping sections to the parapet

(3) Chimneys and Caps:

There are several chimney sections in this building. Each chimney will be 6" to 18" diameters approved type amerivent flues with approved type anti-down draft cap to be enclosed in a two hour fire rated incombustible partition to be enclosed in a two hour fire rated incombustible partition enclosure as per NYC Board of Standards and Appeals approvals. There are no fireplaces in the subject premises. There are also several ventilation shafts for toilet and kitchen exhaust risers, which are similarly constructed. The flue shall be manufactured by Amerivent and shall have a B.S.A. approval number (MEA 294-56SM). The Sponsor reserves the right to provide flues by different manufacturers, which are equal to or better than those listed above.

(4) Balconies and Terraces:

i. The deck finish of all balconies will be non-slip ceramic tile. The deck finish of all terraces will be a non-slip ceramic tile.
ii. All balustrades shall be of metal
iii. Railings of the balconies will be "Durarails" or equal, installation as per manufacturer's recommendation. Perimeter with metal guardrails, with a minimum height of 3'-6" above the finished balcony level. The maximum spacing between vertical railings shall be approximately four inches (4") as required by the N.Y. City Building code.
iv. Copings will be Aluminum or cast stone.
v. Soffits of the balconies are siding ceiling board attached to the structural framing below the deck framing.
vi. Doors to balconies and terraces will be insulated double glass in Aluminum frame.
vii. The balconies will be pitched away from the building to provide adequate water drainage. A drip groove will be provided along the perimeter of the balcony.

(5) Exterior Entrances:

i. All exterior doors and frames shall be insulated steel or aluminum doors with insulated glass window lights in a steel frame with keyed lockset exterior dead bolt with electronic release and interior thumbscrew release hardware.
ii. Vestibule doors and frames shall also be insulated steel or aluminum doors with insulated glass window lights in a steel frame with no-keyed locking mechanism.
iii. There shall be no Exterior stairs
iv. Mailboxes shall be United States Postal Services approved fully recessed steel type mailboxes located in the vestibule or the residential portion of the building, at first floor.
v. Exterior lights in the front of the building will be generic H.I.D. sodium light fixtures with an incandescent wall mounted sconce fixture in the recessed exterior vestibule niche. Street lighting along Brighton 6$^{th}$ Street is provided by the City of New York

(6) Service Entrances:

There will be no service entrances in the building

(7) Roof and Roof Structure:

There will be flat roof areas located above first floor of the building, above the community facility units, and above the thirteen floor of the building and above the mezzanine level of the building. The flat roof areas, shall be pitched at a minimum slope of approximately 1/4" per foot. Roof areas shall be drained to vertical metal leaders and then the run-off will be transported via the leaders and below grade horizontal drains, to the existing, storm sewer, located in the roadway beneath Brighton 6 street.

i. Roof Types for All Areas:

(a) Roofs will be Built up Triple layer Bituminous

(b) Insulation will be Rigid insulation, on corrugated metal decking, supported by steel joists and girders. Spray-Foam insulation, with a minimum R value of 19, shall be provided at the underside of the roof in the space between the steel joists.

(c) Surface finish of the roof shall be Rubber based

(d) 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 listed above.

(e) Penetration of ducts, pipes, skylights, etc. shall be properly flashed and waterproofed.

(8) Fire Escapes:

There will be no fire escapes in the building

(9) Yards and Courts:

The building will not have any yards or courts. The base of the building will cover entire lot area.

(10) Interior Stairs.

There shall be one pair of scissor type common interior stairs located in the residential portion of the building. The stairs shall be of metal pan construction with metal handrails. Stair enclosures shall be non-combustible and shall be metal studs with gypsum wallboard finish. Stair enclosures shall be supported with metal framing.

(11) Interior doors:

All interior doors; providing access to the units from the common stair hallways, to mechanical spaces and to gas and electrical meter rooms are to be fireproof self-closing metal doors with a minimum fire rating of 1 ½ hr. and with metal frames. All doors within the units will be of wood and will not be fire rated.

12) Elevators:

The building will have One (1) elevator, located in the vestibule of the Residential portion of the building. It will provide access to Residential Units locate at Second through Fourteen floor. The building will also have Three (3) handicapped elevators. The elevators will provide access to community facility floor (cellar). The elevators will have Hand lifts, located at the front yard and will lower the occupant to the cellar level. The Hand lifts will be Vertical Platform lifts produced by "Concord" P.O. Elevators will be traction type passenger elevators. Separate application shall be filed with and approved by the Elevator Division of the NYC Dept. of Buildings prior to the installation of the elevators and related equipment. The Sponsor reserves the right to provide elevators by different manufacturers, which are equal to or better than listed above.

i) Number of passenger elevator – One (1)
ii) Number of freight elevators – None
iii) Manufacturer of main elevator – Columbia Elevator Products Co. Inc.
iv) Type of Operation – Traction
v) Automatic type of controls – ECI.
vi) Floors served – cellar through thirteenth.
vii) Door Type - 3'X7' Single speed/Side Slide
viii) Location of Machine Room –roof level floor.
ix) DC motor (manufacturer ) – By manufacturer.
x) AC motor generator set - AC.

13) Elevator Cabs:-

i) Kind – Otis 2000 pound capacity, or similar
ii) Floor Material – Tile
iii) Wall material – Wood Panels
iv) Ceilings – Plastic
v) Lighting - Lighting fixture shall provide at least sixty (60) watts incandescent illumination

## (I) AUXILIARY FACILITIES

(1) Laundry Rooms:

i. Each residential unit will be provided with a laundry closets with hookups for a domestic type washers and dryers. All washer dryers must be electric type.
ii. The Sponsor will not provide any clothes washers. Clothes washers will be the responsibility of each unit owner. Laundry equipment shall be U.L. approved or N.Y. City M.E.A. or B.S. and A. approved if necessary.
iii. The Sponsor will not provide any dryers. Since the laundry rooms will not have any ventilation, only vent-less electric type dryers may be used.
iv. Room Ventilation: None
v. Dryer Ventilation: None, only vent-less electric type dryers may be used

(2) Refuse Disposal:

i. Incinerator: None
ii. Compactor: None
iii. Approvals by authority having jurisdiction: Not Applicable
iv. Initial Storage Location: Residents will collect their own garbage and carry it to refuse storage areas located on the first floor. The garbage will then be taken to the outside, from the refuse closets, by the unit owners, or their agents, where it will be collected by the New York City Sanitation Department on days designated for garbage removal.
v. Pick-up Schedule – Public sanitation pick-up is provided three times weekly by the NYC Department of sanitation. The current pickup days are Monday, Wednesday and Friday. Pickup days are subject to change by the New York City Sanitation Department.

## (J) PLUMBING AND DRAINAGE

(1) Water will be supplied to the units through connections to the building, from the New York City Water Distribution System. There will be a 4" copper water main conveying the water into the building. Each unit is to be supplied with cold water from a minimum ½" copper piping. Each unit will have its own hot water heating unit, located inside the unit. All hot and cold water pipes will be insulated with half (½") inch polyethylene pipe insulation.

(2) Fire Protection System:

i. The building will have sprinkler and fire alarm. There is 357 heads in the building.
ii. There will be one box with a 375' fire hose, nozzles and rang
iii. The Siamese connection to the building will be located in the front façade of the building near the residential entrance.

(3) There will be no water storage tanks in the building.

(4) The building relies on normal New York City water pressure. For raising the water to the top floor level booster pumps will be used. The booster pump will be Duplex Buster Pump model # Armstrong Dualpak 6900.

(5) The sanitary waste of the building 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. There are tree house traps in the building. The house traps will be located in the cellar floor area towards the front of building, facing Brighton 6 street and Oceanview Avenue. Beyond the house trap there will be an extra heavy cast iron pipe conveying the sewage to an 6" sanitary drains. The 6" sanitary drainpipe will then be connected to the existing 10" sanitary sewer located in the roadway beneath Brighton 6 street and Oceanview Avenue.

i. Sewage Piping: Extra heavy cast iron

ii. Sewage Pumps: None

iii. Sewage Disposal: Directly to NYC Public waste Treatment Facility.

## (K) HEATING

Each residential unit will have gas air handlers located in the mechanical room of the unit. Individual gas air handlers provide heating to each residential unit. Each apartment will also be provided with a separate 65-gallon electrical hot water heater for domestic hot water needs. The proposed heating system should adequately maintain comfortable conditions under anticipated NYC weather conditions and is adequate for peak required need. The HVAC system to be installed shall be filed with and approved by the NYC Dept. of Buildings, by a V.T. state licensed mechanical engineer, prior to installation. Each apartment is provided split cooled a/c unit with central heating thru hot water coil to heat the space.

Each Residential Unit will have an individual gas air handler and separate 65-gallon electrical hot water heater. There will be a total of (38) thirty eight hot water heaters in this building.

## (L) GAS SUPPLY

Natural gas shall be supplied to all Thirty Eight (38) Residential Units.

(1) Type: Natural Gas
(2) Meters: Thirty Eight
(3) Piping: NYC approved black steel or equal

## (M) AIR CONDITIONING

The Sponsor will provide a central air conditioning system in the units. The system will have a split air cooled a/c unit for cooling and heating will be thru hot water coil. Thru-wall condenser, model THDC-30T with MEA# 85-04-E produced by Aero System. Air handlers will be manufactured by WEATHERKING Model 90RS04EES01 with MEA# 301-94-E. The system will be adequate to maintain conditions of 79 F under anticipated conditions

## (N) VENTILATION

The spaces that require mechanical ventilation in the units are the interior bathrooms and kitchenettes. These spaces shall be equipped with vertical ducts with a fan, which terminates to the outside air. The minimum rate of exhaust ventilation shall be 50 cfm., for bathroom and toilet room areas as required by the New York City Building Code. Exhaust equipment shall be New York City M.E.A. or B.S.A. approved. The laundry closets shall not be ventilated

## (O) ELECTRICAL SYSTEM

(1) The electrical service to the building, from Main Service Switchgear, will be brought in from the terminal point of the Consolidated Edison Co. The service supplied to the building, shall be 270 Amps, 208 Volt triple phase service.

(2) The electrical service to be provided for the each Residential Unit shall be 100 Amps.

(3) The main feed will bring the service to a minimum of Forty Four (44) separate meters. One (1) for each Residential Unit, One (1) for the common areas of the building (PLP), One (1) for the fire pump room and Four for 4 Community facilities units. There will be a minimum of Forty four (44) main panels in the building, One (1) for each unit, one for fire pump room, one for each community facilities unit and one (1) for the common areas of the building.

(4) 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.

(5) Adequacy:

i. Service – Average of 10 circuits with capacity to handle appliance A/C units, dishwashers, and electrical clothes dryers

ii. Lighting and Receptacles – approximately 5 circuits are provided for general lighting receptacles

iii. Convenience Outlets, Appliance Outlets: approximately 6 circuits are provided.

## (P) INTERCOMMUNICATION AND/OR DOOR SIGNAL SYSTEMS, SECURITY CLOSED CIRCUIT TV.

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 cellar floor level. An electric door release in the cellar floor entry door, activated by the unit occupant, will release the door for entrance into the building. The intercom system shall be model number LAF 3, as manufactured by Air phone. The Sponsor reserves the right to provide equipment, which is

equal to or better than specified above. The community facility units will not be equipped with any intercommunication and/or door signal systems. The building will not have any Security Closed Circuit T.V.

## (Q) PUBLIC AREA LIGHTING

Lighting fixtures shall be provided at each entrance providing an aggregate illumination of one hundred and fifty (150) watts incandescent illumination, or its equivalent. There shall also be lighting provided, in the yard area to the rear and at the open and covered parking areas. Lighting fixtures shall be approximately twenty five feet apart and each fixture shall provide at least sixty (60) watts incandescent illumination. The above requirements shall be in compliance with the New York City Housing Maintenance Code and Multiple Dwelling Laws.

## (R) GARAGES AND PARKING AREAS

There will be accessory parking spaces for Forty Three (43) unattended cars, located at the first floor level of the building. There shall also be one unattended parking space in the cellar level of the building. The parking area will be composed of four and a half (4.5") inch concrete, reinforced by wire mesh, poured over a one and a half inch (1.5) galvanized steel deck. Drainage to the parking area will be provided via drains installed in the concrete. The drains will lead to the building's storm drainage system.

Each parking space will be approximately 8'-6" x 18'-0. The parking spaces will be marked with 3" wide reflective paint and concrete parking curbs. The parking area will not have any signage.

## (S) SWIMMING POOLS

There will be no swimming pools in the project

## (T) TENNIS COURTS, PLAYGROUNDS, RECREATION FACILITY

There will be no tennis courts, playgrounds or other recreational facilities in the project.

## (U) PERMITS AND CERTIFICATES

The Sponsor has received or will receive the following permits for the project:

i) General construction work permit versus New Building Application 301982451.-01-NB must be secured. Permit is valid for one year from date of issuance and is renewable. Inspection is conducted by the construction division of the NYC Department of Buildings.

ii) General Plumbing Work Permit – This accessory permit versus the general Building Department work permits must be secured once general construction work permits are secured. Permit is valid for one year and is renewable.

Inspection is conducted by the plumbing division of the NYC Department of Buildings.

iii) General Electrical Work Permit – This accessory electrical permit versus the general Building Department work permits is secured one the general work permits are issued and secured. Permit is valid for one year. Inspection is conducted by the NYC Electrical Board Inspectors, which are a separate division of the NYC Housing and Preservation Department, the parent agency of the NYC Department of Buildings.

iv) General Sewer Site Connection Permits – Storm and Sanitary Sewer Connection permits are issued by the NYC Department of Environment Protection Agency – Bureau of Sewers and are good for 30 Calendar days. The NYC DEP application #SCK approved and good for 2 years from the date of approval.

v) General Highway Street Permits – Public sidewalk and street construction permits are issued by the NYC Department of Transportation and are good for 90 days. The NYC DOT application are approved and valid for (1) year from date of approvals.

## (V) VIOLATIONS

Prior to receipt of a Final Certificate of Occupancy the Sponsor shall remove all violations.

## (W) UNIT INFORMATION

The condominium will have four (4) Community Facilities Units located in the cellar level, Forty (44) Four Parking Spaces located at first floor and Thirty Eight (38) Residential Units located at Second through Fourteenth Floors.

1) **Unit 2A (Second Floor) (1,191 S.F.)** will consist of the following:
   One Living Room
   One Kitchen
   Two (2) Bathrooms
   Three (3) Bedrooms
   Open Roof Terrace

2) **Unit 2B (Second Floor) (1,087 S.F.)** will consist of the following:
   One Living Room
   One Kitchen
   Two (2) Bathrooms
   Two (2) Bedrooms
   Open Roof Terrace

3) **Unit 2C (Second Floor) (698 S.F.)** will consist of the following:
   One Living Room
   One Kitchen
   One (1) Bathroom
   One (1) Bedroom
   Open Roof Terrace

4) **Units 3A -13A (Third thru Thirteen Floor) (1,191 S.F.)** will consist of the following:
One Living Room
One Kitchen
Two (2) Bathrooms
Three (3) Bedrooms
Three (3) Balconies

5) **Units 3B - 13B (Third thru Thirteen Floor) (1,087 S.F.)** will consist of the following:
One Living Room
One Kitchen
Two (2) Bathrooms
Two (2) Bedrooms
Two (2) Balconies

6) **Units 3C – 13C (Third thru Thirteen Floor) (698 S.F.)** will consist of the following:
One Living Room
One Kitchen
One (1) Bathroom
One (1) Bedroom
One (1) Balcony

8) **Unit PH1 (Fourteen Floor and Mezzanine) (1,087 S.F.)** will consist of the following:
14th Floor
One Living Room
One Kitchen
One Full Bathroom
One Balcony
One Terrace
Mezzanine Area
One Balcony
Roof Above Mezzanine
One Terrace

9) **Unit PH2 (Fourteen Floor and Mezzanine) (1,097 S.F.)** will consist of the following:
14th Floor
One Living Room
One Kitchen
One Full Bathroom
One Balcony
One Terrace
Mezzanine Area
One Balcony
Roof Above Mezzanine
One Terrace

The approximate Gross Square Footages for each unit's limited common elements are as follows:

| Unit # | Balconies | Terrace 1 / Terrace 2 |
|---|---|---|
| Unit 2A | None | 2,900 Sq. Ft. |
| Unit 2B | None | 1,740 Sq. Ft. |
| Unit 2C | None | 975 Sq. Ft. |
| Unit 3A-13A | 122.5Sq. Ft. / 157.5 Sq. Ft. / 78Sq. Ft | None |
| Unit 3B-13B | 167 Sq. Ft. / 157.5 Sq. Ft. | None |
| Unit 3C-13C | 122.5 Sq. Ft. | None |
| UNIT PH1 | 122.5 Sq. Ft. / 122.5 Sq. Ft. | 700 Sq. Ft./600 Sq. Ft. |
| UNIT PH2 | 122.5 Sq. Ft. / 122.5 Sq. Ft. | 700 Sq. Ft./600 Sq. Ft. |

The physical dimensions of each Unit, as described above, consist of the area enclosed horizontally by the exposed outside surface of the exterior perimeter wall of the building and the inside centerline of the wall separating each unit from another unit, the common elements public stair hall, stairs and other common elements, and vertically by the upper face of the sub-floor of the unit up to the exposed inside face of the dry wall forming the upper ceiling of the unit.

## (X) FINISH SCHEDULE

The residential units will be finished as described herein.

The finished floors of the living, dining and bedroom areas of the residential units shall be a hardwood finish. Thereafter unit owners may finish with carpeting or another material of their own choice and at their own expense.

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

Kitchens will have hardwood floors, and gypsum wallboard walls and ceilings.

Full bathrooms shall be equipped with a washbasin, medicine cabinet, water closet and a combination bathtub/shower. Master bathrooms shall also be equipped with a stall shower. All bathrooms shall have ceramic tile floors. Tile around the bathtubs and showers 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.

| Location | Floors | Base | Walls | Ceilings |
|---|---|---|---|---|
| Living/Dining Room | Hardwood | Wood | G.W.B. Painted | G.W.B. Painted |
| Bedroom | Hardwood | Wood | G.W.B. Painted | G.W.B. Painted |
| Kitchen | Hardwood | Wood | G.W.B. Painted | G.W.B. Painted |
| Bathroom | Ceramic Tile | Ceramic Tile | Tile / G.W.B. Painted | G.W.B. Painted |
| Closets | Hardwood | Wood | G.W.B. Painted | G.W.B. Painted |
| Laundry/Mech. Cl. | Ceramic Tile | Tile | G.W.B. Painted | G.W.B. Painted |

Note:
G.W.B : Gypsum Wallboard
Mas. :Masonry

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

The hardwood floors will be ¾' inch 3 ¼ Select solid white oak. The floor's underlayment will be ½ plywood

The walls and ceilings will be painted with one layer of white Benjamin Moore paint, over one layer of primer.

FIXTURE SCHEDULE

A. Water Closets: shall be manufactured by Gerber or approved equal, and shall be of vitreous china, floor mounted and with siphon 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 manufactured by Kohler, with Gerber faucet; set in a plastic laminate finished, particle board vanity countertop.
C. Bathtubs: shall be manufactured by American Standard, with flow outlet and Delta showerhead and trim.
D. Showers: shall be as manufactured by American Standard with showerhead and trim by Delta.

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

KITCHEN EQUIPMENT

The Sponsor will provide the following fixtures, appliances and equipment in the kitchen:

1. Custom Formica or wood laminate, wall and base cabinets
2. Granite or custom Formica countertops.
3. One compartment self-rimming stainless steel sinks by Eljer, or equal;
4. Burner Gas Range with Four (4) burners manufactured by Frigidaire, model number FGF337GC, or equal.

**Note**:
The Sponsor shall not provide a dishwasher in the unit. The Sponsor reserves the right to provide fixtures by different manufacturers, which are equal to or better than listed above

**(Y) SAFETY AND WARNING DEVICES**

All apartments shall have combination carbon monoxide/smoke detectors at each bedroom level. The carbon monoxide/smoke detectors shall be manufactured by First Alert ® Model #SC07CN

**(Z) FLOOR PLAN**

Floor Plans for each units are drawn to approximate graphic scale and are attached hereto.

**(AA) LOCAL LAW 11/98**

Local Law 11 of 1998 (LL 11/98) mandates the periodic inspection of the exterior walls and appurtenances of buildings greater than six stories in height. Since this building is greater than six stories the law will apply.

Under the law the condominium's Board of Managers will, every five years, need to make inspections of the building's exterior wall and make all necessary filings pursuant to the law.

**(BB) CONTROLLED INSPECTION**

Controlled inspections of the building are being done by the engineer of record

**(CC) FURTHER DEVELOPMENT**

The Sponsor does not anticipate any further development of the site.

**(DD) ASBESTOS**

The building is being newly constructed and will not have any asbestos.

**(EE) LEAD-BASED PAINT**

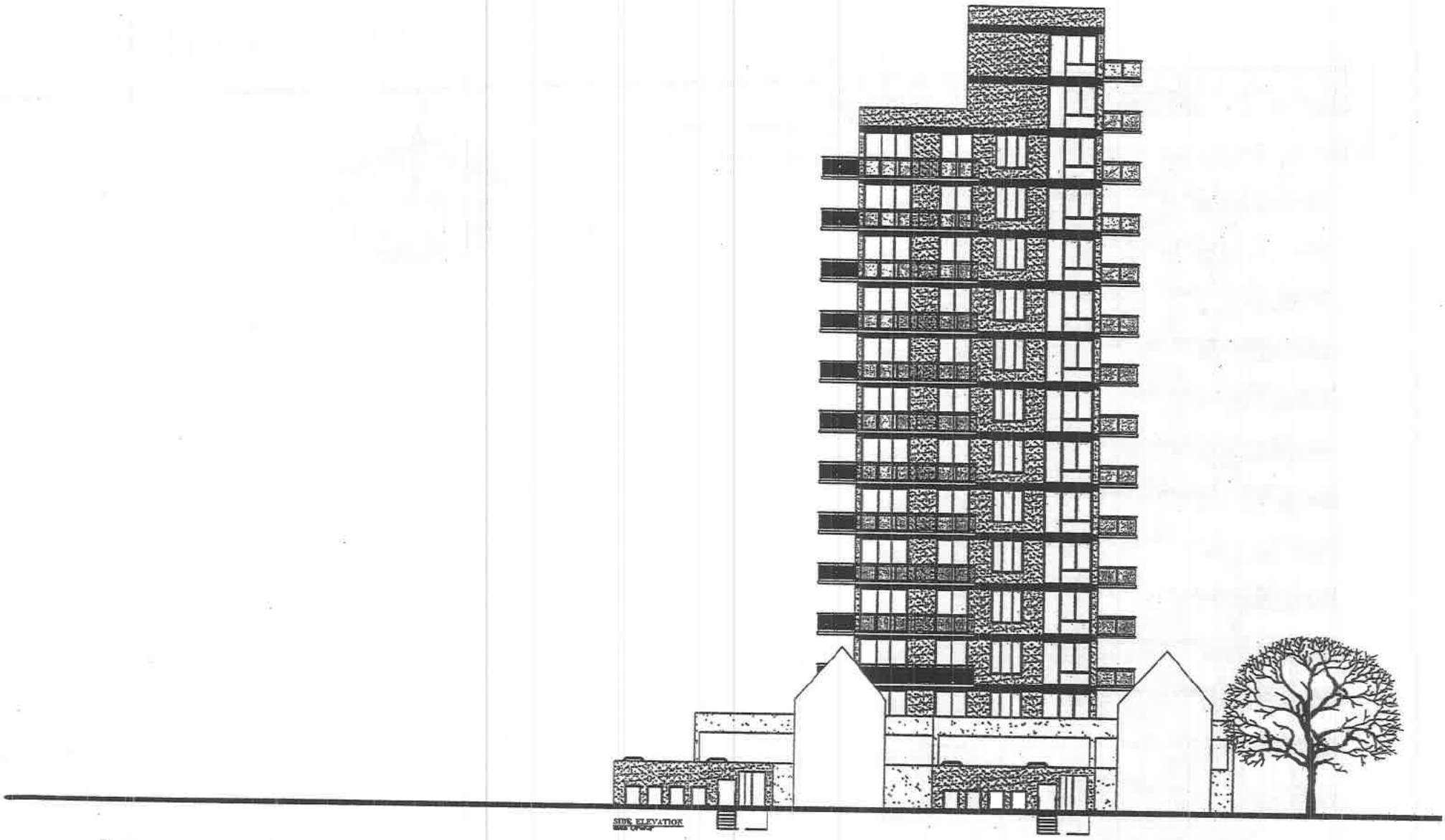
The building is being newly constructed will not have any lead based paint.

**(FF) AS-BUILT PLAN**

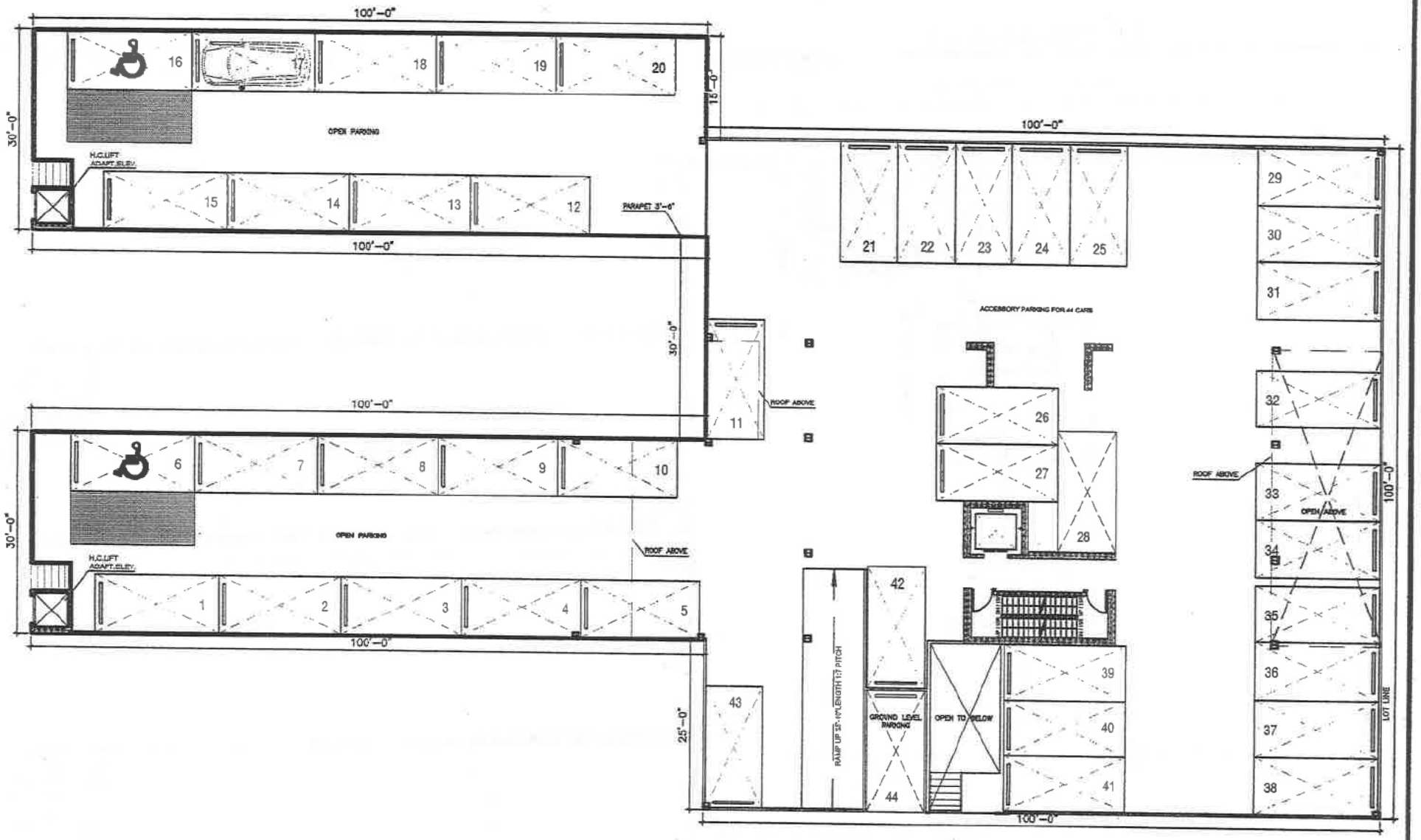
Upon conversion of the building the Sponsor will provide the board of Managers with a copy of the building's As-Built plans.



