

CONDOMINIUM OFFERING PLAN

THE 126 FIRST PLACE CONDOMINIUM

**126 FIRST PLACE
COUNTY OF KINGS
BROOKLYN, NEW YORK 11231**

TOTAL OFFERING PRICE

5 Residential Units..... \$5,830,000.00

SPONSOR:

126 FIRST PLACE LLC
35 BREWSTER TERRACE
NEW ROCHELLE, NY 10804

SELLING AGENT:

THE CORCORAN GROUP
145 MONTAGUE STREET
BROOKLYN, NY 11201

DATE OF ACCEPTANCE FOR FILING: 4/30/09

THIS OFFERING PLAN MAY ONLY BE USED FOR 12 MONTHS FROM THIS
DATE UNLESS EXTENDED BY A DULY FILED AMENDMENT.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS.

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

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 GOVERNMENTAL AGENCY HAS APPROVED THIS OFFERING.

SPONSOR'S ATTORNEY:

KUNSTLINGER & WOHLGEMUTH PLLC
235 NORTH MAIN STREET, SUITE 2
SPRING VALLEY, NEW YORK 10977
845-689-2400

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PART I

THE 126 FIRST PLACE CONDOMINIUM

**126 FIRST PLACE
BROOKLYN, NEW YORK 11231**

SPECIAL RISKS

The following is a summary of certain special risk considerations in connection with the Plan but is not intended to summarize all major features of the Plan. Prospective purchasers are urged to read the following special risk factors in conjunction with the Plan for a discussion of these and other important aspects of this condominium offering.

- (1) Although Sponsor will endeavor in good faith to sell each of the Units offered for sale in accordance with the terms of this Plan, Sponsor has reserved the right to rent rather than sell the Units. As a result, there is no commitment on the part of Sponsor to sell more than the fifteen (15%) percent necessary to declare the Plan effective and, therefore, Unit Owners may never gain effective control and management of the Condominium. There are no restrictions imposed by the lender with regard to rentals or sales. Upon an agreed upon payment per sale the lender will release its lien from the unit. See INTRODUCTION and RIGHTS AND OBLIGATIONS OF SPONSOR for further details.
- (2) Because dimensions of the Units listed are based on measurements from exterior walls, they do not accurately represent the interior space in the unit and may exceed the actual floor area by as much as 10%. See SCHEDULE A.
- (3) As common charges do not include electricity for the units, each Unit Owner will be responsible for the cost of electricity supplied to his Unit. See SCHEDULES B AND B-1 for further details.
- (4) The building will have only one gas meter and one water meter for all of its units. The plan provides that the budget charges (which include gas, water and sewer charges as part of the common charges) are to be divided among the units in the building in proportion to percentage of common interest, even though the units may use gas and water in a different proportion. See SCHEDULE B for further details.
- (5) The insurance coverage provided by the Condominium Board does not include claims for personal injury or property damage occurring within a Unit nor does it include coverage for the contents present in the Unit. Therefore, the Unit Owners should consider obtaining the following at his own cost: insurance covering the contents of the Units, personal property, and liability for personal injury as a result of occurrences in the individual Unit. The insurance coverage provided does not include the following items and may be available at extra cost: fidelity insurance; excess liability; auto liability. See sections NOTES TO SCHEDULE B and RIGHTS AND OBLIGATIONS OF UNIT OWNERS for details.
- (6) The Condominium will not have any full time management or maintenance employees. Therefore, ordinary cleaning and maintenance including refuse removal, as well as administrative work such as collecting common charges and bookkeeping are the responsibility of the Unit Owners. In the event ad hoc help is required for maintenance or repairs, this will be an additional expense. In the event repairs are

required after the closing in excess of the amount budgeted in Schedule B, this may necessitate delay and/or an increase of the common charges or an assessment to each Unit Owner. In the event a managing agent is hired, common charge will be increased by approximately 6%-10% of the budget. See Section NOTES TO SCHEDULE B for further details.

- (7) No amount has been allocated in the budget for legal fees. In the event the Board needs to hire an attorney the common charges will increase. See NOTES TO SCHEDULE B for details.
- (8) If the purchaser becomes the tenant or actually occupies the unit before the closing of title thereto and, before such closing, the unit is damaged by casualty or otherwise, such purchaser shall assume the risk of loss and the obligation to repair the damage to the extent said damage is not paid for by the existing insurance policy, unless the cause thereof originated outside of the unit and did not result from the acts of such purchaser or other occupants of the units or such purchaser's guests, invitees, or workmen. See Section INTERIM LEASES for details.
- (9) The Purchase Agreement to purchase a unit is not contingent on the purchaser's obtaining financing. If the purchaser is unable to pay the purchase price required under the Purchase Agreement due to purchaser's inability to obtain financing or for any other reason the purchaser may lose his entire down payment. Prospective purchasers who will need financing to purchase are advised to consult with a bank before execution of a Purchase Agreement to ascertain the likelihood of obtaining financing. However Sponsor, at its sole discretion, may be prepared to negotiate a financing contingency at the time of Purchaser's execution of a Purchase Agreement. See Section PROCEDURE TO PURCHASE.
- (10) After the plan has been declared effective, Sponsor will serve a notice setting a closing date, which date shall be not be earlier than 30 days from the date of such notice. TIME IS OF THE ESSENCE to close on such date. The failure to close on such date may result in the Purchaser losing his down payment and the actual cost incurred by Sponsor for any special work ordered. TIME IS OF THE ESSENCE to Purchaser as to Purchaser's obligations pursuant to the purchase agreement. Sponsor must make a written demand for payment after default at least thirty (30) days before forfeiture of the deposit may be declared. TIME IS OF THE ESSENCE for Purchaser to cure a default under the Purchase Agreement. See Section PROCEDURE TO PURCHASE for details.
- (11) In the event that Sponsor is ready, willing and able to close and a purchaser does not close on the Closing Date set forth in the Notice of Closing and Sponsor elects not to cancel the Purchase Agreement or if the Sponsor approves the Purchaser's request to adjourn the Purchaser's closing to his apartment interest shall accrue on the unpaid amount of the purchase price from the Closing Date until the date preceding the date such amount is paid. The interest rate shall be ten percent (10%) per annum calculated on a per diem basis. This rate shall be in effect for as long as there is any

unpaid amounts owing towards the full purchase price. See Section PROCEDURE TO PURCHASE for further details.

- (12) All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. However, purchasers should note as a special risk that such funds may be released from the escrow account by the escrow agent as long as the sponsor uses the funds for such upgrades or extras. As a result, in the event a purchaser is entitled to rescission, the purchaser will not receive a refund of any funds used for upgrades or extras. See Section PROCEDURE TO PURCHASE for details.
- (13) The IOLA account in which down payments or advances made by purchasers will be placed is covered by federal bank deposit insurance to \$250,000.00 per individual deposit. Any deposit in excess of \$250,000.00 will not be insured in excess of \$250,000.00. The federal bank deposit insurance for \$250,000.00 is valid until December 31, 2009 after which date the amount will revert to \$100,000.00 unless extended by Congress. Interest earned on an IOLA account does not accrue to the benefit of either the buyer or Seller but is paid over to the State of New York. See Section PROCEDURE TO PURCHASE for details.
- (14) Pursuant to existing law and regulation the sponsor may declare the plan effective by entering into contracts to sell a minimum of fifteen percent of the apartments in the condominium. Even if the plan is declared effective with a minimum number of sales, it is possible that the sponsor may be able to convert the building with fewer than the minimum number of sales, if purchasers counted towards effectiveness do not ultimately purchase an apartment.

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

Even once a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to such minimum sales requirements. See Section EFFECTIVE DATE for further details.

- (15) Purchaser will be responsible for the following costs at closing, in addition to the purchase price and other closing costs listed in the Section UNIT CLOSING COSTS AND ADJUSTMENTS:
 - (i) Although usually Seller's expense, Purchaser shall pay for the New York State Transfer Tax (currently \$2.00 per \$500.00 or a fractional portion thereof of the purchase price) and the New York City Transfer Tax (currently \$1.00 per \$100.00 or a fractional portion thereof of the purchase price up to \$500,000.00 and \$1.425 per \$100.00 thereafter) imposed by statute on the transferors of the property.

For purposes of calculating the transfer taxes to be paid, consideration includes the transfer taxes paid by the purchaser.

(ii) Purchasers shall be obligated to pay a fee of \$1,650.00 to Kunstlinger & Wohlgemuth PLLC for services rendered in connection with the preparation of documents.

(iii) Purchaser shall be obligated to pay a fee of \$9,500.00 to defray Sponsors costs of creating the condominium and application of Tax Benefits.

(iv) Purchaser will be required to deposit with the Board of Managers two (2) months' common charges for his unit to be used as working capital. See Section WORKING CAPITAL FUND for details.

- (16) No bond or other security has been posted to secure Sponsor's obligations. The ability of sponsor to perform its obligations will depend upon its financial condition, when and if it is called upon to perform. No warranty is made that sponsor will be financially able to perform any or all of such obligations. See Section, RIGHTS AND OBLIGATIONS OF THE SPONSOR for more details.
- (17) The Sponsor will maintain control of the Board of Managers of the Condominium for two (2) years from the date of the first closing or as long as the Sponsor no longer owns any units, whichever is sooner. During the period of Initial Control, the Sponsor shall designate a majority of the Board Members; the remaining Board Members shall be elected by all Unit Owners, other than the Sponsor. After the initial control period of two (2) years, the Sponsor will have the same voting rights as any other unit owner and no additional voting rights. Therefore, as long as Sponsor owns a majority of the Units Sponsor shall still have a majority vote. See Section CONTROL BY SPONSOR for further discussion.
- (18) As long as the Sponsor or its designee shall own at least one (1) Unit, but in no event later than five (5) years after closing of title to the first Unit, the Board of Managers may not, without the prior written consent of the Sponsor or its designee, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund (however, Sponsor will not unreasonably withhold consent to additions to the contingency fund provided for in Schedule B to the extent assessments are necessary to make expenditures required by law), or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law or required by an insurance carrier to the extent that existing reserves are insufficient). Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required to comply with applicable laws or regulations; or to remedy any notice of violation; or to remedy any work order by an insurer. See Section CONTROL BY SPONSOR for details.
- (19) For as long as Sponsor or its designee is the owner of one (1) or more Units in the entire Condominium, the Declaration, the By-Laws and the Rules and Regulations may not be amended or modified so as to adversely affect Sponsor or such designee without the prior written consent of every Unit Owner affected by such amendment.

See Section BOARD OF MANAGERS for details.

- (20) The Sponsor has submitted an application for abatement and exemption of taxes under J-51 of the Real Property Tax Law of the State of New York, and shall make all filings necessary to obtain such benefits. The Sponsor will timely comply with all procedures required to properly process and maintain the benefits. 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. No warranty is or can be made that the benefits set forth therein will be obtained, in the event the benefits are not obtained, or in the event there are increases in the tax rate of the property's assessed valuation or in the statutes governing the tax benefits, real estate taxes may 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. The Sponsor does not anticipate having the benefits in place before the first unit closing. See REAL ESTATE TAXES for more details.
- (21) No representation is made that the initial working capital fund will be adequate to cover current or future expenses, including repairs or replacements, and if additional funds are required over and above the initial capital fund, it may be necessary for the board of managers to increase the charges. See Section WORKING CAPITAL FUND.
- (22) Below grade recreation rooms may not be used as bedrooms. To do so could result in a violation being posted against the building. The storage rooms may not be used for combustible items, i.e. clothing, furniture, books, papers, etc. See Section INTRODUCTION.
- (23) Balconies/ terraces and storage spaces may not be used for any type of occupancy, including but not limited to dining, sleeping, living room, etc. To do so could result in a violation being posted against the building. The storage rooms may not be used for combustible items, i.e. clothing, furniture, books, papers, etc. See Section INTRODUCTION for more details.
- (24) If children 10 years of age or under reside in or visit a unit within the building for extended periods of time, it is the responsibility of the Owner to install child safety guards at all windows as per New York City codes. See Section INTRODUCTION. For more details.

INTRODUCTION

This is an Offering Plan for the sale of condominium unit at 126 First Place, Brooklyn, New York. The purpose of the Plan is to set forth all the material terms of the offer to sell these units as condominium units. The Plan may be amended from time to time by amendments to be filed with the New York State Department of Law and will thereafter be served upon purchasers who have executed and delivered Purchase Agreements to the Sponsor or Selling Agent and are not in default, Unit Owners and any other person entitled to service pursuant to local law or regulation.

The Sponsor is 126 First Place LLC, a limited liability corporation having an address at 35 Brewster Terrace, New Rochelle, New York 10804 ("Sponsor"). The Sponsor acquired the property in November of 2007. The Sponsor presents this Offering Plan (the "Plan") for conversion to condominium ownership of the Property pursuant to and in compliance with Article 9-B of the Real Property Law of the State of New York, as amended (the "Condominium Act"). The condominium shall be known as The 126 First Place Condominium (the "Condominium").

The offering plan encompasses the buildings and all appurtenances thereto at 126 First Place, Borough of Brooklyn, County of Kings, City and State of New York (the "Building"), and the land on which they are to be erected. There is one (1) existing building currently under renovation and partly new construction which will consist of a basement and five stories. Such buildings and land are hereinafter collectively called the "Property". The Sponsor hereby offers five (5) residential units for sale under the Plan. All of the residential units offered in the plan are vacant. Unit 1 consists of part of the cellar and first floor, Units 2, 3, and 4 each consist of one floor. Unit 5 consists of the fifth floor and bulkhead. Each of the units have 2 bedrooms and 2 or 2.5 baths. The limited common elements include, a yard, balcony, or terrace for each unit and a storage room for units 2, 3, 4 and 5. There will be no parking spaces provided on site. See the Architect's Report and Floor Plans included in Part II for further details. The purchase prices and estimated Common Charges (payable on a monthly basis) for each of the Units are listed in SCHEDULE A -- OFFERING PRICES AND RELATED INFORMATION.

The ownership of a condominium unit is similar in many respects to the ownership of a private home. Each purchaser owns his Unit outright, in fee simple absolute, and is entitled to exclusive possession of his Unit together with an interest in and right to use the Common Elements and the Limited Common Elements, if any. The Common Elements essentially consist of all parts of the Property other than the Units themselves, are owned by all of the Unit Owners as tenants in common, each having an undivided interest therein. The Common Elements consist of all portions of the Condominium Property that are not designated as Units or parts thereof.

The Common Elements include, generally, and without limitation, the Condominium Property including the portions on which the Building is erected. See Section DEFINITIONS for further details. The common elements are not subject to partition nor are they severable

from the Units except in accordance with The Condominium Act (Article 9-B of the Real Property Law).

Limited Common Elements generally are those Common Elements reserved for use and enjoyment by one or more Units. The Limited Common Elements in this Condominium consists of a yard, balcony, or terraces assigned to each of the units, and one storage room assigned to each of the Units. The cost of maintenance, repair and replacement of Limited Common Elements shall be borne by the Unit Owner or Owners having the exclusive or shared use thereto.

Each Unit Owner is obligated to comply with the Declaration, the By-Laws and rules and regulations and any other requirement of the Board of Managers.

Common Charges must be paid by each Unit Owner in accordance with the New York Condominium Act, Sections 339-i and 339-m. These charges are payable on a monthly basis, in advance. 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. For more information on Common Charges and how they are assessed, see Section "Definitions" and Article VI of the BY-LAWS attached hereto.

Other than as set forth herein, there is no restriction upon ownership of a Unit. No Unit Owner may sell or lease his Unit or any interest therein except by complying with the following condition. Any Unit Owner can sell or lease his or her Unit to anyone, without restriction or limitation, subject only to the right of first refusal in favor of the Board of Managers of the Condominium (the "Condominium Board") or a third party produced by the Condominium Board to acquire or lease such Unit upon the same terms that were offered to the prospective buyer or tenant. Note that the following is merely a summary of conditions for the resale or lease of a Unit, and you are referred to Article 7 of the By-Laws attached hereto for detailed restrictions on sale, resale or leasing of Units. Any deed to a subsequent purchaser must provide that the acceptance thereof by the grantee constitutes an assumption of the provisions of the Declaration, the By-Laws, and the rules and regulations of the Condominium as they may be amended from time to time.

No Unit Owner may convey or mortgage title to his Unit without including therein the appurtenant interest in the common elements.

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

The Board of Managers has the power and responsibility for the operation of the Condominium. These responsibilities include, among other things, the operation, care, upkeep and maintenance of the Common Charges, collection of Common Charges from the Unit Owners, employment of personnel, adoption and amendment of rules and regulations, maintenance of bank accounts, obtaining insurance, making repairs, additions and

improvements or alterations to the Common Elements, repair, reconstruction and restoration of damage by fire or other casualty, and such other functions as may be required in connection with the operation and maintenance of the Property. The Board of Managers will elect a President, a Secretary, a Treasurer, and such Vice Presidents as it may deem necessary for the administration of its affairs. No member of the Board nor any officer will receive any compensation for acting in such capacity. The Board may engage a manager or managing agent to perform any of its delegable duties as provided in the By-Laws of the Condominium, and may pay such manager or managing agent such compensation as the Board deems desirable.

Each Unit is entitled to vote as follows: (a) each Residential Unit shall be entitled to one (1) vote for each percentage of interest owned in all matters which require a vote of the Unit Owners. Where title to a Unit is held by two (2) persons, each such co-owner will be entitled to one-half (1/2) the vote allocated to that Unit. Except in those instances where the New York Condominium Act, the Declaration or the By-Laws provide otherwise, all matters to be decided by the vote of Unit Owners will be decided by a majority vote thereof.

Each Unit will be separately taxed for real estate tax purposes and, therefore, no Unit Owner is liable for the payment of real estate taxes on any Unit other than his own. No Unit is subject to the lien of a mortgage on any other Unit.

Fire and liability insurance covering the Common Elements covering the entire Condominium are included with other items as part of the Common Charges, but fire and liability insurance for the purchaser's personal effects in the interior of each Unit, including, but not limited to decorations, painting, furniture or improvements made by the Unit Owner, should be carried out by the individual purchaser. Each Unit Owner desiring such coverage on his personal effects must purchase his own policy at his own cost and expense. All policies purchased by Unit Owners must contain waivers of subrogation and must contain provisions to the effect that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of the policy or policies carried by Unit Owners.

All painting and decorating of exterior portions of the Building and Common Elements including exterior doors and windows as well as all repairs and replacements to the Common Elements shall be made by the Board of Managers through its officers, its manager or managing agent. No further approval of the Unit Owners shall be required for the foregoing, regardless of the cost, and such costs will be charged to the Unit Owners as Common Charges, except to the extent that the same may be charged to a particular Unit Owner if such costs are necessitated by his negligence or misuse.

Each Unit Owner may decorate the interior of his or her Unit in any manner that he or she desires, subject to compliance with the Condominium's By-Laws and the Rules and Regulations promulgated pursuant thereto, and will be solely responsible for the cost and expense of maintaining, repairing, painting and maintaining casualty and liability insurance on his or her Unit.

Below grade recreation rooms may not be used as bedrooms. To do so could result in a violation being posted against the building. The storage rooms may not be used for combustible items, i.e. clothing, furniture, books, papers, etc.

There are no restrictions on who may purchase a Unit in the Condominium, nor is there a limit on the number of Purchasers who may purchase for investment rather than for personal occupancy. However, the Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, to refuse to approve and execute (i) a Purchase Agreement for any Unit, and (ii) a Purchase Agreement or Agreements, as the case may be, for more than one (1) Unit to anyone person or entity; provided, however, that neither the Sponsor nor the Selling Agent will discriminate in the sale or lease of Units on the basis of race, creed, sex, color, disability, marital status, national origin or other ground proscribed by law. Units may be offered only to individuals over the age of eighteen (18) and to corporations and other entities that my legally own real property in the State of New York.

Although Sponsor will endeavor in good faith to sell each of the Units offered for sale in accordance with the terms of this Plan, Sponsor has reserved the right to rent rather than sell the Units. As a result, there is no commitment on the part of Sponsor to sell more than the fifteen (15%) percent necessary to declare the Plan effective and, therefore, Unit Owners may never gain effective control and management of the Condominium.

Construction financing has been firmly committed with Ponce de Leon Bank, a lending institution. There are no restrictions imposed by the lender with regard to sales. Upon an agreed upon amount, the lender will release the units.

If the Sponsor makes a bulk sale of all or some of its unsold units, the transferee successor Sponsor is bound by Sponsor's representation regarding its commitment to sell units.

THE PRICES CONTAINED IN THE PLAN HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY GOVERNMENTAL AGENCY.

This Offering Plan – Part I and Part II - includes all Schedules and Parts A, B, C and D of the Exhibits constitutes the entire Offer of the Sponsor, and copies of these will be available for inspection by prospective purchasers without charge at the office of the Sponsor's Attorney, at the office of the selling agent or the Sponsor, and at the New York State Department of Law. The Plan and exhibits are also available for copying at a reasonable charge.

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

DEFINITIONS

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

1. Board of Managers: The governing body of the Condominium, being the group selected, authorized and directed to manage and operate the Condominium as provided by the New York Condominium Act, the Declaration and the By-Laws. The Board of Managers will manage and operate the building as provided by the New York Condominium Act, the Declaration and the By-Laws.
2. Common Charges: Assessments by the Board of Managers upon the Unit Owners, in proportion to their respective interests in the Common Elements for the purpose of paying Common Expenses.
3. Common Elements: All that part of the Condominium Property or facilities servicing or benefiting all the Units comprising the Condominium, as defined in Section 339-e of the Condominium Act. The Common Elements include generally, and without limitation: (i) all parts of the building (other than the Units) including but not limited to the foundation, roof and supports of the building; and (ii) all areas or facilities for the common use of all the Units and Unit Owner. Common Elements consist of all portions of the Condominium Property which are not designated as Units or parts thereof.
4. Common Expenses: Expenses for which Unit Owners shall be proportionately liable, and includes the actual and estimated expenses of operating the property, assessments relating to repair, maintenance, replacements, management and operation of the Condominium, and reasonable reserves for such purposes as found and determined by the Board of Managers, and sums designated as Common Expenses by or pursuant to the Condominium Documents.
5. Common Interest: The proportionate, undivided interest in fee simple absolute in the Common Elements appertaining to each Unit, as expressed in the Declaration.
6. Condominium Property : The land described in the Declaration (see DECLARATION in Part II) which is subject to the Condominium Act by the Declaration, together with all improvements thereon and all easements, rights and appurtenances belonging thereto or intended for the benefit thereof.
7. Declaration: The instrument by which the Property is submitted to the provisions of the New York Condominium Act and that instrument as from time to time amended, consistent with the provisions of the New York Condominium Act and the By-Laws of the Condominium.
8. Floor Plans: shall mean the floor plans of the Units filed in the Register's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto. The Floor Plans shall govern in the event of any inconsistency between the written part of the Declaration and By-Laws and the Floor Plans.

9. Limited Common Elements: Limited Common Elements (also referred to as Limited Common Area) generally are those Common Elements reserved for use and enjoyment by one or more Units. Examples are porches, decks, balconies and terraces. See Section "Introduction" for the Limited Common Elements in this Condominium, if any.

10. Sponsor: As used in New York State regulations pertaining to newly constructed and vacant condominium, the word "sponsor" means "any person, partnership, joint venture, corporation, company, trust, association or other entity or agent thereof who makes or takes part in a public offering or sale in or from the State of New York of participation interests or investments in real estate including condominium interests in realty."

11. The Condominium: THE 126 FIRST PLACE CONDOMINIUM, proposed to be created and organized as provided for in this Offering Plan, consisting of land, building, and appurtenances.

12. Unit: Any unit designated as such in the Declaration of the Condominium and further described in the floor plans to be filed simultaneously with the Declaration.

13. Unit Owner: The person or persons owning a unit in fee simple absolute.

A complete set of definitions is set forth in Schedule C to the Declaration of the Condominium set forth in Part II of the plan.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

This description of the property and improvements is intended to provide a general outline of the land, buildings and units, but shall not be interpreted as enlarging in any manner, directly or by reference, the obligations or liability of the Sponsor as set forth in this Plan. A more detailed description of the building and property, including the Engineer's Report and floor plans is set forth in the DESCRIPTION OF PROPERTY, in Part II of the Plan.

The land is known by the street address 126 First Place, Brooklyn, New York. There is one (1) existing building currently under renovation (first four floors) and partly new construction (fifth floor) which will consist of a cellar and five stories. Such building and land are hereinafter collectively called the "Property". The Sponsor hereby offers five (5) residential units for sale under the Plan. All of the residential units offered in the plan are vacant. Unit 1 consists of part of the cellar and first floor and Units 2, 3, and 4 each consist of one floor. Unit 5 consists of the fifth floor and bulkhead. Each of the units have 2 bedrooms and 2 or 2.5 baths. The limited common elements include, a yard, balcony, or terrace for each unit and a storage room for each units. There will be no parking spaces provided on site. See the Architect's Report and Floor Plans included in Part II for further details.

The property will be improved and the Units built in accordance with all applicable zoning and building laws, regulations, codes, and other government requirements including the installation of a smoke and carbon monoxide detector.

The Dimensions of the Units shown on the Floor Plans reflect the approximate exterior dimensions of each unit. Accordingly, they measure the approximate distance from the exterior face of the outer wall of the building to the middle face of the wall separating the unit from corridors, stairs, elevators, vestibules and other units.

No Unit Owner shall be deemed to own the supporting columns, pipes, wires, conduits or other public lines running through the Unit which are utilized for or serve more than one (1) Unit. Any area and/or installation which is designated on the Floor Plans as part of a Unit shall be considered as part of said Unit.

The Sponsor reserves the right to amend or modify such plans, specifications and description of property (including changes in area, floor plans and allocation of space, changes in materials, and other construction details) and substitute in place of any materials and other construction details set forth herein or in DESCRIPTION OF PROPERTY in Part II of this Plan, materials and other construction details of equal or better quality; provided that the approval of any governmental authority having jurisdiction thereover, if necessary, is first obtained and provided that the Sponsor may not change the size, location of buildings or units, other improvements or common elements if such changes affect the percentage of common interests, or adversely affect the value of any unit to which title has closed or for which a purchase agreement has been executed and is in effect unless all affected unit owners

and contract vendees consent in writing to such change. All references in this Plan to "Plans and Specifications" shall mean the aforesaid plans and specifications for the Building prepared by the Sponsor's Architects and Engineers as the same may have, from time to time, been amended or changed, or may, from time to time, hereafter be amended or changed in accordance with the provisions of this paragraph.

The Sponsor is providing the following appliances: range, refrigerator, dishwasher, microwave.

The Sponsor projects that the buildings will be completed by July 1, 2009. However, Sponsor makes no warranty or guarantee that the buildings will be completed by said date.

The Sponsor projects that condominium operations shall commence by July 1, 2009. In the event that the actual or anticipated date of commencement of condominium operation is delayed by twelve (12) months or more from the anticipated date of closing, the Sponsor will amend the plan to offer all purchasers the right for fifteen (15) days following the presentation of such amendment within which to rescind their offer to purchase and to have their down payments refunded.

LOCATION AND AREA INFORMATION

The building is located at 126 First Place, in the Borough of Brooklyn, County of Kings, City and State of New York. The property is located within Zoning District R6 under the Zoning Resolution of the City of New York which permits residential use "as of right". The immediate areas bordering the site are generally R6 residential zoning districts permitting all housing types with height restrictions. The property will be improved and the units constructed in accordance with all applicable zoning and building laws and requirements under the New York City Department of Buildings, Department of Air Resources.

126 First Place is located in the Carroll Gardens 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 both of streets and roads, and urban transportation.

Gas is supplied by Keyspan Energy and is metered collectively for the whole building. Electricity is supplied by Consolidated Edison Company. Each unit has its own electric meter.

Water and sewer will be supplied by the City of New York and is metered collectively for the whole building.

Sanitation, snow removal and road maintenance of the public roads are provided for by the City of New York.

Kings County Hospital Center is located at 451 Clarkson Avenue, approximately 4 ½ miles away.

Public School 58 serves grades K-5 and is located at 330 Smith Street, less than ½ mile away. There are also many private and parochial schools in the area. NYC College of Technology is located at 300 Jay Street, approximately 1 ½ miles away.

The area is protected by the New York City Police and Fire Department. The nearest fire station, Engine 279, Ladder 131 is located at 252 Lorraine Street, approximately one mile away. The nearest Police Station, Precinct 76, is located 191 Union Street, approximately ½ mile away.

SCHEDULE A
OFFERING PRICES AND RELATED INFORMATION

THE 126 FIRST PLACE CONDOMINIUM
126 FIRST PLACE, BROOKLYN, NEW YORK

Year Projected to Begin: July 1, 2009

UNIT NO.	NO. BED-ROOMS AND BATHS	LOCATION (FLOOR)	GROSS SQ. FT (1)	L.C.E.	OFFERING PRICE (2)	COMMON INTEREST (3)	PROJECTED COMMON CHARGES (4)		ESTIMATED REAL ESTATE TAXES (5)				PROJECTED TOTAL CARRYING COSTS (6)			
									WITHOUT SECTION J-51		WITH SECTION J-51 BENEFITS		WITHOUT SECTION J-51		WITH SECTION J-51 BENEFITS	
							Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
1	0/5 2/2	Cellar Basement TOTAL	717 1238 1955	925 y.	\$1,395,000	23.4%	\$513.92	\$6,167	\$156.00	\$1,872	\$0	\$0	\$669.92	\$8,039	\$513.92	\$6,167
2	2/2	First	1167	35 st. 200 r.	\$960,000	16.7%	\$366.42	\$4,397	\$111.25	\$1,335	\$0	\$0	\$477.67	\$5,732	\$366.42	\$4,397
3	2/2	Second	1230	44 st. 50 b.	\$985,000	17.4%	\$382.42	\$4,589	\$116.08	\$1,393	\$0	\$0	\$498.50	\$5,982	\$382.42	\$4,589
4	2/2	Third	1230	42 st. 50 b.	\$995,000	17.4%	\$382.08	\$4,585	\$116.00	\$1,392	\$0	\$0	\$498.08	\$5,977	\$382.08	\$4,585
5	2/2 0/5	Fourth Fifth TOTAL	1230 387 1617	50 b. 172 r. 61 st. 614 r.	\$1,495,000	25.1%	\$550.17	\$6,602	\$167.08	\$2,005	\$0	\$0	\$717.25	\$8,607	\$550.17	\$6,602
Total	10/11		7199		\$5,830,000	100.0%	\$2,195.01	\$26,340	\$666.41	\$7,997	\$0	\$0	\$2,861.42	\$34,337	\$2,195.01	\$26,340

NOTE: ALL FIGURES HAVE BEEN ROUNDED TO THE NEAREST ONE

L.C.E. denotes Limited Common Element

y. denotes yard

b. denotes balcony

st. denotes storage

r. denotes roof

NOTES TO SCHEDULE A

"Offering Prices And Related Information" For Each Unit

- (1) Any floor plan or sketch shown to a prospective purchaser is only an approximation within reasonable tolerance of the dimensions and layout of a Unit. Accordingly, each Unit should be inspected prior to purchase to determine its actual dimensions, layout and physical condition. The areas shown are approximate exterior square footages of the units and as such they do not accurately represent the interior space in the unit and may exceed the actual floor area by as much as 10%. The number of rooms in each Unit is computed in accordance with the New York State Building Code standards for habitable rooms. The first floor unit has the backyard as limited common element. Each of the apartments have either a yard, balcony or terrace as a limited common element. Each of the Units have a storage room as a limited common element. For more information regarding the units including floor plans, see Part II of the Plan, DESCRIPTION OF PROPERTY.
- (2) Prices are negotiable. The Sponsor reserves the right to change the offering prices set forth in Schedule A. These offering prices, however, may only be changed 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 is to be advertised or is a price increase for an individual purchaser. However, the prices for the Units are negotiable and the Sponsor may enter into an agreement with a purchaser to sell one or more Units at prices lower from those set forth in Schedule A. See CHANGES IN PRICES AND UNITS and UNIT CLOSING COST AND ADJUSTMENTS" which discloses and explains the closing costs and adjustments that a purchaser has to pay.
- (3) Sponsor reserves the right to negotiate with purchasers all aspects of the purchase price of the unit, including but not limited to: renovations or improvements to the units or the fixtures or equipment contained therein or credits or allowances therefor; amount of down payment; the terms of financing contingency in the event the Sponsor consents to permit the same; extension of period to secure financing; default clause; application of the interim lease rental payment towards the purchase price; payment of all or part of purchaser's closing or financing costs such as closing costs, attorneys' fees, origination fees, commitment fees and waiver or reduction of the attorney's fees set forth in the offering plan; and any and all other costs relating to the cost of acquiring title to the unit. Furthermore, the Sponsor reserves the right to amend the Plan from time to time to add and/or delete negotiable terms.
- (3) In accordance with Section 339-i(1)(iv) of the New York State Condominium Act, the Common Interests of each of the Units have been allocated 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.

- (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 inside of the units, electricity for each Unit and insurance for personal effects. A projection of estimated electricity for each Unit is set forth in Schedule B-1. Common charges have been estimated by the Sponsor based on the estimated operating budgets annexed as Schedule B to this Plan.
- (5) After the condominium is divided into individual tax lots, each lot will be separately taxed for New York City property tax purposes. A 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.

Sponsor, is applying for J-51 Real Estate Tax Exemption and Abatement Benefits. This will result in an exemption of the building from increase in actual assessed valuation due to improvements to the premises for a period of eleven (11) years, with the full assessment thereafter being phased in over a four (4) year period. The J-51 abatement benefits further reduce the property's existing tax liability otherwise payable for a maximum of twenty (20) years. Sponsor has obtained an opinion from Metropolitan Realty Exemptions, Inc. as to the likely effects of Sponsor's application for Real Estate Tax Benefits. See REAL ESTATE TAX BENEFITS OPINION for more details. The anticipated date of completion of construction is July 1, 2009.

Calculations of Real Estate Taxes are arrived by applying the current tax rate to the assessed value, and then allocating the resulting taxes in direct proportion to the allocation of common interest. In the event Tax Abatement and Exemption benefits are obtained, the assessed value will be based on the pre-construction assessed value of \$41,640.00. In the event tax exemption benefits are not obtained, the assessed value used for calculation is the \$61,267.00 post-completion assessed value estimated by the Sponsor's real estate tax exemption and abatement expert, and set forth in his letter included in this Plan. In either case, the tax rate used for the calculation is 13.053, which is the current tax rate for July 1, 2008-June 30, 2009. Unit owners shall be entitled to deduct real property taxes paid on the unit for income tax purposes. See TAX OPINION for more details.

Since no mortgage financing is offered by Sponsor, the only deductible item is real estate taxes. If a Purchaser obtains a mortgage loan, interest on such loan is deductible under current law. The projected amount deductible may vary in future years due to changes in the interest rate on the unit owner's mortgage, if any, or from changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits or from changes in the assessed value, the tax rate or in the

method of assessing real property, or such other changes as may reasonably be expected to affect deductions.

The Internal Revenue Code of 1986, as amended, limits the deductions of mortgage interest to mortgages incurred in acquiring, constructing or substantially improving the first and second residences of a taxpayer. The deduction is also limited to interest paid on acquisition indebtedness not to exceed \$1,000,000.00 and home equity indebtedness not to exceed \$100,000.00.

THE ABOVE IS NOT INTENDED TO BE A COMPLETE DISCUSSION OF ALL LIMITATIONS IMPOSED BY THE CODE, PARTICULARLY FOR INVESTORS. ALL PURCHASERS ARE ADVISED TO SEEK ADVICE FROM THEIR TAX CONSULTANTS CONCERNING TAX CONSEQUENCES OF PURCHASE OF A UNIT IN A CONDOMINIUM

- (6) All projected total carrying charges are for the projected first year of operation beginning July 1, 2009. NOTE: Sponsor has not obtained, nor is it offering, permanent financing commitments to purchasers. Therefore, if a purchaser obtains financing, debt service on such financing will be a monthly expense additional to the total charge listed. In addition, prospective purchasers will be required to pay at closing, among other things: (i) two (2) months' common charges to be used as working capital; (ii) New York City and State transfer taxes; (iv) \$9,500.00 to defray Sponsors costs of creating the condominium and application of Tax Benefits (v) \$1,650.00 to Kunstlinger & Wohlgeumuth PLLC for the preparation of documents. See section CLOSING COSTS AND ADJUSTMENTS.

SCHEDULE B

Projected Budget for First Year of Condominium Operations

THE 126 FIRST PLACE CONDOMINIUM
126 FIRST PLACE
Brooklyn, New York

Year Projected to Begin:
July 1, 2009

INCOME:

Common Charges:	\$26,340.00
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EXPENSES:

Salaries & Wages (1):	\$0.00
Management (1):	\$0.00
Heating (2):	\$10,010.00
Electricity (3):	\$1,500.00
Water & Sewer (4)	\$2,800.00
Repairs & Maintenance (5)	\$600.00
Services & Supplies (5)	\$450.00
Insurance (6):	\$6,480.00
Audit Fees(7):	\$1,500.00
Legal Fees (7):	\$0.00
Contingency (8):	\$1,500.00
Reserve Fund (9):	\$1,500.00
TOTAL	\$26,340.00

NOTES TO SCHEDULE B

"Projected Budget for First Year of Condominium Operation"

INCOME: COMMON CHARGES

This amount represents the total projected income necessary to operate the Condominium during the first fiscal year.

EXPENSES

1. Salaries and Wages

There is no requirement for any staffing or labor in the building, as such housing and labor laws regarding the level of staffing are not applicable, since this building does not consist one building of nine or more units and Section 27-2053 of the Administrative Code of the City of New York requires that the owner of a multiple dwelling of nine (9) or more units provide a janitor or janitorial services. It is anticipated that the Condominium will require no full time help and that part time help will be supplied on an "ad hoc" basis which will obviate the need to allocate money for payroll costs. However, this will necessitate the Unit Owners paying for items as they come up. Each Unit Owner will be responsible for his own refuse removal and for keeping the common areas clear of all objects.

Management

The unit owners will be responsible for managing the condominium, including, among others: writing checks, payment of bills, such as insurance premiums, repairs, etc. In the event that an outside managing agent is retained, the common charges will need to be increased. The prevailing fees are approximately 6-10% of annual common charges.

2. Heating.

This item includes the cost of gas for heating the units. This is based on the estimated usage of 5,565 CCF's a year at a cost of .1.42 for a CCF plus a 10% factor for taxes, inflation and rate increases.

NOTE: The building will have only one gas meter for all of its units. The plan provides that the budget charges (which include gas charges as par of the common charges) are to be divided among the units in the building in proportion to percentage of common interest, even though the units may use water in a different proportion.

3. Electricity.

This item includes the cost of electricity for lighting the common areas and the electricity for the elevator. This is based on the estimated usage of 4,000 KWH a year at a cost of .32 for a KWH plus a 10% factor for taxes, inflation and rate increases .

The cost of electricity to units is separately metered and electric charges will be paid by Unit Owners directly to the utility company. A projection is set forth in Schedule B-1.

4. Water and Sewer.

This item includes the cost of water and sewer for the entire building. Estimated water consumption for each residential unit is approximately 250 gallons per day per unit at a cost of \$5.00 per 100 cubic feet of water consumed. This yields an annual cost of \$ 2,800.00 which includes all applicable sales tax and a 10% inflation factor.

NOTE: The building will have only one water meter for all of its units. The plan provides that the budget charges (which include water and sewer charges as par of the common charges) are to be divided among the units in the building in proportion to percentage of common interest, even though the units may use water in a different proportion.

5. Repairs and Maintenance, Services and Supplies.

The projected amount does not include repairs, painting, maintenance, or supplies for the interior of the Units, all of which are the responsibility of the individual Unit Owners. Maintaining the grounds is the duty of the Condominium Board.

The budgeted figure for repairs and maintenance (\$600.00) is based on normal maintenance and repairs to the common elements of the building and its systems and equipment. It is not anticipated that any major repairs will be required. The budgeted figure includes such items of regular maintenance as cleaning, painting, and minor mechanical, carpentry, or electrical work.

The budgeted figure for supplies (\$450.00) includes items expected to be consumed in the normal course of building operation, including light bulbs, cleaning supplies, paints, and hardware items. There is no budgeted figure for an elevator maintenance contract as the first year's maintenance is included by the vendor with the installation of the elevator .

Repairs and maintenance should be minimal. However, the Sponsor does not warrant that this will be the case. In addition, no funds are being provided for future capital improvements. At the present time there are no maintenance contracts.

6. Insurance.

The following insurance is available for the Property for the first year of condominium operations as set forth in letter from Brownstone Agency Inc., a licensed insurance broker with an address at 32 Old Slip, 8th Floor, New York, New York 10005:

Items Covered	Coverage Limits
All Risk Building-Replacement Cost	\$1,900,000.00
Deductible	\$2,500.00

General Liability	\$2,000,000.00
Projected Annual Premium	\$6,480.00

The coverage limits for the building are based upon the current replacement cost for the Building (excluding excavation and foundation) estimated by a licensed insurance broker which in his opinion is adequate so that the insured shall not be a co-insurer. The following items are not included in the budget and may be available at extra cost: fidelity insurance; excess liability; auto liability. In order to safeguard the investment of its Unit Owners in the event of a substantial or total destruction of the Building, the Board of Managers should periodically review the amount of casualty insurance for the Building to insure that the amount of coverage equals the Building's then replacement cost. The insurance coverage will meet the requirements of the Sponsor or any mortgage lender procured by the Sponsor.

The fire, casualty and general liability insurance will be on terms that provide: (1) that each Unit Owner is an insured party; (2) that there will be no cancellation without notice to the Board of Managers and the Unit Owners; (3) a waiver of subrogation; (4) a waiver of invalidity because of the acts of the insured and Unit Owners; and (5) a waiver of pro rata reduction if Unit Owners obtain additional coverage. The condominium will have public liability insurance at closing.

This coverage does not include claims for personal injury or property damage resulting from occurrences in a Unit, nor does it include coverage of the furniture or personal property of 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) personal property, and (iii) liability for personal injury as a result of occurrences in the individual Unit. In the event of a loss, the claim is made payable to the named insured (the Board of Managers).

7. Audit Fees

The budgeted item (\$1,500.00) will be used for auditing fees in connection with the preparation of the first year's audited financial statements of the Condominium. The estimate is based on a letter from K&R CPA LLC, 18 Orchard Drive, Monsey, New York 10952.

Legal Fees

No allowance is provided for legal services. In the event the Board of Managers decides to engage an attorney, the common charges will be increased accordingly.

8. Contingency Fund

This item is to provide a fund for possible increases in one or more items of operating expense above the amounts projected or for unanticipated expenses. The budget may be modified from time to time prior to the commencement of, or during, condominium operation to add new items of expense or to increase one or more items of operating expense. The funds for such modifications may be provided by decreasing this budget item or by decreasing one or more items of expense, or both.

9. Reserve Fund

This budget item is to provide a fund for future capital replacements or repairs. This should be sufficient to pay for major capital repairs or replacement items likely to be needed within the first five years of condominium operation.

The foregoing schedule was prepared by Adrey Management Corp., 1434 47th Street Brooklyn, New York but is not intended and should not be taken as a guarantee by anyone that the annual common charges or expenses for the first year or any subsequent year of operation of the building by the board of managers will be as set forth in said schedule and it is likely that the actual annual common charges or expenses will vary from the actual amounts shown in the schedule.

The sponsor has reserved the right to modify, renew and replace existing service, maintenance, employment concessionaire and other agreements and insurance policies, and to enter into new agreements and policies that will be binding on the board of managers on the closing date. Any such new agreement which has the effect of materially increasing common charges by 25% or more or is binding on the board of managers for more than two years will be disclosed by a duly filed amendment to this plan.

In the event that the actual or anticipated date of commencement of condominium operation differs from the budget year projected herein by more than six (6) months from the anticipated date of the closing of the first unit, this plan will be amended to include a revised budget which will disclose new projections. If such new projections exceed the projections contained herein by twenty-five percent (25%) or more, the sponsor will offer all purchasers the right for thirty (30) days following the presentation of such amendment within which to rescind their offer to purchase and have their down payments refunded within ten days of Sponsor's receipt of the notice of rescission.

In the event that the actual or anticipated date of commencement of condominium operation is delayed by twelve (12) months or more from the anticipated, date of closing, the sponsor will amend the plan to offer all purchasers the right for thirty (30) days following the presentation of such amendment within which to rescind their offer to purchase and to have their down payments refunded within ten (10) days of the sponsor's receipt of the notice of rescission.

SCHEDULE B-1
ENERGY COSTS FOR INDIVIDUAL
UNITS

<u>UNIT</u>	<u>Estimated Electrical</u> <u>Usage (KWH @ .32)</u>	<u>Estimated Yearly</u> <u>Electrical Cost</u>
1	7,800 KWH	\$2,871
2	7,400 KWH	\$2,730
3	7,400 KWH	\$2,730
4	7,400 KWH	\$2,730
5	7,700 KWH	\$2,835

NOTES TO SCHEDULE B-1

1. Each Unit Owner will be responsible for the costs of electricity supplied to his Unit. The building contains separate electric meters for each of the units. Charges for each Unit will be payable directly to the utility company.

2. The buildings will use natural gas for heating, hot water and cooking, and electricity for all other power needs. The estimated electricity costs are based on current Con Edison Utilities rates of \$0.32 per KWH. Electric costs include taxes, an additional annual \$125.00 basic charge and a 10% increase for inflation and or rate changes.

3. Estimates were prepared Adrey Management Corp., 1434 47th Street Brooklyn, New York.

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

Although the architect and the sponsor believe that the foregoing is accurate, no warranty or guaranty is being made by sponsor, the architect, the managing agent, or any other person or entity as to what the separately y metered electricity, gas and water and sewer costs may be.

JOSEPH KUNSTLINGER PC

ATTORNEY AT LAW

235 NORTH MAIN STREET
SUITE 2A
SPRING VALLEY, NY 10977
TEL: (845) 689-2400
FAX: (845) 689-2401

COMPLIANCE WITH REAL PROPERTY LAW § 339-i

January 19, 2009

RE: THE 126 FIRST PLACE CONDOMINIUM
126 FIRST PLACE
BROOKLYN, NEW YORK 11231

Dear Sir:

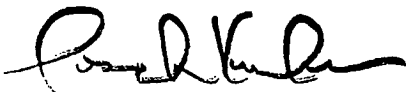
I am the attorney representing the Sponsor of this offering plan. I am not the selling agent or managing agent for this property. I am familiar with condominium units in the area. I have been involved in sale of real estate including condominiums for over ten years. I have reviewed and prepared numerous condominium offering plans and I have consulted with other sponsors as to the allocation of their interests in the common elements.

The method selected for calculating the percentage of common interests in the condominium pursuant to Real Property Law Section 339-i(1) is subparagraph (iv), which provides that:

"the Common Interests of each of the Units have been allocated based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit."

The 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 our review of the foregoing factor, we have concluded that the proposed allocation of common interest to individual units is in compliance with Section 339-(i)(1)(iv) of the New York State Real Property Law.

Very truly yours,



Joseph Kunstlinger

CHANGES IN PRICES AND UNITS

The offering prices set forth in Schedule A of the offering plan may be changed only by a duly filed amendment to the Plan when the change in price is: (i) an across-the-board increase or decrease affecting one (1) or more lines of units or unit models; (ii) is to be advertised; (iii) is a price increase for an individual purchaser. However, the prices for the Units are negotiable and the Sponsor may enter into an agreement with a purchaser to sell one or more Units at prices lower from those set forth in Schedule A without filing an amendment.

In the event of a change in the purchase price of one or more Units, the purchaser of a Unit may pay or have paid more or less than other purchasers of comparable Units having the same Common Interest. However, such change shall not affect the Common Charges or Common Interest of any Unit (including Units whose purchase prices have changed), nor affect the purchase price stated in any Purchase Agreement then in effect.