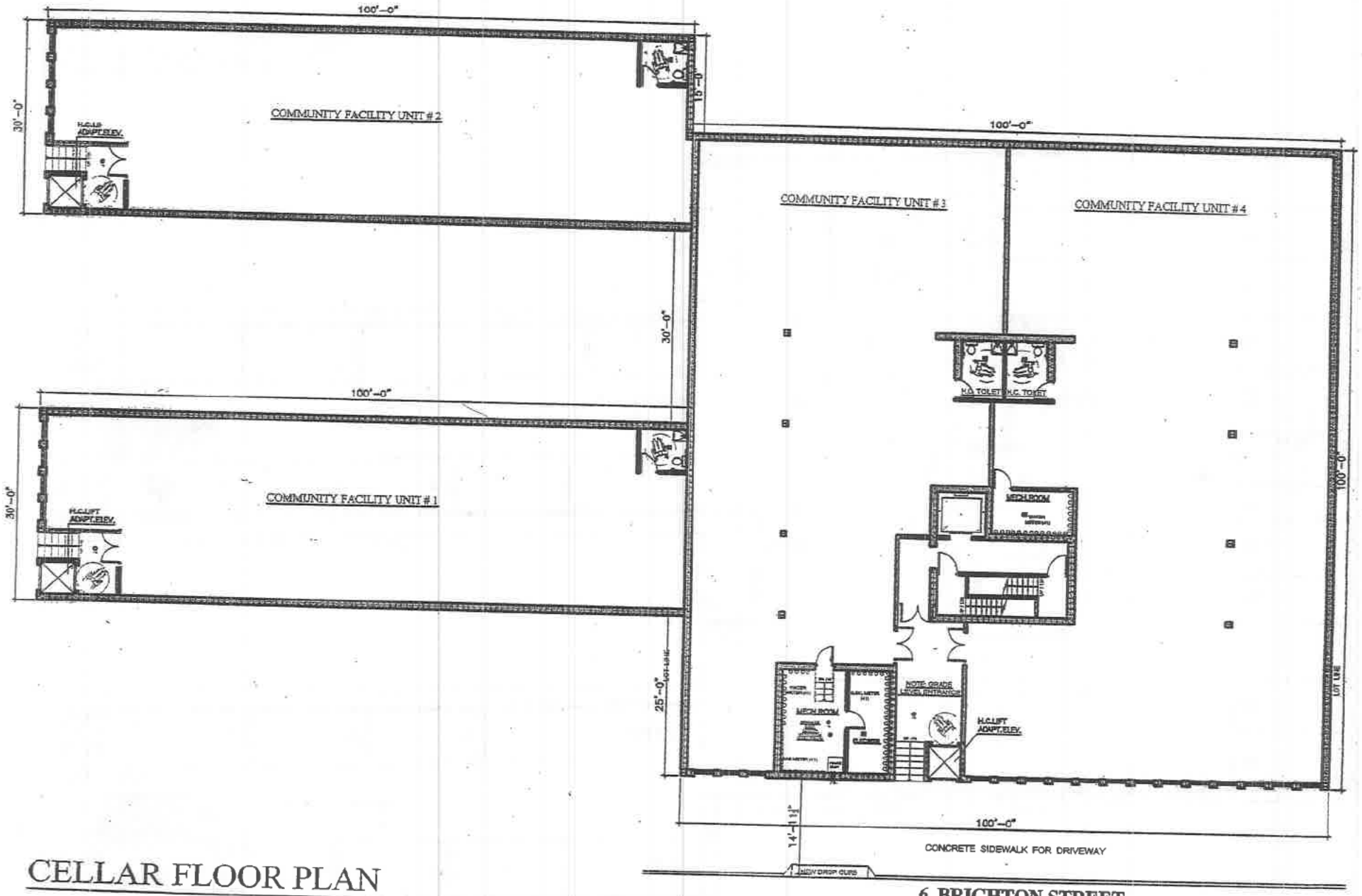
# FRONT ELEVATION




SIDE ELEVATION




# FIRST FLOOR PLAN

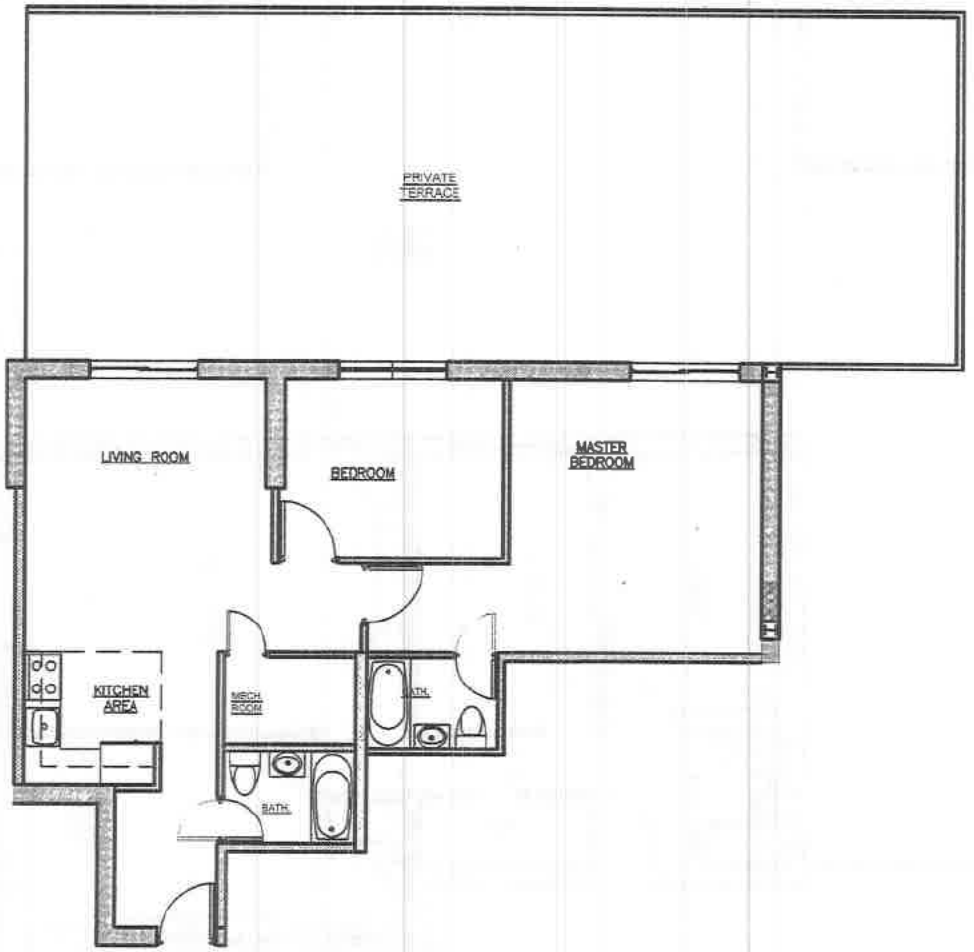



# CELLAR FLOOR PLAN

**6 BRIGHTON STREET**

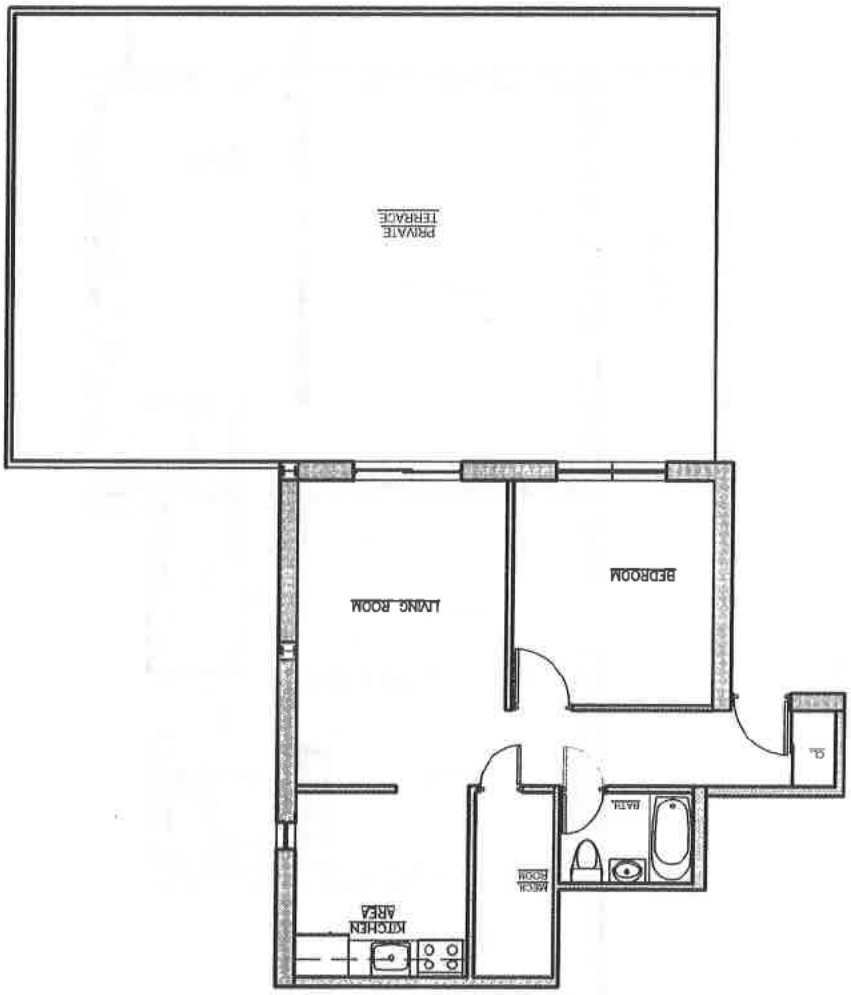


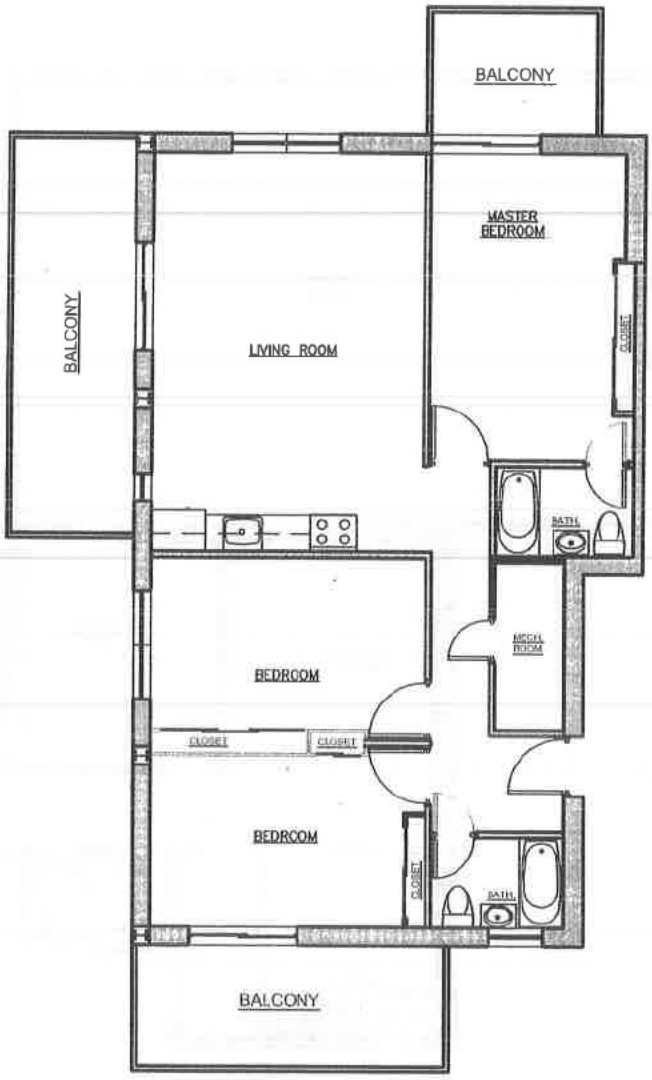

RESIDENTIAL UNIT # 2 A 1191 S.F.




RESIDENTIAL UNIT # 2 B 1087 S.F.

RESIDENTIAL UNIT # 2 C 698 S.F.






RESIDENTIAL UNIT # 3A - 13A 1191 S.F.

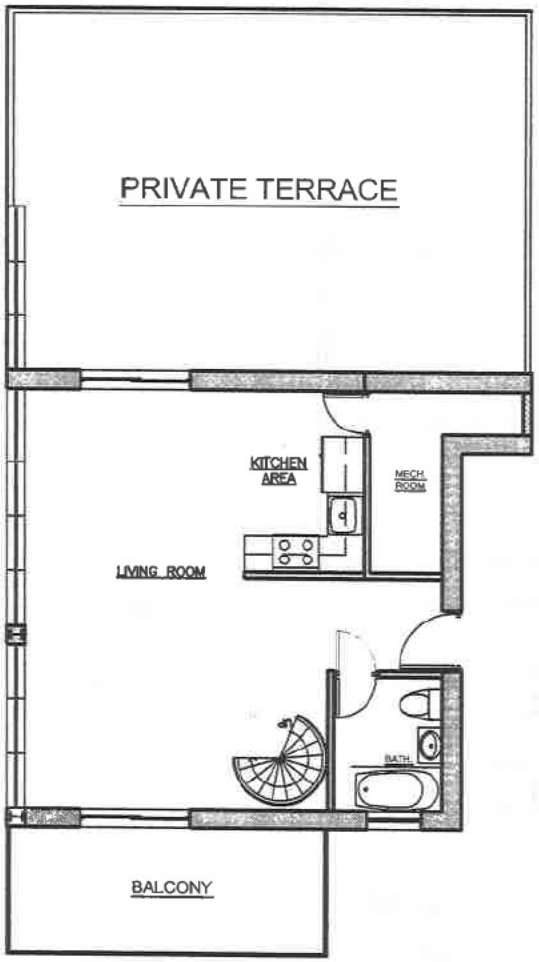



RESIDENTIAL UNIT # 3B - 13B 1087 S.F.

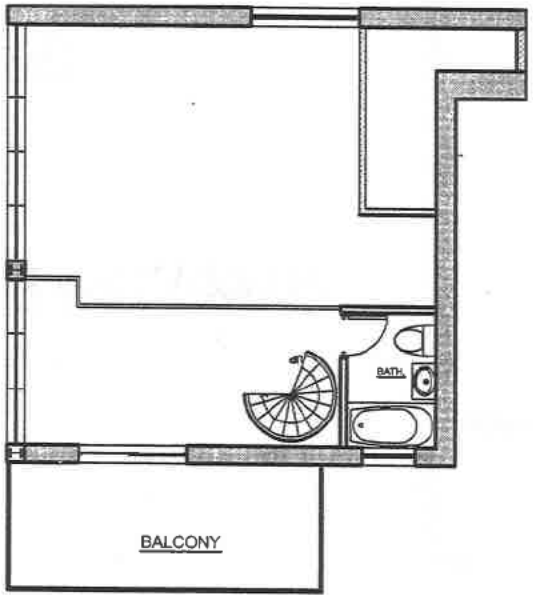



RESIDENTIAL UNIT # 3C-13C 698 S.F.

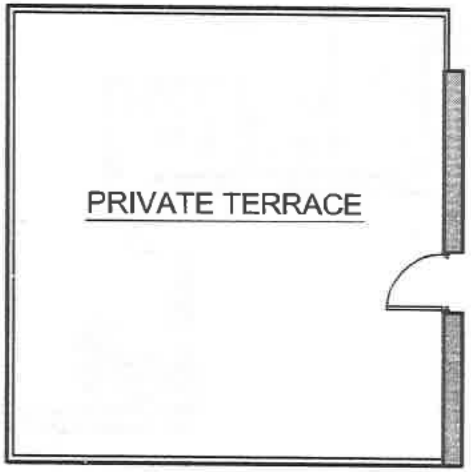
# RESIDENTIAL UNIT # PH 1 1087 S.F.




PH FLOOR

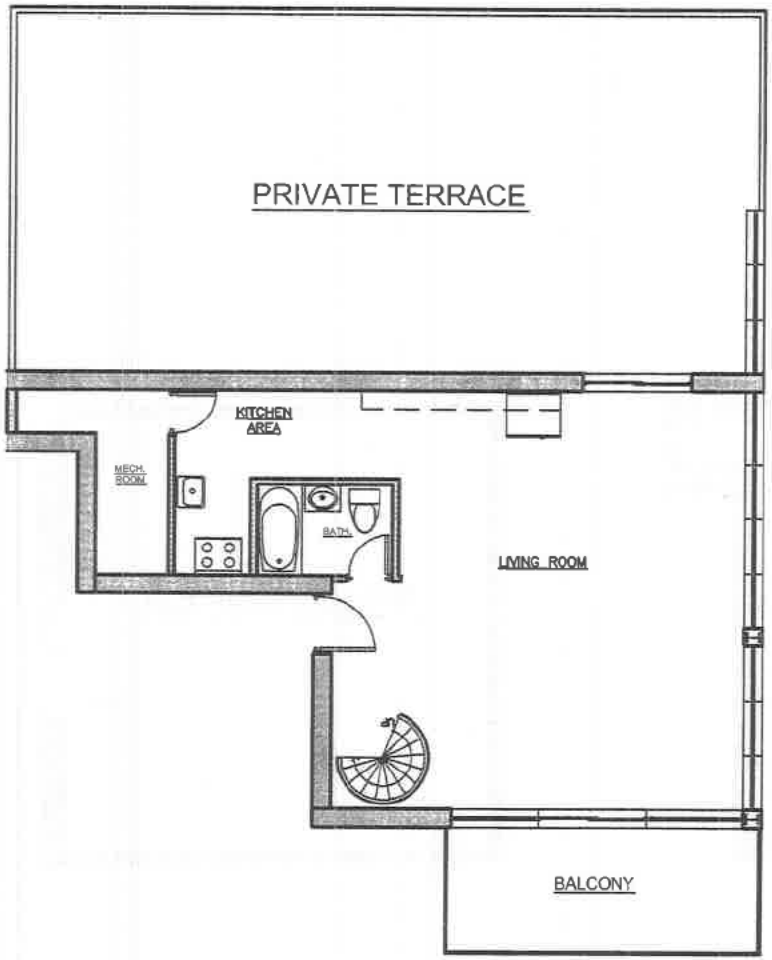



MEZZANINE FLOOR

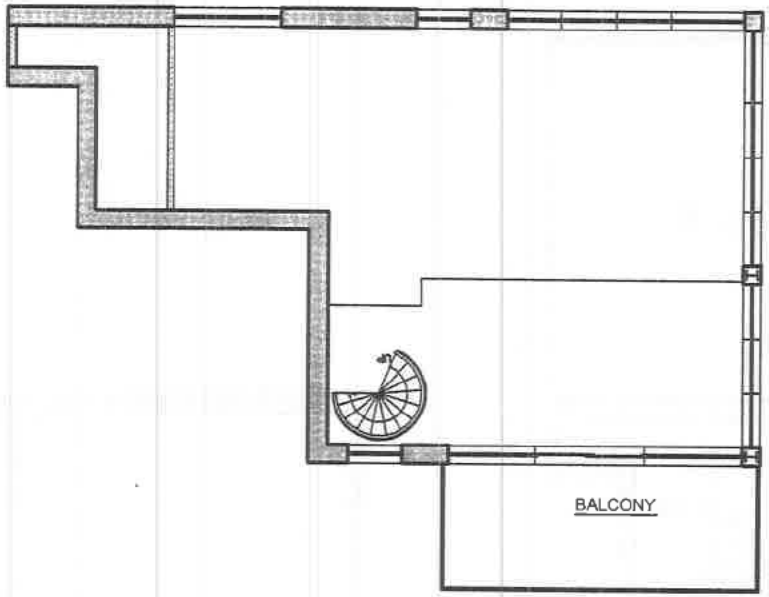



ROOF ABOVE MEZZANINE

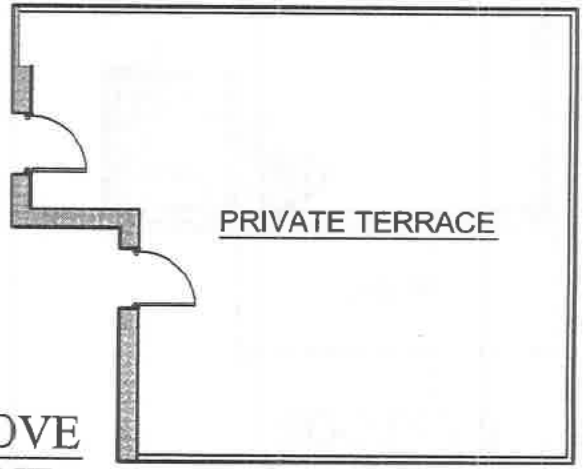
# RESIDENTIAL UNIT # PH 2 1097 S.F.




PH FLOOR




MEZZANINE FLOOR




ROOF ABOVE MEZZANINE

THE CITY OF NEW YORK

TITLE D*
HOUSING MAINTENANCE CODE

* Added by L. L. 1967, No. 56, July 14. Subsequent amendments indicated in text.

Department of Housing Preservation and Development
Office of Rent and Housing Maintenance

SUBTITLE II: MAINTENANCE, SERVICES, AND UTILITIES

ARTICLE 10: Obligations of Owner and Tenant; Duty to Repair

Section

D26-10.01 Duties of Owner
D26-10.03 Duties of Tenant
D26-10.05 Certain Specific Duties of Tenants and Others
D26-10.07 Owner's Right of Access
D26-10.09 Tenant Violations as Grounds for Eviction

Sec. D26-10.01 Duties of owner

a. The owner of a multiple dwelling shall keep the premises in good repair.

b. The owner of a multiple dwelling, in addition to the duty imposed upon him by subsection ( a ) of this section, shall be responsible for compliance with the requirements of this code, except insofar as responsibility for compliance is imposed upon the tenant alone.

c. The owner of a one- or two-family dwelling shall keep the premises in good repair, and shall be responsible for compliance with the provisions of this code, except to the extent otherwise agreed between him and any tenant of such dwelling by lease or other contract in writing, or except insofar as responsibility for compliance with this code is imposed upon the tenant alone.

Sec. D26-10.03 Duties of tenant

a. A tenant shall, in addition to complying with all provisions of this code and the multiple dwelling law applicable to him, be responsible for violations of this code to the extent that he has the power to prevent the occurrence of a

violation. A tenant has the power to prevent the occurrence of a violation if:

(1) it is caused by his own willful act or that of a member of his family or household, or a guest; or

(2) it is the result of his gross negligence, neglect or abuse, or the gross negligence, neglect or abuse of a member of his family, or household or a guest.

b. The tenant, any member of his family or household, or his guest shall, with respect to the public parts of the premises, be liable if a violation is caused by his own willful act, gross negligence, neglect or abuse.

c. The fact that a tenant is or may be liable for a violation of this code or any other law or is found liable for civil or criminal penalties does not relieve the owner of his obligation to keep the premises, and every part thereof, in good repair.

Sec. D26-10.05 Certain specific duties of tenants and others

In addition to other duties imposed upon him by this code, no tenant, or any other person, shall:

a. remove or render inoperative any self-closing device on any door which is required by any provision of law to be self-closing, or cause or permit such door to be held open by any device;

b. use, or cause or permit to be installed, a louvred door or screen door in addition to or in place of any required self-closing door to a public hall;

c. place any encumbrance before or upon, or cause access to be obstructed to, any fire escape, or obstruct by a baby carriage or any encumbrance the public halls or any required means of egress;

d. take down, alter, destroy, or in any way deface any sign required by this code to be displayed.

Sec. D26-10.07 Owner's right of access

No tenant shall refuse to permit the owner, or his agent or employee, to enter his dwelling unit or other space under his control to make repairs or improvements required by this code or other law or to inspect such apartment or other space to determine compliance with this code or any other provision of law, if the right of entry is exercised at a reasonable time and in a reasonable manner. The department may by regulation restrict the time and manner of such inspections.

Sec. D26-10.09 Tenant violations as grounds for eviction

Any conviction of a tenant for violation of this code which:

(1) results from willful or grossly negligent conduct and causes substantial damage to the dwelling units; or

(2) results from repeated or continued conduct which causes damage to the dwelling unit or substantially interferes with the comfort or safety of another person; or

(3) consists of an unreasonable refusal to afford access to the dwelling unit to the owner or his agent or employee for the purpose of making repairs or improvements required by this code, shall constitute grounds for summary proceedings by the owner to recover possession of such dwelling unit from the tenant.

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ARTICLE 11: Cleaning

Section

D26-11.01 Cleaning of Roofs, Yards, Courts and Other Open Spaces
D26-11.03 Cleaning of Interior Shared Space
D26-11.05 Cleaning of Interior of Dwelling Units

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Sec. D26-11.01 Cleaning of roofs, yards, courts and other open spaces

The owner of a dwelling containing two or more dwelling units, and the occupant of a single family dwelling shall keep the roof, yard, courts and other open spaces clean and free from dirt, filth, garbage or other offensive material.

Sec. D26-11.03 Cleaning of interior shared space

The owner of a dwelling shall maintain the public parts in a clean and sanitary condition.

Sec. D26-11.05 Cleaning of interior of dwelling units

a. The occupant of a dwelling shall maintain the dwelling unit which he occupies and controls in a clean and sanitary condition except as provided in subdivision (b)

b. The owner of all rooming units in a rooming house or an entire multiple dwelling used for single room occupancy, or the person in control of an apartment containing rooming units, shall clean any such unit before any change in occupancy and at least once a week during the period of

occupancy and shall at all times maintain the same in a clean and sanitary condition.

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ARTICLE 12: Painting

Section

D26-12.01 Painting Or Public Parts and Within Dwellings
D26-12.03 Window Frames and Fire Escapes
D26-12.05 Courts and Shafts
D26-12.07 Departmental Regulations Concerning Paint and Wall Covering and Quality and Frequency of Repainting or Re-covering

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Sec. D26-12 01 Painting of public parts and within dwellings

a. In the public parts of a multiple dwelling, and in a tenant-occupied dwelling unit in a one-or two-family dwelling, the owner shall:

(1) paint or cover the walls and ceilings with wallpaper or other acceptable wall covering; and

(2) repaint or re-cover the walls and ceilings with wallpaper or other acceptable wall covering whenever necessary in the judgment of the department to keep such surfaces sanitary.

b. In occupied dwelling units in a multiple dwelling, the owner shall

(1) paint or cover the walls and ceilings with wallpaper or other acceptable wall covering; and

(2) repaint or re-cover the walls and ceilings with wallpaper or other acceptable wall covering every three years, and more often when required by contract or other provisions of law.

c. The department may require a tenant of a dwelling unit in a multiple dwelling to repaint or recover the interior walls and ceilings of his dwelling unit with wallpaper or other acceptable wall covering if such walls and ceilings become unsanitary at any time within three years from the date of the last refinishing by the owner. However, if the tenant can show, to the satisfaction of the department, that the walls and ceilings have become unsanitary through no act or neglect of his own or of his family or guests, the department may require the owner to repaint or re-cover the same. This subsection does not relieve the owner from his duties under subsection (b)(2) of this section.

d. The owner and tenant of any dwelling unit in a multiple dwelling may, by voluntary agreement, provide that the owner need not repaint in such unit as required by subsection (b)(2) of this section for such additional period, not to exceed two years, as may be agreed upon. Such an agreement to extend the time for repainting shall not be valid unless it has been entered into not earlier than one month prior to the expiration of the three-year period, and shall not form part of any agreement of lease. The department may prescribe the form of such agreements, require them to be filed, and may make such other regulations as may be necessary to avoid abuse, and to further the purposes of this article. Notwithstanding any agreement, the department may, during the period for which repainting is deferred by agreement, order repainting by the owner in any dwelling unit when deemed necessary to keep the walls and ceilings of such unit sanitary. This subsection shall not affect the applicability of subsection (c) of this section during the three years after any repainting or re-covering.

e. Neither the owner nor a tenant of a dwelling unit shall place wallpaper or wall covering upon a wall or ceiling in the public or tenant-occupied parts of a dwelling unless existing wallpaper or wall covering is first removed and such wall or ceiling is cleaned and repaired. However, if wallpaper or wall covering is in good condition, free from vermin and a coat of acceptable paint or sizing is applied, one additional layer of wallpaper or wall covering may be applied.

f. Nothing contained in this section shall be deemed to require the owner of a dwelling to cover with wallpaper or other acceptable covering any wall or ceiling not previously so covered by him. When a wall or ceiling of a dwelling unit has been decorated with paper, wood paneling, or other material over which paint normally is not applied, the owner shall be relieved of his obligation to repaint or recover such wall or ceiling so long as the same remains in a sanitary condition, in the judgment of the department. When the department requires redecoration of such wall or ceiling, the tenant shall remove any paper, wall covering, wood paneling or other material which he himself has applied before the owner is required to clean and repair and repaint or re-cover. However, if the owner or a former tenant has applied paper, wall covering, wood paneling or other material, the owner shall be responsible for its removal before redecoration.

g. The owner of a multiple dwelling shall keep and maintain records relating to the refinishing of public parts and dwelling units showing when such parts were last painted or papered or covered with acceptable material and who performed the work. Such records shall be open to inspection by the department, and shall be submitted to the department upon request.

Sec. D26-12.03 Window frames and fire escapes

a. At least once every five years, the owner of a dwelling shall paint all exterior window frames and sashes with one coat of an exterior paint. The department may require a more frequent repainting of any window frame or sash, as it deems necessary. This subsection shall not apply to window frames and sashes of approved atmospheric corrosion resistant metal.

b. The owner of a dwelling shall paint every fire escape with two coats of paint of contrasting colors. The owner shall paint the first coat before and the second after erection of a new fire escape, except that this shall not apply to fire escapes constructed of approved atmospheric corrosion resistant metal. Whenever a fire escape becomes corroded, the owner shall scrape and remove the corrosion products and repaint it with two coats of paint of contrasting colors.

Sec. D26-12.05 Courts and shafts

a. The owner of a multiple dwelling shall whitewash the walls enclosing all courts and shafts not made of light-colored brick or stone or shall paint such walls a light color, and shall maintain them in a clean condition.

b. As often as it deems necessary, the department may require the owner of a multiple dwelling:

(1) to rewhitewash or repaint the walls enclosing courts and shafts not made of a light colored brick or stone, and

(2) to clean the walls enclosing courts and shafts made of a light-colored brick or stone.

c. This section does not apply to:

(1) outer courts which open on a street; or

(2) courts which exceed the minimum dimensions set forth in section 26 of the multiple dwelling law by at least 50 per cent.

Sec. D26-12.07 Departmental regulations concerning paint and wall covering and quality and frequency of repainting or re-covering

a. The department may by regulation prescribe or approve the kind and quality of paints or wall covering which may be used to satisfy the requirements of this article.

b. The department may by regulation extend the time for repainting when in its judgment the particular kind and quality of paint or wall covering used is designed to wear

for considerably longer periods of time than the time set for repainting in this article. An owner who uses such long-wearing paints or wall covering shall inform the department prior to his doing so in accordance with departmental regulations.

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ARTICLE 13: Extermination and Rodent Eradication

Section

D26-13.01 Definitions
D26-13.03 Rodent and Insect Eradication; Mandatory Extermination
D26-13.05 Elimination of Harborages

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Sec. D26-13.01 Definitions

When used in this article:

(a) Eradication means the elimination of rodents or insects and other pests from any premises through the use of traps, poisons, fumigation or any other method of extermination.

(b) Insects and other pests include the members of class insects, including houseflies, lice, bees, cockroaches, moths, silverfish, beetles, bedbugs, ants, termites, hornets, mosquitoes and wasps, and such members of the phylum arthopoda as spiders, mites, ticks, centipedes and wood lice.

(c) Harborage means any condition which provides shelter or protection for rodents or insects and other pests.

Sec. D26-13.03 Rodent and insect eradication; mandatory extermination

a. The owner or occupant in control of a dwelling shall keep the premises free from rodents, and from infestations of insects and other pests, and from any condition conducive to rodent or insect and other pest life.

b. When any premises is subject to infestation by rodents or insects and other pests, the owner or occupant in control shall apply continuous eradication measures.

c. When the department makes the determination that any premises are infested by rodents, insects or other pests, it may order such eradication measures as the department deems necessary.