In order to meet the possible varying demands for number and type of Units, or to meet the particular needs of prospective purchasers, or for any other reason, Sponsor reserves the right to change: (a) the layout of, or number of rooms in, Unsold Units and (b) the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, by combining two or more separate Unsold Units into one or more Unsold Units, by altering the boundary walls of any Unsold Unit(s), or otherwise, including, without limitation, the use of any portion(s) of the Common Elements adjacent to such Unsold Units to the extent that such portion(s) are not required to be maintained as Common Elements pursuant to the terms of the By-Laws. Subject to the terms of the last paragraph of this section, such right may be exercised by Sponsor from time to time, both before and after the First Closing, without the consent or approval of the Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner, or any mortgagee. However, Sponsor shall first obtain the approval of all governmental authorities having jurisdiction thereof whose approval is required by law and no changes may be made without an amendment to the plan and when applicable the declaration.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid, or otherwise, nor may the Common Interest of any Unit be changed, unless reflected in a duly recorded amendment to the Declaration. As more particularly provided in the Declaration, Sponsor or its designee, as the Owner of an Unsold Unit, will have the right itself to so amend the Declaration to effectuate such change, without the Condominium Board, the other Unit Owners, or any mortgagee consenting to, or executing, such amendment. However, no change of a Unit's Common Interest will be made without obtaining the prior consent of all affected Unit Owners. In addition, no change will be made in the unit size, layout or Common Interest of any Unit for which a Purchase Agreement is in effect and the purchaser is not then in default without obtaining the prior written consent of the Purchaser thereof. Additionally, no material change will be made in the size or layout and no material adverse change will be made in the quality of the Common Elements unless all purchasers who have signed purchase agreements and

are not then in default have consented thereto. Therefore, Sponsor must first obtain consent of all purchasers who have signed purchase agreements and are not then in default before amending the Declaration to reflect such change.

INTERIM LEASES TO PURCHASERS

The Sponsor-Seller reserves the right to rent or lease vacant units to purchasers and non-purchasers, but all units will be delivered vacant by the Sponsor unless the purchaser has entered into an interim lease. However, once a vacant unit is sold, and so long as the Purchase Agreement is in effect, it may only be leased to the purchaser of such unit. No purchaser shall have the right to occupy the unit purchased by him prior to the closing unless Sponsor-Seller agrees to permit such occupancy under an interim lease or other written rental agreement. It is possible that Sponsor-Seller will condition the sale of a vacant unit upon the purchaser entering into an interim lease. These units are not subject to rent stabilization or rent protection laws.

If Sponsor-Seller elects to lease a unit the lease will be for such rent and other terms as may be mutually agreed upon. An uncured default under the Purchase Agreement will be a default under the lease and an uncured default under the lease will be a default under the Purchase Agreement. Such lease will also provide that an uncured default by the purchaser under his Purchase Agreement will constitute a default under the lease entitling the landlord (*i.e.*, Sponsor-Seller), at its sole option, to immediately terminate such lease. The Purchase Agreement contains a similar cross-default provision entitling the Sponsor to cancel the Purchase Agreement in the event the purchaser fails to cure a default under his lease within the applicable grace period (if any) and purchaser has vacated the unit. Before the Sponsor may utilize the default under the lease to declare a default under the purchase agreement, the Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unit. The interim lessee will have thirty (30) days to vacate the unit after a default under the Purchase Agreement, or a rescission period under the Purchase Agreement.

PROCEDURE TO PURCHASE

Persons desiring to purchase Units will be required to execute a Purchase Agreement in the form set forth as in Part II of the Plan. Purchaser must deliver all of the above documents to the Selling Agent, together with a check for the down payment payable to the order of "Kunstlinger & Wohlgemuth PLLC, as Attorneys". The down payment shall be 10% of the purchase price and is subject to negotiation; however, in no event shall the down payment be less than \$1,000.00. The Purchase Agreement contains the terms and conditions upon which the Unit will be sold and should be read carefully by the prospective Purchaser and his or her legal or financial representative before being executed.

The Purchase Agreement is not conditioned on such prospective purchaser obtaining financing of his or her purchase price. Prospective purchasers who intend to obtain financing for the purpose of making full payment as required by the Purchase Agreement are advised that they must make their own arrangements in this regard and that in the event they fail to obtain such financing or otherwise raise sufficient funds in time to satisfy the requirements of the Purchase Agreement, they will not be relieved of their obligations thereunder and may, therefore, lose their deposit as provided in the Purchase Agreement.

Sponsor shall determine, at its sole option, whether to include in the Purchase Agreement a mortgage financing contingency clause. In Sponsor elects to do so, Sponsor shall provide Purchaser with a mortgage loan application which shall be returned by Purchaser within five (5) days after the contract has been fully executed to Sponsor along with applicable application fees (approximately \$495.00 application fee, \$295.00 processing fee, and \$21.00 credit report fee). Sponsor shall have thirty (30) days after receipt of the executed loan application and fees to secure a mortgage loan commitment for Purchaser at the then prevailing interest rate. In the event no such financing is furnished, the Purchase Agreement may be declared null and void by either party by written notice to the other postmarked or delivered within five (5) days subsequent to (i) such 30-day period or (ii) notification to Purchaser that Sponsor waives its right to secure financing or such financing will not be furnished, whichever is earlier. In such event, the contract deposit shall be returned to Purchaser. If such notice is not sent within such five-day period, the financing contingency clause shall be deemed waived. If waived, the failure to obtain financing or otherwise raise sufficient funds in time to satisfy the requirements of the Purchase Agreement, they will not be relieved of their obligations hereunder and may, therefore, lose their deposit as provided in the Purchase Agreement. Notwithstanding anything to the contrary contained in this Plan or in the Purchase Agreement, Sponsor shall have no obligation to make the Purchase Agreement contingent upon financing or secure a mortgage loan for Purchaser.

A purchaser seeking financing will be responsible for all fees and costs imposed by the lender, including (but not limited to) appraisal and origination fees (if any). It is possible that a purchaser's financing commitment may expire prior to the Closing and purchaser will incur additional costs.

Purchasers shall have at least three (3) business days to review the Plan and all filed

amendments prior to executing a Purchase Agreement.

Within twenty (20) days after the purchaser delivers an executed Purchase Agreement together with the required deposit, the Sponsor will either accept the Purchase Agreement and return a fully executed counterpart to the purchaser, or if not returned within such time, the Purchase Agreement will be deemed rejected and all monies submitted with such Purchase Agreement will be promptly returned to such prospective purchaser, without interest. Sponsor may reject any Purchase Agreement without cause or explanation so long as such rejection is not based upon race, creed, color, national origin, ancestry, sex, or any other ground prohibited by law.

After the Plan is declared effective, Sponsor will give each Purchaser not less than thirty (30) days' prior written notice of the date, time and place for the transfer of title to his or her Unit. TIME IS OF THE ESSENCE to close on such date. TIME IS OF THE ESSENCE means that there will be no additional time granted. Such notice will be served in compliance with Section 20.1 (d)(1) of NYCRR Title 13 no less than thirty (30) days before the date set for the closing of the units. Purchaser at his option may waive this thirty (30) day notice provision.

At title closing, such Purchaser shall pay the balance of the Purchase Price stated in the Purchase Agreement by his or her unendorsed certified personal check or by official cashier's check drawn on a New York bank, a member of the New York Clearing House Association. At title closing, Purchaser shall also be required to execute a Unit Owner's Power of Attorney to the Board of Managers of the condominium in order to close.

Risk of loss from fire or other casualty remains with the Sponsor until title has passed unless and until the Purchaser is given the right of possession of that unit pursuant to a written agreement with Sponsor in which case Purchaser shall be responsible for a damage incurred that is not paid for by the existing insurance policy.

In the event that a purchaser does not close on the Closing Date set forth in the Notice of Closing, and Sponsor elects not to cancel the Purchase Agreement or if the Sponsor approves the Purchaser's request to adjourn the Purchaser's closing to his unit, interest shall accrue on the unpaid amount of the purchase price from the Closing Date until such amount is paid. The interest rate shall be ten percent (10 %) per annum, calculated on a per diem basis. This rate shall be in effect for as long as there is any unpaid amounts owing towards the full purchase price.

The Sponsor expects the first closing of a unit to occur on approximately July 1, 2009. If such closing is delayed twelve (12) months or more, the Plan shall be amended to offer purchasers a right to rescind.

The Plan (including, without limitation, the Condominium Documents contained in Part II of the Plan) and any amendments thereto duly filed by Sponsor are incorporated into each Purchase Agreement by reference. The execution and submission of a Purchase Agreement constitutes Purchaser's acceptance of the Plan (Parts I and II) and his or her agreement to abide and be bound by the terms of the same, as well as all amendments to the

Plan duly filed by Sponsor. No Purchaser shall have the right to approve or consent to any such amendments, including, without limitation, any changes, modifications, or updating of the estimated Common Charges or estimated real estate taxes and assessments to be paid by the Purchaser on Schedule B -- "Budget for First Year of Condominium Operation" and no such amendment will excuse a purchaser from performing his or her obligations under a Purchase Agreement or entitle such purchaser to any credit or offset against the purchase price set forth therein. However, if an amendment materially adversely affects the rights, obligations, or liabilities of then existing Purchasers, Purchasers will be given the right to rescind their Purchase Agreements by notifying Sponsor within thirty (30) days of presentation of such amendment and will receive a refund of their Down Payments, without interest (unless interest is earned), within thirty (30) days after Sponsor's receipt of Purchaser's election to rescind.

Funds. All funds received from prospective purchasers by the Sponsor will be handled in accordance with the provisions of Sections 352-h and 352-e(2)(b) of the General Business Law and Section 71-a(3)(a) of the Lien Law and shall be used by the Sponsor only in connection with the consummation of the Plan. Section 71-a(3) of the Lien Law requires, at the purchaser's option, that the deposit funds be placed in an escrow account in a bank trust company, savings bank, or state or federal savings and loan association located in New York State. Said monies must be deposited within five (5) business days of the Sponsor's receiving them. The Sponsor must advise the purchaser in writing within ten (10) business days after the deposit has been made of the name of the depository where the funds have been placed.

All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. However, purchasers should note that such funds may be released from the escrow account by the escrow agent as long as the sponsor uses the funds for such upgrades or extras. As a result, in the event a purchaser is entitled to rescission, the purchaser will not receive a refund of any funds used for upgrades or extras.

Any provision of any contract or agreement, whether oral or in writing, by which a purchaser purports to waive or indemnify any obligation of the escrow agent holding trust funds is absolutely void.

The provisions of the Attorney General's regulations concerning escrow/trust funds shall prevail over any conflicting or inconsistent provision in the offering plan or in a purchase or subscription agreement. Purchasers shall not be obligated to pay any legal or other expense of the sponsor in connection with the establishment, maintenance or defense of obligations arising from the handling or disposition of trust funds.

All deposits, down payments, or advances made by purchasers prior to closing of each individual transaction, whether received before or after the date of consummation of the plan, will be placed, within five (5) business days after the agreement is signed by all necessary parties, in a segregated special escrow account of Kunstlinger & Wohlgemuth PLLC, the Escrow Agent, whose address is 235 North Main Street, Suite 2A, Spring Valley New York, and whose telephone number is (845) 689-2400. The signatory on this account authorized to withdraw funds is Joseph Kunstlinger, Esq. or Marc Wohlgemuth, Esq. The

name of the account is "Kunstlinger & Wohlgemuth PLLC- Escrow Account-First Place Condominium", located at Wachovia Bank, 154 Spring Valley Marketplace, Spring Valley, New York 10977. This bank is covered by federal bank deposit insurance to \$250,000.00 per individual deposit. Any deposit in excess of \$250,000.00 will not be insured in excess of \$250,000.00. The federal bank deposit insurance for \$250,000.00 is valid until December 31, 2009 after which date the amount will revert to \$100,000.00 unless extended by Congress. This account is an IOLA account and there is no interest accruing to either the buyer or seller. No fee of any kind may be deducted from the account principal and Sponsor shall bear any administrative cost for maintenance for the account. All instruments shall be made payable to or endorsed to the order of "Kunstlinger & Wohlgemuth PLLC as escrow agent". If the escrow agents are replaced or funds are transferred to a new account, the plan will be amended to provide the same full disclosure with respect to the new account, escrow agent and escrow agreement as was originally provided. No transfer of funds or change of escrow agent will be made until such amendment is accepted for filing by the Department of Law.

Within ten (10) business days after tender of the deposit submitted with the purchase agreement, the escrow agent will notify the purchaser that such funds have been deposited into the escrow account and will provide 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 so long as the right to rescind is exercised within ninety (90) days after tender of the deposit. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited and requisite notice was timely mailed to the purchaser in conformity with the Attorney General's regulations. In addition, in the event the purchaser does not receive notice of deposit within fifteen (15) days after the tender of a down payment, the purchaser may also apply to the Attorney General for relief.

Since all contracts are contingent upon the plan's becoming effective, under no circumstances shall sponsor apply for release of the escrowed funds of a defaulting purchaser until after consummation of the plan.

The escrow agent will hold funds in escrow until otherwise directed in

- (i) a writing signed by both sponsor and purchaser; or
- (ii) a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
- (iii) a judgment or order of a court of competent jurisdiction.

If there is no written agreement between the parties 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 or subscriber has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and has so notified the escrow agent in accordance with such provisions.

The sponsor will not object to the release of the escrowed funds to

- (i) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan;
- (ii) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.

See Part II of the offering plan for a copy of the escrow agreement which incorporates the terms of the Attorney General's regulations.

Purchasers and the escrow agent may apply to the Attorney General in the event of a dispute for a determination on the disposition of the downpayment. The Sponsor shall avail itself of this procedure if there is a dispute which needs to be resolved. A form for this purpose is included in Part II of the Plan. The party applying for a determination must simultaneously send all other parties a copy of the application.

Pending the determination of the Attorney General to grant or deny the application, the sponsor, the purchaser and the escrow agent shall abide by any interim directive issued by the Attorney General.

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

The Attorney General shall act upon the application within 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 shall continue to hold the deposit and any interest earned thereon until:

- I. both the Sponsor and purchaser direct payment to a specified party in accordance with a written direction signed by both the sponsor and purchaser, or
- II. a judgment or order of a court of competent jurisdiction is served on the escrow agent; or
- III. the escrow agent deposits the disputed amount into court.

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

The escrow agent will maintain all records concerning the escrow account for seven years after the release of funds. Upon dissolution of any law firm which was the escrow

agent, the former partners or members of the firm shall make arrangements for the maintenance of these records by the successor firm and shall notify the Department of Law of such transfer.

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

The Sponsor does not intend to avail itself of the available alternatives to the escrow account, which generally require that the Sponsor apply to the Attorney General to use security in the form of surety or a letter of credit in lieu of escrow of such funds for use in newly constructed or gut rehabilitated developments upon showing of adequate insurance of such funds to the satisfaction of the Attorney General.

In the event that the Sponsor wishes to avail itself of the alternatives to the escrow account, it will submit an amendment setting forth the terms of such alternate security and the form of surety bond or letter of credit which will be used to secure the down payment funds. All of the provisions will comply with Section 71-a(3)(b) of the Lien Law and will be in accordance with the Attorney General's Regulations.

In the event that a Purchaser defaults in paying the balance of the Purchase Price on the date scheduled by Sponsor for closing title to his or her Unit; or defaults in performing some other obligation under the Purchase Agreement and fails to cure such default within fifteen (15) days after Sponsor sends written notice to such Purchaser specifying the nature of the default, the Sponsor's sole remedy is to cancel the Purchase Agreement by sending thirty (30) days' written notice to such Purchaser and, if such Purchaser shall fail to cure such default within the said thirty (30) day period, to retain, as and for liquidated damages the full amount of the down payment (the "Liquidated Sum " which shall refer to the sum the Sponsor shall retain for liquidated damages in the event of default. This sum shall not exceed 10% of the Purchase Price plus any actual cost incurred for special work ordered by Purchaser) except that the actual cost incurred by Sponsor for any special work ordered by purchaser may also be retained as liquidated damages. Any payments received by Sponsor in excess of the Liquidated Sum, together with any interest earned on such excess payments, if any, shall be refunded to the Purchaser with reasonable promptness after cancellation. Sponsor must make a written demand for payment after default at least thirty (30) days before forfeiture of the deposit may be declared. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE THIRTY (30) DAY PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days after Sponsor gives written notice to the Purchaser, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. In such event the contract deposit, and any other monies held in Escrow shall be paid over to Sponsor as and for liquidated damages, the Purchase Agreement shall become null and void and sponsor shall have the right to immediately offer for sale the Units which was the subject of such Purchaser Agreement. Alternatively, but not by way of an election of remedies, Sponsor may institute a legal proceeding to compel the Purchaser to perform his or her obligations under the Purchase Agreement.

If a Purchaser is or becomes a tenant or occupant of the Building and fails to pay rent or otherwise to comply with his or her lease obligations or vacates or abandons his or her Unit, then Sponsor may cancel his or her Purchase Agreement as set forth above whether or not such Purchaser is evicted from the Building by reason thereof. However, if such Purchaser is not evicted from the Building by reason of such default, vacating or abandonment, Sponsor shall return to such Purchaser all monies deposited under the Purchase Agreement, together with the interest earned thereon, if any. If Sponsor-Seller elects to lease a unit the lease will be for such rent and other terms as may be mutually agreed upon. An uncured default under the Purchase Agreement will be a default under the lease and an uncured default under the lease will be a default under the Purchase Agreement. Such lease will also provide that an uncured default by the purchaser under his Purchase Agreement will constitute a default under the lease entitling the landlord (*i.e.*, Sponsor-Seller), at its sole option, to immediately terminate such lease. The Purchase Agreement contains a similar cross-default provision entitling the Sponsor to cancel the Purchase Agreement in the event the purchaser fails to cure a default under his lease within the applicable grace period (if any) and purchaser has vacated the unit. Before the Sponsor may utilize the default under the lease to declare a default under the purchase agreement, the Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the lessee unless the lessee has vacated the Unit. The interim lessee will have thirty (30) days to vacate the unit after a default under the Purchase Agreement, or a rescission period under the Purchase Agreement.

In the event a Purchase Agreement is cancelled and, if required pursuant to the Purchase Agreement and the Plan, Sponsor has returned the down payment and any interest earned thereon to Purchaser, both the Sponsor and the Purchaser shall be relieved of all further obligations and liabilities thereunder and under the Plan, and the Sponsor shall be free to sell the Unit to another as though such Purchase Agreement had never been made and without accounting to the Purchaser for the proceeds received on such sale.

Any conflict between the Plan and the purchase agreement shall be resolved according to the terms of the Plan. Acceptance by Purchaser of the deed will constitute Purchaser's acceptance and acknowledgement of the full performance by Sponsor of, and the discharge of Sponsor from, all obligations under the Purchase Agreement, except those obligations expressly stated to survive or to be performed subsequent to delivery of the deed. Nothing contained herein will be in derogation of the rights of Purchasers under Article 23-A of the General Business Law or under the Plan. Purchase Agreements and the plan may not contain, or be modified to contain, a provision waiving purchasers' right or abrogating sponsor's obligations under Article 23A of the General Business Law.

If the purchaser becomes the tenant or actually occupies the unit before the closing of title thereto and, before such closing, the unit is damaged by casualty or otherwise, such purchaser shall assume the risk of loss and the obligation to repair the damage incurred that is not paid for by the existing insurance policy, unless the cause thereof originated outside of the unit and did not result from the acts of such purchaser or other occupants of the unit or such purchaser's guests, invitees, or workmen. No purchaser shall have the right to occupy a unit purchased by him prior to the closing of title unless sponsor agrees to permit such

occupancy under an interim lease or other written agreement. See section" INTERIM LEASES" .

In the event that the Sponsor shall for any reason (except for willful default) be unable to convey and deliver the units in accordance with the terms of the Purchase Agreement, (except for any failure to perform any obligation imposed by applicable statute or regulation, or a failure to perform his obligations under the offering plan) the sole remedy of the purchaser shall be to rescind the Purchase Agreement and be refunded the entire down payment with interest plus the cost of title searches, if any.

Except as set forth above, all other risk of loss or damage prior to Closing is assumed by Sponsor, but Sponsor shall not be obligated or liable to repair the damage. The Sponsor will make a determination whether or not to repair damages within fifteen (15) days. If Sponsor or (in the event the Declaration is filed) the Unit Owners do not elect to repair the damage, the Purchase Agreement will be cancelled and be of no further force or effect. Thereafter, the purchaser will be refunded all purchase monies paid to Sponsor with any interest earned thereon. If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect; Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in , the purchase price; Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacement; and purchaser shall not be required to pay the balance of the purchase price unless and until (i) the Unit has been substantially repaired in compliance with the offering plan and the repairs done with equal quality or in better condition than immediately prior to the casualty, (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored and (iii) any condition in the Unit for which a violation (if any) is noted or issued has been corrected, other than those that are the obligations of the tenant to cure or that are caused by the act or omission of the tenant. Sponsor will remove subsequent to closing all violations of record it is obligated to correct.

The Purchase Agreement is not assignable without the consent of the Sponsor.

Arbitration. Any dispute with regard to the obligations of Sponsor under this Plan which may arise between the Sponsor and a Purchaser, or between the Sponsor and a Unit Owner, or between the Sponsor and the Board, must be submitted for resolution by a single arbitrator in a proceeding in Rockland County or other mutually agreed to location in accordance with the then existing rules of American Arbitration Association or any successor organization thereto ("AAA") with thirty (30) days of the dispute. In the event that the AAA shall not then be in existence and has no successor organization, any such arbitration shall be held in Rockland County before a mutually selected arbitrator pursuant to mutually agreed upon rules and procedures. The decision of the arbitrator 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. In the event that there is a deadlock in voting the above arbitration procedure shall also be followed. The arbitrator is hereby given the power to cast a deciding vote in order to break any deadlock; who shall render an arbitration decision in accordance with the best interests of the Condominium. The Condominium Board shall follow the directions of the arbitrator(s).

The decision of the arbitrator(s) shall be enforceable in a court of law of competent jurisdiction. Such arbitrator(s) shall render an arbitration decision in accordance with the best interests of the Condominium.

Notwithstanding anything contained herein, in the event that this limitation of resolving disputes by arbitration is in violation of any New York State Law or is against public policy, as determined by a New York State court of law, then either party may commence a proceeding in another appropriate forum.

EFFECTIVE DATE

The offer to sell the units under this Plan is contingent upon the Plan's being declared effective in accordance with the provisions set forth below.

The Plan shall be declared effective by personal service of the Notice of Effectiveness on every purchaser; or by commencement of service by mail of the Notice of Effectiveness addressed to the Offeree at the last known residence of such Offeree as set forth in 13 NYCRR Section 20.1 (d) of the regulations of the New York State Attorney General. The Notice of Effectiveness shall state that the plan was declared effective on a particular date, the percentage used to declare the plan effective, and a list of units being counted to meet the minimum percentage under the terms of the plan to declare it effective. The closing of the first unit shall not occur until the plan is declared effective. A closing may occur without the sponsor's submitting an amendment to the Department of Law to declare the plan effective since this is an offer of fewer than 5 units; however, the sponsor must comply with the requirements of Section 20.5(e) of Title 13 NYCRR Part 20 when submitting a post-closing amendment pursuant to section 20.5(f) of said Part 20.

The Plan may not be declared effective unless bonafide purchasers, including investors, have signed purchase agreements for at least fifteen percent (15 %) of the units offered under the Plan (1 unit).

The count of Purchase Agreements towards the minimum number for effectiveness shall not include those

- (a) signed by purchasers who have been granted a right of rescission that has not yet expired or been waived; or
- (b) if the purchaser did not have three (3) business days to review the offering plan and all filed amendments prior to executing a purchase agreement; or
- (c) with any purchaser who is the Sponsor, the Selling Agent, or the managing agent, or is a principal of the Sponsor, the Selling Agent, or the managing agent, or is related to the Sponsor, the Selling Agent or the managing agent or any principal of the Sponsor, 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 a Sponsor or a

principal of the Sponsor, may be included in the count if the Sponsor has submitted proof satisfactory to the Department of Law establishing that such purchaser is bona fide.

The Plan must be declared effective when Purchase Agreements have been accepted by Sponsor for 80 % (which is (4) units) of the units offered under the Plan.

The Sponsor may, at its option, declare the Plan abandoned for any reason whatsoever before it is declared effective. All monies paid by subscribers shall be refunded to them in full with interest earned, if any, within five (5) days after the amendment for abandonment has been accepted for filing. Sponsor shall promptly file an amendment together with a notice of abandonment on Form RS-3.

Sponsor may not abandon the plan after effectiveness for any reason other than :

- (a) defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total offering amount, or
- (b) substantial damage or destruction of the building by fire or other casualty which cannot be cured for less than one-half of one percent of the total offering amount, or
- (c) the taking of any material portion of the Property in condemnation proceedings or be eminent domain.

Any amount relied upon as a basis for abandonment after effectiveness excludes attorney 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.

Subsequent to the First Closing, this Plan may not be withdrawn or abandoned unless at least eighty percent (80%) of the Unit Owners vote to terminate the Condominium. See RIGHTS AND OBLIGATIONS OF UNIT OWNERS for further details.

If this Plan is withdrawn or abandoned, all purchasers will be so notified in writing. Within ten (10) days thereafter, all downpayments paid pursuant to Purchase Agreements then in effect (together with any interest earned thereon) will be returned to purchasers. Within fifteen (15) days of abandonment of the Plan, the Sponsor will promptly submit an amendment to the Department of Law reflecting such abandonment and file a notice of abandonment on form RS-3 and such other form as the Department of Law may require and shall refund all moneys received from purchasers within ten (10) days after the acceptance of said amendment.

TERMS OF SALE

1. At closing the Sponsor will deliver to the Purchaser a Bargain and Sale Deed with covenant against grantor's acts, conveying title to such Unit to Purchaser subject only to the title conditions set forth in Exhibit A to the Purchase Agreement. The Deed will be substantially in the form set forth in Part II of the Plan. There shall be no escrow held for punch list items and Purchaser may not delay closing because of punch list items. Purchaser will be obligated to pay all taxes due including the New York City and State transfer taxes. See CLOSING COSTS for more details.

2. If the Purchaser is or becomes the tenant or the occupant of the Unit before the closing of title thereto and, before such closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside of the Unit and did not result from the acts of such Purchaser or other occupants of the Unit or such Purchaser's guests, invitees, or workmen. Except as set forth in the preceding sentence, all other risk of loss or damage prior to closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair or restore the same. The Sponsor will make a determination whether or not to repair damages within fifteen (15) days after the date of damage. If Sponsor or (in the event the Declaration is filed) the Unit Owners do not elect to repair the damage, the Purchase Agreement will be cancelled and be of no further force or effect. Thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor with interest earned thereon, if any, unless Purchaser is then in default thereunder (beyond the applicable grace period, if any), in which event the said purchase monies (but in no event to exceed the Liquidated Sum) will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacements.

3. No closing will occur unless and until a temporary or permanent certificate of occupancy for the Property or a temporary or permanent certificate of occupancy covering the Unit being purchased has been issued.

4. Title to each unit and its appurtenant interest in the common elements will be conveyed at the closing free and clear of all liens, title encumbrances and title exceptions other than those described in the plan and the proposed unit deed, provided that they do not render title unmarketable. There shall be no lien covering the unit to be closed except permitted mortgages if any. Title exceptions and encumbrances include the following:

- i. 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.
- ii. State of facts which an accurate surveyor personal inspection of the Land would show, provided such facts would not prevent the use of the Unit for dwelling purposes.
- iii. The terms, burdens, covenants, restrictions, conditions, easements, and rules and

regulations, all set forth in the Declaration, the By-Laws , the Power of Attorney from Purchaser to the Condominium Board and Sponsor and the Floor Plans, all as may be amended from time to time.

- iv. Consents by Seller or any former owner of the Land for the erection of any structure or structures on, under or above any street or street on which the Land may abut.
- v. Any easement or right of use in favor of handicapped persons or any easement or right of use in favor of any utility company for electricity, steam, gas, telephone, water, or other service, and the right to construct, use, maintain, repair, and replace all utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Land and Building.
- vi. 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).
- vii. Encroachments of shrubbery, stoops, areas, steps, doors, ledges, window sills, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and stand pipes, sewerage pipes, air-conditioning units, canopies, ramps, and similar projections, if any, on, over, or under the Property or the streets or sidewalks or property abutting the Property and the rights of governmental authorities and adjoining property owners to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.
- viii. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.
- ix. The lien of any unpaid Common Charge, 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 purposes.
- xii. Any lease covering the Unit.
- xiii. Easements in favor of adjoining Units in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction of the Building, or construction of the Units, or which may have come or may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any portion thereof, or of any adjoining Units or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of any alteration or repair to the Common Elements, make 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 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 the other Units and the Common Elements.

- xiv. All covenants, restrictions, reservations, agreements and easements of record which are still in force and effect on the date of the First Unit Closing, provided that they are not violated by and do not prevent the use of any Unit at the Property for dwelling or commercial purposes, as the case may be, nor prevent the existence of the promised structure.
- xv. Certificate of Occupancy to be issued covering the unit if required.
- xvi. Any violations against the Property (other than the Unit) which are the obligation of the Condominium Board or another Unit Owner to correct.
- xvii. Any other declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any laws, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building. Sponsor shall file an amendment to the Plan to reflect any such other declaration or other instrument affecting the Property which is not already disclosed herein.
- xviii. Any other 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 or commercial purposes, as the case may be subject to the Permitted Encumbrances, or with respect to which a title insurance company is willing to insure against collection out of the unit.
- xix. Standard exceptions contained in the form of fee title insurance policy then issued by the title insurance company insuring the Purchaser's title to the Unit.
- xx. The terms, provisions and conditions of the Plan.

5. All personal property located within the unit on the date of closing or located within the common elements on the date the Declaration of Condominium is filed, that is owned by the Sponsor or the owner of the property, is included in the conveyance unless specifically excepted in the offering plan.

6. The Declaration of Condominium, By-Laws and floor plans for the condominium and such other documents as required by law, will be recorded or filed prior to the first conveyance of title to a unit in accordance with the New York Condominium Act or applicable state and local law in the Office of the Clerk of Kings County.

7. If existing mortgages or construction loans encumbering the property will not be satisfied at or prior to closing of the first unit, each mortgagee will, at the time of the conveyance of the first unit, either consent to the formation of a Condominium, and acknowledge that its lien will be limited to Unsold Condominium Units; or subordinate the lien of its mortgage to the Declaration of the Condominium; or, release its lien upon the Condominium Unit being conveyed, and its interest in the Common Elements.

UNIT CLOSING COSTS AND ADJUSTMENTS

As set forth in the Purchase Agreement, the Purchaser will pay the following estimated closing costs at the time of Closing of Title for the purchaser's Unit. These estimates are based on current costs and charges, which are subject to change:

1. At the closing of title to each Unit, 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, including water charges and sewer rents (if separately assessed) and escrows for real estate taxes, if any; and (ii) rent and other charges, if any, pursuant to a lease for, or tenancy of, such Unit; (iii) condominium liability insurance from the date of closing until the policy anniversary.

If a Purchaser fails for any reason to close title to his Unit on the originally scheduled closing date (the "Scheduled Closing Date") the closing apportionments will be made as of midnight of the day preceding the Scheduled Closing Date, regardless of when the actual Closing occurs. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to his Unit on the rescheduled Closing Date.

2. If such 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 as quoted by Sky Abstract LLC. should be \$774.00 for the first \$100,000.00 of fee insurance plus \$4.36 for each \$1,000.00 or fraction thereof of additional fee insurance up to \$500,000.00 and \$3.98 for each \$1,000.00 or fraction thereof up to \$1,000,000.00. Sponsor makes no representation that such rates will not increase before any unit closing. There shall be an additional fee of \$500.00 to Sky Abstract LLC for work done for the condominium Offering.

3. Purchaser shall pay an estimated \$200.00 recording fee for the deed and approximately \$50.00 for recording the power of attorney. An estimated fee of \$200.00 for preparation of ACRIS documents. Any pickup fees, escrow service fees, or other fees charged by the title company to the Seller.

4. Purchaser shall be obligated to pay a fee of \$9,500.00 to defray Sponsors costs of creating the condominium and application of Tax Benefits.

5. If Purchaser obtains a mortgage loan, Purchaser will pay:

(a) an estimate \$280.00 for recording the mortgage;

(b) Purchasers will pay a portion of the mortgage recording tax in the amount provided for by law (at the date of the Plan, the tax to the purchaser is 2.05 % of the face amount of the mortgage for mortgages under \$500,000.00 and 2.175% of the face amount of

the mortgage for mortgage over \$500,000.00 of which the lender shall pay its portion of .25%). Purchaser will also pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser is entitled under Section 339-ee(2) of the Condominium Act. All such payments shall be made upon execution of the loan documents.

(c) Purchasers will pay a premium for the mortgage title insurance policy. Said premium should be \$654.00 for the first \$100,000.00 of fee insurance plus \$3.64 for each \$1,000.00 or fraction thereof of additional fee insurance up to \$500,000.00 and \$3.31 for each \$1,000.00 or fraction thereof up to \$1,000,000.00. A Simultaneous mortgage policy is available when owners and mortgage policies are purchased simultaneously which is charged at 30% of the applicable mortgage rate up to the amount of the owners policy. Any excess is charges at the full mortgage rate.

(d) all costs and expenses in connection with such loan in amounts determined by the lender, *i.e.*, application, points, credit report, survey, appraisal, bank's attorney's fees, etc. Sponsor makes no representation or warranty as to such closing costs or expenses or as to the availability of such financing.

6. Although usually Seller's expense, purchaser shall pay for the New York City Transfer Tax (currently \$1.00 per \$100.00, or fractional portion thereof of the purchase price up to \$500,000.00 and \$1.425 per \$100.00, or fractional portion thereof of the purchase price between \$500,000.00 and \$1,000,000.00) and the New York State Transfer Tax (currently \$2.00 per \$500.00, or fractional portion thereof of the purchase price) imposed by statute on transferors of property. For purposes of transfer taxes, consideration includes the transfer taxes paid by the Purchaser.

7. Purchaser will be required to deposit with the Board of Managers two (2) times the estimated monthly common charges for his unit to be used as working capital.

8. Purchaser shall be obligated to pay the following fees to the law firm of Kunstlinger & Wohlgemuth, PLLC.: \$1,650.00 for services rendered in connection with the preparation of documents; \$200.00 for each condominium questionnaire requested on Purchaser's behalf; \$250.00 if the closing takes place outside of Kings County; 100.00 for each adjournment for any reason other than Seller's request; \$350.00 an hour if the closing lasts more than two hours and the additional closing time is not due to the fault of the Sponsor or Sponsor's attorney.

9. All legal costs, fees and expenses by the Purchaser's Attorney will be the sole responsibility of each Purchaser.

All fees are cumulative to the extent applicable to an individual Purchaser. If, for example, a unit has a purchase price of \$995,000.00, a mortgage of \$440,000.00 and title insurance from Sky Abstract LLC., the following closing costs are estimated:

Owner's policy:	\$3,782.00
Loan policy:	\$920.00
Market value rider(optional):	\$378.20
Residential Endorsement:	\$75.00
Condominium Endorsement:	\$25.00
NY City and State transfer tax:	\$18,304.32
Mortgage Tax:	\$15,139.00
Legal fee to Kunstlinger & Wohlgemuth PLLC:	\$1,650.00
Deed & Power of Attorney Recording:	\$250.00
Mortgage recording:	\$280.00
Acris Documents:	\$200.00
Condominium Creation and Tax Abatement Reimbursement to Sponsor:	\$9,500.00
2 months' estimated common charges:	\$1,428.50
TOTAL	\$51,932.02

The aforementioned costs are only estimates and are subject to change without notice, provided, however, in the event on any substantial change to such closing expenses, sponsor, shall file an amendment to the plan disclosing the same.

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 collect at each unit closing the estimated amount of taxes attributable to such unit for the twelve (12) month period following the unit closing. Sponsor shall place said amount collected in escrow in the name of the Board of Managers. Sponsor will contribute its share for unsold units to the account once taxes are due. The board of managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment.

RIGHTS AND OBLIGATIONS OF SPONSOR

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

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

3. Sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to unsold units that have a certificate of occupancy. Sponsor represents that it has the financial resources to meet its obligations with respect to unsold units. Such obligations shall be funded through the rentals and sales of unsold units and from other funds of the Sponsor. No bond or other security has been posted to secure sponsor's obligations.

4. The Sponsor will cause the board of managers to maintain the property in substantially the same condition and manner as on the date of first closing until the sponsor no longer controls the board of managers.

5. If the Purchaser is or becomes the tenant or the occupant of the Unit before the closing of title thereto and, before such closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside of the Unit and did not result from the acts of such Purchaser or other occupants of the Unit or such Purchaser's guests, invitees, or workmen. Except as set forth in the preceding sentence, all other risk of loss or damage prior to closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair or restore the same. The Sponsor will make a determination whether or not to repair such damage within fifteen (15) days. If Sponsor or (in the event the Declaration is filed) the Unit Owners do not elect to repair the damage, the Purchase Agreement will be cancelled and be of no further force or effect. Thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor with interest earned thereon, if any, unless Purchaser is then in default thereunder (beyond the applicable grace period, if any), in which event the said purchase monies (but in no event to exceed the Liquidated Sum) will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair or replace the loss or damage, the Purchase Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repairs or replacements.

6. Sponsor shall procure fire and casualty insurance pursuant to an agreed amount replacement value or in an amount sufficient to avoid co-insurance, as reflected in Schedule B.

7. In the event of dissolution or liquidation of the sponsor or the transfer of twenty percent (20%) or more of the total number of units in the condominium, the principals of the sponsor will provide financially responsible entities or individuals who will assume the

status and all of the obligations of the sponsor for those units under the offering plan, applicable laws or regulations and in the event of dissolution or liquidation, the principals of the sponsor shall guarantee the performance of such obligations.

8. The financing for the construction of the building has been firmly committed with Ponce de Leon Bank, a lending institution. There are no restrictions imposed by the lender with regard to sales. Upon an agreed upon amount, the lender will release the Unit.

9. (a) Sponsor is obligated to build and complete the condominium in accordance with the building plans and specifications identified in the plan and will, at its sole cost and expense and with reasonable diligence, perform or cause to be performed such work, and will supply or cause to be supplied all materials, necessary to complete the Building and its appurtenances substantially in accordance with the "plans and specifications" (as hereinafter defined) and with a quality of construction comparable to currently prevailing local standards.

All references in this Plan to "plans and specifications" shall mean the plans and specifications for the Building filed with the City of New York, and other appropriate governmental authorities (some of which are summarized in DESCRIPTION OF PROPERTY AND SPECIFICATION in Part II of the Plan), as the same may be amended or changed from time to time in accordance with the provisions of the following sentence. Sponsor reserves the right to amend or modify from time to time said plans and specifications (including, without limitation, changes in layouts and designs or changes affecting the materials, appliances, equipment, fixtures and other construction details) and to substitute materials, appliances, equipment and fixtures in place of those described in the plans and specifications, provided such substitutions are of equal or better quality and design. All the foregoing amendments, modifications and changes to the plans and specifications may be made without prior notice or amendment to this Plan.

The Sponsor reserves the right to make changes or substitutions of materials or construction for items as set forth in the Offering Plan or Building Plan, provided any such changes are of equal or better value and quality, however, the Sponsor may not substitute equipment or materials of lesser quality or design. In addition, Sponsor may not substitute equipment or material for any special work ordered and paid for by a Purchaser unless the affected Purchaser consents to such change. In the event, such consent is not obtained, such Purchaser shall have the right to rescind the special work ordered and receive a refund of the additional amount paid for such special work ordered.

Sponsor may not change the size, location of buildings or units other improvements or common elements if such changes affect the percentage of common interest 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 unit owners and contract vendees consent in writing to such change.

(b) Sponsor will not be obligated to correct and will not be liable to any Unit purchaser as a result of: (i) any insubstantial variations from filed building plans or the

description of the Building set forth in the Plan; or (ii) variations from filed building plans or the description of the Building set forth in the Plan which are neither in violation of applicable building codes nor require the approval of any governmental authority having jurisdiction or which are necessitated by site conditions or job requirements, or (iii) insubstantial variations in the dimensions or arrangement of rooms, walls or other areas within Units, provided (A) such variations are of equal or better quality and design than that originally set forth in said plans or description, and (B) such changes do not affect the 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 Unit Owners affected by such change consent in writing to such change and all contract vendees directly affected by such change are given the right to rescind their purchase agreements and have their down payments returned to them. The foregoing shall not change Sponsor's obligations to complete construction of the Building, including the Units, with materials of substantially equal or better quality and design than those set forth in the Plan. See "Housing Merchant Implied Warranty", below.

10. Prior to closing the first unit Sponsor shall obtain a temporary certificate of occupancy for the unit. The Sponsor and its principals agree to obtain a permanent certificate of occupancy for the unit within two (2) years after closing the first unit. Sponsor will obtain a permanent certificate of occupancy for the unit before the temporary certificate of occupancy expires, unless extended.

11. If the first closing takes place prior to the issuance of a permanent certificate of occupancy for the unit, Sponsor will maintain all deposits and funds in the special escrow account required by GBL Section 352-e(2)(b) unless the sponsor's engineer, architect or other expert certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent certificate of occupancy, in which case the sum exceeding the amount so certified by the sponsor's engineer or architect may be released from the special escrow account. Alternatively, the sponsor must deposit with an escrow agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified.

12. (a) The sponsor is not providing any other warranties or guarantees with respect to the units or common elements, other than those provided for in the Housing Merchant Implied Warranty discussed below and set forth in Part II of the Plan.

(b) Subsequent to the date a Unit Owner is given possession to, or closing of title of, his Unit, Sponsor shall not be responsible for paint touch-ups, repair of dented appliances, porcelain or formica chips and scratches, mars, breaks, or other blemishes in the following: windows, sliding glass doors, screens, electric fixtures, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, medicine cabinets, saddles, wood flooring, appliances, woodwork and doors. The Purchaser will have the right to inspect the unit for any defects prior to taking possession. See the Purchase Agreement annexed in Part II of the Plan.

(c) Except as set forth in this paragraph 12, the Sponsor makes no undertaking or warranty and shall not be obligated to correct or repair any other defects or conditions in

the Building, including (without limitation) the Units, the Common Elements and the Building systems, appliances and all other installations, apparatus, fixtures and appurtenances.

(d) Nothing contained in this paragraph 12 or elsewhere in the Plan shall be construed to render Sponsor liable for consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligation hereunder shall be to repair or replace (at Sponsor's option) any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the plans and specifications), subject to the terms and conditions (and within the time limits) set forth in this paragraph 12 and elsewhere herein.

(e) The foregoing undertakings set forth the entire obligations of Sponsor hereunder with respect to completion of construction and no other warranties or undertakings shall be implied other than those provided for under the Housing Merchant Implied Warranty discussed below and set forth in Part II of the Plan. The construction obligations of the Sponsor under this section shall survive the transfer of the Units to the Unit Owners until the expiration of the periods heretofore set forth. All construction and other obligations of the Sponsor shall be enforceable only by the Condominium Board and not by the individual Unit Owners unless the alleged construction defect relates to one (1) Unit only and is not a common defect affecting two (2) or more Units. In the event there is a dissolution or liquidation of the Sponsor, the individual principals of the Sponsor will bear the obligations of the Sponsor.

13. Under Article 36-B of the General Business Law buyers of newly constructed condominium units are granted certain warranties under the Housing Merchant Implied Warranty. The full text of the law is set forth in Part II.

Housing affected: Newly constructed single-family homes and cooperative and condominium units in buildings of five (5) stories or less. This law does not affect the condominium units offered in this Offering Plan since it is not new construction, therefore Sponsor is not providing any warranty.

14. Prior to the closing of a unit, sponsor will assign any manufacturer's warranties with respect to equipment and appliances installed in the unit to the unit owner and assign any warranties with respect to equipment and appliances installed in the common elements to the Board of Managers.

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

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

17. No bond or other security has been furnished to secure sponsor's obligations

including sponsor obligations to complete construction of the condominium.

18. Sponsor and its contractors, subcontractors, agents and employees will have a right of reasonable access to each Unit and its appurtenant Limited Common Elements and to all of the Common Elements and to all of the Common Elements for purposes of completing construction of the Building or performing certain alterations and repairs in or about Unsold Units and in fulfilling Sponsor's obligations under the Plan, provided (i) Sponsor repairs any resulting damage to the Unit and restores it to substantially the condition it was in prior to Sponsor's entry and (ii) Sponsor provides reasonable prior notice to the Owner of the Unit to which access is required.

19. Although Sponsor will endeavor in good faith to sell each of the Units offered for sale in accordance with the terms of this Plan, Sponsor has reserved the right to rent rather than sell the Units. As a result, there is no commitment on the part of Sponsor to sell more than the fifteen (15%) percent necessary to declare the Plan effective and, therefore, Unit Owners may never gain effective control and management of the Condominium.

20. If the Sponsor makes a bulk sale of all or some of its unsold units, the transferee successor Sponsor is bound by sponsor's representation regarding its commitment to sell units.

Except for Sponsor's obligations to pay Common Charges and to perform other duties as a Unit Owner with respect to any Unsold Units (for so long as Sponsor owns same), the foregoing sets forth the entire extent of the obligations of Sponsor under this Plan and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of purchasers relative to their Units under their respective Purchase Agreements. Sponsor makes no warranties other than as set forth in this section. The obligations of Sponsor under this section shall survive the delivery of the deeds to the respective Units. Sponsor shall not be liable for, or obligated to defend, any suits or claims with respect to any Unit arising out of any occurrence taking place on or after the date of the closing of title to such Unit or the leasing thereof to any purchaser or, with respect to the General Common Elements or Limited Common Elements, arising out of any occurrence taking place on or after the date of the First Closing.

Sponsor's obligations under the Plan, regardless of any limitations in any applicable warranty or in the Plan, cannot be below the duty to construct the Premises in accordance with all applicable codes and filed plans and specifications. Any conflict between the disclaimers and the Sponsor's obligations to construct the Premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the Plan.

Sponsor agrees to indemnify the Condominium Board and Unit Owners and hold them harmless from, and defend on their behalf, any suits or claims arising out of acts or omissions of Sponsor or the representations made by Sponsor in this Plan (i) with respect to the General Common Elements or Limited Common Elements (prior to the First Closing) and (ii) with respect to any Unit (prior to the Closing Date for such Unit).

Obligations of Sponsor under this section with respect to the Condominium, the General Common Elements or the Limited Common Elements shall be enforceable only by the Condominium Board on behalf of all Unit Owners. In no event shall any obligations of Sponsor be enforceable by individual Unit Owners unless the Condominium Board fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of written notice of such claim by any Unit Owner to the Condominium Board.

No bond or other security has been furnished to secure the performance of the sponsor's obligations set forth herein. The ability of sponsor to perform its obligations will depend upon its financial condition, when and if it is called upon to perform. No warranty is made that sponsor will be financially able to perform any or all of such obligations.

CONTROL BY SPONSOR

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

For the first two (2) years from the date of the first closing, Sponsor will maintain control of the Board of Managers of the Condominium or as long as the Sponsor no longer owns any units, whichever is sooner. Thereafter, the Sponsor may elect a majority of the Board of Managers as long as the Sponsor owns a majority of the units. During the period of Initial Control, the Sponsor shall designate a majority of the Board Members which would be two (2) Members and the remaining Board Members shall be elected by all Unit Owners, other than the Sponsor. After the initial two (2) year period, the Sponsor shall have the same right to vote as all other Unit Owners and no additional voting rights, therefore, Sponsor will maintain control of the Board of Managers as long as Sponsor owns a majority of the units. Within thirty (30) days of the expiration of the initial two (2) year period of control, the Sponsor will call a special meeting of the Unit Owners to elect a new Board of Managers who will be elected based on the plurality of the votes. Each and every Unit Owner, including the Sponsor shall have a right to cast one (1) vote for each percentage of interest owned.

Under the Condominium By-Laws, set forth in Part II of the Plan, until the first meeting of Unit Owners, the Board of Managers shall consist of two (2) members designated by the Sponsor. Within six (6) months of the first closing, a meeting will be held to elect a new Condominium Board consisting of three (3) Board Members. At such time, the Sponsor shall designate two (2) of the three (3) Board Members, who shall serve for a period of two (2) years. The other Board Member shall be elected by all Unit Owners, other than the Sponsor, for a term of one (1) year. Elections for this seat on the Condominium Board shall be held annually. After the initial period of Sponsor control, the term of office of each of the three (3) board members shall be one (1) year.

At any regular or special meeting of Unit Owners after the initial two year control period of the Sponsor, any one or more of the members of the Board of Managers may be removed with or without cause by a majority of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created, provided notice of such proposed removal was given to the Board member and was specified in the notice of the meeting. Any member of the Board of Managers whose removal has been proposed shall be given an opportunity to be heard at the meeting. Officers may be removed at any meeting of the Board.

No members of the Board of Managers will receive any compensation from the Condominium for acting as such. The Sponsor may not exercise veto power over expenses described in Schedule B, or over expenses required:

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

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

The By-Laws contain a residency requirement pursuant to which a majority of the Condominium Board must be owner-occupants of the building or members of an owner-occupant's household who are unrelated to Sponsor and/or its Principals, after Sponsor relinquishes control.

BOARD OF MANAGERS

The Board of Managers

1. Under the Condominium By-Laws, set forth in Part II of the Plan, until the first meeting of Unit Owners, the Board of Managers shall consist of two (2) members designated by the Sponsor. Within six (6) months of the first closing, a meeting will be held to elect a new Condominium Board consisting of three (3) Board Members. At such time, the Sponsor shall designate two (2) of the three (3) Board Members, who shall serve for a period of two (2) years. The other Board Member shall be elected by all Unit Owners, other than the Sponsor, for a term of one (1) year. Each member of the Board shall have one (1) vote. The anticipated first two members of the Board are Steven Reich, principal of the Sponsor and Dawn Goodwin, associate of principal of Sponsor. Board elections shall take place on the anniversary of the first meeting of Unit Owners. The term of office of each member of the Condominium Board shall continue for one (1) year. Any member of the Condominium Board may resign his or her membership at any time by giving written notice thereof to the Condominium Board. Notwithstanding anything to the contrary, however, each Condominium Board shall serve until a successor Board is elected and qualified.

There shall be no limit on the number of terms of office, successive or otherwise, that a member of the Condominium Board may serve. In addition, special meetings of Unit Owners may be held from time to time, pursuant to the By-Laws, whenever necessary for the affairs of the Condominium.

2. The officers of the Condominium shall consist of the President, Vice-President, the Secretary and the Treasurer, all of whom shall be elected by the Condominium Board may also appoint additional officers. All officers shall serve without compensation from the Condominium. At least two (2) officers must be members of the Condominium Board and Unit Owner, except as set forth in paragraph 1 above (or officers, directors, partners, employees, beneficiaries (or members of their family) of corporations, partnerships, fiduciaries, or mortgagees that are Unit Owner Occupants). Any officer may be removed, without cause, by vote of a majority of the Condominium Board at a meeting called for such purpose.

3. The members of the Condominium Board will have no liability to Unit Owners for errors of judgment, negligence, or otherwise. Individual members will be liable for their own bad faith, willful misconduct or gross negligence which creates the potential for personal liability for the individual members.

Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building, shall state (if obtainable) that (a) it is made only as agent for all Unit Owners, and the members of the Condominium Board or such officer, superintendent, or Managing Agent shall have no personal liability thereon (except in their capacities as Unit Owners), and (b) the liability of any Unit Owner with respect to such contract shall be limited to (i) such

proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, and (ii) such Unit Owner's interest in his or her Unit and its appurtenant Common Interest, unless otherwise provided by law.

All Unit Owners shall severally indemnify each member of the Condominium Board against any liability or claim, contractual or otherwise, except those arising out of the bad faith, willful misconduct or gross negligence of such member or that are contrary to law or the terms of the Declaration or the By-Laws. However, the liability of any Unit Owner on account of such indemnification will be limited to such proportionate share thereof as the Common Interests of such Unit Owner bear to the aggregate Common Interests of all Unit Owners.

There is no provision for insurance covering indemnification of the Board of Managers. It is at the discretion of the Condominium Board to obtain such coverage, the cost of which will be borne by the Unit Owners as a common expense.

4. All members of the Condominium Board shall serve without compensation.

5. Any officer may be removed, without cause, by vote of a majority of the Condominium Board at a meeting called for such purpose. While the Sponsor is in control, the Board may not be prohibited from removing members for cause. After the initial two (2) year period of Sponsor control, a Board member may be removed by a majority of the Unit Owners with or without cause.

6. When votes of the Unit Owners are required, each Unit Owner shall exercise his vote in the manner set forth in the By-Laws, which provides as follows: Each Unit Owner shall cast one (1) vote for each percentage of interest owned. In Board elections, Unit Owners shall be entitled to cumulate their votes and cast all of such votes for a single director or distribute them among the number to be voted for, or any two or more of them, as he may see fit. Board Members shall be elected by a majority of the votes cast at a meeting at which a quorum shall be present.

The presence, in person or by proxy, of a 2/3 majority of all Unit Owners shall constitute a quorum at all meetings of Unit Owners, and unless otherwise provided, the decision of a majority of the Unit Owners at a meeting at which a quorum shall be present shall be binding upon all of the Unit Owners.

7. Generally, subject to certain exceptions and provided that any required consent of the Mortgage Representatives is obtained, any provision of the Declaration, the By-Laws, or the Rules and Regulations may be amended, modified, added to or deleted by the affirmative vote of 66 2/3 % in aggregate percentage and in number of the Unit Owners, taken in accordance with the By-Laws.

8. For as long as Sponsor or its designee is the owner of one (1) or more

Units in the entire Condominium, the Declaration, the By-Laws and the Rules and Regulations may not be amended or modified so as to adversely affect Sponsor or such designee without the prior written consent of every Unit Owner affected by such amendment.

RIGHTS & OBLIGATIONS OF UNIT OWNERS & BOARD OF MANAGERS

1. Sales and Leases of Units

Each owner of a Unit (other than Sponsor or its designee with respect to Unsold Units) may sell or lease his or her Unit; provided, however, that such owner first gives the Condominium Board written notice of his or her intention to do so, which notice shall be accompanied by a fully executed copy of the contract of sale or lease, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or lessee.

The Condominium Board, on behalf of the remaining Unit Owners, shall have the exclusive right to purchase the Unit within fifteen business days after receipt of such notice of sale, or to lease the Unit within ten (10) business days after receipt of such notice of lease, on the same terms set forth in said contract or lease, all as more specifically set forth in Article 7 of the By-Laws. If the Condominium Board does not notify the Unit Owners of its election to purchase or lease the Unit, such Unit Owner will have sixty (60) days thereafter to consummate the sale or lease in accordance with the terms stated in the contract of sale or lease appended to such notice, failing which the Unit Owner will again be required to offer the same right of first refusal to the Condominium Board as provided above.

The Condominium Board may not exercise its option to purchase or lease any Unit unless those Unit Owners owning a majority of the aggregate Common Interests of all Units affirmatively vote in favor thereof, in person or by proxy, at a meeting of Unit Owners at which a quorum is present. If approval is given, the Condominium Board may assess each Unit Owner (other than the selling Unit Owner), in proportion to his or her Common Interests, an amount necessary to effectuate the purchase or lease. The unit will be used for its legal use and any rent collected will be used to defray the operating expenses of the building. Each one of the Unit Owners may request that the Board of Managers offer the unit for sale through a broker. In the event such unit is sold, the proceeds will be distributed to the Unit Owners in proportion to the amount of funds each Unit Owner provided towards the purchase of the Unit. In the alternative, the majority of the Unit Owners present at a special meeting may designate one of the Unit Owners to purchase the unit being offered for sale and it will be the responsibility of such Unit Owner to raise the funds to purchase the unit. The unit will be used in such manner as any other unit may be used.

Notwithstanding the foregoing, any Unit Owner may sell or lease his or her Unit

to his or her spouse, adult child, parent, grandparent, parent-in-law, or adult sibling, or may convey his or her Unit by gift, devise it by will, or have it pass by intestacy to the aforementioned persons, without complying with the restrictions described above; provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, such restrictions.

The foregoing restrictions upon the sale and lease of Units shall not apply to Sponsor or its designee with respect to any Unsold Units or to Units acquired by a mortgagee in foreclosure or by deed in lieu of foreclosure; they shall be free to sell or lease without first offering to sell or lease to the Condominium Board.

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 any other grounds prohibited by law.

Each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, such Unit Owner's Common Interest; undivided interest in any Unit or Units acquired by the Condominium Board from Unit Owners (or the proceeds received at a foreclosure or other judicial sale of a Unit); and undivided interest in any other assets of the Condominium.

In addition, title to a Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than Permitted Mortgages) are paid and satisfied at or prior to closing. At the time of acquisition of a Unit and as a condition thereof, the new Unit Owner shall be required to execute, acknowledge and deliver a Unit Owner's Power of Attorney in favor of the Condominium Board and Sponsor, in the form set forth in Part II of the Plan, in accordance with Article 14 of the Declaration.

2. Mortgages of Units

Each unit owner has the right to mortgage his or her unit, provided that, with respect to Units other than the Unsold Units, the conditions with respect thereto set forth in Article 8 of the By- Laws are first complied with. As more fully set forth in said Article 8, these conditions include the requirements that:

(a) no Unit Owner, including Sponsor, shall be permitted to mortgage, pledge or hypothecate his or her Unit unless and until he or she shall have paid in full to the Condominium Board all unpaid Common Charges and special assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit;

(b) no Unit Owner, including Sponsor, shall execute any mortgage or other document mortgaging, pledging or hypothecating title to his or her Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any 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 so that at all times, all of the Units' interests in the Condominium shall remain unsevered.

(c) any mortgage covering a Unit shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions as may be required to permit a lender to make the loan;

(d) The Condominium Board is notified in writing of the making of such mortgage and is given a copy thereof.

Sponsor or its designee, as the owner of Unsold Units, shall have the right to mortgage the Unsold Units without any restriction or limitation, except that the Condominium Board is required to be notified in writing of the making of such mortgage and is to be given a copy thereof.

3. Common Charges and Assessment

The Condominium Board will commence to collect the Common Charges upon the closing of title to the first Unit. Furthermore the Condominium Board will prepare and distribute to all Unit Owners, at least annually, a budget setting forth its projection of the Common Expenses for the coming fiscal year of the Condominium. Such Common Expenses will include, among other things:

(a) all costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements;

(b) water charges and sewer rents in connection with the Building (unless the same are separately assessed to individual Units);

(c) real estate taxes and assessments levied with respect to the Property (until the same are separately assessed to individual Units); and

(d) amounts for such other items as the Condominium Board may deem proper

(such as amounts for reserves, to make up deficits for prior years, to prepay indebtedness of the Condominium, or to purchase or lease Units).

Based upon such budget, the Condominium Board will promptly determine and advise each Unit Owner of the Common Charges payable by such Unit Owner during the ensuing fiscal year, which Common Charges shall represent a portion of the projected Common Expenses of the Condominium assessed to such Unit Owner pro rated according to the Common Interest of his or her Unit, except with regard to the charge associated with the parking attendant which shall be assessed only to owners of parking spaces.

Pursuant to the terms of Article 6 of the By-Laws, the Condominium Board has the right to revise its projection of the Common Expenses at any time and from time to time during any fiscal year of the Condominium. Any such revision may result in an increase or decrease in the amount of Common Charges payable by Unit Owners during such fiscal year. However, no such revision shall have a retroactive effect on the amount Common Charges payable by Unit Owners prior to the date of such new determination.

Unless otherwise determined by the Condominium Board, Common Charges will be payable in monthly installments, in advance. No Unit Owner will be relieved from liability for the payment of his or her Common Charges by waiving the use of any of the Common Elements or by mere abandonment of his or her Units. No Unit Owner, however will be liable for the payment of any part of the Common Charges assessed against his or her Units subsequent to a permissible sale and transfer, or other conveyance by him or her of such Unit.

Any Unit Owner may, by conveying his or her unit, without consideration, to the Condominium Board and complying with certain conditions set forth in the By-Laws in connection therewith, exempt himself or herself from Common Charges thereafter accruing. Such conditions include the payment of all Common Charges and assessments then due and payable with respect to his or her Unit and such Unit being free and clear of all liens and encumbrances other than Permitted Mortgages and any statutory lien for unpaid Common Charges. However, in no event shall Sponsor or its designee be permitted to convey any Unsold Unit to the Condominium Board and thereby exempt itself from Common Charges attributable to such Unit thereafter accruing, unless:

(a) the aggregate Common Interests appertaining to the Unsold Units constitutes fifteen (15 %) percent or less of the total Common Interests appertaining to all Units;

(b) at least five (5) years have elapsed since the First Closing; and

(c) at the time of conveyance, Sponsor shall pay the Condominium Board a sum equal to two (2) months' Common Charges (i.e., the product of the then current monthly Common Charges for the Unsold Units being conveyed multiplied by two (2)).

On a resale of any Unit, the purchaser of such Unit shall be required to pay unpaid Common Charges assessed against such Unit prior to his or her acquisition, except that a mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale shall not be liable, and such mortgaged Unit shall not be subject to, a lien for the payment of any Common Charges assessed subsequent to the recording of such mortgage and prior to the acquisition of title to such Unit by the mortgagee or a purchaser at a mortgage foreclosure sale and such assessments shall be the liability of the owner of the Unit at the time of the assessments. In the event that the Condominium Board forecloses its statutory lien on any Unit for unpaid Common Charges and the net proceeds of the foreclosure sale shall not be sufficient to pay such unpaid Common Charges, or if such Unit is acquired by a mortgagee or purchaser at a mortgage foreclosure sale, then, in

either event, the defaulting Unit Owner shall remain personally liable for the balance of such unpaid Common Charges. The Condominium Board shall have the right to assess such unpaid balance amongst all those who are Unit Owners at the time that the same is levied.

Under the provision of Section 339-z of the Real Property Law, and Article 6 of the By-Laws, the Condominium Board will have a lien, on behalf of all Unit Owners, on each Unit for unpaid Common Charges and expenses assessed against such Unit together with interest and costs thereon. All such liens, however, will be subordinate, to the extent required by applicable law, to any liens for real estate taxes and assessments on such Unit.

Any lien for unpaid Common Charges and expenses against a Unit will be effective from and after filing of a verified notice thereof in the Register's Office and until all sums secured thereby, with interest and costs accrued thereon, shall have been fully paid, or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever shall be sooner. Such liens may be foreclosed by a suit brought in the name of the Condominium Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property, or an action may be brought by the Condominium Board to recover unpaid Common Charges without foreclosing the lien.

In accordance with Section 339-aa of the Real Property Law, while the Sponsor is in control of the Board of Managers, the Sponsor will cause the Board of Managers to file a lien on units in which Sponsor is more than thirty (30) days in arrears of common charges.

Failure by Non-Occupying Owner to Make Payments on its Unit

Section 339-kk of the Real Property Law of the State of New York (the "Condominium Act") applies to all condominium plans in existence after July 22, 1998. It is intended to provide financial protection for a condominium association if a non-occupying owner fails to make monthly payments for its units. The terms of Section 339-kk are as follows:

(a) For purposes of this section, "non-occupying owner" means a condominium unit owner who does not occupy the dwelling unit.

(b) If a non-occupying owner rents any dwelling unit to a rental tenant and then fails to make payments due for common charges, assessments or late fees for such unit within 60 days of the expiration of any grace period after they are due, the Condominium Board shall provide written notice to the tenant and the non-occupying owner that rental payments from the tenant shall be paid directly to the Condominium Board.

(c) Such notice shall provide that commencing immediately and until such time as all such payments are made current, all rental payments due subsequent to the issuance of

such notice are to be made to the Condominium Association at the address listed on the notice. However, where a majority of the Board of Managers has been elected by Unit Owners who are in occupancy, the Board may elect not to require that rental payments be made payable to the Condominium Board.

(d) When such payments from the non-occupying owner are once again current, written notice of this fact shall be given within 3 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.

(e) A non-occupying owner who disputes the Board's claim to rental payments pursuant to Section 339-kk shall be entitled to present facts supporting such position at the next scheduled meeting of the Board of Managers, which must be held within 30 days of the date that such Board receives notice that such owner seeks to dispute such claim.

(f) Nothing in Section 339-kk shall limit any rights of Unit Owners or of the Condominium Board existing under any other law or agreement.

(g) Payment by a rental tenant to the Condominium Board made in connection with Section 339-kk 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.

Any Unit Owner who violates the By-Laws or Rules and Regulations adopted thereunder or who fails or neglects to pay common charges on a timely basis shall be advised of the violation by a written statement which shall be mailed by certified mail, return receipt requested, at the Unit Owner's last recorded address. Said statement shall advise the Unit Owner of the date, time and place where the Board of Managers shall give the Complainant an opportunity to prove the violation by a fair preponderance of the evidence. At such meeting, the Unit Owner shall have the opportunity to present a defense of the violation. Any decision of the Board of Managers shall be in accordance with the By-Laws.

In the event of a violation, the Unit Owner shall be assessed administrative charges as follows: (a) for the first violation, the maximum sum of \$25; (b) for a second violation within two (2) years, a minimum of \$25 and a maximum of \$100; (c) for a third violation within two (2) years, a minimum of \$100 and a maximum of \$250; and (d) for each subsequent violation within two (2) years, a minimum of \$250 and a maximum of \$500.

The Complainant shall be a Unit Owner who sets forth to the Board of Managers in writing the violation alleged, the name of the unit owner allegedly in violation, the date, the time and place of the violation and a statement of the facts and circumstances surrounding the violation, which statement is affirmed under the penalties of perjury. In the event a member of the Board of Managers is the Complainant of alleged then said member shall not take part in the decision of the Board of Managers.

4. Repairs

Each Unit and all portions of the Common Elements shall be kept in first-class condition, order and repair (and free of snow, ice and accumulation of water with respect to any terrace, patio, roof or other part of the Property exposed to the elements) by the unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work that is necessary in connection therewith. In the event that any Unit Owner fails to keep his or her Unit in such condition, the Condominium Board may, at the expense of such Unit Owner, enter his or her Unit to perform such acts as are necessary to cure such default.

Subject to the rights of existing tenants and other occupants of Unsold Units, each Unit Owner shall grant to the Condominium Board, the Managing Agent and/or any other person authorized by any of the foregoing a right of access (to be exercised in a reasonable manner) to his or her Unit for the purposes of: making inspections, removing violations against the Common Elements or any part of the Property, making general repairs, curing defaults by the Unit Owner and for other purposes permitted by the By-Laws.

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or non-structural, ordinary or extraordinary in or to any Unit (other than the Common Elements contained therein) shall be performed by the Owner of such Unit at his or her sole cost and expense; and in or to the Common Elements including exterior doors and windows shall be performed by the Condominium Board as a Common Expense.

In connection with the foregoing, it should be noted that the windows located in any Unit are a limited common area and the maintenance and repair of same shall be borne by the owner of such Unit, at such Unit Owner's sole cost and expense. However, if the window needs to be replaced the written approval of the Board shall be obtained if the design differs from the previous design.

Notwithstanding the foregoing, however, all maintenance, repairs and replacements to the Common Elements, whether structural or non-structural, ordinary or non-extraordinary, that are necessitated by the negligence, misuse, or abuse of a Unit Owner, will be made by the Board and assessed to such Unit Owner at his or her sole cost and expense.

5. Additions Alterations and Improvements

Each Unit Owner shall have the right to:

- (i) make alterations, additions, or improvements in the interior of his unit;

- (ii) make alterations, additions, or improvements in the interior of to any part of the property allocated to his unit, subject to the written approval of the Board of Managers;
- (ii) change the layout of his unit;

provided, however, that, with respect to any such alteration, addition, improvement or change in, to, of or upon a Unit:

(1) no physical modification shall be made to any other Unit, and the Common Interest or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(2) the Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(3) such alteration, addition, improvement or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

In the event that any unit is subdivided, the subdivided units shall jointly exercise and share the vote allocated to the original unit.

The Condominium Board may at its sole option, require the Unit Owner to procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement, or repair may be made, as set forth in the By-Laws.

In connection therewith, the Condominium Board, on behalf of the Unit Owner, shall execute applications to any departments or to any governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit, provided however that Condominium Board approval shall be required prior to any work of a structural nature.

Generally, all alterations, additions, or improvements in or to the Common Elements will be made by the Condominium Board, and the cost and expense thereof will be charged to the Unit Owners as a Common Expense.

Except as otherwise provided in the By-Laws, no Unit Owner may make any alteration, addition, improvement, or repair in or to the Common Elements.

6. Insurance

The Condominium Board shall maintain fire insurance policies insuring the

Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, or other personal property supplied or installed by the Unit Owners or tenants of Unit Owners), and covering the interests of the Condominium, the Condominium Board, all of the Unit Owners and the holders of all permitted mortgages (the "Permitted Mortgagee"), in an agreed replacement value of the Building (exclusive of excavation and foundations), without deduction for depreciation. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the loss proceeds, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear; subject however to the loss payment provisions in favor of the Condominium Board and the Insurance Trustee (hereinafter defined as set forth below. The cost of all such insurance shall be paid by the Condominium Board and shall be borne by the Unit Owners as part of the Common Charges.

The proceeds of all such policies of physical damage insurance shall be payable to the Condominium Board, if the amount is less than \$50,000.00 and to an insurance trustee if the amount exceeds \$50,000.00. Such proceeds shall be applied for the purpose of repairing, restoring or rebuilding the Building, unless otherwise determined by a majority of Unit Owners. In no event shall such proceeds be paid to the holder of any mortgage placed by a Unit Owner on his or her Unit unless, in accordance with the provisions of Section 5.5 of the By-Laws, there shall be a determination not to rebuild the Building.

All policies of physical damage insurance shall contain waivers of subrogation and of any defense based on co-insurance or on invalidity arising from any acts of the insured and of pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days' written notice to all of the insured, including Unit Owners, the Board of Managers and Permitted Mortgagees. 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 Permitted Mortgagees ten (10) days prior to expiration of the then current policies, and each Unit Owner shall receive a certificate of such insurance. The insurance policies will provide that each Unit Owner is an additional insured party .

The Condominium Board shall also maintain, to the extent obtainable: (a) public liability insurance as to personal injury and property damage in such limits and amounts as the Condominium Board may from time to time determine, covering each member of the Condominium Board, and the Managing Agent or manager (if any) and each of the Unit Owners; (b) rent insurance in an amount equal to the Common Charges for one (1) year; (c) workers' compensation and New York State disability benefits insurance; (d) hazard insurance; and (e) such other insurance as the Condominium Board may from time to time determine. Such public liability insurance will also cover cross-liability claims of one insurer against another. However, such insurance will not cover the individual liability of a Unit Owner arising from any occurrence within his or her own Unit.

Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board may determine. The cost of all such insurance shall be paid by the Condominium Board and shall be borne by all Unit Owners as part of the Common Charges.

Until the first meeting of the Condominium Board elected by the Unit Owners, the public liability insurance will be in an amount of at least \$1,000,000.00 covering all claims for personal injury or property damage in respect of anyone occurrence, and the fire insurance will be at least in the amount set forth in Schedule B, the "Budget for the First Year of Condominium Operation". The Condominium Board shall review such limits annually.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit, provided that such policies contain waivers of subrogation and provided, further, that the liability of the carriers issuing insurance procured by the Condominium Board shall not be affected or diminished by reason of any Unit Owner's other insurance. A Unit Owner should consider maintaining, at his or her own expense: (a) separate insurance on the contents (*i.e.*, furniture and other personal property and belongings) in his or her Unit, in such amount as will be adequate to insure against loss by reason of fire or other casualty; and (b) liability insurance against claims for personal injury or property damage resulting from occurrences in his or her Unit.

Except as set forth in the next paragraph, in the event that the Building or any of the Common Elements thereof is damaged or destroyed by fire or other casualty, the Condominium Board will arrange for the prompt repair and restoration thereof.

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

If a Unit is damaged by casualty and the proceeds of insurance obtained by the Condominium Board are not sufficient to cover the repair of the Unit, the amount necessary to restore the Unit over and above the proceeds from any fire insurance on the Building will be an expense of the individual Unit Owner. In order to protect himself against the possibility of such an expense, the Unit Owner should obtain additional fire insurance coverage above and beyond that coverage maintained by the Condominium Board.

If seventy-five (75%) percent or more of the Building is destroyed or substantially damaged and if at least sixty-six and two thirds (66 2/3%) percent of all Unit Owners do

not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of the resulting sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in accordance with the factors set out in the New York State Condominium Act Section 339-i(1)(iv), which is based on 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 overall dimensions of the particular unit and the fair market value of such unit. In the event of any dispute, the issue shall be presented for arbitration in accordance with Article 10 of the By-Laws. No payment shall be made to a Unit Owner until there has first been paid, out of his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages that are not Permitted Mortgages) in the order of the priority of such liens. If Sponsor or its designee is then a unit owner, it will have the right to vote at any meeting of Unit Owners called for the purpose of deciding whether or not to proceed with the restoration or repair of the Building.

7. Occupancy and Restrictions on Use

As more fully set forth in the Declaration and in the By- Laws, each Unit may be used in accordance with the use permitted by local law and zoning regulations and the Certificate of Occupancy.

Sponsor may without obtaining the consent of the Condominium Board or the other Unit Owners use anyone or more of such Units as model units and sales and/or promotion offices in connection with the sale or rental of the Unsold Units or for any other purpose, subject only to compliance with law.

A Unit owned or leased by an individual, corporation, partnership, fiduciary, or other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including officers, directors, stockholders, or employees or corporate fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such entity, respectively, or by members of the immediate family or guests of any of the foregoing. However, the foregoing restriction shall not apply to Unsold Units.

No nuisance, or immoral, improper, offensive, or unlawful use, shall be allowed in the Building or any portion thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property, shall be complied with at the sole expense of the respective Unit Owners or the Condominium Board, whoever shall have the obligation to maintain or repair such portion of the Property. The Rules and Regulations of the Condominium, which govern the use of all of the Units, may be amended from time to time by the Condominium Board, provided that copies of such amendments are furnished to each Unit Owner prior

to the time that they become effective.

As more fully set forth in the By-Laws, the Condominium Board, and the Managing Agent, superintendent and other persons authorized by the Condominium Board, will have a right of access to any Unit for the purposes, among others, of making inspection of, or removing violations of governmental laws or regulations against any part of the Property, curing defaults committed by the owner of such Unit under the Condominium Documents, or correcting conditions originating in any Unit and threatening another Unit or any Common Element. In addition, Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for purposes of performing certain alterations and repairs in or about Unsold Units and in fulfilling Sponsor's obligations under the Plan.

A right of access is hereby granted to the unit owners, their successors, heirs and assigns, for the purpose of gaining access to the following areas: common areas; mechanical areas of the building, including but not limited to the boiler room, storage room, meter room or any other facility to which each such unit owner has a right of use; or to any area of the property that such Unit Owner has a right to use as part of his Unit or as a Common Element. However, the right shall only be exercised in a reasonable manner. In addition, to the specific easements set forth in Articles 10 and 11 of the Declaration of Condominium, the Property and every portion thereof shall be subject to all easements and rights of access prescribed in the Condominium Act.

8. Compliance with the Terms of the Declaration
The By-Laws and the Rules and Regulations

Each Unit Owner must strictly comply with the provisions of the Condominium Documents, including, but not limited to: the Declaration, By-Laws, or any other rules, regulations or requirements promulgated by the Condominium Board, and as the same may be amended, modified, deleted, or added to from time to time pursuant to the terms thereof. Failure to strictly comply is grounds for an action for damages, including but not limited to attorney's fees, late charges and interest at the highest legal rate allowable, or injunctive relief, or both.

REAL ESTATE TAXES

After the units are separately assessed, 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 or non-payment of taxes on any other units, nor will his or her unit be subjected to any lien arising from the same.

In the event that the units are not separately assessed at the time of closing to the first unit, the sponsor will collect at each unit closing the estimated amount of taxes attributable to such unit for the twelve (12) month period following the closing. Sponsor shall place said amounts in escrow in the name of the board of Managers. Sponsor shall pay its share for unsold units into the account once taxes are due. The board of managers will pay the real estate taxes from the escrow account when taxes are due and payable and the funder of the escrow account will be entitled to reimbursement from unit owners to the extent of the actual assessment. To the extent that the taxes have been paid by the Sponsor there will be an adjustment made at the time of the closing in the amount of the prepaid taxes with respect to this unit. The adjustment will be based on the percentage of common interest allocated to his unit.

The property is taxed by the City of New York which, through the Department of Finance, imposes a tax rate of 13.053% for the tax year of July 1, 2008-June 30, 2009. Sponsor, is applying for J-51 Real Estate Tax Exemption and Abatement Benefits. This will result in an exemption of the building from increase in actual assessed valuation due to improvements to the premises for a period of eleven (11) years, with the full assessment thereafter being phased in over a four (4) year period. The J-51 abatement benefits further reduce the property's existing tax liability otherwise payable for a maximum of twenty (20) years. Sponsor has obtained an opinion from Metropolitan Realty Exemptions, Inc. as to the likely effects of Sponsor's application for Real Estate Tax Benefits. See REAL ESTATE TAX BENEFITS OPINION for more details. The anticipated date of completion of construction is January July 1, 2009.

Calculations of Real Estate Taxes are arrived by applying the current tax rate to the assessed value, and then allocating the resulting taxes in direct proportion to the allocation of common interest. 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. In the event Tax Abatement and Exemption benefits are obtained, the assessed value will be based on the pre-construction assessed value of \$41,640.00. In the event tax exemption benefits are not obtained, the assessed value used for calculation is the \$61,267.00 post-completion assessed value estimated by the Sponsor's real estate tax exemption and abatement expert, and set forth in his letter included in this Plan. Unit owners shall be entitled to deduct real property taxes paid on the unit for income tax purposes. See TAX OPINION for more details.

As of the present date, there are no tax certiorari proceedings pending on the premises.

The Board of Managers will be responsible for reviewing, appealing and filing any documents necessary for obtaining a reduction in the tax assessment and will file such documents on behalf of all of the owners. Such owners shall execute any documents required for such filing.

After the Units have been separately assessed, tax review for each Unit will be the responsibility of the Unit Owner.

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 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 J-51 tax benefits are not obtained may not accurately reflect the taxes which will apply at the expiration of the benefits period. Sponsor will use its best efforts to obtain the aforementioned real estate tax exemption benefits, and will make all applications and timely comply with all procedures required to properly process and maintain the tax benefits. Upon closing, all tax benefit documents will be made available to the Purchaser for inspection and copying for the life of the benefits. The explanation and projection prepared by the Sponsor's tax abatement expert who prepared the J-51 application is expressly adopted by the Sponsor and included as part of this offering plan.

Metropolitan Realty Exemptions, Inc.

118 Middleton Street Brooklyn, NY 11206
Telephone: (718)387-3004 Facsimile: (718)228-3503
Email: taxadvisor@thejnet.com

January 8, 2009

Steven Reich
224 Court Street
Brooklyn, NY 11201

RE: 126 First Place LLC
126 First Place
Brooklyn
Block & Lot 459 - 17
Five (5) Residential Condominiums

Dear Sir:

You have requested us to advise you with our opinion in respect to the applicability of the above property for partial real estate tax exemption under 11-243 of the administrative code of the City of New York (formerly Sec. J-51) and the regulations adopted by the Department of Housing Preservation and Development, as amended, and an estimate of what those benefits would be.

The real estate tax benefits, which are available to eligible properties under Section J-5 1, are as follows:

TAX EXEMPTION

A J-51 property tax exemption effectively freezes a residential building's assessed value for tax purposes, exempting the owner to pay property tax on the increase in value, resulting from the conversion, alteration, or improvement of a building or structure, except insofar as the gross cubic content of the building is increased thereby and for the prorated commercial area of the building. The exemption will last for a period of fourteen years, with 100% exemption for ten years followed by a 20% phase-out in each of the succeeding four years.

- The land value will not be exempt from any increase in assessed valuation.

TAX ABATEMENT

Property tax abatement is a reduction in the amount of taxes an owner is liable to pay, tax liabilities, which are attributable to the residential-nonexempt portion of the Assessed Valuation. The Department of Housing Preservation and Development (HPD) grants tax abatements based on the Certified Reasonable Cost (CRC), HPD has established a "Certified Reasonable Cost" (CRC) for each type of work, eligible for a J-51 abatement. In any given year, a building's taxes are abated by no greater than 8 1/3% of the total CRC, until 90% of the CRC ceiling is reached.

Metropolitan Realty Exemptions, Inc.

The aforementioned abatement benefits will last for a period of not less than 6 years and not to exceed 20 years.

- The maximum CRC for a condo unit is \$2,500 per annum.

We were advised that the sponsor intends to renovate and convert a four story residential building, to five residential condominiums, and the cubic content of the building will be increased. You have further advised us that the renovation is being performed pursuant to an Alteration Type 1 permit, according to the NYC DOB Codes and it will be signed off with the Department of Buildings upon completion of the renovation. Each condominium unit will be issued a separate tax lot number, and the owner of each unit will be responsible for paying its real property tax liabilities.

TAX LIABILITIES

The final market value for tax years 2008/2009, of the subject premises (i.e., the aggregate assessment of all units) following completion of construction, is \$815,000. The Department of Finance has lawfully classified the subject premise as a Tax Class 2, subjecting it to an assessed value of 45% of the market value. The final assessed value for tax years 2008/2009 of the subject premises (i.e., the aggregate assessment of all units) following completion of construction, is \$61,267.00. As per Rules and Regulations governing assessment increases, the assessed value of properties that were altered or improved can only be increased by 15% of the estimated development costs, in the initial year following the completion of the construction, and for the years thereafter, the assessed value shall only be increased by 8% per annum and 30% in the following five years.

Using the foregoing assessed value, assuming a Class 2 tax rate of 13.053% (i.e., \$13.053 per \$100 of assessed value, the final 2008/2009 tax rates), the total real estate tax liabilities due, will be \$7,997.18. The total assessed value of the year prior to renovation was \$44,945.00.

J-51 BENEFITS

Based on the foregoing, it is our opinion that the Department of Housing Preservation and Development (HPD) will consider the property eligible for real estate tax abatement and exemption benefits under Section 11-243.

J-51 abatement benefits serve to reduce the property's tax liability otherwise payable. For conversions of a residential building, to condominiums, the abatement is calculated and determined based on 90% of the lesser of: 1) the "reasonable cost" of the eligible alteration or improvement as established by the NYC Dep't of Housing Preservation and Development (HPD); or 2) a maximum allowance of \$15,000 per one-bedroom apartment with a per-apartment increase of \$2,400 for each additional bedroom. Resulting abatement benefits are reduced by ineligible portions of the converted structure. The abatement may be realized over a period of up to twenty years, with the maximum amount of property tax deductible in any one year, limited to 8 1/3% of the total abatement. If, in any tax year, the tax abatement is greater than the tax due, the property's taxes may be reduced to zero, with the remaining abatement available through the twentieth year. After the twenty-year period, any unused tax abatement benefits are lost.

We estimate that the maximum J-51 abatement will not exceed \$75,00.00 to be applied at the rate of 8 1/3% per annum, until 90% is granted, up to a maximum of twenty years. Assuming the CRC costs exceed the above-mentioned amount, we would anticipate that the property would qualify for the current maximum abatement of \$75,000.00.

Metropolitan Realty Exemptions, Inc.

In addition an exemption will be granted for any tax increase due to the proposed renovations, in regard to the existing Floor Area, for a period of fourteen years, with 100% exemption for ten years, followed by a 20% phase-out in each of the succeeding four years.

In general, to qualify for the exemption and abatement, the work must be completed within three years of the Permit date and the application must be submitted to HPD within forty-eight months of the commencement of the work (Regulations Section 5-03(d) formerly Section 2.4 (4) of the Rules.)

We also note that once J-51 benefits are granted, certain subsequent events could cause their reduction or withdrawal. Under Section 5-07(c) of the regulations, the commissioner of HPD may reduce or revoke past or future tax exemptions or abatements if he finds that the J-51 application contained a false statement as to a material matter or omits a material fact.

All interested parties should be aware that HPD routinely conducts audits, pursuant to section 5-07(b) of the regulations, all books, and records and documents must be made available to HPD for a period of three years after the certificate is issued failure to comply with audit requirements can result in the reduction of revocation of J-51 benefits.

Please note that, after the J-51 application has been approved by HPD, benefits will not actually commence so long as previous real estate taxes, water and sewer charges remain unpaid. The J-51 real estate tax abatement and exemption benefits are not retroactive. All real estate taxes due up to the commencement of the benefit's must be paid in full. In addition, once begun, J-51 benefits can be revoked in the event that real estate taxes or water and sewer charges remain unpaid for one year after they become due and payable to the city. Failure by one condominium owner to pay the taxes and/or charges applicable to its unit will not jeopardize the benefits of the other unit owners.

This letter was prepared at the Sponsor's request. The figures set forth herein are approximations derived from material submitted by the Sponsor and are subject variation. However, no warranty is or can be made by this firm that HPD or the New York City real property assessment department, or any other agency with jurisdiction will approve sponsor's application for J-51 tax benefits, or that the per unit assessed valuation will fall within the parameter set forth above.

The preparer of this letter will not be liable if, - because of changes in laws and/or regulations, or if the facts represented by sponsor prove incorrect, - the property fails to obtain whole or part of the J-51 benefits. Should tax abatement and/or exemptions be denied, in whole or in part, the unit owners may be responsible for all of the taxes due and owing from the closing date.

Please note: J-51 and 11-243 are used interchangeably.

Sincerely yours,



Martin Joseph
Metropolitan Realty Exemptions, Inc.

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January 21, 2009

The 126 First Place Condominium
126 First Place
Brooklyn, New York 11231

Gentlemen:

You have requested my opinion concerning (i) the deductibility for Federal, New York State and Local income tax purposes of mortgage interest and real estate taxes paid by a Unit Owner who purchases a Unit under the Offering Plan (the "Plan"), and (ii) the Federal Income Tax Treatment of the Common Charges received by the condominium association of the condominium (the "Condominium"), and (iii) Compliance with Real Property Law Section 339(i)

i. Deductibility of Mortgage Interest and Real Estate Taxes

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 of the Internal Revenue 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 estate taxes paid or accrued during the taxable year.

It is our opinion that, pursuant to the provisions of the Internal Revenue Code of 1986 (the "Code") (See Revenue Ruling 64-31, 1964-1 C.B. 300 in which the IRS ruled that Sections 163 and 164 of the Code 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) and the corresponding provision of the New York State Law (see Section 615 of the Tax Law), interest payments on any mortgage indebtedness and real estate payments are proper deductions by the owner of a Condominium Unit, in connection with his Federal and New York State income taxes. The Unit must either be the Unit Owner's principal residence or the one other residence he selects pursuant to Section (163(h)(5)(A)(i)(II) of the Code.

These expenses will be deductible when paid or accrued in accordance with the Unit Owner's method of accounting.

In addition, certain Units Owners who are veterans of the United States Armed Forces, may be entitled to deductions covering part of the real estate taxes applicable to their Units.

ii. Common Charges-Federal Income Tax Treatment

Section 528 of the Code affords certain condominiums; substantially all of whose Units are used for residences, the opportunity to elect to be treated as tax exempt organizations. In order to qualify-

- (a) 60% or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the unit owners; and
- (b) 90% or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the condominium properties, which properties, as defined in Section 528 of the Code, include property held by the Condominium; and
- (c) No part of the net earnings of the organization may inure to the benefit of any individual.

Based upon our examination of the Offering Plan and subject to the Condominium actually satisfying the minimum percentage income and expenditure criteria set forth above, it is our opinion that the Condominium will be eligible to be treated as a tax exempt organization under Section 528 of the Code during its first year of operation. Such an election may entail the filing of tax returns and will exempt from Federal, New York State and New York City Income taxation all amounts received by the Condominium from the Units Owners as membership dues, fees or assessments. The Condominium will be taxed, however, on any excess of income over expenses from unrelated sources. Examples of unrelated sources income include interest earned on reserve funds, income from concessions and income from dues or fees received from persons other than Unit Owners. In the event either the Condominium fails to qualify for the elect Section 528 taxations statute in any year, it may, to the extent it has any income from unrelated sources or from accumulated revenues received by virtue of dues, fees and assessments received from Unit Owners not expended in any taxable year, be subject to Federal, New York State Income Taxation (see Revenue Ruling 74-99, 1974-1 C.B. 131).

We have considered the relevant cases and rulings on the tax status of the Condominium, including Revenue Rulings 74-17, 74-99, 75-370 and 75-371. These rulings under certain circumstances permit assessments for capital replacements and new or replacement equipment to be excluded from the Condominium's income and be treated for tax purposes as additional capital contributions. In such case each unit Owner's assessment for such purposes would add to his tax basis. Although the Condominium described in the Plan may be deemed a taxable entity under such Rulings, assuming that assessments for capital purposes, including reserves, are properly designated and accounted for, and that certain other special purpose assessments are properly treated as trust funds, the Condominium should not realize any significant amount of taxable income, other than with respect to incidental investment income, such as interest earned on reserve funds deposited in bank account.

We express no views as to any Federal, New York State and/or local county tax consequences or as to any aspects of the Plan other than those explicitly discussed in this opinion. Nor do we express any view as to the tax status and tax consequences of the Plan under the laws of any other US or foreign jurisdictions. This opinion does not deal with tax consequences which may result to a foreign Unit Owner by reason of his foreign status. This opinion also does not deal with the tax consequences which may arise if Units are acquired and/or leased by the Condominium Board or with respect to whether a Unit Owner may be deemed a resident of New York due to ownership of a Unit. We therefore strongly advise each person contemplating the purchase of a Unit to consult his own tax advisor as to all such tax matters (including the tax matters discussed in this opinion).

No warranty or representation can be made that the United States Treasury Department, the Department of Taxation and Finance of the State of New York or the New York City Finance Department will accept any or all of the views stated above. Moreover, the Federal, State and City tax laws and regulations (and the rulings and decisions thereunder) may change and thereby affect, in whole or in part, the views stated above. Under no circumstances will the Sponsors or counsel to the Sponsor, the Condominium Board, the Selling Agent or any person be liable if the taxing authorities fail to allow the income tax deductions by reason of future changes of fact or law, including statutes, regulations, rulings, and judicial determinations.

iii. Compliance with Real Property Law Section 339(i)

The method selected for calculating the percentage of common interests in the condominium pursuant to Real Property Law Section 339-i(1) is subparagraph (iv), which provides that:

"the Common Interests of each of the Units have been allocated based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements for exclusive or shared use, and the overall dimensions of the particular unit."

The 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 our review of the foregoing factor, we are of the opinion that the proposed allocation of common interest to individual units is in compliance with Section 339-(i)(1)(iv) of the New York State Real Property Law.

iv. The opinion expressed by Metropolitan Realty Exemptions, Inc. regarding the real estate tax benefits are adopted into this letter as our representations.

It is our understanding that this letter will be made a part of the Offering Plan of The 126 First Place Condominium.

Yours truly,

JOSEPH KUNSTLINGER PC

A handwritten signature in black ink, appearing to read "Joe R. Kunstlinger", written in a cursive style.

Joseph Kunstlinger

RESERVE FUND

The reserve fund will provide a fund in the event there is a need for future major capital expenditure for the first five years of operation. While the Sponsor is in control of the Condominium Board, the Reserve Fund shall not be used to reduce estimated Common Charges. No representation is made that the reserve fund will be adequate to cover current or future expenses, including repairs or replacements, and if additional funds are required over and above the reserve fund, it may be necessary for the board of managers to increase the charges.

WORKING CAPITAL FUND

The Sponsor, as agent of the Board of Managers, will collect from each original purchaser at the time of the Closing an "Initial Capital Payment" equal to two (2) months' common charges for each unit. The Sponsor will deliver the funds so collected to the Board of Managers to provide the necessary working capital for the Condominium. Such funds may be used for certain prepaid items, organizational costs, and for such other purposes as the Board of Managers may determine and may be replenished as the Board sees fit. While the Sponsor is in control of the Condominium Board, the Working Capital Fund shall not be used to reduce estimated Common Charges. Adjustments for prepaid expenses between the Sponsor and the board of managers may be deducted only from the working capital fund. No representation is made that the initial working capital fund will be adequate to cover current or future expenses, including repairs or replacements, and if additional funds are required over and above the initial capital fund, it may be necessary for the board of managers to increase the charges.

Neither the department of law nor any other government agency has passed upon the adequacy of the initial working capital fund or the physical condition of the building.

IDENTITY OF PARTIES

Sponsor

The Sponsor is 126 First Place LLC, a limited liability company formed in September of 2007 with an address at 35 Brewster Terrace, Brooklyn, New York. The principal of the Sponsor is Steven Reich with a business address at 224 Court Street, Brooklyn, New York.

Steven Reich is actively involved in the planning and consummation of this offering. Steven Reich is the only principal (as such term is defined in the regulations promulgated by the Department of Law) of Sponsor. Mr. Reich has the following real estate experience for over twenty years: owning and managing, single and multi-family homes.

Neither the Sponsor nor its principal have any felony convictions, bankruptcies, injunctions or judgments which are material to the Offering Plan or an offering of securities generally.

The Sponsor has not taken any part in prior public offering, does not have experience in prior public offerings, as a selling agent, nor does it have an interest of greater than 10% in any other condominiums or cooperatives.

The principal of Sponsor has offered the 362 Eastern Parkway Condominium, 362 Eastern Parkway, Brooklyn, New York whose first unit closed in April of 2007. The principal of Sponsor does not have any other experience in prior public offerings, as a selling agent, nor does he have an interest of greater than 10% in any other condominiums or cooperatives.

There is no relationship between the Sponsor or its principal and the selling agent, the managing agent, the engineer or architect, and any person or firm who will provide services to the condominium subsequent to the commencement of condominium operation.

Selling Agent

The selling agent is The Corcoran Group, with an address at 145 Montague Street, Brooklyn, New York. The selling agent has over twenty years experience in selling residential single and multi-family development in the Brooklyn area. Neither the Selling Agent nor its principals have any felony convictions, bankruptcies, injunctions or judgments which are material to the Offering Plan or an offering of securities generally.

Attorney

The Sponsor is represented by Kunstlinger & Wohlgemuth PLLC, 235 North Main Street, Suite 2A, Spring Valley, New York 10977 in connection with this Offering Plan and the recording of the Declaration of Condominium and the preparation of the Unit Deeds, escrows and closings. The Offering Plan was prepared by Joseph Kunstlinger, Esq.

The Condominium does not have independent legal counsel. IT IS SUGGESTED AND EXPECTED THAT EACH PURCHASER WILL CONSULT WITH AND BE REPRESENTED BY HIS/HER OWN COUNSEL IN CONNECTION WITH THIS OFFERING.

Engineer/Architect

Ronald Cagan LPE., with an address at 223 Court Street, Brooklyn, New York 11201, a registered architect of the State of New York, license number 54060, has prepared the description of property in accordance with the Architect's Drawings and the Property. Such report is set forth in Part II. The architect has been involved in the planning and development of multi-unit projects for over ten (10) years. The architect has no financial interest in the Property, the Sponsor, the Condominium or any other party interested in this transaction, except for its fee for services rendered in connection with such report.