Sec. D26-13.05 Elimination of harborages

All building material, lumber, boxes, cartons, barrels, containers, machinery. raw material, fabricated goods, junk, food, animal feed and any other substance which may afford harborage or provide food for such rodents or insects and other pests shall be kept stored or handled by the owner and tenants of every dwelling in such manner as the department may require. The department may make orders to eliminate rat harborages to the person who is responsible for the conditions. The department shall uncover and inspect periodically all structural harborages which cannot be eliminated from dwellings.

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ARTICLE 14: Collection of Wastes

Section

D26-14.01 Definitions
D26-14.03 Receptacles for Waste Matter
D26-14.05 Frequency of Collection of Waste Matter from Dwelling Units in Multiple Dwellings
D26-14.07 Collection of Waste Matter from Dwelling units in One- and Two-Family Dwellings

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Sec. D26-14.01 Definitions

When used in this article:

(a) Organic wastes shall mean all wastes produced by or from living organisms.

(b) Inorganic wastes shall mean all waste other than organic wastes, including discarded lumber, wood shavings and furniture.

(c) Household wastes shall mean all wastes, organic and inorganic, which are produced within a dwelling unit.

Sec. D26-14.03 Receptacles for waste matter

a. The owner or occupant in control of a dwelling shall provide and maintain metal cans, or other receptacles jointly approved as to specifications by the department, the environmental protection administration and the department of health, for the exclusive use of each building, which shall be of sufficient size and number to contain the wastes accumulated in such building during a period of 72 hours. No receptacle shall he filled to a height so as to prevent the effective closure thereof and no receptacle shall weigh more than 100 pounds when filled. The receptacles shall be so

constructed as to hold their contents without leakage. Metal cans shall be provided with tight-fitting covers and other receptacles shall be effectively closed. When requested by the environmental protection administration, the owner or occupant in control shall separate and place in separate receptacles, ashes, organic and inorganic wastes. Nothing contained in this subsection shall prevent the department, the environmental protection administration and the department of health from jointly approving as to specifications other systems for the disposal of waste utilizing containers of larger size and different construction as may be appropriate for such systems. (Subd. a amended by L. L. 1971, No. 11, Jan. 25. )

b. Metal cans shall he kept within the dwelling or as required by the department until the time for removal of their contents when they shall he placed in front of the dwelling. When inside storage is required, receptacles of other materials shall be kept in a metal can or a rat-proof and fire-proof room until the time of their removal when they shall be removed from the metal can and he neatly stacked in front of the dwelling. After the contents have been removed by the environmental protection administration, any receptacles remaining shall be returned promptly to their place of storage. Metal cans shall be kept covered at all times and shall be disinfected regularly and maintained in a sanitary condition. Yard sweepings, hedge cuttings, grass, leaves, earth, stone, or bricks shall not be mixed with household wastes. (Subd. b amended by L. L. 1971, No. 11, Jan. 25. )

c. Newspapers, wrapping paper, or other inorganic wastes which are likely to be blown or scattered about the streets shall be securely bundled, tied or packed before being placed for collection. Such material shall be kept and placed for collection in the same manner as the receptacles.

Sec. D26-14.05 Frequency of collection of waste matter from dwelling units in multiple dwellings

a. The owner of a multiple dwelling shall not allow the accumulation except in a lawful receptacle of ashes or any type of waste matter in any part of the premises.

b. In multiple dwellings where the owner provides dumbwaiter service, all waste matter shall be collected at least once daily and deposited in separate receptacles.

c. In multiple dwellings where no dumbwaiter service is provided, the owner shall provide between the hours of seven a.m. and ten a.m. or between five p.m. and eight p.m. daily:

(1) a sufficient number of receptacles but in no event less than two within the dwelling or other area approved by the department which are accessible to the tenants. Such receptacles shall be removed promptly upon the

expiration of the selected time period and taken to their place of storage; or

(2) a pick-up service at each dwelling unit to collect ashes and wastes for deposit in the receptacles referred to in section D26-14.03 of this article.

The owner shall post and maintain a notice in a conspicuous place in the dwelling informing the tenants of the hour and method of collection. A new notice shall be posted and maintained within 48 hours preceding any change in such hour or method.

d. The tenant of a multiple dwelling shall dispose of waste matter in accordance with the method provided by the owner under subsection (b) or (c) of this section. The tenant shall not accumulate any waste matter in his dwelling unit so as to create a condition which is unsanitary or a fire hazard in the judgment of the department.

e. Subsections (b), (c) and (d) shall not apply to any multiple dwelling where regular incinerator services or other means of disposal approved by the department are provided. The tenant in such a dwelling shall dispose of waste matter in an incinerator or by such other approved means of disposal and shall not permit wastes to accumulate so as to create a condition which is unsanitary or a fire hazard in the judgment of the department.

Sec. D26-14.07 Collection of waste matter from dwelling units in one- and two-family dwellings

The owner and occupants of a one- or two-family dwelling shall provide for the regular collection of waste matter from dwelling units and its deposit in the receptacles required by section D26-14.03, and shall not permit ashes or any type of waste matter to accumulate in any part of the premises so as to create a condition which is unsanitary or a fire hazard in the judgment of the department.

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ARTICLE 15: Water Supply

Section

D26-15.01 Water Supply to Buildings
D26-15.03 Water Supply to Individual Units and Fixtures

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Sec. D26-15.01 Water supply to buildings

The owner of a dwelling shall provide and maintain a supply of

pure and wholesome water sufficient in quantity and at sufficient pressure to keep all plumbing fixtures adequately supplied for their sanitary maintenance. Where water mains are available in the street, every dwelling shall be supplied with water from such mains. The owner shall keep the water free from connection to any unsafe water supply or from cross-connections to any drainage system.

Sec. D26-15.03 Water supply to individual units and fixtures

The owner of a dwelling shall provide proper appliances for the use of every dwelling unit to receive and distribute an adequate supply of water during all hours.

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ARTICLE 16: Sewers and Drainage

Section

D26-16.01 Maintenance of Sewer Connections and Plumbing Fixtures
D26-16.03 Drainage of Roofs and Court Yards

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Sec. D26-16.01 Maintenance of sewer connection and plumbing fixtures

The owner of a dwelling shall properly maintain and keep in good repair the plumbing and drainage system, including water closets, toilets, sinks and other fixtures.

Sec. D26-16.03 Drainage of roofs and court yards

a. The owner of a dwelling shall grade and maintain the grading of all roofs, terraces, shafts, courts yards, and other open spaces on the lot, and shall provide and maintain unobstructed drainage from these areas and spaces through a drain connected to a street storm-water main or combined sewer and street storm-water main. In the absence of a street storm-water main or combined sewer and street storm-water main, the department may permit the storm water from such areas to drain into a street gutter leading to a natural channel, water course, or dry well.

b. The owner of a dwelling shall provide and maintain drainage from all roofs to carry off storm water, to prevent it from dripping to the ground, or from causing dampness in walls, ceilings, and open spaces.

c. The department may require the owner of a dwelling to surface shafts, courts, yards, and other open spaces on the lot with concrete, and to pitch the surfaces of such areas

towards a sewer-connected drain or other adequate drainage system, except that, with respect to private dwellings, the department may permit the surfacing of such areas with bitumineous* aggregate or other similar material.

d. The owner of a dwelling may plant grass, sod, shrubs, trees and other vegetation in yards and courts, unless the department orders its removal because in its opinion such vegetation interferes with proper drainage, light, ventilation, or egress.

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ARTICLE 17: Heat and Hot Water

Section


D26-17.01 Central Heat or Electric or Gas Heating System; When Required
D26-17.03 Minimum Temperature to be Maintained
D26-17.05 Self-inspection of Central Heating Plants
D26-17.07 Supply of Hot Water; When Required
D26-17.09 Gas-fueled or Electric Heaters


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Sec. D26-17.01 Central heat or electric or gas heating system; when required

Except as otherwise provided in this article. every multiple dwelling and every tenant-occupied one- or two-family dwelling shall he provided with heat from a central heating system constructed in accordance with the provisions of the building code and the regulations or the department. A system of gas or electric heating provided for each dwelling unit may, if approved by the department, be utilized in lieu of a central heating system if

(1) the system is lawfully in use on the effective date of this code; or

(2) the system is approved by the appropriate city agencies having jurisdiction and is installed in a structure or building erected. converted. substantially rehabilitated, or completely vacated, after the effective date of this code.

Sec. D26-17.03 Minimum temperature to be maintained

a. During the period from October 1 through May 31, centrally supplied heat, in any dwelling in which such heat is required to be provided, shall be furnished so as to maintain in every portion of such dwelling used or occupied for living purposes:

(1) between the hours of six a.m. and ten p.m. a temperature of at least 68 degrees Fahrenheit whenever the outside temperature falls below 55 degrees: and

(2) between the hours of ten p.m. and six a.m. a temperature of at least 55 degrees Fahrenheit whenever the outside temperature falls below 40 degrees.

b. During the period from October I through May 31. all central heating systems required under this article shall be maintained free of any device which shall cause or which is capable of causing an otherwise operable central heating system to become incapable of providing the minimum requirements of heat or hot water as required by this article for any period of time. This subdivision shall not apply to any safety device required by law, or by a rule or regulation of any city agency, to be used in conjunction with a central heating system. (Subd. b added by LL. 1978, No. 43, Sept. 22, amended by LL. 1981, No. 76, Oct. 1, 1981, eff. Oct. 31, 1981.)

Sec. D26-17.05 Self-inspection of central heating plants

The owner of a private dwelling or a multiple dwelling containing six or less units, occupied in whole or in part by a tenant or tenants, in which there was a breakdown or other failure in central heating system, under the control of the owner, shall cause the furnace, boiler or other central heating system to be inspected by a qualified person in the period between January first and September thirtieth subsequent to the breakdown. The owner of a multiple dwelling containing more than six units shall cause the furnace, boiler or other central heating system to be inspected by a qualified person between January first and September thirtieth of each year. The department shall, by regulation, provide criteria as to the qualification of and certify such persons. In addition to testing the efficiency and adequacy of the heating system, the central heating system or water heating appliance and its flues, vents and dampers shall be inspected for escape of carbon monoxide gas. The findings on inspection shall be recorded on forms approved by the department within fifteen days following the inspection and shall be delivered to the owner, who shall file a copy with the department within seven days of the receipt of such findings. Before October fifteenth all defects as found upon the inspection shall be corrected. The failure to file a copy of the report shall be a class C violation for the purpose of subdivision (d) of section D26-51.01 of the code. Even after such violation is placed the owner may file such report and the department shall enter a notation in its records of the date on which such report was accepted by the department. After the date of acceptance by the department the per diem penalty shall be stayed. The department shall maintain the violation on its records, with a notation of the date on which such report was accepted by the department until the May 31st following the year in which the report was to be filed. Notwithstanding any other provision of this code. the department may serve a notice of violation of failure to file a

copy of the report in the same manner as a class A or class B violation and shall not be required to serve such notice by registered or certified mail. The provisions of this section shall not apply to dwellings owned or operated by the New York City housing authority.

Notwithstanding the provisions of any other law, failure by an owner of a dwelling required to file an inspection report prior to December thirty-first, nineteen hundred seventy-nine shall not be deemed a violation under the provisions off the article. (Amended by L. 1978, ch. 132, May 16, eff. Jan. 1, 1979; L. 1980, ch. 59, April 8, L. L. 1980, No. 47, Sept. 8.)

Sec. D26-17.07 Supply of hot water; when required

Except as otherwise provided in this article, every bath, shower, washbasin and sink in any dwelling unit in a multiple dwelling or tenant-occupied one-family or two-family dwelling shall be supplied at all times between the hours of six a.m. and midnight with hot water at a constant minimum temperature of 120 degrees Fahrenheit from a central source of supply constructed in accordance with the provisions of the building code and the regulations of the department. Gas or electric water heaters may, if approved by the department, be utilized in lieu of a central source of supply of hot water if such heaters

(1) are lawfully in use on the effective date of this code; or

(2) are approved by the appropriate city agencies having jurisdiction and are installed in a structure or building erected, converted, substantially rehabilitated, or completely vacated after the effective date of this code.

Sec. D26-17.09 Gas-fueled or electric heaters

a. Gas-fueled or electric space or water heaters, where permitted by this article as an alternative to a central supply of heat or hot water, shall be governed by the provisions of this section.

b. The capacity, number and location of such heaters shall be such as to furnish the same standard of heat or hot water supply, as the case may be, as is required to be furnished from a central heat or hot water system.

c. Electric heaters shall be approved by Underwriters Laboratories, Inc. and shall comply with applicable provisions of the building code and the multiple dwelling law.

d. Gas-fueled heaters shall comply with article 18 of this code and with applicable provisions of the building code and the multiple dwelling law, but any such heater lawfully in existence on the effective date of this code which does not comply with section D26-18.01(b) shall comply with such

section by July fourteenth, nineteen hundred seventy-eight. No person shall cause or permit to be occupied for sleeping purposes any room containing such a non-complying heater. Any heater installed in replacement of any such non-complying heater shall comply with all provisions of article eighteen. (Subd. amended by L. L. 1977, No. 73, Oct. 6.)

e. The owner shall not, unless otherwise agreed between owner and tenant, be required to pay for the gas or electricity used by such heaters.

f. Notwithstanding any provision of prior law, it shall be the duty of the owner to keep each such heater in good repair and good operating condition. regardless of the identity of the person originally owning or installing the heater.

g. The owner shall instruct each successive tenant of an apartment in which such heaters are installed as to safe and proper method of using and operating such heaters.

h. The department may make and enforce regulations supplementary to the provisions of this section and article 18 of this code to secure an adequate supply of heat and hot water and to protect the health and safety of tenants.

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ARTICLE 18: Gas Appliances

Section

D26-18.01 Space and Water Heaters
D26-18.03 Gas-fired Refrigerators
D26-18.05 Self-inspection of Gas heaters

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Sec. D26-18.01 Space and water heaters

a. Any gas-fueled space or water heater used in any dwelling unit, in addition to the provisions of section D26-17.09 of this code, shall comply with the provisions of this section and with the regulations of the department.

b. No person shall install or maintain in any dwelling unit a gas-fueled space or water heater unless the heater obtains combustion air directly from the outside of the building.

c. No person shall install or maintain a gas-fueled water heater in a room occupied for sleeping purposes, or cause or permit to he occupied for sleeping purposes any room in which a gas-fueled water heater is installed.

d. No person shall install or maintain in any dwelling unit a gas-fueled water heater so designed and arranged that it

heats water in pipe coils placed at a distance from the hot water storage tank.

e. Every gas-fueled space or water heater shall be approved by the American Gas Association and by the department of health or shall have a certificate of listing issued for the heating unit by the American Gas Association and approved by the department of health. All accessories or control devices for use with such heaters shall have such a certificate of listing.

f. Each heater shall be equipped with an effective device which will automatically shut off the gas supply to the heater if its pilot light or other constantly burning flame is extinguished, or in the event of an interruption of the gas supply to the heater, and will not permit the heater to be relighted unless such shut-off device is first rest manually.

g. Each heater shall be rigidly connected to the gas piping supplying gas in the premises.

h. Each heater shall be connected to a flue or outlet pipe conforming to the provisions of the building code. No heater shall be vented to an inner court. A flu or outlet pipe may be extended to an inner court if the flue or pipe is connected with an outside chimney which conforms with the provisions of the building code.

Sec. D26-18.03 Gas-fired refrigerators

a. It shall be unlawful to install or furnish for use or to use, operate, or permit to be used or operated in a dwelling any gas-fired refrigerator:

(1) which utilizes a water-cooled gas-fired refrigerator unit; or

(2) which is not equipped with a flue and flue components wholly composed of a non-metallic material or of molybdenum stainless steel or aluminum; or

(3) which is not equipped with a fixed mounted dust incinerating type of gas burner, gas pressure regulator, gas supply filter, and thermostat; or

(4) which does not have a properly operating automatic regulating or safety device of a type installed or specified by the manufacturer, or which has a clogged flue, or an improperly operating burner, or which gives off excessive heat or odors or discharges carbon monoxide or is otherwise defective.

b. Inspectors or other duly authorized representatives of the department may seal any refrigerator which is in violation of this section. Any refrigerator so sealed shall not be

installed, used, or operated without the written permission of the department.

Sec. D26-18.05 Self-inspection of gas appliances

The owner shall cause an inspection to be made by a Licensed plumber, utility company or other qualified gas service person of each gas-fueled space heater and, in an old law tenement or in any rooming unit, of each gas appliance, at least once a year. The findings on inspection shall be recorded on forms approved by the department and shall be kept on file by the owner for a period of one year. Such inspection reports shall be submitted to the department upon request but shall not be subject to inspection by others or to subpoena, or used in or as the basis of prosecution for the existence of a defect on the date of inspection. (Amended by L. L. 1977, No. 73, Oct. 6.)

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ARTICLE 19: Artificial Lighting

Section


D26-19.01 Duty to Provide Electric Lighting Equipment in all Dwellings
D26-19.03 Electric Lighting Fixtures in Certain Public Parts of Dwellings; Fixtures and Lights Required
D26-19.05 Lighting to be Provided at Night Owners Responsibility
D26-19.07 Lights Near Entrance Ways and in Yards and Courts of Multiple Dwellings


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Sec. D26-19.01 Duty to provide electric lighting equipment in all dwellings

The owner shall equip every dwelling for lighting by electricity. He shall provide and maintain light fixtures to provide lighting for all public parts in a dwelling, including the means of egress, for every room, water-closet compartment and bathroom in every dwelling unit, and for every water-closet without the dwelling unit. In addition to required light fixtures, the owner shall install and maintain such receptacle outlets as may be required by the electrical code. Except as otherwise provided in this code or in the electrical code, the owner may substitute an additional receptacle outlet for a required light fixture in living rooms other than kitchens.

Sec. D26-19.03 Electric lighting fixtures in certain public parts of dwellings; fixtures and lights required

a. In every multiple dwelling and tenant-occupied two-family

dwelling the owner shall provide electric lighting fixtures for every public hall, stair, firestair and fire tower on every floor, in accordance with the following requirements:

(1) If an incandescent lighting fixture is provided, it shall be capable of providing illumination of at least ten watts per 25 square feet of floor-area or fraction thereof. Each lighting fixture shall he provided with one or more lights of a total of not less. than 60 watts. Where, under this requirement, the number of watts per fixture would exceed 100, one or more additional fixtures shall be provided and shall be located as may he prescribed by the department, except where the distance from the fixture to the furthest intersecting wall does not exceed 20 feet.

(2) If a fluorescent lighting fixture is provided, it shall he capable of providing illumination of at least four watts cool white fluorescent light per 25 square feet of floor-area or fraction thereof. Each lighting fixture shall be provided with one or more lights of a total of not less than 20 watts. Where, under this requirement, the number of watts per fixture would exceed 40, one or more additional fixtures shall be provided and shall be located as may be prescribed by the department, except where the distance from the fixture to the farthest intersecting wall does not exceed 20 feet.

(3) In every multiple dwelling hereafter erected, in addition to other lighting requirements, a sufficient number of incandescent or fluorescent fixtures shall be provided so that the distance between fixtures is not more than 30 feet and so that no wall is more than 15 feet distant from a fixture.

b. The department may approve electric lighting for public halls, stairs, fire-stairs and fire towers other than the incandescent and fluorescent lighting required in subsection (a) if such other method of electric lighting provides equivalent illumination, and meets the requirements of the electrical code.

c. Notwithstanding any other requirement of this section, the department may require fixtures to be so located, and additional fixtures to be installed, in order to assure that every pan of every public hall, stair, fire-stair or fire tower is adequately lighted.

Sec. D26-19.05 Lighting to be provided at night; owner's responsibility

a. The owner of a multiple dwelling shall turn on all required lights in every public hall and stair at sunset every day and shall keep them on until sunrise the day following.

b. The owner of a multiple dwelling shall keep all required lights burning continuously (1) in every fire-stair and fire tower; (2) in every stair and public hall where there is no window opening on a street, court, yard, space above a setback, or on a shaft; and (3) in every stair and public hall where there is a window which in the opinion of the department does not provide adequate natural light.

c. The owner of a multiple dwelling shall provide electric light at all hours of the day and night in rooms or spaces in multiple dwellings in which laundry equipment is provided for the common use of the occupants whenever natural light is insufficient in the opinion of the department.

d. The owner of a multiple dwelling shall install and maintain in working condition a lighting fixture that can be turned on by a tenant or by the mail carrier directly over a mail box or other receptacle for mail if the natural light in the public hall is not sufficient to read the names on each mail box or receptacle.

e. The owner of a multiple dwelling shall not be responsible if any required light becomes extinguished and remains so if he can show to the satisfaction of the department or the court that it became and remained extinguished without his knowledge or consent.

Sec. D26-19.07 Lights near entrance ways and in yards and courts of multiple dwellings

a. The owner of a multiple dwelling shall install and maintain one or more lights at or near the outside of the front entrance way of the building which shall in the aggregate provide not less than 50 watts incandescent illumination or its equivalent for a building with a frontage up to 22 feet, and 100 watts incandescent illumination or its equivalent for a building with a frontage in excess of 22 feet. In the case of a multiple dwelling with a frontage in excess of 22 feet and front entrance doors with a combined width in excess of five feet, the owner shall install at least two lights, one on each side of the entrance way, with an aggregate illumination of 150 watts incandescent illumination or its equivalent. If the minimum level of illumination is maintained, the owner may determine details of location, design and installation of lighting fixtures, subject, however, to regulations of the department with respect to the maximum height above or distance from the entrance way of such fixtures, and the electrical and other safety of their installation. The lights required by this subsection shall be kept burning from sunset on each day to sunrise on the day following.

b. The owner of a multiple dwelling shall install and maintain in every yard and court one or more lights of at least 40 watts of incandescent illumination or its equivalent, in such locations as the department may prescribe. The lights

required by this subsection shall be kept burning from sunset on each day to sunrise on the day following.

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ARTICLE 20: Protective Devices and Fire Protection

Section

D26-20.01 Peepholes
D26-20.03 Mirrors in Elevators
D26-20.05 Locks in Dwelling Unit Doors
D26-20.07 Fire Protection in Certain Old Law Tenements

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Sec. D26-20.01 Peepholes

In every dwelling the owner shall provide and maintain a peephole in the entrance door of each dwelling unit. Such peephole shall be located, as prescribed by the department, in such a place that the person in each dwelling unit may view from the inside any person immediately outside the entrance door. However, such peephole need not be installed In any tenant-occupied one- or two-family home where it is possible to see from the inside any person immediately outside the entrance door. This section shall not apply to hotels, apartment hotels, college or school dormitories, or owner-occupied dwelling units in one- and two-family homes.

Sec. D26-20.03 Mirrors in elevators

The owner of a multiple dwelling in which there arc one or more self-service elevators shall affix and maintain in each such elevator a mirror which enables persons to view its interior before entering the same. The mirror shall meet such requirements as the department shall by regulation prescribe.

Sec. D26-20.05 Locks in dwelling unit doors

a. The owner of a dwelling shall provide a key lock in the entrance door to each dwelling unit and at least one key. In a class A multiple dwelling such door shall be equipped with a heavy duty latch set and a heavy duty dead bolt operable by a key from the outside and a thumb-turn from the inside.

b. Each dwelling unit entrance door in a Class A multiple dwelling shall also be equipped with a chain door guard so as to permit partial opening of the door. (Amended by L. L. 1971, No. 8, Jan. 22, eff. March 31.)

Sec. D26-20.07 Fire protection in certain old law tenements

a. In every old law tenement which is less than four stories in height:

(1) Every door opening into any entrance hall or stair, or into any public hall connected therewith, shall be self-closing; every glazed opening or glazed panel in such a door shall be glazed with wire glass, and every transom opening upon any public hall shall be glazed with wire glass firmly secured in a closed position; and

(2) Every interior sash, or opening other than a door, in the walls or partitions of any such hall, and every window in any such hall not opening to the outer air, shall be removed and the openings closed up and fire-retarded, and

(3) The ceiling of the cellar, or if there is no cellar, of the basement or other lowest story, shall be fire-retarded unless such ceiling already has been plastered or covered in a manner satisfactory to the department with plaster board or gypsum board at least one-half inch in thickness.

b. In every old law tenement which is four stories or more in height:

(1) On all stories above the third story, every apartment door opening into any stair or into any public hall connected therewith, unless such stair or public hall is protected by an approved sprinkler system shall have a fire resistance rating of at least one hour. Existing door frames in good condition may be retained. All such doors shall comply with this requirement, not later than six months after the effective date of this local law.

(2) For all stories below the fourth story, any application for an alteration permit for alterations to be made in an apartment below the fourth story shall include the provision that every door of such apartment opening into any entrance hall, stair or into any public hall connected therewith, unless such entrance hall, stair or public hall is protected by an approved sprinkler system, shall have a fire resistance rating of at least one hour. Existing door frames in good condition may be retained.

(3) Where apartment doors having a fire resistance rating of at least one hour are required, every transom opening upon any entrance hall, stair or public hall connected therewith shall be sealed and fire-retarded. All other transoms opening upon any entrance hall, stair or public hall connected therewith shall be glazed with wire glass and permanently sealed in a closed position.

(4) All doors opening into any entrance hall, stair or into any public hall connected therewith shall be self-closing; every glazed opening or glazed panel in such a door shall be glazed with wire glass. (Amended by L. L. 1971, No. 11. Jan. 25; L. L. 1973, No. 17, May 2.)

Sec. D26-20.08 Duties of owner and occupant with respect to installation and maintenance of smoke detecting devices in class A multiple dwelling.

a. It shall be the duty of the owner of a class A multiple dwelling which is required to be equipped with smoke detecting devices pursuant to sub-article 1705.0 of article seventeen of title C of chapter twenty-six of this code to:

(1) Provide and install one or more approved and operational smoke detecting devices in each dwelling unit. Such devices shall be installed in accordance with the requirements of Reference Standard 17-12.

(2) Post a notice in a form approved by the commissioner in a common area of the building informing the occupants of such building that the owner is required by law to install one or more approved and operational smoke detecting devices in each dwelling unit in the building and that each occupant is responsible for the maintenance and repair of such devices and for replacing any or all such devices which are stolen, removed, missing or rendered inoperable during the occupancy of such dwelling unit.

(3) Replace any smoke detecting device which has been stolen, removed, missing or rendered inoperable during a prior occupancy of the dwelling unit and which has not been replaced by the prior occupant prior to the commencement of a new occupancy of a dwelling unit.

(4) Replace within thirty calendar days after the receipt of written notice any such device which becomes inoperable within one year of the installation of such device due to a defect in the manufacture of such device and through no fault of the occupant of the dwelling unit.

(5) Keep such records as the commissioner shall prescribe relating to the installation and maintenance of smoke detecting devices in the building and make such records available to the commissioner upon request.

b. Notwithstanding the provisions of subdivision a of Section D26-10.01 of this code and subdivision c of Section D26-10.03 of this code, it shall be the sole duty of the occupant of each dwelling unit in a class A multiple dwelling in which a smoke detecting device has been provided and installed by the owner pursuant to the provisions of sub-article 1705.0 of article seventeen of title C of chapter

twenty-six of this code to:

(1) keep and maintain such device in good repair; and

(2) replace any and all devices which are either stolen removed missing or rendered inoperable during the occupancy of such dwelling unit.

c. Except as otherwise provided in paragraphs (3) and (4) of subdivision a of this section an owner of a class A multiple dwelling who has provided and installed a smoke detecting device in a dwelling unit pursuant to this section shall not required to keep and maintain such device in good repair or to replace any such device which is stolen removed missing or rendered inoperable during the occupancy of such dwelling unit.

d. The occupant of a dwelling unit in which a battery-operated smoke detecting device is provided and installed pursuant to this section shall reimburse the owner a maximum of ten dollars for the cost of providing and installing each such device. The occupant shall have one year from the date of installation to make such reimbursement. (Added by L. L. 1982 No. 62. July 27 )

Sec. D26-20.09 Duties of owner with respect to installation and maintenance of smoke detecting devices in class B multiple dwellings.

It shall be the duty of the owner of a class B multiple dwelling which is required to be equipped with smoke detecting devices pursuant to sub-article 1705.0 of article seventeen of title C of chapter twenty-six if this code to:

(1) provide and install one or more approved and operational smoke detecting devices in each dwelling unit or, in the alternative, provide and install a line-operated zoned smoke detecting system with central annunciation and central office tie-in for all public corridors and public spaces, pursuant to rules and regulations promulgated by the commissioner of buildings

(2) keep and maintain smoke detecting devices in good repair.

(3) replace any smoke detecting device which has been stolen, removed, missing or rendered inoperable prior to the commencement of a new occupancy of a dwelling unit

(4) keep such records as the commissioner shall prescribe relating to the installation and maintenance of smoke detecting devices in each dwelling unit and make such records available to the commissioner upon request (Added by L. L. 1981, No. 62, July 27.)

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ARTICLE 21: Miscellaneous Services and Facilities

Section

D26-21.01 Mail Service
D26-21.03 Floor Signs
D26-21.05 Street Numbers
D26-21.07 Inspection of Required Sprinklers in Converted Dwellings and Dwellings Used for Single Room Occupancy
D26-21.09 Maintenance of Rooming Units

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Sec. D26-21.01 Mail service

The owner of a multiple dwelling shall either:

(1) arrange for mail to be delivered to himself, his agents, or employees for prompt distribution to the occupants, or

(2) provide and maintain approved mail receptacles and directories of persons living in the dwelling, as provided by federal law and by the regulations of the post office department.

Sec. D26-21.03 Floor signs

The owner of a multiple dwelling more than two stories in height shall post and maintain a sign, of sufficient size to be readily seen, which states the number of the floor. Such signs shall be located in the public hall near the stairs and elevator, and within any stair enclosure.

Sec. D26--21.05 Street numbers

The owner of a dwelling shall post and maintain street numbers on the dwelling, which are plainly visible from the sidewalk in front of the dwelling, in accordance with section 82(3)-1.0 of the administrative code and the rules and regulations issued by the borough presidents thereunder.