REPORTS TO UNIT OWNERS

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

(a) A financial statement of the condominium prepared by a certified public accountant or public accountant by the end of 4 months after the end of the fiscal year ; such statement shall be certified while the sponsor is in control of the board of managers.

(b) Prior notice of the annual unit owners' meeting.

(c) A copy of the proposed annual budget of the condominium by ten (10) days prior to the date set for adoption thereof by the board of managers; such budget shall be certified while the sponsor is in control of the board of managers.

DOCUMENTS ON FILE

Copies of the Plan and all exhibits and documents referred to herein shall be available for inspection by prospective purchasers and by any person who shall have purchased a Unit offered under the Plan or shall have participated in the offering of such Unit, at the office of the Sponsor, during convenient weekday hours and shall remain available for such inspection for a period of six (6) years from the First Closing. The Plan and all other exhibits and documents referred to herein shall also be available for inspection and copying by appointment at the Department of Law, 120 Broadway, 23rd Floor, New York, New York 10271. In addition, the Declaration, By-Laws and a set of the floor plans showing the layout, locations, and approximate dimensions of each Unit and its unit number designation filed in the Register's Office will be furnished to the Condominium Board.

GENERAL

There are no lawsuits, administrative proceedings, or other proceedings the outcome of which may materially affect this offering, the purchasers of Units, the Property, Sponsor's capacity to perform all of their obligations under the Plan, the Condominium, or the operation thereof, except as may be further herein expressly set forth.

This property has not been the subject of any prior public offerings. All of the units offered are vacant. No preliminary contracts or binding agreements have been entered into and no deposits or advances of funds accepted from prospective purchasers as of the date the plan is accepted for filing.

In accordance with the provisions of the laws of the State of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person because of sex, race, creed, color, national origin, ancestry, or other ground prescribed by law in the sale of the Units offered by the Sponsor pursuant to the Plan or in the leasing of any such Units or any other portion of the Building.

Purchasers have a right to rescind purchase agreements following material adverse amendments. The purchaser shall have a right to rescind by sending written notice to the Sponsor within thirty (30) days after being presented by the sponsor with a copy of the amendment. Sponsor will return any deposit or down payment to purchasers who rescind within ten (10) days of the receipt of written notice of rescission. No deposit or down payment shall be returned to interim lessees prior to their vacating of the apartment. See Section "Interim Leases".

No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. This Plan may not be changed or modified orally.

SPONSOR'S STATEMENT OF BUILDING'S CONDITIONS

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

The number and usage of the units is identical to the number and usage of the units that will be stated in the permanent certificate of occupancy when the construction work is completed.

ASBESTOS STATEMENT

Sponsor represents that there is no Asbestos Containing Material (ACM) and there will be none in insulating or fireproofing material anywhere in the building.

Dated: 2009

Sponsor: 126 FIRST PLACE LLC

PART II

THE 126 FIRST PLACE CONDOMINIUM

**126 FIRST PLACE
BROOKLYN, NEW YORK 11231**

PURCHASE AGREEMENT

THE 126 FIRST PLACE CONDOMINIUM

**126 FIRST PLACE
BROOKLYN, NEW YORK 11231**

PURCHASE AGREEMENT

**THE 126 FIRST PLACE CONDOMINIUM
126 FIRST PLACE
BROOKLYN, NEW YORK**

Agreement made and dated

2009, between

126 FIRST PLACE LLC, 35 Brewster Terrace, New Rochelle, New York 10804,
(hereinafter called the "Sponsor")

And

having an address at (hereinafter called the
"Purchaser")

WHEREAS, the Sponsor will promulgate a Condominium Plan and desires to offer for sale, pursuant to Article 9-B of the Real Property Law of the State of New York, condominium Homes to be situated on the land owned by it located in the Borough of Brooklyn, County of Kings, City and State of New York and the Purchase is desirous of purchasing a Condominium Home therein;

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth in this Purchase Agreement, the parties mutually agree as follows:

1. PLAN

Purchaser acknowledges having received and read the Plan at least three (3) full business days prior to Purchaser's signing this Purchase Agreement. Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the proposed Condominium Documents contained in Part II of the Plan) 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 (including, without limitation, amendments involving any changes, modifications, or updating of the estimated Common Charges, the estimated real estate taxes to be paid by Purchaser, or the "Schedule B--Budget for First Year of Condominium Operation" of THE 126 FIRST PLACE CONDOMINIUM". Any such amendments shall neither excuse Purchaser from performing Purchaser's obligations hereunder nor entitle Purchaser to any offset or credit against the Purchase Price and may be made by Sponsor without Purchaser's consent or approval. The Plan is hereby incorporated in this Agreement with the same force and effect as if set forth at length. In the event of any inconsistency or conflict between the provisions of this Agreement and those contained in the Plan, the provisions of the Plan shall govern and be binding. Purchaser acknowledges having had full opportunity to examine all documents, and investigate all statements, made herein and in the Plan.

2. AGREEMENT TO PURCHASE AND SELL

Purchaser agrees to purchase from Sponsor, and Sponsor agrees to sell to Purchaser, the unit designated as Unit Number _____ (hereinafter called the "Unit") in the Declaration, together with its undivided interest (hereinafter called the "Common Interest") in the Common Elements, on and subject to, the terms and conditions set forth herein.

3. PURCHASE PRICE

A. The purchase price for the Unit (exclusive of closing adjustments and costs referred to in Paragraphs 12 and 13 below) is

\$ _____ (hereinafter called the "Purchase Price")

which Purchaser agrees to pay to the Sponsor, as follows:

(i) \$ _____ (hereinafter called the "Down Payment") is due on Purchaser's signing and submitting of this Agreement and is to be paid by Purchaser's personal check, receipt of which (subject to collection) is hereby acknowledged by Sponsor;

(ii) \$ _____ (hereinafter called the "Balance "), constituting the balance of the Purchase Price, is due on the delivery to Purchaser of the deed to the Unit and must be paid by Purchaser's personal certified check or official cashier's check, in either event drawn on a bank that is a member of the New York Clearing House Association.

B. The payment of the Balance and acceptance of deed to the Unit by Purchaser 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.

C. Purchaser is not required to pay the Balance or accept title to the Unit unless concurrently with, or prior to, closing all the prerequisites set forth under "Closing and Terms of Sale" in Part I of the Plan are met.

4. PURCHASE MONIES HELD IN TRUST

Sponsor will hold in trust any and monies received by it directly or through its agents, employees or Escrow Agent until the Unit is transferred to Purchaser or the Purchase Agreement is cancelled in accordance with its terms. All monies received hereunder will be deposited at Wachovia Bank, 154 Spring Valley Marketplace, Spring Valley, New York 10977 in a segregated special escrow account entitled "Kunstlinger & Wohlgemuth PLLC-

Attorney Escrow Account". The funds so deposited will be disbursed only in accordance with the provisions of this Agreement and the Plan. In the event the Plan is abandoned or withdrawn, such funds will be returned to purchaser without interest (unless interest is earned), except as otherwise provided in the next sentence. If at the time the Plan is abandoned or withdrawn the Purchaser shall be in default hereunder and shall have failed to cure such default within the applicable grace period or if this Agreement had been previously canceled due to Purchaser's uncured default, then Sponsor shall retain as and for liquidated damages the Down Payment (but in no event to exceed ten percent (10 %) of the Purchase Price) plus any additional sums of actual costs incurred on account of any special work in the Unit ordered by Purchaser, and any sums in excess thereof shall be returned to Purchaser within five (5) days after amendment abandoning the plan has been accepted for filing without interest (unless interest is earned). All funds received under this Purchase Agreement will be handled in accordance with Sections 352-e(2)(b) and 352-h of the New York General Business Law and the Offering Plan.

Until such time as completion of the sale and consummation of the Plan, funds deposited in trust as Down Payment or as the Purchase Price for Units, will be disbursed only upon the signature of Joseph Kunstlinger or Marc Wohlgemuth, 235 North Main Street, Suite 2A, Spring Valley, New York 10977, to be used for purchase of the Unit if the Plan is declared effective and title closes, or returned to the Purchaser if the Plan is abandoned or withdrawn or if title does not close as herein provided or disbursed to Sponsor if Purchaser defaults.

5. CLOSING CONTINGENT ON PLAN BEING DECLARED EFFECTIVE

A. The respective obligations of Purchaser and Sponsor hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan, as same may be amended from time to time. Purchaser understands and agrees that the Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter, in certain limited cases set forth in the Plan (see the section in the Plan entitled "Effective Date" for full details). The Plan will be abandoned or deemed abandoned if it has not been declared effective within the time limits prescribed in the Plan. The Sponsor shall notify Purchaser, in writing or by a duly filed Amendment to the Plan, when the Plan becomes effective or is abandoned.

B. If the Plan is abandoned or does not become effective or if after being declared effective the Plan shall not be consummated for any reason on or before twenty-four (24) months from the date the Offering Plan is accepted for filing by the Department of Law, this Agreement shall be deemed canceled and all monies paid by Purchaser hereunder shall be disbursed in accordance with the provisions of Paragraph 4 above. After the funds are so disbursed, Purchaser and Sponsor shall have no claim against each other or the Selling Agent in connection with this Agreement or the Plan and all of same shall be released and discharged from all liabilities and obligations hereunder and under the Plan.

6. CLOSING DATE AND PLACE

The closing of title shall occur on the date and at the time and place in the office of the Seller's attorney, County of Kings, State of New York as Sponsor shall designate to Purchaser on not less than thirty (30) days' prior written notice. TIME IS OF THE ESSENCE with regard to such closing date. Sponsor shall have the right, from time to time, to adjourn such date and time for closing on written notice to Purchaser. If adjourned, Sponsor shall fix a new date and time for title closing and shall give Purchaser not less than ten (10) business days' prior written notice of the new scheduled date and time for closing. Purchaser may waive this thirty (30) day provision by initialing below. If the closing takes place outside of Kings County Purchaser shall pay an additional \$250.00 to Kunstlinger & Wohlgemuth PLLC if any member of the firm is present at the closing.

The Sponsor expects the first closing of a unit to occur on approximately July 1, 2009. If such closing is delayed twelve (12) months or more, the Plan shall be amended to offer purchasers a right to rescind.

I hereby waive the provision requiring thirty (30) days Notice of Closing _____.

7. THE DEED

At closing, Sponsor shall deliver to Purchaser a Bargain and Sale Deed with covenant against grantor's acts transferring to Purchaser full ownership (fee simple title) to the Unit. Such executed deed shall be delivered immediately to the representative of the title company insuring Purchaser's title (or, if no such representative is present, to Purchaser or Purchaser's attorney).

8. STATE OF TITLE

Legal ownership to the Unit shall be transferred to Purchaser at closing subject only to the liens, encumbrances and title conditions (hereinafter called the "Permitted Encumbrances") enumerated in Exhibit A to this Agreement. Title exceptions may include the state of facts shown on a stated survey and any additional state of facts a subsequent survey would show, provided that such state of facts does not render title unmarketable. Any other liens, encumbrances, or conditions shall not be an objection to title if: (i) the instrument required to remove it from the record is delivered to said representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for recording in the proper office, together with the requisite recording or filing fees; or (ii) Purchaser's title insurance company will insure Purchaser against its collection or enforcement out of the Unit.

9. TITLE COMPANY APPROVAL

Sponsor's sole obligations shall be to provide Purchaser with insurable title from Sky Abstract LLC, Tel. 845-371-5200. Purchaser may accept such title, or any other title as any member of the New York Board of Title Underwriters, will approve and insure, provided only the liens, encumbrances and conditions affecting title shall be the Permitted

Encumbrances.

10. SPONSOR'S INABILITY TO CONVEY TITLE

In the event Sponsor is unable to deliver to Purchaser title to the Unit in accordance with the provisions of this Agreement, Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total offering amount, of any nature whatsoever to render title marketable or to remove, cure or comply with any violations of record issued prior to the First Closing, and in such case, Sponsor may abandon the Plan. In no event shall Sponsor be obligated to cure violations of record which are the obligations of tenants to cure or which result from the acts or omissions of tenants, or violations noted with respect to radio or television antennae.

11. PURCHASER'S REMEDIES

In the event that the Sponsor shall for any reason (except for willful default) be unable to convey and deliver the apartments in accordance with the terms of the Purchase Agreement, (except for any failure to perform any obligation imposed by applicable statute or regulation, or a failure to perform Sponsor's obligations under the Offering Plan) the sole remedy of the purchaser shall be to rescind the Purchase Agreement and be refunded the entire down payment with interest plus the cost of title searches, if any.

Purchasers have a right to rescind purchase agreements following material adverse amendments. The purchaser shall have a right to rescind by sending written notice to the Sponsor within thirty (30) days after being presented by the sponsor with a copy of the amendment. Sponsor will return any deposit or down payment to purchasers who rescind within ten (10) days of the receipt of written notice of rescission.

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

Nothing contained in the Purchase Agreement or in the Plan shall be construed to waive a purchaser's rights or abrogate Sponsor's obligations under Article 23-A of the GBL.

12. CLOSING ADJUSTMENTS

A. At closing, Sponsor and 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, including water charges and sewer rents (if separately assessed) and any escrows for real estate taxes;

- (ii) Common Charges for the month in which title closes; and
- (iii) rent and other charges, if any, pursuant to a lease for, or tenancy of,
- (iv) insurance apportioned to unit until the policy expiration date.

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.

B. In the event the Unit has not been separately assessed for the then current fiscal tax year at the time of title closing, the apportionment of real estate taxes shall 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. If the Unit has been separately assessed but the closing occurs before the tax rate is fixed, then the apportionment of real estate taxes shall be based upon the latest tax rate applied to the most recent assessed valuation.

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

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

13. PURCHASER'S CLOSING COSTS

At the time of title 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 Sponsor resulting from the closing apportionments described above. 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:

- (i) If such 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, if should be \$773.00 for the first \$100,000.00 of fee insurance plus \$4.36 for each \$1,000.00 or fraction thereof of additional fee insurance up to \$500,000.00 and \$3.98 thereafter up to \$1,000,000.00. Purchase shall pay a fee of \$500.00 to Sky Abstract LLC for work done in connection with the Offering.
- (ii) Purchaser shall pay the following: an estimated \$200.00 recording fee for the deed and approximately \$50.00 for recording the power of attorney; an estimated fee of \$200.00 for preparation of ACRIS documents; any pickup fees, escrow service fees, or other fees charged by the title company to the Seller.

- (iii) If Purchaser obtains a mortgage loan, Purchaser will pay:
- (a) a fee and service charge for recording the mortgage at approximately \$200.00;
 - (b) Purchasers will pay a portion of the 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% thereafter up to \$1,000,000.00 of which the lender pays .25%).
 - (c) Purchasers will pay a premium, for the mortgage title insurance policy. In addition, such Purchaser shall pay the costs of filing the UCC-1 Financing Statements (approximately \$15.00), and will also pay Sponsor a sum equal to the partial mortgage tax credit to which Purchaser is entitled under Section 339-ee(2) of the Condominium Act. All such payments shall be made upon execution of the loan documents.
 - (d) all costs and expenses in connection with such loan in amounts determined by the lender. Sponsor makes no representation or warranty as to such closing costs or expenses or as to the availability of such financing.
- (iv) Purchaser shall be obligated to pay a fee of \$9,500.00 to defray Sponsors costs of creating the condominium and application of Tax Benefits.
- (v) Purchaser will be required to deposit with the Board of Managers two (2) times the estimated monthly common charges for his unit to be used as working capital.
- (vi) Purchaser shall be obligated to pay the following fees too the law firm of Kunstlinger & Wohlgemuth, PLLC.: \$1,650.00 for services rendered in connection with the preparation of documents; \$250.00 for each condominium questionnaire requested on behalf of purchaser; \$250.00 if the closing occurs outside of Kings County; \$100.00 for each adjournment for any reason other than Seller's request; \$350.00 an hour if the closing lasts more than two hours; \$350.00 an hour for any work requested on behalf of the Purchaser, i.e. mortgage broker or lender.
- (vii) Purchaser shall pay for the York State Transfer Tax (currently \$2.00 per \$500.00, or fractional portion thereof of the purchase price) and the New York City Transfer Tax (currently \$1.00 per \$100.00, or fractional portion thereof of the purchase price up to \$500,000.00 and thereafter \$1.425 per \$100.00 or fractional portion thereof up to \$1,000,000.00 and 1.825 thereafter)

All fees are cumulative to the extent applicable to an individual Purchaser.

14. RENT SECURITY DEPOSIT

If Purchaser is or hereafter becomes a tenant of the Unit, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest earned thereon, within thirty (30) days following the closing, provided Purchaser is not in default under Purchaser's lease or tenancy obligations. If the Unit is occupied by other than Purchaser, then the unapplied security deposit (if any) of the tenant or occupancy will be transferred at closing to Purchaser, who will upon receipt sign and deliver to Sponsor an agreement acknowledging the amount received, indemnifying Sponsor from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest bearing bank account pursuant to the provisions of Section 7-103 of the New York General Obligations Law (such agreement to be in form and substance satisfactory to Sponsor). In either event, Sponsor will have the right to deduct from any tenant's security deposit the amount of any rent arrearage owing to Sponsor and to sue the tenant to the extent such rent security is insufficient.

The Purchaser may not occupy the Unit or perform any work in the Unit prior to closing without the prior consent of the Sponsor. In the event the Purchaser occupies the Unit or performs any work in the Unit prior to closing without the prior consent of the Sponsor, such event shall constitute a default under Section 16 of this Agreement.

15. POWER OF ATTORNEY TO BOARD OF MANAGERS AND SPONSOR

At closing, Purchaser shall execute, acknowledge and deliver to the representative of the title insurance company insuring Purchaser's title to the Unit (or if no representative is present, then to Sponsor's attorney) for recording in the Kings County Clerk's Office, a power of attorney in favor of the Board of Managers relative to purchasing or leasing of Units and in favor of Sponsor relative to amending the Condominium Documents to the extent permitted in the power of attorney. After being recorded, the power of attorney shall be sent to the Condominium Board.

16. EVENTS OF DEFAULT

A. The following shall constitute "Events of Default" hereunder:

(i) Purchaser's failure to pay the Balance on the Closing Date designated by Sponsor pursuant to paragraph 8 herein;

(ii) Purchaser's failure to duly sign, notarize and deliver at closing the power of attorney pursuant to paragraph 15 above;

(iii) If Purchaser is or becomes a tenant of the Building, Purchaser's failure to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations, which results in Purchaser's eviction from Purchaser's Unit (either by voluntary removal or by court order); or

(iv) If Purchaser occupies the unit or performs any work in the unit prior to closing without the prior consent of the Sponsor;

(v) The failure to pay, perform or observe any of the Purchaser's other obligations hereunder, which is not cured within thirty (30) days after the mailing of written notice specifying the nature of such default.

B. Upon the occurrence of an Event of Default, the Sponsor's sole remedy shall be to cancel the Purchase Agreement by sending Purchaser thirty (30) days' prior written notice of its intention to do so. If Sponsor elects to cancel, Purchaser shall have thirty (30) days from the giving of the cancellation notice within which time Purchaser must cure the specified default. If the default is not timely cured, then Sponsor shall have the right to retain, as and for liquidated damages, the Down Payment (but in no event to exceed ten percent (10 %) of the Purchase Price of the it) plus the cost of any special work in the Unit ordered by Purchaser, (hereinafter called the "Liquidated Sum") and any sums in excess thereof (together with any interest earned thereon) shall be returned to Purchaser promptly thereafter. Upon cancellation of this Agreement and making such refund to Purchaser (if any), Purchaser, Sponsor and Selling Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another as though this Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THIS AGREEMENT ON OR BEFORE THE 30TH DAY OF SUCH THIRTY DAY PERIOD.

Upon cancellation of this Agreement and making such refund to Purchaser (if any), Purchaser, Sponsor and Selling Agent will be released and discharged of all further liability and obligations hereunder and under the Plan. Thereafter, the Unit may be sold to another as though this Agreement had never been made, and without accounting to Purchaser for the proceeds of such sale.

C. In the event that a purchaser does not close on the Closing Date set forth in the Notice of Closing, and Sponsor elects not to cancel the Purchase Agreement or if the Sponsor approves the Purchaser's request to adjourn the Purchaser's closing to his apartment, interest shall accrue on the unpaid amount of the purchase price from the Closing Date until such amount is paid. The interest rate shall be ten percent (10 %) per annum. This rate shall be in effect for as long as there is any unpaid amounts owing towards the full purchase price.

D. Notwithstanding the occurrence of an Event of Default Sponsor may, in its sole discretion, keep this Agreement in effect and proceed to close title without prejudicing Sponsor's right to recover from Purchaser's damages, losses, costs, expenses and all other lawful sums to which Sponsor is entitled (including, but not limited to, legal fees and costs of collection).

E. If Purchaser is or becomes a tenant of the Building and Purchaser fails to pay

rent or otherwise comply with Purchaser's lease or tenancy obligations, or Purchaser vacates or abandons the leased premises, then such failure, vacating or abandonment (as the case may be) shall constitute a default hereunder entitling Sponsor, at its sole option, to cancel this Agreement, even though Purchaser is not evicted from the leased premises as a result thereof. However, in the event Sponsor elects to so cancel, unless Purchaser is evicted, Sponsor shall refund to Purchaser all monies deposited hereunder together with any interest earned thereon. Upon such refund being made, Sponsor and Purchaser will be released and discharged of all further liability and obligations under this Agreement and the Plan. However, in no event shall Purchaser be released or excused from paying and performing Purchaser's lease or tenancy obligations.

17. APPLIANCES AND EQUIPMENT

A. The Unit is being sold unfurnished, without window blinds or shades and will contain only the appliances and equipment described above and in the Plan. Furniture, wall coverings, furnishings, decorations, and the like in or about any model Unit are for display purposes only and are not included in this sale. Any floor plans or sketches shown to Purchaser (including those contained in the Plan) are only approximations of the Unit's dimensions and arrangement, and Purchaser should not rely thereon. Sponsor shall not be liable for minor variations from any floor plans or sketches.

B. There will be no modifications or extras unless agreed to in writing by the parties. All modifications and alterations must be approved by Sponsor in writing and, if approved, shall be performed by Sponsor at Purchaser's expenses (payable in the manner to be set forth in an addendum to this Agreement or separate agreement).

18. CONSTRUCTION

A. 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 architectural "plans and specifications" (defined in the Plan), subject to the right reserved by Sponsor to modify and amend the Plan and the "plans and specifications" in order to substitute materials, equipment or fixtures of equal or better quality and design, provided only that the approval of any governmental authorities having jurisdiction thereover and the construction lender are first obtained (if required). The issuance of a 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 obligations to correct any defects in construction in accordance with the conditions set forth in the Plan in the section entitled "Rights and Obligations of the Sponsor. "

B. The construction of the Building and the Unit and the correction of any defects in construction to the extent required under the Plan are the sole responsibility of the 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 Plan in subparagraph 2(b) of "Rights and Obligations of Sponsor--

Construction Obligations" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions, set forth in subparagraph 5 of "Rights and Obligations of Sponsor: Construction Obligations. "

19. INSPECTION OF UNIT

At least ten (10) days before the Balance is to be paid, the Selling Agent shall notify the Purchaser that the Unit is ready for inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with the Selling Agent to inspect the Unit before the lapse of such ten (10) day period. Purchaser or his duly authorized agent shall attend such inspection and shall complete, date and sign the Inspection Statement (in the form set forth as Exhibit C to this Agreement) and deliver same to the Selling Agent at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within ten (10) days of receipt of said notice or to so sign and deliver the completed Inspection Statement, shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit. However, nothing herein shall relieve Sponsor of its obligations as set forth in the "Rights and Obligations of Sponsor -- Construction Obligations" as set forth in the offering plan.

20. POSSESSION; RISK OF LOSS

A. Unless Purchaser now resides in the Unit, Purchaser shall not be entitled to occupy the Unit until the deed is delivered to Purchaser at closing. Sponsor may, in its discretion, grant Purchaser possession of the Unit prior to the closing under an interim lease, if the Unit is currently, or hereafter becomes, vacant.

B. If Purchaser is given possession of the Unit prior to Closing under an interim lease or otherwise, the Purchaser shall be solely responsible for any damage to, or loss or other condition in the Unit resulting from Purchaser's use or occupancy, and Sponsor shall not be obligated to make any repairs to the Unit or its installations. However, until closing Sponsor will remain responsible to make those repairs required of it as a landlord under any existing or interim lease and, after closing, the Condominium Board will be responsible to make those repairs required of it under the Condominium Documents.

C. If during Purchaser's occupancy the Unit is damaged by casualty or otherwise, the Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage, then Purchaser's failure to make such repair shall not excuse Purchaser from paying the Balance and accepting delivery of the deed.

D. Except as provided in the preceding subparagraph C, all other risk of loss prior to closing has been assumed by Sponsor, but Sponsor shall have no obligation or liability to repair or restore the same. Sponsor will make a determination whether or not to repair such damage within fifteen (15) days. If Sponsor or (in the event the Declaration is filed) the Unit owners do not elect to repair the damage, the Purchase Agreement will be

cancelled and be of no further force or effect. Thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor with interest earned thereon, if any, unless Purchaser is then in default thereunder (beyond the applicable grace period, if any), in which event the said purchase monies (but in no event to exceed the Liquidated Sum) will be retained by Sponsor as and for liquidated damages. If Sponsor or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage, this agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete or to permit the Condominium Board to complete such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board or other Unit Owners) and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing.

E. In the event Sponsor notifies Purchaser within fifteen days that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, this Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited hereunder, without interest (unless interest is earned), whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain the Liquidated Sum pursuant to Paragraph 17 above.

21. NO REPRESENTATION

Purchaser acknowledges that Purchaser has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or others, 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 or the estimated Common Charges and estimated real estate taxes for 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 may be specifically represented herein or in the Plan; Purchaser having relied on Purchaser's own examination and investigation thereof. No person has been authorized to make any representations on behalf of Sponsor. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees (a) to purchaser 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, provided the layouts and dimensions conform substantially to such Floor Plans and (b) that Purchaser shall not be relieved of any

of Purchaser's obligations hereunder by reason of any minor inaccuracy or error. The provisions of this Paragraph 21 shall survive the closing of title.

22. NOTICES

All notices, elections, consents, demands and communications (collectively called "notices" or individually called "notice") shall be delivered personally or given in writing by registered or certified mail, return receipt requested, postage prepaid, and, if sent to Purchaser, addressed to Purchaser at Purchaser's address given in the preamble to this Agreement and, if sent to Sponsor, addressed to the Sponsor.

Notice to Purchaser shall include facsimile transmission to Purchaser or Purchaser's attorney. Seller's attorney may send all notices to Purchaser's attorney and/or Purchaser via facsimile at the following number(s): _____. A facsimile confirmation printout by Seller's attorney showing transmission was complete is sufficient evidence that the facsimile has been transmitted and the notice has been served.

23. BROKER

Purchaser represents to Sponsor that the Selling Agent is the only broker or sales agent with whom Purchaser has dealt in connection with this transaction. Sponsor agrees to pay the commission due the Selling Agent pursuant to separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the Selling Agent, on account of any acts of Purchaser or of Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from any and all liabilities and expenses in connection therewith, including (without limitation) reasonable legal fees and disbursements. The provisions of this Paragraph 23 shall survive the closing.

24. NO LIEN: AGREEMENT SUBJECT TO MORTGAGE

A. No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any monies deposited hereunder. This Agreement shall not be recorded and any purported recordation hereof by Purchaser shall constitute an Event of Default.

B. In furtherance and not in limitation of the provisions of the preceding subparagraph A, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgages heretofore or hereafter made and any payments or expenses already made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date unless Purchaser assumes such mortgages. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations

hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration and the Unit is released from the lien of such mortgage at closing.

25. ENTIRE AGREEMENT

This Purchase Agreement, together with the Plan, as the Plan may be amended from time to time, constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior understandings and agreements.

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

A. Except for Sponsor's failure to perform any obligation imposed by applicable statute or regulation, Sponsor shall not have any liability to Purchaser or others with respect to any of Sponsor's obligations under this Agreement or the Plan or otherwise in excess of the net proceeds paid to Sponsor from the sale of all Unsold Units after payment of, or reserve for, any liabilities, costs or expenses of Sponsor arising out of the promulgation of the Plan, the offering of the Units for sale and the consummation of the transactions contemplated in the Plan.

B. 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, acts of terror, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials, or supplies in the open market, failure of transportation, strike, lock-out, action of labor unions or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

28. FURTHER ASSURANCES

Either party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

29. SEVERABILITY

If any provision of this Agreement or the Plan is invalid or unenforceable as against

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

30. STRICT COMPLIANCE

Any failure by Sponsor to insist upon strict performance by Purchaser 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 Sponsor, notwithstanding any failure, shall have the right thereafter to insist upon strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

31. GOVERNING LAW

The provisions of this Agreement shall be governed by, and construed and enforced in accordance with, the Laws of the State of New York.

32. ARBITRATION

In order to resolve any dispute, controversy, claim or question arising with respect to this Agreement, including but not limited to obligation of Sponsor, the parties shall consult with _____ in order to resolve the issue. In the event that after such consultation, the issue is still unresolved, then the parties shall submit such dispute or question to arbitration. The decision of the arbitrators so chosen shall be given within thirty (30) days after their selection or appointment. The fees, costs and expenses of the arbitrators shall be shared equally by the parties. Each party shall also bear the fees and expenses of his or her counsel and expert witnesses. Nothing contained in this paragraph shall be construed to preclude any purchaser's rights under Article 23-A of the GBL.

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. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived.

33. GENDER

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.

34. CERTAIN REFERENCES

The term "herein", "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used. Unless otherwise stated, all references herein to Paragraphs, subparagraphs or other provisions are references to Paragraph, subparagraphs or other provisions of this Agreement.

35. CAPTIONS

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

36. SUCCESSORS AND ASSIGNS

The provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

37. NO ORAL CHANGES

This Agreement cannot be changed nor any provision waived orally. ANY CHANGES OR ADDITIONAL PROVISIONS OR WAIVERS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES.

38. ACCEPTANCE OF PURCHASE AGREEMENT

A. On or prior to Purchaser's signing and delivering this Purchase Agreement, Purchaser agrees (if requested) to complete, sign and deliver to the Selling Agent an application form furnished by Sponsor. Such application shall 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.

B. The submission of such application or this Purchase Agreement to Purchaser does not constitute a binding obligation on either Purchaser or Sponsor. No such binding obligation shall arise until duplicates of this Purchase Agreement are executed by, and delivered to, both Purchaser and Sponsor (or Sponsor's duly authorized agent). If, within twenty (20) days after the Selling Agent receives this Purchase Agreement signed by Purchaser, a duplicate of this Agreement signed by Sponsor or its authorized agent is not sent or delivered to Purchaser, then it shall be deemed rejected and of no force or effect, and all monies paid by Purchaser shall be promptly refunded, without interest. Upon such refund being made, neither party shall have any further rights, obligations or liabilities hereunder with respect to the other. 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.

39. PURCHASE AGREEMENT CONDITIONED ON FINANCING (This section will be deleted if Purchase Agreement is not contingent upon financing)

This Agreement is conditioned upon Sponsor obtaining for Purchaser a written loan commitment from a lending institution for a mortgage loan in the amount of _____. Sponsor shall have thirty (30) days after the contract has been fully executed to secure a mortgage loan commitment for Purchaser at the then prevailing interest rate. In the event no such financing is furnished, the Purchase Agreement may be declared null and void by either party by written notice to the other postmarked or delivered within five (5) days subsequent to (i) such 30-day period or (ii) notification to Purchaser that Sponsor waives its right to secure financing or such financing will not be furnished, whichever is owner. In such event, the contract deposit shall be returned to Purchaser. If such notice is not sent within such five-day period, the financing contingency clause shall be deemed waived. If waived, the failure to obtain financing or otherwise raise sufficient funds in time to satisfy the requirements of the Purchase Agreement, they will not be relieved of their obligations hereunder and may, therefore, lose their deposit as provided in the Purchase Agreement. No other financing contingency is permitted by this Purchase Agreement.

If Purchaser's loan commitment expires and such expiration has occurred due to Purchaser's refusal to close title or Purchaser's delay in closing title, or in the event that the terms of the loan commitment are changed or the loan commitment is revoked as a result of Purchaser's acts or omissions, or Purchaser does not request a renewal or extension of the loan commitment in writing on a timely basis, the Purchase Agreement shall remain in full force and effect and Purchaser may pay the balance of the Purchase Price at closing or be in default.

Purchaser's failure to provide information to the lending institution promptly upon request therefore or to accept a commitment issued to Purchaser on the terms set forth herein, shall constitute an event of default for which Sponsor shall have the right to cancel this Agreement as provided in Section 16 herein.

40. AGREEMENT NOT ASSIGNABLE: BINDING EFFECT

This Purchase Agreement is not assignable without the consent of the Sponsor.

This Purchase Agreement shall bind and apply to Purchaser and Purchaser's executors, administrators, legal representatives, heirs, successors and permitted assigns.

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

Purchaser:

Sponsor: 126 FIRST PLACE LLC

_____.L.S.

By:

_____.L.S.

EXHIBIT A

Permitted Encumbrances

1. Building restrictions and zoning laws and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted by any governmental or quasi-governmental authority having jurisdiction.
2. State of facts which an accurate surveyor personal inspection of the Land would show, provided such facts would not prevent the use of the Unit for dwelling purposes.
3. The terms, burdens, covenants, restrictions, conditions, easements, and rules and regulations, all set forth in the Declaration, the By-Laws (and the Rules and Regulations made thereunder), the Power of Attorney from Purchaser to the Condominium Board and Sponsor and the Floor Plans, all as may be amended from time to time.
4. Consents by Seller or any former owner of the Land for the erection of any structure or structures on, under or above any street or street on which the Land may abut.
5. Any easement or right of use in favor of handicapped persons or any easement or right of use in favor of any utility company for electricity, steam, gas, telephone, water, or other service, and the right to construct, use, maintain, repair, and replace all utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles, connections and other equipment and facilities on, under and across the Land and Building.
6. Revocability of licenses for vault space, if any, under the sidewalks and streets and the lien of any unpaid vault tax (which is to be paid by the Condominium Board).
7. Encroachments of shrubbery, stoops, areas, steps, doors, ledges, window sills, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings, chutes, fuel oil lines, drainage and stand pipes, sewerage pipes, air-conditioning units, canopies, ramps, and similar projections, if any, on, over, or under the Property or the streets or sidewalks or property abutting the Property and the rights of governmental authorities and adjoining property owners to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.
8. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.
9. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, provided the same are adjusted at the closing of title.
10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that 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).
11. 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 purposes.

12. Easements in favor of adjoining Units in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, existing as a result of construction of the Building, or construction of the Units, or which may have come or may come into existence as a result of settling or shifting of the Building, or as a result of repair or restoration of the Building or any portion thereof, or of any adjoining Units or of the Common Elements made by or with the consent of the Board of Managers after damage or destruction by fire or other casualty or after a taking in condemnation or eminent domain proceedings, or by reason of any alteration or repair to the Common Elements, make 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 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 the other Units and the Common Elements.

13. All covenants, restrictions, reservations, agreements and easements of record which are still in force and effect on the date of the First Unit Closing, provided that they are not violated by and do not prevent the use of any Unit at the Property for dwelling or commercial purposes, as the case may be, nor prevent the existence of the promised structure.

14. Any other declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any laws, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building. Sponsor shall file an amendment to the Plan to reflect any such other declaration or other instrument affecting the Property which is not already disclosed herein.

15. Any other 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 or commercial purposes, as the case may be subject to the Permitted Encumbrances, or with respect to which a title insurance company is willing to insure against collection out of the unit.

16. Any lease covering the Unit.

17. Certificate of Occupancy to be issued covering the unit if required.

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

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

POWER OF ATTORNEY

THE 126 FIRST PLACE CONDOMINIUM

**126 FIRST PLACE
BROOKLYN, NEW YORK 11231**

UNIT OWNER'S POWER OF ATTORNEY

THE 126 FIRST PLACE CONDOMINIUM

The undersigned,
Residing at

The owner of the Condominium Unit No.

In THE 126 FIRST PLACE CONDOMINIUM consisting of the property submitted to the provisions of Article 9-B of the Real Property Law of the State of New York pursuant to Declaration recorded the day of , 2009, in the Kings County Office of the Register as Document ID# do

hereby nominate, constitute, and appoint persons who may from time to time constitute the Board of Managers of THE 126 FIRST PLACE 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 whose Owner is said Property, in accordance with their Common Interest, any Units whose Owner desired 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 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 attorney-in-fact may determine, granting to such attorney-in-fact the power to do all things in the said premises which the undersigned could do, if the undersigned were personally present. In more particular delineation of, but not in derogation or limitation of the power set forth above, the Board of Managers, notwithstanding bankruptcy of any Unit Owner, specifically has the power to do any act or thing, and execute any document necessary to effectuate the purposes set forth in the Declaration referenced above including, but not limited to, Amendment of said Declaration, execution of the Deed conveying condominium property, filing for a severance of tax lots, and any other document or thing reasonable or necessary to effectuate the aforementioned purposes.

The acts of majority of such persons shall constitute the acts of said attorney-in-fact.

The Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned, has executed this Power of Attorney this day of , 2009.

State of New York, County OF

ss:

On the day of in the year 20 before me, the undersigned, personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

FORM OF UNIT DEED

THE 126 FIRST PLACE CONDOMINIUM

**126 FIRST PLACE
BROOKLYN, NEW YORK 11231**

THIS INDENTURE, made the day of , 2009 by and between

, with an address at
(hereinafter referred to as the "Grantee").

ALL of the property known and designated as Condominium Unit No. _____ in
The 126 FIRST PLACE CONDOMINIUM, located at 126 FIRST PLACE, in the County of Kings,
City and State of New York,

TOGETHER with and **SUBJECT** to easements, rights of ways, restriction, declarations, amendments to declarations, agreements, liens, consents, covenants of record and other matters of record as pertain to the Unit, to the Land and/or to the Building; any other agreements pertaining to the property; and utilities as built and existing as of the date hereof.

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

Except as otherwise specifically permitted by the Condominium Board (as such term is defined in the Declaration) or provided in the Declaration or in the By-Laws, the Unit is intended for residential use.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws).

The Grantor, in compliance with Section 13 of the Lien Law, covenants that it will receive the consideration for this conveyance as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purpose.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The Grantee has examined the Unit and is purchasing the same in its existing condition.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

This conveyance is made in the regular course of business actually conducted by the Grantor.

IN WITNESS WHEREOF, the Grantor has duly executed this Indenture as of the day and year first above written.

IN PRESENCE OF:

GRANTOR

State of New York, County OF

ss:

On the _____ day of _____ in the year 20____ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

RECORD AND RETURN TO:

**DESCRIPTION OF PROPERTY AND
IMPROVEMENTS**

THE 126 FIRST PLACE CONDOMINIUM

**126 FIRST PLACE
BROOKLYN, NEW YORK 11231**

**ARCHITECT'S REPORT
DESCRIPTION OF PROPERTY AND SPECIFICATONS**

Dated:

- 1) **The Address of the project is:** 126 First Place
Brooklyn, New York 11231
- 2) **Location and use of property:** The property and proposed use will comply with all zoning and use requirements at closing.
- 3) **The block and lot number of the project is:** The condominium is located in Block 459, Zoning Lot 17, Kings County, New York.
- 4) **Zoning of the project is:**

The building lies within the residential zone district R-6 recorded from Map 16c of the New York City Zoning Resolution dated 12/6/84.
- 5) **Permissible use of the project site:**

The New York City Zoning Resolution, as per Section 22-12, permits Use Group 2 residential use as a matter of right.
- 6) **Handicapped Access:**

This project is designed within the requirements of all applicable federal, state and local codes and regulations governing accessibility of the disabled including the ADAAG standard and Local Law 58/87.
- 7) **The status of construction is as follows:**

Plans were approved by the New York City Department of Buildings under application number # 302334365, approved 7/30/2007.
 - a) **The project is being built in 2007-2009**

There is one existing four story building on the site. The building is being completely gutted, with existing wood

joists and floors being replaced with a concrete deck on steel beams that are supported by new concrete block. There is a two story vertical extension consisting of concrete block walls supporting steel beams with four inch thick concrete deck that is being added to the existing structure. The ceiling heights have been adjusted so that all floors in the building have the same 8'10" finish floor to ceiling height. An elevator is being added to the building to service floors cellar through fifth floor. The building will have all new plumbing, all new wiring and all new mechanical systems. The project is expected to be complete in May of 2009.

b) Class of construction of the project is:

The building will comply with Section 27-282 of the New York City Building Code for class 1-C Construction.

c) Certificate of Occupancy, type and number:

Certificate of Occupancy will be issued upon completion of the building and sidewalks and prior to the first closing.

d) Engineers inspection:

The building is an existing building with a two story vertical extension built on top of the existing four stories. The construction is permitted under an alteration permit.

An inspection of the property has taken place within 180 days prior to the date of submission of the offering plan to the Department of Law. The inspection occurred in September 2008.

Based on the inspection, the condition of all systems and materials are good. There are no defective conditions based on the inspection. There are no defective conditions which are hazardous or which

requires immediate repair to prevent further deterioration.

8) The legal description of the premises is:

Beginning at a point on the southerly side of First Place, distant 300 feet easterly from the corner formed by the intersection of the easterly side of Court Street with the southerly side of First Place.

RUNNING THENCE southerly and part of the distance through a party wall, 100 feet to the center line of the block.

THENCE easterly along the said line of the Block 25 feet.

THENCE northerly, parallel with Court Street, 100 feet to the point on the southerly side of First Place.

THENCE westerly along the southerly side of First Place, 25 feet to the point or place of the BEGINNING.

The area of the subject property is 2500 square feet or approximately .057 acres.

9) Number of buildings and use:

There is one building for residential use only.

10) Streets owned by the City of New York and maintained by the project:

There is a public street that borders the North side of the property, running for 25' along First Place. It is 11' wide and composed of concrete 4' thick. It is in good condition. In the event that New York City Department of Transportation inspects the existing street and determines that replacement or repairs of all or part of the street is required, then the same will be repaired or replaced prior to the first closing.

i) **Curbing:**

The street pavement is composed of asphalt. There are no parking areas and no driveway areas on the premises.

The existing concrete curb will remain as they are in good condition. In the event that the New York City Department of Transportation inspects the existing curbs and determines that repairs or replacements of part or all of the curbs are required, then the same will be repaired or replaced prior to the first closing.

ii) **Catch basins, drainage:**

The sidewalk slopes away from the buildings providing positive drainage without ponding. Under current approved plans, this site will be graded to conduct storm water away from the building. Catch basins are located in the roadway to drain the storm water run-off into the existing New York City Sewer System.

iii) **Street lighting:**

Street lighting is provided by the City of New York. There are two steel lampposts (each with one high pressure sodium bulb) on First Place in the vicinity of the property. One is located 50' to the east of the property, the other 75' to the west of the property. They provide sufficient illumination to meet public safety.

iv) **Trees**

There are three trees in front of the property on First Place. The first one is directly in front of the building, The second is five feet to the west of the western boundary and the third one is ten feet east of the eastern boundary.

11) Paved areas owned by the building

Drives, walkways and ramps:

i) **Drives:** None

ii) **Ramps:** None

iii) **Walkways:** There is a concrete walkway leading from the gate at the northwest boundary of the property to the stoop. It is 12' wide and 19' long and is composed of 4" thick concrete. There is a 8' wide and 13' long walkway running east to west that connects the main walkway to the wheelchair lift and the handicapped entrance under the stoop. It is 4" thick concrete and in good condition. There is a concrete curb that runs along the east and west boundary of the main walkway. The walkways are graded to drain water away from the building.

12) The aforesaid items are in conformity with local fire district, town or municipal building codes.

i) **Utilities:**

Water

Water is furnished by the City of New York. The cost of water will be paid by the condominium as a common expense and all unit owners will pay for water usage through common charges. The building contains one water meter for the fire sprinkler line and one meter for the domestic water service.

Gas

There will be one meter for the entire building for common usage of gas for

Electric

heating, hot water and clothes dryers. The cost will be paid by the condominium as a common expense and all owners will pay for usage through common charges. Gas service will be provided by National Grid.

Electric service is provided by the Consolidated Edison Company of New York and is individually metered to each apartment unit. The electrical service provided to each unit is adequate for a full complement of modern appliances. A separate electric meter measures electricity usage for common areas, services public areas, the cellar, meter rooms and all other non-occupied spaces. The costs for common area electricity will be paid by unit owners as part of common charges.

Telephone

Telephone service is provided on an individual basis to each unit by Verizon. Each unit will be billed directly by Verizon. Units will be pre-wired with telephone jacks in the kitchen, living room and all bedrooms.

ii) Sub-soil conditions:

1) There has been no uneven foundation movement or settling at the premises. 2) There is no evidence of moisture or seepage or ground water infiltration. 3) There is no danger from flooding, either due to water table in area or overflow from other bodies of water.

iii) Landscaping and enclosures:

a) Grass cover:

The front yard will be covered in grass with the exception of the walkway and stoop. Grass will cover the entire rear yard.

b) Plantings:

There is a fig tree in the rear yard approximately ten feet from the

southern boundary. There are no other plantings on the property. The rear yard is accessible through sliding doors at the rear of unit one. The rear yard is limited public space for the use of unit one only.

c) Trees:

There are three trees in front of the property on First Place. The first one is directly in front of the building, The second is five feet to the west of the western boundary and the third one is ten feet east of the eastern boundary. There is a fig tree in the rear yard.

d) Fencing:

There is a wrought iron picket fence on the north and west boundary of the front yard. The east side of the front yard is bounded by a five foot high eight inch thick cement block wall. In the rear there is a cyclone fence separating the rear yard from the adjoining yard of 124 First Place. The western and the southern boundaries of the rear yard are concrete retaining walls. The only access to the rear yard is through unit one and the yard is for the sole use of that unit.

e) Gates:

There will be a swinging wrought iron gate at the entrance to the front yard, in the north west corner. This gate provides the only entrance to the front yard.

f) Garden walls:

There will be a garden wall at the east side of the front yard. It is composed of 8" concrete blocks.

g) Retaining walls:

Retaining walls are at the east and south side of the rear yard. They are made of 8" thick reinforced concrete.

h) Display pools and fountains

There will be no display pools and fountains at the premises.

iv) Building size:

The building size is 25' wide by 63' deep.

v) Total height:

The approximate total feet from ground level to the highest part of the roof is 59'6" in height. Floor to ceiling heights are 8'10".

vi) Crawl spaces:

There are no crawl spaces at the premises.

vii) Number of sub-cellars and cellars:

There is one cellar which contains approximately 1575 sq. feet.

viii) Number of floors:

In addition to a cellar, there are six (6) floors in the premises consisting of the basement, first, second, third, fourth and fifth floors. The total number of residential units is 5.

Cellar	1575 sq. feet
Basement	1575 sq. feet
1st floor	1375 sq. feet
2nd floor	1375 sq. feet
3rd floor	1375 sq. feet
4 th floor	1375 sq. feet
5 th floor	443 sq. feet
Total Gross Area= 9093 sq. feet	

The total number of residential unit's are as follows:

Cellar	None (Recreation Rooms to 1 st floor units)
Basement	(1) - 2 bedroom (with recreation room)
1st floor	(1) - 2 bedroom
2nd floor	(1) - 2 bedroom
3rd floor	(1) - 2 bedroom
4 th /5 th duplex unit	(1) - 3 bedroom
Total =	(4) - 2 bedroom (1) - 3 bedroom
Total (5) units	

ix) Equipment rooms:

There is a meter room in the cellar, containing the electric meters. The elevator mechanical room is also located in the cellar.

x) Parapet:

Roof parapets are a minimum of 3'6" above the roof and are constructed out of concrete block or heavy gauge steel with denseglass gold and stucco.