Sec. D26-21.07 Inspection of required sprinklers in converted dwellings and dwellings used for single room occupancy

a. In every converted dwelling, or in every tenement used, in whole or in part, for single room occupancy in which a sprinkler system has been installed pursuant to the requirements of the multiple dwelling law, the owner shall have an annual test and inspection of such sprinkler system made by a Licensed plumber or sprinkler system contractor.

b. For the purposes of such test. the owner shall provide an

angle hose valve or sill cock threaded on the outlet side for standard garden hose couplings at the extreme end of the highest line of sprinklers. A piece of garden hose ten feet in length with female coupling shall be kept on the premises. There shall be available for use by the tester a pail of at least ten quarts capacity.

c. The person conducting the inspection shall perform the following tests:

(1) obtain and record the static pressure at the test valve by means of a hydraulic gauge.

(2) connect the test hose to the test valve and drain off into a pail or other suitable receptacle not less than ten quarts of water to insure that the system is operative and that there is a full and free flow of water

(3) check the valve on the main supply to the system making certain the valve is fully open and sealed in such open position.

(4) check the system to insure that all sprinkler heads are in place, and shall incorporate in his report the findings

d. The owner, resident manager or janitor shall witness the test.

e. A report of the test, signed by the tester and witness, shall be filed, within ten days thereafter, with the superintendent of buildings for the borough in which the dwelling is located; and a copy of such report shall be kept on the premises in the care of the owner, resident manager or janitor.

f. If the system is found defective, the owner or his authorized agent shall notify the fire commissioner through the local firehouse and the superintendent within 24 hours after the test, and shall promptly cure such defect.

Sec. D26-21.09 Maintenance of rooming units

A manager, who may be the owner, shall reside in every rooming house or multiple dwelling used for single room occupancy, except that two adjoining or connected rooming houses may be under the same supervision. The manager shall be responsible for the operation and maintenance of the dwelling.

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ARTICLE 22: Janitorial Services

Section

D26-22.01 Definitions
D26-22.03 Obligations of Owner
D26-22.05 Residence of Person Performing Janitorial Services; Limitation on Number of Dwelling Units Served
D26-22.07 Certification of Competency
D26-22.09 Exemption of New York City Housing Authority

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Sec. D26-22 01 Definitions

When used in this article:

(a) Janitorial services means: cleaning and maintenance, including the making of minor repairs; the furnishing of heat and hot water, where supplied from a central source; the removal of garbage, refuse, ashes and wastes from the premises; and the removal of snow, ice. dirt and other matter from the sidewalk and gutter.

(b) Janitor means a person employed to perform janitorial services.

Sec. D26-22.03 Obligations of owner

a. The owner of a multiple dwelling shall provide adequate janitorial services.

b. In a multiple dwelling of nine or more dwelling units, the owner shall either:

(1) perform the janitorial services himself, if he is a resident owner; or

(2) provide a janitor; or

(3) provide for janitorial services to be performed on a 24-hour-a-day basis in a manner approved by the department.

c. The owner of a multiple dwelling or his managing agent in control shall post and maintain in such dwelling a legible sign, conspicuously displayed, containing the janitor's name, address (including apartment number) and telephone number. A new identification sign shall be posted and maintained within five days following a change of janitor. (Subd. c amended by L. L. 1978, No. 28, Sept. 14.)

Sec. D26-22.05 Residence of person performing janitorial services; limitation on number of dwelling units served

The person who performs janitorial services for a multiple dwelling of nine or more dwelling units (other than where

janitorial services are performed on a 24-hour-a-day basis under section D26-22.03 (b)(3) shall reside in or within a distance of one block or 200 feet from the dwelling, whichever is greater, unless the owner resides in the multiple dwelling. Where two or three multiple dwellings are connected or adjoining, it shall be sufficient, however, that the person who performs janitorial services resides in one of these, but no person who performs janitorial services for more than one multiple dwelling may service more than 65 dwelling units. Regardless of residence the janitor must have a telephone where the janitor may reasonably be expected to be reached. (Amended by L. L 1978, No. 28, Sept. 14.)

# PURCHASE AGREEMENT

THE BRIGHTON TOWER II CONDOMINIUM
3015 Brighton 6th Street
BROOKLYN, NEW YORK 11223

AGREEMENT, made as of _____, between Sponsor and Purchaser, as defined below.

Unit #: _____ Common Interest: _____
Unit Purchase Price: _____
Downpayment on Contract _____

Sponsor: Brighton Builder, LLC
75 Beaumont Street
Brooklyn, NY 11235

Sponsor's Attorney: Tsyngauz & Associates, P.C.
18 West 21st Street, 3rd Floor
New York, New York 10010
Ph. 212-337-9770, Fx. 212-337-9773

Purchaser: _____
_____
_____
SSN: _____

Purchaser's Attorney _____
_____
_____
Ph._____ Fx. _____

Broker : _____
Co-Broker: _____

Purchase represents that they will use the Residential Unit as:

( ) Primary Residence ( ) Secondary Residence ( ) Investment Property

1. THE PLAN

Purchaser acknowledges having received and read a copy of the Offering Plan for The Brighton Tower II Condominium and all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York (hereinafter, collectively, referred

to as the "Plan") at least 3 business days prior to Purchaser's signing this Agreement. If Purchaser has not received and read the Plan and all amendments thereto at least 3 business days prior to Purchaser's signing this Agreement, Purchaser shall have the right to rescind this Agreement, by sending written notice of such rescission to Sponsor by certified or registered mail, return receipt requested, or by personal delivery, in either case within 7 days from the date Purchaser delivers an executed Purchase Agreement together with the required Deposit to Selling Agent. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan will govern and be binding. Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the Declaration, By-laws and Residential 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.

2. DEFINITIONS

Terms used herein which are also used in the Plan shall have the same meanings as they do in the Plan, unless the context requires otherwise.

2.1 "Sponsor" means Brighton Builder, LLC, having an office at 75 Beaumont Street, Brooklyn New York.

2.2. "Purchaser" means the Purchaser(s) as defined above

2.3 "Escrow Agent" means Yevgeny Tsyngauz, having an address at 18 West 21st Street , Telephone number: (212) 337-9770.

3. UNIT

3.1 Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the Unit(s) as designated above, together with its undivided interest in the Common Elements appurtenant to such Unit(s) ("Unit").

4. PURCHASE PRICE

4.1 The Purchase Price shall be payable as follows:

(a) Total Downpayment, as defined above, due upon Purchaser's signing and delivering this Agreement, by check (subject to collection), receipt of which is hereby acknowledged;

(b) Total Balance Due at Closing ("Balance of Purchase Price"), by good certified check of Purchaser or official bank check, payable on the delivery of the deed as hereinafter provided.

4.2 All checks shall represent United States currency, be drawn on or issued by a United States Bank or trust company which is a member of the New York Clearing House Association and shall be unendorsed. The Deposit shall be made payable to the direct order of "Yevgeny Tsyngauz, as Escrow Agent." The Balance shall be made payable to the direct order of "Brighton Builder, LLC"(or such other party as Sponsor directs to Purchaser, in writing, at least 1 business day prior to the date of Closing of Title). If any check is returned for insufficient funds or any other reason, such return shall be deemed to be a default by Purchaser under this Agreement and shall entitle Sponsor to exercise any of the remedies set forth in Article 13 hereof. Notwithstanding the foregoing, if the check representing the Deposit is returned for insufficient funds or any other reason, such return shall be deemed to be a non-curable default by Purchaser and this Agreement shall automatically be deemed void ab initio. Upon the cancellation of this Agreement, Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. However, the Sponsor shall retain any and all remedies available to it, in law or in equity, against the Purchaser.

## 5. DEPOSIT TO BE HELD IN TRUST

5.1 All Deposits made pursuant to this Agreement are subject to the requirements of Sections 352-e(2) (b) and 352-h of the New York General Business Law and the Attorney General's regulations promulgated pursuant thereto. All monies received from Purchaser towards the Deposit shall be delivered to Escrow Agent and shall be held in accordance with the Section of the Plan entitled "Procedure to Purchase " By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Deposit to Sponsor in the event Sponsor and Purchaser close title under this Agreement. If Purchaser shall default on Purchaser's obligations under this Agreement, then the Deposit shall be released to Sponsor as liquidated damages, and thereafter, neither party shall have any further rights or obligations against or to each other. In the event Sponsor cannot convey title to the Unit to Purchaser by reason other than Purchaser's default, the Deposit shall be returned to Purchaser, within 30 business days of Sponsor's notification to Purchaser that it cannot convey title.

## 6. CLOSING DATE AND PLACE

6.1 The Closing of Title shall be held at the offices of Tsyngauz & Associates, P.C., 18 West 21st Street, 3rd Floor, New York, New York 10010 (or such other place in the City and State of New York as Sponsor may designate to Purchaser) and:

*Strike Inapplicable:*

(__) on such date and hour as Sponsor may designate to Purchaser on not less than 30 days' prior written notice ("Initial Closing Notice").

(__) on _____, at _____

If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Attorney for Sponsor at Closing an extra fee as set forth in the Plan. After the Initial Closing Notice, Sponsor may, from time to time, adjourn and reschedule the date and hour for Closing on not less than 5 business days notice to Purchaser, which new closing notice shall fix a new date, hour and place for the Closing of Title and which date shall not be earlier than the date set forth in the Initial Closing Notice. Only the Initial Closing Notice shall require thirty (30) days prior written notice. Not withstanding anything to the contrary, if a firm closing date is set forth in this Purchase Agreement, and such date is within thirty (30) days of the execution of this Purchase Agreement, Purchaser shall be deemed to have waived the thirty (30) day notice requirement. The notice provisions may be modified or waived by an agreement signed by Sponsor and Purchaser.

6.2 The term "Closing Date" "Closing" "Closing of Title" or words of similar import, whenever used herein, shall mean the date on which the deed to the Unit is delivered to Purchaser.

6.3 The Closing of Title shall only occur with or after compliance with the prerequisites to Closing and the Section of the Plan entitled "Terms of Sale."

7. CLOSING DOCUMENTS

7.1 At the Closing of Title, Sponsor shall deliver to Purchaser a Unit deed with covenant against grantor's acts conveying Fee Interest in the Unit to Purchaser. The deed shall be prepared by Sponsor substantially in the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly complete and execute before a notary public the New York City and New York State

7.2 At the Closing of Title, Purchaser shall execute and acknowledge a Power of Attorney to the Condominium Board prepared by Sponsor substantially in the form set forth in Part II of the Plan.

7.3 At the Closing of Title, Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in compliance with IRS Section 6045(e) as amended, or any successor provision or regulation promulgated thereunder.

7.4 At the Closing of Title, Sponsor and Purchaser shall execute and acknowledge in form for recording such other documents that are reasonably necessary or customary in connection with the conveyance of a condominium unit, including, but not limited to, title affidavits, transfer tax forms, reporting information in respect of real estate transactions, smoke detector affidavit and window guard notices.

7.5 The executed deed, transfer tax forms and Power of Attorney shall be delivered at the Closing to the representative of the Title Company insuring Purchaser's title (or, if no such

representative is present, then to the Attorney for Sponsor) for recording in the Office of the City Register, which recording shall be at Purchaser's expense. After being recorded the deed shall be returned to Purchaser and the Power of Attorney shall be returned to the Condominium Board.

7.6 Purchaser's payment of the Balance of the Purchase Price and acceptance of a deed to the Unit shall constitute Purchaser's recognition that Sponsor has satisfactorily performed those obligations stated in the Plan and 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, and Part 20 of the Regulations issued by the Department of Law.

8. STATUS OF TITLE

8.1 At the Closing of Title, Sponsor shall convey to Purchaser and Purchaser shall accept such leasehold title to the Unit as the Title Company will approve and insure without additional premium to Purchaser, provided that the only liens and encumbrances affecting title shall be those set forth in Schedule A annexed hereto and made a part hereof and those expressly agreed to by Purchaser. Any lien and encumbrance or condition which is not set forth in Schedule A annexed hereto shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to the Title Company, together with the attendant recording or filing fee, if any, or (b) the Title Company (or such other title insurance company Purchaser may utilize), is or would be willing, in a policy issued by it to Purchaser, to insure Purchaser that it will not be collected out of the Unit if it is a lien, or will not be enforced against the Unit if it is not a lien. Sponsor shall not be obligated to cause Purchaser's title company to omit any exceptions if the Title Company is willing to insure, without additional premium, Purchaser's title with such

8.2 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 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 10 days prior to the Closing of Title, then, for purposes of Article 13 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.

8.3 If, subsequent to the Closing of Title, Purchaser claims that Sponsor did not convey title to the Unit in accordance with the Plan, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor. Sponsor and Purchaser agree that Sponsor's liability will be limited to any loss or damage not covered by Purchaser's title insurance company. If Purchaser did not obtain title insurance at the Closing, for purposes of this subparagraph, the amount and coverage which Purchaser could have obtained from Purchaser's title insurance company shall be deducted from the loss or damage collectable against Sponsor. Nothing contained in this subparagraph shall be construed to waive any of

Purchaser's rights or abrogate any of Sponsor's obligations under the Plan or Article 23-A of the General Business Law.

9. CLOSING ADJUSTMENTS

9.1 The following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Unit:

(a) Real Estate Taxes and assessments, if any, on the basis of the period for which assessed;

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

(c) If Purchaser is allowed to occupy the Unit prior to Closing, accrued rent and any other charges pursuant to a use and occupancy agreement, if any, covering the Unit.

9.2 If the Unit has not been separately assessed for real estate taxes as of the Closing Date for the then current tax period, the adjustment under subsection 9.1 (a) hereof shall be based upon the assessment for the Property and the percentage interest in the Common Elements appurtenant to the Unit. In addition, Purchaser shall pay the Unit's proportionate share of real estate taxes for the next ensuing tax period to the Sponsor and Sponsor shall pay the real estate taxes. If the Unit has been separately assessed but the Closing of Title occurs before the individual real estate taxes are fixed, adjustment of real estate taxes shall be based upon the latest rate applied to the most recent applicable assessed valuation.

9.3 Purchaser agrees that, if Sponsor obtains a refund for property taxes paid, or there is a deficiency in the taxes, Purchaser and Sponsor will apportion the refund/deficiency (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the Closing of Title.

9.4 Provided Sponsor is ready, willing and able to close title in accordance with this Agreement, if Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date (a) the Closing apportionments described in Section 9.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing of Title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.03% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

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

9.6 Any errors or omissions calculating apportionments at Closing shall be corrected and, any payment shall be made to the proper party promptly after discovery. This provision shall survive the Closing of Title.

## 10. MORTGAGE TAX CREDIT

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

## 11. CLOSING COSTS

In addition to those costs and adjustments described in Articles 9 and 10 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in the Section of the Plan entitled "Closing Costs and Adjustments." 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 upon a bank that is a member of the New York Clearing House Association. No personal check shall exceed five hundred dollars

## 12. AGREEMENT NOT A LIEN OR ENCUMBRANCE

No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage heretofore or hereafter made, including, but not limited to, any construction or building loan mortgage, and any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date. 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(s) is subordinated to the Declaration.

13. DEFAULT BY PURCHASER

13.1 The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to pay the Balance of the Purchase Price, or any closing adjustment or closing cost required to be paid by Purchaser as set forth in the Plan or in this Agreement, or the dishonor of any check given by Purchaser to Sponsor; or

(ii) Purchaser's failure to pay, perform or observe any of Purchaser's other obligations under this Agreement or the Plan; or

(iii) if Purchaser is permitted to become the tenant or occupant of the Unit, Purchaser's failure to pay rent or to otherwise comply with some other lease or occupancy obligation; or

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

(v) 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

(vi) if a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the judgment or lien; or

(vii) Purchaser's assignment or transfer of this Agreement without the prior written consent of Sponsor; or

(viii) Purchaser's listing the Unit for resale or rental with any broker or advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or rental without Sponsor's prior written consent; or

(ix) An Event of Default by Purchaser beyond any applicable grace period under a Purchase Agreement between Purchaser and Sponsor for another Unit at the Property.

13.2 **TIME IS OF THE ESSENCE** with respect to Purchaser's obligations to pay the Balance of the Purchase Price and to pay, perform or comply with Purchaser's other obligations under this Agreement. Upon the occurrence of an Event of Default, Sponsor, in its sole discretion, may elect by notice to Purchaser to: (i) cancel this Agreement, or (ii) seek specific

performance. If Sponsor elects to cancel, Purchaser shall have 30 days from the giving of the notice of cancellation to cure the specified default. If the default is not cured within such 30 days, **TIME BEING OF THE ESSENCE**, then this Agreement shall be deemed cancelled, and Sponsor shall have the right to retain, as and for liquidated damages, the entire Deposit and any interest earned on the Deposit. Upon the cancellation of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without any obligation to account to Purchaser for any of the proceeds of such sale. If Sponsor elects to seek specific performance, then Purchaser shall have 30 days from the giving of notice of Sponsor's election to close on the Unit in accordance with this Agreement, without prejudice to Sponsor's right to recover from Purchaser all damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled (including, but not limited to, reasonable legal fees and costs of collection).

## 14. 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. 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 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.

## 15. 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, 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 or inability to cure such title defect, and if Purchaser is not in default hereunder, Purchaser's sole remedy shall be to either (a) take title to the Unit subject to such title defect (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 elects to terminate this Agreement, Sponsor shall, within 30 days after receipt of notice of termination from Purchaser, return to Purchaser all sums deposited by Purchaser hereunder, together with interest earned thereon, if any. Upon making such payment, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within 15 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 remedy described in clause (a) above (i.e., to acquire title subject to such inability).

16. 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 this sale. No portion of the Purchase Price shall be attributable to such items.

17. CONSTRUCTION OF THE BUILDING

17.1 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, subject to the right of Sponsor to amend the Plan and the Plans and Specification 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 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 Section of the Plan entitled "Rights and Obligations of Sponsor."

17.2 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.

17.3 The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth under "Closing of Title to Units" in Part I of the Plan. As a result, if all such prerequisites are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without provision for escrow), notwithstanding any construction items noted on Purchaser's Inspection Statement (as hereinafter defined) remaining for Sponsor to complete and/or correct in accordance with its obligation under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building or the Unit.

17.4 The actual date for the First Closing is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites recited in the Section of the Plan entitled "Terms Of Sale." Purchaser acknowledges that construction may be delayed by late delivery of material or equipment, labor difficulties, unavailability of Building trades, casualty, inclement weather and 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 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 later than the projected date or the time to complete or to close title to the Unit is delayed or is postponed by Sponsor.

18. INSPECTION OF THE UNIT

18.1 Upon receipt of the Initial Closing Notice, Purchaser shall arrange an appointment with a representative of Sponsor to inspect the Unit within the 7 days prior to the Closing Date. Purchaser or Purchaser's duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth as Schedule B to this Agreement) and deliver same to Sponsor's representative at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within 7 days prior to the Closing Date or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from paying the Balance of the Purchase Price when due and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing herein shall relieve Sponsor of its obligations as set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor."

18.2 Any work set forth on the Inspection Statement may be completed by Sponsor in a reasonable period of time following the Closing and shall not be grounds for delaying the Closing. Purchaser will be required to provide Sponsor with reasonable access to the Unit subsequent to the Closing in order to complete punchlist work. Sponsor has no obligation under the Plan to deposit any monies in escrow at Closing as a result of any punchlist items.

19. 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:

19.1 The risk of loss to the Unit by fire or other casualty until the earlier of Closing of Title or possession of the Unit by Purchaser is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. If Sponsor elects to repair or restore the Unit (which election shall be in its sole discretion and made within 60 days of the damage to 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 other Unit Owners if the Declaration has theretofore been recorded, belong entirely to Sponsor and, if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the Closing of Title.

19.2 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit (which election shall be made within 60 days of the damage to the Unit), or, if the Declaration has been recorded prior thereto, the Unit Owners do not resolve to make such repairs or restoration pursuant to the Bylaws, this Agreement shall be deemed cancelled and of no further force and effect and Sponsor shall return to Purchaser all Deposits and other sums deposited by Purchaser hereunder, together with interest earned thereon, if any, and neither party hereto shall have any further rights, obligations or liability to or against the other hereunder or under the Plan, except that if Purchaser is then in default hereunder (beyond any applicable grace period), Sponsor shall retain all Deposits and other such sums deposited by Purchaser hereunder, together with any interest earned thereon, as and for liquidated damages.

## 20. NO REPRESENTATIONS

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated Proportionate real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as herein or in the Plan specifically represented. Purchaser has relied solely on Purchaser's own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan. Except as otherwise set forth in the Plan, Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans is accurate or correct, and (b) that Purchaser shall not be relieved of any Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error. The provisions of this Article shall survive the Closing of Title.

## 21. PROHIBITION AGAINST ADVERTISING

Prior to the Closing of Title, Purchaser agrees not to list the Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease, without Sponsor's prior written consent, which consent may be unreasonably withheld or delayed. Any listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser prior to Closing of title shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

22. BROKER

Purchaser represents to Sponsor that Purchaser has not dealt with any broker in connection with this transaction other than Selling Agent and Co-Broker, if any, named in this Agreement, whose commissions shall be paid by Sponsor. Purchaser shall pay the commission of any broker with whom Purchaser may have dealt, other than Selling Agent and Co-Broker. Purchaser agrees that, should any claim be made against Sponsor for commissions by any broker, other than Selling Agent or Co-Broker, on account of any acts 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 reasonable legal fees. The provisions of this Article shall survive the Closing of Title.

23. AGREEMENT MAY NOT BE ASSIGNED

Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor, which consent may be withheld. Any purported assignment by Purchaser in violation of this Agreement will be voidable at the option of Sponsor and be deemed a default of the Purchaser. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. 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, then Purchaser shall have such right, provided that (i) Purchaser designates such assignee at least 10 business days prior to the Closing Date; (ii) Purchaser delivers to Attorney for Sponsor the fee set forth in the Plan for its services required in connection with the preparation of the assignment and assumption agreement; (iii) the Closing is not delayed as a result of such assignment , (iv) the assignee of this Agreement assumes in writing, by an instrument prepared by Attorney for Sponsor, the obligations of Purchaser under this Agreement and (v) the assignment is made without consideration. Any purported assignment by Purchaser in violation of this Agreement shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement, and shall be voidable at the option of Sponsor.

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 Sponsor until a fully executed counterpart hereof has been sent out to Purchaser or the Attorney for Purchaser. If this Agreement is not accepted within 30 days from the date hereof by the delivery to Purchaser of a fully executed counterpart, this Agreement shall be deemed to have been rejected and cancelled and the Deposit shall be promptly returned to Purchaser. Upon such refund being made, neither party shall have any further rights, obligations liability to or against the other hereunder or under the Plan. 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 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, race, creed, color, national origin, ancestry, disability, marital status, or other ground proscribed by Law.

25. NOTICES

25.1 Any notice, election, demand, request, letter, consent or other communication to the Purchaser, 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 or via facsimile with a confirmation letter, to the Attorney for Purchaser at the address given at the beginning of this Agreement. Any notice, election, demand, request, letter, consent or other communication to the Sponsor, 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 the attorney for the Sponsor with a copy to the Sponsor. 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, the 3 business 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. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself. The parties hereunder authorize their attorneys to modify the Purchase Agreements on behalf of the parties.

25.2 Sponsor hereby designates and empowers the Attorney for Sponsor, 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.

25.3 The parties hereunder authorize their attorneys to modify the Purchase Agreements on behalf of the parties and such modification shall be have the same force and effect as if given by parties.

26. JOINT PURCHASERS

The term "Purchaser" shall be read as "Purchasers" if more than one person are Purchasers, 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 obligations 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.

29. AGREEMENT CONTINGENT UPON FINANCING

The terms and provisions of this Agreement and Purchaser's obligations hereunder are contingent upon Purchaser securing financing under the following terms:

29.1 The obligation of Purchaser to purchase under this contract is conditioned upon issuance, on or before 30 days after a fully executed copy of this contract is sent to Purchaser or Purchaser's attorney in the manner set forth in paragraph 24 (the "Commitment Date"), of a written commitment from an Institutional Lender pursuant to which such Institutional Lender agrees to make a first mortgage loan, other than a VA, FHA or other governmentally insured loan, to Purchaser, at Purchaser's sole cost and expense, of the mortgage amount as written on the first page of this Purchase Agreement for a term of thirty (30) years or less (or such lesser sum as Purchaser shall be willing to accept) at the prevailing fixed or adjustable rate of interest and on other customary commitment terms (the "Commitment"). To the extent a Commitment is conditioned on the sale of Purchaser's current home, payment of any outstanding debt, no material adverse change in Purchaser's financial condition or any other customary conditions, Purchaser accepts the risk that such conditions may not be met; however, a commitment conditioned on the Institutional Lender's approval of an appraisal shall not be deemed a "Commitment" hereunder until an appraisal is approved (and if that does not occur before the Commitment Date, Purchaser may cancel under paragraph 24.5 unless the Commitment Date is extended) Purchaser's obligations hereunder are conditioned only on issuance of a Commitment. Once a Commitment is issued, Purchaser is bound under this contract even if the lender fails or refuses to fund the loan for any reason.

29.2 Purchaser shall (i) make prompt application to one or, at Purchaser's election, more than one Institutional Lender for such mortgage loan, (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, and (v) cooperate in good faith with such Institutional Lender(s) to obtain a Commitment. Purchaser shall accept a Commitment meeting the terms set forth in paragraph 29.1 and shall comply with all requirements of such Commitment (or any other commitment accepted by Purchaser). Purchaser shall furnish Seller with a copy of the Commitment promptly after receipt thereof.

29.3 Prompt submission by Purchaser of an application to a mortgage broker registered pursuant to Article 12-D of the New York Banking Law ("Mortgage Broker") shall constitute full compliance with the terms and conditions set forth in paragraph 29.2(i), provided that such Mortgage Broker promptly submits such application to such Institutional Lender(s). Purchaser shall cooperate in good faith with such Mortgage Broker to obtain a Commitment from such Institutional Lender(s).

29.4 If all Institutional Lenders to whom applications were made deny such applications in writing prior to the Commitment Date, Purchaser may cancel this contract by giving Notice thereof to Seller, with a copy of such denials, provided that Purchaser has complied with all its obligations under this paragraph.

29.5 If no Commitment is issued by the Institutional Lender on or before the Commitment Date, then, unless Purchaser has accepted a written commitment from an Institutional Lender that does not conform to the terms set forth in paragraph 29.1, Purchaser may cancel this contract by giving Notice to Seller within 5 business days after the Commitment Date, provided that such Notice includes the name and address of the Institutional Lender(s) to whom application was made and that Purchaser has complied with all its obligations under this paragraph. Failure to give such notice shall be deemed as a waiver of Purchaser's right to cancel.

29.6 If this contract is canceled by Purchaser pursuant to paragraphs 29.4 or 29.45, neither party shall thereafter have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser.

29.7 If Purchaser fails to give timely Notice of cancellation or if Purchaser accepts a written commitment from an Institutional Lender that does not conform to the terms set forth in paragraph 29.1, then Purchaser shall be deemed to have waived Purchaser's right to cancel this contract and to receive a refund of the Downpayment by reason of the contingency contained in this paragraph.

29.8 If Seller has not received a copy of a commitment from an Institutional Lender accepted by Purchaser by the Commitment Date, Seller may cancel this contract by giving Notice to Purchaser after the Commitment Date, which cancellation shall become effective unless Purchaser delivers a copy of such commitment to Seller within 3 days after the Commitment Date. After such cancellation neither party shall have any further rights against, or obligations or liabilities to, the other by reason of this contract, except that the Downpayment shall be promptly refunded to Purchaser (provided Purchaser has complied with all its obligations under this paragraph).

29.9 For purposes of this contract, the term "Institutional Lender" shall mean any bank, savings bank, private banker, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of this state, the United States or any other state; foreign banking corporation Licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State; insurance company duly organized or Licensed to do business in New York State; mortgage banker Licensed pursuant to Article 12-D of the Banking Law; and any instrumentality created by the United States or any state with the power to make mortgage loans.

29.10 For purposes of paragraph 29.1, Purchaser shall be deemed to have been given a fully executed copy of this contract on the third business day following the date of ordinary or regular mailing, postage prepaid or the day delivered by a overnight carrier or the day received by personal delivery.

29.11 In the event that the Purchaser applies for a mortgage loan in the amount listed on the first page of this Purchase Agreement and obtains a mortgage commitment for an amount less then the amount on the first page of this Purchase Agreement, the Sponsor shall have the option to give the Purchaser a purchase money mortgage for the difference between that amount financed by the lender and the amount listed on the first page of this Agreement. Such loan will be on the same terms, and rate, as that given by the lender. However, the Purchaser will be required to obtain title insurance on the loan and pay the mortgage recording tax. Upon the Sponsor's exercise of such option, the contingencies in this agreement will be deemed to have been met.

## 30. 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.

## 31. 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.

## 32. STRICT COMPLIANCE

Any failure by either party to insist upon the strict performance by the other 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 party.

## 33. GOVERNING LAW

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

34. WAIVER OF JURY

Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, or 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.

35. 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.

36. CERTAIN REFERENCES

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

37. CAPTIONS

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

38. SUCCESSORS AND ASSIGNS

The provisions of this Agreement shall bind and ensure to the benefit of the Purchaser and shall bind and ensure to the benefit of Sponsor and its successors and assigns.

39. CONFIDENTIALITY

Sponsor and Purchaser hereby acknowledge and agree to keep all of the terms and conditions of this Agreement confidential. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties respective lawyers, architects/engineers, accountants, individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking of confidentiality contained in this Agreement. Any failure by Purchaser to keep the terms and conditions of this Agreement

confidential shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

40. NO ORAL CHANGES

This Agreement cannot be changed or terminated orally. Any changes or additional provisions must be set forth in a rider attached hereto or in a separate written agreement signed by the parties hereto or by an amendment to the plan.

41. PERFORMANCE

Where this Agreement by its terms requires the payment of money or the performance of a condition on a Saturday, Sunday or public holiday, such payment may be made or condition performed on the next business day succeeding such Saturday, Sunday or such public holiday, with the same force and effect as if made or performed in accordance with the terms of this Agreement.

42. COUNTERPARTS

This Agreement may be executed in any number of counterparts. Each such counterpart shall for all purposes be deemed an original. All such counterparts shall together constitute but one and the same Agreement.

43. WAIVER OF DIPLOMATIC OR SOVEREIGN IMMUNITY.

43.1 The provisions of this Article shall survive the Closing of Title or the termination of this Agreement for the purpose of any suit, action, or proceeding arising directly or indirectly, out of or relating to this Agreement.

43.2 If Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to diplomatic or sovereign immunity, Purchaser hereby designates a duly authorized and lawful agent to receive process for 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 or the Condominium Documents.

43.3 If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. Section 4305, Purchaser shall notify the 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.