13) Exterior of Building:

i) Walls:

The exterior north, west and east walls of the building from cellar through 4th floor are constructed of brick and cement block ranging from 10 to 22 inches in thickness. The south wall of the 1st floor is 12" thick cement block. The south wall above the 1st level is heavy gauge steel with denseglass gold and stucco. The north wall of the 5th floor is also heavy gauge steel with denseglass gold and stucco.

Local Law 10 and local law 11 of the City of New York do not apply to the building as it is 6 or fewer stories.

Foundation is existing and constructed of rubble masonry foundation which is in good condition.

The flooring system of the entire building is 4" of reinforced concrete on 24 gauge steel decking. This is supported by W 12x22 steel beams, typically 5'9" feet on center.

Roof construction is similar to floors with a continuous modified bitumen covering lapped 12" up parapet and bulkhead walls.

All roof areas are insulated with R-30 fiberglass insulation 10" thick.

The front and rear walls of the building are insulated with R-19 fiberglass 6" thick.

ii) Windows:

The eastern wall is insulated with R-11 fiberglass insulation 3" thick.

The western wall that is attached to 124 First Place which is heated space and is not insulated.

The part of the western wall that rises above 124 First Place is insulated with R-19 fiberglass insulation, 6" thick.

All windows are double hung, double glazed. "Thermopane" type vinyl windows as manufactured by Pella series 25 or equal, with thermal breaks in the frame to maintain temperature differences between interior and exterior and protective metal exterior skin.

Window exterior skins are colored white.

Screens are polyester plastic.

Window guards will be provided by unit owners if required.

All windows are caulked with GE silicone II to interior sill head and jamb components.

Glass sliding doors to the terraces and balconies are Reliablilt by Survivor series 300.

Air Infiltration as per Andersen section 08611 Performance Requirements 1.04b : Total air infiltration to average 0.04 cfm per linear foot of perimeter crack at a static pressure of 1.57 psf when testing in accordance with ASTM E 283.

Manufacturer shall provide a warranty for one (1) year limited to glass and one (1) year for product and components other than glass. Contractor's warranty shall also be for (1) one year on workmanship and installation.

iii) Landmark Status:

The building does not have landmark status.

iv) Parapets and copings:

All parapet walls extend 42" past the finished roof surface. Parapet constructed of heavy gauge steel and dense glass and stucco.

v) Window sills:

Windows in the front of the building have sill of masonry covered with brownstone.

Windows in the rear of the building are flush with the stucco.

vi) Chimneys and caps (materials and locations):

There is a chimney for boilers and water heaters which is class "A" masonry with a clay liner. It is located along the eastern wall of the building, approximately 12 feet from the front of the building. It terminates 3 feet above any part of the building within 10 feet. It is capped with an anti down draft, spark arrestor stainless steel cap manufactured by Gelco.

The fire places have class "A" double wall chimneys manufactured by Security Chimneys International model ASHT+. The inner flue is stainless steel. The outer wall is galvanized steel. There is insulation between the walls. The flues are located along the eastern wall approximately 17 feet from the front of the building. They terminate 3 feet above any part of the building within 10 feet. They are capped with anti down draft spark arrestor stainless steel caps manufactured by Gelco.

14) Balconies and Terraces:

On the second (2nd), third (3rd) and fourth (4th) floors there are balconies. They are 4' x 12'6". They have 42" high wrought iron picket railings. First (1st) and (5th) fifth floors have roof terraces 8' x 25'. The parapet walls of the terraces have aluminum copings.

Both the terraces and the balconies have sliding glass doors by Reliabil survivor series 300. The doors have sliding polyester screens. They were caulked with GE silicone II.

- i) Deck Finish:** The deck areas will be covered with a wood plastic composite, (Trex or equivalent).
- ii) Railings:** Balcony railings are steel picket with steel handrails and steel posts standing 42" above the finished floor.
- iii) Copings:** All copings will be aluminum.
- iv) Soffits:** Interior soffits are sheet rocked continuously around service pipings and ducts.
- v) Doors to balconies and terraces:** Roof deck doors from the condominium units are glazed patio type as produced by Reliablite. Patio style doors have locking lever handles as per Local Law 58/76. Sliding type glass doors have positive jamb locks with thumb turn activation and protective jamb return to prevent break-in. All windows and doors to be insulated glass as per minimum requirements of the New York State Energy Code.
- vi) Exterior entrances:**
- a) Exterior doors and frames:** Building entry is through a custom made wood paneled mahogany veneer door approximately 7 feet x 4 feet with side lights. The door frame is made of 2x6 and 2x4 lumber. The lock will be Baldwin Brass "Cantebury" lockset or equivalent. Doors are self closing type. Door strike is electric or magnetic release. Lever type lockset is keyed on the exterior of the building and passive from the interior. Vestibule doors are self closing hollow steel 1.5 hour fire rate doors with mortise locksets. Doors to have a minimum of five square feet of glass area.
- b) Exterior Stairs:** There are exterior stairs from street level to the 1st floor and from the basement level to the street level. They are manufactured from concrete.
- c) Railings:**

All exterior railings are steel railings bolted to the concrete cheek walls.

vii) Mailboxes:

Mailboxes shall be U.S. Postal Service approved type. Mail boxes will be provided at a central location in the common entry lobby at the first floor level.

Mail boxes will be flush against the wall.

viii) Lighting:

INDOOR LIGHTING:

Apartment corridors, mechanical rooms and common corridors.

Compact fluorescent ceiling mounted pill style fixtures with two bulbs or 60 watt incandescent equivalent.

All rooms located inside apartment.

Recessed lighting for use with 65 watt incandescent bulbs. There are four to ten fixtures per room.

Dining Areas and Living Rooms:

Recessed cans with 65 watt incandescent bulbs.

OUTDOOR LIGHTING:

There will be a total of two fixtures, which are incandescent type light fixtures with 75 watts per fixture, or equal.

ix) Service entrances:

There are no service entrances from the exterior of the building.

15) Roof and roof structures

i) Type of roofs for all areas:

a) Material

All roofing is "SBS-FR" Modified Bitumen Roofing, or equal, MEA # 408-89M as manufactured by Firestone, or equal.

b) Insulation:

All roof areas are insulated with R-30 fiberglass insulation 10" thick.

c) Surface finish:

There is a roof deck which is constructed of plastic and wood composite on top of modified bitumen roofing material. The roof deck is a walkable surface.

d) Bond or guarantee:

The expected life span of the roof is ten to fifteen years. There will be no bond furnished other than a one (1) year warranty from the contractor for the construction material and workmanship. The roofing material will have a five (5) year warranty from the manufacturer.

ii) Flashing materials including counter flashing:

Brick areas are flashed through wall with plastic fabric embedded in mortar. All other areas have 22 gauge break metal flashing strips field formed for various conditions and set in reglets to vertical walls. Conterflashing is prefabricated sheetmetal or formed aluminum.

iii) Drains:

There are five roof drains.

a) Location, material and type:

Roof drains are cast iron.

b) Gutters and leaders:

There are no exposed gutters or leaders.

iv) Skylights:

There are two skylights.

1) Stair bulkhead has a 20 square foot skylight (4'x5' pyramid shaped) with 144 square inches of passive ventilation and fire screens top and bottom as per applicable codes. It is made of aluminum and wire reinforced glass.

2) There is a Velux 2'x3' fixed ,flat, curb mounted skylight of double pane tempered

	glass with aluminum frame over the internal staircase of unit five.
v) Bulkheads:	
a) Stairs:	Stair bulkhead is constructed of 6" cement block.
b) Elevator:	Elevator bulkhead is constructed of 8" cement block.
c) Other:	None.
vi) Metal work at roof levels:	Metal work at the roof level consists of vents. All metal work is weather protected and flashed at each roof penetration.
a) Exterior, metal stairs:	None
b) Vertical ladders, including gooseneck:	None
c) Railings:	North, east and west side of roof. Railing is wrought iron pickets, 5" on center, terminating 42" above roof surface.
d) Hatches to roof:	None
e) Other:	None
vii) Rooftop facilities:	1st and 5 th level have open deck areas assigned as limited common area.
viii) Fire escapes:	There are no fire escapes.
ix) Yard and courts:	Front and rear yard is grass. Front yard is accessible from street and front entrances of the building. Rear yard is accessible only from the rear of Unit One and is limited to common space for that unit only.
x) Paving:	4" concrete
xi) Drainage:	None
xii) Railings:	None
xiii) Stairs:	None
xiv) Fencing:	None
xv) Walls:	None

16) Interior Stairs

i) Number of stairs of each type:

There shall be one interior common stair which shall be of non-combustible steel stringer with concrete steps from cellar to 5th floor.

ii) Enclosure:

Public fire stair is in a continuous concrete block shaft. The lighting inside of the enclosure is an incandescent type of lighting with 75 watts per fixture and 7 fixtures in the enclosure.

iii) Stair construction:

Public stairs are constructed of steel pan stairs filled with concrete.

iv) Stringers:

Public stair has rolled steel channel stringers.

v) Treads:

Public stair has concrete filled steel pan treads; Unit interior stairs have wood plank treads.

vi) Risers:

Public stair has steel risers.

vii) Guard rails:

Public stair has a continuous steel picket railing and handrail similar in design to protective exterior rails; Unit interior stairs have steel picket rails.

viii) Balustrade:

There will be ½" steel pickets at 5" maximum clear spacing.

17) Interior doors and frames:

i) Unit entrance and interior doors and frames:

Unit entrances are fireproof and self closing hollow steel doors with New York City ID number and MEA number for 1 ½ hour fire rating.

Frame is welded steel and conforms to door ID and MEA numbers.

Each Unit door has a Unit number, interview peephole, chime, security chain, deadbolt and lever lock.

Knob lock is passive from inside apartment. Deadbolt has a thumb turn type release.

All hardware is installed as per local law 58/76 and the Multiple Dwelling Law.

Interior doors are solid core wood with knock-down type metal bucks.

Only bathrooms have a saddle.

Bathroom and bedroom doors have a knob lock with panic release from outside and button or thumb turn release inside.

Closet doors are passive from both sides.

ii) Corridor doors and frames:

Corridor doors are fireproof and self closing hollow steel doors with New York City ID number and MEA number for 1 ½ hour fire rating.

Frame is welded steel and conforms to door ID and MEA numbers.

Mechanical rooms are keyed from outside and passive from inside.

iii) Stair hall doors and frames:

Stair hall doors are fireproof and self closing hollow steel doors with New York City ID number and MEA number for 1 ½ hour fire rating. Frame is welded steel and conforms to door ID and MEA numbers. Knob latchset is passive from both sides.

iv) Roof doors, basement doors and frames:

Bulkhead doors are fireproof and self closing hollow steel doors with New York City ID number and MEA number for 1 ½ hour fire rating.

Frame is welded steel and conforms to door ID and MEA numbers.

Knob latchset is passive from both sides.

Mechanical room doors are fireproof and self closing hollow steel doors with New York City ID number and MEA number for 1 ½ hour fire rating.

Frame is welded steel and conforms to door ID and MEA numbers.

Mechanical rooms are keyed from outside and passive from inside.

18) Elevators:

i) Number of passenger and service elevators:

Passenger—one, service – none

ii) Manufacturer, age of each and capacity (in pounds and number of passengers):

Canton Elevator. 2,000 pounds or 8 people capacity. The elevator is new, completed in 2009.

iii) Type of operation for each elevator by elevator number or location in building (for large numbers of elevators described by class-passenger/freight):

a) Automatic (type of controls): Solid State.

b) Floors served: Cellar, Basement, 1, 2, 3, 4

c) Type: Roped, hydraulic

d) Doors: Two, automatic sliding doors.

iv) Location of machine room: Cellar

v) DC motor (manufacturer): US Motors

vi) AC motor-generator set (manufacturer): None

vii) Alarm safety system: The elevator has an emergency stop button. The elevator has an alarm button that will sound for as long as it is depressed. The elevator has a button that activates a hands free telephone that connects to a 24

hour monitoring service.

19) **Elevator Cabs:**

- i) **Kind (manufacturer):** Canton
- ii) **Floor (material):** VVC tile
- iii) **Walls (material):** ¾ inch plywood with laminate on both sides.
- iv) **Ceiling (material):** Stainless steel
- v) **Lighting:** Incandescent
- vi) **Alarm, safety systems:** Virginia Control

20) **Laundry Rooms:**

- i) **Location and number of rooms:** There is 1 (one) laundry room located in the cellar.
- ii) **Clothes washers, number and type:** Two (2), GE WCCH404H front loading commercial washers.
- iii) **Clothes dryers:** Two (2), GE double stack DDC4400T
- iv) **Room Ventilation:** The laundry room receives fresh air through a 16" diameter duct.

Dryer units are equipped with an integral lint trap. Mechanical ventilation is provided.

21) **Refuse Disposal:**

- i) **Incinerator:** There are no incinerators on the premise.
- ii) **Compactor:** There is no compactor at the premise.
- iii) **Approvals by authority having jurisdiction:** None
- iv) **Initial storage location:**

Refuse will be taken by unit owners to trash receptacles located in the front of the building and must be placed at the curb for pick up by the City of New York, Department of Sanitation.
- v) **Pick-up schedule, and whether public or private provider:**

Refuse is removed by the New York City Department of Sanitation. Refuse will be collected as per Department of Sanitation requirements as per their schedule.
- vi) **Plumbing and drainage:**

Domestic hot and cool water piping is "L" copper tubing. Water distribution system piping will be of hard temper type "K" copper

tube below grade, hard temper type "L"
copper tube above grade only.

22) **Water Supply:**

Water will be supplied by existing 1" water service from NYC water main located on First Place for domestic water and a new 4" water service from NYC water main located on First Place for the fire sprinkler water.

23) **Fire protection system:**

There is a fire sprinkler system in the subject premises as required by and pursuant to the New York City Building Code.

i) **Standpipes** (material, size, location): None

ii) **Hose racks, hoses and nozzles** (location): None

iii) **Sprinkler heads** (type system, location):

Sprinkler heads are throughout the building. Sidewall pendent and recessed sprinkler heads are installed.

The system is a wet pipe system consisting of 86 sprinkler heads in total. The sprinkler heads are Reliable model "G"

Sprinklers are omitted in bathrooms and closets less than 75 sq. feet.

iv) **Siamese connection** (type, location):

3"x3"x3" Siamese connection is located in front of the building.

24) **Water storage tanks and enclosures:**

There are no water tanks or enclosures.

i) **Number, type, location of each:**

Not applicable

ii) **Material:**

Not applicable

iii) **Access to tank:**

Not applicable

iv) **Capacity:**

Not applicable

25) **Water pressure and how maintained:**

Water supplied from street main under pressure of 64 psig.

Pressure is adequate to maintain 30 psig at most sprinkler heads.

26) **Sanitary sewage system:**

Sanitary sewage system is a gravity system, connected to street sewer main.

i) **Sewer piping** (materials):

Sewer piping material is cast iron, standard weight.

ii) Sewage pumps:

There is a dual head ejector pump located in the cellar. This pump services the bathroom in the recreation room which is below the level where the sewer main exits the building. Any use of the rec room bathroom will activate the ejector pump.

iii) Sewage disposal:

The sewage system carries both waste and sanitary sewage from each apartment unit. Sewage is carried by gravity to local city sewers.

27) Permits required:

The following permits were issued by the New York City Department of Building
Alterations permit 30233465-01-AL issued on 08/16/07
Plumbing permit 30233465-01-PL issued on 03/18/08
Sprinkler permit 30233465-01-EW SP issued on 05/27/08
Electrical permit B297401 issued on 11/2/07
Elevator permit 34977 issued on 04/9/08
Boiler permit 310137063-01 EW BL issued on 06/05/08 and associated plumbing permit 310137063-01 PL issued on 06/05/08

Builder to retain the service of an architect or engineer for controlled inspection for borings, soil percolation tests, subgrade, drywell, installation, concrete, concrete test cylinders, concrete design mix, masonry units, structural steel, sprinkler, mechanical ventilation and firestopping, all in accordance with the requirements of the New York City Building Code.

28) Storm drainage system:

The sewage system carries both waste and sanitary sewage from each apartment unit. Sewage is carried by gravity to local city sewers. The roof storm drainage system is adequate to carry runoff without ponding.

i) **Catch basins:**

Water is disposed of by drains located in all paved areas to the NYC storm sewer or drywells.

ii) **Yard and roof drains:**

None

There are no yard drains. The roof drains into an aluminum scupper and down leaders into combined storm and sanitary sewer.

iii) **Piping:**

All storm piping and fittings are cast iron standard weight.

iv) **Eject or sump pumps:**

There will be one (1) ejection pump servicing the recreation room bathroom and one (1) sump pump in the elevator pit.

29) **Heating:**

i) **Heating and distribution of domestic hot water and whether capable of providing peak required services:**

Hot water is provided by an 80 gallon gas fired hot water heater located in the cellar as manufactured by A.O. Smith, Model # ECT-80, or equal.

Heating system is provided by boilers manufactured by Peerless model # 211A-05, or equal.

Heating system is designed for extreme temperature conditions as required by NYC building Code. Winter outdoor design temperature is 0 degree Fahrenheit; Indoor design temperature is for 72 degree Fahrenheit.

ii) **Heat loss calculations**

Unit One duplex: Unit #1 shares a western wall with heated space. The north and south walls are insulated with R-19 fiberglass insulation 6" thick, the east wall has R-11 insulation 3" thick. All glass is double glazed with a R-1.75 value. The calculated heat loss with an indoor temperature of 72 degrees Fahrenheit and an outside temperature of 0 degree Fahrenheit is 10835 BTU/hr.

The heat output of Magic Air model

060DUXB4-4HW is 124000 BTU/hr
and

024DUXB4-3HW is 103000 BTU/hr

Total heat output is a maximum of 227,000
BTU/hr.

Units Two, Three, Four (2,3,4):

All three units share a western wall with heated space. The north and south wall of all three units is insulated with R-19 fiberglass insulation 6" thick.

The eastern wall of all three units are insulated with R-11 insulation 3" thick.

All windows are double glazed with an R-1.75 value. Heat loss on these units with an outdoor temperature of 72 degree Fahrenheit and an indoor temp of

0 degree Fahrenheit is 8,043 BTU/hr.

The units all have Magic Air, air handler model. (060DUXB4-4HW) with a heat output of 124,000 BTU/hr.

Unit Five (5): Unit 5 has no shared walls. The north, south and west walls all have R-19 fiberglass insulation of 6" thick. The east wall has R-11 insulation 3" thick. All roof areas have R-30 insulation, 10" thick. The windows are all double glazed with a R1.75 value. Heat loss with an outside temperature of 0 degrees Fahrenheit and an indoor temperature of 72 degrees Fahrenheit is 21,672 BTU/hr. The heat output of Magic Air model

060DUXB4-4HW is 124000 BTU/hr
and

024DUXB4-3HW is 103000 BTU/hr

Total heat output is a maximum of 227,000 BTU/hr.

There will be no heating in the common areas.

ii) Number of boilers and description:

There will be one (1) gas fired boiler located in the cellar to provide heat to all condominium units.

iii) Manufacturer and age of boilers:

Peerless Boiler Company. The boilers will be new.

iv) Manufacturer and age of burners:

Peerless Boiler Company. The burners will be new.

v) Type of controls:

There will be thermostats located in all condominium units to call for heat.

vi) Radiators, piping, insulation, valves, pumps:

There will be air handlers manufactured by Magic Air model #'s are as follows:

Unit #1: One (1) Model # 024DUXB4-3HW, MEA # 26-96-E, 24,000BTU. And one (1) Model # 060DUXB4-4HW, MEA 26-96-E, 60,000BTU.

Unit #2: One (1) Model # 060DUXB4-4HW, MEA # 26-96-E, 60,000 BTU.

Unit #3: One (1) Model # 060DUXB4-4HW, MEA # 26-96-E, 60,000 BTU.

Unit #4: One (1) Model # 060DUXB4-4HW, MEA # 26-96-E, 60,000 BTU.

Unit #5: One (1) Model # 060DUXB4-4HW, MEA # 26-96-E, 60,000BTU. And one (1) Model # 024DUXB4-3HW, MEA 26-96-E, 24,000BTU.

30) Fuel:

Natural gas is supplied by National Grid.

i) Location:

- ii) **Capacity of oil tank:**
iii) **Gas Supply:**

The gas lines enter into the building in the cellar.

There is no oil tank at the premises.

- a) **Type:**

Natural gas supplied by National Grid at low pressure.

- b) **Meters:**

Natural gas is supplied to each unit and connected to burners via shut-off valves. Gas supplied from National Grid gas main at low pressure. There will be one meter for the entire buildings. The costs for heat and hot water will be paid by unit owners as part of common charges.

- c) **Piping:**

Gas pipe is made of black iron.

31) **Air conditioning:**

- i) **Central system:**

There is central air conditioning system for each condominium unit.

- ii) **Cooling towers, condensers:**

There will be air-condition condensers as manufactured by Luxaire Model #'s are as follows:

Unit #1: Model TCGD24S21S1, MEA # 420-07-E, 2 ton. And one Model # HBBD-F060S, MEA # 85-02-E Vol II, 5 ton.

Unit #2: Model # TCGD60S21S1, MEA 420-07-E, 5 ton.

Unit #3: Model # HBBD-F060S, MEA # 85-02-E Vol II, 5 ton.

Unit #4: Model # TCGD60S21S1, MEA 420-07-E, 5 ton.

Unit #5: One Model # HBBD-F-060S, MEA 85-02 Vol II, 5 ton. And one Model # TCGD24S21S1, MEA 420-07-E, 2 ton.

iv)

Cooling calculations

Base on NYC NY with an outdoor
Temp of 90F and an indoor temp
Of 70

Unit 1)

Shaded wall length feet	25 linear
Unshaded wall length	104 linear feet
Subterranean and Interior walls	223 linear feet

All wall heights approximately 9 feet and
insulated

Ceiling area of 1730 sq ft of occupied
space

Floor space of 480 sq ft on slab and 1250
sq ft on occupied space

48 sq ft double glazed north facing
window

60 sq feet of double glazed window and
doors

4 person occupancy

kitchen included

Average daytime electrical use of 2000
watts/hr

requirement 26,500btu/hr

units installed.

Magic air model

060DUXB4-4HW 60,000 btu/hr

024DUXB4-3HW 24,000 btu/hr

units 2,3,4)

shaded wall length 25 linear feet

unshaded wall length 85 linear feet

interior walls 55 linear feet

All wall heights approximately 9 feet and insulated

Ceiling area of 1250 sq ft occupied space above

Floor area of 1250 occupied space below
72 sq ft of double glazed window facing north

60 sq feet of double glazed window facing south

4 person occupancy

kitchen included

average daytime electrical use of 2000 watts/hr

requirement 21,400 btu/hr

magic air model060DUXB4-4HW

capacity 60,000 btu/hr

unit 5)

shaded wall length 50 linear feet

unshaded wall length 191 linear feet

interior walls 0 linear feet

All wall heights approximately 9 feet and insulated

Roof area of 1375 sq ft insulated r-30

Ceiling area of 235 sq ft occupied space above

Floor area of 1610 sq ft of occupied space below

97 sq ft of double glazed window facing north

110 sq ft of double glazed window and door facing south

Central units for each condominium unit as discussed above.

32) Ventilation:

All interior bathrooms and kitchenettes are ventilated by exhaust fans through galvanized metal vent ducts which shall have a minimum rate of exhaust ventilation of 50 cfm for the bathroom and 120 cfm for the kitchenette as required by the New York City Building Code. Exhaust equipment shall be New York City MEA or BSA approved.

33) Electrial system:

Only copper wire shall be used.
Lighting circuits are 15 AMP's
Appliance circuits are 20 AMP.
Air condition unit circuits are 40 AMP
There are 20 circuits per apartment.

i) Service from main switchgear:

Electrical service is provided by Con Edison Co. Service is 3 phase, 208 volts, 4 wires. There is one 400 amp, 3 phase disconnect service switch.

ii) Service to individual units:

Each apartment is supplied with single phase, 208 volts. 100 amp service through 3, #2 wire riser and 100/100 amp fused disconnect.

iii) Compartment switch gear:

Electrical meters and switchboard are located in cellar in electrical meter room.

iv) Unit Service:

Each apartment is supplied with a 320 circuit breaker panel, adequate for all appliances, lighting, AC equipment, dryers and washing machines.

v) Adequacy:

The electrical service provided is adequate for full complement of modern appliances.

vi) Service:

There are 20 circuit breakers per apartment.

vii) Lighting and fixtures:

Outside fixtures shall be waterproof type.

viii) Convenience outlets, appliance outlets:

There will be electrical receptacles throughout the condominium unit, pursuant to and in accordance with the New York City Electrical Code.

34) **Intercommunication and/or door signal systems, security closed circuit TV:**

Each apartment is equipped with video intercom system connected to the intercom directory at entry to the building, at the basement and first floor levels. The system enables two-way video communication between apartment and intercom directory and also allows remote control of building doors at basement and first floor levels.

35) **Public area lighting:**

Public corridors above have ceiling mounted incandescent fixtures with one 60 watt bulb.

Stair shafts shall have a 4' T4 or T8 fluorescent direct/indirect type wall mounted fixture at each floor landing.

All publicly lit spaces and all stair fixtures are connected to a battery backup system to serve in case of power failure.

All lighting, exterior lighting and night lighting in public parts of the buildings, to comply with the New York State Multiple Dwelling Laws and New York City Housing and Maintenance Code.

36) **Garages and Parking Areas:**

- | | |
|--------------------------------|------|
| i) Location of garages: | None |
| ii) Location of Parking Areas: | None |
| iii) Surfaces: | None |
| iv) Parking: | None |
| v) Garage ventilation: | None |
| vi) Garage fire protection: | None |
| vii) Drainage: | None |

37) **Swimming Pool:**

There is no swimming pool.

38) **Tennis courts, playgrounds and recreation facilities:**

There are no tennis courts.

There are no playgrounds.

There is a recreation deck as common element provided on the roof above the fifth floor of the building.

39) **Permits and certificates:**

- i) Permits:

Before starting any work, builder is to obtain work permits from the Department of Buildings, City of New York.

The following permits were issued by the New York City Department of Building
Alterations permit 30233465-01-AL issued on 08/16/07

Plumbing permit 30233465-01-PL issued on 03/18/08

Sprinkler permit 30233465-01-EW SP issued on 05/27/08

Electrical permit B297401 issued on 11/2/07

Elevator permit 34977 issued on 04/9/08

Boiler permit 310137063-01 EW BL issued on 06/05/08 and associated plumbing permit 310137063-01 PL issued on 06/05/08

All permits other than sprinkler permit still require inspection and signoff.

Sprinkler requires an annual inspection by a plumber licensed to do such inspections.

Burner still requires inspection by boiler division of DOB and will require annual inspection by a plumber or an insurance company inspector authorized to do such inspections.

Elevator still requires inspection by elevator division of DOB and afterwards will require annual inspection by an elevator company done in conjunction with an independent licensed elevator inspector.

Electrical ,plumbing and alteration work do not require inspections after initial approvals.

ii) Inspections:

Builder to retain the service of an architect or engineer for controlled inspection for structural steel, sprinkler, mechanical

ventilation and firestopping, all in accordance with the requirements of the New York City Building Code .

iii) Violations:

There are no building violations on the subject premises.

40) Unit Information (Dimensions and Information):

<u>i) Room</u>	<u>Floor</u>	<u>Wall/Ceiling</u>	<u>Fixtures</u>
Bath	Ceramic	Paint w/5'-4" Tile tub surround	Vitreous China Water Closet by Kohler Model # K3420 or equal. Bathtub-Model # K715 as manufactured by Kohler or equal.
<u>Room</u>	<u>Floor</u>	<u>Wall/Ceiling</u>	<u>Fixtures</u>
Kitchen	Wood	Paint	See below.

ii) Kitchen Fixtures:

As manufactured by General Electric model and style as noted below:

Range is Model # PGB908 or equal.

Refrigerator is Model # CSLP5UGX or equal.

Dishwasher is Model # CDW938ON or equal.

Microwave is Model # PVM1870 or equal.

Sink is stainless steel

Kitchen cabinets are Venicia Thermofoil, by Kraftmaid

Kitchen countertops are granite

<u>iii) Room</u>	<u>Floor</u>	<u>Wall/Ceiling</u>	<u>Fixtures</u>
Bedroom	Wood	Paint	One (1)- 60 watt incandescent lighting fixture.
Living/Dining	Wood	Paint	One (1)- 60 watt incandescent lighting fixture.
Entry Hall	Wood	Paint	One (1)- 60 watt incandescent lighting fixture.

Notes: All wood flooring to be #1 grade oak or equal.

41) Finish Schedule of Spaces Other Than Units:

<u>Room</u>	<u>Floors</u>	<u>Walls</u>	<u>Ceiling</u>
Public halls	Ceramic	Paint	Textured paint
Cellars	Concrete	Paint	Paint

42) Safety and warning devices:

Smoke detectors to be provided for each dwelling unit are to be hard wired and to be installed as per Local Law 62/81 and R.S. 17 of the New York City Building Code. All detectors to be approved by the Board of Standards and Appeals.

43) Additional Information:

i) Plans attached:

1) Site plan attached shows landscape features, street, the outside dimensions of the building and designated common areas.

- 2) Floor plan for each line or type of unit drawn to scale, indicating room dimensions and unit boundaries.
- 3) Floor to ceiling heights of units are approximately 8'10".
- 4) Approximate total area of each unit is set forth on the unit layout.
- 5) A master floor plan showing units boundaries and the relationship of units to each other.
- 6) The sponsor does not intend to add additional units to the building.

ii) Asbestos:

There is no Asbestos Containing Material (ACM) present in insulating or fireproofing material anywhere in the building.

Tests were preformed to make such determination that there is no Asbestos Containing Material (ACM) present in the insulating or fireproofing material anywhere in the building.

In the event that ACM is present, sponsor shall have a person who is qualified to render an opinion on asbestos prepare a report on the asbestos in the building (the "asbestos report").

Such asbestos report shall contain at least the following information:

- 1) The qualifications of the person preparing the report.
- 2) A detailed inventory of the asbestos in each unit and in all other areas of the property, including the location, amount of ACM, type and concentration of asbestos in ACM, and condition. At least 10 percent of all units must be inspected in an initial inspection. If ACM is found in any of these units, a second inspection, with notice to tenants, must be preformed in all remaining accessible units. List units inspected.
- 3) Recommendations for handling each and every item of the asbestos inventory, i.e.,

removal, enclosure, encapsulation, or leaving undisturbed.

4) How the recommendations should be implemented. Include, if applicable, whether units must be vacated or whether use of certain rooms will be limited and the projected duration thereof. State whether the work must be performed in compliance with New York City Local Law 76 of 1985 or any other applicable laws.

5) A recommended protocol (operations and maintenance program) for the future handling and maintenance of asbestos which will remain in the building, whether encapsulated, enclosed or left undisturbed.

44) Construction Timeframe:

The construction of the building began in August, 2007. Plans and applications have been approved and a permit has been obtained from the Department of Buildings on July 30, 2007. The construction of the building is expected to be completed in the spring of 2009. It is expected that title to the first unit can be delivered on or about July 1, 2009.

The building and the site will be constructed in accordance with the New York City Building Code, the Multiple Dwelling Code, The New York City Zoning Resolution and all other applicable authorities and in accordance with plans and applications on file with the Department of Buildings of the City of New York. With reference to the preparation of plans and specifications, the sponsor has retained the services of a professional engineer who prepared the same. The sponsor represents to the best of its knowledge that the plans accurately describe the building units, common elements and equipment as the same which will be delivered upon the completion of construction.

Any permits or inspections required by the City of New York will be furnished and updated prior to the first closing.

As of the date of the first closing, the sponsor represents that it will have a Temporary or Final Certificate of Occupancy for the building prior to the first closing, and deliver title without violations or liens on the premises and in accordance with the sponsor's undertakings elsewhere as set forth in this offering.

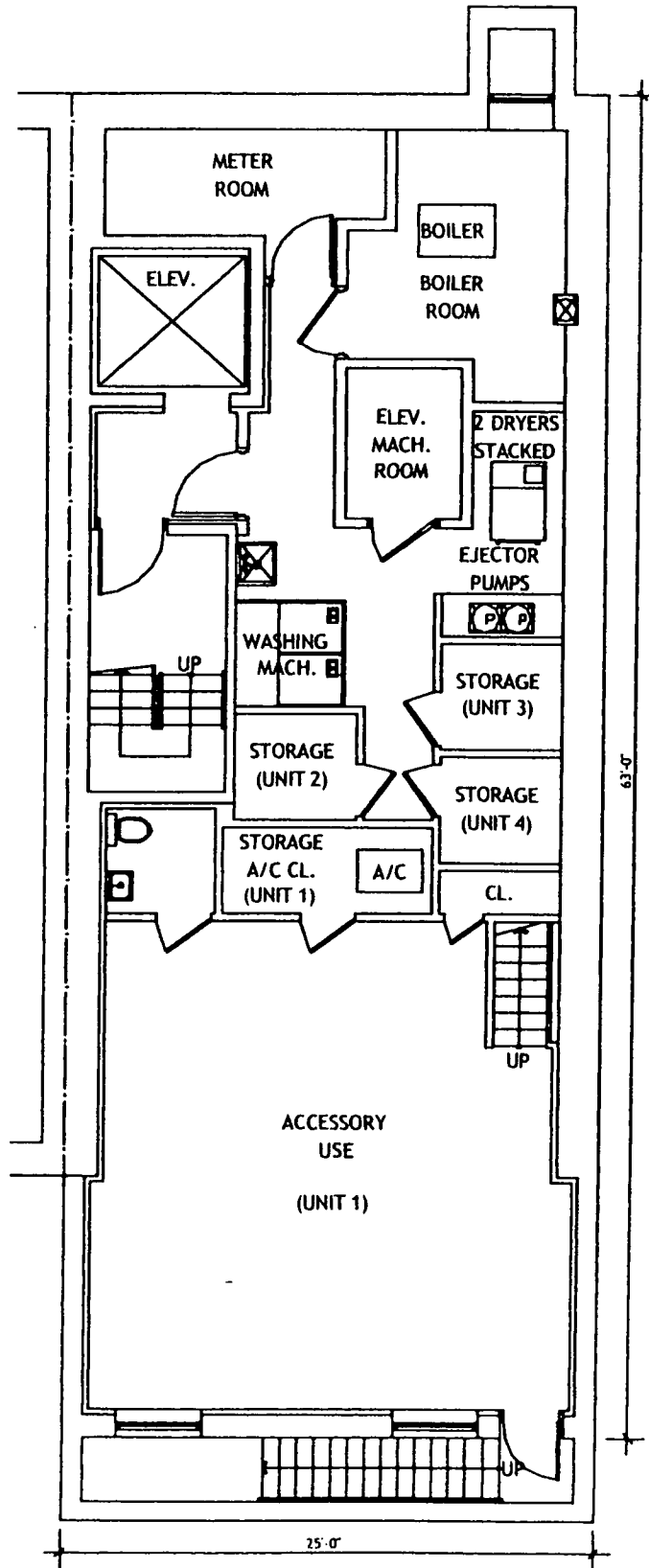
To the best of knowledge, belief and professional judgement, these plans and Specifications are in compliance with the Energy Conservation Construction code Of New York State, using chapter 11.

Ronald Cagan P.E.

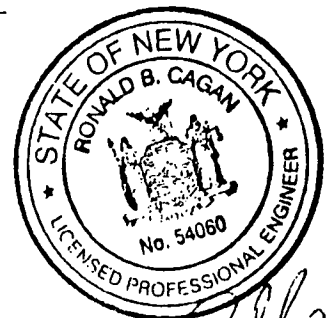
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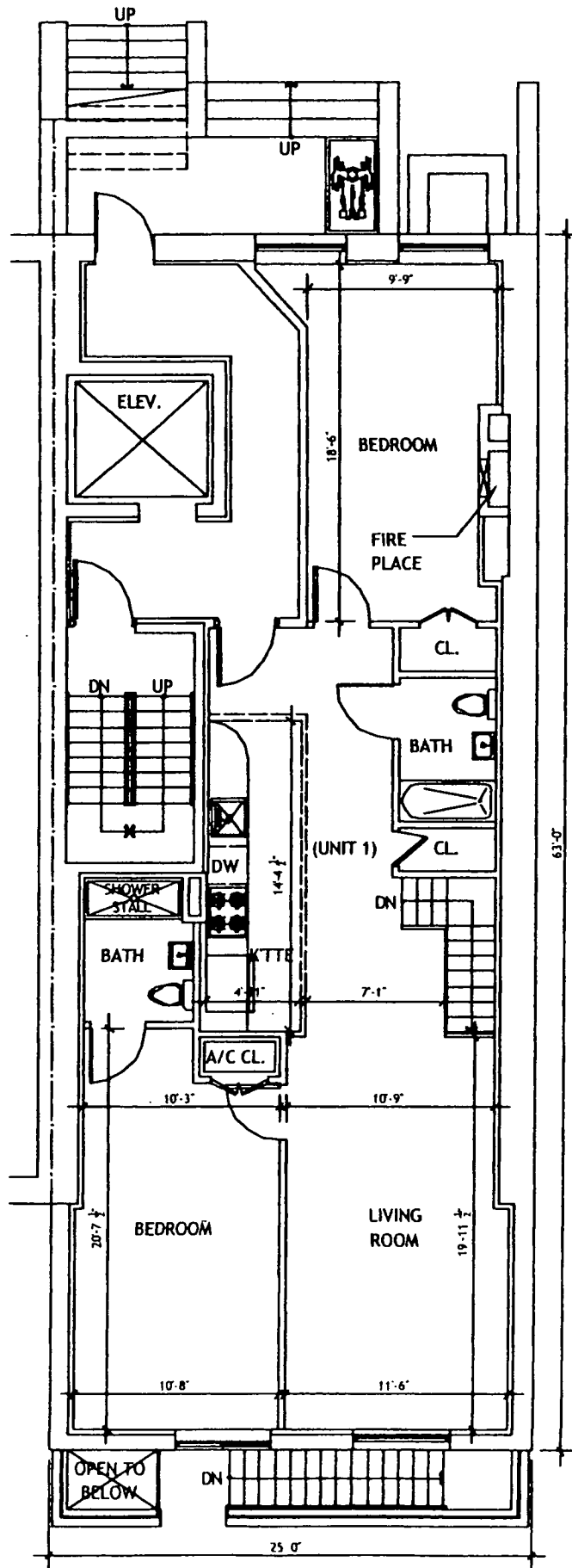
[seal]

A circular professional seal for Ronald B. Cagan, a Professional Engineer in the State of New York. The seal features the text "STATE OF NEW YORK" around the top and "PROFESSIONAL ENGINEER" around the bottom. In the center, it says "RONALD B. CAGAN" and "No. 64080". The seal is stamped over a handwritten signature that appears to be "Ronald Cagan".



CELLAR FLOOR PLAN

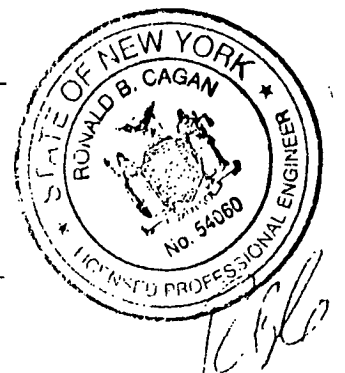
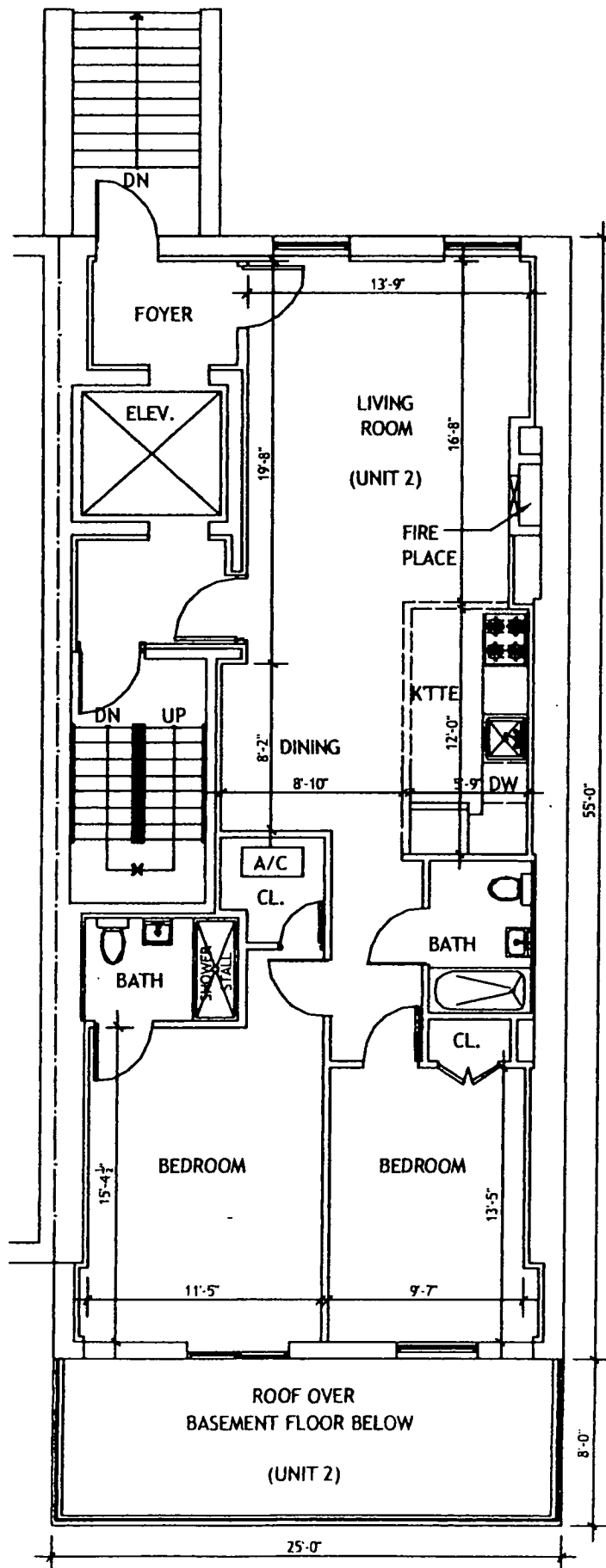


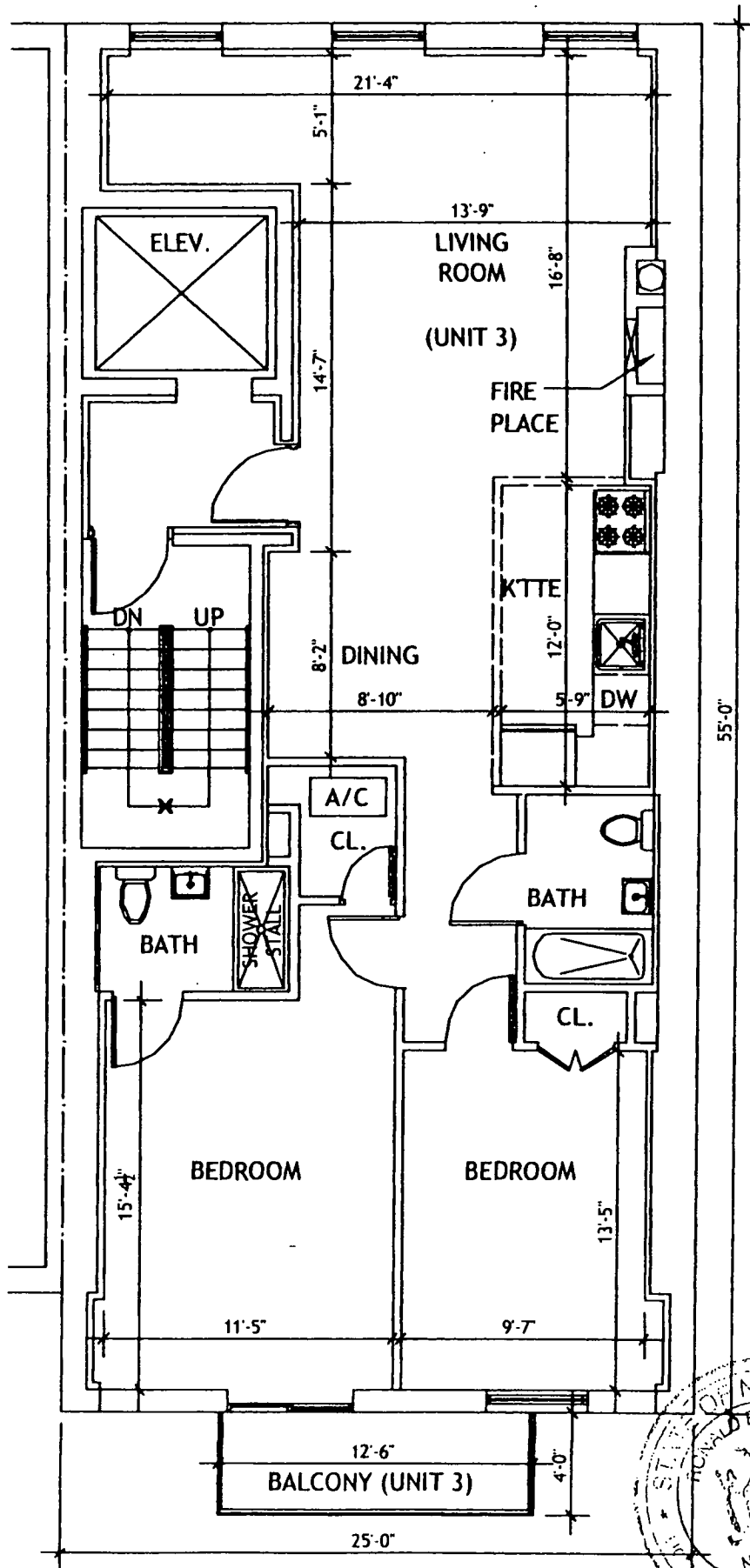


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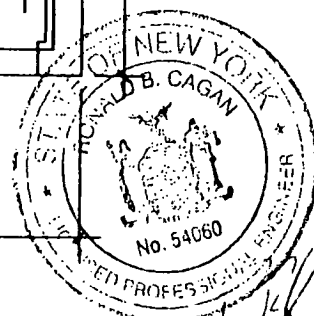