44. HOUSING MERCHANT IMPLIED WARRANTY.

THE SPONSOR SHALL NOT PROVIDE THE HOUSING MERCHANT IMPLIED WARRANTY (ARTICLE 36-B, NEW YORK GENERAL BUSINESS LAW) BECAUSE THE BUILDING IS MORE THAN FIVE (5) STORIED

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

**Purchaser:**

_____

**Purchaser:**

_____

**Sponsor:**
Brighton Builder, LLC

_____
By: Leon Mikhlin

## RIDER TO PURCHASE AGREEMENT - PARKING SPACE LICENSE

THIS RIDER IS ATTACHED TO AND MADE PART OF THE AGREEMENT BETWEEN SPONSOR AND PURCHASER FOR CONDOMINIUM UNIT ____ (THE "UNIT") AT THE BRIGHTON TOWER II CONDOMINIUM AT 3015 BRIGHTON 6TH STREET, BROOKLYN, NEW YORK 11235

R-1. LICENSE.

Sponsor agrees to sell and grant, and Purchaser agrees to purchase the right to use a parking space located in the Common Elements of The Brighton Tower II Condominium, located at 3015 Brighton 6th Street, Brooklyn, New York, 11235 for a purchase price of $_____.

At Closing, Sponsor shall designate Parking Space ___ which will be subject to such License. The License to use the Parking Space shall be prepared by Sponsor substantially in the form set forth in Part II of the Plan.

Upon execution of this Rider, Purchaser has delivered a check to Sponsor (subject to collection) in the amount of $_____representing the deposit due in connection with the purchase of the Parking Space License.

Upon execution of the License, Purchaser shall pay to Sponsor the balance of the Purchase Price allocable to the License in the amount of $_____

R-2. CROSS DEFAULT.

A default by Purchaser under this Rider shall constitute a default under the Agreement for the Unit and any other default by Purchaser under the Agreement for the Unit shall constitute a default under the Rider entitling Sponsor to those remedies as more fully described in the Agreement and the Plan.

R-3. CONFLICTS.

In the event of any inconsistency between the provisions of this Rider and those contained in the Agreement to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

R-4. FULL FORCE & EFFECT.

Except as set forth in this Rider, all of the terms and conditions of the Agreement remain unchanged and in full force and effect.

**Purchaser:**

_____

**Purchaser:**

_____

**Sponsor:**
Brighton Builder, LLC

_____
By: Leon Mikhlin

# POWER OF ATTORNEY

The undersigned, _____, the owner of Unit No. ___ in the condominium known as The Brighton Tower II Condominium (the "Condominium") and by the street number 3015 Brighton 6th Street, Brooklyn, New York, (the Building"), said Unit being designated and described as Residential Unit No. __ in that certain declaration dated _____ made by Brighton Builder, LLC (the "Sponsor") under Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), establishing a plan for condominium ownership of the Building and the land (the "Land") upon which the Building is situated, which declaration was recorded in the Office of the Register of the City of New York, County of Kings (the "City Register's Office") on _____ under CRFN _____ (such declaration and any amendments thereto being collectively referred to as the "Declaration"); and also designated as Tax Lot _____ in Block _____ on the Tax Map of the Real Property Assessment Department of the City of New York for the Borough of Brooklyn and on the floor plans of the Building (the "Floor Plans"), certified by _____ and filed in the City Register's Office on _____ under CRFN _____ as Condominium Plan #_____, does hereby nominate, constitute and appoint the persons who may from time to time constitute the Board of Managers of the Condominium, jointly, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, to acquire, in their own name, as members of the Board of Managers, or in the name of their designee, corporate or otherwise, on behalf of all Owners of Units in said Condominium, in accordance with their Common Interests, any Unit whose Owner desires to abandon or sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit Owner in any other Units theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of the sale or lease thereof, if any, and the rights and privileges appurtenant thereto, the interest of such Unit Owner in all other assets of the Condominium as defined in the aforementioned Declaration or any Unit, which shall be the subject of a foreclosure or other judicial sale, or to lease any Unit whose Owner desires to rent the same, at such price or on such rental, as the case may be, and on such terms as said attorneys-in-fact shall, in their sole discretion, deem proper, and thereafter to convey, sell, lease, sublease, mortgage or otherwise deal with any such Units so acquired by them (but not to vote the votes appurtenant thereto), on such terms as said attorneys-in-fact may determine, granting to such attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present. The acts of a majority of such persons shall constitute the acts of said attorneys-in-fact.

The undersigned does hereby nominate, constitute and appoint Brighton Builder, LLC (the "Sponsor") as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time the Declaration, the By-Laws and the Rules and Regulations of the Condominium, or any of said documents, when such amendment (1) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by the Sponsor or its designee in accordance with Article 16 of the Declaration or (2) shall be required by (a) an institutional lender to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental

agency having regulatory jurisdiction over the Condominium, or (c) any title insurance company selected by the Sponsor to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Unit, (ii) require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage or any mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms, covenants and conditions contained in, and the powers granted pursuant to this paragraph shall remain in full force and effect until such time as the Sponsor or its designee shall cease to own any Units in the Condominium.

The undersigned does further nominate, constitute and appoint the Sponsor as attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to execute any document on behalf of the undersigned, if same is necessary, to effectuate the transfer, assignment or conveyance by Sponsor, in whole or in part, of the transferable development rights which the Sponsor has retained for itself, its successors and assignees. This Power of Attorney shall in no way be construed to grant any interest in such transferable development rights to the undersigned.

This Power of Attorney shall be irrevocable.

**IN WITNESS WHEREOF**, the undersigned have executed this Power of Attorney this __ day of _____.

_____

STATE OF NEW YORK )
) ss:
COUNTY OF KINGS )

On the ____ day of _____ in the year 2009 before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

## FORM OF UNIT DEED

**THIS INDENTURE** made the ___ day of _____ in the year 2009, between Brighton Builder, LLC, having an office at 75 Beaumont Street, Brooklyn, New York 11235, (the "Grantor"), _____, residing at _____, (the "Grantee"),

**W I T N E S S E T H:**

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

The Unit (the "Unit") in the condominium known as The Brighton Tower II Condominium (the "Condominium") and by the street number 3015 Brighton 6th Street, Brooklyn, New York, (the Building"), said Unit being designated and described as Residential Unit No. __ in that certain declaration dated _____ made by the Grantor under Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), establishing a plan for condominium ownership of the Building and the land (the "Land") upon which the Building is situated, which declaration was recorded in the Office of the Register of the City of New York, County of Kings (the "City Register's Office") on _____ under CRFN _____ (such declaration and any amendments thereto being collectively referred to as the "Declaration"); and also designated as Tax Lot _____ in Block _____ on the Tax Map of the Real Property Assessment Department of the City of New York for the Borough of Brooklyn and on the floor plans of the Building (the "Floor Plans"), certified by _____. and filed in the City Register's Office on _____ under CRFN _____ as Condominium Plan #_____. The Land is more particularly described as follows:

***SEE SCHEDULE A ANNEXED HERETO AND MADE A PART HEREOF***

**SAID** premises known as 3015 Brighton 6th Street, Unit __, Brooklyn, New York.

**TOGETHER** with any strips or gores adjoining the Building or the Land on any of the sides thereof.

**TOGETHER** with an undivided ____ percent interest in the Common Elements described in said Declaration (the "Common Elements");

**TOGETHER** with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building, or the Unit, after damage by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand;

**TOGETHER** with an easement in common with owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere in the Building and the Land, and serving the Unit;

**TOGETHER** with the appurtenances and all the estate and rights of the Grantor in and to the Unit;

**TOGETHER** with and **SUBJECT TO** all easements of necessity in favor of the Unit or in favor of other Units or the Common Elements;

**SUBJECT TO** easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, now existing as a result of construction of the Building, or which may come into existence hereafter as a result of settling of the Building, or as a result of repair or restoration of the Building or any adjoining Unit or of the Common Elements, after damage, condemnation or eminent domain proceedings, or by reason of an alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Building shall stand. Each Unit shall be subject to the aforesaid easements in favor of all other Units. In addition, each Unit shall have, and shall be subject to, easements of subjacent support and necessity in favor of such Unit or in favor of other Units and the Common Elements;

**SUBJECT ALSO TO** an easement in favor of the other Units to use the pipes, wires, ducts, conduits, cables, public utility lines and other Common Elements located in the Unit or elsewhere in the Building or the Land and serving such other Units;

**SUBJECT ALSO TO** such other liens, agreements, covenants, easements, restrictions, consents and other matters of record appertaining to the Unit, to the Land and the Building.

**SUBJECT ALSO TO** the Grantor's ownership of the Air and Development Rights, and its right to sell and convey such rights.

**SUBJECT ALSO TO** the permitted encumbrances set forth in Exhibit A annexed hereto.

**TOGETHER** with and **SUBJECT TO** easements, rights of way, restrictions and encumbrances created by the Declaration for the Condominium recorded in the Office of the Register of the City of New York, County of Kings on _____ under _____.

**SUBJECT TO** the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the Office of the Register of the City of New York, County of Kings, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having at any time any interest or estate in the Unit, as though such provisions were recited and stipulated at length herein;

**EXCEPT** as otherwise specifically permitted by the Board of Managers of the Condominium or provided in the Declaration or in the By-Laws, the Unit is intended for Residential use only;

**AND** the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way whatever, except as aforesaid;

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

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Building to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Building to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Building to the provisions of the Condominium Act, the applicable provisions of clause 17 of the Declaration shall control.

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 to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

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

The term "Grantee" shall be read as "Grantees" whenever the sense of this deed so requires.

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

**Grantor / Sponsor:**
Brighton Builder, LLC

_____
By: Leon Mikhlin

**Grantee / Purchaser:** **Grantee / Purchaser:**

_____ _____

STATE OF NEW YORK )
) ss:
COUNTY OF KINGS )

On the ___ day of _____ in the year 2009 before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

STATE OF NEW YORK )
) ss:
COUNTY OF KINGS )

On the ___ day of _____ in the year 2009 before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

## EXHIBIT A
## PERMITTED ENCUMBRANCES

1. Covenants, conditions, easements, leases and agreements of record.
2. Restrictive Use Regulations as set forth in the By-Laws of the Condominium.
3. Power of Attorney as set forth in the Purchase Agreement from the insured to the members of the Board of Managers of Condominium and their successors.
4. Any state of facts which an accurate survey and inspection of the unit would show, provided same does not render title unmarketable.
5. State of facts of the land and building of which the t unit is a part as shown on the survey made and any additional state of facts which a subsequent and accurate survey of such land and building would show provided same does not render title unmarketable.
6. Building restrictions and zoning laws and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction.
7. Any easement or right of use in favor of any utility company for construction, use, maintenance, repair and replacement of all utility lines, wires, terminal boxes, main pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Land and Building.
8. Revocability of Licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax (which is to be paid by the Condominium Board).
9. Encroachments of stoops, areas, cellar steps or doors, trim, cropings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and standpipes, and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the property and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.
10. Leases and service, maintenance, employment, concessionaire and License agreements, if any, of other Units or portions of the Common Elements.
11. The lien of any unpaid Common Charges, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.
12. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that Sponsor shall pay all such assessments due prior to the Closing Date and Purchaser shall pay all assessments due from and after such date (however, the then current installment shall be adjusted at closing).
13. Any encumbrance as to which the title insurance company which insures Purchaser's title to the Unit would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrance (a) will not be collected out of the Unit if it is a lien and (b) will not prevent the use of the Unit for dwelling (if the Unit is a Residential Unit) or Commercial (if the Unit is a Commercial Unit) purposes.
14. Any recorded covenant, restriction, reservation, agreement, assessment or encumbrance against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for dwelling purposes.

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

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

17. Consents by Sponsor or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Land may abut.

# PARKING SPACE LICENSE

AGREEMENT made this _____ day of ____, 200__(this "Agreement") by and between THE BOARD OF MANAGERS OF THE BRIGHTON TOWER II CONDOMINIUM, acting on behalf of all Unit Owners, having an address at 3015 Brighton 6th Street, Brooklyn, New York 11235 (the "Condominium Board"; Sponsor and the Condominium Board are sometimes collectively referred to as "Licensor"), and _____, having an address at _____ ("Licensee").

**WHEREAS**, The Brighton Tower II Condominium (the "Condominium") is governed by a certain Declaration of Condominium dated_____, 200__, recorded in the Kings County Clerk's Office of the Register of the City of New York on_____, 200__ under CRFN _____(as the same has been or may be amended from time to time, the "Declaration"), the By-laws of the Condominium (as the same has been or may be amended from time to time, the "By-laws") and the rules and regulations of the Condominium (as the same has been or may be amended from time to time, the "Rules and Regulations"; the "Declaration, the By-laws and the Rules and Regulations are hereinafter collectively referred to as the "Condominium Documents"); and

**WHEREAS**, in a portion of the Common Elements, in the cellar level and first floor of the Condominium there are Forty Four (44) Parking Spaces; and

**WHEREAS**, Licensee desires the right to the exclusive use of a Parking Space for so long as Licensee owns a Unit in the Brighton Tower II Condominium, located at 3015 Brighton 6th Street, Brooklyn, New York;

**NOW THEREFORE**, in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Licensor hereby grants to Licensee, its successors and assigns, a license for the exclusive use of Parking Space #___ (the "Designated Parking Space" or "Licensed Area") and Licensee hereby accepts such License from Licensor for a term commencing on the date hereof.

2. A Parking Space may be used for the parking of an automobile who's body dimensions do not exceed Six (6) feet in width (including mirrors), and Fifteen (15) Feet in length and 80 inches in height and who's gross vehicle weight does not exceed 4,500 LBS.

3. This License is irrevocable, except as provided herein, and may be assigned by Licensee at any time provided the assignee (i) is a Unit Owner at the Condominium, (ii) assumes the obligations hereunder in the form annexed hereto as Exhibit A, (iii) notification of the assignment is delivered in writing to the Condominium Board in compliance with its requirements as the same may be modified from time to time, and (iv) no outstanding monies are owed to the Condominium by the Licensee and/or the assignee.

In the event that the licensee, other than the Sponsor, sells his or her Unit, and does not own any other units at The Brighton Tower II Condominium, located at 3015 Brighton 6th Street, Brooklyn, New York 11235, the licensee shall be obligated to sell or assign this license to another authorized owner. In the event that the licensee does not sell or assign this license at the sale of the Unit this licensee shall automatically be deemed suspended. In the event that the licensee does not sell or assign this license

within one hundred and eighty (180) days of the suspension date, the Board of Managers shall have the right to revoke this license.

4. Neither Licensor nor their respective agents or employees shall be liable for any theft or damage to any automobile or other property while such property is using the licensed area.

5. The terms of this License are subject to the terms of the Condominium Documents.

6. If licensee defaults in its obligations hereunder or under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the license area until Licensee cures such default or (ii) terminate this Agreement subjects to paragraph 7

7. The Board of Managers shall have the right to revoke the Parking Space License of a Parking Space License Holder if the Parking Space License Holder fails to pay License Fees which accumulate to more than five hundred ($500.00) dollars, per license. Such revocation shall be made by sending, via certified mail with return receipt request, notice to the Parking Space License Holder stating that thirty days (30) from the mailing of the notice the Board of Managers shall revoke the Parking Space License unless all License Fees and penalties are paid. If such fees and penalties are not paid within said Thirty (30) day period the Board of Managers shall have the right to revoke the Parking Space License by sending written notice to the Parking Space License Holder, via certified mail. Upon revocation of the Parking Space License the Board of Managers will have no future obligation to the Parking Space License Holder.

8. The Condominium Board or its agents shall have the right (but not the obligation) to enter the license area, in an emergency at any time, and, at other reasonable times upon prior notice to Unit Owner, to inspect and examine the license area and to make such repairs, replacements and improvements as the Condominium Board shall deem necessary. The Condominium Board shall have the right to suspend the licensed area for emergency and regular maintenance or repair.

9. This Agreement shall constitute a License only and shall not be construed under any circumstances to be a sale of the Designated Parking Space or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between the Licensor and the Licensee with respect to this Agreement.

10. Licensee shall indemnify and hold the Licensor and their respective officers, agents and employees, harmless from and against any and all liabilities, claims, penalties and judgments, together with any related costs and expenses, including reasonable legal fees, asserted against or sustained by any of them in connection with any act, omission, or negligence of Licensee or Licensee's family, servants, employees, agents, guests and invitees in connection with this License.

11. Licensee shall be obligated to reimburse the Licensor for any legal fees and disbursements incurred by the Licensor in defending the rights of the Licensor under this License or, in the event Licensee defaults under this Agreement beyond any applicable grace period, enforcing Licensee's obligations hereunder.

12. Neither this License nor any provision hereof may be waived, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such

waiver, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.

13. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Agreement, which alone fully and completely express their agreement and that this Agreement supersedes any and all such understandings and agreements with respect to the subject matter hereof.

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

15. 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.

16. Any failure by the Licensor to insist upon strict performance by Licensee of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Licensor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Licensee of any and all of the provisions of this Agreement to be performed by Licensee.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

**Licensor / Sponsor:**

The Board Of Managers Of The Brighton Tower II Condominium

_____

By: Leon Mikhlin

**Licensee**

Brighton Builder, LLC

_____

By: Leon Mikhlin

**Intentionally Omitted**

# HANDICAPPED PARKING SPACE LICENSE

AGREEMENT made this _____ day of ____, 200__(this "Agreement") by and between THE BOARD OF MANAGERS OF THE BRIGHTON TOWER II CONDOMINIUM, acting on behalf of all Unit Owners, having an address at 3015 Brighton 6th Street, Brooklyn, New York 11235 (the "Condominium Board"; Sponsor and the Condominium Board are sometimes collectively referred to as "Licensor"), and Mikhlin Holdings, Inc. , having an address at 75 Beaumont Street, Brooklyn, New York ("Licensee").

**WHEREAS**, The Brighton Tower II Condominium (the "Condominium") is governed by a certain Declaration of Condominium dated_____, 200__, recorded in the Kings County Clerk's Office of the Register of the City of New York on_____, 200__ under CRFN _____(as the same has been or may be amended from time to time, the "Declaration"), the By-laws of the Condominium (as the same has been or may be amended from time to time, the "By-laws") and the rules and regulations of the Condominium (as the same has been or may be amended from time to time, the "Rules and Regulations"; the "Declaration, the By-laws and the Rules and Regulations are hereinafter collectively referred to as the "Condominium Documents"); and

**WHEREAS**, in a portion of the Common Elements, in the cellar level and first floor of the Condominium there are Forty Four (44) Parking Spaces; and

**WHEREAS**, Licensee desires the right to the exclusive use of a Parking Space for so long as Licensee owns a Unit in the Brighton Tower II Condominium, located at 3015 Brighton 6th Street, Brooklyn, New York;

**NOW THEREFORE**, in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Licensor hereby grants to Licensee, its successors and assigns, a license for the exclusive use of Parking Space PS6 (the "Designated Parking Space" or "Licensed Area") and Licensee hereby accepts such License from Licensor for a term commencing on the date hereof.

2. A Parking Space may be used for the parking of an automobile who's body dimensions do not exceed Six (6) feet in width (including mirrors), and Fifteen (15) Feet in length and 80 inches in height and who's gross vehicle weight does not exceed 4,500 LBS.

3. This License is irrevocable, except as provided herein, and may be assigned by Licensee at any time provided the assignee (i) is a Unit Owner at the Condominium, (ii) assumes the obligations hereunder in the form annexed hereto as Exhibit A, (iii) notification of the assignment is delivered in writing to the Condominium Board in compliance with its requirements as the same may be modified from time to time, and (iv) no outstanding monies are owed to the Condominium by the Licensee and/or the assignee.

In the event that the licensee, other than the Sponsor, sells his or her Unit, and does not own any other units at The Brighton Tower II Condominium, located at 3015 Brighton 6th Street, Brooklyn, New York 11235, the licensee shall be obligated to sell or assign this license to another authorized owner. In the event that the licensee does not sell or assign this license at the sale of the Unit this licensee shall automatically be deemed suspended. In the event that the licensee does not sell or assign this license within one hundred and eighty (180) days of the suspension date, the Board of Managers shall have the right to revoke this license.

4. Neither Licensor nor their respective agents or employees shall be liable for any theft or damage to any automobile or other property while such property is using the licensed area.

5. The terms of this License are subject to the terms of the Condominium Documents.

6. If licensee defaults in its obligations hereunder or under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the license area until Licensee cures such default or (ii) terminate this Agreement subjects to paragraph 7

7. The Board of Managers shall have the right to revoke the Parking Space License of a Parking Space License Holder if the Parking Space License Holder fails to pay License Fees which accumulate to more than five hundred ($500.00) dollars, per license. Such revocation shall be made by sending, via certified mail with return receipt request, notice to the Parking Space License Holder stating that thirty days (30) from the mailing of the notice the Board of Managers shall revoke the Parking Space License unless all License Fees and penalties are paid. If such fees and penalties are not paid within said Thirty (30) day period the Board of Managers shall have the right to revoke the Parking Space License by sending written notice to the Parking Space License Holder, via certified mail. Upon revocation of the Parking Space License the Board of Managers will have no future obligation to the Parking Space License Holder.

8. In the event the present or future Owner of a Residential Unit in Brighton Tower II Condominium, or member of his or her family, becomes handicapped and acquires handicapped plates for his or her vehicle, said Handicapped Unit Owner has the right to demand that the Owner of this Handicapped Parking Space License trade the License with said handicapped Owner.

In the event that the present or future Owner of a Unit, or member of his or her family, becomes handicapped and said Unit Owner does not own a Parking Space License, said Unit Owner has the right to demand that the Owner of this Handicapped Parking Space License sell this Parking Space License at the current, fair market value, to said handicapped Owner. All costs and expenses entailed in the transfer of title to the parking spaces shall be borne by the party requesting the transfer.

Notwithstanding anything to the contrary, in the event the present or future Owner of a Parking Space License, or member of his or her family, becomes handicapped and acquires handicapped plates for his or her vehicle, said Unit Owner WILL NOT HAVE the right to demand that the Owner of this Handicapped Parking Space License trade this Handicapped Parking Space License with said handicapped Owner, IF the Owner of this License, or member of his or her family, is handicapped or has already obtained handicapped plates for his or her vehicle.

8. The Condominium Board or its agents shall have the right (but not the obligation) to enter the license area, in an emergency at any time, and, at other reasonable times upon prior notice to Unit Owner, to inspect and examine the license area and to make such repairs, replacements and improvements as the Condominium Board shall deem necessary. The Condominium Board shall have the right to suspend the licensed area for emergency and regular maintenance or repair.

9. This Agreement shall constitute a License only and shall not be construed under any circumstances to be a sale of the Designated Parking Space or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between the Licensor and the Licensee with respect to this Agreement.

10. Licensee shall indemnify and hold the Licensor and their respective officers, agents and employees, harmless from and against any and all liabilities, claims, penalties and judgments, together with any related costs and expenses, including reasonable legal fees, asserted against or sustained by any of them in connection with any act, omission, or negligence of Licensee or Licensee's family, servants, employees, agents, guests and invitees in connection with this License.

11. Licensee shall be obligated to reimburse the Licensor for any legal fees and disbursements incurred by the Licensor in defending the rights of the Licensor under this License or, in the event Licensee defaults under this Agreement beyond any applicable grace period, enforcing Licensee's obligations hereunder.

12. Neither this License nor any provision hereof may be waived, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.

13. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this Agreement, which alone fully and completely express their agreement and that this Agreement supersedes any and all such understandings and agreements with respect to the subject matter hereof.

14. If any provision of this Agreement is invalid or unenforceable as against any party or under certain circumstances, the remainder of this Agreement and the applicability of such provision to other parties or circumstances shall not be affected thereby. Each provision of this

Agreement except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

15. 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.

16. Any failure by the Licensor to insist upon strict performance by Licensee of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and Licensor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by Licensee of any and all of the provisions of this Agreement to be performed by Licensee.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

**Licensor / Sponsor:**
The Board Of Managers Of The Brighton Tower II Condominium

_____
By: Leon Mikhlin

**Licensee**

Brighton Builder, LLC

_____
By: Leon Mikhlin

**Exhibit A**

**ASSIGNMENT AND ASSUMPTION OF LICENSE AGREEMENT**

**THIS ASSIGNMENT AND ASSUMPTION OF LICENSE AGREEMENT** made as of the ___ day of_____, _____ by and between Brighton Builder, LLC, Inc. having an address at 75 Beaumont Street, Brooklyn, New York (hereinafter, "Assignor"), and _____ _____, having an address at _____ _____ (hereinafter, "Assignee")

W I T N E S S E T H:

**WHEREAS**, Assignor executed a certain Parking License dated _____ (the "License Agreement") to have the exclusive right to use Parking Space #____ located in the _____ floor of The Brighton Tower II Condominium (the "Condominium"), located at 3015 Brighton 6th Street, Brooklyn, New York, in accordance with the terms of the Condominium Offering Plan dated _____, 200__ (as amended to date, the "Plan"); and

**WHEREAS**, Assignor desires to assign to Assignee all of Assignor's right, title and interest in and to the License Agreement; and

**WHEREAS**, Assignee desires to assume all of the obligations and responsibilities of Assignor in and to the License Agreement; and

**WHEREAS**, the parties hereto wish to set forth their agreements with respect to this Assignment.

**NOW, THEREFORE**, in consideration of the mutual promises herein contained, and other good and valuable consideration, the parties hereto agree as follows:

1. ASSIGNMENT. Assignor hereby assigns to Assignee, from and after the date hereof, all of Assignor's right, title and interest in and to the License Agreement, a copy of which is attached hereto and made a part hereof, for a purchase price of $_____

2. ASSUMPTION. Assignee hereby assumes all of the obligations, promises, covenants and responsibilities of Assignor in and to the License Agreement as if Assignee had signed the License Agreement originally as "Licensee."

3. AUTHORIZATION AND DIRECTION. Assignor and Assignee hereby authorize and direct the Condominium to have the books and records of the Condominium reflect that Assignee has the exclusive right to use Parking Space #____.

4. ELECTIVE DATE. This Assignment shall not be deemed effective unless and until signed by each of the parties hereto.

5. DEFINED TERMS. All terms not defined herein shall have the meanings ascribed to them in the License Agreement.

**Assignor**

_____
Brighton Builder, LLC

**Assignee**

_____

**Intentionally Omitted**

# DECLARATION

## Establishing a Plan for Condominium Ownership

**Pursuant to Article 9-B of the Real Property Law of the State of New York**

**Name: The Brighton Tower II Condominium**
**3015 Brighton 6th Street**
**Brooklyn, New York 11223**

**Declarant:**

**Brighton Builder, LLC**
**75 Beaumont Street**
**Brooklyn, New York 11235**

**Date of Declaration: _____**

**Record & return to:**

**Tsyngauz & Associates, P.C.**
**18 West 21st Street, 3rd Floor**
**New York, New York 10010**
**212-337-9770**

**The land affected by the within instrument lies**

**In Block _____, FKA Lots _____**
**NKA Lots: _____**

**Declaration Establishing a Plan for Condominium Ownership of Premises to be known as The Brighton Tower II Condominium, located at 3015 Brighton 6th Street, 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**

Brighton Builder, LLC, having an office at 75 Beaumont Street, Brooklyn, New York 11235 (hereinafter called the "Sponsor") does hereby declare:

1. **Submission of Property.** The Sponsor hereby submits the land hereinafter described, together with the building and improvements thereon erected (hereinafter called the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York.

2. **Area and Location of Land.** The land (hereinafter called the "Land") has an area of approximately 16,000 square feet and consists of all that certain tract, plot, piece and parcel of land situate, lying and being in the County of Kings, City and State of New York, more particularly described on Schedule A annexed hereto and made a part hereof. The Land is owned by the Sponsor in fee simple absolute.

3. **Name of Condominium.** The Condominium shall be known as The Brighton Tower II Condominium.

4. **Description of Building.** The Building consists of Fourteen (14) floors plus a Cellar and Mezzanine Level. There are Thirty Eight (38) Residential Units and Four (4) Commercial Units.

The Building has five separate entrances. The first entrance is a 5 step walk down which leads to the cellar level of the main portion of the building. Located adjacent to the stairs is a handicapped elevator capable of transporting a handicapped person to the cellar level. From said area there are three doors; one leads to Commercial Unit C3, one leads to Commercial Unit C4 and one leads to the Residential Entrance, which leads to the common residential stairs and elevator.

The second entrance is a vehicular entrance locate adjacent to the first entrance. It is ised used solely by the user of Parking Space 44. This entrance is accessible only from Brighton 6th Street.

The third entrance is another vehicular entrance locate adjacent to the second entrance. This vehicular entrance provides entry to the first floor parking area via a ramp overhead door. Like the second entrance, this entrance will be accessible only from Brighton 6th Street.

The fourth entrance provides entry solely into Commercial Unit C1 and the fifth entrance provides entry solely into Commercial Unit C2. Both entrances are located on the Oceanview Avenue side of the building and have a five step walk down, and an adjacent handicapped elevator. The Residential and Parking portions of the building are accessible through the fourth and fifth entrances.

**5. The Units.** Schedule B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: unit designation; tax lot number; approximate area; location; number of rooms; the portion of the Common Elements and the percentage of interest in the Common Elements. The location of each Unit is more clearly designated on the Floor Plans, as hereinafter defined, and reference should be made thereto for the statement of the location of each Unit. As shown on the Floor Plans of the Building (hereinafter called the "Floor Plans"), certified by _____, and intended to be filed in the Kings County Office of the Register of the City of New York, simultaneously with the recording of this Declaration, the physical dimensions of each Residential or Commercial Unit consist of the area enclosed horizontally by the exposed exterior face of the exterior and lot line walls of the Building, the outside face of the wall dividing the Unit from public corridors and public stairs and the center line of any demising wall shared with other Units and vertically by the upper face of the sub-floor of the Unit up to the unexposed face of the dry wall forming the upper ceiling of the Unit. Door and windows which open from a Unit and interior walls of a Unit are a part of the Unit.

Any Common Elements located within a Unit will not be considered a part of such Unit.

**6. Common Elements.** The Common Elements of the Condominium consist of the entire Property, including all parts of the Building and improvements thereon other than the Units. Common Elements are comprised of General Common Elements and Limited Common Elements. They include, without limitation, the following:

A. General Common Elements.

(1) The Building and the land on which the Building is physically erected.