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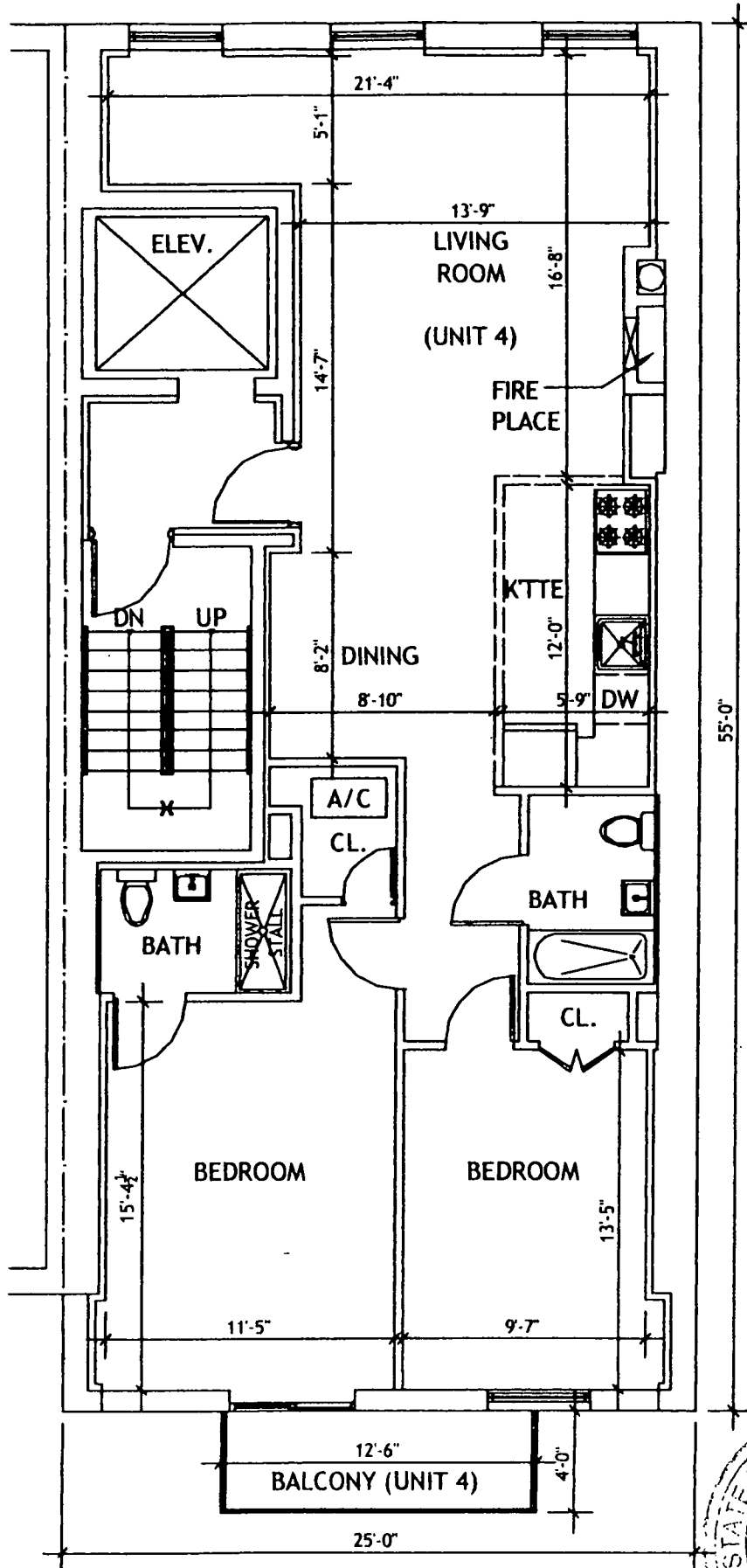




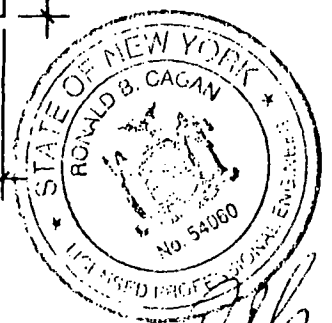
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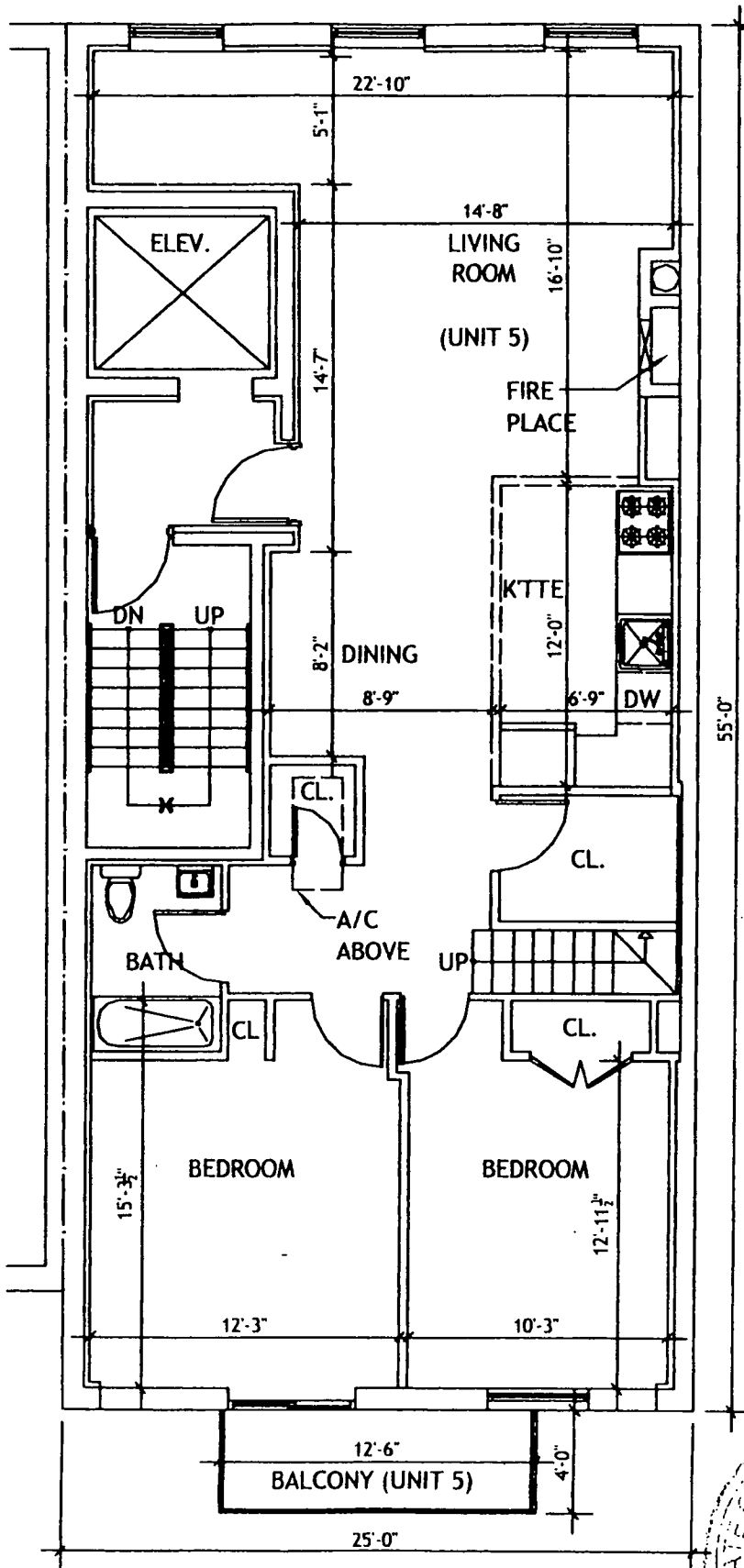


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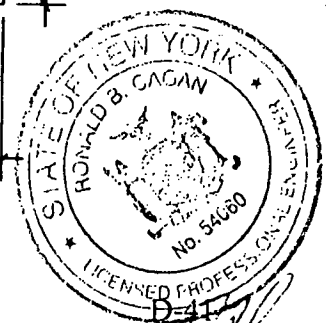


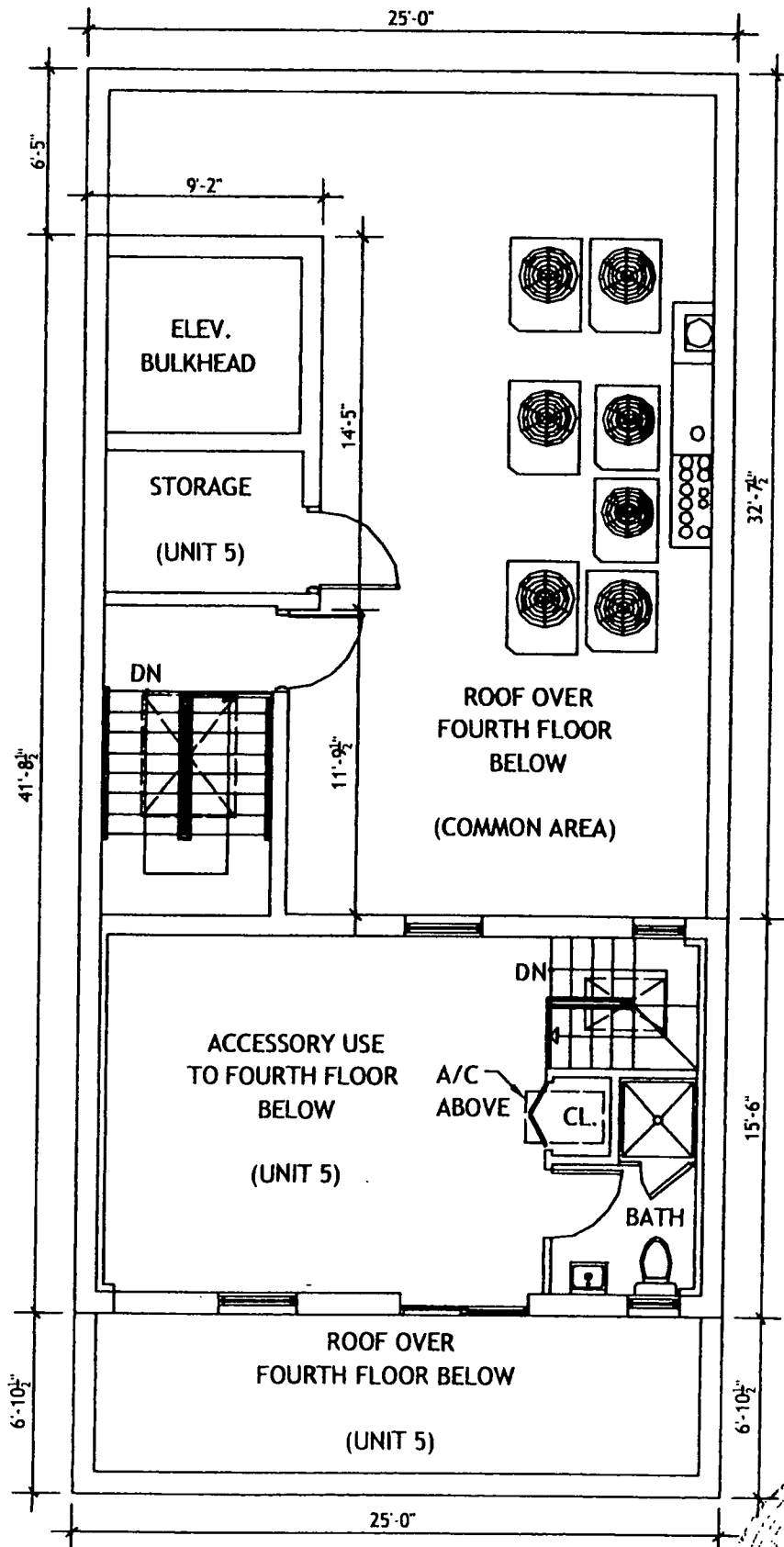
THIRD FLOOR PLAN



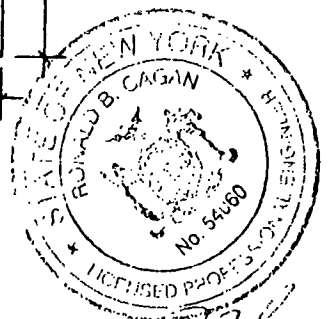


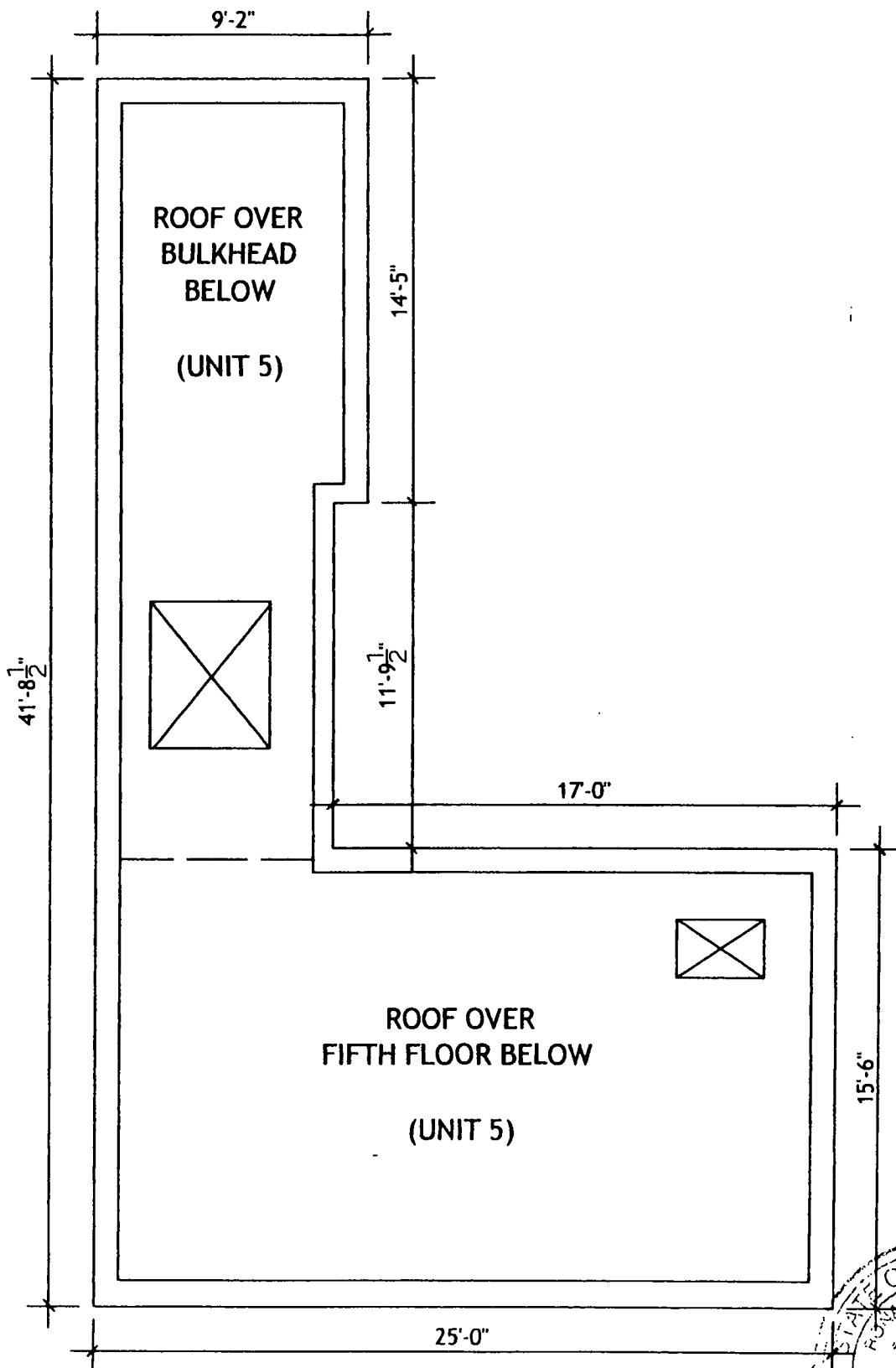
FOURTH FLOOR PLAN



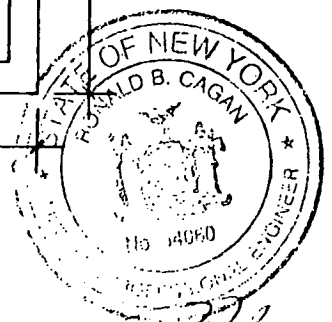


**FIFTH FLOOR / BULKHEAD & PARTIAL
ROOF PLAN**





ROOF / BULKHEAD PLAN



ESCROW AGREEMENT

THE 126 FIRST PLACE CONDOMINIUM

**126 FIRST PLACE
BROOKLYN, NEW YORK 11231**

FORM FOR ESCROW AGREEMENT

AGREEMENT made this 28th day of January, 2009, between 126 FIRST PLACE LLC ("SPONSOR") as sponsor of the offering plan and KUNSTLINGER LAW FIRM LLC ("ESCROW AGENT") as escrow agent.

WHEREAS, 126 FIRST PLACE LLC is the sponsor of an offering plan to convert to cooperative/condominium ownership the premises located at 126 First Place, Brooklyn, New York, which premises are known as The 126 FIRST PLACE CONDOMINIUM; and

WHEREAS, KUNSTLINGER & WOHLGEMUTH PLLC is authorized to act as an escrow agent hereunder in accordance with General Business Law ("GBL") Section 352-e(2-b) and the Attorney General's regulations promulgated thereunder; and

WHEREAS, SPONSOR desires that ESCROW AGENT act as escrow agent for deposits and payments by purchasers and subscribers, pursuant to the terms of this agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT

- 1.1 SPONSOR AND ESCROW AGENT hereby establish an escrow account with ESCROW AGENT for the purpose of holding deposits or payments made by purchasers or subscribers. The escrow account has been opened with the Wachovia Bank at its branch located at 154 Spring Valley Marketplace, Spring Valley, New York. The account number is
- 1.2 The name of the account is KUNSTLINGER LAW FIRM LLC-FIRST PLACE CONDOS Escrow Account.
- 1.3 JOSEPH KUNSTLINGER and MARC WOHLGEMUTH are the sole signatories on the account.
- 1.4 The escrow account shall be a non-interest bearing account as disclosed in the offering plan.
- 1.5 The escrow account is/is not an IOLA established pursuant to Judiciary Law § 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT

- 2.1 All funds received from prospective purchasers or subscribers prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be deposited in the escrow account. All instruments to be deposited into the escrow account shall be made payable to, or endorsed by the purchaser or subscriber to the order of KUNSTLINGER & WOHLGEMUTH PLLC- as escrow agent for 126 First Place Condominium offering plan. Any instrument payable or endorsed other than as required hereby, and which cannot be deposited into such escrow

account, shall be returned to the prospective purchaser or subscriber promptly, but in no event more than five business days following receipt of such instrument by ESCROW AGENT. In the event of such return of funds, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

- 2.2 Within ten (10) business days after tender of the deposit submitted with the subscription or purchase agreement, ESCROW AGENT shall notify the purchaser of the deposit of such funds in the bank indicated in the offering plan, provide the account number, and disclose the initial interest rate. If the purchaser does not received notification of such deposit within fifteen (15) business days after tender of the deposit, the purchaser may cancel the purchase and rescind within ninety (90) days after tender of the deposit, or may apply to the Attorney General for relief. Rescission may not be afforded where proof satisfactory to the Attorney General is submitted establishing that the escrowed funds were timely deposited in accordance with these regulations and requisite notice was timely mailed to the subscriber or purchaser.

3. RELEASE OF FUNDS

- 3.1 ESCROW AGENT shall not release the escrowed funds of a defaulting purchaser until after consummation of the plan as defined in the Attorney General's regulations. Consummation of the plan shall not relieve SPONSOR of its fiduciary obligations pursuant to GBL Section 352-h.
- 3.2 ESCROW AGENT shall continue to hold the funds in escrow until otherwise directed in (a) a writing signed by both sponsor and purchaser or (b) a determination of the Attorney General or (c) a judgment or order of a court of competent jurisdiction or until released pursuant to the regulations of the Attorney General pertaining to release of escrowed funds.
- 3.3 SPONSOR shall not object to the release of the escrowed funds to (a) a purchaser who timely rescinds in accordance with an offer of rescission contained in the plan or an amendment to the plan or (b) all purchasers after an amendment abandoning the plan is accepted for filing by the Department of Law.
- 3.4 If there is no written agreement between the parties to release the escrowed funds, ESCROW AGENT shall not pay the funds to SPONSOR until ESCROW AGENT has given the purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be paid to SPONSOR unless the purchaser has made application to the Department of Law pursuant to the dispute resolution provisions contained in the Attorney General's regulations and has so notified ESCROW AGENT in accordance with such provisions.

4. RECORD KEEPING

- 4.1 ESCROW AGENT shall maintain all records concerning the escrow account for seven years after release of the funds.
- 4.2 Upon the dissolution of a law firm which was ESCROW AGENT, the former partners of members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners of members of the firm or by the successor firm and shall

notify the Department of Law of such transfer.

- 4.3 ESCROW AGENT shall make available to the Attorney General, upon his request, all books and record of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT

- 5.1 ESCROW AGENT shall maintain the accounts called for in this Agreement under the direct supervision and control of ESCROW AGENT.
- 5.2 A fiduciary relationship shall exist between ESCROW AGENT and Purchasers, and ESCROW AGENT acknowledges its fiduciary obligations.

6. RESPONSIBILITIES OF SPONSOR

- 6.1 SPONSOR agrees that SPONSOR and its agents, including any selling agents, shall immediately deliver all deposits and payments received by them prior to closing of an individual transaction to ESCROW AGENT.
- 6.2 SPONSOR agrees that it shall not interfere with ESCROW AGENT'S performance of its fiduciary duties and compliance with the Attorney General's regulations.

7. TERMINATION OF AGREEMENT

- 7.1 This Agreement shall remain in effect unless and until it is cancelled, by either:
- (a) Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or
 - (b) The resignation of ESCROW AGENT upon giving notice to SPONSOR of its desire to so resign, which resignation shall take effect only upon the filing of an amendment with the Department of Law providing for a successor ESCROW AGENT; or
 - (c) All shares or units offered pursuant to the plan have been sold and all sales transactions have been consummated.
- 7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1 above, ESCROW AGENT shall deliver any and all funds held by it in escrow and any and all contracts or documents maintained by ESCROW AGENT to the new escrow agent.

8. SUCCESSORS AND ASSIGNS

- 8.1 This Agreement shall be binding upon SPONSOR and ESCROW AGENT and their successors and assigns.

9. GOVERNING LAW

- 9.1 This Agreement shall be construed in accordance with and governed by the laws of the

State of New York.

10. ESCROW AGENT'S COMPENSATION

- 10.1 SPONSOR agrees that ESCROW AGENT'S compensation shall not be paid from escrowed principal nor from any interest accruing thereon and that compensation to ESCROW AGENT, if any, shall not be deducted from escrowed funds by any financial institution under any circumstance.

11. SEVERABILITY

- 11.1 If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. ENTIRE AGREEMENT

- 12.1 This Agreement, read together with GBL Section 352-e(2-b) and the Attorney General's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as to the day and year first written above.

ESCROW AGENT



By: JOSEPH KUNSTLINGER

SPONSOR, 126 FIRST PLACE LLC



By: STEVEN REICH, Managing Member

DECLARATION OF CONDOMINIUM

THE 126 FIRST PLACE CONDOMINIUM

**126 FIRST PLACE
BROOKLYN, NEW YORK 11231**

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DECLARATION
of
THE 126 FIRST PLACE CONDOMINIUM

Pursuant to Article 9-B of the Real Property law of the State of New York
126 FIRST PLACE LLC, 35 Brewster Terrace, New Rochelle, New York 10804 (the
"Declarant"), hereby declares as follows:

1. **DEFINITIONS:**

All capitalized terms used in this Declaration that are not otherwise defined in the Articles hereof shall have the meanings set forth in Exhibit C annexed hereto, unless the context in which the same are used shall otherwise require. All capitalized terms used in this Declaration that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the said capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

2. **SUBMISSION OF THE PROPERTY**

The Declarant hereby submits the land (the "land") hereinafter described, together with the building and improvements thereon erected (the "Condominium Property" or "Property") owned by the Declarant in fee simple absolute (the land and Condominium Building being hereinafter referred to collectively as the "Property"), to the provisions of Article 9-B of the Real Property law of the State of New York (the "Condominium Act").

3. **DESCRIPTION OF PROPERTY**

The land is located in Borough of Brooklyn, County of Kings, City and State of New York. See Exhibit A attached hereto for a metes and bounds description of the land.

4. **DESCRIPTION OF THE BUILDING**

The condominium consists of one (1) building consisting of a cellar, basement and five stories. There will be five (5) residential units (hereinafter referred to as the "Units").

5. **NAME OF THE CONDOMINIUM**

The Condominium shall be known as **THE 126 FIRST PLACE CONDOMINIUM**.

6. UNITS

(a) Exhibit B annexed hereto sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its designation number; (ii) its tax lot number; (iii) its approximate location in the Building; (iv) its approximate area; (v) the number of rooms contained therein; (vi) the portions of the Common Elements to which such Unit has immediate access; and (vii) the Common Interest appurtenant to such Unit. The precise location and areas of each Unit within the Building and all of the areas and installations which are included as part of the Units are shown on the Floor Plans of the Building, certified by the architect, intended to be filed in the County Clerk's Office simultaneously with the recording of this Declaration and are made a part of this Declaration. Any area and/or installation which is designated on the Floor Plans as part of a Unit shall be considered as part of said Unit. The Floor Plans shall govern in the event of any inconsistency between the written part of the Declaration and the Floor Plans.

(b) The Dimensions of the Units shown on the Floor Plans reflect the approximate exterior dimensions of each unit. Accordingly, they measure the approximate distance from the exterior face of the outer wall of the building to the middle face of the wall separating the unit from corridors, stairs, elevators, vestibules and other units.

(c) Notwithstanding anything contained herein to the contrary, each Unit Owner shall have the right, exercisable at any time and from time to time, to install, at such Unit Owner's sole cost and expense, such decorations, fixtures and coverings (including, without limitation, painting, finishing, wall papering, carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity of such Unit or of the Building.

7. COMMON ELEMENTS

A. The common elements of the Condominium (hereinafter referred to as the "Common Elements"), consist of all portions of the property not specifically designated as part of any of the Condominium Units, and include:

(a) The Land not specifically designated to any of the Condominium Units on the Architect's Plans.

(b) All central and appurtenant installations and Facilities for services such as power, light, telephone, gas, sewer, plumbing, drainage, hot and cold water distribution, ventilation, garbage disposal, and other mechanical and electrical systems to the extent that the same are not expressly deemed as a part of a Unit, if any.

(c) All sewer and drainage pipes.

(d) All other apparatus and installations existing in the Buildings or Premises for common use or which are, or may be necessary or convenient for the existence, maintenance or safety of the Buildings.

8. LIMITED COMMON ELEMENTS

(a) Limited Common Elements generally are those Common Elements reserved for use and enjoyment by one or more Units.

The Limited Common Elements in this Condominium are:

- (i) The rear yard to Unit 1.
- (ii) A balcony to Units 3 and 4.
- (iii) A storage room to Units 2, 3, 4 and 5.
- (iv) A roof terrace/s to Units 2 and 5.

(b) The common elements are not subject to partition nor are they severable from the Units except in accordance with The Condominium Act (Article 9-B of the Real Property Law).

(c) Each Unit Owner shall be solely and only responsible for repair and maintenance of the Limited Common Element appurtenant to their Unit including, but not limited to, painting, cleaning, patching, and surface repair; and, in the case of the balconies structural maintenance. In the event a Unit Owner fails to properly maintain his Limited Common Element, the condominium Board of Managers may take such steps as in its exclusive judgment are necessary to maintain the areas and the cost thereof shall be assessed against the Condominium Unit to which such Limited Common Elements are appurtenant. To the extent that any damage to a Limited Common Element is caused by building condition, or by other condition for which the Condominium carries insurance, the cost of repair of such damage shall be borne by the Condominium.

9. USE OF THE UNITS

Each Unit may be used in accordance with the use permitted by local law and zoning regulations and the Certificate of Occupancy, and not more than one family may occupy a Unit at one time. Each of the Units are to be occupied only by the Owner thereof or his permitted lessees and the members of their immediate family.

10. ALTERATIONS, ADDITION, IMPROVEMENTS AND CHANGES TO UNITS

(a) Units. Each Unit Owner shall have the right to:

- (i) make alterations, additions, or improvements in the interior of his unit;
- (ii) make alterations, additions, or improvements in the interior of his unit or to any part of the property allocated to his unit, subject to the written approval of the Board of Managers;
- (iii) change the layout of his unit;

provided, however, that, with respect to any such alteration, addition, improvement or change in, to, of or upon a Unit:

(1) no physical modification shall be made to any other Unit, and the Common Interest or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(2) the Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(3) such alteration, addition, improvement or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

(4) the Board of Managers may regulate any one or more of the following aspects of the construction:

- a) Time periods during which work is permitted.
- b) The manner in which construction debris will be handled.
- c) Measures which must be taken to prevent compromising the security of the building during construction.
- d) The interruption of services during construction.
- e) Liability insurance for contractors during construction.

In the event that any unit is subdivided, the subdivided units shall jointly exercise and share the vote allocated to the original unit. The Declarants have accepted the present use and construction of the building "as is".

11. PERSON TO RECEIVE SERVICE

The Secretary of State is designated as agent of the Condominium Board upon whom process against it may be served. The post office address within or without this state to which the secretary of state shall mail a copy of any process against the Condominium Board served upon him or her is 126 FIRST PLACE, Brooklyn, New York 11230. The Condominium Board should also be served at this address.

12. DETERMINATION OF PERCENTAGE INTEREST IN COMMON ELEMENTS

In accordance with Section 339-i(1)(iv) of the New York State Condominium Act, the Common Interests of each of the Units have been allocated 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.

13. ENCROACHMENTS

If any portion" of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other unit or upon any portion of the common elements, or if any encroachment shall occur hereafter as a result of (a) settling of buildings, 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 buildings 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 buildings stand.

14. EASEMENTS FOR ENJOYMENT OF COMMON ELEMENTS

Subject to the terms of the By-Laws and the Rules and Regulations, the Unit Owners, the Condominium Board and all officers, partners, employees, agents, guests, invitees and licensees of the foregoing shall have, in common with all of the others, an easement for ingress and egress through, as well as for the use and enjoyment of, all of the Common Elements (or Limited Common Elements, as necessary) and the Common Elements shall be subject to such easement. Notwithstanding the foregoing, however, no Person shall use or enjoy the Common Elements except in accordance with the reasonable purposes for which they are intended and without encroaching upon the rights of other Persons to do so.

15. OTHER EASEMENTS

(a) Subject to the terms of the By-Laws and to the Rules and Regulations, each Unit Owner shall have, in common with all other Unit Owners, an easement to use any of the Common Elements, and all pipes, wires, ducts, cables, conduits, public utility lines and all other utility distribution systems, whether or not Common Elements, located in, over, under, through, adjacent to, or upon any other Unit or the Common Elements to the extent that such Common Element and utility distribution system serves, or is necessary to the service of, his or her Unit, and each Unit and all of the Common Elements shall be subject to such easement. In addition, each Unit Owner shall have a reasonable right of access through any other Unit for the purpose of entry to any part of his Unit where there is no other means of access to such part of his Unit or Limited Common Elements allocated to his Unit.

(b) The Condominium Board shall have an easement and a right of access to each Unit and to the Common Elements to inspect the same, to remove violations there from and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements located in, over, under, through, adjacent to, or upon the same, and each Unit and the Common Elements shall be subject to such easement and right of access. The easements and the rights of access granted in this section shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted only upon reasonable notice, except that no such notice shall be necessary in the event of repairs or replacements immediately necessary or required for the preservation or safety of the Building, for the safety of the occupants of the Building or other persons, or to avoid the suspension of any necessary service in the Building.

(c) The Condominium Board shall have, on behalf of all Unit Owners, the right to grant such additional electric, gas, steam, cable television, telephone, water, storm drainage, sewer and other utility easements in, or to relocate any existing utility easements to, any portion of the Property as the Condominium Board shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof or for the general health or welfare of the

owners, tenants and occupants of the appropriate Units; provided, however, that the grant of such additional utility easements, or the relocation of existing utility easements, shall not unreasonably interfere with the use of the Units for their permitted purposes. Any utility company, as well as its officers, employees and agent, shall have the right of access to each Unit and to the Common Elements in furtherance of such easement. However, such right of access shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

(d) Each unit and the Common Elements shall have easements of subjacent support and necessity, and the same shall be subject to such easements in favor of all of the other Units and the Common Elements.

(e) In addition to the specific easements set forth in this Article 11 and in Article 10 hereof, the Property and every portion thereof shall be subject to all easements and rights of access prescribed in the Condominium Act.

16. 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 unit so acquired or to sub-lease any unit so leased by the Board of Managers.

17. 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 appurtenant thereto; (ii) the interest of such unit owner in any other units acquired by the Board of Managers or its designee on behalf of all unit owners or the proceeds of the sale or lease thereof, if any; and (iii) the interest of such unit owner in any other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests") pursuant to the provisions of Section 339-x of the 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 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, or in the event the Board of Managers shall purchase a unit, together with the Appurtenant Interests, for use by a resident superintendent, 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 interest. 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 interest.

18. UNITS SUBJECT TO DECLARATION, BY-LAWS AND RULES AND REGULATIONS.

All present and future owners, tenants and occupants of the units shall be subject to and comply with, the provisions of the Declaration, 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 occupancy of any unit shall constitute an Agreement that the provisions of this Declaration, By-Laws and the Rules and Regulations, as they may be amended from time to time, and the said items affecting title to the property 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 of conveyance or lease thereof.

19. AMENDMENT OF DECLARATION

(a) This Declaration may be amended by the vote of at least 66 2/3 % in percentage of common interest and in number 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,

- (i) No amendment, modification, addition or deletion which shall adversely affect the lien or any mortgage may be made without written consent of the mortgagee;
- (ii) 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;

The Sponsor hereby reserves to itself and its designee (s) the right to amend this Declaration at any time without the requirements 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 the New York Real Property Law Section 339-p for any portion or portions of the Buildings and appurtenances which are incomplete upon the original filing of the Declaration provided that the verified statement of a registered architect or licensed professional engineer certifying that the plans being filed simultaneously with such amendment, fully and fairly depicting the layout, location, unit designations and approximate dimensions of the particular Unit or Units as build, as provided in said Section 339-p will be filed with such amendment.

No such amendment shall be effective until recorded in the Office of the County Clerk

(b) Notwithstanding the provisions of paragraph (a) of this Article above, the Condominium Board shall have the right to amend this Declaration and/or the Bylaws at any time, without the consent of the Unit Owners, to divide the Condominium Board into separate

and distinct Condominium Boards, each having full jurisdiction and authority over one of the buildings in the Condominium. Each of such Board of Managers shall be elected in accordance with and shall have all of the authority, rights, obligations, liabilities, powers and duties as set forth in Article 2 of the Bylaws.

20. TERMINATION OF CONDOMINIUM

The Condominium shall continue until terminated by (i) casualty, loss, condemnation, or eminent domain, as more particularly provided in the By-Laws or (ii) withdrawal of the Property from the provisions of Article 9-B of the Real Property Law of New York State, as a result of the affirmative vote of at least eighty percent (80%) of the unit owners in number and in appurtenant common interests. No such vote under clause (ii) in the preceding sentence shall be effective without the written consent of the Mortgage Representatives, if any, which consent shall not be unreasonably withheld or delayed. In the event that said withdrawal is authorized as aforesaid, but only in such event, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in accordance with the factors set out in the New York State Condominium Act Section 339-i(1)(iv), which is based on 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 overall dimensions of the particular unit and the fair market value of such unit. In the event of any dispute, the issue shall be presented for arbitration in accordance with Article 10 of the By-Laws. No payment shall be made to a Unit Owner until there has first been paid, out of his or her share of such funds, such amounts as may be necessary to discharge all unpaid liens on his or her Unit (other than mortgages that are not Permitted Mortgages) in the order of the priority of such liens.

21. ADMINISTRATION

The administration of the Condominium shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws which are make a part of this Declaration and attached as Exhibit "D".

22. INVALIDITY

The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner, the validity, enforceability, or effect of the reminder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.

23. WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

24. CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describes the scope of this Declaration nor the intent of any provision hereof.

25. GENDER

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender, and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

26. CONFLICTS

This Declaration is set forth to comply with the requirement of Article 9-B of the Real Property Law of the State of New York. In case any of the provisions stated above conflict with the provisions of said statute, the statute shall control.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by its duly authorized officers and its corporate seal to be hereunto affixed as of the day and year first written above.

DECLARANT: 126 FIRST PLACE LLC

By: STEVEN REICH
Managing Member

State of New York, County Of

ss:

On the _____ day of _____ in the year 2009 before me, the undersigned, personally appeared STEVEN REICH personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

EXHIBIT A

DESCRIPTION OF LAND

THE LAND REFERRED TO IN THIS POLICY IS DESCRIBED AS FOLLOWS:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the

EXHIBIT B

DESCRIPTION OF UNITS

<u>Unit</u> <u>Designation</u>	<u>Tax Lot</u> <u>Number</u>	<u>Location</u>	<u>Approximate</u> <u>Area (s.f)</u>	<u>Other</u> <u>Area</u>	<u>Common Interest</u>
-----------------------------------	---------------------------------	-----------------	---	-----------------------------	------------------------

y. denotes yard
b.f. denotes balcony
r. denotes roof
st. denotes storage

EXHIBIT C
DEFINITIONS

(1) **Appurtenant Interest** shall mean, with respect to any Unit, the undivided interest of the owner thereof, pursuant to the terms of Section 339-x of the Condominium Act, in and to: (i) the Common Elements; (ii) any other Units owned or leased at the time in question by the Condominium Board or its designees, corporate or otherwise, on behalf of all Unit Owners; (iii) any proceeds of the sale or lease of Unit of the nature described in subdivision (ii) above; and (iv) any other assets of the Condominium.

(2) **Balcony, Terrace, Porch, or Patio** generally define an area adjoining a building at various levels of the building which is generally used by the adjoining Unit. The characterization of the above for the purposes of the Zoning Resolution is based on its location and description as set forth in the Floor Plans.

(3) **Building or Buildings** shall mean the building or buildings situated on the land which is described in Exhibit A hereto.

(4) **By-laws** shall mean the by-laws of the Condominium, which are annexed as Exhibit D to the Declaration, as the same may be amended from time to time pursuant to the terms thereof.

(5) **Common Elements** shall mean those certain portions of the land and the Building (other than the Units), as well as those Facilities therein, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property, as more particularly described in Section 2 of the Declaration.

(6) **Common Charges** shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or the By-Laws), to meet the Common Expenses.

(7) **Common Expenses** shall mean all costs and expenses to be incurred generally by the Unit Owners pursuant to the Declaration and/or the By-Laws in connection with: (i) the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Common Elements; (ii) the establishment and/or maintenance of a general operating reserve or a reserve fund for working capital, for replacements with respect to the Common Elements, or to make up any deficit in the Common Charges for any prior year(s); (iii) the purchase, lease, or sublease by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose owner has elected to sell, lease, transfer, or convey the same or that is to be sold at a foreclosure or other sale; and (iv) generally, the conduct of the affairs of the Condominium.

(8) **Common Interest** shall mean the undivided percentage interest of each Unit in the Common Elements.

(9) **Condominium** shall mean THE 126 FIRST PLACE CONDOMINIUM which was established pursuant to the terms of the Declaration and is to be governed pursuant to the terms of the By-Laws.

(10) **Condominium Act** shall mean Article 9-B of the Real Property Law of the State of New York, as the same may be amended from time to time.

(11) **Condominium Board** shall mean the governing body of the Condominium, whose members shall be selected pursuant to the terms of Articles 2 and 4 of the By-Laws.

(12) **Condominium Documents** shall mean the Declaration, the By-Laws and Rules and Regulations.

(13) **Declaration** shall mean the declaration executed by Declarants for the purposes of submitting the Property to the provisions of the Condominium Act and establishing a regime for the condominium ownership thereof.

(14) **Family Members** shall mean the spouse, children (natural and adopted), stepchildren, grandchildren, siblings, parents, parents-in-law and grandparents of a Unit Owner who reside in such Unit Owner's Unit.

(15) **Floor Plans** shall mean the floor plans of the Units filed in the County Clerk's Office simultaneously with the recording of the Declaration, together with any supplemental floor plans thereto. The Floor Plans shall govern in the event of any inconsistency between the written part of the Declaration and the Floor Plans.

(16) **Institutional Lender** shall mean (i) a savings bank, savings and loan associations, bank or trust company, insurance company, real estate investment trust, or mortgage trust or (ii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system.

(17) **Institutional Mortgage** shall mean any first mortgage covering one or more Units that is a Permitted Mortgage and the initial holder of which is an Institutional Lender.

(18) **Insurance Trustee** shall mean an individual who is a resident of the State of New York, or a bank or trust company having an office in New York, from time to time appointed to serve as such by the Condominium Board.

(19) **Land** shall mean all that certain tract, plot, piece, and parcel of land situate, lying and being in the County of Kings, State of New York, as more particularly described in Exhibit A to the Declaration.

(20) **Law** shall mean the laws and ordinances of any or all of the Federal, New York State, County of Rockland, or local governments; the rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies, or offices thereof or of any other governmental,

public, or quasi-public authorities having jurisdiction over the Property and/or the Condominium, and/or the direction of any public officer pursuant to law.

(21) **Limited Common Elements** Limited Common Elements generally are those Common Elements reserved for use and enjoyment by one or more Units.

(22) **Managing Agent** shall mean a Person employed by the Condominium Board pursuant to paragraph (C) of Section 2.6 of the By-Laws, who shall undertake to perform the duties and services that the Condominium Board shall direct and who shall have whatever powers the Condominium Board shall delegate, subject to the limitations contained in paragraph (D) of Section 2.6 of the By-Laws.

(23) **Majority of Unit Owners** shall mean those Unit Owners having more than 50% of the total authorized votes of all Unit Owners (determined in accordance with the terms of Section 4.8 of the By-Laws) who are present, in person or by proxy, and voting at any duly constituted meeting of the Unit Owners at which a quorum is present.

(24) **Mortgage Representatives** shall mean the representatives of the holders of all mortgages encumbering Units, designated by the holders of Institutional Mortgages in accordance with the terms of paragraph (B) of Section 8.6 of the By-Laws.

(25) **Permitted First Mortgage** shall mean a Permitted Mortgage that is a first mortgage lien against a Unit.

(26) **Mortgage Permitted First Mortgagee** shall mean any holder of a Permitted First Mortgage.

(27) **Permitted Mortgage** shall mean any mortgage covering one or more Units that is placed thereon in compliance with the terms contained in Article 8 of the By-Laws.

(28) **Permitted Mortgagee** shall mean any holder of a Permitted Mortgage at the time in question.

(29) **Person** shall mean any natural person, partnership, corporation, trust, estate, fiduciary, unincorporated association, syndicate, joint venture, organization, government or any department or agency thereof, or any other entity.

(30) **Property** shall mean the Land, the Condominium Buildings or Units, all other improvements erected or to be erected on the Land, all easements, rights and appurtenances pertaining thereto and all other property, real, personal, or mixed, used or intended to be used in connection therewith.

(31) **County Clerk's Office** shall mean the particular County Office of the Clerk of the County of Kings, State of New York.

(32) **Rules and Regulations** shall mean the rules and regulations of the Condominium,

which are annexed as an addendum to the By-Laws, as any of the same may be amended, modified, added to, or deleted from time to time pursuant to the terms of the By-Laws, provided that they are not in conflict with the terms of the Condominium Act, the Declaration, or the By-Laws.

(33) **Special Assessments** shall mean the charges allocated and assessed by the Condominium Board to the Unit Owners, pro-rata in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in the By-Laws), in accordance with paragraph (C) of Section 6.1 of the By-Laws.

(34) **Sponsor's Initial Control** The Sponsor will maintain control of the Board of Managers of the Condominium for a minimum of two (2) years from the date of the first closing, as long as the Sponsor owns at least one (1) unit. During this period of Initial Control, the Sponsor shall designate a majority of the Board Members; the remaining Board Members shall be elected by all Unit Owners. After the initial 2-year period, the Sponsor will maintain control of the Board of Managers as long as the Sponsor owns a majority of the units.

(35) **Unit** shall mean any of the "Units", as such term is defined in the Condominium Act, located on the Property, which units are more particularly described in Section 6 of, and Exhibit B to, the Declaration and in the Floor Plans.

(36) **Unit Owner** shall mean any Person who holds fee title, of record, to one or more Units at the time in question.

CONDOMINIUM BY-LAWS

THE 126 FIRST PLACE CONDOMINIUM

**126 FIRST PLACE
BROOKLYN, NEW YORK 11231**

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BY-LAWS

of

THE 126 FIRST PLACE CONDOMINIUM

ARTICLE 1 GENERAL

1.1. PURPOSE

The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the Condominium. The Condominium covers the Property, which consists of: (i) the Land, which is described in Exhibit A to the Declaration of Condominium of THE 126 FIRST PLACE CONDOMINIUM; (ii) the Building, which includes, without limitation, the Units, the Common Elements and all easements, rights and appurtenances belonging thereto; and (ii) all other property, real, personal, or mixed, intended for use in connection therewith. The Property has been submitted to the provisions of the Condominium Act by the recording of the Declaration in the Register's Office, of which Declaration these By-Laws form a part.

1.2. DEFINITIONS

All capitalized terms used in these By-Laws that are not otherwise defined in any of the Articles hereof shall have the meanings set forth in Exhibit C to the Declaration, unless the context in which the same are used shall otherwise require. All capitalized terms used in these By-Laws that are defined in any of the Articles hereof shall have the meanings ascribed to them in such Articles, unless the context in which the same are used shall otherwise require. Each of the aforescribed capitalized terms shall be applicable to singular and to plural nouns, as well as to verbs of any tense.

1.3. APPLICABILITY OF BY-LAWS

These By-Laws are applicable to the Property and to the use and occupancy thereof.

1.4. APPLICATION OF BY-LAWS

All present and future Unit Owners, mortgagees, lessees, sublessees and occupants of Units, and employees and guests of Unit Owners, as well as all other Persons who may use the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time. The acceptance of a deed or other instrument of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of the Declaration, these By-Laws and the Rules and Regulations, as each of the same may be amended from time to time, are accepted, ratified and will be complied with.

1.5. PRINCIPAL OFFICE OF THE CONDOMINIUM

The principal office of the Condominium shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

ARTICLE 2 BOARD OF MANAGERS

2.1. GENERAL

As more particularly set forth in Sections 2.4, 2.5 and 2.6 hereof, the affairs of the Condominium shall be governed by the Condominium Board. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act as, and shall be, the agent of the Unit Owners, subject to, and in accordance with, the terms of the Declaration and these By- Laws.

2.2. STATUS OF THE CONDOMINIUM BOARD

Unless and until the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon unincorporated associations under, or pursuant to, the terms of the General Association Law of the State of New York. If the Condominium Board shall incorporate in accordance with the terms of Section 2.4 hereof, the Condominium Board shall have, to the extent permitted by Law, the status conferred upon it under, or pursuant to, the terms of the applicable statutes of the State of New York. In either event, however, the Condominium Board shall also have the status conferred upon it under, or pursuant to, the terms of the Condominium Act.

2.3. PRINCIPAL OFFICE OF THE CONDOMINIUM BOARD

The principal office of the Condominium Board shall be located either at the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Condominium Board.

2.4. POWERS AND DUTIES OF THE CONDOMINIUM BOARD

(A) The Condominium Board shall have all of the powers and duties necessary for, or incidental to, the administration of the affairs of the Condominium, provided, however, that the Condominium Board shall not have such powers and duties that by Law, or pursuant to the terms of the Declaration and these By-Laws, may not be delegated to the Condominium Board by the Unit Owners. Without intention to limit the generality of the foregoing in any respect, the Condominium Board shall have the following specific powers and duties:

(i) to operate, maintain, repair, restore, add to, improve, alter and replace the Common Elements, including, without limitation, as the Condominium Board shall deem necessary or proper in connection therewith: (a) the purchase and leasing of supplies, equipment and material and (b) the employment, compensation and dismissal of personnel;

(ii) to acquire, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of the Unit Owners, all rights, titles and interests in real and personal property deemed necessary or proper by the Condominium Board for use in connection with the ownership and operation of the Property as a condominium;

(iii) to maintain records with respect to the finances and the operation of the Condominium, including, without limitation: (a) detailed accounts of receipts and expenditures affecting the Property; (b) other financial records, as well as other books of account of the Condominium, as may be required to be kept pursuant to the terms of these By-Laws; and (c) minutes and other records of all meetings held pursuant to the terms of these By-Laws;

(iv) to prepare and adopt a budget for the Condominium for each fiscal year thereof, setting forth, without limitation: (a) a detailed accounting of the anticipated Common Expenses for the ensuing fiscal year and (b) a detailed projection of all sources and amounts of income necessary to discharge the same;

(v) to determine the amount and establish the means and methods of payment of, and to collect, the Common Charges and Special Assessments from the Unit Owners;

(vi) to borrow money on behalf of the Condominium when required in connection with the operation, maintenance, repair, restoration, improvement, alteration and replacement of the Common Elements, provided, however, that: (a) the affirmative consent of all of the members of the Condominium Board shall be required for the borrowing of any sum in excess of 10% of the prior year's budget in anyone fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (b) the affirmative consent of all of all Unit Owners shall be required for the borrowing of any sum in excess of 10% of the prior year's budget in anyone fiscal year (regardless of the balance of any loans outstanding from previous fiscal years); (c) no lien to secure repayment of any sum borrowed may be created on any Unit or its Appurtenant Interests without the consent of the owner of such Unit; and (d) the documentation executed in connection with any such borrowing shall provide that, if any sum borrowed by the Condominium Board pursuant to this subparagraph (vi) shall not be repaid by the Condominium Board, any Unit Owner who pays to the creditor thereunder such proportion of the then outstanding indebtedness represented or secured thereby as such Unit Owner's Common Interest bears to the aggregate Common Interest of all Unit Owners shall be entitled to obtain from the creditor a release of any judgment or other lien that the said creditor shall have filed, or shall have the right to file, against such Unit Owner's Unit;

(vii) to open and maintain bank accounts on behalf of the Condominium and to designate the signatories required therefor;

(viii) to use the Common Charges and Special Assessments collected from Unit Owners, as well as all other funds held by the Condominium Board or received in connection with the operation of the Property, for the administration of the Condominium, including, without limitation: (a) the payment of Common Expenses and (b) the making of restorations, additions, alterations and improvements to the Common Elements;

(ix) to obtain insurance for the Property, including the Units, pursuant to the terms of Section 5.4 hereof;

(x) to adjust and settle claims under insurance policies obtained pursuant to the terms of Section 5.4 hereof, and to execute and deliver releases upon such adjustment and settlement on behalf of: (a) all Unit Owners; (b) all holders of mortgages and other liens on Units; and (c) all holders of any other interest in the Property;

(xi) to make, or to contract with others for the making of, repairs, maintenance, additions and improvements to, and alterations, restorations and replacements of, the Property after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings, all in accordance with the terms of these By-Laws;

(xii) [INTENTIONALLY OMITTED]

(xiii) to accept the surrender of any Unit pursuant to the terms of paragraph (C) of Section 6.2 hereof, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xiv) to purchase, lease, or otherwise acquire Units offered for sale or lease by their owners, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xv) to purchase Units at foreclosure or other judicial sales, in the name of the Condominium Board or its designee, corporate or otherwise, and on behalf of all Unit Owners;

(xvi) to sell, lease, mortgage and otherwise deal with Units acquired by, and to sublease Units leased by,

the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, provided, however, that the Condominium Board or its designees shall in no event be entitled to the vote appurtenant to any such Unit;

(xvii) to adopt and amend the Rules and Regulations and to levy and collect fines against Unit Owners for violations of the same;

(xviii) to enforce by legal means the terms, covenants and conditions contained in the Condominium Documents and to bring or defend against any proceedings that may be instituted on behalf of, or against, the Unit Owners;

(xix) to incorporate, to the extent and in the manner provided in the Condominium Act, provided, however, that: (a) the certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the terms of the Declaration and these By-Laws and (b) the terms of the Declaration and these By-Laws shall prevail in the event of any inconsistency or conflict between the terms thereof and the terms of such certificate of incorporation and by-laws;

(xx) to organize corporations to act as the designees of the Condominium Board in acquiring title to, or leasing of, Units and in acquiring rights, titles and interests in real and personal property for use in connection with the ownership and operation of the Property as a condominium;

(xxi) to execute, acknowledge and deliver: (a) any declaration or other instrument affecting the Property that the Condominium Board deems necessary or appropriate to comply with any Law applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Building and (b) any consent, covenant, restriction, easement, or declaration affecting the Property that the Condominium Board deems necessary or appropriate;

(xxii) to prepare, execute, acknowledge and record on behalf of all Unit Owners, as their attorney in fact, coupled with an interest, a restatement of the Declaration or these By-Laws, whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the same;

(xxiii) to execute, acknowledge and deliver any documents necessary for filing an appeal for reduction of assessment of real estate taxes on behalf of all units in the Condominium, unless written notice is received by the Condominium Board from any Unit Owner not to do so on behalf of his or her condominium unit.

(xxiv) to carry out any other duties imposed upon the Condominium Board pursuant to the Declaration and these By-Laws.

(B) The Condominium Board shall be responsible for carrying out the duties imposed upon it under the Condominium Documents regardless of whether a Unit is vacant or occupied by the owner thereof or by a permitted lessee or other permitted occupant.

2.5. CERTAIN LIMITATIONS ON THE POWERS OF THE CONDOMINIUM BOARD

(A) Notwithstanding anything to the contrary contained in these By-Laws, for a period of three years from the First Closing, so long as Declarant or its designee or both shall continue to collectively own one or more Units, the Condominium Board may not, without Declarant's or such designee's prior written consent:

- (i) make any addition, alteration, or improvement to the Common Elements or to any Unit, unless the same shall be required by Law or an insurance company insuring the Property;
- (ii) assess any Common Charges or Special Assessments for the creation or replacement of, or the

- addition to, all or any part of a reserve, contingency, or surplus fund in excess of five percent in the aggregate of the estimated Common Expenses for any year of operation;
- (iii) increase the number or change the type of employees from that described in Schedule B set forth in the Plan;
 - (iv) enter into any service or maintenance contracts for work not covered in the schedule referred to in subparagraph (iii) hereinabove; or
borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient). Sponsor shall have the right to withhold its consent to any of the foregoing actions. Notwithstanding the above, Sponsor's consent shall not be withheld for expenses required to comply with applicable law. While Sponsor has voting control of the Board, Sponsor will not reduce or eliminate the services to be provided to the Condominium as set forth in this Plan.
- (B) Notwithstanding anything to the contrary contained in these By-Laws, the Condominium Board shall not take any of the following actions unless Unit Owners representing at least 66 2/3% in aggregate Common Interest shall approve the same in writing or by vote at a duly constituted meeting called for such purpose:
- (i) increase the number, or change the type, of employees from those hired at the time of recording the Declaration;
 - (ii) provide for new or additional services from those being provided at the time of recording the Declaration;
 - (iii) impose any Common Charge or Special Assessment for the purpose of making any capital or major improvement, alteration, or addition to the common Elements or to any unit, unless required by Law or an insurance company insuring the Property, or;
 - (iv) establish any reserves, including, without limitation, a reserve for contingencies, repairs, improvements, or replacements, other than a twelve-month reserve for contingencies not exceeding five percent of the budgeted operating expenses for the ensuing twelve months of operation.

2.6. EXERCISE AND DELEGATION OF POWERS AND DUTIES

(A) Any act within the power of the Condominium Board to perform, and deemed necessary or desirable to be performed by the Condominium Board, shall be performed by the Condominium Board or shall be performed on its behalf and at its direction by the agents, employees, or designees of the Condominium Board.

(B) The Condominium Board, may appoint an Executive Committee by duly adopted resolution, which Executive Committee shall have, and may exercise, all of the powers of the Condominium Board, subject to both the exceptions and limitations contained in paragraph (D) of this Section 2.6 and such additional exceptions and limitations as the Condominium Board may from time to time deem appropriate, during the intervals between the meetings of the Condominium Board. In addition, the Condominium Board may from time to time appoint, by duly adopted resolutions, such other committees as the Condominium Board may deem appropriate to perform such duties and services as the Condominium Board shall direct, each of which committees shall have, and may exercise, all of the powers delegated to it in its enabling resolution, subject, however, to the exceptions and limitations contained in paragraph (D) of this Section 2.6.

(C) The Condominium Board may employ a Managing Agent to serve at a compensation to be established by the Condominium Board and to perform such duties and services as the Condominium Board shall direct. Subject to the exceptions and limitations contained in paragraph (D) of this Section 2.6, the Condominium Board may delegate to the Managing Agent any of the powers granted to the Condominium Board in these By-Laws.

(D) Notwithstanding anything to the contrary contained in this Section 2.6, the Executive Committee and the Managing Agent shall neither have nor be entitled to exercise, and the Condominium Board shall not delegate to either of them or to any other committee, the powers or duties described in subparagraphs (ii), (iv), (v), (vi), (vii), (x), (xiii), (xiv), (xv), (xvi), (xvii), (xix), (xx) and (xxi) of paragraph (A) of Section 2.4 hereof. In addition, neither the Managing Agent nor any of the committees described in Subsection (B) of this Section 2.6 shall have, or be entitled to exercise, any of the powers of the Condominium Board, except to the extent permitted by Law.

2.7. NUMBER ELECTION AND QUALIFICATION OF MEMBERS

As long as the Sponsor owns at least one (1) unit, the Sponsor shall be entitled to designate a majority of the Board Members for at least two (2) years after the closing of title to the first unit. Thereafter, the Sponsor may elect a majority of the Board of Managers as long as the Sponsor owns a majority of the units. There is no time limit regarding Sponsor's control of the Board or its right to vote. As long as Sponsor or its designee owns a majority of the units, it shall be entitled to vote and elect a majority of Board Members. The Condominium Board of Managers shall consist of three (3) Board Members. Until the first sale of a Unit, the initial Board of Managers shall be designated by the Sponsor.

Within approximately six (6) months after the conveyance of title to the first unit, the Sponsor will call the first meeting of Unit Owners. At such time, the Sponsor shall designate two (2) of the three (3) Board Members, who shall serve for a period of two (2) years. The other Board Member shall be elected for a one-year term by all Unit Owners. Within thirty (30) days of the expiration of the initial two (2) year period of Sponsor Control, Sponsor will call a special meeting of Unit Owners to elect a new Board. Sponsor shall have the same voting right as all Unit Owner. In all votes of Unit Owners, each unit owner will be entitled to cast one (1) vote for each percentage of interest Owned. Unit Owners shall be entitled to cumulate their votes and cast all of such votes for a single director or distribute them among the number to be voted for, or any two or more of them, as they may see fit.

As long as the Sponsor owns a majority of the units, it may exercise its vote and control the Board of Managers. There is no time limit regarding how long Sponsor can retain control. When the Sponsor no longer owns any units Sponsor shall not be entitled to vote as a Unit Owner. After the initial period of Sponsor Control, the term of office of each of the members of the Condominium Board shall be one (1) year.

At all meetings of Unit Owners the Sponsor or its designee shall be able to vote and thus able to exercise its vote in Board elections. When the Sponsor or its designee no longer owns any Units neither Sponsor nor its designee shall have any further right to vote.

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

2.8. TERM OF OFFICE OF MEMBERS.

The Board Members initially designated by the Sponsor shall serve for 2 years. After the initial period of sponsor control, the term of office of the Members of the Condominium Board shall continue for one (1) year. However, Board Members shall continue to serve until their successors have been qualified and elected. However, at any time, any Unit Owner may by written instrument replace such Board Member by designating another person as a Board Member representing its Unit.

2.9. REMOVAL AND RESIGNATION OF MEMBERS

Any member of the condominium Board who was elected there either by the Unit Owners, pursuant to the terms of Section 2.10 hereof, or by the Condominium Board, pursuant to the terms of Section 2.10 hereof, may be

removed from office, with or without cause by a vote of a majority of Unit Owners. Any member of the Condominium Board who was designated as such or elected by Declarant or its designee, pursuant to the terms of Section 2.7, 2.10, or 4.9 hereof may be removed, with or without cause, only by Declarant of the said designee. Any member of the Condominium Board whose proposed removal is to be acted upon at a meeting of the Units Owners shall be give prior written notice thereof and an opportunity to be present and heard thereat.

Any member of the Condominium Board may resign his or her membership at any time by giving written notice thereof to the Condominium Board and, with respect to members of the Condominium Board designated as such. In addition, any member of the Condominium Board who shall cease to be qualified for membership pursuant to the terms of Section 2.7 hereof shall be deemed to have resigned his or her membership effective as of the date upon which such qualification shall cease. Upon sale or transfer of the Unit, the Board Member designated (or deemed to have been designated) by the Unit Owner shall be deemed to have resigned his Board Membership effective on the date of conveyance of the Unit, and the succeeding Unit Owner shall designate (or deem to have designated) the Board Member representing such Unit in accordance with Section 2.7.

2.10. VACANCIES

(A) Any vacancy on the Condominium Board that is caused by the removal, resignation, or death of a member who was elected thereto by the Unit Owners shall be filled by an individual who is qualified to be a member pursuant to the terms of Section 2.7 hereof and who is elected by a vote of a majority of the members of the Condominium Board then in office. A special meeting of the Condominium Board shall be held for the purpose of filling any such vacancy promptly after the occurrence thereof, and the election held thereafter shall be effective to fill such vacancy even if the number of members present at such meeting shall not constitute a quorum.

(B) Any vacancy on the Condominium Board that is caused by the removal, resignation or death of a member who was designated as such or elected by Sponsor or its designee shall be filled by an individual designated by Sponsor or such designee.

(C) Each member of the Condominium Board who is elected thereto or designated as such to fill a vacancy pursuant to the terms of paragraph (A) or (B), respectively, of this Section 2.10 shall serve as a member of the Condominium Board for the remainder of the term of the replaced member and until his or her successor shall be elected and qualified at the appropriate annual meeting of the Unit Owners pursuant to the terms of Section 4.9 hereof.

2.11. INTENTIONALLY OMITTED.

2.12. REGULAR MEETINGS OF THE CONDOMINIUM BOARD

Regular meetings of the Condominium Board may be held at such time and place as shall be determined from time to time by a majority of the members thereof, provided that at least one (1) such meetings shall be held during each fiscal year.

2.13. SPECIAL MEETINGS OF THE CONDOMINIUM BOARD.

Any member of the Condominium Board may call a special meeting of the Condominium Board whenever he or she deems the same to be necessary or desirable.

2.14. WAIVER OF NOTICE OF MEETINGS

Any member of the Condominium Board may at any time, waive notice of any meeting thereof in writing,

and such waiver shall be deemed equivalent to giving of notice. Attendance by a member of the Condominium Board at any meeting thereof shall constitute a waiver by him or her of notice of the time and place thereof.

2.15. QUORUM OF THE CONDOMINIUM

For purposes of all meetings of the Condominium Board, the attendance of a majority of all Board Members thereof shall be required for the transaction of business. In connection therewith, one or more members of the Condominium Board may participate in any meeting thereof by means of telephone or similar communications equipment permitting all individuals participating in the meeting to hear each other at the same time, and such participation shall constitute presence at such a meeting for all purposes.

2.16. CONDUCT OF MEETINGS

The minutes of the meetings of the Condominium Board shall be faithfully recorded, which minutes shall include the full text of all resolutions duly adopted by the Condominium Board and a record of all transactions and proceedings occurring thereat. The then current edition of Robert's Rules of Order shall govern the conduct of meetings of the Condominium Board unless the same shall be in conflict with the terms of the Declaration, these By-Laws or the Condominium Act.

2.17. DECISION BY THE CONDOMINIUM BOARD.

Except as otherwise expressly provided in the Declaration or these By-Laws, the affirmative vote of a majority of the members of the Condominium Board shall constitute the decision of the Condominium Board. Alternatively, any decision that is required or permitted to be made by the Condominium Board may be made without a meeting thereof if all of the members of the Condominium Board shall individually or collectively consent in writing to such decision, and all such written consents shall be duly filed by the Condominium in the minutes of the Condominium Board. In the event of a deadlock in voting between the two units or in the Condominium Board, such deadlock shall be submitted to an arbitration board in accordance with Article 10, "Arbitration", below.

2.18. COMPENSATION OF MEMBERS

No member of the Condominium Board shall receive any compensation from the Condominium for acting as such.

2.19. COMMON OR INTERESTED MEMBERS OF THE CONDOMINIUM BOARD

Each member of the Condominium Board shall perform his or her duties, and shall exercise his or her powers, in good faith and with a view to the interests of the Condominium. To the extent permitted by law, no contract or other transaction between the Condominium Board and either (i) any of its members or (ii) any corporation, partnership, fiduciary, firm, association, or other entity in which any of the members of the Condominium Board are officers, directors, employees, partners, fiduciaries, beneficiaries, or principals, or are otherwise interested, pecuniary or otherwise, shall be deemed either void or voidable because either (a) any such member of the Condominium Board was present at the meeting or meetings of the Condominium Board during which such contract or transaction was discussed, authorized, approved, or ratified, or (b) the vote of any such member was counted for such purpose, provided, however, that either:

(x) the fact thereof is disclosed to, or known by, the Condominium Board or noted in the minutes thereof, and the Condominium Board shall authorize, approve, or ratify such contract or transaction in good faith by vote of the Condominium Board;

(y) the fact thereof is disclosed to, or known by the Unit Owners, and the Unit Owners authorize, approve, or ratify such contract or transaction; or

(z) the contract or transaction is commercially reasonable to the Condominium Board at the time that the same is authorized, approved, ratified, executed, or otherwise consummated.

Any such member of the Condominium Board may be counted in determining the requisite attendance of any meeting of the Condominium Board that authorizes, approves, or ratifies any such contract or transaction.

2.20. LIABILITY OF THE CONDOMINIUM BOARD

(A) The members of the Condominium Board shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each member of the Condominium Board shall be liable thereto for his or her own bad faith or willful misconduct.

(B) Every contract made, and other document executed, by or on behalf of the Condominium Board, any committee thereof, or the Managing Agent shall expressly state (if obtainable and in addition to the limitation of liability of the officers of the Condominium and the Unit Owners pursuant to the terms of Sections 3.10 and 4.12 hereof, respectively) that the same is made or executed by or on behalf of the Condominium Board, such committee, or the Managing Agent solely as agent for the Unit Owners and that the members of the Condominium Board or such committee or the Managing Agent shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(C) Neither the Condominium Board nor any member thereof shall be liable for either:

- (i) any failure or interruption of any utility or other services to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense; or
- (ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(D) The Unit Owners shall jointly and severally indemnify and hold each member of the Condominium Board harmless from and against any claim or liability to others arising from his or her acts or omissions as, or by reason of the fact that such individual is or was, a member of the Condominium Board, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such member.

ARTICLE 3 OFFICERS

3.1. GENERAL

The principal officers of the Condominium shall be the President, the Secretary and the Treasurer. The Condominium Board may appoint a Vice President, an Assistant Treasurer, an Assistant Secretary and such other officers as in its discretion may be necessary or desirable. All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed, upon the direction of the Condominium Board, by the officers of the Condominium or by such lesser number of officers or by such other Person or Persons as may be designated from time to time by the Condominium Board.

3.2. PRESIDENT.

The President shall be the chief executive officer of the Condominium and shall preside at all meetings of

the Unit Owners and of the Condominium Board. The President shall have all of the general powers and duties that are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York (hereinafter referred to as the "BCL", including, but not limited to, the power to appoint the members of all committees created by the Condominium Board from amongst the Unit Owners from time to time as he or she may decide, in his or her discretion, are appropriate to assist in the conduct of the affairs of the Condominium.

3.3. VICE PRESIDENT

The Vice President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Condominium Board shall appoint some other member of the Condominium Board to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall be imposed upon him or her from time to time by the Condominium Board or by the President.

3.4. SECRETARY

The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and, in general, shall perform all of the duties that are incident to the office of secretary of a stock corporation organized under the BCL.

3.5. TREASURER

The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof, showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board or in the name of the Managing Agent in such depositories as may from time to time be designated by the Condominium Board and, in general, shall perform all of the duties incident to the office of treasurer of a stock corporation organized under the BCL.

3.6. ELECTION TERM OF OFFICE AND QUALIFICATIONS OF OFFICERS

Each of the officers of the Condominium Board shall be elected annually by a majority vote of the Condominium Board taken at the organizational meeting of each new Condominium Board, and shall serve at the pleasure of the Condominium Board. At least a majority of the officers shall be elected from amongst the members of the Condominium Board who are Unit Owner-Occupants, after the Sponsor Control. The other officers of the Condominium, however, need not be Unit Owners or members of the Condominium Board and need not have any interest in the Condominium.

3.7. REMOVAL AND RESIGNATION OF OFFICERS

Any officer of the Condominium may be removed from office with or without cause, by an affirmative vote of a majority of the members of the Condominium Board. In addition, any officer may resign at any time by giving written notice to the Condominium Board. Finally, if the President or the Vice President of the Condominium shall cease to be a member of the Condominium Board during his or her term of office, such officer shall be deemed to have resigned his or her office effective upon the date upon which his or her membership shall cease.

3.8. VACANCIES

Any vacancy in an office shall be filled by a majority vote of the Condominium Board at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

3.9. COMPENSATION OF OFFICERS

No officer of the Condominium shall receive any compensation from the Condominium for acting as such.

3.10. LIABILITY OF THE OFFICERS OF THE CONDOMINIUM.

(A) The officers of the Condominium shall have no liability to the Unit Owners for errors of judgment, negligence, or otherwise, except that each officer of the Condominium shall be liable thereto for his or her own bad faith or willful misconduct. In addition, every contract made, and other document executed, by one or more officers or other Persons on behalf of the Condominium shall expressly state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the Unit Owners pursuant to the terms of Sections 2.20 and 4.12 hereof, respectively) that the same is made or executed by such officers or Persons on behalf of the Condominium solely as agent for the Unit Owners and that such officers or Persons shall have no liability thereon, except to the extent of their liability, if any, as Unit Owners pursuant to the terms of Section 4.12 hereof.

(B) None of the officers of the Condominium shall be liable for either:

- (i) any failure or interruption of any utility or other services to be obtained by any such officer on behalf of the Condominium or to be paid for as a Common Expense; or
- (ii) any injury, loss, or damage to any individual or property, occurring in or upon either a Unit or the Common Elements, and either: (a) caused by the elements, by any Unit Owner, or by any other Person; (b) resulting from electricity, water, snow, or ice that may leak or flow from a Unit or any portion of the Common Elements; or (c) arising out of theft or otherwise.

(C) The Unit Owners shall jointly and severally indemnify and hold each officer of the Condominium harmless from and against any claim or liability to others arising from his or her acts or omissions as, or by reason of the fact that such individual is or was, an officer of the Condominium, except, however, to the extent that such claim or liability shall be due to, or shall arise out of, the bad faith or willful misconduct of such officer.

ARTICLE 4 UNIT OWNERS

4.1. ANNUAL MEETINGS OF THE UNIT OWNERS

The first annual meeting of the Unit Owners shall be held approximately six (6) months after the First Closing, as provided both in this Article 4 and in Article 2 hereof. Thereafter, annual meetings of the Unit Owners shall be held within sixty (60) days of the anniversary date of the first meeting. At each such subsequent meeting, the Unit Owners shall transact such business as may properly come before such meeting. In the event that any annual meeting of members is delayed, the existing Condominium Board shall continue to serve.

4.2. SPECIAL MEETINGS OF UNIT OWNERS

The Condominium Board shall call a special meeting of the Unit Owners whenever so directed by a duly adopted resolution of the Condominium Board or upon receipt of a petition calling for such a meeting signed by a Unit Owner. Each such resolution or petition shall set forth, in reasonable detail, the purposes for calling such a meeting, and no business shall be transacted at such special meeting except business reasonably related to such

stated purposes.

4.3. PLACE OF MEETINGS

Meetings of the Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place as may be designated by the Condominium Board.

4.4. NOTICE OF MEETINGS

(A) The Condominium Board shall give notice of each annual or special meeting of the Unit Owners to all Unit Owners then of record entitled to vote at such meeting, which notice shall set forth the purpose, time and place of such meeting. Such notice may be given to any Unit Owner by personal delivery, mail, telephone or telegram not later than five (5) business days prior to the day fixed for the meeting; however, the mailing of such notice to any Unit Owner, addressed to his or her address at the Property, at least ten (10) days prior to the day fixed for the meeting shall be conclusively deemed the giving of notice to such Unit Owner of such meeting. Any Unit Owner may designate an address for the giving of notice other than such Unit Owner's address at the Property by giving written notice thereof to the Condominium Board not less than ten (10) days prior to the giving of notice of the applicable meeting.

4.5. QUORUM OF THE UNIT OWNERS

Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of a two-thirds (2/3) majority of all Unit Owners shall be required at all meetings of the Unit Owners.

4.6. CONDUCT OF MEETINGS

The minutes of all meetings of the Unit Owners shall be faithfully recorded, which minutes shall include the full text of all resolutions duly adopted by the Unit Owners and a record of all transactions and proceedings occurring thereat.

4.7. ORDER OF BUSINESS

The order of business at all annual meetings of the Unit Owners shall be as follows:

- (i) Roll call;
- (ii) Proof of notice of meeting;
- (iii) Reading of the minutes of the preceding meeting (unless waived);
- (iv) Reports of officers of the Condominium;
- (v) Reports of committees;
- (vi) Reports of inspectors of election (when so required);
- (vii) Election or designation of members of the Condominium Board (if there is a vacancy);
- (viii) Unfinished business; and
- (ix) New business.

4.8. VOTING AT MEETINGS OF UNIT OWNERS

(A) Subject to the terms of Sections 2.7 and 4.9 hereof, in all votes of Unit Owners, including Board elections, each Unit Owner (including the Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to cast one (1) vote for each percentage of interest Owned. Unit Owners shall be entitled to cumulate their votes and cast all of such votes for a single director or distribute them among the number

to be voted for, or any two or more of them, as he may see fit. Board Members shall be elected by a majority of the votes cast at a meeting at which a quorum shall be present.

(B) Notwithstanding the terms contained in paragraph (A) hereof, no Unit Owner may vote at any meeting of the Unit Owners if the Condominium Board has perfected a lien against such Unit Owner's Unit and the amount necessary to release such lien has not been paid at the time of such meeting. In addition, neither the Condominium Board nor any designee thereof shall be entitled to the vote appurtenant to any Unit owned by the Condominium Board or such designee. The vote of all Units whose owners are precluded from voting pursuant to the terms of this paragraph (B) will be excluded when computing the results of voting.

(C) A fiduciary shall be the voting member with respect to a Unit owned in a fiduciary capacity. In addition, if two (2) or more Persons own a Unit, they shall designate one Person amongst them the vote appurtenant to their Unit in a writing given to the Condominium Board, and the vote of such designee shall be binding upon all of such Persons. Failing such a designation, all of such Persons shall mutually exercise the vote appurtenant to such unit under one ballot without division, and the concurrence of all Persons shall be conclusively presumed if anyone of them purports to exercise such vote without protest being contemporaneously made to the individual presiding over the meeting at which such vote is taken. If protest is made, the vote appurtenant to such Unit shall be counted solely for the purpose of determining whether the required attendance is present for such voting.

(D) The owner(s) of any Unit may designate any Person to act as a proxy on his or her behalf. The designation of any such proxy shall be made in a writing both signed and dated by the designor and delivered to the Condominium Board at or before the appointed time for the meeting(s) during which the same is to be effective. Any such designation shall be revocable at any time upon written notice given to the Condominium Board; however, no revocation of such a designation shall be effective with respect to any votes cast by such proxy prior to the receipt of such revocation notice by the Condominium Board.

4.9. ELECTION OF MEMBERS OF THE CONDOMINIUM BOARD

(A) In all votes of Unit Owners, including Board elections, each Unit Owner (including the Sponsor or its designee, for so long as Sponsor or such designee shall own Unsold Units) shall be entitled to vote as follows: (a) Each owner of a Unit shall cast one (1) vote for each percentage of interest Owned. In Condominium Board elections, each Unit Owner shall be entitled to cumulate his votes and cast all of such votes for a single director or distribute them among the number to be voted for, or any two or more of them, as he may see fit. Board Members shall be elected by a majority of the votes cast at a meeting at which a quorum shall be present.

(B) Notwithstanding any other provision of the By-Laws or Offering Plan, the Sponsor shall be entitled to designate a majority of the Board Members for a minimum of two (2) years after the closing of title to the first Unit, as long as the Sponsor or its designee owns at least one (1) unit. In addition, as long as Sponsor or its designee owns a majority of the units, it shall be entitled to vote and elect a majority of Board Members. The Condominium Board of Managers shall consist of three (3) Board Members. Until the first sale of a Unit, the initial Board of Managers shall be designated by the Sponsor. See Section 2.7 above.

As long as the Sponsor owns a majority of the units, it may exercise its vote and control the Board of Managers. There is no time limit regarding how long Sponsor can retain control. When the Sponsor no longer owns any units Sponsor shall not be entitled to vote as a Unit Owner. After the initial period of Sponsor Control, the term of office of each of the members of the Condominium Board shall be one (1) year.

At all meetings of Unit Owners the Sponsor or its designee shall be able to vote and thus able to exercise its vote in Board elections. When the Sponsor or its designee no longer owns any Units neither Sponsor nor its designee shall have any further right to vote.

4.10. ACTION WITHOUT A MEETING

Any action required or permitted to be taken by the Unit Owners at a duly constituted meeting may be taken without such a meeting if the number of Unit Owners sufficient to approve such an action at a duly constituted meeting of the Unit Owners pursuant to the Declaration or to these By-Laws consent in writing to the adoption of a resolution approving such action. All written consents given by Unit Owners pursuant to this Section 4.10 shall be retained in the records of the Condominium together with a true copy of the resolution to which they relate.

4.11. TITLE TO UNITS

Title to any Unit may be taken by any Person or by any two (2) or more Persons as joint tenants, tenants in common, or tenants by the entirety, as may be appropriate, but not as owners in severalty.

4.12. CONTRACTUAL LIABILITY OF UNIT OWNERS

Every contract made by the Condominium Board, by any officer of the Condominium, or by any superintendent or Managing Agent of the Building shall state (if obtainable and in addition to the limitation of liability of the members of the Condominium Board and the officers of the Condominium pursuant to the terms of Section 2.20 and 3.10 hereof, respectively), that the liability of any Unit Owner with respect thereto shall be limited to: (i) such proportionate share of the total liability thereunder as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners and (ii) such Unit Owner's interest in his or her Unit and its Appurtenant Interests, unless otherwise provided by Law.

ARTICLE 5 OPERATION OF THE PROPERTY

5.1. MAINTENANCE

(A) Except as otherwise provided in the Declaration or in these By-Laws, all painting, decorating, maintenance, and replacements, whether structural or non-structural, ordinary or extraordinary,

- (i) in or to any Unit and all portions thereof (including, but not limited to, the interior walls, ceilings and floors in the Unit, kitchen and bathroom fixtures and appliances, windows and their frames, sills and sashes, all doors (entrance and terrace or patio, if any) and their frames and saddles, exposed plumbing, gas and heating fixtures shall be performed by the owner of such Unit at such Unit Owner's cost and expense; and
- (ii) in or to the Common Elements shall be performed by the Condominium Board as a Common Expense..

However, if any work is necessitated by any condition or occurrence in the individual unit such Unit Owner shall be liable for such costs which are not paid by the insurance carrier. Promptly upon obtaining knowledge thereof, each Unit Owner shall report to the Condominium Board or to the Managing Agent any defect which the Condominium Board is responsible pursuant to the terms thereof. All painting, decorating, maintenance, repairs and replacements performed hereunder or otherwise, whether by or at the behest of a Unit Owner or the Condominium Board, shall be performed in such a manner as shall not unreasonably disturb or interfere with any Unit Owners or the tenants and occupants of any Units.

(B) Notwithstanding anything to the contrary provided in paragraph (A) of this Section 5.1, however, the exterior glass surfaces of all windows of each Unit are to be washed and cleaned by the owner of such Unit at such

Unit Owner's sole cost and expense. In addition, if any painting, decorating, maintenance, or replacements to the Property or any part thereof, whether structural or non-structural, ordinary or extraordinary, is necessitated by the negligence, misuse, or abuse of (i) any Unit Owner, the entire cost and expense thereof shall be borne by such Unit Owner, or (ii) the Condominium Board, the entire cost and expense thereof shall be borne by the Condominium Board as a Common Expense, except, in all events, to the extent that such cost and expense is covered by the proceeds of any insurance maintained pursuant to the terms of these By-Laws. Similarly, each Unit Owner shall be responsible for any and all damage to any Unit or to the Common Elements resulting from such Unit Owner's failure to maintain, repair, or replace his or her Unit or any portion thereof as required herein.

(C) Each Unit and all portions of the Common Elements shall be kept in first-class condition and order (and free of snow, ice and accumulation of water with respect to any terrace, patio, roof, or other part of the Property exposed to the elements) by the Unit Owner or the Condominium Board, whichever is responsible for the maintenance thereof as set forth herein, and such Unit Owner or the Condominium Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance work (including, without limitation, painting, repairs and replacements) that is necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good appearance, in conformity with the dignity and character of the Building, by (i) the Condominium Board, with respect to such parts of the Building required to be maintained by it, and (ii) each Unit Owner, with respect to the interior and exterior surfaces of terraces, patios, windows and shades, Venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to his or her Unit.

5.2. ALTERATIONS, ADDITIONS, OR IMPROVEMENTS IN AND TO UNITS

Each Unit Owner shall have the right to:

- (i) make alterations, additions, or improvements in the interior of his unit;
- (ii) make alterations, additions, or improvements in the interior of to any part of the property allocated to his unit, subject to the prior written consent of the Condominium Board;
- (iii) change the layout of his unit;

provided, however, that, with respect to any such alteration, addition, improvement or change in, to, of or upon a Unit:

(1) no physical modification shall be made to any other Unit, and the Common Interest or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(2) the Unit Owner shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom; and

(3) such alteration, addition, improvement or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property .

In the event that any unit is subdivided, the subdivided units shall jointly exercise and share the vote allocated to the original unit.

Prior to, and as a condition of, the granting of any such approval, the Condominium Board may, at its sole option, require the Unit Owner to procure and agree to maintain during the course of such work such insurance as the Condominium Board may reasonably prescribe and to execute an agreement, in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement, or repair may be made, including, without limitation, the indemnity referred to in paragraph (D)

hereof and the days and hours during which any such work may be done.

(B) All alterations, additions, and improvements by Unit Owners shall be made in compliance with laws. In connection therewith, the Condominium Board shall execute applications to any departments of the City of New York, or to any other governmental agencies having jurisdiction thereof, for any and all permits required in connection with the making of alterations, additions, improvements, or repairs in or to a Unit, provided that, with respect to all such work of a structural nature (but other than that of the nature described in paragraph (B) hereof), the same was approved by the Condominium Board pursuant to the terms of paragraph (A) hereof.

(C) Neither the Condominium Board nor any Unit Owner (other than the Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her or their Unit(s)) shall incur any liability, cost, or expense either (i) in connection with the preparation, execution, or submission of the applications referred to in paragraph (C) hereof; (ii) to any contractor, subcontractor, materialman, architect, or engineer on account of any alterations, improvements, additions, or repairs made or asserting any claim for personal injury or property damage arising therefrom. Any Unit Owner(s) making any alterations, improvements, additions, or repairs, or causing any of the same to be made, in or to his, her or their Unit(s) shall agree (in a writing executed and delivered to the Condominium Board, if the Condominium Board shall so request), and shall be deemed to agree (in the absence of such writing), to indemnify and hold the Condominium Board, the members of the Condominium Board, the officers of the Condominium, and the Managing Agent and all other Unit Owners harmless from and against any such liability, cost and expense.

5.3. ALTERATIONS, ADDITIONS, OR IMPROVEMENTS TO THE COMMON ELEMENTS

Except as otherwise provided in the Declaration or in these By-Laws, all necessary or desirable alterations, additions, or improvements in or to any of the Common Elements shall be made by the Condominium Board, and the cost and expense thereof shall constitute a Common Expense. Notwithstanding the foregoing, however, whenever the cost and expense of any such alterations, additions, or improvements would, in the judgment of the Condominium Board, exceed 10% or more of the prior year's budget in the aggregate in any calendar year, such proposed alterations, additions, or improvements shall not be made unless first approved by all of the Unit Owners at a duly constituted meeting of the Unit Owners and by the Mortgage Representatives, if any. Except as otherwise provided in the Declaration and in these By-Laws, all such alterations, additions, or improvements costing 10% or more of the prior year's budget or less in the aggregate in any calendar year may be made as aforesaid without the approval of either the Unit Owners or any Mortgage Representatives.

5.4. INSURANCE

(A) If the same shall be obtainable, the Condominium Board shall obtain, and shall maintain in full force and effect, fire insurance policies with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by Unit Owners or the tenants of Unit Owners) and covering the interest of the Condominium, the Condominium Board, all of the Unit Owners and all Permitted Mortgagees, as their interests may appear. Each of the said policies shall contain:

(i) waivers of (a) subrogation, (b) any defense based upon co-insurance or other insurance, (c) invalidity arising out of any acts of the insured, and (d) pro-rata reduction of liability;

(ii) a provision that any adjustment of loss will be made by the Condominium Board and that all proceeds thereof shall be paid to either the Condominium Board or the Insurance Trustee, as provided in Section 5.5 hereof;

(iii) a New York standard mortgagee clause in favor of each Permitted Mortgagee, which shall provide that the proceeds thereof shall be paid to such Permitted Mortgagee as its interest may appear, subject, however, to the

loss payment provisions in favor of the Condominium Board and the Insurance Trustee set forth in subparagraph (ii) above and in Section 5.5 hereof; and

(iv) a provision that such policy may not be either cancelled or substantially modified except upon at least ten days' prior written notice to all of the insureds, including all Permitted Mortgagees.

Duplicate originals or certificates of all such policies and of all renewals thereof, together with proof of payment of premiums, shall be sent to all Unit Owners and Permitted Mortgagees at least ten days prior to the expiration of the then current policies.

(B) The Condominium Board shall also obtain and maintain, to the extent practicable:

- (i) comprehensive general liability insurance, covering all claims for personal injury or property damage arising out of any occurrence on the Property and listing as coinsureds (a) the Condominium Board and each member thereof, (b) the Managing Agent or manager (if any), (c) each officer and employee of the Condominium and (d) each Unit Owner (except, however, that such insurance shall not cover any liability of a Unit Owner arising from occurrences within his or her own Unit);
- (ii) rent insurance (if applicable);
- (iii) workmen's compensation and New York State disability benefits insurance;
- (iv) boiler and machinery insurance; and
- (v) such other insurance as the Condominium Board shall from time to time determine.

Each of the aforementioned policies of insurance shall also cover cross-liability claims of one insured against another.

(C) All policies of insurance to be maintained by the Condominium Board shall contain such limits as the Condominium Board shall from time to time determine, provided, however, that:

- (i) with respect to insurance policies maintained by the Condominium Board pursuant to paragraph (A) hereof, the coverage shall be in an amount equal to not less than eighty percent of the full replacement cost of the Building, exclusive of excavation and foundations, without deduction for depreciation, as approved by a fire insurance company, a qualified insurance broker, or another qualified source;
- (ii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (i) of paragraph (B) hereof, such policies shall contain single limits of not less than \$500,000.00 in the aggregate until the first regular meeting of the first Condominium Board elected by the Unit Owners; and
- (iii) with respect to insurance policies maintained by the Condominium Board pursuant to subparagraph (ii) of paragraph (B) hereof, the coverage shall be in an amount equal to the aggregate of all of the Unit Owners' Common Charges for one year.

Any insurance policies maintained by the Condominium Board may also provide for such deductible amounts as the Condominium Board shall determine. The Condominium Board shall review the limits of each insurance policy, as well as the amount of any deductible sum thereunder, at least once each year.

(D) The cost of all insurance maintained by the Condominium Board pursuant to this Section 5.4, together with the fees and disbursements of any Insurance Trustee appointed by the Condominium Board pursuant to the terms of these By-Laws, shall be borne by the Condominium Board as a Common Expense.

(E) 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 the insurance maintained by the Condominium Board shall not be affected or diminished by reason of any such, additional insurance carried by any Unit Owner.

5.5. CASUALTY OR CONDEMNATION

(A) In the event that either (i) the Building or any part thereof is damaged or destroyed by fire or other casualty (hereinafter referred to as a "Casualty Loss") or (ii) the Common Elements or any part thereof is taken in condemnation or by eminent domain (hereinafter referred to as a "Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 5.4 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable to the Condominium Board. In either instance, all such monies actually received (hereinafter referred to as the "Trust Funds") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 5.5. Notwithstanding anything to the contrary contained either in this paragraph (A) or elsewhere in this Section 5.5, however, no Unit Owner whose Unit, or any portion thereof, is taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he or she may have to pursue a separate claim against the condemning authority by reason thereof.

(B) Subject to the terms of paragraph (D) hereof, the Condominium Board shall arrange for the prompt repair or restoration (hereinafter referred to as the "Work" of: (i) in the event of a Casualty Loss, the portion(s) of the Building (including all Units and the bathroom and kitchen fixtures installed therein on the date of recording the Declaration and all service machinery contained therein, but not including appliances or any furniture, furnishings, decorations, belongings, or other personal property supplied or installed by either Unit Owners or the tenants of Unit Owners) affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the Common Elements affected by such Taking. If, pursuant to the immediately preceding sentence, work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the work shall be performed, to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. In addition, each Unit Owner whose Unit, or any portion thereof, shall be the subject of all or part of any Work shall have the right, subject to the terms of Section 5.2 hereof, to supervise any redecorating of his or her Unit.

(C) In the event that Work shall be performed pursuant to the terms of paragraphs (B) and (D) of this Section 5.5, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the Trust Funds shall be less than sufficient to discharge the cost and expense of performing the Work, the Condominium Board shall levy a Special Assessment against all Unit Owners for the amount of such deficiency in proportion to their respective Common Interests, and all proceeds of such Special Assessment shall become part of the Trust Funds. However, if the insurance proceeds are not sufficient to discharge the cost and expense of performing any work attributable to any part of the building which is not a "Common Element", such cost and expense must be paid by the owner or owners of the Units or Limited Common Element which were damaged and no special assessment may be levied against the Unit Owners. If, conversely, the Trust Funds shall prove to be more than sufficient to discharge the cost and expense of performing the Work, such excess shall be paid to the Unit Owner of the damaged unit, except that no payment shall be made to a Unit Owner until there has first been paid, out of said excess, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. Notwithstanding the foregoing, however, in the event that the Unit Owners are assessed pursuant to the terms of the second sentence of this paragraph (C) for any projected deficiency in the amount of the Trust Funds available to the Condominium Board and, after the payment of all costs and expenses incurred in connection with the Work, any portion of the Trust Funds remains unspent, such excess Trust Funds shall, to the extent of such Special Assessment, be deemed to be, and shall constitute, an unspent Special Assessment and shall be paid to the Unit Owners so assessed in proportion to their respective Common Interests, free of any claim of any lienor (including, without limitation, any Permitted Mortgagee).

In the event that the damages is caused to both a Unit and Common Elements, the Condominium Board shall retain the services of an insurance adjuster to determine the amount of damages caused separately by the Unit and Common Element and all the underpayments and overpayments shall be subject to provisions in paragraph (C).

(D) If either 75% or more of a Building is destroyed or substantially damaged by fire or other casualty or 75 % or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 66 2/3% in aggregate common interest and in number of Unit Owners or more of the Building shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of paragraphs (B) and (C) hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interests, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to reduce unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

(E) [INTENTIONALLY OMITTED].

(F) If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of paragraph (D) hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit after such Taking bears to the total floor area of such Unit prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units:

(G) As used in this Section 5.5, the terms:

(i) "prompt repair or restoration" shall mean that the Work is to be commenced not more than sixty (60) days after the date on which the Condominium Board has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) "promptly resolve" shall mean that a resolution shall be duly made not more than sixty days after the date on which the Condominium Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharged the estimated cost and expense of the Work, as the case may be.

(iii) Any dispute that may arise under this Section 5.5 between Unit Owners or between any Unit Owner(s) and the Condominium Board shall be resolved by arbitration pursuant to the terms of Article 10 hereof.

5.6. USE OF PROPERTY

(A) No nuisance shall be allowed on the Property, nor shall any use or practice be allowed that either is a source of annoyance to its residents or interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive, or unlawful use shall be made of the Property or any

portion thereof, and all valid Laws relating to any portion of the Property shall be complied with at the full cost and expense of the respective Unit Owners or the Condominium Board, whoever shall have the obligation to maintain or repair such part of the Property .

(B) Nothing shall be done or kept in any Unit or in any of the Common Elements that would increase the rate of insurance for the Property, except upon the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in a Unit or in the Common Elements that will result in the cancellation of insurance on the Property or the contents thereof, or that would be in violation of any law. No waste shall be committed in the Common Elements.

(C) Nothing shall be done in any Unit or in, on or to the Common Elements that will impair the structural integrity of the Property or that will structurally change the Building, except as is otherwise provided in the Declaration or in these By-Laws. In no event shall interior partitions contributing to the support of any Unit or the Common Elements be altered or removed.

5.7. USE OF THE UNITS

(A) In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of Units shall be restricted to, and shall be in accordance with, the terms contained in the balance of this Section 5.7. Each Unit may be used in accordance with the use permitted by local law and zoning regulations and the Certificate of Occupancy. Any Unit may be partially used as a professional office by the owner of such unit only.

(B) A Unit owned or leased by an individual, corporation, partnership, fiduciary, or any other entity may be occupied only by said individual, or by an officer, director, stockholder, or employee of such corporation, or by a partner or employee of such partnership, or by said fiduciary (including directors, officers, stockholders, or employees of corporate fiduciaries and partners and employees of partnership fiduciaries), or by the beneficiary of said fiduciary, or by a principal or employee of such other entity, respectively, or by the Family Members and guests of any of the foregoing (and nothing herein contained shall be deemed to prohibit the exclusive occupancy of any Unit by such Family members or guests). Notwithstanding the foregoing, the Condominium Board may, in its sole discretion, permit Persons other than those set forth above to occupy a Unit. In no event, however, shall a portion of a Unit (as opposed to the entire Unit) be sold, conveyed, leased, or subleased, and no transient occupant (other than a guest permitted under this paragraph (B)) may be accommodated therein.

5.8. USE OF THE COMMON ELEMENTS

(A) Subject to the terms of paragraph (B) of this Section 5.8, the Common Elements (including, without limitation, the electrical, heating, gas, plumbing and other mechanical systems and equipment of the Building and the Facilities) may be used only for the furnishing of the services and facilities, and for the other uses, for which they are reasonably suited and capable. The lobbies, vestibules, public halls, stairways and shall be used only for normal passage through them. Accordingly, all Unit Owners shall require their tradesmen to utilize exclusively the entrance designated by the Condominium Board for transporting packages, merchandise, or other objects.

(B) Use of the Limited Common Elements. The cost of maintenance, repair and replacement of Limited Common Elements shall be borne by the Unit Owner or Unit Owners having the exclusive or shared use thereto.

5.9. RIGHTS OF ACCESS

(A) Subject to the rights of existing tenants and other occupants of Unsold Units, each Unit Owner shall

grant to the Condominium Board, to the Managing Agent or manager (if any), to the superintendent and/or to any other Person authorized by any of the foregoing a right of access to his or her Unit for the purposes of:

(i) making inspections of, or removing violations noted or issued by any governmental authority against, the Common Elements or any other part of the Property;

(ii) curing defaults hereunder or under the Declaration or violations of the Rules and Regulations committed by such Unit Owner or correcting any conditions originating in his or her Unit and threatening another Unit or all or a portion of the Common Elements;

(iii) performing maintenance, installations, alterations, repairs, or replacements to the mechanical or electrical services, or other portions of the Common Elements located within his or her Unit or elsewhere in the Building;

(iv) reading, maintaining, or replacing utility meters relating to the Common Elements, to his or her Unit, or to any other Unit; or

(v) correcting any condition that violates the provisions of any Permitted Mortgage encumbering another Unit.