(2) All foundations, columns, girders, beams, supports, bearing walls; those portions of the exterior walls and insulation beyond the interior exposed face of the exterior wall; those portions of the walls and partitions dividing the Units from corridors, lobby, stairs, and other mechanical spaces located beyond the unexposed face of the dry walls enclosing the Unit, or, where applicable, the subfloor and framing joists including any framing attached to such joists from which the dry wall ceiling of the Unit below is attached; roof bulkhead; skylights, (other than those located in a Unit), if any; water towers and tanks, if any; chimney; if any; yard areas, if any; terraces and roof; corridors, halls, stairs and stairway areas located beyond the unexposed face of the dry walls or block work or concrete work of the walls enclosing a Unit; storage and utility areas which are not part of a Unit located beyond the unexposed face of the dry walls enclosing a Unit or the unexposed face of a dry wall enclosing all or part of such Units; and all cellar areas which are not included within a particular Unit; the entrances to and exits from the Building.

(3) The gas, electric and water meters, if any, in the cellar, the meter room in the cellar, any oil tank which is owned by the Condominium or for which the Condominium is responsible for the replacement, maintenance and/or repair thereof;

(4) All installations outside the Units for services such as gas, power, light, telephone and water;

(5) All sewer pipes and drainage pipes;

(6) Any tanks, pumps, motors, fans compressors, ducts and in general all apparatus and installations existing for common use; and

(7) The vestibule, lobby and fire escape;

(8) The Parking Spaces

(9) All other apparatus and installations, existing in the Building for common use or necessary or convenient to the existence, maintenance or safety of the Building;

(B) Limited Common Elements are balconies and terraces.

**7. Use of Units.** Each of the Residential Units may be used only for a private residence, except that a Residential Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction. Notwithstanding the foregoing, the Sponsor or its designee may, without the permission of the Board of Managers, retain ownership of one or more Units for use as models, sales and/or production offices in connection with the sale or rental of the Units.

The Commercial Unit may be used for a any legal use permitted by the Zoning Resolution of the City of New York or other applicable laws, including any grandfathering of prior uses.

The Parking Spaces are to be used only for automobile parking. A Parking Space may be used for the parking of an automobile who's body dimensions do not exceed Six (6) feet in width (including mirrors), and Fifteen (15) Feet in length and 80 inches in height and who's gross vehicle weight does not exceed 4,500 LBS.

**8. Determination of Percentages in Common Elements.** 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.

**9. Encroachments.** If any portion of the Common Elements now encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall occur hereafter as a result of (a) settling or shifting of the Building, or (b) alteration or repair to the Common Elements made by or with the consent of the Board of Managers, or (c) as a result of repair or restoration of the Building or a Unit after damage by fire or other casualty, or (d) as a result of condemnation or eminent domain proceedings; a valid easement shall exist for such encroachment and for the maintenance of the same so long as the Building shall stand.

**10. Easements.**

A. Each Unit Owner shall have an easement in common with the owners of all other Units to use all pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements located in any of the other Units and serving his Unit. Each Unit shall be subject to an easement in favor of the Owners of all other Units to use the pipes, wires, ducts, cables, conduits, public utility lines and other Common Elements serving such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit, all General Common Elements and any Limited Common Elements appurtenant thereto to inspect the same, to remove violations

therefrom and/or to maintain, repair or replace the Common Elements contained therein or elsewhere in the Building.

B. The Sponsor, his designees, successors, assigns, invitees, Licensees, contractors, employees and tenants, shall have an easement in, on, over and across the Property for (i) construction, installation and development thereon, and for the construction and installation, ingress to and egress from, and use of (including the right to connect with) all pipes, conduits, ducts, cables, wires, storm drainage facilities, water, sewer and other utility lines for the benefit of the Property, and (ii) construction and installation, ingress to and egress from and the right to use (in common with Unit Owners) all storm drainage facilities, water, sewer and other utility lines, pipes, conduits, flues, ducts, wires and cables, and (iii) ingress to and egress from all land areas of the Property and the use of said land areas (in common with Unit Owners) for any lawful purpose.

C. The Sponsor, his designees and successors, assigns, invitees, Licensees, contractors, employees and tenants (i) shall have an easement to erect, maintain, repair and replace from time to time one or more signs on the Building and elsewhere on the Property for the purposes of advertising the sale of Units and the leasing of space in any Unit as well as an easement in and access to Units and Common Elements consistent with the purposes of a certain Offering Plan for the Property located at 3015 Brighton 6th Street, Brooklyn, New York, as same may be amended, and the Sponsor's rights and obligations thereunder, including, without limitation, the right to develop, renovate, maintain, repair, refurbish, offer, sell and lease Units and Common Elements and (ii) reserve the right to establish, grant and create easements for any additional underground electric transformer, amplifier, gas, cable television, telephone, water, storm drainage, sewer or other utility lines and appurtenances in, under and through the Property, including, without limitation, an easement or easements for the benefit of any property adjacent to the Property, to relocate any existing utility easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company if the Sponsor or designee shall deem it necessary or desirable for the proper operation and maintenance of the Property or any portion thereof, or for the general health or welfare of any Unit Owner, or the residents of any property adjacent to the Property, or users of any recreation facilities, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Residential Units for private residential use or home occupation purposes and the Commercial Units for the permitted uses therein. Any utility company or public benefit corporation furnishing services to the Property, and the employees and agents of any such company or corporation, shall have the right of access to any Unit, to the Common Elements or the Limited Common Elements in furtherance of such easements, provided such right of access is exercised in such a manner as not unreasonably to interfere with the use of the Units.

D. Any Commercial Unit Owner and any tenant or tenants of such Unit or Units pursuant to the terms of any lease pertaining thereto, shall have the right, without charge or limitation, to install, repair and maintain either within or in the immediate location of such particular Unit at the facade of the front of the Building a sign or signs, which may be illuminated, for advertising or identification purposes. Such Unit Owners and any tenants of space in such Units shall comply with all of the laws, orders, rules and regulations of the governmental authorities having jurisdiction thereof, including zoning laws, building codes and as required by insurance underwriters. The Unit Owners or their tenants shall obtain and pay for all permits required for such signs and any necessary renewal fees.

E. Users of any easement granted by subparagraphs B, C and D of this Paragraph 10 shall have the responsibility of repairing any damage resulting therefrom.

**11. Power of Attorney to Board of Managers.** Each Unit Owner shall grant to the persons who shall from time to time constitute the Board of Managers, an irrevocable power of attorney, coupled with an interest, to acquire title to or lease any Unit whose owner desires to surrender, sell or lease the same, or which may be the subject of a foreclosure or other judicial sale, in the name of the Board of Managers or its designee, corporate or otherwise on behalf of all Unit Owners, and to convey, sell, lease, mortgage (but not to vote the votes appurtenant thereto) or otherwise deal with any such Units so acquired or to sublease any Unit so leased by the Board of Managers.

**12. Acquisition of Units by Board of Managers.** In the event any Unit Owner shall surrender his Unit, together with: (i) the undivided interest in the Common Elements, general and limited, appurtenant thereto; (ii) the interest of such Unit Owner in any other Units acquired by the Board of Managers or its designee on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such Unit Owner in any other assets of the Condominium; (hereinafter referred to as the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Real Property Law of the State of New York, or in the event the Board of Managers shall purchase from any Unit Owner who has elected to sell the same, a Unit, together with the Appurtenant Interests, pursuant to Section 1 of Article VIII of the By-Laws, or in the event the Board of Managers shall purchase at a foreclosure or other judicial sale, a Unit, together with the Appurtenant Interests, title to any such Unit, together with the Appurtenant Interests, shall be held by the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective Common Interests. The lease covering any Unit leased by the Board of Managers, or its designee, corporate or otherwise, shall be held by the Board of Managers, or its designee, on behalf of all Unit Owners, in proportion to their respective Common Interests.

**13. Person to Receive Service.** For the period during which the Sponsor is in control of the Board of Managers, Brighton Builder, LLC at 75 Beaumont Street, Brooklyn, New York 11235 is hereby designated to receive notice of process in any action which may be brought against the Condominium. After the Sponsor relinquishes control of the Board of Managers notice of process in any action which may be brought against the Condominium shall be served on the President of the Condominium at the Office of the Condominium, 3015 Brighton 6th Street, Brooklyn, New York 11235.

**14. Units Subject to Declaration, By-Laws, and Rules and Regulations.** All present and future Owners, tenants, subtenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any

person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

**15. Amendment to Declaration.** This Declaration may be amended, modified, added to or deleted from by the affirmative vote of at least 66- 2/3 % in number and in Common Interest of all Unit Owners, cast in person or by proxy at a meeting duly held in accordance with the provisions of the By-Laws, or in lieu of a meeting, any amendment may be approved, in writing by 66- 2/3 % in number and in Common Interest of all Unit Owners, provided, however:

a. no amendment, modification, addition or deletion which shall adversely affect the lien of any mortgage may be made without the written consent of the mortgagee;

b. no amendment which shall change the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of such Owner(s); no amendment which shall increase the percentage of Common Interests allocated to any Unit or Units may be made without the written consent of the mortgagee(s) of such Unit, or Units, if any;

c. no amendment, modification, addition or deletion of or to this Declaration will be effective in any respect against Sponsor, its designee, or any Unsold Unit until Sponsor or such designee shall consent thereto in writing.

The Sponsor hereby reserves to himself and his designee(s) the right to amend this Declaration at any time without the requirement of a vote and without the approval or consent of any Unit Owners or mortgagees for the sole purpose of filing the Floor Plans required by Section 339-p of the New York Real Property Law for any portion or portions of the Building and appurtenances which are incomplete at the time the Declaration is recorded and the filing along with said amendment to the Declaration and the Floor Plans, the verified statement of a registered architect or Licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depict the layout, location, unit designations and approximate dimensions of the particular Unit or Units as built, as provided in said Section 339-p. No such amendment shall be effective until recorded in the Kings County Office of the Register of the City of New York.

**16. Changes in Unsold Units.** For any Unit owned by the Sponsor or its designee(s), if not prohibited by the New York Condominium Act (as the same may be amended), the Sponsor or his designee(s) shall have the right, without the vote or consent of the Board of Managers, other Unit Owners or the holders of Unit mortgages, to (i) make alterations, additions, or improvements in, to and upon the Unit; (ii) change the layout or number of rooms in the Unit; (iii) change the size and/or number of such Units by subdividing a Unit, combining separate Units (including those resulting from any subdivision or otherwise) into one or more Units, altering the boundary walls between any Unit or otherwise; and (iv) reapportion among such Unit(s) affected by such change in size or number, subdivision, combination or alteration, their appurtenant interests in the Common Elements; provided, however, that the Sponsor or its designee(s) shall comply with all rules, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. In accordance with law, the Common

Elements appurtenant to each Unit as expressed in this Declaration shall have a permanent character and shall not be altered without the consent of all Unit Owners affected. Written consents will be obtained from Unit Owners, if any, who are adversely affected as a result of the above changes. Contract vendees, if any, pursuant to Purchase Agreements with the Sponsor or its designee for a Unit adversely affected as a result of the above changes, if they have not consented to such changes, will be given the right to rescind their Purchase Agreements and receive a refund of any deposit or downpayment. The above changes, if made, will be disclosed in an amendment to the Offering Plan for the Property. The provisions of this paragraph 16 may not be added to, amended or deleted without the prior written consent of the Sponsor or its designee(s).

Unit Owners in the Condominium hold title to their respective Units subject to the benefits, rights, privileges, easements, burdens, covenants, and restrictions as described herein, in the By-Laws of the Condominium and any agreement of record recorded prior or subsequent to this Declaration.

**17. Invalidity.**

a. If any provision of this Declaration or of the By-Laws is invalid under, or would cause this Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act, but shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under the other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration or the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision that is necessary to cause this Declaration or the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as a part of this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act.

b. Subject to the terms of paragraph (a) of this clause 17, if this Declaration or the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of the Declaration or the By-Laws shall nevertheless be valid and binding upon, and shall inure to the benefit of, the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

**18. Termination of Condominium.** The Condominium may be terminated by casualty loss, condemnation or eminent domain, in accordance with the provisions of the By-Laws, or by withdrawing the Property from the provisions of the New York Condominium Act if authorized by an affirmative vote of Unit Owners who own not less than eighty (80%) percent in number

and in Common Interest of the Units. The Sponsor or its designees will not vote its interests appurtenant to any Unsold Units for such withdrawal unless at least eighty (80%) percent in number and in Common Interest of all other Unit Owners have elected for such withdrawal, in which event the Sponsor may choose to vote in favor of or against such withdrawal. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all the Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid off out of his share of such net proceeds all liens on his Unit, in the order of priority of such liens.

**19. Common Expense.** Common Expenses of the Condominium mean and include all expenses of operation of the Property and all sums designated Common Expenses by or pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York, the Declaration or the By-Laws. The Board of Managers may also specially allocate and apportion profits and expenses to residential and/or non-residential units based on special or exclusive use or availability or exclusive control of particular units or common areas by particular unit owners in a manner different than in proportion to a Unit Owner's respective interest in the Common Elements.

**20. Definition of "Sponsor-designee".** The term "Sponsor-designee" as used in this Declaration shall mean any person or entity designated by the Sponsor to acquire title to a Unit. A "Sponsor-designee" shall have the right to designate a person or entity to succeed to its rights and any such designee shall also be deemed a "Sponsor-designee".

**21. Waiver.** No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

**22. Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration nor the intent of any provision thereof.

**23. Gender.** The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

**IN WITNESS WHEREOF**, the Sponsor has duly executed this Declaration the _____ of _____, 200_.

**Brighton Builder, LLC**

_____

By: Leon Mikhlin

STATE OF NEW YORK )
) ss:
COUNTY OF KINGS )

On the _____ of _____, 200__, before me, the undersigned, personally appeared Leon Mikhlin personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which individual acted, executed the instrument.

_____
Notary Public

# SCHEDULE A
# TO THE DECLARATION

**SCHEDULE B**
**TO THE DECLARATION**

**SCHEDULE C**
**TO THE DECLARATION**

# BY-LAWS OF

# THE BRIGHTON TOWER II CONDOMINIUM
# 3015 BRIGHTON 6TH STREET
# BROOKLYN, NEW YORK 11235

Yevgeny Tsyngauz, Esq.
Attorney for Sponsor
Tsyngauz & Associates, P.C.
18 West 21st Street, 3rd Floor
New York, New York 10010
(212) 337-9770

BL

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## ARTICLE I
## PLAN OF UNIT OWNERSHIP

**Section 1. Unit Ownership.** The property, located in the borough of Brooklyn, County of Kings, City and State of New York at 3015 Brighton 6th Street, Brooklyn, New York (hereinafter called the "Property"), has been submitted pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York by the Declaration recorded in the Kings County Office of the Register of the City of New York, simultaneously herewith. The Condominium thereby shall hereinafter be known as The Brighton Tower II Condominium.

**Section 2. Applicability of By-Laws.** The provisions of these By-Laws are applicable to the Property of the Condominium and to the use and occupancy thereof. The term "Property" as used herein shall include the land, the Building and all other improvements thereon (including the Units, the Common Elements and Limited Common Elements), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which are intended to be submitted to the provisions of said Article 9-B of the Real Property Law of the State of New York. The Condominium Units are hereinafter sometimes referred to as "Unit" or "Units".

**Section 3. Application.** All present and future owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Rules and Regulations attached hereto as Schedule A and the provisions of the Declaration.

The acceptance of a deed or conveyance or the entering into of a lease for a Unit or the act of occupying a Unit shall constitute an agreement that these By-Laws, the Rules and Regulations attached hereto and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with.

**Section 4. Office.** The office of the Condominium and of the Board of Managers shall be located at the Property.

## ARTICLE II
## BOARD OF MANAGERS

**Section 1. Number and Term.** The number of Managers which shall constitute the whole Board of Managers shall not be less than three (3) and not more than five (5). Until succeeded by the Managers elected at the first meeting of Unit Owners called for such purpose, Managers need not be Unit Owners; thereafter, all Managers, other than representatives of Sponsor, shall be Unit Owners, the principal or officer of a Unit Owner or the spouse of a Unit Owner. The number of Managers elected at the first such meeting shall be five (5). Thereafter, within the limits above specified, the number of Managers shall be determined by the Unit Owners at their annual meetings. The Managers shall be elected by the Unit Owners at their annual meetings. There shall always be an odd number of Managers.

Managers designated by the Sponsor shall serve until the election and qualification of Managers elected at the first meeting of Unit Owners. Managers elected at the first meeting of Unit Owners, and at meetings subsequent thereto, shall serve until the next annual meeting of Unit Owners and until the election and qualification of their respective successors.

**Section 2. Powers and Duties.** The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Condominium and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Managers by the Unit Owners. Such powers and duties of the Board of Managers shall include, but shall not be limited to, the following:

a. contracting for necessary services for the operation, care, upkeep and maintenance of the Common Elements;
b. determining the Common Expenses and Common Charges required for the affairs of the Condominium, including, without limitation, the operation and maintenance of the Property;
c. collecting the Common Charges and expenses of the Condominium from the Unit Owners;
d. employing and dismissing the personnel necessary for the maintenance and operation of the Common Elements;
e. adopting and amending the Rules and Regulations covering the details of the operation and use of the Property subject to the right of the Unit Owners to overrule the Board (See Article VI, Section 16);
f. opening bank accounts on behalf of the Condominium and designating the signatories required therefor;
g. purchasing or leasing or otherwise acquiring, in the name of the Board of Managers, or his designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Managers;
h. purchasing Units at foreclosure or other judicial sale in the name of the Board of Managers, or his designee, corporate or otherwise, on behalf of all Unit Owners;
i. acquiring in the name of the Board of Managers, or his designee, corporate or otherwise, on behalf of all Unit Owners, rights and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium, as described in the Declaration and these By-Laws;
j. selling, leasing, mortgaging (but not voting the votes appurtenant thereto), or otherwise dealing with Units acquired by, and subleasing Units leased by, the Board of Managers or his designee, corporate or otherwise, on behalf of all Unit Owners;
k. organizing corporations to act as designees of the Board of Managers in acquiring title to or leasing of Units on behalf of all Unit Owners;
l. obtaining and reviewing insurance for the Property, including the Units, pursuant to the provisions of Article VI, Section 2 hereof;
m. making repairs, additions and improvements to or alterations of the Property and repairs to and restoration of the Property in accordance with the other provisions

of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

n. negotiating and settling all claims and actions relating to the Condominium;

o. borrowing money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of a majority of all Unit Owners shall be required for the borrowing of any sum in excess of $50,000 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 Unit Owner. If any sum borrowed by the Board of Managers on behalf of the Condominium, pursuant to the authority contained in this paragraph (o), is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as his interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit;

p. levying fines against Unit Owners for violations of the Rules and Regulations governing the operation and use of the Property and levying late payment charges against Unit Owners for late payment of their Common Charges;

q. notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or any Sponsor-designee shall continue to own Units, the percentage Common Interest of which, in the aggregate, equals more than twenty five (25%) percent, but in no event later than five (5) years following the Closing Date, the Board of Managers may not, without the Sponsor's or Sponsor-designee's prior written consent, (i) increase the number, or change the type, of employees provided for in Schedule B, (ii) make any addition, alteration or improvement to the Common Elements or to any Unit or (iii) assess any Common Charge for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, except that the Sponsor will consent to replacements to the contingency fund provided for in Schedule B of the Offering Plan for the Property to the extent that the aggregate amount of such fund does not exceed 10% of the budgeted expenses of the Condominium or (iv) borrow money on behalf of the Condominium (except where necessary to perform work required by applicable law or regulations, or remedy violations or a mortgagee's work order(s) to the extent that existing reserves are insufficient). As long as the Sponsor or any Sponsor-designee shall continue to own a Unit, the Board of Managers may not, without the prior written consent of the Sponsor or Sponsor-designee, (i) amend the Declaration, these By-Laws or the Rules and Regulations attached hereto so as to in any way adversely affect the Sponsor or his designees or (ii) interfere with the offer and sale or leasing of Units or the operation of general, sales or leasing offices at the Property or interfere with actions necessary for construction, renovation, repair or correction at the Property, as required by the Sponsor. The Sponsor or Sponsor-designee shall have the right to withhold its consent to any of the foregoing actions. However, notwithstanding the provisions of this Section 2q, the Sponsor or Sponsor-designee shall not withhold its consent to the making of capital repairs to the Common Elements or assessment of any Common Charge

for expenses required to comply with applicable law or regulations, or remedy any notice of violation or an insurer's work order(s).

**Section 3. Managing Agent and Manager.** The Board of Managers may employ for the Condominium a managing agent and/or a manager, at a compensation established by the Board of Managers, to perform such duties and services as the Board of Managers shall authorize. The Board of Managers may delegate to the managing agent or manager, all of the powers granted to the Board of Managers by these By-Laws other than the powers set forth in subdivisions (b), (e), (f), (g), (h), (i), (j), (k), (n), (o) and (p) of Section 2 of this Article II.

**Section 4. First Board of Managers.** The first Board of Managers shall consist of persons designated by the Sponsor, who shall hold office and exercise all powers of the Board of Managers until the first meeting of Unit Owners called for the purpose of electing Managers. 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 6 of this Article.

**Section 5. Removal of Members of the Board of Managers.** At any regular or special meeting of Unit Owners, any one or more of the members of the Board of Managers, other than a member designated by the Sponsor or Sponsor-designee, may be removed without cause by the affirmative vote of Unit Owners whose aggregate Common Interest exceeds ninety (90%) percent of the Common Interest of the Condominium, and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Managers whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting. A member of the Board of Managers designated by the Sponsor or Sponsor-designee may only be removed by the Sponsor or a Sponsor-designee and only they shall have the right to designate a replacement. If a member of the Board of Managers ceases to be a Unit Owner, the principal or officer of a Unit Owner or the spouse of a Unit Owner, unless such member is the Sponsor or a Sponsor-designee, he shall be deemed to have resigned, effective as of the date such ownership interest ceased.

**Section 6. Vacancies.** Vacancies on the Board of Managers caused by any reason, other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by a vote of the majority of the remaining members at a special meeting of the Board of Managers held for that purpose, promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Managers until a successor is elected and qualified at the next annual meeting of the Unit Owners. If all members of the Board of Managers die or resign, any Unit Owner may call a special meeting of Unit Owners as provided herein, and Managers for the unexpired term may be elected at such special meeting in the manner provided for their election at the annual meeting. Notwithstanding the foregoing, vacancies of members designated by the Sponsor or Sponsor-designee shall be filled only by a person designated by the Sponsor or Sponsor-designee.

**Section 7. Organization Meeting.** The first meeting of the members of the Board of Managers following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by a majority of the members of the Board of Managers, elected at the meeting at which they shall have been elected, and no notice shall be necessary to

the newly elected members of the Board of Managers in order to legally constitute such meeting, providing a majority of the whole Board of Managers shall be present thereat.

**Section 8. Regular Meetings**. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Managers, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each member of the Board of Managers, by mail or telegraph, at least five (5) business days prior to the day named for such meeting. The business to be transacted at any regular meeting of the Board of Managers need not be specified in the notice of such meeting.

**Section 9. Special Meetings.** Special meetings of the Board of Managers may be called by the President on three (3) business days' notice to each member of the Board of Managers. Notice of special meetings shall be given by mail, telegraph or personal delivery to each member of the Board of Managers and shall state the time, place and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) members of the Board of Managers.

**Section 10. Waiver of Notice.** Any member of the Board of Managers may at any time waive notice of any meeting of the Board of Managers in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Managers at any meeting of the Board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**Section 11. Quorum of Board of Managers.** At all meetings of the Board of Managers, a majority of the members thereof shall constitute a quorum for the transaction of business, and the votes of a majority of the members of the Board of Managers present at a meeting at which a quorum is present shall constitute the decision of the Board of Managers. If, at any meeting of the Board of Managers, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum shall be present. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called, may be transacted without further notice. Any action required or permitted to be taken by the Board of Managers or any committee thereof may be taken without a meeting if all members of the Board consent in writing to the adoption of a resolution authorizing such action, and the writing or writings are filed with the minutes of the proceedings of the Board or the committee.

**Section 12. Fidelity Bonds.** The Board of Managers may obtain fidelity bonds in the amount of $50,000.00 or more for all officers and employees of the Condominium handling or responsible for Condominium funds and for the managing agent. The premiums on such bonds, if obtained, shall constitute a Common Expense.

**Section 13. Compensation.** No member of the Board of Managers shall receive any salary or compensation from the Condominium for his services as Manager.

**Section 14. Liability of the Board of Managers.** The members of the Board of Managers shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Managers against any liability or claims except those arising out of the bad faith or willful misconduct of the members of the Board of Managers. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Condominium within the scope of their authority. It is understood and permissible for the original Board of Managers who are members of the Sponsor, to contract with the Sponsor and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Managers or by the managing agent or by the manager, on behalf of the Condominium, shall provide that the members of the Board of Managers, or the managing agent, or the manager, as the case may be, are acting only as agent for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

**Section 15. Executive Committee.** The Board of Managers may, by resolution duly adopted, appoint an Executive Committee to consist of three (3) or more members of the Board of Managers, at least one of whom shall be a member designated by the Sponsor or Sponsor-designee, so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board. Such Executive Committee shall have and may exercise all the powers of the Board of Managers in the management of the business and affairs of the Condominium during the intervals between the meetings of the Board of Managers insofar as may be permitted by law, except that the Executive Committee may not exercise any of the powers set forth in subdivisions (b), (e), (g), (h), (i) and (o) of Section 2 of Article II.

**Section 16. Other Committees.** The Board of Managers may, by resolution, create such other committees as it shall deem appropriate and such committees shall have such powers and authority as the Board of Managers shall vest therein. The members of any such committee, at least one of whom shall be designated by the Sponsor or a Sponsor-designee, so long as the Sponsor or Sponsor-designee has the right to designate a member of the Board, shall be appointed by the President of the Condominium. The members of any such committee need not be a member of the Board of Managers, but must be eligible to be elected to the Board of Managers. Such committee shall not have power to do any act which the Executive Committee may not do under Section 15 of Article II.

## ARTICLE III
## UNIT OWNERS

**Section 1. Annual Meetings.**

a. Within sixty (60) days after the closing of title to Units whose aggregate Common Interest equals more than ninety (90%) percent, the Sponsor shall call a special Unit Owners meeting for the purpose of electing a Board of Managers. At such meeting, the Board of Managers shall resign and a new Board shall be elected by the Unit Owners. Thereafter, annual meetings shall be held on or about the anniversary of such date each succeeding year. At such meetings, there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article II of these By-Laws. The Unit Owners may also transact such other business of the Condominium as may properly come before them.

b. The Sponsor or Sponsor-designee shall not retain voting control of the Board of Managers for more than five (5) years after the closing date or whenever the Sponsor or Sponsor-designee shall transfer title to Units, the percentage Common Interest of which, in the aggregate, equals more than ninety (90%) percent whichever first occurs. The Sponsor, during the time there are Unsold Units, will have the right to, and intends to, vote the percentage of Common Interests allocated to such Units, but subsequent to its relinquishing voting control of the Board of Managers. The Sponsor will not use such vote to elect a particular individual to the Board of Managers which would, by the election of such individual, give the Sponsor voting control of the Board. So long as the Sponsor or Sponsor-designee shall continue to own: (i) Units representing 40% or more in Common Interest the Sponsor or Sponsor-designee shall have the right to elect one less than a majority of the members of the Board of Managers; or (ii) Units representing less than 40% in Common Interest, the Sponsor or Sponsor-designee shall have the right to elect at least one member of the Board of Managers. The Unit Owners may transact such other business at such meetings as may properly come before them.

**Section 2. Place of Meetings.** Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

**Section 3. Special Meetings.** It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by a majority of the Unit Owners as defined in Section 9 of this Article III having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice for such meeting.

**Section 4. Notice of Meetings.** It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners, at least ten (10) but not more than thirty (30) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the building or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary. The mailing of a notice of meeting in the manner provided for in this Section shall be considered service of notice.

**Section 5. Adjournment of Meetings.** If any meeting of Unit Owners cannot be held because a quorum is not present, a majority of the Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum shall be present. No such adjourned meeting shall be held earlier than forty-eight (48) hours from the time the prior meeting was called.

**Section 6. Order of Business.** The order of business at all meetings of the Unit Owners shall be as follows:

a. call to order;
b. roll call and presentation and examination of proxies;
c. presentation of proof of due calling of meeting;
d. reading of minutes of previous meeting;
e. reports of officers;
f. report of Board of Managers;
g. reports of committees;
h. appointment of inspectors of election (when so required);
i. election of members of the Board of Managers (when so required);
j. unfinished business;
k. new business;
l. adjournment.

**Section 7. Title to Units.** Title to Units may be taken in the name of an individual or in the names of two (2) or more persons, as joint tenants, tenants-in-common, tenants by the entirety or in the name of a corporation or partnership, or in the name of a fiduciary or trust, estate, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity permitted to own real property in the State of New York. The term "Unit Owner" as used in these By-Laws shall include any person, group of persons, association or entity taking title as set forth in this Section. The above shall not constitute consent or condonation of any activity not permitted under existing certificates of occupancy, zoning requirements or other applicable law or regulation.

**Section 8. Voting.** The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on his or their behalf, who need not be an Owner, shall be entitled to cast the votes appurtenant to such Unit at all meetings of Unit Owners. The designation of any such proxy shall be made in writing but need not be acknowledged or witnessed and shall be filed with the Secretary at or previous to the time of the meeting and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of Unit Owners. The Owners of each Unit (including the Sponsor or Sponsor-designee, if the Sponsor or his designee shall then own one or more Units) shall be entitled to cast one vote for each 0.0001% of interest in the Common Elements attributable to the Unit or Units owned by them on all matters put to a vote at all meetings of Unit Owners; except that, when voting for the election of members of the Board of Managers, each Unit Owner: (i) shall be entitled to one vote for each 0.0001% of Common Interest attributable to his Unit per member to be elected, and (ii) shall not have the right to cumulate his votes in favor of any one or more members to be elected. If one or more

Units are owned by more than one person as joint tenants, tenants-in-common, tenants by the entirety or in the name of a corporation or partnership or other entity permitted for herein, the persons owning said Unit shall agree among themselves and cast the votes for their Unit. A fiduciary shall be the voting member with respect to any Unit in a fiduciary capacity. Any Unit or Units owned by the Board of Managers or his designee shall not be entitled to vote.