Except in cases of emergency (that is, a condition requiring repairs or replacements immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals, or required to avoid the suspension of any necessary service in the Building), the foregoing rights of access shall be exercised only upon not less than one day's advance notice and only in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In cases of emergency, however, such rights of access may be exercised immediately, without advance notice and whether or not the Unit Owner is present.

(B) For purposes of paragraph (A), each Unit Owner shall grant to the Condominium Board a right of access to his or her Unit and the Condominium Board shall grant rights of access to the Common Elements, provided that access thereto shall not be exercised with respect to any Unit in such a manner as will unreasonably interfere with the use of such Unit for its permitted purposes.

5.10. MODIFICATION OF THE RULES AND REGULATIONS

The Condominium Board shall have the right to amend, modify, add to or delete any of the Rules and Regulations from time to time, provided, however, that any such amendment, modification, addition, or deletion may be overruled by the vote of 66 2/3 % in percentage of common interest of the Unit Owners. Copies of the text of any amendments, modifications, additions, or deletions to the Rules and Regulations shall be furnished to all Unit Owners not less than thirty days prior to the effective date thereof.

5.11. REAL ESTATE TAXES, WATER CHARGES AND SEWER RENTS

Water for the Building shall be supplied by the City of New York. Unless and until real estate taxes, are billed directly to Unit Owners by the City Collector, the Condominium Board shall promptly pay such taxes, charges and rents as a Common Expense. However, the Condominium Board shall have the right, exercisable in its sole discretion to require the installation of submeters to determine the consumption of water by each Unit. In the event of a proposed sale of any Unit, the Condominium Board (for so long as the Condominium Board is still paying such real estate taxes, water charges and sewer rents) shall, upon the written request of the selling Unit Owner, execute and deliver to the purchaser of such Unit or to such purchaser's title company, a letter agreeing to promptly pay all such taxes, charges and rents affecting such owner's Unit to the date of the closing of title to such Unit.

5.12. HEATING

No common heating is provided for the Building. Each Unit will be separately heated and each Unit

Owner will pay for his heating costs directly to the utility servicing the Unit.

5.13. GAS AND ELECTRICITY

Electricity shall be supplied to each Unit through a separate meter for such Unit, and each Unit Owner shall be required to pay all charges for electricity consumed or used in his or her Unit directly to the utility company servicing the Building as and when billed therefor. However, the Condominium Board shall have the right, exercisable in its sole discretion, to require that electricity be supplied to the Condominium through one or more common meters. In such an event, the cost thereof shall be borne by each Unit Owner based upon the consumption or usage of electricity in his or her Unit, as determined by submetering, survey, or any other reasonable method prescribed by the Condominium Board and permitted by Law, and shall be payable either to the Condominium Board or to the utility company servicing the Building, as directed by the Condominium Board.

Gas shall be supplied to the Units through one common meter for the building. This will be a Common Expense. The Condominium Board shall have the right, exercisable in its sole discretion, to install sub-meters to determine the usage by each unit, or any other reasonable method prescribed by the Condominium Board and permitted by Law, and the Units shall pay its share either to the Condominium Board or to the utility company servicing the Building, as directed by the Condominium Board.

5.14. UTILITIES SERVING THE COMMON ELEMENTS

The cost and expense of water, steam, electricity and gas serving or benefiting any Common Element shall be (i) considered part of the expense of maintaining such Common Elements, (ii) determined by the Board and (iii) charged to the Unit Owners as a Common Expense.

5.15. VAULT CHARGES

All license fees, and all periodic taxes and charges, for vaults or other protrusions beyond the building line shall be paid by the Condominium Board as a Common Expense.

5.16. RECORDS AND AUDITS

(A) The Condominium Board, or the Managing Agent, shall keep full, detailed and accurate records with respect to the financial affairs of the Condominium, which records and books of account shall include, without limitation, (i) a listing of all receipts of and expenditures by the Condominium Board and the Managing Agent and (ii) a separate listing for each Unit, setting forth, among other things, the amount of each assessment of Common Charges and Special Assessments levied against such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

(B) Within (4) four months after the end of each fiscal year of the Condominium, the Condominium Board shall submit to each Unit Owner, and, if so requested, to any Permitted Mortgagee, an annual report of the receipts and expenditures of the Condominium prepared by an independent accountant. The cost of preparing and distributing each such report shall be borne by the Condominium Board as a Common Expense.

ARTICLE 6 COMMON CHARGES

6.1. DETERMINATION OF COMMON EXPENSES AND FIXING OF COMMON CHARGES

(A) From time to time, but not less frequently than once a year, the Condominium Board shall: (i) prepare and adopt and budget for the Condominium, subject, in all respects, to the strictures set forth in Section 2.5 hereof;

(ii) determine the aggregate amount of Common Charges necessary to be charged to the Unit Owners in order to meet the Common Expenses; and (iii) allocate and assess such Common Charges amongst the Unit Owners prorata, in accordance with their respective Common Interests (except as otherwise provided in the Declaration or in these By-Laws). The Condominium Board shall advise all Unit Owners promptly thereafter in writing of the amount of Common Charges payable by each of them and, not later than ten days next preceding the date upon which the first installment of newly determined Common Charges is due, shall furnish copies of the budget (in a reasonably itemized form) upon which such Common Charges are based to all Unit Owners and to their respective Permitted Mortgagees. The Condominium Board may, at its sole discretion, from time to time increase or decrease the amount of Common Charges allocated to the Units and payable by the Unit Owners and may modify its prior determination of the Common Expenses for any fiscal year so as to increase or decrease the amount of Common Charges payable for such fiscal year or portion thereof; however, no such revised determination of Common Expenses shall have a retroactive effect on the amount of Common Charges payable by Unit Owners for any period prior to the date of such new determination.

(B) The failure or delay of the Condominium Board to prepare or adopt a budget or to determine the Common Expenses for any fiscal year or portion thereof shall not be deemed a waiver or modification in any respect of the covenants and provisions hereof or a release of any Unit Owner from the obligation to pay Common Charges. In such event, the Common Charges that were computed on the basis of the Common Expenses last determined for any fiscal year or portion thereof shall continue thereafter to be the Common Charges payable by the Unit Owners until a new determination of the Common Expenses shall be made.

(C) In addition to the foregoing duty to determine the amount of and assess Common Charges, the Condominium Board shall have the right, subject, in all respects, to the strictures contained in 2.5 hereof, to levy Special Assessments to meet the Common Expenses. All Special Assessments shall be levied against all Unit Owners in proportion to their respective Common Interests and may be payable either in one lump sum or in installments, as the Condominium Board shall determine, provided, however that the Condominium Board shall give each Unit Owner not less than fifteen (15) days' notice prior to the date upon which such Special Assessment, or the first installment thereof, shall be due and payable, which notice shall set forth, in reasonable detail, the nature and purpose thereof. The Condominium Board shall have all rights and remedies for the collection of Special Assessments as are provided herein for the collection of Common Charges (including, without limitation, the provisions of Section 6.4 hereof).

(D) The excess of all rents, profits and revenues derived from the rental or use of any space forming a part of, or included in, any Common Element remaining after deduction of all expenses incurred in connection with generating the same shall constitute income of the Unit Owners, and shall be collected on behalf of the Unit Owners by the Condominium Board and applied against the Common Expenses for the year in which collected. In the event that such net rents, profits and revenues, together with the Common Charges and any Special Assessments collected from the Unit Owners, for any year of operation shall exceed the Common Expenses for such year, then such excess shall be applied by the Condominium Board against the Common Expenses for the next succeeding year(s) of operation, and no Unit Owner shall be entitled to a distribution of any portion of such excess unless the Condominium Board shall determine to distribute all or part of such excess to all Unit Owners pro-rata, in proportion to their respective Common Interests. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, however, in no event shall any rent, profit, or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings, or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

6.2. PAYMENT OF COMMON CHARGES

(A) All Unit Owners shall be obligated to pay Common Charges and Special Assessments assessed by the

Condominium Board pursuant to the terms of Section 6.1 hereof at such time or times (but not less than annually) as the Condominium Board shall determine. Unless otherwise determined by the Condominium Board, Common Charges shall be payable in installments on the first day of every month in advance. To the extent permitted by Law, the Condominium Board shall have a lien on each Unit, on behalf of all Unit Owners, for unpaid Common Charges and Special Assessments assessed against such Unit. Such lien, however, shall be subordinate, to the extent required by Law, to any liens for real estate taxes assessed against such Unit.

(B) No Unit Owner shall be liable for the payment of any part of the Common Charges and any Special Assessments assessed against his or her Unit subsequent to a sale, transfer, or other conveyance by him or her of such Unit, together with its Appurtenant Interests, made in compliance with the terms of Article 7 hereof. A purchaser or other successor-in-title to the owner of a Unit shall be liable for the payment of all Common Charges and any Special Assessments accrued and unpaid against such Unit prior to his or her acquisition thereof, except that, to the extent permitted by Law, a Permitted First Mortgagee acquiring title to a mortgaged Unit or a purchaser at a mortgage foreclosure sale held with respect to a Permitted First Mortgage shall not be liable, and such mortgaged Unit shall not be subject to a lien, for the payment of any Common Charges and Special Assessments assessed subsequent to the recording of such Permitted First Mortgage and prior to the acquisition of title to such Unit by the Permitted First Mortgagee or by such purchaser. However, in the event of a foreclosure of a Permitted First Mortgage (whether by sale, deed in lieu of foreclosure, or otherwise), the defaulting Unit Owner shall remain fully liable for the payment of all unpaid Common Charges and Special Assessments that accrued prior to such foreclosure. Any unpaid Common Charges and Special Assessments that are not collected from such defaulting Unit Owner shall be deemed a Common Expense, collectible from all those who are Unit Owners at the time that the same is levied.

(C) Subject to the terms and conditions contained in these By-Laws, any Unit Owner may convey his or her Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, without being compensated therefor, and, in such event, be exempt from the payment of Common Charges and Special Assessments thereafter accruing, provided, however that: (i) all Common Charges and any Special Assessments then due and payable with respect to such Unit have been paid; (ii) such Unit is free and clear of all liens and encumbrances other than a Permitted First Mortgage and the statutory lien for unpaid Common Charges and Special Assessments; and (iii) no violation of any provision of the Condominium Documents then exists with respect to such Unit.

(D) No Unit Owner shall be exempted from liability for the payment of Common Charges or Special Assessments by waiving the use or enjoyment of any or all of the Common Elements or by abandoning his or her Unit (except with respect to a conveyance of the same to the Condominium Board, without compensation, pursuant to the terms of paragraph (C) hereof. Except as expressly provided to the contrary in paragraph (E) of Section 5.5 hereof, no Unit Owner shall be entitled to a diminution or abatement in the Common Charges or Special Assessments payable thereby for any inconvenience or discomfort arising from: (i) the failure or interruption of any utility or other services; (H) the making of repairs or improvements to the Common Elements or any Unit (including, without limitation, such Unit Owner's Unit) pursuant to the terms of Sections 5.1, 5.2 or 5.3 hereof; or (iii) any action taken by the Condominium Board to comply with Law.

6.3. STATEMENT OF COMMON CHARGES

The Condominium Board shall promptly provide a written statement of all unpaid Common Charges due from any Unit Owner upon its receipt of a written request therefor from such Unit Owner. In addition, each Unit Owner shall be permitted to examine the books of account of the Condominium at reasonable times on business days, but not more frequently than once a month.

6.4. DEFAULT IN PAYMENT OF COMMON CHARGES

(A) In the event that any party defaults in performing any act or making any payment which is that party's responsibility hereunder and said default is not cured within fifteen (15) days of written notice of said default, then the Condominium Board shall take prompt action to collect any Common Charges due to the Condominium Board that remains unpaid for more than thirty days after the due date for the payment thereof. In connection therewith, the Condominium Board shall have the right and obligation to cause liens for all sums due and owing to the Condominium Board to be filed in the Register's Office pursuant to the terms of Section 399-z of the Condominium Act, to cause such liens to be foreclosed in the manner provided in Section 399-aa of the Condominium Act and/or to institute all other proceedings deemed necessary or desirable by the Condominium Board to recover all such unpaid Common Charges, together with all additional sums of money collectable by the Condominium Board by reason of such nonpayment pursuant to the terms of paragraph (B) hereof. A suit to recover a money judgment for unpaid Common Charges, however, shall be maintainable without foreclosing or waiving the lien securing such charges.

(B) In the event that any Unit Owner shall fail to make prompt payment of Common Charges, such Unit Owner shall be obligated to pay a penalty charge equal to 10% of the outstanding charge, together with all costs and expenses paid or incurred by the Condominium Board, the Managing Agent, or the manager (if any) in connection with collecting such aforementioned lien, including, without limitation, reasonable attorneys' fees and disbursements and court costs. In addition, if the Condominium Board shall bring an action to foreclose the aforementioned lien, the defaulting Unit Owner shall be required to pay a reasonable rental for the use of his or her Unit, and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. All such interest, costs and expenses and rentals shall be added to and shall constitute Common Charges payable by such Unit Owner.

(C) In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Condominium Board shall have, on behalf of all Unit Owners, the power to purchase such Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey, or otherwise deal with such Unit (but not to vote the votes appurtenant to the same). In the event that the net proceeds received on such foreclosure (after deduction of all legal fees and disbursements, advertising costs, brokerage commissions, court costs and other costs and expenses paid or incurred in connection therewith) shall be insufficient to satisfy the defaulting Unit Owner's obligations to the Condominium, such Unit Owner shall remain liable for the deficit. Any surplus on such foreclosure sale shall be paid to the defaulting Unit Owner after first paying all liens on such Unit Owner's Unit in the order of priority of such liens.

ARTICLE 7 SELLING AND LEASING OF UNITS

7.1. GENERAL

Subject to the terms of Section 7.5 hereof, no Unit Owner may sell or lease his or her Unit except in compliance with, the applicable provisions of this Article 7. Any purported sale or lease consummated in default of the applicable terms hereof shall be voidable at the sole election of the Condominium Board, and, if the Condominium Board shall so elect, the selling or leasing Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in the event of an unauthorized sale) or to evict the purported tenant (in the event of an unauthorized leasing) in the name of the said Unit Owner as the owner or landlord, as the case may be. The said Unit Owner shall reimburse the Condominium Board for all costs and expenses paid or incurred in connection with such proceedings, including, without limitation, reasonable attorneys' fees and disbursements and court costs.

Notwithstanding any other provision, the Sponsor is exempt from the terms set forth in this Article 7 and is free to sell or lease units to any individual or entity without being subject to a right of First Refusal of the

Board of Managers of the Condominium.

7.2. RIGHT OF FIRST REFUSAL

(A) Subject to the terms of Sections 7.5 and 7.9 hereof, any contract to sell a Unit together with its Appurtenant Interests and any lease of a Unit (hereinafter collectively referred to as a "Sale or lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS, IF ANY, OF THE BOARD OF MANAGERS OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF SECTIONS 7.2 AND 7.3 OF THE BY -LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED". Promptly after any such contract of sale or lease shall be fully executed, the Unit Owner executing the same (hereinafter referred to as the "Offeree Unit Owner") shall give fifteen (15) days written notice thereof to the Condominium Board by certified or registered mail, return receipt requested, which notice shall be accompanied by a fully executed, original counterpart of the contract of sale or the lease, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant (hereinafter referred to as the "Outside Offeror").

(B) The sending of the notice referred to in paragraph (A) of this Section 7.2 shall constitute an offer by the Offeree Unit Owner to sell his or her Unit, together with its Appurtenant Interests, or to lease his or her Unit, as the case may be, to the Condominium Board or to its designee, corporate or otherwise, on behalf of all Unit Owners, upon the same terms and conditions as are contained in such Sale or Lease Agreement, subject, however, to any variance therefrom provided in Section 7.3 hereof. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand of the Condominium Board, the Offeree Unit Owner shall submit to the Condominium Board, in writing, such further information with respect to the Outside Offeror and the Sale or Lease Agreement as the Condominium Board may reasonably request.

(C) The Condominium Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail not later than fifteen business days after receipt of written notice in the event of a proposed sale and ten business days in the event of a proposed lease after receipt of the notice referred to in paragraph (A) hereof together with such further information as may have been requested pursuant to the terms of paragraph (B) hereof, to purchase such Unit together with its Appurtenant Interests or to lease such Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise) on behalf of all Unit Owners upon the same terms and conditions as were contained in the Sale or Lease Agreement and stated in the response(s) by the Offeree Unit Owner to any requests for additional information pursuant to the terms of paragraph (B) hereof.

(D) The Remaining Unit Owners may reach an agreement between themselves under which the right of first refusal shall be exercised by one (1) of the Remaining Unit Owners (the "Purchasing Unit Owner"), who will then be responsible for closing on such Unit and will be required to fulfill all the terms and conditions set forth in Section 7.3, "Acceptance of Offer". In such event, such title may be closed in the name of the Purchasing Unit Owner and the parties may agree between themselves as to the terms and conditions of the voting power, operation and maintenance of the property, and improvements, so as to take into account the voting power of each of the Unit Owners.

(E) Notwithstanding anything to the contrary contained herein, however, the Condominium Board shall not exercise any option set forth in Section 7.2 to purchase any Unit without the prior approval of the Unit Owners who are not offering their units for sale ("Remaining Unit Owners"). Accordingly, if one (1) unit owner offers his unit for sale, the Condominium Board may not exercise the option to purchase the unit unless the Remaining Unit Owners

agree to purchase the unit. In the event that one of the Remaining Unit Owners does not vote in favor of purchasing the unit, the Condominium Board will not be able to exercise its right to purchase, and the Offeree Unit Owner may proceed in accordance with Section 7.4 of the By-Laws, which provides for the event that the Board fails to accept said offer.

7.3. ACCEPTANCE OF OFFER

(A) In the event that an Optionee shall elect, within the time and in the manner provided in Section 7.2 hereof, to purchase a Unit together with its Appurtenant Interests, to lease such Unit, or to cause the same to be purchased or leased by its designee, title shall close or a lease shall be executed, in either event in accordance with the terms of the Sale or Lease Agreement, at the office of the attorneys for the Condominium within 45 days after the day upon which the Optionee shall give notice of its election to accept such offer.

(B) If such Unit and its Appurtenant Interests are to be purchased by the Condominium Board or its designee on behalf of all Unit Owners, such purchase may be made from the funds deposited in the capital and/or expense accounts of the Condominium. If the funds in such accounts are insufficient to effectuate such purchase, the Condominium Board may levy a Special Assessment against each Unit Owner (other than the Offeree Unit Owner) in accordance with the terms of paragraph (C) of Section 6.1 hereof and/or the Condominium Board may, in its discretion, finance the acquisition of such Unit provided, however, that no such financing may be secured by an encumbrance on or a hypothecation of any portion of the Property other than the Unit to be purchased together with its Appurtenant Interests. In addition, if the Outside Offeror was to assume or to take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages pursuant to the Sale or Lease Agreement, the Condominium Board may purchase the Unit and assume or take title thereto subject to such mortgage or mortgages, as the case may be. At the closing of title, the Offeree Unit Owner shall convey the Unit, together with its Appurtenant Interests, to the Condominium Board or to its designee, on behalf of all Unit Owners, by deed in the form required by Section 399-0 of the Condominium Act with all tax and/or documentary stamps affixed at the expense of the Offeree Unit Owner, who shall also pay all other transfer taxes arising out of such sale notwithstanding any terms of the Sale or Lease Agreement to the contrary. Real estate taxes (including water charges and sewer rent, if separately assessed), mortgage interest (if applicable) and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board or its designee as of the closing date, notwithstanding any terms of the Sale or Lease Agreement to the contrary. Thereafter, such Unit shall be held, so long as the same is owned by the Condominium Board or its designee, on behalf of all Unit Owners, as tenants-in-common, and all such Unit Owners shall be deemed to have waived all rights of partition with respect to such Unit and the entire Property, as herein provided.

(C) If Section 7.2, paragraphs (D), (E) (which pertain to the sale by one Unit Owner in a 3-unit condominium) are applicable, the Purchasing Unit Owner shall be responsible for all costs of purchasing the Unit offered for sale by the Offeree Unit Owner and such Offeree Unit Owner shall convey the Unit in the same manner as set forth in paragraph (B) of Section 7.3 to the Purchasing Unit Owner or his designee.

(D) In the event that such Unit is to be leased by the Condominium Board or its designee on behalf of all Unit Owners, the Offeree Unit Owner shall execute and deliver to the Condominium Board or such designee a lease covering such Unit by and between the Offeree Unit Owner, as landlord, and the Condominium Board or such designee, as tenant. Such lease shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain all of the terms and conditions of the Sale or Lease Agreement not in conflict with such form of lease, including, without limitation, the rental and term provided for therein. Notwithstanding anything to the contrary set forth hereinabove or in the Sale or Lease Agreement, however, such lease shall expressly provide that the Condominium Board or such designee may enter into a sublease of the premises demised thereunder without consent of the landlord. In the event that such Unit is to be leased by the

Condominium Board or its designee on behalf of all Unit owners, or if a remaining Unit Owner exercises the right to lease the apartment, such Unit Owner shall be responsible for any damages caused to the Unit by the occupant.

7.4. FAILURE TO ACCEPT OFFER

(A) In the event that the Condominium Board shall fail to accept an offer made pursuant to the terms of Section 7.2 hereof within the respective times set forth in paragraph (C) thereof, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale or Lease Agreement within sixty days after (i) notice of refusal is sent to the Offeree Unit Owner by the Condominium Board or (ii) the expiration of the period within which the Condominium Board or its designee might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale or Lease Agreement within such sixty-day period, then, should the Offeree Unit Owner thereafter elect to sell such Unit together with its Appurtenant Interests or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of Sections 7.2, 7.3 and 7.4 hereof.

(B) Any deed of a Unit and its Appurtenant Interests to an Outside Offeror shall expressly provide that the acceptance thereof by the grantee shall constitute an assumption of all of the terms of the Condominium Documents, and, in the absence of such express language, the same shall be conclusively deemed to have been included therein.

(C) Each lease of a Unit to an Outside Offeror shall be in the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., subject to such modifications as may be approved in writing by the Condominium Board. Notwithstanding the foregoing, however, each such lease shall be consistent with the Condominium Documents and shall expressly provide that:

(i) such lease may not be amended, modified or extended without the prior written consent of the Condominium Board in each instance;

(ii) the tenant thereunder shall not assign his or her interest in such lease or sublet the premises demised thereunder or any part thereof without the prior written consent of the Condominium Board in each instance;

(iii) the Condominium Board 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 (a) a default by the tenant in the performance of its obligations under such lease or (b) a foreclosure of the lien granted by Section 339-z of the Condominium Act.

7.5. TERMINATION OF AND EXCEPTIONS TO THE RIGHT OF FIRST REFUSAL

(A) A certificate executed and acknowledged by the Condominium Board or the Managing Agent, stating that the provisions of Section 7.2 hereof have been met by a unit Owner or that the right of first refusal provided for therein has been duly released or waived by the Condominium Board and that, as a result thereof, the rights of the Condominium Board thereunder have terminated, shall be conclusive upon the Condominium Board and all Unit Owners in favor of all persons who rely upon such certificate in good faith. After the due issuance of such a certificate, the Unit to which the same shall relate, together with its Appurtenant Interests, may be sold, conveyed, or leased free and clear of the terms and conditions contained in Section 7.2 hereof. The Condominium Board shall furnish or cause the Managing Agent to furnish, without charge, such certificate upon written request to any Unit Owner in respect to whom the provisions of Section 7.2 hereof have, in fact been terminated. In no event, however, shall the right of first refusal described in Section 7.2 hereof be deemed released or waived by the Condominium Board (as opposed to satisfied pursuant to the express terms of Sections 7.2, 7.3 and 7.4 hereof) in the absence of a certificate that has been duly executed, acknowledged and issued by the Condominium Board or the Managing Agent as aforesaid.

(B) The terms and conditions contained in Sections 7.2, 7.3 and 7.4 hereof shall not apply with respect to

any sale, lease, or conveyance of a Unit, together with its Appurtenant Interests, by:

(i) the Unit Owner thereof to any of his or her adult Family Members (which is limited to his spouse, children, grandchildren, parents, grandparents, brothers and sisters) to any combination of the same, or to a trust for the benefit of any of them or, in the case of a Unit Owner that is not an individual, to any entity or individual that owns more than fifty percent of the legal and beneficial interest of such Unit Owner or to any entity with respect to which such Unit Owner (individual or otherwise) owns more than fifty percent of the legal and beneficial interest thereof;

(ii) the Condominium Board provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to, all of the terms and conditions of this Article 7.

7.6. NO SEVERANCE OF OWNERSHIP

No Unit Owner shall execute any deed or other instrument conveying title to his or her Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any deed or other instrument purporting to affect one or more such interests shall be 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, conveyed, or otherwise disposed of, except as part of a sale, conveyance, or other disposition of the Unit to which such interests are appurtenant or as part of a sale, conveyance, or other disposition of such part of the Appurtenant Interests of all Units. Nothing contained in this Section 7.6, however, shall prohibit the lease of any Unit without the simultaneous lease of its Appurtenant Interests. However, in no event shall any party which has use of the driveway be allowed to lease his interest in the driveway to a non-occupant of the property.

7.7. PAYMENT OF COMMON CHARGES

No Unit Owner shall be permitted to convey or lease his or her Unit unless he or she shall have paid in full to the Condominium Board all unpaid Common Charges and Special Assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, other than that of Permitted Mortgages, levied against such Unit.

7.8. POWER OF ATTORNEY

At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and deliver to the representative of his or her title insurance company (or, if no such representative is present, to the Condominium Board) for recording in the Register's Office, the Unit Owner's Power of Attorney required in Article 14 of the Declaration, in the form set forth as Exhibit E to the Declaration.

7.9. GIFTS AND DEVISES. ETC.

Any Unit Owner shall be free to convey or transfer his or her Unit, together with its Appurtenant Interests, by gift, or to devise the same by will or to have the same pass by intestacy to persons or entities set forth in Section 7.5(B)(i), without restriction, provided, however, that each succeeding Unit Owner shall be bound by, and his or her Unit shall be subject to all the provisions of this Declaration and By-Laws.

ARTICLE 8 MORTGAGING OF UNITS

8.1. GENERAL

Each Unit Owner shall have the right to mortgage his or her Unit, subject only to the terms and conditions contained in Section 8.2 hereof. Any Unit Owner who mortgages his or her Unit, or the holder of such mortgage,

shall supply the Condominium Board with the name and address of his or her mortgagee and shall file a confirmed copy of the note and mortgage with the Condominium Board. Any Unit Owner who satisfies a mortgage covering his or her Unit shall so notify the Condominium Board and shall file a confirmed copy of the satisfaction of mortgage with the Condominium Board. The Secretary of the Condominium shall maintain such information in a book entitled "Mortgages of Units".

8.2. RESTRICTIONS ON MORTGAGING

(A) No Unit Owner shall be permitted to mortgage, pledge, or hypothecate his or her Unit unless and until he or she shall have paid in full to the Condominium Board all unpaid Common Charges and special assessments theretofore assessed against such Unit and shall have satisfied all unpaid liens, except the liens of Permitted Mortgages levied against such Unit.

(B) No Unit Owner shall execute any mortgage or other document mortgaging, pledging, or hypothecating title to his or her Unit without including therein its Appurtenant Interests, it being the intention to prevent any severance of such combined ownership. Any 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.

(C) Any mortgage covering a Unit shall be substantially in the form of the New York statutory form of mortgage, except for such changes or additions thereto as may be required in order to permit a particular bank, trust company, insurance company, savings and loan association, or other institutional or non-institutional lender to make the mortgage loan or take an assignment thereof.

8.3. NOTICE OF UNPAID COMMON CHARGES AND DEFAULT

Whenever requested in writing by a Permitted Mortgagee, the Condominium Board shall promptly report to such Permitted Mortgagee any default by his or her mortgagor(s) in the payment of Common Charges or Special Assessments or in the observance or performance of any of the provisions of the Condominium Documents as to which the Condominium Board has knowledge then exists. The Condominium Board shall, when giving notice to a Unit Owner of any such default, also send a copy of such notice to his or her Permitted Mortgagee, if so requested. However, the Condominium Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any default by his or her mortgagor under the Condominium Documents, provided that (i) the Condominium Board shall advise such Permitted Mortgagee of the default promptly after discovering such failure and (ii) if the Condominium Board shall foreclose a lien on such mortgagor's Unit pursuant to the terms of Section 6.4 hereof by reason of such default, the Condominium Board shall pay to such Permitted Mortgagee any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium Board pursuant to the Condominium Documents) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

8.4. PERFORMANCE BY PERMITTED MORTGAGEES

Any sum of money to be paid or any act to be performed by a Unit Owner pursuant to the terms of the Condominium Documents may be paid or performed by his or her Permitted Mortgagee, and the Condominium Board shall accept such Permitted Mortgagee's payment or performance with the same force and effect as if the same were paid or performed by such Unit Owner.

8.5. EXAMINATION OF BOOKS

Each Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at

reasonable times on business days, but not more frequently than once a month.

8.6. CONSENT OF MORTGAGEES: DESIGNATION OF MORTGAGE REPRESENTATIVES

Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Condominium Board or any Unit Owner, provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against his or her mortgagor.

ARTICLE 9 CERTAIN REMEDIES

9.1. SELF HELP

If any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his or her part to be observed or performed, including, without limitation, any breach of his or her obligation to paint, decorate, maintain, repair, or replace his or her Unit pursuant to the terms of Article 5 hereof, and shall fail to cure such violation or breach within five days after receipt of written notice of the same from the Condominium Board, the Managing Agent, or any manager (or, with respect to any violation or breach of the same not reasonably susceptible to cure within such period, to commence such cure within such five day period and, thereafter, to prosecute such cure with due diligence to completion), the Condominium Board shall have the right to enter such Unit Owner's Unit and summarily to abate, remove, or cure such violation or breach without thereby being deemed guilty or liable in any manner of trespass. In addition, in the event that the Condominium Board shall determine that the abatement, removal, or cure of any such violation or breach is immediately necessary for the preservation or safety of the Building or for the safety of the occupants of the Building or other individuals or is required to avoid the suspension of any necessary service in the Building, the Condominium Board may take such action immediately, without prior notice and without allowing the said Unit Owner any period of time within which to cure or to commence to cure such violation or breach.

9.2. ABATEMENT AND ENJOINMENT

In the event that any Unit Owner shall violate or breach any of the provisions of the Condominium Documents on his or her part to be observed or performed, the Condominium Board shall have the right to enjoin, abate, or remedy the continuance or repetition of any such violation or breach by appropriate proceedings brought either at law or in equity.

9.3. REMEDIES CUMULATIVE

The remedies specifically granted to the Condominium Board in this Article 9 or elsewhere in the Condominium Documents shall be cumulative, shall be in addition to all other remedies obtainable at law or in equity and may be exercised at one time or at different times, concurrently or in any order, in the sole discretion of the Condominium Board. Further, the exercise of any remedy shall not operate as a waiver, or preclude the exercise, of any other remedy.

9.4. COSTS AND EXPENSES

All sums of money expended, and all costs and expenses incurred, by the Condominium Board in connection with the abatement, enjoinder, removal, or cure of any violation, breach, or default committed by a Unit Owner pursuant to the terms of Section 9.1 or paragraph (A) of Section 9.2 hereof or shall be immediately payable by such Unit Owner to the Condominium Board, which amount shall be paid within ten (10) days of receiving notice. In the event it is not paid within ten (10) days of receiving notice, a penalty charge equal to 10% of

the outstanding charge shall be payable. All sums payable by a Unit Owner to the Condominium Board pursuant to the terms of this Section 9.3 shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

ARTICLE 10 ARBITRATION

10.1. PROCEDURE

Any matter or issue that may be resolved by arbitration pursuant to New York State law, or if there is a deadlock in any matter, must be submitted to arbitration. No party may commence a proceeding in any other forum other than to enforce these arbitration provision. 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. In the event there is a deadlock in voting between the units, such deadlock shall be submitted to an arbitration board. The arbitration board is hereby given the power to cast a deciding vote in order to break any deadlock; who shall render an arbitration decision in accordance with the best interests of the Condominium. The Condominium Board shall follow the directions of the Arbitrators.

10.2. 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 10.1 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".

10.3. BINDING EFFECT

The decision in any arbitration conducted pursuant to the terms of Sections 10.1 and 10.2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction. 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 4.1 hereof shall be non-binding.

10.4 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.

ARTICLE 11 NOTICES

11.1. GENERAL

All notices required or desired to be given hereunder shall be sent by registered or certified mail, return receipt requested, postage prepaid addressed:

(i) if to the Condominium Board, to the Condominium Board at its principal office as set forth in Section

1.5 hereof, with a photocopy sent to the Managing Agent (if any) at its principal office address as aforesaid;

(ii) if to a Unit Owner, to such Unit Owner at his or her address at the Property; and,

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

Any of the foregoing parties may change the address to which notices are to be sent, or may designate additional addresses for the giving of notice, by sending written notice to the other parties as aforesaid. All notices sent pursuant to the terms of this Section 11.1 shall be deemed given when deposited in a United States Postal Service depository located in the State of New York enclosed in a sealed, postage prepaid wrapper, provided, however, that notices of change of address, notices designating additional addresses and notices deposited in a United State Postal Service depository located outside of the State of New York shall be deemed to have been given when received.

11.2. WAIVER OF SERVICE OF NOTICE

Whenever any notice is required to be given by Law or pursuant to the terms of the Condominium Documents, 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 12 AMENDMENTS TO BY-LAWS

12.1. GENERAL

Any provision of these By-Laws may be amended, modified, added to, or deleted by the affirmative vote of 66 23/ % in percentage of interest of all Unit Owners either taken at a duly constituted meeting thereof or given in writing without a meeting as provided in Section 4.10 hereof. Each duly adopted amendment, modification, addition, or deletion hereof or hereto shall be effectuated in an instrument executed and recorded in the Register's Office by or on behalf of the Condominium Board as attorney-in-fact of all Unit Owners, which power-of-attorney shall be deemed irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Secretary's Certification, certifying that the requisite number and percentage of Unit Owners approved the amendment, modification, addition, or deletion set forth therein either at a duly constituted meeting of Unit Owners or in writing without a meeting pursuant to the terms of Section 4.10 hereof, in which Secretary's Certification there shall be described the number and percentage of Unit Owners approving the same and, if voted at a meeting, the date, time and place of such meeting. No such amendment, modification, addition, or deletion shall be effective unless and until such an instrument shall be duly recorded in the Register's Office.

ARTICLE 13 FURTHER ASSURANCES

13.1. GENERAL

Any Person that is subject to the terms of these By-laws, whether such Person is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member of the Condominium Board, an officer of the Condominium, or otherwise, shall, at the expense of any other Person requesting the same, execute, acknowledge and deliver to such other Person such instruments, in addition to those specifically provided for therein, and take such other action as such other Person may reasonable request in order either to effectuate the provisions of these By-Laws or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

13.2. FAILURE TO DELIVER OR ACT

If any Unit Owner or other Person that is subject to the terms of these By-Laws fails to execute, acknowledge, or deliver any instrument, or fails or refuses, within ten days after request therefor, to take any action that such Unit Owner or Person is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, then the Condominium Board or its Managing Agent, is hereby authorized, as attorney-in-fact for such Unit Owner or other Person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner or other Person, and such document or action shall be binding on such Unit Owner or other Person.

ARTICLE 14 MISCELLANEOUS

14.1. INSPECTION OF DOCUMENTS

Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

14.2. WAIVER

No provision contained in these By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, regardless of the number of violations or breaches that may occur.

14.3. CONFLICTS

In the event that any provision of these By-Laws or of the Rules and Regulations shall be construed to be inconsistent with any provision of the Declaration or of the Condominium Act, the provision contained in the Declaration or in the Condominium Act shall control. All provisions of the Declaration and By-Laws are subject to any written agreement among the owners of the Units.

14.4. SEVERABILITY

If any provision of these By-Laws is invalid or unenforceable as against any Person or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other Persons or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise provided herein, be valid and enforced to the fullest extent provided by Law.

14.5. GENDER

A reference in these By-Laws to anyone gender, masculine, feminine, or neuter, includes the other two, and the singular includes the plural, and vice-versa, unless the context otherwise requires.

14.6. CAPTIONS

The index hereof and the captions herein inserted are included only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision hereof.

14.7 RULES AND REGULATIONS

1. The sidewalks, entrances, passages, public halls, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used in any manner to impede the ingress and egress to the units.

2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner.

3. Nothing shall be hung or shaken from any doors, window, or open terraces or patios, or placed upon the window sills, of the Building, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom. Terraces or patios shall not be obstructed with any item other than those meant to be kept outdoors.

4. There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, stairways, or fire towers of the Building, except in recreational areas or other areas designated as such in the Declaration or by the Condominium Board.

5. The Condominium Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage, recreation, or service purposes in the Building.

6. Nothing shall be done or be kept in any Unit or in the Common Elements that will increase the rate of insurance of the Building, or the contents thereof, without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his or her Family Members, agents, servants, employees, licensees, or visitors shall, at any time, bring into or keep in his or her Unit any inflammable, combustible, or explosive fluid, material, chemical, or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

7. There shall be no barbecuing in the Units, or in the Common Elements, except for those areas (if any) specifically designated for barbecuing by the Condominium Board. Porches, decks and backyards, if any, are designated for barbecuing.

8. No Unit Owner shall make, cause, or permit any unusual, disturbing, or objectionable noises (except for noises made by children under the age of ten (10) years) or odors to be produced upon or to emanate from his or her Unit or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an emergency.

9. No bird, reptile, or animal shall be permitted, raised, bred, kept, or harbored in the Building unless, in each instance, the same shall have been expressly permitted in writing by the Condominium Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Condominium Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal be permitted in any public area of the Building or in any of the public portions of the building, unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, patios, terraces, or other public portions of the building, or on the sidewalk or street adjacent to the Building.

10. 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.

11. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the owner of such Unit.

12. Each Unit Owner shall keep his or her Unit in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

13. The agents of the Condominium Board or the Managing Agent and any contractor or workman authorized by the Condominium Board or the Managing Agent, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

14. The Condominium Board or the Managing Agent may retain a pass-key to each Unit. If any lock is altered or a new lock is installed, the Condominium Board or the Managing Agent shall be provided with a key thereto immediately upon such alteration or installation. If the Unit Owner is not personally present to open and permit an entry to his or her Unit at any time when an entry there is necessary or permissible under these Rules and Regulations or under the By-Laws, and has not furnished a key to the Condominium Board or the Managing Agent, then the Condominium Board or Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or 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. If any key or keys are entrusted by a Unit Owner, by any Family Member thereof, or by his or her agent, servant, employee, licensee, or visitor to an employee of the Condominium or of the Managing Agent, whether for such Unit Owner's Unit or an automobile, trunk, or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Condominium Board nor the Managing Agent shall (except as otherwise provided herein) be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

16. Unit Owners and their respective Family Members, guests, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever enter upon, or attempt to enter upon, the roof of the Building, except for the designated roof terraces assigned to specific units, if any.

17. No occupant of the Building shall send any employee of the Condominium or of the Managing Agent out of the Building on any private business.

18. Any consent or approval given under these Rules and Regulations may be amended, modified, added to, or repealed at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board or the Managing Agent, be conditional in nature.

19. Complaints regarding the service of the Condominium shall be made in writing to the Condominium Board or to the Managing Agent.

DISPOSITION FORM

THE 126 FIRST PLACE CONDOMINIUM

**126 FIRST PLACE
BROOKLYN, NEW YORK 11231**

**APPLICATION TO THE ATTORNEY GENERAL
FOR A DETERMINATION ON THE
DISPOSITION OF DOWNPAYMENTS**

[Send this application to the reviewing attorney assigned to the subject plan.]

Re: _____
 Address of Building or Name of Project

File Number: _____

Application is made to the Attorney General to consider and determine the disposition of down payments held pursuant to GBL Sections 352-e(2-b) and 352-h. The following information is submitted in support of this application:

1. Name of Applicant _____
2. Address of Applicant _____
3. Name, Address, and Telephone Number of Applicant's Attorney (if any) _____

4. This is an application for
 ☐ return of downpayment.
 ☐ forfeiture of downpayment.
 ☐ other: _____
5. The project is ☐ a conversion of occupied premises.
 ☐ newly constructed or rehabilitated.
 ☐ vacant (as is).
6. The project is structured as
 ☐ a cooperative.
 ☐ a condominium.
 ☐ a homeowners association.
 ☐ a timeshare.
 ☐ other: _____

2/6/92

7. Name and Address of Sponsor: _____

8. Name and Address of Escrow Agent: _____

9. If downpayments are maintained in an escrow account:
- (a) Name of account _____
 - (b) Name and address of bank _____
 - (c) Account number (if known) _____
 - (d) Initial interest rate (if known) _____
10. If downpayments have been secured by bonds:
- (a) Name and address of bond issuer or surety: _____

 - (b) Copy of bond included in this application. (DO NOT SEND ORIGINAL BOND). If not included, explain:

11. If downpayments have been secured by a letter of credit:
- (a) Name and address of bank which issued the letter of credit: _____

 - (b) Date of expiration of the letter of credit, if known:

12. Plan information:
- (a) Date of filing of plan: _____

(b) Plan
[] has been declared effective. Approximate date: _____
[] has not been declared effective.

(c) If effective, the plan
[] has closed or the first unit has closed. Approximate date: _____
[] has not closed.
[] don't know.

(d) Downpayments are secured by
[] escrow account.
[] bonds.
[] letter of credit.

13. Contract information:

(a) Copy of contract and of all riders or modification letters are attached. (DO NOT SEND ORIGINALS.)

(b) Date on which subscription or purchase agreement was signed: _____

(c) Date(s) of downpayment(s): _____

(d) Total amount of downpayment(s): _____

(e) Names and addresses of subscribers or purchasers affected by this application:

14. State the basis for your claim. Please be as specific as possible. You may add additional sheets. Attach copies of any relevant documents.

15. I am contemporaneously sending a copy of this application to the following persons:

Note: You are required to mail a copy of this Application to all other affected parties.

In filing this application, I understand that the Attorney General is not my private attorney, but represents the public in enforcing laws designed to protect the public from unlawful business practices. I also understand that if I have any questions concerning my legal rights or responsibilities I may contact a private attorney. The above application is true and accurate to the best of my knowledge. False statements made herein are punishable as a Class A Misdemeanor under Section 175.30 and/or Section 210.45 of the Penal Law.

Signature: _____ **Date:** _____

Name (Printed): _____

Telephone: (Home) _____ **(Business)** _____

Mailing Address: _____

2/6/92

CERTIFICATIONS

THE 126 FIRST PLACE CONDOMINIUM

**126 FIRST PLACE
BROOKLYN, NEW YORK 11231**

SPONSOR CERTIFICATION

THE 126 FIRST PLACE CONDOMINIUM

**126 FIRST PLACE
BROOKLYN, NEW YORK 11231**

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPALS

**RE: THE 126 FIRST PLACE CONDOMINIUM
126 FIRST PLACE
BROOKLYN, NEW YORK**

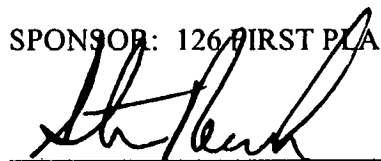
We are the sponsor and the principal of sponsor of the condominium offering plan for the captioned property. We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the offering plan does, and that documents submitted hereinafter 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, suppressions, false pretense or fictitious or pretended purchase or sale;
- (vi) Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) Not contain any representation or statement which is false, where I/we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the 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.

SPONSOR: 126 FIRST PLACE LLC

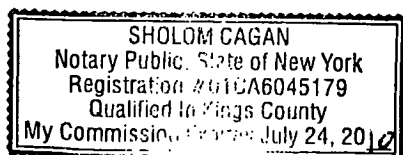


By: STEVEN REICH
Managing Member



STEVEN REICH

Sworn to before me this 21TH
Day of JANUARY 2009.


Notary Public

ARCHITECT'S CERTIFICATION

THE 126 FIRST PLACE CONDOMINIUM

**126 FIRST PLACE
BROOKLYN, NEW YORK 11231**



CREATIVE ASSOCIATES

CONSULTING ENGINEERS

223 COURT STREET BROOKLYN, NEW YORK 11201
(718) 935-0393

FEB 20, 2009

CERTIFICATION BY ARCHITECT

RE: 126 First Place
Brooklyn, New York 11231

The Sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction and/or renovation of the property (the "Report"). I visually inspected the property on Sept. 24, 2008. At that time, I examined the building plans and specifications prepared by Steven Chon PE and first approved July 30, 2007, and prepared the report, dated 10/16/08, a copy of which is intended to be incorporated into the offering plan for prospective purchasers to rely on.

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.

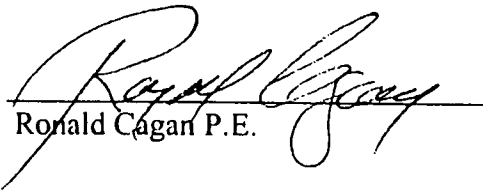
I certify that the Report:

- (i) Sets forth in narrative form the description and/or physical condition of the entire property as it will exist upon completion of renovation and/or construction,

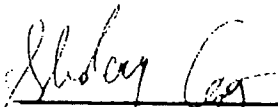
provided that renovation and/or construction is in accordance with the plans and specifications that I examined;

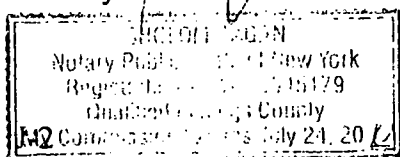
- (ii) In my professional opinion, affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon completion of renovation and/or construction, provided that renovation and/or construction is in accordance with the plans and specifications that I have examined;
- (iii) Does not omit any material fact;
- (iv) Does not contain any untrue statement of a material fact;
- (v) Does not contain any fraud, deception, concealment, or suppression;
- (vi) Does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) Does not contain any representation or statement which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

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


Ronald Cagan P.E.

Sworn to before me this 20th
day of Feb, 2009


Notary Public



BUDGET ADEQUACY CERTIFICATION

THE 126 FIRST PLACE CONDOMINIUM

**126 FIRST PLACE
BROOKLYN, NEW YORK 11231**

ADREY MANAGEMENT CORP

Licensed Real Estate Broker

POST OFFICE BOX 040 014

BROOKLYN N.Y. 11204-0001

TEL NUMBER 718 438-0088

FAX NUMBER 718 438-8767

CERTIFICATION BY EXPERT ON ADEQUACY OF PROJECTIONS

RE: 126 Flushing Avenue, Brooklyn, NY 11205

March 31, 2009

The sponsor of the condominium offering plan for the captioned property retained me to prepare Schedule(s) B, B-1, containing projections of income and expenses for the first year of condominium operation. My experience in this field includes the Management of 20 different properties, ranging from a three family building to a 100 unit multiple dwelling. I have been in this field for the last twenty two years. My Management portfolio includes Co-ops, Condos, Residential and Commercial properties.

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 Schedule(s) B and B-1.

I have reviewed the Schedule(s) and investigated the facts set forth in the Schedule(s) and the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on my/our experience in managing residential buildings.

I certify that the projections in Schedule(s) 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 the condominium operation.

I certify that the Schedule(s)

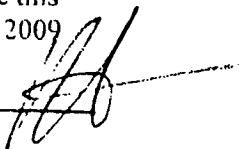
- (i) Set forth in detail the projected income and expenses for the first year of condominium operation
- (ii) Affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) Does not omit any material fact;
- (iv) Does not contain any untrue statement of a material fact;
- (v) Does not contain any fraud, deception, concealment, or suppression;
- (vi) Does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) Does not contain any representation or statement which is false, where 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.


Arie H Dreyfuss, Licensed Real Estate Broker

Affirmed before me this
31st day of March, 2009


Robert Kaszovitz
Notary Public- State of New York
No. 24-4918435
Qualified in Kings County
My Commission expires February 1, 2010