**Section 9. Majority of Unit Owners.** As used in these By-Laws the term "majority of Unit Owners" shall mean those Unit Owners having greater than 50% of the total authorized votes of all Unit Owners present in person or by proxy and voting at any meeting of the Unit Owners, determined in accordance with the provisions of Section 8 of this Article III.

**Section 10. Quorum.** Except as otherwise provided for in these By-Laws, the presence in person or by proxy of a majority of Unit Owners shall constitute a quorum at all meetings of the Unit Owners.

**Section 11. Majority Vote.** The vote of a majority of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where, in the Declaration or these By-Laws or by law, a higher percentage vote is required.

**Section 12. Action Without Meeting.** Any action required or permitted to be taken by the Unit Owners may be taken without a meeting if the number of Unit Owners required by the Declaration, these By-Laws or applicable law, consent in writing to the adoption of a resolution authorizing such action and the writing or writings are filed with the records of the Condominium.

## ARTICLE IV
## OFFICERS

**Section 1. Designation.** The principal officers of the Condominium shall be the President, the Vice President, the Secretary and the Treasurer, all of whom shall be elected by the Board of Managers. The Board of Managers may appoint an Assistant Treasurer, an Assistant Secretary, and such other officers as in its judgment may be necessary. The President and Vice President, but no other officers, each must be both a member of the Board of Managers and either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner.

**Section 2. Election of Officers.** The officers of the Condominium shall be elected annually by the Board of Managers at the organization meeting of each new Board of Managers and shall hold office at the pleasure of the Board of Managers and until their successors are elected.

**Section 3. Removal of Officers.** Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Managers, or at any special meeting of the Board of Managers called for such purpose.

**Section 4. President.** The President shall be the chief executive officer of the Condominium. He shall preside at all meetings of the Unit Owners and of the Board of Managers. He shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including but not limited to, the power to appoint members of committees created by the Board of Managers from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Condominium.

**Section 5. Vice President.** The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Managers shall appoint some other member of the Board of Managers to act in the place of the President, on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Managers or by the President.

**Section 6. Secretary.** The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Managers; he shall have charge of such books and papers as the Board of Managers may direct; and he shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

**Section 7. Treasurer.** The Treasurer shall have the responsibility for Condominium funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. He shall be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Managers, or the managing agent, in such depositories as may from time to time be designated by the Board of Managers, and he shall, in general, perform all the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

**Section 8. Agreements, Contracts, Deeds, Checks, etc.** All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two (2) officers of the Condominium or by such other person or persons as may be designated by the Board of Managers.

**Section 9. Compensation of Officers.** No officer shall receive any salary or compensation from the Condominium for his services as officer.

**Section 10. Liability of Officers.** The officers of the Condominium shall have the same rights and liabilities as the members of the Board of Managers under Article II Section 14 of these By-Laws.

## 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, Unit Owner or mortgagee, it shall not be construed to mean personal notice; but such notice may be given in writing, by mail, by depositing the same in a post office or letter box, in a postpaid sealed wrapper, addressed to the Board of Managers, any manager, Unit Owner or mortgagee at such address as appears on the books of the Condominium. Members of the Board of Managers may be given notice in writing personally delivered to them.

**Section 2. Service of Notice Waiver.** Whenever any notice is required to be given under the provisions of the Declaration or of these By-Laws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

## ARTICLE VI
## OPERATION OF THE PROPERTY

**Section 1. Determination of Common Expenses and Fixing of Common Charges.** The Board of Managers shall from time to time, at least annually, prepare a budget for the Condominium, determine the amount of Common Charges payable by the Unit Owners and determine the License Fees payable by the License holders, to meet the Common Expenses of the Condominium and allocate and assess such Common Charges among the Unit Owners according to their respective Common Interests and among License holders according to their usage of the parking spaces. The Board of Managers, in apportioning expenses for insurance on the Building may take into consideration higher premium rates on some units than on others. The Board of Managers may also specially allocate and apportion profits and expenses to residential and/or non-residential units based on special or exclusive use or availability or exclusive control of particular unit owners in a manner different than in proportion to a Unit Owner's respective interest in the Common Elements. The Common Expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board of Managers pursuant to the provisions of Section 2 of this Article VI and the fees and disbursements of the Insurance Trustee, if any. The Common Expenses shall also include such amounts as the Board of Managers may deem proper for the operation and maintenance of the Property, including, without limitation, an amount for working capital of the Condominium for a general operating reserve, and for a reserve fund for replacements, to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board of Managers or his designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale, together with such amounts as may be necessary to maintain such Unit(s). The Board of Managers shall also, where necessary, impose an assessment or additional Common Charge in order to meet any unanticipated Common Expense. The Board of Managers shall advise all Unit Owners, promptly, in writing, of the amount of Common Charges payable by each of them, respectively, as determined by the Board of Managers, as aforesaid,

and shall furnish copies of each budget on which such charges are based, to all Unit Owners and to their mortgagees, if so required.

The Sponsor or Sponsor-designee shall be responsible for the Common Charges assessed against a Unit owned by it from the date of the First Unit Closing until such Unit is sold to a bona fide Purchaser.

While the Board of Managers has the authority to arbitrarily raise the License Fees of the Parking Space Licenses, any such raises must be done in good faith and with cause. The Board of Managers shall not have the right to raise the monthly License Fee charged to one License holder without raising the monthly License Fees to the other License holders, in an equal amount, unless the Board of Managers will be able to demonstrate that such raise is done in good faith and said raise is fair and just.

**Section 2. Insurance.** The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: (1) fire insurance with extended coverage, vandalism and malicious mischief endorsements, insuring the Building containing the Units (including all of the Units and the fixtures initially installed therein by the Sponsor or by prior construction and any other property usual to the servicing and general occupancy, but not including improvements, furniture, furnishings or other personal property supplied or installed by Unit Owners), together with all service machinery and equipment contained therein and covering the interests of the Condominium, the Board of Managers and all Unit Owners and their mortgagees as their interests may appear, in an amount to be determined by the Board of Managers but in no event to be less than eighty (80%) percent of the full replacement cost of the Building, including the above noted items, but exclusive of footings and foundations, as approved by a fire insurance company or a qualified insurance broker; each of said policies shall contain a Condominium Property Endorsement and a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee, if any, as herein provided; (2) worker's compensation insurance, if the Condominium has employees; (3) disability benefits insurance if the Condominium has employees; and (4) such other insurance as the Board of Managers may determine. All policies of physical damage insurance shall provide that adjustment of loss shall be made by the Board of Managers (with the approval of the Insurance Trustee, if any, if more than $50,000.00), and that the total proceeds thereof, if $50,000.00 or less, shall be payable to the Board of Managers, and if more than $50,000.00, shall be payable to the Insurance Trustee, if any.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insured as a result of any insurance carried by Unit Owners or of invalidity arising from any acts of the insured or any Unit Owners, and the individual Unit Owners as well as the Condominium shall be primary insureds to the extent as their interests shall also appear. 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 of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at

least ten (10) days prior to expiration of the then current policies if so requested in writing by them.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, the manager and each Unit Owner. Such public liability coverage shall also cover cross-liability claims of one insured against another. Until the first meeting of the Board of Managers elected by the Unit Owners the public liability insurance will be in a limit of at least $1,000,000.00 covering all claims for bodily injury with respect to any one occurrence.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that all such policies shall contain waivers of subrogation and further provided that the liability of the carriers issuing insurance obtained by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner. Such policies shall be so endorsed so as to state that they will in no way conflict with any insurance carried by the Board of Managers.

If, by reason of the occupancy or use of either a Commercial Unit or a Residential Unit, the rate of fire or liability insurance for the Property shall be increased, such Unit Owner shall (if such occupancy or use continues for more than thirty (30) days after written notice from the Board of Managers specifying the occupancy or use) become liable for the additional insurance premiums incurred by the Condominium as if such additional premium constituted an assessment.

**Section 3. Repair or Reconstruction After Fire or Other Casualty.** In the event of a fire or other casualty which damages or destroys less than seventy-five (75%) percent of the Building containing the Units, the Board of Managers shall arrange for the prompt repair and restoration of the Building containing the Units (including any damaged Units, and any kitchen and bathroom fixtures and floor coverings initially installed therein by the Sponsor, but not including any wall, ceiling or floor decorations or coverings or other improvements, furniture, furnishings, fixtures, appliances or equipment installed in the Units by the Unit Owners), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies in appropriate progress payments for distribution to the contractors engaged in such repairs and restoration. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Building containing the Units is destroyed or substantially damaged and Unit Owners whose percentage of Common Interest totals seventy-five (75%) percent in the aggregate of the total Common Interest do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section 3, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration, then the excess of

such insurance proceeds) shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interest, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Whenever in this Section the words "promptly repair" are used it shall mean repairs are to begin not more than sixty (60) days from the date the Insurance Trustee notified the Board of Managers and the Unit Owner or Unit Owners that it shall hold proceeds of insurance funds sufficient to pay the estimated costs of such work; or not more than ninety (90) days after the Insurance Trustee notified said Board of Managers and Unit Owner or Unit Owners that such funds are insufficient to pay said estimated costs and advising them of the amount of the required completion bond, if necessary. If there is no Insurance Trustee, then the aforementioned sixty (60) and ninety (90) day periods shall be from the date of notification by an insurance adjuster retained by the Board of Managers. Wherever the words, "promptly resolve" are used it shall mean not more than sixty (60) days from the date of receipt of said insurance funds.

**Section 4. Payment of Common Charges.** All Unit Owners shall be obligated to pay the Common Charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine. All License Holders shall be obligated to pay the Common Charges assessed by the Board of Managers pursuant to the provisions of Section 1 of this Article VI at such time or times as the Board of Managers shall determine

No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against his Unit subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VIII of these By-Laws) of such Unit, together with the Appurtenant Interests, as defined in Section 1 of Article VIII hereof. No License holder shall be liable for the payment of any part of the License Fees assessed against the License subsequent to a sale, transfer or other conveyance by him (made in accordance with the provisions of Section 1 of Article VIII of these By-Laws) of such License, together with the Appurtenant Interests, as defined in Section 1 of Article VIII hereof. In addition, any Unit Owner may, subject to the terms and conditions specified in these By-Laws, provided that his Unit is free and clear of liens and encumbrances, other than permissible mortgages and the statutory lien for unpaid Common Charges, convey his Unit, together with the "Appurtenant Interests" to the Board of Managers, or his designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from Common Charges thereafter assessed. A Purchaser of a Unit shall be liable for the payment of Common Charges assessed and unpaid against such Unit prior to the acquisition by him of such Unit, except that a mortgagee or other Purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for and such Unit shall not be subject to a lien for the payment of Common Charges assessed prior to the foreclosure sale, or for more than six months of delinquent common charges, whichever is less.

**Section 5. Collection of Common Charges and Assessments.** The Board of Managers shall assess Common Charges against the Unit Owners from time to time at least annually and shall take prompt action to collect any Common Charges due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof. The Board of

Managers shall also take prompt action to collect any assessment due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date thereof. Common Charges and assessments shall be paid by the fifth day of the month in which they are due or they shall be deemed to be late. The Board of Managers shall have the right to place a lien against a Unit whose Owner fails to pay common charges for the Unit within fifteen days of same becoming due and payable.

The Board of Managers shall assess License Fees against the License holders from time to time and shall take prompt action to collect any License Fees due from any License holder, which remain unpaid for more than thirty (30) days from the due date for payment thereof. The License Fees collected by the Board of Managers shall be used to maintain the parking area. The Board of Managers shall take prompt action to collect any License Fee due from any holders which remain unpaid for more than thirty (30) days from the due date thereof. License Fees shall be paid by the fifth day of the month in which they are due or they shall be deemed to be late.

License holders who fail to make payments of the License Fees for two (2) consecutive months shall be subject to suspension of their Licenses by the Board of Managers. If the Board of Managers suspends a Licensee's right to use the parking space and then re-instates such right, the Licensee will be liable for any reasonable administrative costs incurred by the Board of Managers in suspending and re-instating the Licensee's rights. During the times in which a License is suspended the Board of Managers shall have the right to use the Licensed premises as they see fit, with out accountability to the suspended License's holder, so long as such use does not prohibit the Licensee from using the premises upon consummation of the suspension.

The Board of Managers shall have the right to revoke the License of a License holder, except the Sponsor, if the License holder fails to pay License Fees which accumulate to more than five hundred ($500.00) dollars, per License. Such revocation shall be made by sending, via certified mail with return receipt request, notice to the License holder stating that thirty days (30) from the mailing of the notice the Board of Managers shall revoke the License unless all License Fees and penalties are paid. If such fees and penalties are not paid within said Thirty (30) day period the Board of Managers shall have the right to revoke the License with no future obligation to the License holder. Upon the revocation of a License by the Board of Managers shall be authorized to issue a new License in place of the revoked License.

**Section 6. Default in Payment of Common Charges or Assessments.** In the event of default by any Unit Owner or License holder in paying to the Board of Managers the Common Charges or any assessment as determined by the Board of Managers, such Unit Owner shall be obligated to pay interest at the highest legal rate on such Common Charges, assessments or License Fees from the due date thereof, together with all expenses, including late fees charged by the Board of Managers and attorneys' fees incurred by the Board of Managers in any proceeding brought to collect such unpaid Common Charges or assessments. The Board of Managers shall have the right and duty to attempt to recover such Common Charges, assessments or License Fees, together with interest thereon, and the expenses of the proceeding, including attorneys' fees, in an action to recover the same brought against such Unit Owner, or by foreclosure of the lien on such Unit granted by Section 339-z of the Real Property Law of the State of New York, in the manner provided in Section 339-aa thereof. A Unit Owner defaulting in the payment of Common

Charges or assessments shall not be permitted to vote at any regular or special meeting of Unit Owners. A License holder who defaults in paying License Fees shall be subject to suspension or revocation of the License

THE SPONSOR SHALL CAUSE THE BOARD OF DIRECTORS TO FILE A LIEN AS PROVIDED FOR IN SECTION 339-aa OF THE REAL PROPERTY LAW ON UNITS IN WHICH THE SPONSOR IS MORE THAN 30 DAYS IN ARREARS OF COMMON CHARGES WHILE IT IS IN CONTROL OF THE BOARD OF DIRECTORS.

**Section 7. Foreclosure of Liens for Unpaid Common Charges.** In any action brought by the Board of Managers to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Managers, acting on behalf of all Unit Owners, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, convey or otherwise deal with the same (but not to vote the votes appurtenant to). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing the same.

**Section 8. Statement of Common Charges and Assessments.** The Board of Managers, managing agent or manager shall promptly provide any Unit Owner, or License holder, so requesting the same in writing, with a written statement of all unpaid Common Charges, assessments, or License Fees due from such Unit Owner.

**Section 9. Abatement and Enjoinment of Violations by Unit Owners.** The violation of any rule or regulation adopted by the Board of Managers, or the breach of any By-law contained herein, or the breach of any provision of the Declaration, shall give the Board of Managers the right, in addition to any other right set forth in these By-Laws: (a) upon reasonable notice to the Unit Owner, to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof (provided, however, that no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of the Property of the Condominium or for the safety of residents of the Condominium or other persons or required to avoid the suspension of any necessary service to the Condominium); or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; and (c) in any event, charge the Unit Owner with the cost of reasonable legal and other fees and costs incurred in enjoining, abating or remedying such violation.

**Section 10. Maintenance and Repairs.**

a. All maintenance of and repairs to any Unit, ordinary or extraordinary, and to the doors (except painting the exterior side of Unit entrance door), windows (except painting the exterior side of windows), electrical (except Common Elements), plumbing (except Common Elements) and heating fixtures, air conditioning units and appliances, if any, within the Unit or belonging to the

Unit Owner shall be at the Unit Owner's expense, excepting as otherwise specifically provided herein.

b. All maintenance, repairs and replacements to the General Common Elements as defined in the Declaration, and the painting, decorating, maintenance and repairs of the exterior side of Unit entrance doors and windows and the replacements of the windows and Unit entrance doors will be made by the Board of Managers and be charged to all the Unit Owners as a Common Expense, except to the extent that the same are necessitated by the negligence, misuse or neglect of a Unit Owner, in which case such expense will be charged to such Unit Owner. Maintenance, repair and replacements in or to the Limited Common Elements as defined in the Declaration will be performed (a) by the Board of Managers as a Common Expense, if such Limited Common Element involves structural or extraordinary maintenance, repairs or replacements (including, but not limited to, all necessary waterproofing of the Limited Common Elements except as set forth below, and the repair of any leaks that are not caused by the acts or omissions of the Unit Owner, having direct and exclusive access thereto), or (b) the Unit Owner having direct and exclusive access thereto at his sole cost and expense, if involving non-structural ordinary maintenance, repairs or replacements, including but not limited to painting, decorating and/or maintenance, waterproofing, repair and/or replacement of decking, tile or other terrace or roof deck surface adjacent to the Units, terrace or roof railings and/or means of roof or terrace access constructed or installed by or at the request of the Unit Owner, or as a result of the Unit Owner's negligence, misuse or neglect.

**Section 11. Restrictions on Use of Units.** In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

a. The Residential Units shall be used only for a private residence, except that a Unit Owner may use his Residential Unit for any home occupation use permitted under applicable zoning law and ordinance, building code or other rules and regulations of governmental authorities having jurisdiction thereof. Notwithstanding the foregoing, the Sponsor or Sponsor-designee shall have the right, without charge, (i) to maintain general, sales or leasing offices in one or more Units or elsewhere on the Property, to use one or more Units as models and for other promotional purposes and to erect and maintain signs on the Property; (ii) to have its employees, contractors and sales agents present on the Property; (iii) to do all things necessary or appropriate, including the use of the Common Elements, to sell or lease Units and to complete construction of the Building or Units and to comply with its obligations. Except as hereinafter provided, any Commercial Units may be used for any legal use permitted by the certificate of occupancy, Zoning Resolution of the City of New York or other applicable laws. In addition, any Commercial Unit Owner or tenant thereof may install, maintain and repair signs for advertising and identification purposes in accordance with applicable law. The Parking Units will be used only for an automobile parking.

b. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incidental to the use and occupancy of Units.

c. No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the Property by its residents.

d. No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

e. With the exception of a Commercial Unit, no portion of a Unit other than the entire Unit, including any Limited Common Elements appurtenant thereto may be rented. Portions of the Commercial Unit may be rented to the same or different persons or entities.

**Section 12. Additions, Alterations or Improvements by Board of Managers.** Subject to the provisions of Section 2 of Article II of these By-Laws, whenever in the judgment of the Board of Managers the Common Elements shall require additions, alterations or improvements (but not maintenance) costing in excess of $50,000.00, and the making of such additions, alterations or improvements shall have been approved by a majority of the Unit Owners, the Board of Managers shall proceed with such additions, alterations or improvements and shall assess all Unit Owners for the cost thereof as a Common Expense. Any additions, alterations or improvements costing $50,000.00 or less may be made by the Board of Managers without approval of the Unit Owners and the cost thereof shall constitute part of the Common Expenses.

**Section 13. Additions, Alterations or Improvements by Unit Owners**. Except as provided below, no Unit Owner shall make any addition, alteration or improvement in or to his Unit which is structural or which affects the exterior of the Building or the value of other Units, without the prior written consent thereto of the Board of Managers which consent shall not be unreasonably withheld. In connection with the approval of any addition, alteration or improvement by a Unit Owner as required herein, the Board of Managers may require that such Unit Owner enter into a written agreement, reasonably satisfactory to the Board of Managers, regarding such work. Such agreement may include, but shall not be limited to, provisions for adequate insurance, indemnification of the Condominium and the Board of Managers, submission of all plans and specifications to the Board of Managers, and restrictions on the hours during which the work may be done. Any application to any department of the City of New York or to any other governmental authority for a permit to make an addition, alteration or improvement in or to any Unit shall be executed by the Board of Managers only, without however, incurring any liability on the part of the Board of Managers or any of them to any contractor, subcontractor or materialman on account of such addition, alteration or improvement, or to any person having any claim for injury to person or damage to property arising therefrom.

In the event the Board of Managers grants its consent to any addition, alteration or improvement to be made by a Unit Owner in accordance with the provisions of this Section 13, such consent shall be deemed to provide that any such work shall be at the Unit Owner's sole cost and expense, that work shall be done in accordance with all governmental or quasi-

governmental laws, rules, regulations, codes and ordinances, that all work shall be done by reputable contractors with adequate liability, property damage and worker's compensation insurance (certificates of which shall be delivered to the Board of Managers prior to the commencement of construction), that any additions, alterations or improvements, shall be maintained in their entirety by said Unit Owner who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by such addition, alteration, or improvement, or due to improper design or construction of such addition, alteration, or improvement, and such approval shall further provide that the Unit Owner shall reimburse the Board of Managers for any out-of-pocket expenses incurred by the Board of Managers in connection with the granting of such approval and for any services provided in connection with such addition, alteration, or improvement; such expenses may include, but shall not be limited to, any fees of an attorney and/or fees of an architect consulted in connection with any request by a Unit Owner for approval of such work..

The provisions of this Section 13 which require the consent of the Board of Managers in connection with an addition, alteration or improvement in or to a Unit which is structural or which affects the exterior of the Building or the value of other Units shall not apply to Units owned by the Sponsor, his designee, or a Commercial Unit Owner. The Sponsor, his designee, or a Commercial Unit Owner shall not need such consent. All other provisions of this Section 13 shall apply to all Units. For example, with respect to such addition, alteration or improvement to a Sponsor-owned Unit, or a Commercial Unit, such work shall be at the sole cost and expense of the Sponsor and/or his designee or a Commercial Unit Owner, and shall be done in accordance with all governmental or quasi-governmental laws, rules, regulations, codes and ordinances. All work must be done by reputable contractors with adequate liability, property damage and Workers Compensation insurance (certificates of which shall be delivered to the Board of Managers prior to the commencement of construction). Any such additions, alterations or improvements, shall be maintained in their entirety by the Sponsor, his designee, or a Commercial Unit Owner, as the case may be, who shall also be responsible for any repairs, including structural repairs, to such area in any event, and to the Unit and any Common Elements where such repairs become necessary, due to additional stresses caused by any addition, alteration, or improvement, or due to improper design or construction of the structural addition, alteration, or improvement. Additionally, the Sponsor, his designee and/or a Commercial Unit Owner, as the case may be, shall reimburse the Board of Managers any reasonable out-of-pocket expenses incurred by the Board of Managers for any services provided in connection with such addition, alteration, or improvement.

Non-structural additions, alterations or improvements to Units that do not affect the exterior of the Building or the value of other Units may be made without the prior approval of the Board of Managers except that the Board of Managers may require that the Unit Owner enter into a written agreement, reasonably satisfactory to the Board of Managers, regarding such work as required for additions, alterations or improvements which require the consent of the Board of Managers, prior to commencing such work.

**Section 14. Use of Common Elements and Facilities.** A Unit Owner shall not place or cause to be placed in the lobby, public halls, stairways or other common areas or common facilities,

any furniture, packages or objects of any kind. The public halls and stairways shall be used for no purpose other than for normal transit through them. The Sponsor and any Sponsor-designee shall have the right to use the Common Elements, without charge, for the purposes set forth in Section 11 of this Article VI.

**Section 15. Right of Access.** A Unit Owner shall grant a right of access to his Unit, to the manager and/or the managing agent and/or any other person authorized by the Board of Managers, the manager or the managing agent, for the purpose of making inspections or for the purpose of correcting any condition originating in his Unit and threatening another Unit or a Common Element, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in his Unit or elsewhere in the Building, or remedying any condition which would violate the provisions of any mortgage encumbering another Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof, or to cure any defaults by a Unit Owner or for any other purposes permitted by these By-Laws, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Owner. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. In the event of the exercise of the right of access provided for in this Section 15, any costs for repairs shall be borne in accordance with the provisions of Section 10 of this Article VI.

**Section 16. Rules of Conduct.** Rules and regulations concerning the use of the Units and the Common Elements may be promulgated and amended by the Board of Managers. The vote of a majority of Unit Owners at a meeting may overrule the Board. Copies of such Rules and Regulations shall be furnished by the Board of Managers to each Unit Owner prior to the time when the same shall become effective. Initial Rules and Regulations, which shall be effective until amended by the Board of Managers are annexed hereto and made a part hereof as Schedule A. Notwithstanding this provision, for as long as the Sponsor or his designee remains the Owner of one or more Units, the Rules and Regulations of the Condominium may not be amended or modified in any way so as to adversely affect the Sponsor or his designee without the Sponsor's prior written consent.

**Section 17. Water Charges and Sewer Rents.** Water shall be supplied to all of the Residential Units and Commercial Units and the Common Elements through one or more building meters or pursuant to a frontage charge and, the Board of Managers shall pay, as a Common Expense, all charges for water consumed by the Residential Units and Commercial Units, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. In the event separate water meters are installed for each Commercial Unit, the Commercial Unit Owners shall reimburse the Condominium in full for such usage as additional Common Charges. In such event, the Common Charges payable by the Commercial Unit owners shall not include any portion of the water charges attributable to the Residential Units. In the event of a proposed sale of a Unit by the Owner thereof, the Board of Managers, on request of the selling Unit Owner, shall execute and deliver to the Purchaser of such Unit or to the Purchaser's title insurance company, a letter agreeing to pay all charges for water and sewer rents affecting the Unit as of the date of closing of title to such Unit, promptly after such charges shall have been billed.

**Section 18. Utilities.** Except for heat, hot water, telephone, cable and air-conditioning service, gas and electricity in each Unit all utilities shall be paid for by the Condominium as a Common Expense.

**Section 19. Vault Charges.** All License Fees and all periodic taxes and charges for street vaults or other protrusions, if any, beyond the lot line shall be paid by the Board of Managers as a Common Expense.

## ARTICLE VII
## MORTGAGES

**Section 1. Notice to Board of Managers.** A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a conformed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units."

**Section 2. Notice of Unpaid Common Charges.** The Board of Managers, when so requested in writing by a mortgagee of a Unit, shall promptly notify any mortgagee of a Unit of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and Regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

**Section 3. Notice of Default.** The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

**Section 4. Examination of Books.** Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium, during business days, at reasonable times, upon reasonable notice to the manager, managing agent or Board of Managers.

## ARTICLE VIII
## SALES, LEASES AND MORTGAGES OF UNITS

**Section 1. Sales and Leases.** No Unit Owner other than the Sponsor or Sponsor-designee may sell or lease his Unit or any interest therein except by complying with the provisions below. The Sponsor or Sponsor-designee need not comply with such provisions.

Any Unit Owner who receives a bona fide offer for the sale of his Unit together with: (i) the undivided interest in the Common Elements and any Limited Common Elements appurtenant thereto; (ii) the interest of such Unit Owner in any Units theretofore acquired by the Board of Managers, or his designee, on behalf of all Unit Owners, or the proceeds of the sale or lease thereof, if any; (iii) the interest of such Unit Owner in any other assets of the Condominium, as defined in the Declaration (hereinafter collectively called the "Appurtenant Interests"); or a bona

fide offer for a lease of his Unit (such proposed sale or lease, as the case may be is hereinafter called an "Outside Offer"), which he intends to accept, shall give notice by hand or by certified or registered mail to the Board of Managers of such offer and of such intention, the name and address of the proposed Purchaser or lessee, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require, and shall offer to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, to the Board of Managers, or his designee, corporate or otherwise, on behalf of the Owners of all other Units, on the same terms and conditions as contained in such Outside Offer. The giving of such notice shall constitute a warranty and representation by the Unit Owner who has received such offer, to the Board of Managers, on behalf of the other Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. Within thirty (30) days after receipt of such notice, the Board of Managers may elect to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by his designee, corporate or otherwise), on behalf of all other Unit Owners, on the same terms and conditions as contained in the Outside Offer and as stated in the notice from the offering Unit Owner.

In the event the Board of Managers shall elect to purchase such Unit, together with the Appurtenant Interests, or to lease such Unit, or to cause the same to be purchased or leased by his designee, corporate or otherwise, title shall close or a lease shall be executed at the office of the attorneys for the Condominium in accordance with the terms of such offer but in no event less than forty-five (45) days after the giving of notice by the Board of Managers of its election to accept such offer. At the closing, the Unit Owner, if such Unit, together with the Appurtenant Interests, is to be sold, shall convey the same to the Board of Managers, or to his designee, on behalf of all other Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all transfer stamps affixed, and shall pay all other taxes arising out of such sale. In the event such Unit is to be leased, the offering Unit Owner shall execute and deliver to the Board of Managers, or to his designee, a lease between the offering Unit Owner, as landlord, and the Board of Managers, or his designee, as tenant, covering such Unit, for the rental and term contained in such Outside Offer.

In the event the Board of Managers or his designee fails to notify the offering Unit Owner of its decision to accept such offer within thirty (30) days after receipt of notice as aforesaid or to notify the offering Unit Owner within such (30) day period of its decision not to accept such offer, the offering Unit Owner shall be free to contract to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, within sixty (60) days after the expiration of the thirty (30) day period in which the Board of Managers or his designee might have accepted such offer, to the Outside Offeror, on the terms and conditions set forth in the notice from the offering Unit Owner to the Board of Managers of such Outside Offer. Any such deed to any Outside Offeror shall provide that acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended or assigned, without the prior written consent of the Board of Managers, and that the tenant shall not sublet the demised premises, or any part thereof, without the prior consent in writing of the Board of Managers, and that the Board of Managers shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the

event of default by the tenant in the performance of such lease. Except as hereinbefore set forth, the form of any such lease for Residential Units shall be the then current form of apartment lease recommended by Julius Blumberg, Inc., or the Real Estate Board of New York, Inc., with such modifications as shall be approved in writing by the Board of Managers. In the event the offering Unit Owner shall not, within such sixty (60) day period, contract to sell such Unit together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the Outside Offeror on the terms and conditions contained in the Outside Offer, or if the Unit Owner shall so contract to sell or lease his Unit within such sixty (60) day period, but such sale or lease shall not be consummated pursuant to the terms of such Outside Offer, then should such offering Unit Owner thereafter elect to sell such Unit, together with the Appurtenant Interests, or to lease such Unit, as the case may be, to the same or another Outside Offeror on the same or other terms and conditions, the offering Unit Owner shall be required to again comply with all of the terms and provisions of this Section 1 of this Article VIII.

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

THE BOARD OF MANAGERS MAY NOT DISCRIMINATE AGAINST ANY PERSON ON THE BASIS OF RACE, CREED, COLOR, NATIONAL ORIGIN, SEX, AGE, DISABILITY, MARITAL STATUS OR OTHER GROUNDS PROHIBITED BY LAW.

In the event that the Licensee, other than the Sponsor, sells his or her Unit, and does not own any other units at The Brighton Tower I Condominium, located at 3015 Brighton 6th Street or at The Brighton Tower II Condominium, located at 3047 Brighton 6th Street, Brooklyn, New York 11235, the Licensee shall be obligated to sell or assign this License to another authorized owner. In the event that the Licensee does not sell or assign this License at the sale of the Unit said Licensee shall automatically be deemed suspended. In the event that the Licensee does not sell or assign the License within thirty (30) days of the suspension date, the Board of Managers shall have the right to revoke the License.

**Section 2. Consent of Unit Owners to Purchase or Lease of Units by Board of Managers.** The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners.

**Section 3. No Severance of Ownership.** No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to his Unit without including therein the Appurtenant Interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the Appurtenant Interests of any Unit may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit to which such interest or interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the Appurtenant Interests of all Units.

**Section 4. Release by Board of Managers of Right of First Refusal.** The right of first refusal contained in Section 1 of this Article VIII may be released or waived by the Board of Managers, in which event the Unit, together with the Appurtenant Interests, may be sold, conveyed, or leased, free and clear of the provisions of such section.

**Section 5. Certificate of Termination of Right of First Refusal.** A certificate, executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article VIII have been met by a Unit Owner, or have been duly waived by the Board of Managers and the rights of the Board of Managers thereunder have terminated, shall be conclusive upon the Board of Managers in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any Unit Owner who has in fact complied with the provisions of Section 1 of this Article VIII or in respect to whom the provisions of such section have been waived, upon request.

**Section 6. Financing of Purchase of Units by Board of Managers.** Acquisition or lease of Units by the Board of Managers, or his designee, on behalf of all Unit Owners, may be made from the working capital and Common Charges in the possession of the Board of Managers, or, if such funds are insufficient, the Board of Managers may levy an assessment against each Unit Owner, other than the offering Unit Owner, in proportion to his ownership in the Common Elements, as a Common Charge, which assessment shall be enforceable in the same manner as provided in Section 6 and 7 of Article VI, or, the Board of Managers, in its discretion, may borrow money to finance the acquisition or lease of such Unit, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the Unit, together with the Appurtenant Interests, so to be acquired or leased by the Board of Managers.

**Section 7. Exceptions.** The provisions of Section 1 of this Article VIII shall not apply with respect to any sale or conveyance or lease by a Unit Owner of his Unit, together with the Appurtenant Interests, to his spouse or to any of his children or to his parent or parents or to his brothers or sisters, or any one or more of them, or to any Unit owned by the Sponsor or Sponsor-designee, or to the acquisition or sale of any Unit, together with the Appurtenant Interests, by a mortgagee herein authorized who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure or to the sale or lease of a Commercial Unit. However, the provisions of this section shall apply with respect to any Purchaser of a Unit from a mortgagee.

**Section 8. Gifts and Devises, etc.** Any Unit Owner shall be free to convey or transfer his Unit by gift or to devise his Unit by will, or to pass the same by intestacy, without restriction.

**Section 9. Waiver of Right of Partition with Respect to Such Units as are Acquired by the Board of Managers or his designee, on Behalf of All Unit Owners as Tenants in Common.** In the event that a Unit shall be acquired by the Board of Managers, or his designee, on behalf of all Unit Owners as tenants in common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit.

**Section 10. Payment of Common Charges and Assessments.** No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until he

shall have paid in full to the Board of Managers all unpaid Common Charges and assessments theretofore assessed by the Board of Managers against his Unit and until he shall have satisfied all unpaid liens against such Unit, except permitted mortgages.

No License holder shall be permitted to convey, sell or lease the Licensed area unless and until said License holder has paid in full, to the Board of Managers, all unpaid License Fees and assessments theretofore assessed by the Board of Managers against his License and until said License holder shall have satisfied all unpaid liens against such License.

**Section 11. Mortgage of Units.** No Unit Owner shall mortgage his Unit, except by a first and/or second mortgage made to a bank, savings bank, trust company, savings and loan association, credit union or similar banking institution whether organized under the laws of New York State, the United States or any other state, foreign banking corporation Licensed by the Superintendent of Banks of New York or regulated by the Comptroller of the Currency to transact business in New York State, insurance company duly organized or Licensed to do business in New York State or a purchase money mortgage made to the Sponsor, Sponsor-designee, or to the seller of the Unit. Any such mortgage shall be substantially in the form on file with the Board of Managers, except for such changes or additions as may be required in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted by the Board of Managers. A mortgage may be made to a reputable private lender, other than a lender as above described, provided the same is approved in writing by either the Sponsor, prior to the Sponsor's relinquishing control of the Board of Managers, or the Board of Managers, subsequent to the release of control by the Sponsor. Such approval shall be in the sole and absolute discretion of the Sponsor or the Board of Managers as the case may be. Prior to or simultaneously with the closing of any mortgage, the Unit Owner must satisfy all arrearages for unpaid Common Charges or assessments and discharge any liens therefor.

## ARTICLE IX
## CONDEMNATION

**Section 1. Condemnation.** In the event of a taking in condemnation or by eminent domain of part or all of the Common Elements, the award made for such taking shall be payable to the Board of Managers, if such award amounts to $50,000.00 or less, and to the Insurance Trustee, if any, if such award amounts to more than $50,000.00. If seventy-five (75%) percent or more of the Unit Owners duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers or the Insurance Trustee, as the case may be, shall arrange for the repair and restoration of such Common Elements, and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that seventy-five (75%) percent or more of the Unit Owners do not duly and promptly approve the repair and restoration of such Common Elements, the Board of Managers shall disburse the net proceeds of such award in the same manner as they are required to distribute insurance proceeds where there is no repair or restoration of the damage, as provided in Section 3 of Article VI of these By-Laws. As used in this Section, the words "promptly approve" shall mean not more than sixty (60) days from the date of such taking.

## ARTICLE X
## RECORDS

**Section 1. Records and Audits.** The Board of Managers or the managing agent or manager shall keep detailed records of the actions of the Board of Managers and the managing agent or manager, minutes of the meetings of the Board of Managers, minutes of the meetings of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon, and the balance remaining unpaid. In addition, it is the obligation of the Board of Managers of the Condominium to give to all Unit Owners annually, the following:

a. the financial statement of the Condominium prepared by a certified public accountant or, public accountant within 150 days after the end of each calendar year for the prior fiscal year;
b. prior notice of the annual Unit Owner's meeting;
c. a copy of the proposed annual budget, if any, of the Condominium.

## ARTICLE XI
## MISCELLANEOUS

**Section 1. Invalidity.** The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these By-Laws.

**Section 2. Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws, or the intent of any provision thereof.

**Section 3. Gender.** The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural, whenever the context so requires.

**Section 4. Waiver.** No restriction, condition, obligation or provision contained in these By-Laws, shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

**Section 5. Insurance Trustee.** The Insurance Trustee, if selected, shall be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of three (3) or more Unit first mortgages). In the event that the Insurance Trustee shall resign, the new Insurance Trustee shall also be a bank, trust company or savings and loan association in the State of New York, designated by the Board of Managers (with the approval of each of the holders of three (3) or more Unit first mortgages).

The Board of Managers shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense of the condominium.

**Section 6. Definition of "Mortgagee".** As used in these By-Laws, the term "mortgagee" or "holder of a first mortgage" shall include the holder of any construction loan mortgage which shall be a lien on a Unit.

## ARTICLE XII
## AMENDMENTS TO THE BY-LAWS

**Section 1. Amendment to By-Laws.** These By-Laws may be modified or amended by the vote of 66 2/3% in number and in Common Interest of all Unit Owners at a meeting of Unit Owners duly held for such purpose. However, for as long as the Sponsor or his designee remains the Owner of one or more Units, these By-Laws, including the Rules and Regulations of the Condominium attached hereto, may not be amended or modified in any way so as to adversely affect the Sponsor or his designee, in the Sponsor's sole discretion, without the Sponsor's prior written consent.

## ARTICLE XIII
## CONFLICTS

**Section 1. Conflicts.** These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Law of the State of New York. In case any of these By-Laws conflict with the provisions of said statute or of the Declaration, the provisions of said statute or of the Declaration, as the case may be, shall control.

## ARTICLE XIV
## ARBITRATION

**Section 1 Procedure.** Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a panel of three (3) arbitrators in a proceeding held in the City of New York, which arbitrators shall be appointed as follows: One arbitrator shall be chosen by the Condominium Board, one arbitrator shall be chosen by the Unit Owner and the third arbitrator shall be chosen by the two aforementioned arbitrators. The decision of the arbitrators so chosen shall be given within thirty (30) days after his or her selection or appointment. The decision shall be enforceable in a court of law of competent jurisdiction.

**Section 2 Variation by Agreement.** The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the

manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes."

**Section 3 Binding Effect.** The decision in any arbitration conducted pursuant to the terms of Sections 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction. Notwithstanding the foregoing, however, any arbitration held pursuant to the terms of the Condominium Documents with respect to a matter that arose prior to the first annual meeting of all Unit Owners held pursuant to the terms of Section 3.1 hereof shall be non-binding.

**Section 4 Costs and Expenses.** (A) The fees, costs and expenses of the arbitrators shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his or her counsel and expert witnesses. (B) All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses shall constitute Common Expenses.

**SCHEDULE A**
**RULES AND REGULATIONS**
**OF**
**THE BRIGHTON TOWER II CONDOMINIUM**

1. The Residential Units may be used only for private residential use, except that a Residential Unit Owner may use his Unit for any home occupation use permitted under applicable zoning law and ordinances, building code or other rules and regulations of governmental authorities having jurisdiction.

A Commercial Unit may be used for any Community Facility Usage legally permitted by the Zoning Resolution of the City of New York or other applicable laws, including any grandfathering of prior uses.

The Parking Spaces will be used for automobile parking only.

2. Except as set forth above, no industry, business, trade, occupation or profession of any kind, commercial, religious, educational or otherwise, designed for profit, altruism, or otherwise, shall be conducted, maintained or permitted in any part of the Units or Common Elements, nor shall any "For Sale," "For Rent" or "For Lease" signs or other window displays or advertising be maintained or permitted in any Unit therein or adjoining Common Elements, nor shall any Unit be rented for transient, hotel or motel purposes. The right, however, is reserved by the Sponsor, his designee and the Board of Managers, or its agent, to place "For Sale," "For Rent" or "For Lease" or similar signs on any unsold or unoccupied Unit, and such right is hereby given to any mortgagee, who may become the owner of any Unit, to place such signs on any Unit owned by such mortgagee. Additionally, the right is reserved by the Sponsor and his designee to maintain and staff one or more vacant and unsold Units in the Building as a sales or leasing office and/or model Unit. The Sponsor and his designee shall have the right without charge or any limitation whatsoever, to place "For Sale," "For Rent" or "For Lease" signs or similar signs on or in the vicinity of the Building. The Sponsor or his designee shall be responsible for installing and removing such signs.

3. Except as elsewhere provided, no exterior of any Unit or the windows or doors thereof or any other portions of the Common Elements shall be painted or decorated by any Owner or in any manner without prior written consent of the Board of Managers.

4. No furniture, equipment, or other personal articles shall be placed in entrances, hallways, stairways, or other Common Elements.

5. No Unit Owner shall make or permit any noise or objectionable odor that will disturb or annoy the occupants of any of the Units in the Building or do or permit anything to be done therein which will interfere with the rights, comfort, or convenience of other Unit Owners.

6. Each Unit Owner shall keep his Unit in a good state of preservation and cleanliness. Nothing shall be hung or shaken from any doors or windows and no Unit Owner shall sweep or throw or permit to be swept or thrown, any dirt or other substances therefrom.

7. No exterior shades, awnings, window guards, ventilators, fans or air-conditioning devices shall be used on or about the Building or Common Elements except such as shall have been approved by the Board of Managers, or as required by law.

8. Except as provided above, no sign, notice, lettering, or advertisement shall be inscribed or exposed on or at any window, door, or other part of the Building, except such as shall have been approved in writing by the Board of Managers, nor shall anything be projected out of any window of the Building without similar approval.

9. All garbage and refuse from the Building shall be deposited with care in plastic bags or other suitable receptacles intended for such purpose only at such times and in such manner as the Board of Managers may direct.

10. No Unit Owner shall engage any employee of the Condominium for any private business of the Unit Owner without the prior written consent of the Board of Managers.

11. No bird or animal shall be kept or harbored in the Building unless the same in each instance is expressly permitted in writing by the Board of Managers. Any such consent, if given, shall be revocable at any time by the Board of Managers. In no event shall dogs be permitted in any of the public portions of the Building unless carried or on a leash. The individual Unit Owners who keep an animal in the Building shall each indemnify the Board of Managers and hold it harmless against any loss or liability of any kind or character whatsoever arising from or as a result of the Unit Owner having any animal in the Building. No pigeons or other birds or animals shall be fed from the window sills, terraces, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

12. No radio or television aerial shall be attached to or hung from the exterior of the Building without the written approval of the Board of Managers. The Board of Managers, upon the request of any Unit Owner, shall allow the installation of any hook-up necessary to provide cable television service to the Units. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

13. The agents of the Board of Managers, and any contractor or workmen authorized by them, may enter any Unit at any reasonable hour of the day for any purpose permitted under the terms of the Declaration, By-Laws, or Rules and Regulations of the Condominium.

14. The Board of Managers or the Managing Agent may retain a pass-key to each Residential Unit. If any lock is altered or a new lock is installed, the Board of Managers or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If a Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry therein is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Board of Managers or the Managing Agent, then the Board of Managers, or Managing Agent or their agents (but, except in an emergency, only when

specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

15. All damage to the Building or Common Elements caused by the moving or carrying of any article therein shall be paid for by the Unit Owner responsible for the presence of such article.

16. No Unit Owner shall interfere in any manner with any portion of the heating, air-conditioning, or lighting apparatus which are part of the Common Elements and not part of the Unit Owner's Unit.

17. Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of insurance for the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Elements, which will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any law. No Unit Owner or any of his family members, agents, servants, employees, Licensees, or visitors shall, at any time, bring into or keep in his Unit or Limited Common Elements any flammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or Limited Common Elements.

18. Any damage to the Building or equipment caused by Unit Owners, their guests, visitors, clients, patients or employees shall be repaired at the expense of the said Unit Owner.

19. Complaints regarding the management of the Property or regarding the actions of other Unit Owners shall be made in writing to the Board of Managers.

20. No Unit shall be used or occupied in such manner as to obstruct or interfere with the enjoyment of occupants or owners of adjoining Units, nor shall any nuisance or immoral or illegal activity be committed or permitted to occur in or about any Unit or upon any part of the Common Elements.

21. No immoral, improper, offensive, or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Violations of laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be eliminated, by and at the sole expense of the Unit Owners, or the Board of Managers, whichever shall have the obligation to maintain or repair such portion of the Property.

22. The agents of the Condominium Board or the Managing Agent, and any contractor or workmen authorized by the Condominium Board or the Managing Agent, may enter any room in the Building or Residential Unit at any reasonable hour of the day, on at least three days prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and

extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

23. With the exception of a Commercial Unit, no portion of a Unit including any Limited Common Element appurtenant thereto other than the entire Unit may be leased.

24. Subject to provisions of the By-Laws, these Rules and Regulations may be added to or repealed at any time by the Board of Managers. Further, any consent or approval given under these Rules and Regulations may, in the discretion of the Board of Managers or the Managing Agent, be conditional in nature, or may be amended, modified, added to or repealed at any time by resolution of the Board of Managers.

# ESCROW AGREEMENT FOR CONTRACT DEPOSIT

**AGREEMENT** made this 22nd day of July, 2008, between Brighton Builder, LLC, and Yevgeny Tsyngauz and Michael Litt.

**WHEREAS**, Brighton Builder, LLC is the sponsor of an Offering Plan to convert to condominium ownership the premises located at 3015 Brighton 6th Street, Brooklyn, New York, which premises are known as The Brighton Tower II Condominium (hereinafter referred to as "the Sponsor"); and

**WHEREAS**, Yevgeny Tsyngauz and Michael Litt are authorized to act as escrow agents hereunder in accordance with Section 352-3(2-b) of the General Business Law, and the regulations promulgated by the Attorney General (hereinafter referred to as "the Escrow Agent"); and,

**WHEREAS**, Sponsor desires that Escrow Agent act as escrow agent for deposits and advances made by Purchasers, pursuant to the terms of this Agreement.

**NOW, THEREFORE**, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

## 1. ESTABLISHMENT OF THE ESCROW ACCOUNT

1.1 The escrow account has been opened with JP Morgan Chase at 85-23 20th Avenue, Brooklyn, New York 11214. The account number is [redacted].

1.2 The name of the account is ""Yevgeny Tsyngauz, Esq., IOLA"".

1.3 The Escrow Agents are the sole signatories on the account.

1.4 The escrow account is a non-interest-bearing account.

1.5 The escrow account is an IOLA established pursuant to Section 497 of the Judiciary Law.

## 2. DEPOSITS INTO THE ESCROW ACCOUNT

2.1 All deposits or advances made by Purchasers prior to closing of each individual Unit, whether received before or after the date of consummation of the Plan shall be placed within five (5) days after the Purchase Agreement is signed by the Purchaser and the Sponsor.

2.2 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 to the order of "Yevgeny Tsyngauz, as escrow agent".

2.3 Within ten (10) business days after tender of the deposit submitted with the Purchase Agreement, the Escrow Agent shall notify the Purchaser that such funds have been

deposited in the escrow account, and shall provide the Purchaser with the account number. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the deposit, the Purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with Part 20 of Title 13 NYCRR and requisite notice was timely mailed to the Purchaser.

## 3. RELEASE OF FUNDS

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

3.2 The Escrow Agent will hold funds in escrow until

(a) a writing signed by both the Sponsor and the Purchaser directing the release of funds; or

(b) a determination of the Attorney General pursuant to the dispute resolution provisions contained in (vii) below; or

(c) a judgment or order of a court of competent jurisdiction; or

(d) if there is no written agreement between the Sponsor and the Purchaser to release the escrowed funds, the Escrow Agent will not pay the funds to the Sponsor until the Escrow Agent has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to the Sponsor unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions contained in Part 20 of Title 13 NYCRR and has so notified the Escrow Agent in accordance with such provisions;

(e) an amendment abandoning the Offering Plan is filed with the Department of Law, in which event all deposits of Purchasers will be returned to them.

3.3 The 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;

(b) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law.

3.4 In the event of a dispute, the Sponsor will apply and the Purchaser or the Escrow Agent holding the deposits in escrow may apply to the Attorney General for a determination on the disposition of the deposit and any interest earned thereon. A form for this purpose is contained in Part II of the Plan. The party applying for a determination will contemporaneously send to all other parties a copy of such application.

3.5 Pending the determination of the Attorney General to grant or deny the application, the Sponsor and the Escrow Agent will abide by any interim directive issued by the Attorney General.

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

3.7 If the application seeking release of funds is denied, the Escrow Agent will continue to hold the deposit and any interest earned thereon until:

(a) both the Sponsor and the Purchaser direct payment to a specified party in accordance with a written direction signed by both the Sponsor and the Purchaser; or
(b) a judgment or order of a court of competent jurisdiction is served on the Escrow Agent; or
(c) the Escrow Agent deposits the disputed amount into court.

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

## 4. RECORDKEEPING

4.1 The Escrow Agent shall maintain all records concerning the escrow account for seven (7) years after release of the funds.

4.2 The Escrow Agent shall make available to the Attorney General, upon its request, all books and records of the Escrow Agent relating to the funds deposited and disbursed hereunder.

## 5. GENERAL OBLIGATIONS OF THE ESCROW AGENT

5.1 The Escrow Agent shall maintain the escrow accounts in this Agreement under the direct supervision and control of the Escrow Agent.

5.2 A fiduciary relationship shall exist between the Escrow Agent and Purchasers, and the Escrow Agent acknowledges its fiduciary obligations.

## 6. RESPONSIBILITIES OF THE SPONSOR

6.1 The Sponsor agrees that the Sponsor and its agents, including any selling agents, shall immediately deliver all deposits and advances received by them prior to closing of an individual Unit to the Escrow Agent.

6.2 The Sponsor agrees that it shall not interfere with the performance of the fiduciary duties by the Escrow Agent and compliance with the regulations promulgated by the Attorney General.

## 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 the Sponsor to the Escrow Agent of cancellation of designation of the Escrow Agent to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department or Law providing for a successor Escrow Agent; or,

(b) the resignation of the Escrow Agent upon giving notice to the Sponsor of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor Escrow Agent; or

(c) written notice given by the Sponsor to the Escrow Agent that all Units offered pursuant to the Offering Plan have been sold.

7.2 Upon termination of the duties of Escrow Agent as described in Paragraph 7.1(a) & (b) above, the Escrow Agent shall deliver any and all funds held by its in escrow, and any and all contracts or documents maintained by the Escrow Agent to the new escrow agent.

## 8. SUCCESSORS AND ASSIGNS

8.1 This Agreement shall be binding upon the Sponsor and the Escrow Agent and their successors and assigns.

## 9. GOVERNING LAW

9.1 This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

## 10. ESCROW AGENT'S COMPENSATION

10.1 The Sponsor agrees that the compensation of the Escrow Agent shall not be paid from escrowed principle, nor from any interest accruing thereon, and that compensation to the Escrow Agent, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

**IN WITNESS WHEREOF**, the undersigned have executed this agreement as of the day and year first written above.

Brighton Builder, LLC

By: Leon Mikhlin,
Managing Member

Yevgeny Tsyngauz

Michael Litt

# TAX ESCROW AGREEMENT

**AGREEMENT** made this 30th day of July, 2008, between Brighton Builder, LLC, and The Board of Managers of The Brighton Tower II Condominium.

## WITNESSETH:

**WHEREAS**, Brighton Builder, LLC is the sponsor of an Offering Plan to convert to condominium ownership the premises located at 3015 Brighton 6th Street, Brooklyn, New York, which premises are known as The Brighton Tower II Condominium (hereinafter referred to as "the Sponsor"); and,

**WHEREAS**, the Board of Managers of The Brighton Tower II Condominium is charged with governing the operation of said condominium (hereinafter referred to as "the Board"); and,

**WHEREAS**, the individual condominium Units located at the aforementioned property have not been separately assessed for real estate tax purposes prior to the closing of the first Unit located thereat; and

**WHEREAS**, pursuant to the terms of the Offering Plan for said condominium the Sponsor desires to secure its obligation to pay real estate taxes for the Unsold Units.

**NOW, THEREFORE,** the parties agree as follows:

1. On the first closing of a Unit at the premises, Sponsor will deposit in escrow with the Board in a special segregated escrow account to be maintained by the Board in its own name, an amount equal to the real estate taxes attributable to the Unsold Units, which will be levied against the parcel for the six month period following the first closing, or until the Units are separately assessed, whichever is sooner.

2. The Board is irrevocably authorized to pay such real estate taxes as are assessed against the premises from the escrow account when such taxes are due and payable.

3. The funder of the escrow account will be entitled to reimbursement from Unit Owners to the extent of the actual assessment.

4. Upon each subsequent closing of the Units, the Sponsor may collect the estimated amount of taxes attributable to such Unit for the balance of the six-month period from purchasers thereof.

5. If the escrow is kept in an interest-bearing account, the interest earned thereon shall belong to the Sponsor.

6. The escrow account shall be maintained in accordance with the laws, rules, and regulations of the State of New York; specifically including, but not limited to, the General Business Law and, shall be deemed held for the benefit of the condominium.

**IN WITNESS WHEREOF,** the parties set their hands the date above first written.

Brighton Builder, LLC

By: Leon Mikhlin,
Managing Member

THE BOARD OF MANAGERS OF THE BRIGHTON TOWER II CONDOMINIUM

By: Leon Mikhlin, Manager

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:** _____

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**

**Brighton Builder, LLC**
**75 Beaumont Street**
**Brooklyn, New York 11235**

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

July 30, 2008

Real Estate Financing Bureau
New York State Department of Law
120 Broadway, 23rd floor
New York, NY 10271

Re: The Brighton Tower II Condominium
3015 Brighton 6th Street
Brooklyn, New York

Dear Sir/Madam:

We, Brighton Builder, LLC and Leon Mikhlin, are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereafter by us which amend or supplement the offering plan will:

i. set forth the detailed terms of the transaction and be complete, current and accurate;

ii. afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;

iii. not omit any material fact;

iv. not contain any untrue statement of a material fact;

v. not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;

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

vii. not contain any representation or statement which is false, where we:

(a) knew the truth;

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

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

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

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Brighton Builder, LLC

By: Leon Mikhlin,
Managing Member

Subscribed and sworn to before me this
30 th day of July, 2008

Notary Public

Yevgeny Tsyngauz, Notary Public
State Of New York, No. 01TS6029105
Qualified in Kings County
Commission Expires August 9, 20 09

Leon Mikhlin

Subscribed and sworn to before me this
30 th day of July, 2008

Notary Public

Yevgeny Tsyngauz, Notary Public
State Of New York, No. 01TS6029105
Qualified in Kings County
Commission Expires August 9, 20 09

**ALEXANDER BOMSTEIN, P.E.**
**Licensed Professional Engineer**
**2727 Ocean Parkway, #D29**
**Brooklyn, NY 11235**
**(718) 266-7632**

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

July 30, 2008

Real Estate Financing Bureau
New York State Department of Law
120 Broadway, 23rd floor
New York, NY 10271

Re: The Brighton Tower I Condominium
3015 Brighton 6th Street
Brooklyn, New York

Dear Sir/Madam:

The sponsor of the offering plan to convert the captioned property to condominium ownership retained me to prepare a report describing the construction of the property (the "Report"). I prepared the Report dated July 19, 2008. A copy of the Report is intended to be incorporated into the offering plan so that prospective Purchasers may rely on the Report.

I am a licensed professional engineer in the State in which the property is located.

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

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

I certify that the Report:

(i) sets forth in narrative form the description and physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I 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 physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I prepared;

(iii) does not omit any material fact;

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

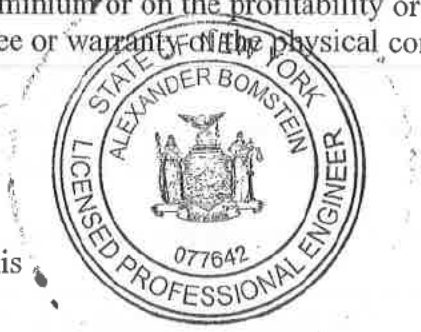
(v) does not contain any fraud, deception, concealment, or suppression;

(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 representation or statement made.

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




Alexander Bomstein, P.E.

Subscribed and sworn to before me this
30th day of July, 2008

Notary Public

Yevgeny Tsyngauz, Notary Public
State Of New York, No. 01TS6029105
Qualified in Kings County
Commission Expires August 9, 2009

**High-Class Realty SB**
**90 Quentin Road**
**Brooklyn, NY 11223**
**(718) 333-0700**

**CERTIFICATION BY THE SPONSOR'S EXPERT ON ADEQUACY OF BUDGET PURSUANT TO SECTION 20.4 OF THE REGULATIONS ISSUED PURSUANT TO ARTICLE 23-A OF THE GENERAL BUSINESS LAW, AS AMENDED**

July 22, 2008

Real Estate Financing Bureau
New York State Department of Law
120 Broadway, 23rd floor
New York, NY 10271

Re: The Brighton Tower II Condominium
3015 Brighton 6th Street
Brooklyn, New York 11235

Dear Sir/Madam:

The sponsor of the condominium offering plan for the captioned property retained me to review or prepare Schedules B and B-1, containing projections of income and expenses for the first year of condominium operation. My experience in this field includes being licensed real estate broker and salesman for over three years. I am familiar with prices, practices and procedures in the area of this condominium. I have managed several properties for five years.

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 Schedules B and B-1.

I have reviewed the Schedules B and B-1 and investigated the facts set forth in the Schedules and the facts underlying them with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the projections in Schedules B and B-1 appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium 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; or
(d) did not have knowledge concerning the representation or statement made.

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

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

Svetlana Borovskiy

Svetlana Borovskiy

Subscribed and sworn to before me this
22 day of July, 2008

Notary Public

Yevgeny Tsyngauz, Notary Public
State Of New York, No. 01TS6029105
Qualified in Kings County
Commission Expires August 9, 20 09

**High-Class Realty SB**
**90 Quentin Road**
**Brooklyn, NY 11223**
**(718) 333-0700**

**CERTIFICATION BY THE SPONSOR'S EXPERT ON ADEQUACY OF COMMON CHARGES PAYABLE BY THE COMMUNITY FACILITY UNIT OWNER PURSUANT TO SECTION 20.4 OF THE REGULATIONS ISSUED PURSUANT TO ARTICLE 23-A OF THE GENERAL BUSINESS LAW, AS AMENDED**

July 22, 2008

Real Estate Financing Bureau
New York State Department of Law
120 Broadway, 23rd floor
New York, NY 10271

Re: The Brighton Tower II Condominium
3015 Brighton 6th Street
Brooklyn, New York 11235

Dear Sir/Madam:

The sponsor of the condominium offering plan for the captioned property retained me to review Schedule B which includes projections of common charges payable by the owners of the community facility unit. My experience in this field includes being licensed real estate broker and salesman for over three years. I am familiar with prices, practices and procedures in the area of this condominium. I have managed several properties for five years.

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

I have reviewed the Schedule as it impacts upon the community facility unit and investigated the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the projections in Schedule B for common charges payable by the owners of the community facility unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such community facility unit for the projected first year of condominium operation, and that the allocation of common charges attributable to the community facility unit also reflects special or exclusive use or availability or exclusive control of particular common areas.

I certify that the estimates in Schedule B for the common charges payable by the owners of the community facility unit:

(i) set forth in detail the projected common charges for the community facility unit 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 common charges payable by the owners of the community facility unit;

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

I further certify that I am 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 common charges fairly attributable to the community facility unit for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

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

Svetlana Borovskiy.

Svetlana Borovskiy

Subscribed and sworn to before me this
29 day of July, 2008

Notary Public

Yevgeny Tsyngauz, Notary Public
State Of New York, No. 01TS6029105
Qualified in Kings County
Commission Expires August 9, 2009